

(S.B. 264)

(No. 81)

(Approved August 26, 2005)

AN ACT

To amend Section 12B of Act No. 74 of June 1956, as amended by Act No. 52 of August 9, 1991, known as the “Employment Security Act,” through which the Employment Opportunities Development Fund was created, in order to add a clause (5) to subsection (b) for the purpose of promoting the employment of young people between the ages of 16 and 24 and of those persons who regardless of their age seek employment opportunities for the first time; and for other purposes.

STATEMENT OF MOTIVES

Act No. 52 of August 9, 1991, better known as the “Employment Security Act,” amended Act No. 74 of June 1956, as amended, in order to create the Employment Opportunities Development Fund, to be used solely and exclusively to promote:

- (1) employment opportunities for occupations with a future thus officially identified by the Department of Labor and Human Resources;
- (2) employment with demand in the present market;
- (3) the creation of high productivity jobs and employment opportunities; and
- (4) the promotion of employment opportunities and training for the elderly.

According to the aforementioned Act, the Employment Opportunities Development Fund must be used to create employment opportunities and training programs in the public and the private sectors as provided by the Secretary through regulations.

The unemployment situation in Puerto Rico mainly affects young people between the ages of 16 and 24. Likewise, those persons who for various reasons have not entered the labor market and try to find work after not having been employed for a long time face serious difficulties in finding employment.

Studies concerning the unemployment situation in Puerto Rico indicate that once a person obtains employment and acquires experience, it is easier for that person to seek better employment opportunities in the private sector. It is very important for young persons to get their first employment opportunity. The same thing happens to those persons who have lost contact with the labor market for a prolonged length of time and decide to seek a first employment opportunity.

By virtue of the above, the Government is legitimately and validly interested in promoting legislation that will grant salary subsidies to those companies that offer employment opportunities to young people between the ages of 16 and 24 and to those who seek employment for the first time. This subsidy is granted according to the salaries paid to those persons who seek employment for the first time. Another matter contemplated is to have the Department of Labor and Human Resources amend the regulations now in effect for the use of the Employment Opportunities Development Fund so that the employment of young people between the ages of 16 and 24 and of those who seek employment for the first time be promoted and established as a top priority. This Bill was one of the may to which this Parliamentary

Majority was committed and at the same time was one of the commitments supported by the People with their vote this past November 2.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.-Section 12B of Act No. 74 of June 21, 1974, as amended, as amended by Act No. 52 of August 9, 1991, is hereby amended in order to add a subsection (b), clause (5) to said Section, which shall read as follows:

“(5) Promote the employment and training of young people between the ages of 16 and 24 and of those persons who regardless of their age seek employment for the first time.”

Section 2.-The Secretary of Labor and Human Resources is hereby authorized to amend the regulations in effect in order to include, as one of the priorities for using the Employment Opportunities Development Fund, those persons contemplated in this legislative measure.

Section 3.-Planning and Coordination of Federal Funds

In order to achieve the purposes of this Act, the Department of Labor and Human Resources may coordinate the application of funds and contributions proceeding from federal appropriations to which it may be eligible to be directed to promoting the employment of young people between the ages of 16 and 24 and those persons who regardless of their age seek employment for the first time.

Section 4.-In harmony with the public policy set forth in this Act, the Department of Labor and Human Resources shall be designated as the Commonwealth agency in charge of receiving and administering any funds or contributions granted by federal laws that are obtained by request of said agency and by virtue of the provisions of this Act.

Section 5.-The Department of Labor and Human Resources is hereby authorized to take the necessary steps to enter into and formalize, as

representative of the Commonwealth of Puerto Rico, agreements and contracts with the available federal agencies and to coordinate with the Office of Management and Budget, the funds that may be required from the Commonwealth of Puerto Rico for matching the federal funds.

Section 6.-Economic Aid

The Secretary of the Department of Labor and Human Resources may accept economic aid, including donations, be it as cash or technical services, from persons or private nonprofit entities and institutions, of the Government of the United States of America, from the Commonwealth of Puerto Rico or from any instrumentality, agency or political subdivision of said governments.

Section 7.-This Act shall take effect July 1, 2005.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 81 (S.B. 264) of the 1st Session of the 15th Legislature of Puerto Rico:

AN ACT to amend Section 12B of Act No. 74 of June 1956, as amended by Act No. 52 of August 9, 1991, known as the “Employment Security Act,” through which the Employment Opportunities Development Fund was created, in order to add a clause (5) to subsection (b) for the purpose of promoting the employment of young people between the ages of 16 and 24 and of those persons who regardless of their age seek employment opportunities for the first time; and for other purposes,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 20th of January of 2006.

Francisco J. Domenech
Director