

Annual Report

**Tennessee Department of Labor
and Workforce Development**

FY 2009-2010

When things are under stress they will either bend or break. Our department has had a stressful year, but the Department of Labor and Workforce Development is stronger than ever and our service will continue to improve.



The Tennessee Department of Labor and Workforce Development has achieved a great deal this year.

Like every business across the nation, Tennessee state government has had to tighten our belts and do more with less during this downturn in the economy. The staff of our department has worked very hard to continue to provide quality assistance for Tennesseans facing difficult times. Whether it's jobseekers visiting our Tennessee Career Centers for basic services or training; employers needing new hire screening or grant information; or Labor's IT staff working to program changes to the unemployment system affecting more than 100,000 claimants, these and the many other functions of the Tennessee Department of Labor and Workforce Development have been especially important to our state.

As you read through this annual report you will get a feel for what we've accomplished over the past fiscal year. I hope from the provided information you can easily see the integral part we play in Tennessee State Government and the many crucial services we provide to the citizens of this state.

Sincerely,

James Neeley
Commissioner
Tennessee Department of Labor and Workforce Development

Strategic Planning

Adult Education Division

Employment Security Division

Workforce Development Division

Workplace Regulations & Compliance Division

Tennessee Occupational Safety & Health

Workers' Compensation Division

Marketing

Funding

Strategic Planning

The department's strategic plan maintains the course for continuous improvement and performance excellence within Labor and Workforce Development.

Goal 1

Through FY 2015, the department will continue providing economic stability through the payment of Unemployment Insurance Benefits due to recipients of which a minimum of 94% will be timely.

Strategies for Achieving Goal 1

1. Implementation of the new Interactive Voice Response System (IVR) for the Claims Centers.
2. Anticipated initiation of the payment of benefits via debit cards and/or direct deposit.
3. Conduct training by UI Technical Services and the Benefit Timeliness Quality (BTQ) unit to ensure U.S. Department of Labor (USDOL) standards are met.
4. Establishment of quarterly quality review sessions with adjudicators, utilizing BTQ and Benefit Accuracy Measurement (BAM) results to provide feedback.

Performance Measure

1. Percent of Unemployment Insurance Benefits paid within 14 days of receipt of claim.

FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
84%	94%	94%	94%	94%	94%

Goal 2

Through FY 2015, the department will promote economic development through the education and training of Tennessee's workforce by increasing the state Entered Employment Rate and number of GED diplomas earned within the Workforce Development System.

Strategies for Achieving Goal 2

1. Maintain eligibility of incentive awards by exceeding federally mandated performance goals.
2. Expand the Incumbent Worker Training program.
3. Fully implement common performance measures in the Workforce Development System.
4. Develop a plan to address the 1.2 million Tennesseans who lack a GED.

Performance Measure

1. Department entered employment rate, combining the entered employment rate from the Wagner Peyser system and the WIA Adult entered employment rate.

FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
68.5%	69.5%	69.5%	69.5%	70.5%	70.5%

Goal 3

By FY 2015, 80% of Workers' Compensation Benefit Review Conferences will be completed within 60 days from the date Request for Assistance is received.

Strategies for Achieving Goal 3

1. Workers' Compensation specialists and their assistants will timely receive requests for assistance and requests for BRCs through telephone, email, and correspondence and will record as well as properly and accurately enter their data in the computer system to generate timely scheduling.
2. The division's Workers' Compensation specialists and their assistants will accurately and expeditiously dispense information to all stakeholders within the Workers' Compensation system through telephone, email, and correspondence.
3. Following division procedures, workers' compensation specialists will thoroughly investigate and accurately and expeditiously issue orders that are proper in their judgment and meet division policies in temporary cases.
4. Workers' Compensation specialists will conduct timely Benefit Review Conferences and make every attempt to resolve cases, though mediation, to settlement. The specialists will inform all participants of all of their rights and obligations under the workers' compensation law.

Performance Measure

1. Percent of Benefit Review Conferences completed within 60 days.

FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
85%	80%	80%	80%	80%	80%

Goal 4

By FY 2015, the department will improve workplace safety in Tennessee by maintaining Tennessee's four-year average Days Away from Work, Restricted, or Transferred from Work (DART) rate below 3.0 through education, training, and regulation.

Strategies for Achieving Goal 4

1. Target Spanish speakers through increased usage of forms and information translated into Spanish and the usage of a translation service to answer questions from inspections and accident reviews.
2. Expand the safety award program, which includes the Governor's Award for Excellence, Commissioner's Award, and the Volunteer Star (VPP) Program.
3. Improve marketing efforts to employers by using the regional Workforce Employer Outreach Committees as a forum to inform businessmen about workplace safety.

Performance Measure

1. Four-year average DART rate.

FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
3.0	3.0	3.0	3.0	3.0	3.0

Adult Education Report

During the 2009 - 2010 program year, The Tennessee Department of Labor and Workforce Development Division of Adult Education provided adult education services through 89 local providers to 44,848 Tennessee adults. GED diplomas were earned by 11,722 individuals during the program year.

The Division served 1,167 Dislocated Workers in various capacities. As a direct result of AE service, 292 GED diplomas were earned, 165 individuals entered postsecondary education and 51 entered employment.

A Transition Committee was formed to design a program that would help transition GED graduates successfully into post-secondary education. The committee is made up of educators and administrators representing local program and state adult education staff, community college and technology center administrators and instructors, TBR officials, and GED Testing Center staff. A pilot program is currently on-going between the Kingsport Adult Education program and Northeast State Community College. In January, 2011, the pilot will be expanded to include partnerships between Columbia State Community College and the Williamson County Adult Education program, TTC Memphis and the Memphis City Adult Education program and Nashville State Community College and the Nashville State Adult Education program. The program will be rolled out state-wide in the fall of 2011. Included in the coursework are academic skills upgrades which allow students to directly enter college level coursework without any remedial or developmental work and "college knowledge" skills - career inventory, financial aid, application process, study skills and other information necessary to a successful start and completion of a postsecondary degree.

Overall, Tennessee remains one of the top five performing states according to data provided by USDOE's Office of Vocational and Adult Education.

Gubernatorial Forum on Education

The Tennessee Adult Education Task Force hosted a gubernatorial candidates' forum in July prior to the annual Academy for Instructional Excellence training for adult educators. Candidates from left to right Ron Ramsey, Mike McWherter, Zach Wamp, and Bill Haslam attended the forum and answered questions on the topic of Adult Education in Tennessee.



Employment Security Report

Unemployment Insurance Benefit System Consortium

Georgia, North Carolina, South Carolina, and Tennessee have formed a consortium for the purpose of administering a study to determine the feasibility of designing, developing and implementing a core UI benefit system. Tennessee has been designated as the lead state.



The Division of Employment Security administers Tennessee's Unemployment Insurance and Job Service programs and Tennessee's Research and Statistics Labor Market Information (LMI). Unemployment Insurance (UI) provides unemployment benefits to workers who have lost their jobs through no fault of their own. Designed as a state and federal partnership 75 years ago, this program is a stabilizing force that keeps a flow of dollars moving in the local economy and helps sustain a trained workforce for employers.

Unemployment Insurance Trust Fund balance

\$130,375,752.04 on June 30, 2009

\$211,354,256.65 on June 30, 2010

UI Claims Center Operations

In the fiscal year ending June 30, 2010, the UI Claims Center system allowed claimants in 91 counties, and out-of-state claimants, to file for unemployment benefits by telephone, Internet or mail. A sixth Claims Center was added in Huntingdon in August, 2009. The other five centers are located in Nashville, Chattanooga, Crossville, Johnson City, and Knoxville. During this year, the six centers collectively received 252,200 telephone calls and by the end of the year were processing approximately 80% of the statewide unemployment insurance claims workload. These numbers decreased from the previous year when they were 307,903 and 84%, respectively. The slight decrease represents the additional time required to administer an increasingly complex Emergency Unemployment Compensation (EUC) program. Career Centers across the state were able to bolster the work effort by taking non-issue claims and helping with the maintenance of continued claims. A fourfold increase in the unemployment insurance benefit workload above non-recession periods was realized during the year.

Unemployment Insurance Integrity

Unemployment Insurance Integrity includes Benefit Payment Control (BPC) Benefit Accuracy Measurement (BAM), and Reports and Compliance. During the fiscal year ending June 30, 2010, over 22,000 claims were audited for benefit payment accuracy. The agency established approximately 53,000 overpayments for this same period and recovered \$10,670,431 in overpayment collections.

Benefit Operations/UI Technical Services

Benefit Operations is responsible for processing and paying claims for unemployment insurance benefits under the Tennessee Employment Security Law. This section administers all federal claims programs, including Unemployment Compensation for Federal Employees (UCFE), Unemployment Compensation for Ex-Servicemen (UCX), Trade Readjustment Assistance (TRA), Disaster Unemployment Assistance (DUA), Combined Wage, and Alternative Trade Adjustment Assistance (ATAA). Benefit Operations is also responsible for maintaining an archival record of all claims and claims related documents, determining alien claimant status, making strike claims determinations, assuring that all repayments of benefits are posted to the appropriate record and assuring that base period employers are charged the appropriate percentage of benefits paid to former employees.

In the fiscal year ending June 30, 2010, the Benefit Operations section processed 9,551,619 weeks of claimed unemployment compensation. Over \$900 million in benefits were paid from Tennessee's Unemployment Insurance Trust Fund with the remainder, being generally federal unemployment extensions, administered by the Employment Security division but funded by federal sources. This is an increase of approximately 60% in weeks claimed from the previous fiscal year during a time in which the agency administered seven federal unemployment insurance benefit programs in addition to regular Tennessee Unemployment Compensation (Emergency Unemployment Compensation or EUC08, EUC08 Tier 1, EUC08 Tier 2, Tier 3, Tier 4, Federal Additional Compensation and Tennessee Extended Benefits.)

The UI Technical Services provides technical support to central and local office personnel, claimants, employers, and the general public. This includes responding to correspondence and telephone inquiries; coordinating the child support intercept program; developing and delivering specialized training; preparing procedural manuals and conducting program evaluations.

Appeals Operations, Board of Review & Support Staff

Claimants and employers can appeal department decisions relating to claims. The Appeals Tribunal, the lower appeals level, conducts de novo hearings where the parties testify under oath and can offer documents and other evidence, such as the testimony of witnesses, for consideration. During the fiscal year ending June 30, 2010, there were 6,882 benefit decisions appealed by the employer and 22,820 appealed by the claimant for a total of 29,702 benefit decision appeals. The Board of Review, the higher authority, decides contested unemployment claims appealed from the Appeals Tribunal. During the fiscal year ending June 30, 2010, there were 1,399 benefit decisions appealed by the employer and 3,325 appealed by the claimant for a total of 4,724 benefit decision appeals. Employers can also appeal their premium rate and other liability issues.

Veterans' Programs

Job Service registered 36,949 veterans for the period beginning July 1, 2009, and ending June 30, 2010. The entered employment rate for veteran applicants is 48 percent. The employment retention rate is 75 percent, and the average six-month earnings were \$13,307. The performance measures and outcomes for disabled veterans mirror those for all eligible veterans with the average earnings being \$1,000 higher.

Food Stamp Employment & Training Program

This section provides selected Food Stamp recipients with assistance in job search and other services that enhance the recipient's employability, including adult education, counseling, referral to supportive services, and work experience. During the period beginning July 1, 2009, and ending June 30, 2010, 36,079 participants were enrolled in Food Stamp Employment and Training components.

Trade Act Assistance (TAA) Program

TAA provides tuition, required textbooks, tools, and supplies for approved workers adversely affected by foreign competition. This allows trade affected workers to receive training that will facilitate their return to the labor force in new occupations. A total of 1,234 participants enrolled in TAA training during the fiscal year ending June 30, 2010. \$7,412,888.00 was obligated to fund TAA training. TAA Job Search and Relocation Allowances are benefits used to assist workers who must seek employment outside their normal commuting area. For TAA Job Search Allowances \$3,838.62 was expended, and \$18,508.37 was expended for TAA Relocation Allowances.

The Work Opportunity Tax Credit (WOTC)

WOTC provides tax credits to employers who hire and train targeted workers on the job. This easy-to-use program is a national model that saves employers money while putting people to work. There were 43,155 WOTC tax certifications in the fiscal year ending June 30, 2010, with a potential value of \$205.9 million.

Alien Labor Certification

Alien Labor Certification helps employers recruit temporary alien workers when qualified U.S. workers are not available. Prevailing wages and job orders are processed through the department's central office. During the period beginning July 1, 2009, and ending June 30, 2010, 156 job orders were posted by agency staff. 464 prevailing wage rate determinations were made. The H2-A program conducted 138 on-site preoccupancy housing inspections.

Tennessee's Premium & Wage Online Reporting System (TNPAWS)

The TNPAWS Internet reporting system to file Wage and Premium Reports system gives employers the option of filing their Wage and Premium reports over the Internet. As of the end of the second quarter of 2010, more than 36,220 employers are using TNPAWS to file their wage and premium reports.

Labor Market Information

The Research and Statistics/Labor Market Information section produces comprehensive, accurate, timely, and properly documented labor market information regarding the economic and demographic characteristics of the people, businesses, and industries of Tennessee. This section responds to thousands of requests each year. The Source Web site provides labor market information, averaging 2,100,000 hits and more than 80,000 session visits per month.

Workforce Development Report

Performance Incentive Award

As a result of Tennessee's outstanding performance with the Workforce Investment Act, the Division of Workforce Development received a U.S. Department of Labor incentive grant award of \$976,065. Tennessee is ranked 4th nationally overall, and 3rd nationally for adults employed after WIA training programs.

Program Participation Doubled

The division established a goal to double program participation when the Recovery Act provided double the amount of funding. In 2008, program participation was 26,651, for 2009 it was 36,595 and for 2010 we are reporting 44,708 program participants.

National Emergency Grants

Tennessee was hit with unprecedented rain on May 1, 2010, causing disastrous floods across Middle and West Tennessee. As a state agency that provides assistance to workers who temporarily and permanently lose their employment due to circumstances beyond their control, the Tennessee Department of Labor and Workforce Development applied for National Emergency Grant funding to meet the demands for recovery.

TOTAL Grant Amount: \$4,674,400

Tennessee had the opportunity to apply for a National Emergency Grant to assist companies that are actively creating new jobs and in need of on-the-job training (OJT) assistance for those new hires. OJT contracts will flow through the Local Workforce Investment Areas targeting dislocated workers.

TOTAL Grant Amount: \$1,170,677



First Ave. N. at Jefferson Street

Incumbent Worker

This program was piloted in 2002. Since that time this program has grown to become a tremendous service to Tennessee business and industry. In 2009 - 2010, the grants provided training for 5,314 employees and served 70 businesses. The total grant funds awarded were \$1,729,416 with total cost per participant at \$325. This grant is providing assistance to Tennessee companies who have a need to train incumbent workers in company related, work-specific training. The training is intended to provide a high probability of layoff avoidance and company growth. The maximum grant amount is \$50,000 to for-profit companies with a required 50% minimum match.

Governor's Fast Track

The Department of Labor and Workforce Development has prepared 133 proposals in support of the Governors Fast Track initiative over the past fiscal year. Each proposal focuses on two incentives. The first is a value through cost avoidance that factors in the time, energy and efforts provided in services through the Career Center System. The second incentive provides On-The-Job Training (OJT) support for new hires. Currently we are operating 18 active contracts totaling \$1,330,780 while creating 4,012 new jobs.

Job Recovery in Hancock, Scott, Perry, Marshall and Lauderdale

Last year, Tennessee had five counties that exceeded a 20% unemployment rate. Governor Bredesen called on his Jobs Cabinet to develop a system of support. One of many positive outcomes was the partnership developed and implemented with the Tennessee Department of Human Services. Using Recovery Act funds from DHS, the LWIAs identified employment opportunities while DHS identified eligible participants. Over 1,045 participants were able to work in a subsidized employment model to earn a paycheck during the worst of the recession.

(Hancock = 100; Lauderdale = 200; Marshall = 175; Perry = 440; Scott = 130).

Elevate America

Elevate America was a private-public partnership between Microsoft and the State of Tennessee to provide Microsoft learning vouchers at no cost. The program was available from April 28, 2010 through July 27, 2010. 15,483 vouchers were issued for skills training and certification on a variety of Microsoft products.



Governor Bredesen announced on April 28 that Tennessee is joining forces with Microsoft in an innovative public-private partnership to provide free technology training to people across the state.

Career Readiness Certificates

The Tennessee Career Readiness Certificate continues to be a successful program for both employers and job seekers with more than 26,786 certificates issued statewide during the last fiscal year. Tennessee transitioned to the National Career Readiness Certificate in an effort to better serve employers and job seekers. This past year Workforce Development partnered with the Tennessee Technology Centers to offer the CRC as part of the curriculum at all Tennessee Technology Centers.

Rapid Response

Rapid Response is designed to assist workers who are facing loss of employment through a permanent closure or mass layoff, or a natural or other disaster that results in mass job dislocation. This past year 144 companies received services and 15,089 displaced workers received assistance in making a career transition. There were 29 trade assisted events where 4,133 workers were trade certified with the dislocated worker coordinators being involved in the TAA activities and job service registrations along with our partners.

Apprenticeship

On January 1, 2008, the Workforce Development Division kicked off the new Apprenticeship Assistance Program. Commissioner James Neeley, working with the State Workforce Board and the Local Workforce Investment Areas, approved this new program to bring valuable skill training for the building trades and other skill related jobs in high-growth industries that face critical skills shortages where demand exceeds supply. January 1, 2010 began the third year of this program. Through September 2010, 11 apprenticeship programs were awarded grants totaling \$318,168 serving 616 apprentices. For the first three years of this program, 35 grants were awarded serving 2,129 apprentices totaling \$1,431,014.

Youth Services

The year-round program served 12,799 youth July 1, 2009 through June 30, 2010. In addition, the Summer Youth Jobs program served 1,200 disadvantaged youth between the ages of 14 and 24, and utilized \$4.5 million from the remainder of the 2009 ARRA Summer Youth allocation.

Training Provider List

The Tennessee WIA Eligible Training Provider List underwent a major reconstruction in efforts to design a more informative and user friendly website for potential WIA participants and providers. Other improvements include: 1) better organization of the materials pertinent to the populations that we serve, 2) easier navigation from page-to-page within the site, and 3) the addition of more links and valuable information to better serve the general public.

In 2009-10 the WIA Eligible Training Provider List (ETPL) added 14 new training providers bringing the total number of institutions on the list to 198. In addition, the ETPL also added 537 new training programs bringing the total number of training programs on the list to 5,133. www.tennesseeanytime.org/wiaetpl/

Senior Community Service Employment Program (SCSEP)

SCSEP served a total number of 351 participants in the Community Service Training Program for program year 2009. Participants age 55 and older received valuable training and exceeded the entered employment goal.

Workplace Regulations Report

Boilers & Elevators, Amusement Devices, Mines, Labor Standards, Labor Research & Statistics

Boilers and Elevators

The responsibility of the Boiler Inspection Section is to prevent potential hazards involved in the operation of over 65,000 boilers and pressure vessels in Tennessee through biannual and biennial inspections. In 2009-2010 inspectors conducted 37,000 inspections, and issued 32,468 inspection certificates. Invoiced revenue for Boiler Division services is more than \$2.1 million.

The responsibility of the Elevator Inspection Section is to prevent potential hazards involved in the operation of nearly 13,265 elevators, aerial tramways, chairlifts, escalators, dumbwaiters and moving walks in the State of Tennessee through inspection. Annually, more than 22,000 elevator inspection reports are processed. Each year, more than 416 new elevators are installed and must be inspected by this section before they can be placed in operation. Invoiced revenue for Elevator Division services is more than \$1.8 million.

Amusement Devices

The responsibility of the Amusement Device Section is to mitigate potential hazards associated with the operation of fixed and portable amusement devices by the over 41 Amusement Device Companies doing business in the state. Owners are required to obtain a permit and provide proof of insurance with inspection certificates for all devices before operating in Tennessee. These devices are then inspected for safety by the State of Tennessee amusement inspectors. Statutory regulation and oversight of amusement devices by the Amusement Device Section became effective as of January 1, 2009. In FY 2009-2010, approximately \$45,000 in invoiced revenue for the Amusement Device Section has been collected.

Mines

The responsibility of the Mine Safety Section is to provide mine health and safety training for all underground and surface miners. Mine safety training is required by the state and federal government for all miners working in coal mines, crushed stone quarries, sand and gravel pits, and any other mining operations in the state. Furthermore, this section is also responsible for maintaining two mine rescue teams in a state of readiness for response to mine emergencies in underground mines in Tennessee. These instructors trained 2,036 miners, taught 220 classes, and issued 39 mine licenses.

Labor Standards

Labor Standards regulates four labor and wage laws and administers the laws for licensing employee assistance professionals in the state of Tennessee. Inspectors perform routine inspections to encourage compliance with those laws and to recover unpaid wages. In fiscal year 2009-2010, the Labor Standards Division processed approximately 40,000 complaint calls and conducted 128 seminars.

Labor Research & Statistics

The Labor Research and Statistics Section conducts the U.S. Bureau of Labor Statistics Survey of Occupational Injuries and Illnesses and the OSHA Log Data Collection Initiative Survey to obtain data on non-fatal workplace incidents. Statistics on fatal occupational injuries are obtained through the Census of Fatal Occupational Injuries.

2009 Tennessee Census of Fatal Occupational Injuries

Fatal Work-Related Injuries by Event or Exposure in Tennessee	2007	2008	2009
Transportation Incidents	72	51	42
Contact with Objects and Equipment	33	27	24
Assaults and Violent Acts	18	22	18
Falls	25	24	12
Exposure to Harmful Substances or Environments	4	6	6
Fires and Explosions	-	4	3
Yearly Totals	154	134	105

The Child Labor Act

The Child Labor Act establishes the number of hours a minor between the ages of 14 and 18 may be employed and prohibits employment in certain occupations that may be hazardous to the health and safety of the minor. Labor standards inspectors conducted 860 child labor inspections, issued penalties for 87 companies, and collected \$21,500 in fines for child labor violations.

Prevailing Wage Act

The Prevailing Wage Act protects wage earners from unfair practices regarding pay on state-funded building and highway construction. The act requires the department to conduct two surveys to determine the wage rates from various job classifications for state-funded construction projects. In 2009-2010, Labor Standards inspectors conducted 504 wage inspections with \$178,694 recovered for complainants.

Wage Regulations Act

The Wage Regulations Act protects workers in private employment of five or more employees. It requires employees to be informed of what they will be paid prior to performing the work, and requires employees to be paid all compensation due on their final payday. This act also protects employees from sex discrimination in relation to wages. The Labor Standards division received 530 wage complaints. Of the wage complaints investigated, there was \$219,465 recovered for complainants.

Illegal Alien Employment Act

Public Chapter 529, known as the Illegal Alien Employment Act, was signed into law by Governor Phil Bredesen on June 12, 2007 and became effective on January 1, 2008. Under this new law an employer who knowingly hires an illegal immigrant could lose any local or state issued license related to their business for up to one year. Since this law became effective, this section has investigated roughly 25 cases; one of which resulted in an indictment working in conjunction with the U.S. Immigration and Customs Enforcement.

Tennessee Occupational Safety and Health Administration (TOSHA) Report

TOSHA's mission is to assure the safety and health of Tennessee's workers by setting and enforcing standards; providing training, outreach, and education; establishing partnerships; and encouraging continual improvement in workplace safety and health.

32th Annual Tennessee Safety and Health Congress and Exposition

The 33rd Annual Tennessee Safety & Health Congress featured safety and health experts leading more than 60 seminars and is designed for safety and health managers, supervisors, plant managers, safety committee members, industrial hygienists, human resource managers, risk managers, health care providers and employees.



Consultative Services

The Consultative Services Section offers a free consulting program to smaller employers who seek safe and healthful working conditions for their employees. Services offered by this section include technical advice and assistance, hazard abatement recommendations, and employee training. In 2009-2010, this section performed 502 consultative visits and identified 3,405 workplace hazards.

Compliance Section

The Compliance Section is responsible for enforcement of the Tennessee Occupational Safety and Health Act of 1972 (Title 5, Chapter 3) with emphasis on employee exposures to chemical and physical hazards. On-site monitoring and inspections are conducted to identify safety and health hazards and assure hazards are controlled or eliminated. In fiscal year 2009-2010, the Compliance Section performed 2,045 workplace inspections and identified 8,298 safety and health hazards.

Training & Education Section

Through a variety of programs, TOSHA Training and Education section assists employers, employees, and their representatives in reducing safety and health hazards in their workplaces, and in complying with the requirements of TOSHA standards and regulations. A series of seminars are held statewide in the spring and fall covering a variety of safety and health issues. In 2007-2008, TOSHA conducted 290 seminars and logged 8,057 attendees at their training sessions.

<i>TOSHA</i>	2009-2010
Safety Enforcement 2009-2010	
Inspections conducted	954
Violations cited	3,368
Proposed penalties	\$1,589,974
Health Enforcement	
Inspections conducted	509
Violations cited	3,094
Proposed penalties	\$988,910
Public Sector Operations	
Inspections conducted	582
Violations cited	1,836
Consultative Services	
Consultative visits	502
Hazards identified during visits	3,405
Training & Education	
Seminars & formal programs conducted	290
Number of attendance at activities	8,057
Laboratory	
Samples analyzed	781
Determinations	2,965

Workers' Compensation Report

Benefit Review (BR)

The BR Program continues to provide a dynamic response to the challenges and changes affecting the delivery of Workers' Compensation benefits. There was a small reduction in the number of requests for benefit review conferences and requests for assistance in FY 2009-10 compared to the prior year; however, this was anticipated as the effects of the 2004 Reform Act have begun to mature and the effects of the reduction in the number of Tennesseans employed due to the economic downturn begun to show. Requests for settlement approvals were also less while the number of requests for discovery continued to grow this year. Overall, FY 2009-10 recorded 4,588 requests for assistance, 7,094 requests for benefit review conferences and approximately 6,500 requests for settlement approval. A study conducted by the National Council on Compensation Insurance (NCCI) indicated that the 2004 Reform Act had produced approximately \$562 million in savings in Workers' Compensation premiums since its enactment.

Administrative Review (AR)

A party aggrieved by a benefit review order issued on or after May 26, 2006, may file a request for an administrative review. Such requests initiate an informal conference or telephone conference call, which must be held within 10 calendar days, wherein the parties present the dispute to the administrator or their designee of the division. The division must produce an order disposing of the request for an administrative review within seven calendar days of the informal conference. During FY 2009-10, administrative review received 769 requests. This slight reduction in the numbers mirrored the reduction in the Benefit Review program. Results showed approximately 74% of the orders being affirmed with approximately 26% of the orders not being affirmed.

Medical Fee Schedule (MFS)

Five years after the implementation of the Medicare-based workers' compensation MFS, the department continues to educate payers, providers, attorneys and others in the industry through educational presentations, by electronic means, and with on-site presentations. Reviews, conducted annually by the department since the schedule's inception, have kept the MFS both competitive and fiscally responsible. Quality medical care for the injured employee remains the priority for the department. A link to the current Medical Fee Schedule can be found on the Workers' Compensation Division's Web site.

Drug-Free Workplace Program (DFWP)

The DFWP continues to grow at an impressive rate. The program ended FY 2009-10 with 10,053 employers participating. This marked the first fiscal year that ended with over 10,000 employers participating and was a growth of 966 employers for the year. The covered employers choosing to participate in this voluntary program are entitled to the following benefits:

- A 5% premium credit on their workers' compensation insurance policy.
- The discharge or discipline of an employee, or refusal to hire a job applicant, for a violation of the Drug-Free Workplace Program is considered to be for cause.
- If an employee suffers a workplace injury and receives a positive confirmed post-accident drug test for illegal use of drugs or alcohol, or refuses to submit to a post-accident drug or alcohol test, the burden of proof is shifted to the employee.

Uninsured Employers' Fund (UEF)

The goal of the staff of the UEF is to ensure every Tennessee employer that is required to have Workers' Compensation coverage is in compliance with the law. Two equally important objectives are reached when they are successful. First, a worker suffering an on-the-job injury or illness can receive the benefits they are entitled to under the law. Secondly, fairness in competition is achieved. Statewide investigations resulted in collected penalties against violating employers totaling \$1,039,389.20 in FY 2009-10 with 2,118 employers being investigated.

Marketing Report

Within the marketing division, 10 Employer Services Specialists (ESSs) are responsible for marketing the department's services to employers and establishing quarterly Workforce Employer Outreach Committees (WEOCs) across the state. The purpose of the WEOC is to provide a broader reach to Tennessee's employer community and provide to them a direct link with the Department of Labor and Workforce Development. Each WEOC enables two-way communications that fosters economic development, promotes departmental services, and facilitates distribution of polices and information to employers across the state.

Over the past year we have seen a significant rise in employer participation in departmental programs:

- Drug Free Workplace employer participation increased 47% over the previous year
- Work Opportunity Tax Credit certifications increased approximately 40%
- Dislocated workers increased GED enrollment by 55%
- Child Labor citations decreased approximately 35%

Over the past year marketing has continued to provide employers with additional information by partnering with other agencies such as the Governor's Office, Tennessee Department of Economic & Community Development, Tennessee Department of Environment and Conservation, Tennessee Bureau of Investigation, U.S. Department of Home Land Security, FEMA and the Small Business Administration.



Business leaders from all 95 counties in Tennessee attend Workforce Employer Outreach Committee meetings.

<i>2009-2010 FUNDING</i>	2009-2010	% of budget
Employment Security	\$100,160,300	(35.3%)
Workforce Development	\$116,941,500	(41.2%)
Adult Education	\$15,434,800	(5.4%)
Second Injury Fund	\$13,693,000	(4.8%)
Workers Compensation	\$13,212,600	(4.7%)
Administration	\$9,138,300	(3.2%)
Occupational Safety & Health Administration	\$8,989,600	(3.2%)
Boilers & Elevators	\$4,357,800	(1.5%)
Labor Standards	\$1,407,600	(.5%)
Mines	\$607,200	(.2%)

Federal	\$208,119,800
State	\$ 47,288,800
Other	\$ 28,534,100
Total	\$283,942,700

TN DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT HEADQUARTERS

220 French Landing Boulevard
Nashville, TN 37243

www.tn.gov/labor-wfd

OFFICE OF THE COMMISSIONER (615) 741-6642

ADULT EDUCATION (615) 741-7054

EMPLOYMENT SECURITY (615) 253-4809

WORKFORCE DEVELOPMENT (615) 741-1031

WORKPLACE REGULATIONS AND COMPLIANCE (615) 741-1627

TOSHA (615) 741-2793

WORKERS' COMPENSATION (615) 741-2395

TENNESSEE CAREER CENTERS (800) 576-3467

MARKETING (615) 741-7374



The Tennessee Department of Labor and Workforce Development; September 2010; Online only.



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