

Annual Report

**Tennessee Department of Labor
and Workforce Development**

FY 2010-2011





"Our vision for the department and state is straightforward. We want to align ourselves with the governor's vision of making Tennessee the number one state in the southeast for high quality jobs. And, one way in which we help to do that is by expanding career center services to areas that need them but do not currently have them. Ultimately, we are striving to create a better environment for the citizens in Tennessee. So, the question we ask ourselves every day and that drives our daily decision-making processes and actions is 'how can we make our services easier to deliver to our customers?'"

Sincerely,

Commissioner Karla Davis

Tennessee Department of Labor and Workforce Development



Administration

Page 4

Adult Education

Page 5

Employment Security

Page 6

Marketing

Page 10

Tennessee Occupational Safety & Health

Page 11

Strategic Planning

Page 14

Workers' Compensation

Page 16

Workforce Development

Page 17

Workplace Regulations & Compliance

Page 21

Funding

Page 23

Administration

Administration

The Administration division provides the overall administration to the department and its programs. The commissioner's office formulates policies, procedures, and long-range plans to carry out the mission of the department. The division also provides Legal, Fiscal, Human Resources, Information Technology, Communications, and Equal Employment support services to the Department.

Legal

The office of General Counsel directs and manages legal staff across all department divisions and is responsible for all internal and external legal matters and actions.

Fiscal and Administrative Services

This section is responsible for accounting, budgeting, procurement, accounts payable, facilities management, subgrantee contracting, WIA, TOSHA, Mines, BLS, Adult Education, and Employment Security federal financial management and reporting, and audit resolutions. The section is also responsible for conducting Performance Accountability Reviews.

Human Resources

This section is designated as the office of records for all department employees and is responsible for all human resource transactions, employee benefits, training, and payroll.

Information Technology

This section is responsible for maintaining mainframe, LAN and personal computer based applications, developing new programs, and maintaining inventory of all data processing equipment.

Communications Office

This office is the primary contact for media and serves as the liaison with the Governor's Office for press related issues. It also serves as a conduit for all departmental internal and external communications. The office also manages the department's Web page.

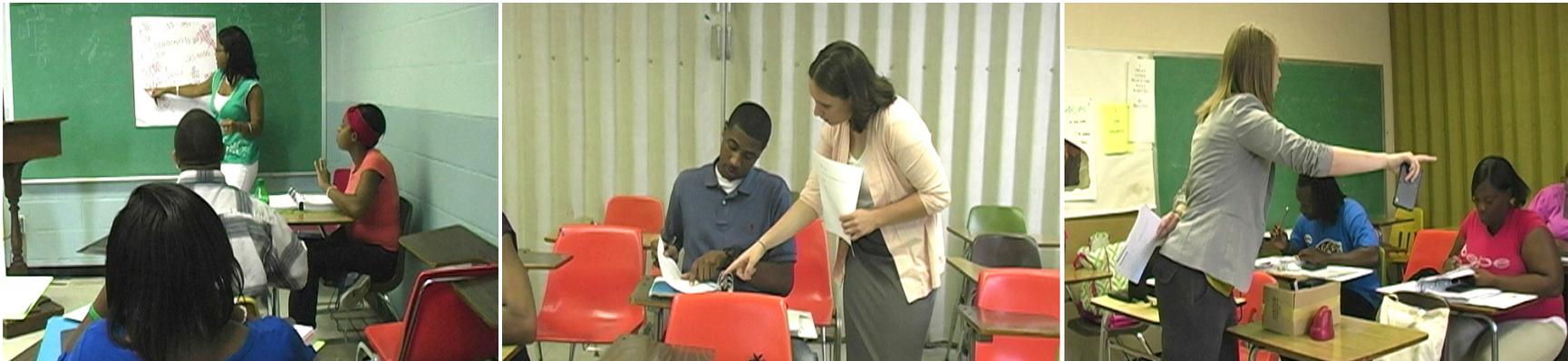
Equal Employment Opportunity / Affirmative Action

This office enforces statutes and regulations that prohibit discrimination within the department and its financially assisted programs and activities. The office also prevents employees and vendors from being subject to discrimination and or harassment.

Adult Education Report

During the 2010-11 program year, The Tennessee Department of Labor and Workforce Development Division of Adult Education provided adult education services through 88 local providers to 47,423 Tennessee adults. General Educational Development (GED) diplomas were earned by 11,805 individuals during the program year. In addition, 5,230 Individuals entered employment, 9,224 retained employment, 1,107 dislocated workers were served, and GED testing fees were paid for 2,700 dislocated, trade-eligible and under-employed workers.

The Division of Adult Education partnered with Powerlines Community Network, led by Agape Child and Family Services, in a pilot program to expand services in Shelby County to meet the needs of those hardest to serve. The pilot program used Teach for America instructors to provide an eight-week GED preparation class, and the parameters to participate were extremely rigorous. The program achieved a 98% retention rate, which is 23% higher than the state's average and 31% above the national average.



In addition to receiving academic information, students received information on Career Center services and postsecondary training opportunities available to them. Due to the high retention and attendance rates of the pilot, similar classes will be offered utilizing other providers in Memphis, Nashville, and Knoxville in 2011.

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

Employment Security Report

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 76 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

\$335,682,078.36 on June 30, 2011

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

UI Claims Center Operations

In the fiscal year ending June 30, 2011, 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. The Claims Center system consists of six centers located in Nashville, Chattanooga, Crossville, Johnson City, Knoxville and Huntingdon. In addition to the six centers, beginning in late November 2010 an outsourced, private sector, overflow call center was implemented to address issues involving claims previously filed. During the reporting year, the Claim Center system and overflow call center received 591,715 telephone calls and by the end of the year were processing approximately 84% of the statewide unemployment insurance workload. These numbers increased from the previous year when they were 252,200 and 80% respectively. 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. The number of benefit weeks claimed during the year was elevated between two to three times the volume normally realized in a non-recession 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, 2011, more than 825 claims were audited for benefit payment accuracy. The agency established 59,265 overpayments for this same period and recovered \$11,059,123 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, 2011, the Benefit Operations section processed 7,042,780 weeks of claimed unemployment compensation. More than \$662 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. 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 provide 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 and Commissioner's Designee 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, 2011, there were 2,191 decisions issued on appeals filed by the employer, 5,728 decisions issued on appeals filed by the claimant, and five decisions issued on appeals filed by the department for a total of 7,924 decisions issued. Employers can also appeal their premium rate and other liability issues.

Field Operations and Tennessee Career Centers

The Field Operation staff coordinates the delivery of agency service to the public through a network of 62 Tennessee Career Centers across the state. Tennessee Career Centers offer computerized labor market information, Internet access, workshops, and an online talent bank to assist both the job seeker with job referral and placement and employers with recruitment.

Job Service

Job Service is the largest employment agency in the state. In addition to job referrals, Job Service offers employers and job seekers a broad range of services. Job Service has the most extensive computer-based job applicant pool in the country. During the period beginning April 1, 2010, and ending March 31, 2011, Job Service assisted 465,516 applicants, completed 247,796 applicant renewals, referred 198,560 job seekers to employment opportunities, and placed 22,024 job seekers.

RESA (Re-Employment Service Assessment)

The RESA program was implemented in August 2009 and was designed to shorten the number of weeks a claimant receives unemployment benefits as a result of Job Service Interviews giving special attention and one-on-one time to claimants selected for participation in the program. During the reporting period, the RESA program produced the following results: 14,261 orientations completed; 4,944 claimants returned to work; 1,237 referred to training/educational services; 122 enrolled in training/educational services; 29,056 assessments completed; 1,948 resume workshops completed; 1,073 job search workshops completed; and 1,019 interviewing workshops completed.

Veterans' Programs

The department provided service to 34,475 veterans, other eligible persons, and transitioning service members through June 30, 2011. The entered employment rate for veteran applicants was 53 percent. The employment retention rate was 79 percent, and the average six-month earning was \$14,780. All showed an improvement over the prior year. The department met or exceeded U.S. Department of Labor targets in all 13 target areas for the year. The major training goal for the veterans' program involved putting into effect the recently adopted Roles and Responsibilities for the Local Veterans Employment Representatives and Disabled Veterans Outreach Specialists.

Food Stamps Employment & Training Program

This section provides selected Food Stamp recipients with assistance in job search and other services that enhance recipients' employability, including adult education, counseling, referral to supportive services, and work experience. During FY 2011, 33,284 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 1,165 participants enrolled in TAA training during the fiscal year ending June 30, 2011. \$7,210,056 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 \$4,343 was expended, and \$34,926 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 48,628 WOTC tax certifications in the fiscal year ending June 30, 2011, with a potential value of \$205 million.

Alien Labor Certification

Alien Labor Certification helps employers recruit temporary alien workers when qualified U.S. workers are not available. Job orders are processed through the department's central office. During the period beginning July 1, 2010, and ending June 30, 2011, the following job orders were posted by agency staff: 411 PERM (permanent labor certification), 13 H-2B (temporary non-agricultural jobs), and 204 H2-A (temporary agricultural jobs). The H2-A program conducted 138 on-site preoccupancy housing inspections.

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

The TNPAWS Internet reporting system gives employers the option of filing their Wage and Premium reports over the Internet. Some 37,371 employers used TNPAWS to file their first quarter 2011 Wage and Premium Reports online.

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 website provides labor market information, averaging 3,019,000 hits per month and more than 71,000 visits per month.

Tennessee Career Coach

Mobile Resource Brings Job Matching and Training to Rural Communities

Governor Haslam and the Tennessee Department of Labor and Workforce Development unveiled three vehicles in April designed to improve outcomes for those looking for work. Three “Career Coaches” were customized with 10 computer workstations with Internet access, printers, fax machines, and flat screen TV’s with SMART Board overlays to facilitate classroom instruction. The intent of these roving offices is to bring job matching and training to rural communities that have limited access to a Tennessee Career Center.

The vehicles are based in Huntingdon, Nashville and Knoxville in order to cover all areas of the state. Each mobile unit is staffed with three Tennessee Department of Labor and Workforce Development employees who are trained in career counseling and unemployment benefits. They conduct frequent workshops in résumé preparation, job search skills, and interviewing skills. The department’s division of Adult Education will also utilize the vehicles for enrollment pre and post-testing, orientation, administering the Official GED Practice Test, and offering GED Fast Track classes. Since April 2011, the Coach has delivered services to 8,389 individuals across the state.

“The strength of the Career Coaches is their mobility,” said Labor and Workforce Development Commissioner Karla Davis. “New employers can prescreen individuals and conduct interviews before their facilities are even available. Conversely, if there is a mass layoff in a rural area, we can bring in our staff and equipment to assist workers still on the worksite. The Career Coaches operate much like that of our Tennessee Career Centers...but with wheels.”

Funding for the vehicles was made available from a \$4.6 million grant through the American Recovery and Reinvestment Act for Re-Employment Services that Tennessee received in 2009. Each mobile unit was built at a cost of \$188,000.



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 policies 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.



The Tennessee Department of Economic & Community Development discusses the Jobs4TN initiative at the Franklin County WEOC meeting.

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.

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 FY 2010-2011, this section performed 423 consultative visits and identified 3,271 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 FY 2010-2011, the Compliance Section performed 1,895 workplace inspections and identified 7,494 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 FY 2010-2011, TOSHA conducted 330 seminars and logged 8,338 attendees at their training sessions.



34th Annual Tennessee Safety and Health Congress and Exposition

More than 1,300 people attended the 34th Annual Tennessee Safety & Health Congress. Safety and Health experts led more than 60 seminars on topics ranging from Quit Feeding the Monsters: New Techniques to Create a Positive Safety Culture to Bullying, Workplace Stress, Safety and Me. The exhibit hall was filled with all types of displays, one of the highlights being the Pike Electric Company's Arc Flash Demonstration, where you could catch everything from a hot dog to a Christmas tree being electrocuted.



TOSHA	2010-2011
Safety Enforcement 2010-2011	
Inspections conducted	890
Violations cited	3,048
Proposed penalties	\$2,519,820
Health Enforcement	
Inspections conducted	430
Violations cited	2,736
Proposed penalties	\$1,250,820
Public Sector Operations	
Inspections conducted	575
Violations cited	1,710
Consultative Services	
Consultative visits	423
Hazards identified during visits	3,271
Training & Education	
Seminars & formal programs conducted	330
Number of attendance at activities	8,338
Laboratory	
Samples analyzed	765
Determinations	3,728

TOSHA Assists in Tornado Cleanup

Just as they responded quickly to cleanup and recovery activities following the 9/11 and Hurricane Katrina crises, TOSHA staff in Chattanooga and Kingsport sprang into outreach action after tornadoes ripped through those areas April 25 – April 28.

“Our staff took information on how to accomplish tornado cleanup safely, addressing debris cleanup, chain saw, and carbon monoxide hazards – a lot of generators were in use – and the necessity of using personal protective equipment,” said Steve Hawkins, assistant administrator for TOSHA. “We suspended compliance operations for two days and distributed safety glasses, dust masks (particulate respirators), and gloves, depending on need.”

Over the two-day period, the teams drove through affected areas, stopping to provide information on performing tasks safely. The teams also responded to parts of Bradley County that sustained damage, again giving information and protective equipment to homeowners, volunteers, and various work crews.



Strategic Planning

Goal 1

Through FY 2016, the department will continue providing economic stability through the payment of Unemployment Insurance Benefits due to recipients of which a minimum of 87% will be timely.

Strategies for Achieving Goal 1

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

Performance Measure

Percent of Unemployment Insurance Benefits paid within 14 days after the week ending date of the first compensable week in the benefit year.

FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
79.5%	87%	87%	87%	87%	87%

Goal 2

Through FY 2016, 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.
5. Train departmental personnel and workforce partners in the use of labor market information and online tools to assist job seekers in finding employment and training opportunities and to assist employers in searching for candidates.

FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
68.5%	69.5%	69.5%	70.5%	70.5%	70.5%

Performance Measure

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

Goal 3

By FY 2016, 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 receive Requests for Assistance (RFAs) and Requests for Benefit Review Conferences (BRCs) through telephone, email, fax, and mail and will properly and accurately enter their data in the computer system to generate scheduling in a timely manner.
2. The division's Workers' Compensation specialists and their administrative staff will accurately and expeditiously dispense information to all stakeholders within the Workers' Compensation system through telephone, email, fax, and mail.
3. Following division procedures, Workers' Compensation specialists will conduct timely Benefit Review Conferences and make every attempt to resolve cases through mediation to settlement. The specialists will inform all participants of their rights, responsibilities, and obligations under the Tennessee Workers' Compensation Act and under the division's rules, policies, and procedures.

FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
89%	80%	80%	80%	80%	80%

Performance Measure

Percent of Benefit Review Conferences completed within 60 days.

Goal 4

The department will improve workplace safety in Tennessee by keeping 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 businesses about workplace safety.

FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
2.0	3.0	3.0	3.0	3.0	3.0

*Note: DART rate includes work related injuries involving days away from work, restricted work activity, and transfers to another job for 100 full-time equivalent employees. 2009 data is the most recent available. Lag time required for calculation of the DART rate is six to eight months following the close of the calendar year.

Workers' Compensation Report

Benefit Review (BR)

The BR Program continues to assist in the resolution of the majority of workers' compensation claims through alternative dispute techniques. More than 68% of the approximate 3,000 Benefit Review Conferences conducted settled in FY 10/11. Approximately 90% of them were resolved within 60 calendar days of their filing. This speaks positively on the division's ability to reach its most important goals-reducing the adversarial nature of claims and reducing the costs of resolving them. In 2010, the division was granted the authority to resolve disputes regarding future medical treatment awarded pursuant to a settlement or court order. These involve a different process from resolving issues concerning temporary disability or initial medical treatment because of the need to preserve a record to support a final administrative Order if the parties do not reach an agreed resolution. Additionally, the division is authorized to award attorney fees. Approximately 650 such disputes were presented to the division in FY 10/11. More than 50% of those claims were closed upon Agreement. Only 100 required a final Order.

Utilization Review (UR)

UR in workers' compensation claims serves two purposes-cost containment and ensuring that medical treatment is both appropriate and medically necessary. In order to reduce or eliminate potential delays in treatment created by UR, the division implemented new rules to accelerate the process. Under rules that became effective in November 2009, an adjuster has three business days after being notified of treatment recommended by the authorized treating physician to send the recommendation to its UR agent for review. The UR agent has seven business days to either approve or deny the recommended treatment and to notify all parties. If a recommended treatment is denied, the injured worker or authorized treating physician can appeal to the division for another review. On average, the division is currently receiving more than 100 appeals each month.

Drug-Free Workplace Program (DFWP)

The DFWP had another very successful year. The program ended FY 2010-11 with 10,923 employers participating. The program grew by 863 employers for the year, or 8.6%. The employers covered by the Tennessee Workers' Compensation Act that choose to participate in this voluntary program are entitled to benefits such as a 5% premium credit on their workers' compensation insurance policy. Additionally, legislation passed in 2011 increased the standard of proof to overcome the presumption that drugs or alcohol were the proximate cause of an accident from a preponderance of evidence to clear and convincing evidence.

Uninsured Employers' Fund (UEF)

The purpose of the Uninsured Employers Fund (UEF) is to ensure that Tennessee employers comply with insurance coverage provisions of the Workers' Compensation Law. The UEF provides an administrative process to investigate and penalize employers who fail to carry workers' compensation insurance or to qualify as self-insured employers, as required by the Workers' Compensation Law. When it is required by the Workers' Compensation Law, employers in the State of Tennessee are required to provide workers' compensation insurance for their Tennessee employees. Statewide investigations against noncompliant employers resulted in penalties collected totaling \$1,019,250 in FY 2010-11.

Employee Misclassification Education and Enforcement Fund (EMEEF)

It is unlawful for an employer to require an employee to pay any portion of the workers' compensation premium. The Employee Misclassification Education and Enforcement Fund (EMEEF) was created to address unlawful labor practices. EMEEF receives referrals and conducts investigations. If cases involve unlawful deductions, a civil penalty for a specific dollar amount equal to the amount deducted is assessed by the Commissioner or Commissioner's Designee and paid directly to the employee. The Employee Misclassification Advisory Task Force will study and make recommendations regarding other issues relative to employee misclassification in the construction industry. EMEEF and the task force were created on March 1, 2011.

Workforce Development Report

TN Selected for Regression Pilot for Performance Measures

Tennessee was selected as one of nine states in the country to participate in the Pilot and Implementation of the Regression-based Method for establishing Performance Targets. The Regression Model provided the state with an objective method to set and administer WIA performance targets and gain credit for serving participants that experience barriers to employment.

If implemented nationwide by USDOL, this model will level the field by balancing targets based on populations served thereby no longer penalizing local WIAs from helping those harder to serve. Tennessee was the only state to successfully complete the pilot.

Program Participation

Though Recovery Act funding has come to an end, Tennessee strives to maintain increased participation levels to continue to help during this extended period of high unemployment. Tennessee is currently reporting program participant levels of more than 44,000 for 2011, continuing to serve double the number of participants that were served by the program pre-recession.

National Emergency Grants

The Workforce Investment Act provides for competitive and emergency grants by application from State Workforce Agencies. This year, the Division of Workforce Development has been awarded more than \$13 million in additional grants to serve specific groups across the state as follows:



Starting late April and early May, 2011, Tennessee was hit with unprecedented straight-line winds, severe storms, tornadoes and associated flooding. As a result, counties across east, middle and west Tennessee were declared as a Public Assistance Disaster allowing these counties to receive federal funds. The local workforce investment areas in these disaster stricken counties estimated 480 people would be provided with temporary employment to assist with the cleanup efforts.

TOTAL Grant Amount: \$3,589,704



Goodyear National Emergency Grant

In January, 2011, Goodyear Tire and Rubber Company in Union City indicated that they would close the facility some time before the end of the calendar year, resulting in more than 2000 job losses to this community. The Workforce Development Division took a proactive approach to the National Emergency Grant application process and filed the application for the company early, prior to the issuance of a notice, in June 2011. On July 12, the plant facility was permanently closed and due to the early submission, we anticipate the award of up to \$4 million this fiscal year for this facility. No announcement has been made as of July 2011.

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 flow through the Local Workforce Investment Areas (LWIAs) targeting dislocated workers that are considered prolonged unemployed (more than 19 weeks). Eight LWIAs are participating under the contract targeting placement of 512 participants. As of June 30, 2011, 216 participants are currently enrolled with one year left on the grant.

TOTAL Grant Amount: \$1,170,677

The General Motors Spring Hill Manufacturing plant has been idled for an undetermined time, affecting as many as 5,000 workers, including suppliers of General Motors Spring Hill Manufacturing. Tennessee Department of Labor and Workforce Development was also awarded a grant to serve the employees of General Motors, Johnson Controls, MAPA Spontex, Penske Logistics, and Premier Manufacturing Services. Many of these workers will need training to become re-employed in demand occupations.

TOTAL Grant Amount: \$8,397,127

Incumbent Worker

The Incumbent Worker program began in 2002 as a pilot project, and since that time this program has grown to become a tremendous service to Tennessee business and industry. Between 2010 and 2011, these grants provided training for 4,352 full time employees and served 86 businesses. The total grant funds awarded were \$1,903,968 with total cost per participant at \$437. 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. This program year the maximum grant amount is \$50,000 to for-profit companies and \$25,000 maximum grant amount for not-for-profit (health care related organizations) with a required 50% minimum match.

Job Creation Projects

Since the inception of Fast Track, the Department of Labor and Workforce Development has prepared more than 730 proposals in support of job creation or expansion projects. Each proposal focuses on two incentives. The first is a value through cost avoidance that factors in 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. Over the past fiscal year we have implemented 17 contracts totaling \$1.5 million while creating 2,674 new full-time jobs.



\$200,000 Grant presented to the Southeast Development District in West Tennessee as part of the Regional Economic Development Initiative (REDI).

Career Readiness Certificates

The Tennessee Career Readiness Certificate continues to be a successful program for both employers and job seekers with more than 24,134 certificates issued statewide during the last fiscal year. This past year Workforce Development continued to partner with the Tennessee Technology Centers to offer the CRC as part of the curriculum at all Tennessee Technology Centers. The National Career Readiness Certificate continues to serve the needs of businesses like Green Mountain Coffee Company, Hemlock Semiconductor, and Carlisle Tire Company.

Rapid Response

Rapid Response is designed to assist workers who are facing loss of employment through a permanent closure, mass layoff, or a natural or other disaster that results in mass job dislocation. This past year 113 companies received services and 8,814 displaced workers received assistance in making a career transition. There were 17 trade assisted events where 1,420 workers were trade certified with the dislocated worker coordinators being involved in the TAA activities and job service registrations along with our partners.

Youth Services

The Workforce Investment Act youth year-round program served 10,499 youth July 1, 2010, through June 30, 2011. In addition, the Summer Youth Jobs program funded by the American Recovery and Reinvestment Act of 2009 wrapped up its third and final summer. During the program's existence, Tennessee was able to serve 15,316 disadvantaged youth between the ages of 14 and 25, with a completion rate of 87.3%.

Eligible Training Provider List

In 2010-2011, the WIA Eligible Training Provider List (ETPL) added 12 new training providers bringing the total number of institutions on the list to 207. In addition, the TPL also added 210 new training programs bringing the total number of programs on the list to 5,195 (www.apps.TN.gov/wiaetpl).

Senior Community Service Employment Program (SCSEP)

SCSEP served a total of 353 participants in the Senior Community Service Training Program for program year 2010. Participants age 55 and older received valuable training and exceeded the entered employment goal.

Apprenticeship

On January 1, 2008, the Workforce Development Division piloted the new Apprenticeship Assistance Program. The State Workforce Board working with 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 December 31, 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.

State Workforce Development Board

The State Workforce Development Board is made up of 30% Business and Industry, 30% State Legislature/State Agencies and Organizations/Local Government/Local Education, 30% Organized Labor/Community-based Organizations, and 10% from the General Public for a total of 36 members. There are five standing committees: Strategic Planning, Continuous Improvement, Operations, Policy, and Executive Committees. The Board is very active with an average attendance above 80% and provides leadership to provide oversight to local areas, monitor continuous improvement of performance of state workforce, and assure coordination of seamless and collaborative activities in local areas.



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 more than 65,000 boilers and pressure vessels in Tennessee through biannual and biennial inspections. In 2010-2011, inspectors conducted 32,790 inspections, and issued 28,351 inspection certificates. Invoiced revenue for Boiler Division services is more than \$2 million.

The responsibility of the Elevator Inspection Section is to prevent potential hazards involved in the operation of nearly 13,165 elevators, aerial tramways, chairlifts, escalators, dumbwaiters, and moving walks in the State of Tennessee through inspection. Annually, more than 23,564 elevator inspection reports are processed. Each year, more than 377 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 \$2.2 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 more than 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 2010-2011, approximately \$38,475 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 2,366 miners, taught 217 classes, and issued 32 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 FY 2010-2011, the Labor Standards Division processed approximately 36,476 complaint calls and conducted 69 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.

Tennessee Census of Fatal Occupational Injuries

Fatal Work-Related Injuries by Event or Exposure in Tennessee	2007	2008	2009	2010
Transportation Incidents	72	52	48	50
Contact with Objects and Equipment	33	27	24	31
Assaults and Violent Acts	18	22	18	15
Falls	25	24	12	21
Exposure to Harmful Substances or Environments	4	6	6	13
Fires and Explosions	-	4	3	5
Yearly Totals	154	135	111	137

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 738 child labor inspections, issued penalties for 19 companies, and collected \$11,150 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 FY 2010-2011, Labor Standards inspectors conducted 356 wage inspections with \$100,455 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 \$139,010 recovered for complainants.

Illegal Alien Employment Act

Public Chapter 529, known as the Illegal Alien Employment Act, was signed into law 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 his business for up to one year. Since this law became effective, this section has investigated roughly 35 cases; one of those resulted in an indictment working in conjunction with the U.S. Immigration and Customs Enforcement.

2010-2011 Funding

2010-2011

Administration	\$9,821,600
Adult Education	\$18,836,300
Boilers & Elevators	\$4,516,400
Employment Security	\$95,014,900
Labor Standards	\$1,420,500
Mines	\$616,500
Occupational Safety & Health Administration	\$9,069,900
Second Injury Fund	\$11,871,400
Workers' Compensation	\$13,166,600
Workers' Compensation Employee Misclassification Education and Enforcement Fund	\$374,800
Workforce Development	\$86,891,300

Federal	\$176,850,800
State	\$ 42,854,000
Other	\$ 31,895,400
Total	\$251,600,200

TN DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT HEADQUARTERS

220 French Landing
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	(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 2011; Online only.



The TN Department of Labor and Workforce Development is committed to principles of equal opportunity, equal access, and affirmative action. Auxiliary aids and services are available upon request to individuals with disabilities. Callers with hearing impairments may use TTY (615)532-2879, TTY 1-800-848-0298, TDD 1-800-848-0299 or TTY/TDD 711.