

Tennessee Department of Labor and Workforce Development

2011-2012 ANNUAL REPORT



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The mission and focus of Tennessee Department of Labor and Workforce Development (TDLWD) is to enhance economic prosperity in Tennessee by developing targeted strategies that support the creation of high quality jobs, advance communities, and support the training and growth of a 21st century skilled workforce while promoting workplace health and safety. TDLWD plays a huge role in the lives of both Tennessee businesses and citizens. For businesses, our TOSHA, Workplace Regulations and Compliance, and Workers' Compensation divisions help businesses grow and thrive and assist them with making the workplace safe for their employees. For citizens, our Employment Security, Workforce Development, and Adult Education divisions provide opportunities for adults to receive the education, training, and assistance they need to find and secure employment and make a better life for themselves and their families.

2011-2012 Milestones

Unemployment Insurance Overpayment Recovery

Legislation became law that authorizes the department, in accordance with the federally mandated Treasury Offset Program (TOP), to recover Unemployment Insurance (UI) benefit overpayments due to fraud, under reported or unreported wages. TOP allows the department to recover UI benefits by intercepting federal income tax refunds. The recovery of these funds could result in approximately \$13.7 million being added to the Unemployment Insurance trust fund, which would serve to keep unemployment tax rates low for all of Tennessee's employers.

Self-Service Options for Unemployment Claimants

The department installed an Interactive Voice Response System (IVR) to increase self-service options for UI claimants. Increased automation allows TDLWD to process UI claims in a more efficient and accurate manner. The UI Claims Center receives anywhere from 5,000 to 70,000 call attempts to the center each day. In 2011, the Claims Center received more than 2 million call attempts. This IVR automation effort allows claimants to perform simple functions via the IVR system, thereby eliminating the need for a costly overflow call center. This will save the department approximately \$100,000 per month or \$1.2 million annually.

Jobs4TN.gov

The department created Jobs4TN Online to provide one comprehensive resource for 85,000 career opportunities in Tennessee. The Web site allows job seekers to distribute a resume while simultaneously "crawling" Web sites for employment opportunities. Jobs4TN Online also increases the ability of employers to identify qualified applicants. In addition, the system provides immediate access to vital labor market information on the current and future economic landscape of Tennessee. This service is important to our business community, elected-officials, higher education institutions, and economic development organizations.

Strategic Planning

Goal 1

Through FY 2017, the department will continue providing economic stability through the payment of Unemployment Insurance Benefits by paying benefits to a minimum of 87% of recipients in a timely manner.

Strategies for Achieving Goal 1

1. Conduct training by UI Technical Services and the Benefit Timeliness Quality (BTQ) unit to ensure U.S. Department of Labor (USDOL) standards are met.
2. Establish quarterly quality review sessions with adjudicators, using BTQ and Benefit Accuracy Measurement (BAM) results to provide feedback.

Performance Measure

Percentage of all Unemployment Insurance First Benefit Payments paid within 14 days after the week ending date of the first compensable week in the benefit year

FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
78.4%	87%	87%	87%	87%	87%

Goal 2

Through FY 2017, the department will promote economic development through the education and training of Tennessee's workforce.

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 place in operation common performance measures in the workforce development system.
4. Develop and put into effect a strategic plan to increase the number of GEDs obtained by both adult secondary education and adult basic education participants 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.

Performance Measures

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

FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
64.6%	69.5%	70.5%	70.5%	70.5%	70.5%

2. Number of GED diplomas earned

FY 2012	FY 2013	FY 2014	FY 2015***	FY 2016***	FY 2017***
9,159	20,000*	8,000**	9,000/14,000	9,000/16,000	9,500/ 20,000

* 2013 is the year the current GED test will sunset. Historical data show that diplomas earned will increase during a sunset year.

** Historical data show that GED diplomas earned will decline in the first year of a new test.

*** In the event an alternate/ optional test is developed and adopted by the General Assembly and State Board of Education, the division would expect GED diplomas earned to increase.

Goal 3

Through FY 2017, the department will complete 90% of Workers' Compensation Benefit Review Conferences (BRCs) within 60 days from the date the request for a BRC is received.

Strategies for Achieving Goal 3

1. Workers' Compensation specialists and their administrative staff will receive Requests for Assistance (RFAs) and Requests for Benefit Review Conferences (BRCs) through telephone, e-mail, fax, and mail. Workers' Compensation administrative staff 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, e-mail, fax, and mail.
3. Following Division procedures, Workers' Compensation specialists will thoroughly investigate disputed issues and will accurately and expeditiously issue orders that are proper in their judgment and meet division policies regarding temporary benefits.
4. 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 all of their rights, responsibilities, and obligations under the Tennessee Workers' Compensation Act and under the Division's rules, policies, and procedures.

Strategic Planning

Performance Measure

Percentage of Benefit Review Conferences completed within 60 days

FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
94%	90%	90%	90%	90%	90%

Goal 4

Through FY 2017, 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 Program.
3. Improve marketing efforts to employers by using the regional Workforce Employer Outreach Committees as a forum to inform business owners about workplace safety.

Performance Measure

Four-year average DART rate

FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
3.0	3.0	3.0	3.0	3.0	3.0

* 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. The 2010 DART rate for private industry is 1.9 (2010 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.

Goal 5

Through FY 2017, increase the usage of Jobs4TN (www.Jobs4TN.gov) to obtain Labor Market Information (LMI) as well as other economic and community development conditions through the Internet.

Strategies for Achieving Goal 5

1. Disseminate statistical capital through Jobs4TN Web site (www.Jobs4TN.gov) on a continuous basis between Labor and Workforce Development and the Department of Economic and Community Development, the Department of Education, the Tennessee Board of Regents, and the Tennessee Higher Education Commission.
2. Provide supply and demand information to the workforce staff, companies, and job seekers.
3. Supply regional analysis (Memphis, Nashville, Knoxville, and Chattanooga) with targeted statistical support, which will enable job seekers to identify and maintain the necessary skill preparedness to fulfill employer supply demand, both short and long term.
4. Promote a better understanding of Tennessee's Labor Market Information (LMI) by providing the most timely, relevant, and accurate economic data in an objective and cost-effective manner.

Performance Measure

Number of visits to the Jobs4TN Web site

FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
110,086 *	120,000	121,800	123,627	125,481	127,364

* Jobs4TN went live on May 7, 2012. As of May 2012, the number of sessions on www.Jobs4TN.gov totaled 110,086, with a projected increase of 1.5% annually.

Adult Education

During the 2011-12 program year, The Tennessee Department of Labor and Workforce Development Division of Adult Education provided adult education services through 88 local providers to 39,695 Tennessee adults. General Educational Development (GED) diplomas were earned by 12,047 individuals during the program year. In addition, 11,257 individuals entered employment, 9,903 retained employment, 1,890 entered postsecondary education or training, and 286 dislocated workers were served.

In 2010-11 program year, the Division of Adult Education began a pilot program to expand services in Shelby County to meet the needs of those hardest to serve. Since the pilot program was successful in achieving a 98% retention rate, which is 23% higher than the state's average and 31% above the national average, the pilot was extended into the 2011-12 program year.

The Division formally introduced new program standards to local adult educators in the areas of data, fiscal, program improvement, curriculum, and program management.

GED® testing centers across the state began preparing to become Pearson-Vue testing centers in preparation for the new computer-based GED® test scheduled to begin January 2014.

Intense curriculum training began in anticipation of the more rigorous math and writing required to successfully pass the new 2014 GED® test.

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

AE Services Provided
39,695

GED Diplomas Earned
9,159

Entered Employment
11,257

Retained Employment
9,903

Dislocated Workers Served
286

Entered Postsecondary
Education or Training
1,890

Employment Security

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.

As of June 30, 2012, the Unemployment Insurance Trust Fund balance is \$562,783,403

UI Claims Center Operations

In the fiscal year ending June 30, 2012, the UI Claims Center system allowed claimants in 95 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. During the reporting year, the Claims Center system received 6,131,351 telephone call attempts, and by the end of the year was processing approximately 85% of the statewide unemployment insurance workload. This is an increase from the previous year when we received 2,136,111 telephone calls and 83% 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 volumes normally experienced in a non-recession year.

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 Disaster Unemployment Assistance (DUA), Combined Wage, and Interstate Claims programs and the SAVE verification process for all alien claimant Unemployment Insurance (UI)

compensation applications. Benefit Operations is also responsible for maintaining an archival record of all claims and claims-related documents; making labor dispute claims determinations; assuring that all repayments of benefits are posted to the appropriate record; preparing and mailing documents or information; coordinating with State Postal and working and verifying charges for Interstate claims both outgoing from our State and incoming from other states.

UI Technical Services provide technical support to central and local office personnel, claimants, employers, and the general public. This includes responding to paper correspondence, telephone inquiries and e-mail from statewide claims centers and walk-in offices. UI Technical Services also provides Employment Security (ES) law and policy support to all claims-taking staff and individuals who work in any UI program area. This unit explains claims processes and decisions for all UI programs to employers, claimants and other third party representatives. Staff training and development is written and facilitated in this Unit. Writing policy and procedure instructions are done by these technicians.

Unemployment Program Specialists are subject matter experts in unemployment insurance law and procedure. They supervise a variety of workers to maintain and processes workers compensation base period claims (when necessary to calculate beyond the normal base period), Combined Wage claims, and Interstate claims for Tennesseans who live in other states. The Benefit Operations and Technical Service division provides assistance on state and federal audits, provides claim resolution expertise and processes requests for employers, legislators, and claimants. The Technical Services Unit writes training programs for UI benefit adjudicators, Interviewers, part-time interviewers, supervisors and all special programs.

Legislation that adds changes or makes new sections in Employment Security law or laws in other state law sections that impact UI benefit processing or payment

Employment Security

is added to policy manuals. The unit develops new agency decisions to address the law and writes instructions for field staff. Benefit Operations and Technical Services provide forms approval, forms justification, forms revision or forms development as required to meet operation obligations. The UI Control Unit works on complex claim changes for Appeals Tribunal, Office of Administrative Review, Claims Centers, and other areas of the Employment Security division. This Unit works on very restricted changes.

Unemployment Insurance Integrity includes Benefit Payment Control (BPC), Benefit Accuracy Measurement (BAM) and Reports and Compliance. During the fiscal year ending June 30, 2012 the Benefit Accuracy Measurement (BAM) unit audited more than 825 claims for benefit payment accuracy. The Benefit Payment Control (BPC) unit investigated 12,788 fraud cases and 46,611 non-fraud cases and issued 2,162 fraud decisions. The agency also established 59,399 overpayments for this same period and recovered \$11,337,845 in overpayment collections.

The Employment Security division administered eight 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, Disaster Unemployment Assistance and Tennessee Extended Benefits.)

Claimants and employers can appeal departmental decisions relating to claims. The Appeals Tribunal, the lower appeals level, conducts de novo hearings in which 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, 2012, there were 7,896 decisions issued on appeals filed by the employer, 26,893 decisions issued on appeals filed by the claimant; and two decisions issued on appeals filed by the de-

partment for a total of 34,791 decisions. 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 61 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 July 1, 2011, and ending June 30, 2012, Job Service assisted 475,935 applicants, referred 197,992 job seekers to employment opportunities, and 208,021 job seekers entered employment following services received. Job Service posted 82,455 job openings for employers during the period.

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 Employment Security Interviewers giving special attention and one-on-one case management to claimants selected for participation in the program. During the reporting period, the RESA program produced the following results: 35,724 orientations completed; 4,730 claimants returned to work; 1,342 referred to training/educational services; 159 enrolled in training/educational services; 32,992 assessments completed; 2,787

Employment Security

resume workshops completed; 1,723 job search workshops completed; and 1,643 interviewing workshops completed.

Veterans' Programs

The department provided service to 32,640 veterans, other eligible persons, and transitioning service members through June 30, 2012. The entered employment rate for veteran applicants was 51 percent. The employment retention rate was 78 percent, and the average six-month earning was \$14,162. 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 2012, 27,314 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 1110 participants enrolled in TAA training during the fiscal year ending June 30, 2012. \$10,112,804 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. Job Search Allowance assisted 32 workers, providing them \$17,488 in services. Relocation Allowance assisted 129 workers at a cost of \$734,667. Travel and Subsistence pay to workers traveling outside their commuting area of 50 miles for training was \$162,443. Overall during the Fiscal

Year 2012, \$11,027,402 was obligated serving 1,271 Tennessee trade affected workers.

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 54,914 WOTC tax certifications in the fiscal year ending June 30, 2012, with a potential value of \$213.4 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 Tennessee Career Centers. During the period beginning July 1, 2011, and ending June 30, 2012, the following job orders were posted by agency staff: 353 PERM (permanent labor certification), 717 H-2B (temporary non-agricultural jobs), and 276 H2-A (temporary agricultural jobs). The H2-A program conducted 240 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 40,819 employers used TNPAWS to file their first quarter 2012 Wage and Premium Reports online.

Labor Market Information

The 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 new www.Jobs4TN.gov site provides a labor exchange system for jobseekers and employers as well as providing labor market information.

Career Coaches

Career Coach mobile resources continue to drive job services to sites across the state

Governor Haslam and the Tennessee Department of Labor and Workforce Development unveiled three vehicles designed to improve outcomes for those looking for work. Three “Career Coaches” are 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. Since April 2011, the Coach has delivered services to 8,389 individuals across the state.

Total Job Services/Referrals: 27,075

Total New Applicants: 10,026

Total hires: 2,425

*Total reported hires are voluntary reports by employers and do not reflect total placements obtained from referral services.
updated 10/03/2012



Thousands of jobseekers were assisted during the Yates Job Fair in Murfreesboro.



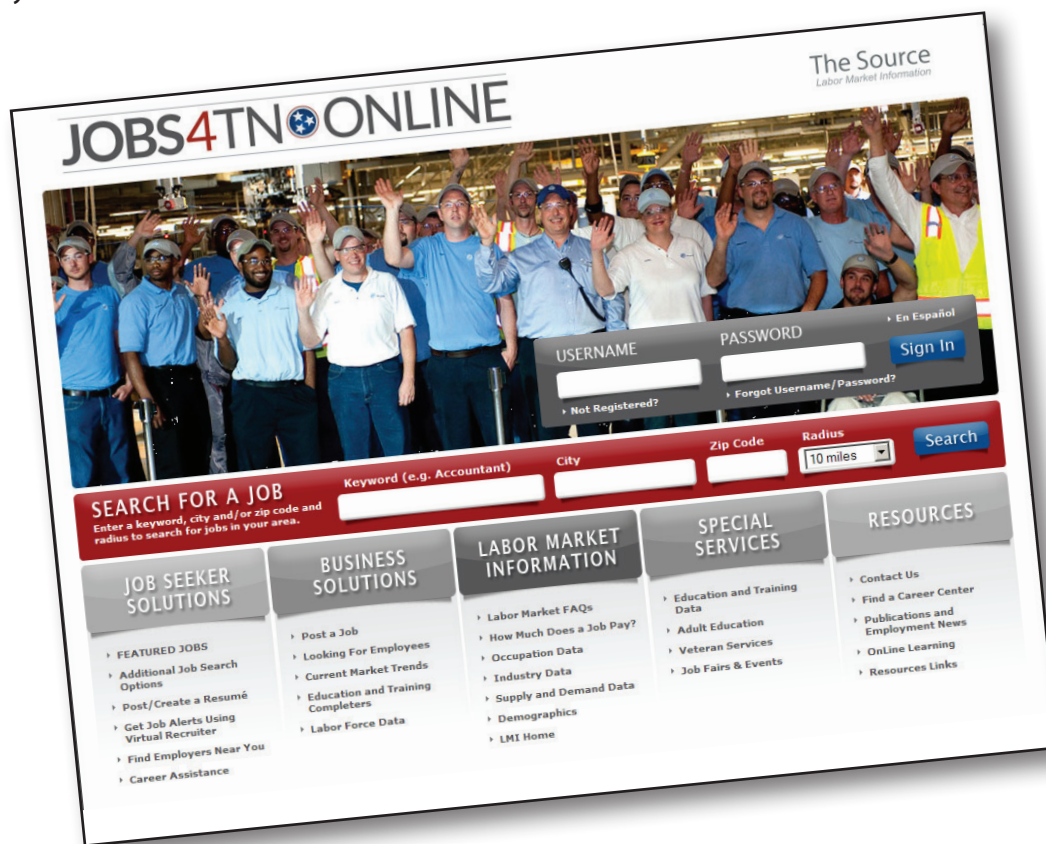
The Career Coach brings job opportunities to vets from Ft. Campbell.



Lester Community Center was host to Rep. Kelsey’s Job Fair in Memphis.

JOBS4TN ONLINE

On May 14, 2012, Tennessee Gov. Bill Haslam and Department of Labor and Workforce Development Commissioner Karla Davis announced a new jobs database to help connect job seekers with Tennessee employers. The job resource averages 85,000 Tennessee jobs available at any time.



JOBS4TN Online Individual and total services (May 14 - June 2012)	
Total number of individuals that registered	17,210
Total number of distinct individuals receiving services	18,862
Total number of services provided to individuals	167,585
Total number of resume's added	7,676
Total number of resume cover letters created	371
Total number of internal job orders created	1,939
Total number of internal job referrals created	8,539
Total number of external job referrals created	54,784

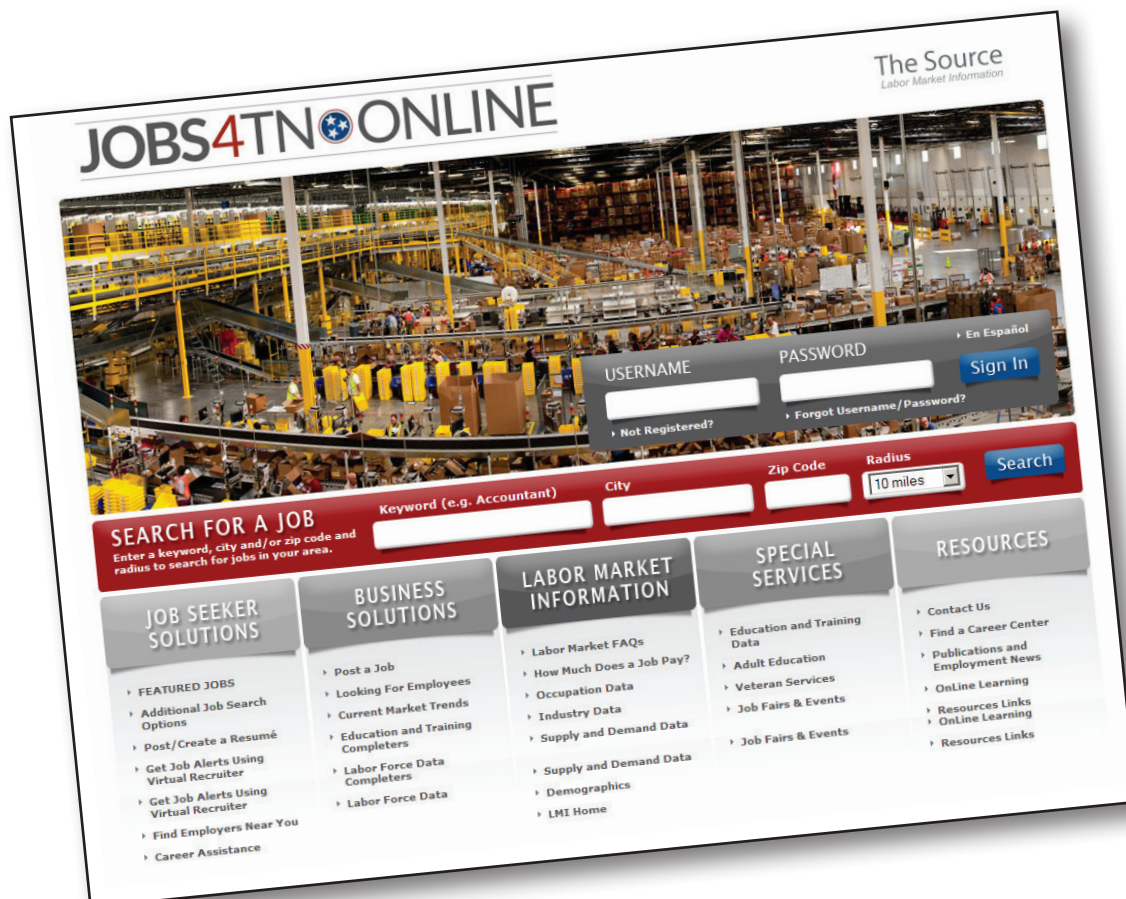
JOBS4TN ONLINE

Jobseeker Resources

JOBS4TN is a new kind of search engine that generates thousands of jobs listed by major Tennessee employers. It's the premier site for finding work and locating useful labor market information.

Employer Resources

JOBS4TN Online connects you to the ideal candidates based on the qualifications that are most important to you. It also provides valuable labor market information from the Tennessee and U.S. Departments of Labor as well as the Bureau of Labor Statistics.



Tennessee Occupational Safety & Health

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 continuous 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 2011-2012, this section performed 411 consultative visits and identified 2,827 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 2011-2012, the Compliance Section performed 1,926 workplace inspections and identified 7,589 safety and health hazards.

Training and 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 is held statewide in the spring and fall covering a variety of safety and health issues. In FY 2011-2012, TOSHA conducted 401 seminars and logged 12,016 attendees at their training sessions.



Safety Enforcement 2011-2012

Inspections conducted	982
Violations cited	4,165
Proposed penalties	\$2,089,500

HEALTH ENFORCEMENT

Inspections conducted	354
Violations cited	2,545
Proposed penalties	\$728,500

PUBLIC SECTOR OPERATIONS

Inspections conducted	622
Violations cited	1,962

CONSULTATIVE SERVICES

Consultative visits	411
Hazards identified during visits	2,827

TRAINING & EDUCATION

Seminars & formal programs conducted	330
Number of attendance at activities	8,338

LABORATORY

Samples analyzed	697
Determinations	3,807

35th Annual Tennessee Safety & Health Congress



Since 1977, The Tennessee Safety and Health Congress sponsored by TOSHA has brought together industry and expertise to share knowledge on working safely in Tennessee.

The 35th annual Tennessee Safety and Health Congress held in Nashville was no exception with 848 delegates and visitors in attendance.



The conference features the **latest innovations in products and services** focusing on workplace safety and health. A variety of workshops were offered including the Federal OSHA Training Institute's approved 10-hour general industry safety and health course.

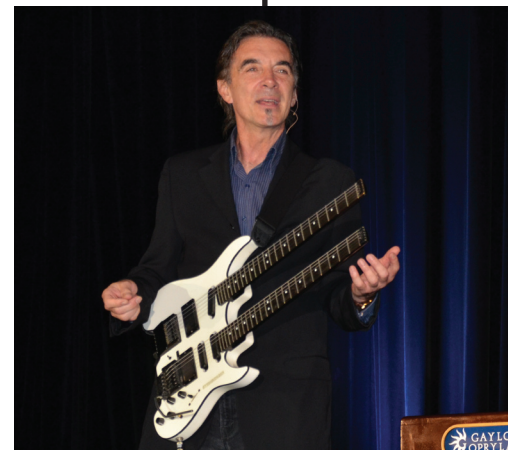




The exhibit hall of the newly renovated Opryland Hotel had 134 vendor booths and 111 exhibitors showing off the latest in safety equipment and processes.



Feature presenter Robin Crow is owner of Dark Horse Recording catering to stars like Faith Hill, Neil Diamond, Taylor Swift and Matchbox 20. He is an acclaimed public speaker and author who has given more than 2,200 presentations. He lectured on the implications of global issues and their effects on business sustainability.





Workers' Compensation

The Workers' Compensation Division works to promote a better understanding of the benefits and requirements of the Tennessee Workers' Compensation Act by informing all parties of their rights and responsibilities. To assist in reaching this goal, the Division administers a complex system of programs designed to assist both employers and employees resolve any disputes that occur after a workplace accident or injury occurs. Many of the Division's programs are described below.

Benefit Review Program

The Benefit Review Program administers an assistance and mediation program for disputed claims. The first stage of this program is the Request for Assistance (RFA) process that was revised in May 2012 to resolve disputes more effectively and efficiently. The process begins when an RFA is filed with the division. A Mediating Specialist attempts to resolve the disputed issues by communicating with all parties. If the issue(s) cannot be resolved through this mediation, the file is transferred to an Attorney Specialist who has the authority to resolve the issue(s) with the issuance of an Order denying or awarding benefits. The Division has established a goal of settling these disputes within 60 days or fewer. For FY 2011/12, there were 4,748 RFAs received, of which 2,204 were resolved without an Order.

Benefit Review Conferences

The second stage is the Benefit Review Conference (BRC) which is a mediation program to help resolve claims that involve permanent impairments. The Benefit Review Conference (BRC) process is a statutorily required mediation that must occur after an injured worker has reached maximum medical improvement and prior to either party filing a lawsuit. The Division conducted 3,834 BRCs in FY 2011/12 with the parties reaching an agreed resolution in 69% of them. The Division also approved 6,113 Settlement Agreements that would have required court approval otherwise.

Administrative Review Program

The Administrative Review Program provides the parties to a Workers' Compensation claim (including Employees, Employer Representatives, Insurance Adjusters, and Attorneys) an avenue for independent review of a Benefit Review Order issued in their case. A primary goal of this program since its creation by statute in 2006 has been to provide an administrative process of appeal of Benefit Review Orders as a more informal and cost-effective process than through the state's court system. The review is done in an expedited and efficient manner as required by statute. This process thus assures that Benefit Review Orders are supported by the proper application of the Workers' Compensation Law, rules and regulations, policies and procedures, and case law that are relevant to the specific facts of the Workers' Compensation case.

Quality Assurance Program

The Quality Assurance Program, in conjunction with the Administrator, provides coaching needed to improve the overall quality of the Division's work product. Created in June 2012, the program arose from the Division's focus on continuous improvement and provides timely reviews and explanatory comments on decisions from the Supreme Court and its Special Workers' Compensation Panel to Attorney Specialists. This review helps ensure that Orders rendered by these Specialists are based on the most current case law. All Benefit Review Orders are reviewed for adherence to program and professional standards to improve consistency between Benefit Review offices and individual Specialists. Additionally, all Administrative Review Orders that reverse, remand or modify a Benefit Review Order are reviewed and "lessons learned" from facilitating an adverse outcomes analysis are distributed to the Division legal staff. This helps to develop uniformity between programs.

Compliance Program

The Compliance Program is comprised of three components. The purpose of the Uninsured Employers Fund

Workers' Compensation

(UEF) is to ensure that Tennessee employers covered by the provision of the Tennessee Workers' Compensation Act comply with insurance coverage provisions of the law. The UEF provides an administrative process to investigate and penalize covered employers who fail to either carry Workers' Compensation insurance or to qualify as self-insured employers. During FY 2011/12, the UEF collected \$1,093,394 in penalties against non-compliant employers. Additionally, 402 employers became compliant with the coverage requirements as a result of the UEF's activities.

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 in March 2011 to address this and other unlawful practices. EMEEF receives referrals and conducts investigations. If an investigation reveals unlawful deductions, a civil penalty is assessed and paid to the employee. The Employee Misclassification Advisory Task Force (EMATF) studies and makes recommendations regarding issues relative to employee misclassification in the construction industry.

Penalty Program

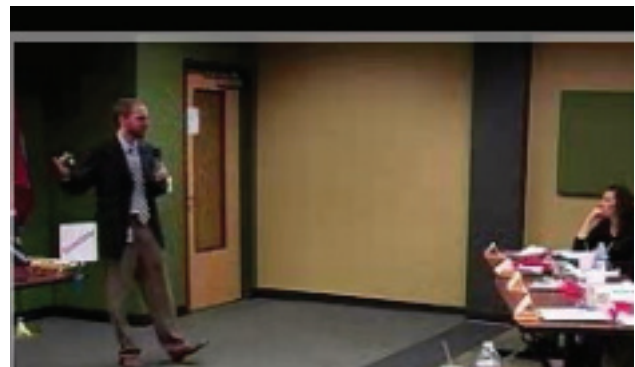
The Penalty Program investigates and assesses penalties for other violations of the Act. It enforces a potential 25% penalty against an employer or insurance carrier for unpaid or untimely paid temporary disability benefits. If assessed, this penalty goes to the injured employee. The program can also assess penalties for failing to comply with a Benefit Review or Administrative Review Order and for failure to file claims timely. Timely claims forms are important to the Division as it supplies information to the legislature.

For the first time ever, the Division developed a voluntary Workers' Compensation Adjuster Training seminar in FY 2011/12. It was developed to increase the awareness

of the requirements of the Tennessee Workers' Compensation Act. The full-day presentation is designed to improve the efficiency and timeliness of workers' compensation claims handling by adjusters processing Tennessee claims and is being presented by the true subject matter experts in the industry—Division staff members. They teach "best practice" techniques that help resolve disputes more quickly, explain techniques that help ensure injured workers receive the benefits to which they are entitled, and introduce concepts that help reduce or eliminate unnecessary expenses that are often added to the Workers' Compensation system due to a lack of understanding of the Act. Approximately 150 adjusters have already attended. The feedback has been overwhelmingly positive, and classes fill as quickly as they are announced.

Drug Free Workplace Program

Employers who choose to participate in this voluntary program are entitled to benefits such as a 5% premium credit on their Workers' Compensation insurance policy. As an additional incentive to participate, legislation was passed in 2011 that increased the standard of proof required by an injured worker 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. The program ended FY 2011/12 with 11,443 employers that have participated since the program's inception. The program grew by 520 employers for the year, or 4.8%.



Workers' Compensation Adjuster Training

Workforce Development

The Division of Workforce Development is responsible for administering the Workforce Investment Act across the state through 13 Local Workforce Investment Areas. The Workforce Investment Act assists individuals who are unemployed, under employed, dislocated from their job through no fault of their own, or are a youth with barriers to education completion and employment. The Senior Community Service Employment Program is housed within the division to closely coordinate services for individuals over 55. The division has also obtained specialty grants such as the National Emergency Grants and the Disability Employment Initiative. Tennessee is currently reporting program participant levels of more than 28,088 for 2012.

TN Awarded \$1.3 Million in Federal Incentive Grant for Exemplary Performance

The Workforce Investment Act is subject to nine performance measures. During the most recently completed program year outcomes, Tennessee's Workforce System won an incentive award due to exceeding all performance targets for adult, dislocated worker, and youth programs.
TOTAL Award: \$1.3 Million

National Emergency Grants

The National Emergency Grants are provided to States on a competitive basis when a significant dislocation event arises. Workforce Development continues to provide oversight of three NEG's serving specific groups across the state as follows:

- A National Emergency Grant was awarded 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 participated under the contract targeting placement of 414 participants. TOTAL Grant Amount: \$1,170,677
- A National Emergency Grant was awarded to provide services to workers laid off from General Motors Spring Hill Manufacturing plant and to serve the employees of Johnson Controls, MAPA Spontex, Penske Logistics, and Premier Manufacturing Services and other related companies affected by the lay off. Many of these workers are receiving training to become re-employed in demand occupations. TOTAL Grant Amount: \$8,397,127

WIA Performance Measures WIA §136(b)	Performance Goal	Actual Outcomes
Adults:		
Entered Employment Rate	76%	81%
Retention Rate	84%	87%
Average Earnings (6 months)	\$13,800	\$16,064
Dislocated Workers:		
Entered Employment Rate	79.6%	89.4%
Retention Rate	84.2%	92.2%
Average Earnings	\$13,700	\$15,289
Youth Common Measures:		
Placement in Employment or Education	61%	73.7%
Attainment of Degree or Certificate	63%	76.3%
Literacy and Numeracy Gain	36%	48.6%

- A National Emergency Grant was awarded to provide services to workers laid off from Goodyear Tire and Rubber and Hamilton-Ryker Company. The grant estimated that 850 participants but exceeded expectations with services to over 900. TOTAL Grant Amount: \$3,448,259

Disability Employment Initiative

Tennessee, through the Division of Workforce Development, was one of seven states to receive the Disability Employment Initiative grant through the US Department of Labor and jointly funded through the Office of Disability Employment Policy. The project is to improve education, training, and employment opportunities and outcomes for adult who are unemployed, underemployed and/or receiving Social Security disability benefits. Five local workforce investment areas have received funding through this pilot project.

TOTAL Grant Amount: \$2,916,400

Incumbent Worker

The Incumbent Worker program provides 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 through skills enhancement or process improvement. This program year the maximum grant amount is \$25,000 to for-profit companies and for not-for-profit (health care related organizations) with a required 50% minimum match.

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 151 companies received services and 10,882 displaced workers received assistance in making a career transition. There were 15 trade assisted events where 934 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 youth program serves individuals who are 14-21 years of age and require assistance to finish their education or find employment. During Program Year

2011, the year-round youth program served 7,788 youth participants. The state met its negotiated common measures youth performance targets.

Common Measure	Goal	Actual	% of Goal
Placement	61%	73.7%	121%
Attainment	63%	76.3%	121%
Literacy & Numeracy	36%	48.6%	135%

Eligible Training Provider List

Training provider must meet specific performance outcomes to receive funding from WIA. In 2010-2011, the WIA Eligible Training Provider List (ETPL) added 13 new training providers and removed 11 providers bringing the total number of institutions on the list to 202. In addition, the ETPL also added 213 new training programs bringing the total number of programs on the list to 4,449.

Senior Community Service Employment Program (SCSEP)

Participants age 55 and older received valuable training and exceeded the entered employment goal through SCSEP. This program served a total of 290 participants in the Senior Community Service Training Program for program year 2011. The program successfully achieved five out of six performance measures.

State Workforce Development Board

The State Workforce Development Board provides oversight to the workforce development system in Tennessee. The 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%, providing leadership and oversight to local areas, monitoring continuous improvement of performance of state workforce, and assuring coordination of seamless and collaborative activities in local areas.

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 2011-2012, inspectors conducted 35,753 inspections and issued 34,972 inspection certificates. The Boiler Division has generated more than \$2.3 million in revenue.

The responsibility of the Elevator Inspection Section is to prevent potential hazards involved in the operation of nearly 13,222 elevators, aerial tramways, chair lifts, escalators, dumbwaiters, and moving walks in the State of Tennessee through inspection. Annually, more than 21,273 elevator inspection reports are processed. Each year, more than 454 new elevators are installed and must be inspected by this section before they can be placed in operation. The Elevator Division has generated more than \$2.2 million in revenue.

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 49 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. The Amusement Device section has generated \$36,200 in revenue.

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 1,873 miners, taught 180 classes, and issued 29 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 2011-2012, the Labor Standards Division processed approximately 35,235 complaint calls and conducted 71 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.

The Child Labor Act

The Child Labor Act establishes the number of hours a minor between the ages of 14 and 17 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 637 child labor inspections, issued penalties for 34 companies, and collected \$21,800 in fines for child labor violations.

Workplace Regulations

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 2011-2012, Labor Standards inspectors conducted 332 wage inspections with \$74,640 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, \$169,448 was recovered for complainants.

Tennessee Lawful Employment Act

Signed into law by Governor Bill Haslam on June 7, 2011, the Tennessee Lawful Employment Act requires all employers in Tennessee to demonstrate that they are hiring and maintaining a legal workforce either by enrolling and verifying the employment eligibility of all newly hired employees through the E-Verify Program operated by the U.S. Department of Homeland Security in conjunction with the Social Security Administration or by requesting all newly hired employees and "non-employees" to provide one of eleven identity and employment authorization documents listed in the law.

Fatal Work-Related Injuries by Event or Exposure in Tennessee	2007	2008	2009	2010
Transportation Incidents	72	52	48	51
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	138

Business Services

Within the Business Services Division, seven Business Services Specialists 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 the following departmental programs:

- Drug Free Workplace program increased 5% over the previous year
- Work Opportunity Tax Credit certifications increased 20%
- Earned GED diplomas increased 2%.

The Business Services Specialists continue 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 Homeland Security, FEMA, and the Small Business Administration.

Business Services Specialists also connected employers with immediate hiring needs to active job seekers by facilitating more than 70 job fairs this year. More than 3,000 employers have participated, and job seekers are finding gainful employment.



Ft. Campbell Job Fair



Rutherford County Job Fair



Nissan/Yates Job Fair

2011-2012 Funding

ADMINISTRATION	\$9,465,900
ADULT EDUCATION	\$15,673,800
BOILERS AND ELEVATORS	\$4,422,500
EMPLOYMENT SECURITY	\$95,880,400
LABOR STANDARDS	\$1,547,400
MINES	\$615,000
TOSHA	\$9,258,100
SECOND INJURY FUND	\$11,233,900
WORKERS' COMPENSATION	\$15,721,100
WORKERS' COMPENSATION EMPLOYEE MISCLASSIFICATION & ENFORCEMENT FUND	\$366,200
WORKFORCE DEVELOPMENT	\$85,620,700
TOTAL	\$249,805,000



The Tennessee 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.
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