

Tennessee Department of Labor and Workforce Development

2013-2014 ANNUAL REPORT



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The mission and focus of the 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, advanced communities, and the training and growth of a 21st-century skilled workforce while promoting workplace health and safety. The 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 Services, 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.

Adult Education

Adult Education (AE) empowers individuals to become self-sufficient by providing the basic skills and knowledge necessary to complete a secondary education. Tennessee Adult Education provides basic skills upgrades and works with individuals to help them meet their educational and career goals. Classes are located across the state to include Adult Basic Education (ABE), High School Equivalency (HSE) test preparation, and English for Speakers of Other Languages (ESOL).

The Tennessee High School Equivalency diploma is based on competence in reading, writing, social studies, science, and mathematics. The attainment of a diploma is a first step toward future employment opportunities, college, or technical training.

Two major changes occurred in Tennessee during the 2013-14 program year. In early 2013, a formal application for funding process was conducted to reduce the number of administrative entities from 87 to 43 in order to eliminate duplicative administrative costs, increase instructional dollars, and align with the rest of the country in service delivery. The new 43 service delivery areas began July 1, 2013, with services in all 95 counties.

The Lois DeBerry Tennessee Alternative Diploma Act to allow an option for individuals seeking to earn a high school equivalency diploma went into effect January 1, 2014. Tennessee currently administers both HiSET® (High School Equivalency Test) and GED® (General Educational Development) exams that lead to the same state-issued high school equivalency diploma.

The Division of Adult Education implemented six College and Career Pathway pilot programs for High School Equivalency students/graduates. The pilots identified industry partners to provide employment support and provided educational instruction, site specific curriculum, job-related skills, and soft skills.

In July 2014, the three Tennessee Career Coaches became official HiSET® testing centers. Three hundred fifty-three candidates have tested on the Coaches as of November 1. The mobile units, staffed by trained HiSET chief examiners during testing, are the first of this kind in the nation. The Career Coaches make it possible to test in rural areas that may have limited access as well as in correctional facilities.



2013-14
Students Served
31,148

2013-14
High School Equivalency
Diplomas Earned
7,943

2012-13*
Tennessee's performance
exceeded the national
average by
36.27%

(*2013-14 figures
will not be
available until
January, 2015)

The Division of Employment Security administers Tennessee's Unemployment Insurance and Job Service program 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, 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.

In May 2014, the Unemployment Insurance began the process to replace the claims (benefits) mainframe system. Replacement of the 43-year-old mainframe system will take up to 24 months. The new system is a commercial off-the-shelf (COTS) system that will be an additional module for the www.Jobs4tn.gov website.

As of June 30, 2014, the Unemployment Insurance Trust Fund balance was more than \$858 million

UI Claims Center Operations

In the fiscal year ending June 30, 2014, the UI Claims Center system allowed claimants in 95 counties and out of state a choice to file for unemployment benefits by telephone or Internet. The Claim Center system consists of five centers located in Nashville, Chattanooga, Crossville, Johnson City, and Knoxville. During the reporting year, the system received 5.1 million telephone call attempts and processed 262,000 UI claims.

The Claims Operations unit also processes special claims such as Trade Readjustment Allowances (TRA) claims for eligible workers covered by a Trade Adjustment Assistance (TAA) petition. TRA weekly benefits may be payable to eligible workers following the exhaustion of unemployment insurance (UI) benefits.

Disaster Unemployment Assistance (DUA), Combined Wage, and Interstate Claims programs and SAVE (Systematic Alien Verification for Entitlements) process for all alien claimant Unemployment Insurance (UI) compensation applications are also processed within Claims Operations.

Unemployment Insurance Integrity includes Benefit Payment Control (BPC), Benefit Accuracy Measurement (BAM), and Reports and Compliance. During the fiscal year ending June 30, 2014, the Benefit Accuracy Measurement (BAM) unit audited more than 928 claims for benefit payment accuracy. The Benefit Payment Control (BPC) unit investigated 39,117 fraud cases and 12,184 non-fraud cases and issued 9,380 fraud decisions. The agency also established \$20,339,462 overpayments for this same period and recovered \$11,147,312 in overpayment collections.

The UI Integrity Unit is also responsible for reviewing legislative changes that impact the Employment Security Law and the processing of claims. Since the UI program is essentially a federal program, all proposed legislative changes impacting the program must be reviewed by the U.S. Department of Labor for conformity and compliance with federal regulations.

Employment Security

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 for consideration, such as the testimony of witnesses. Employers can also appeal their premium rate and other liability issues.

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 44,000 employers used TNPAWS to file their quarterly Wage and Premium Reports online. Since July 17, 2013, employers have also had the option to pay their quarterly taxes online. Through June 30, 2014, over \$50 million in taxes was paid 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 www.Jobs4TN.gov site provides a labor exchange system for job seekers and employers and contains extensive labor market information.

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. During FY 2013-2014, this section performed 427 consultative visits and identified 3,283 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. During FY 2013-2014, the Compliance Section performed 1,696 workplace inspections and identified 6,989 safety and health hazards.

Training and Education Section

Through a variety of programs, the 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. During FY 2013-2014, TOSHA conducted 276 seminars and logged 7,943 attendees at these training sessions.



TOSHA ACTIVITY 2013-2014

SAFETY ENFORCEMENT

Inspections conducted	717
Violations cited	3,009
Proposed penalties	\$1,480,775

HEALTH ENFORCEMENT

Inspections conducted	369
Violations cited	2,557
Proposed penalties	\$569,750

PUBLIC SECTOR OPERATIONS

Inspections conducted	610
Violations cited	1,423

CONSULTATIVE SERVICES

Consultative visits	427
Hazards identified during visits	3,283

TRAINING & EDUCATION

Seminars & formal programs conducted	276
Number of attendance at activities	7,943

LABORATORY

Samples analyzed	661
Determinations	5,057

37th Annual Tennessee Safety & Health Congress



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

The 37th Annual Tennessee Safety and Health Congress was held in Nashville. The event included 128 exhibitors and was 793 attendees.



The conference featured the **latest innovations in products and services** focusing on workplace safety and health. Among workshops offered was 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 128 exhibitors showing off the latest in safety equipment and processes.



Feature presenter: This year's keynote speaker was Shawn M. Galloway, President and Chief Operating Officer of ProAct Safety. He is a professional keynote speaker and internationally recognized safety excellence expert who has helped hundreds of organizations within every major industry to achieve and sustain excellence in performance and culture. In 2012, ISHN Magazine listed him in the POWER 101 – Leaders of the EHS World. Galloway has published more than 250 podcasts, 80 articles, and 30 videos on the subject of safety excellence in culture and performance. He is also the host of the highly acclaimed weekly podcast series, Safety Culture Excellence, and is a columnist for several magazines and coauthor of STEPS to Safety Culture Excellence.



Workers' Compensation

The Division of Workers' Compensation administers the Tennessee Workers' Compensation Act to assist both employees and employers. The goals of the Division are to provide timely, effective services that help injured employees return to their health and to their jobs as quickly as possible and to promote a better understanding of the benefits and requirements of the Workers' Compensation Act by informing all parties of their rights and responsibilities. To reach these goals, the Division performs the following:

- Administers a proven Alternative Dispute Resolution Program designed to help injured employees get timely medical treatment and resolve disputes effectively without a formal hearing;
- Administers an effective Adjudication System to provide final resolutions to disputes that cannot be resolved in mediations; and,
- Identifies and penalizes employers who do not carry workers' compensation insurance coverage or provide benefits required by the Act.

Highlights of the division's programs in the past fiscal year are described here.



Judges of the Court of Workers' Comp Claims after being sworn in by the Honorable Ellen Hobbs Lyle, Chancellor of Part III, Chancery Court of Davidson County.

The **Court of Workers' Compensation Claims**, which was created in the Workers' Compensation Act of 2013, became operational this year. The Court, which adjudicates disputed claims **when the date of injury is on or after July 1, 2014**, has eight judges who were sworn in on June 18th and now preside over courtrooms in the Division's area offices. With the implementation of the Court, claims involving injuries occurring on or after July 1, 2014, will not be resolved by an Attorney Specialist (temporary issues) within the Division or be heard in a Chancery or Circuit Court. Rather, Workers' Compensation Judges appointed by the Administrator of the Division will preside over courtrooms.



Judges of the Workers' Comp Appeals Board after being sworn in by the Honorable Joseph P. Binkley, Judge of the Fifth Circuit Court of Davidson County.

The Division also established the **Workers' Compensation Appeals Board**, whose three judges were appointed by the Governor, in late July. The Appeals Board hears appeals of rulings from the Court of Workers' Compensation Claims. Both the Court of Workers' Compensation Claims and the Appeals Board have completed the development of rules, policies, and procedures for their respective courts.

The **Benefit Review Program** administers an alternative dispute resolution and mediation program for disputed claims. There are eight offices across the state. The Division has established a goal of resolving these disputes within 60 days of their receipt, and

Workers' Compensation



without the need for an Order, whenever possible. In the past fiscal year, 4,668 Requests for Assistance were received, of which 3,334, or 71%, were successfully resolved without an Order. The Division also conducted 3,312 mediations regarding permanent benefits. More than 70% of those mediations resulted in a Settlement Agreement.

Medical Related Services Program includes several units to ensure that appropriate care is provided and at a reasonable cost. The workers' compensation law provides for Utilization Review (UR) of medical treatment. Utilization Review is the evaluation, by an outside source, of the necessity, appropriateness, efficiency, and quality of medical care provided to an injured employee. When the employer's (or their insurance company's) decision is to deny the medical necessity of the treatment recommended by the authorized treating physician, a UR Appeal may be made to the Division's Medical Director. The decision made by the Medical Director is final for administrative purposes. In FY 2013/14, the Division received 1,260 UR appeals. Another unit within the Medical Program is Medical Case Management Registration. Nurse Case Managers and Case Manager Assistants (CM/CMAs) must be registered and maintain active status with the Division in order to perform medical case management for workers' compensation claims. Maintaining an active status requires applicants to update their credentials, contact information, and continuing education achievements.

The Division had 287 active CM/CMAs registered at the end of FY 2013/14. Throughout the year, staff members within the Medical Fee Schedule Unit respond to inquiries regarding fees on a daily basis. Restricting the maximum allowable reimbursement for all medical services rendered to an injured employee without limiting the access to quality healthcare remains a collaborative effort and the primary goal of the Medical Fee Schedule Unit. The Medical Advisory Committee (MAC) and the Medical Payment Committee (MPC), two new medical committees, came into existence during FY 2013/14. The MAC has already made a recommendation on the first medical treatment guideline—treatment for Chronic Pain. Recommendations will be made in the current FY on additional guidelines that will be effective January 1, 2016. The Medical Impairment Rating (MIR) Registry Program helps resolve disputes about the appropriate impairment rating between employers and employees. The Registry is composed of more than 100 board-certified physicians specifically trained in determining impairment ratings and licensed in the state of Tennessee. Their expert opinions carry a statutorily provided legal presumption of accuracy that is not attached to the opinions given by other physicians. In FY 13/14, MIR physicians issued 157 formal opinions.



Administrator Abbie Hudgens addressing the audience at the 17th Annual Workers' Compensation Education Conference

Workers' Compensation



17th Annual Workers' Compensation Education Conference

The **Compliance Program** is comprised of the **Uninsured Employers Fund (UEF)** and the **Employee Misclassification Education and Enforcement Fund (EMEEF)**. The purpose of the UEF is to ensure that Tennessee employers covered by the Act comply with the law's requirement of providing coverage for their employees. The UEF provides an administrative process to investigate and penalize employers that fail to carry required workers' compensation insurance, fail to qualify as self-insured employers, and are not listed on the Tennessee Workers' Compensation Exemption Registry. During FY 13/14, the UEF collected \$908,411 in penalties against non-compliant employers. This program's efforts helped ensure that 5,231 employees, otherwise unprotected for workplace injuries, would have access to medical care and disability benefits, if needed. Nearly 900 onsite inspections were conducted, and 291 employers became compliant with the law due to this program's efforts.

The EMEEF Program was created to help ensure that employers properly classify their workforce as employees rather than as independent contractors. Proper classification is necessary to properly protect workers in case of workplace injury and to provide a level playing field for employers who are responsible and provide workers' compensation coverage. Investigations conducted last fiscal year uncovered

employers violating the law by under-reporting the number of workers and by having employees paying for their own workers' compensation insurance through illegal payroll deductions. More than 300 inspections were conducted with five employers found to be non-compliant with \$85,957.36 collected in penalties. Although the Employee Misclassification Advisory Task Force's legislative authorization had a sunset July 1, 2014, the members from the Attorney General's office, Commerce and Insurance, the Treasurer's office, the District Attorney's office, the Board of Licensing Contractors, Secretary of State's office, District Attorney's office, the TBI, Department of Labor, MTSU, and Traveler's Insurance Company and other interested persons continued to contribute to the goal of reducing misclassification of employees through a new Advisory Committee. Although no longer required, the division with the input from the Advisory Committee will again provide the Consumer and Human Resources Committee in the House and the Commerce and Labor Committee in the Senate an annual report on the progress of the Misclassification Program.

The Penalty Program investigates and assesses penalties for other violations of the Workers' Compensation Act. It may assess a penalty against an employer or insurance carrier equal to 25% of any unpaid or untimely paid temporary disability benefits. If assessed, this penalty is paid to the injured employee. The program can also assess penalties for a party's failure to comply with a Benefit Review or Administrative Review Order, failure to negotiate in good faith at a Benefit Review Conference, and/or failure to file required claims forms needed to collect statistical data. A number of new penalties became effective on July 1, 2014, and were implemented to penalize parties that do not obey the requirements of the Act.

The Tennessee Drug Free Workplace Program is a voluntary program that helps increase productivity

Workers' Compensation



for Tennessee employers by promoting drug- and alcohol-free workplaces. Employers whose workers are not impaired by drugs and alcohol have safer worksites and can operate more competitively by enjoying lower costs and fewer tragedies that often accompany workplace accidents caused by substance abuse. Employers who choose to participate in this program receive two additional benefits for participating: a 5% premium credit on their workers' compensation insurance premiums and a presumption that improperly used drugs found in a post-accident drug screening are the proximate cause of the accident, which would make the claim not compensable. The program ended FY 13/14 with 13,398 employers participating in the program. The program grew by 811 employers for the year, or 6.4%.

The Quality Assurance Program provides education and coaching for employees in the Workers' Compensation Division. Created in June 2012, the program arose from the Division's focus on continuous improvement. Past programs include a peer review of Benefit Review Orders, which checks for adherence to professional standards and correct citations of case law; program review and improvement initiatives in the Compliance Program; and targeted training for mediators. This year's initiative was to train employees about effective ways to interact with injured workers in a way that minimizes the potential for violent conflict.

It's been another incredible year of activity, diligent work, and a more comprehensive approach in working to align systems and partner efforts in Tennessee. The Division of Workforce Services merged multiple programs and services to better align and administer federally funded employment related programs consistent with the Workforce Investment Act of 1998. These efforts remain imperative to capitalize on our economic development successes and how that aligns with workforce development and educational attainment in our state.

Services are delivered through Local Workforce Investment Boards in partnership with the American Job Centers to provide universal access to an integrated array of labor exchange services so that workers, job seekers, and businesses can access these resources either on-site or through automation-using technology.

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 provides leadership and oversight to local areas, monitoring continuous improvement of performance of the state workforce, and assuring functional alignment within in local areas. The Board developed the 2012-2017 (five year) State Integrated Plan, which was approved by the USDOL. The plan was modified in March 2014 and approved by the U.S. Department of Labor.

American Job Centers (AJC's) in Tennessee & Field Operations

The American Job Centers in Tennessee have deployed a new strategy in providing services to both employers and job seekers. We've re-designed customer flow to allow an opportunity for staff and job seekers to connect sooner during visits as well as virtual recruitment through our

Jobs4TN.gov website. The Field Operation staff coordinates the delivery of agency service to the public through a network of 75 Comprehensive and Affiliate AJC's across the state. Meanwhile, our business services teams (BST's) work diligently across programs to schedule employers to recruit on-site. Based on the hiring needs of the employer, we contact job seekers with the specific qualifications and invite them into the center. As a result, the employers get to meet with individuals who are determined to be the best candidates.

Under this current model, we have hosted as many as 18 hiring employers and more than 250 employers on-site for one event! As we continue to position our AJC's as demand-driven centers we can expect to see greater work outcomes. Job Service assisted 306,775 applicants of which 275,623 received staff-assisted services, referring 91,878 job seekers to employment opportunities; 216,737 job seekers entered employment following services received.

Eligible Training Provider List (ETPL)

As part of the infrastructure to carry out the mandates of the Workforce Investment Act of 1998, states are required to maintain a list of training providers and programs that are certified to receive students using WIA funds. WIA students are only permitted to use their Individual Training Account (ITA) funds in programs that appear on the Statewide ETPL.

There are 216 providers and 4,090 programs on the ETPL. The provider composition is as follows:

- Postsecondary Schools: 64.35% or 139 providers
- Tennessee Technology Centers: 17.59% or 38 providers
- Community Colleges: 12.96% or 28 providers
- 4-year Universities: 5.09% or 11 providers
- ETPL PY2014 Additions
 - 10 new training providers were added during PY2014
 - 128 new programs were added to the ETPL during PY2014

Rapid Response

Rapid Response is designed to assist workers who are facing loss of employment through a permanent closure,

Workforce Services

mass layoff, or a natural or other disaster that results in mass job dislocation. This past year, 108 companies received services and 7,313 displaced workers received assistance in making a career transition.

Trade Adjustment Assistance (TAA)

The TAA Program is a federal program that assists US workers who have lost their jobs as a result of foreign trade. The TAA program seeks to provide these trade-affected workers with opportunities to obtain the skills, resources, and support needed to become reemployed. 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. During the fiscal year ending June 30, 2014, there were 647 TAA participants of which 481 were newly enrolled in TAA training.

The amount obligated to fund TAA training was \$8,356,110. 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 three workers, providing them \$1,333 in services. Relocation Allowance assisted six workers at a cost of \$27,793. Travel and Subsistence pay to workers traveling outside their commuting area of 50 miles for training was \$175,918.

Incumbent Worker Program (IWT)

The IWT Program is designed to support training that results in either layoff aversion through skill attainment for employees or layoff aversion through process improvement that contributes to the competitiveness and productivity of a business.

During this program year we have obligated \$749,139 in Rapid Response funds to 37 companies to train 1,231 Incumbent Workers. While the program year runs through December 31, 2014, here are the projected outcomes:

- 2728 jobs saved
- 157 jobs created

Using a conservative hourly wage estimate of \$7.50 per hour for jobs saved and created (a total of 2885), Rapid Response

funded IWT would result in a return of more than \$45 million in recurring wages for local communities. Additionally, Rapid Response-funded IWT would save the state's UI Trust Fund an estimated \$17,732,000 (\$250 wk x 26wks x 2728).

Disability Employment Initiative

The DEI Grant supports extensive collaboration across multiple workforce and disability service systems, including

- vocational rehabilitation
- mental health
- intellectual/developmental disability agencies
- independent living centers
- business leadership networks
- community and nonprofit organizations

Tennessee is fortunate to be in partnership with the TennesseeWorks Collaborative. With 46 members from various agencies, the Collaborative works to implement policy and systems changes that make competitive employment the first and desired choice for every Tennessean. Since the inception and planning phase for the DEI grant, the cohort of participants served with disabilities continues to increase.

Senior Community Service Employment Program (SCSEP)

Participants aged 55 and older received valuable training and exceeded the entered employment goal through SCSEP. The SCSEP in Tennessee is served by six sub-grantees, through the Department of Labor and Workforce Development. There are also two national grantees. Four of the state's sub-grantees are located within the Administrative Entities of the local Workforce Investment Area, placing them in a direct partnership with WIA. This program served a total of 182 participants in the SCSEP for program year 2014.

Youth Services

During Program Year 2013, the year-round Workforce Investment Act Youth Program served 5,695 youth participants, with 3,205 exits. Local Workforce Investment Areas reported \$13,994,914 WIA Youth

allocation; the state met its negotiated common measures youth performance targets.

SNAP Employment and Training Program

The SNAP Employment and Training (SNAP E&T) Program was established to provide SNAP clients opportunities to gain job skills, training, education or experience from a variety of components that will minimize or eliminate their dependency on government assistance and improve their employment prospects. This federally mandated program is funded nationally through grants from the Food and Nutrition Services (FNS) division of the United States Department of Agriculture (USDA). All program participants are determined eligible by the Department of Human Services (DHS) before they are referred to SNAP E&T program sites in designated Career Centers across the state.

The grant enables the Department of Labor SNAP E&T staff members to provide case management, which includes an overview of the program services and an assessment of the client to determine the most appropriate training component. Components offered include

- Individual Employment Search (IES)
- Post-secondary education
- Vocational /technical and other training
- Adult Education classes
- WIA (Workforce Investment Area) and workforce training

During FY 2013, participants referred numbered 23,046; 10,328 participants were appraised; and 915 participants obtained employment.

Asset Build Grants

As a result of the Commissioner's Round Table discussions held all across Tennessee, participating companies were encouraged to work with their Local Workforce Investment Areas to submit an Asset Building Grant Proposal that would demonstrate innovation models, addressing Skill Upgrades, Aging Workforce, Work experience, Recruiting, and Emerging Workforce.

Companies submitted proposals with targeted outcomes of Employee Certification, Targeted Skill Upgrades, Internship Models, Community Outreach, Apprenticeships, Business/Education Partnerships, and Recruitment Strategies. There were 34 companies that received grants totaling \$701,611. These are short-term grants with training activities to end before January 2015.

Work Opportunity Tax Credit (WOTC)

The WOTC Program was designated to assist individuals by providing federal tax credit incentives to employers for hiring individuals from congressionally identified targeted groups. This easy-to-use program is a national model that saves employers money while putting people to work.

Since the WOTC Program began in 1996, Tennessee has been one of the nation's top producing states relating to the amount of potential federal income tax credits it has been able to return to eligible Tennessee employers. During State Fiscal Year 2014, the Tennessee Department of Labor and Workforce Development's WOTC Unit issued 53,356 tax credit certifications, which represents a potential federal corporate income tax savings of \$155,376,000 to qualified Tennessee Employers.

Veterans Program

The Veterans Program consists of 55 staff across the state broken down into two distinct categories that provide employment development services to veterans and employers;

- Veterans Employment Representative (VER)
- Veterans Outreach Specialist (VOS)

The VER is tasked with conducting outreach activities to employers and discusses the benefits of hiring a veteran. This includes the Work Opportunity Tax Credit along with intangible traits such as being a team player; having ability to follow direction; and paying meticulous attention to detail. The VOS works directly with veterans and other eligible persons to provide intensive services and to remove any significant barriers to employment to ensure they are job ready.

The department has provided services to more than 100,000 veterans, other eligible persons, and transitioning

Workforce Services

service members, achieving a 56% Entered Employment Rate. The employment retention rate for veterans was an outstanding 80% with the average earnings for the first six months of employment at \$14,335.

Paycheck for Patriots continues to lead the way in hiring events for Veterans. Paychecks occurred in 10 locations throughout the state on the same date at the same time. More than 1,000 veterans participated with more than 300 employers providing job opportunities.

Re-Employment Services Assessment (REA or RESA)

REA is a federal program geared towards assisting unemployment claimants in returning to work who are identified as most likely to exhaust benefits based on obstacles and barriers to employment. REA staff work with participants to overcome obstacles and barriers to employment, including job placement and referrals to training providers. Participants are assessed and adhere to an employment development plan. REA staff work closely with WIA and other partners in conducting workshops and delivering other workforce-related services to participants.

Twenty-four Career Centers across the state served 17,500 REA participants in PY 2013. Of those, 5,200 participants

returned to work as a result of REA services while drawing 15 weeks or less of Unemployment Insurance versus the possible max of 26 weeks. Tennessee's REA program was one of five states selected by U.S. DOL and the Office of the Inspector General to be reviewed for research and observations as part of a national review.

Alien Labor Certification

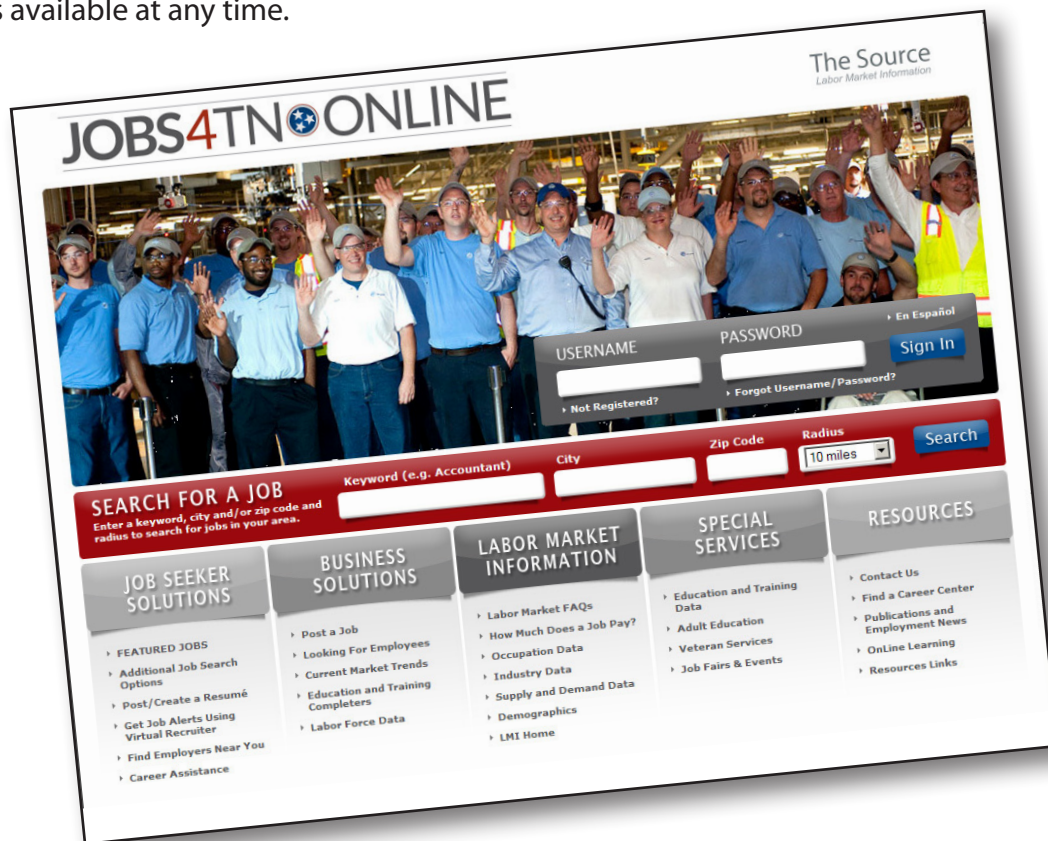
Alien Labor Certification helps employers recruit temporary alien workers when qualified U.S. workers are not available. Job orders are processed through the Jobs4TN.gov website. During the period beginning July 1, 2013, and ending June 30, 2014, the following job orders were posted by agency staff: 284 PERM (permanent labor certification), 59 H-2B (temporary non-agricultural jobs), and 337 H2-A (temporary agricultural jobs). The H2-A program conducted 258 on-site preoccupancy housing inspections.

Tennessee Workforce Investment Act Performance Measure Outcomes PY 2013

Group	Performance Measure	Goal	Actual	Cost Per Participant
Adults	Entered Employment Rate	81%	84%	\$1097
	Retention Rate	88.6%	92.2%	
	Six-Month Average Earnings	\$15,711	\$14,790.13	
Dislocated Workers	Entered Employment Rate	88%	89.9%	\$3114
	Retention Rate	92.2%	93%	
	Six-Month Average Earnings	\$15,000	\$16,485.43	
Youth (14-21)	Placement in Employment or Education	75.5%	81.6%	\$2502
	Attainment of Degree or Certification	75%	79%	
	Literacy or Numeracy Gains	51%	63.3%	

JOBS4TN ONLINE

Tennessee job seekers and employers now have a more powerful tool in searching for jobs and job candidates, the result of an upgrade to Jobs4TN.gov Web site. The revisions now allow users to customize their workplaces, to expand database searches and how they are saved, and to share jobs through e-mail and the Career Network. The job resource averages 90,000 Tennessee jobs available at any time.



JOBS4TN Online

Individual and total services (July 1, 2013 - June 30, 2014)

Total number of individuals that registered	154,987
Total number of distinct individuals receiving services	292,809
Total number of services provided to individuals	7,429,202
Total number of individuals that logged in	115,802
Total number of internal job orders created	36,306
Total number of internal job referrals created	260,043
Total number of services provided to employers	139,322

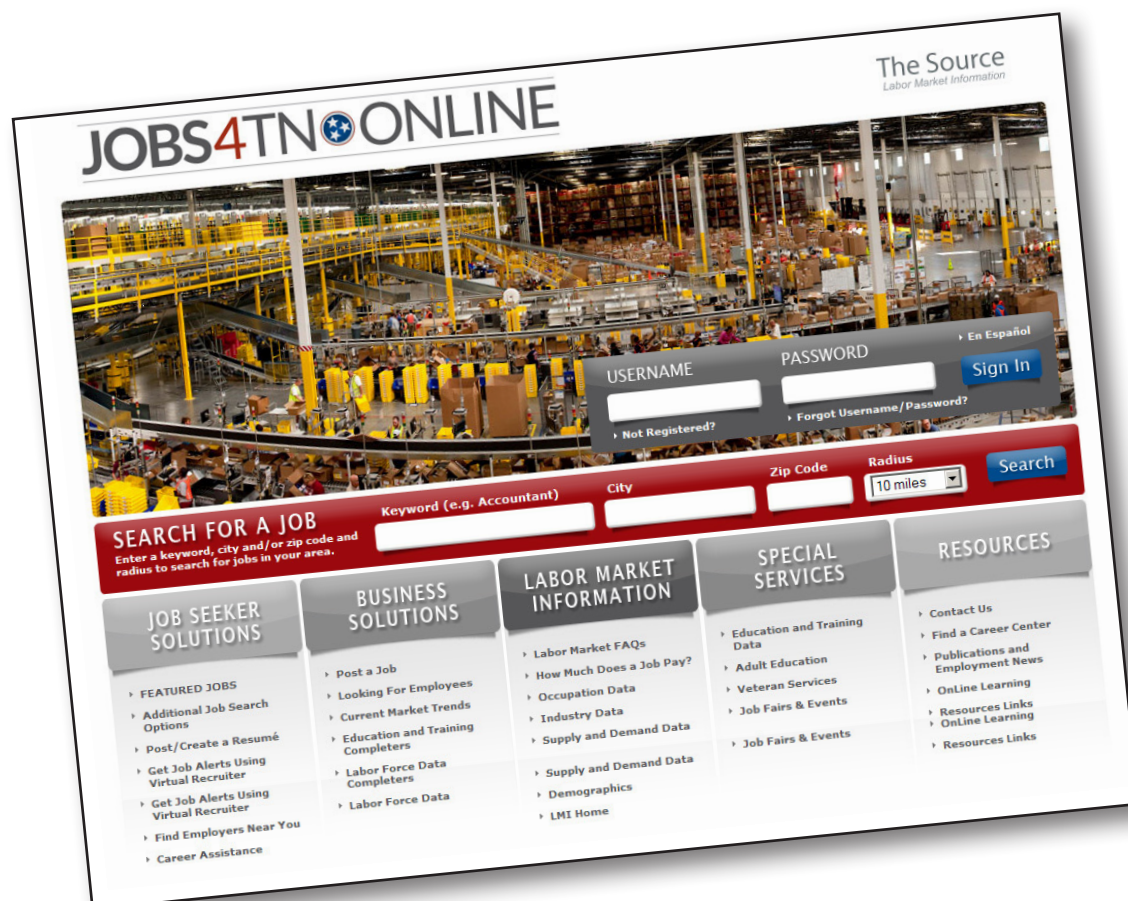
JOBS4TN ONLINE

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.



The Workplace Regulations and Compliance Division (WRC) promotes safety, enforces laws and educates the general public, owners, operators, users, employers, and employees about risks associated with the following:

Boilers

The Boiler Unit oversees the operation of more than 66,000 boilers and pressure vessels in Tennessee through biannual and biennial inspections. In FY13/14, inspectors conducted 36,275 inspections and issued 33,165 inspection certificates. The Boiler Unit generated more than \$2.1 million in revenues.



Elevators

The Elevator Unit directs the operation of nearly 13,325 elevators, aerial tramways, chairlifts, escalators, dumbwaiters, and moving walks in the State of Tennessee through inspection. In FY13/14, inspectors performed 23,351 inspections and issued 13,417 inspection certificates. The Elevator Unit generated more than \$2.3 million in revenues.

Amusement Devices

The Amusement Device Unit mitigates risks related to the operation of fixed and portable rides, zip lines, inflatable objects and bumper cars. The law became effective January 1, 2009. In FY13/14, inspectors performed 104 inspections, issued 54 permits, and assessed/collected \$58,525.00.



Workplace Regulations & Compliance



Mines

The Mine Safety Unit provides mine health and safety training for underground and surface miners working in coal mines, crushed stone quarries, sand, and gravel pits. The Mine Safety Unit maintains two mine rescue teams in a state of readiness of response to mine emergencies in underground mines in Tennessee. Instructors trained 1,566 miners, taught 166 classes, and issued 22 mine licenses in FY13/14.

Labor Standards

The Labor Standards Unit enforces Labor and Wage Laws. Inspectors investigate the following laws: Non-Smoker Protection Act, Illegal Alien Act, Child Labor Act, Prevailing Wage Act, Wage Regulations Act, and the TN Lawful Employment Act. Common issues include failure to pay or failure to timely pay wages, hiring persons unauthorized to work in Tennessee, failure to post no-smoking signs in public places, failure to pay proper rates to employees who work on state-funded projects, and failure to provide minors breaks or employing minors in prohibited occupations. In FY13/14, the Labor Standards Unit performed 3,005 inspections and conducted 83 training classes.



Communications, Constituent & Government Relations

Communications, Constituent and Government Relations conducted more than 43 legislative hiring events in 2013-2014 hosted by state legislators in partnership with the department.

The division has Public Relations Specialists that continue to provide employers with additional information through the Workforce Employer Outreach Committees (WEOC). The committees partner with other agencies such as the Governor's Office, Tennessee Department of Economic and Community Development, Tennessee Department of Agriculture, Tennessee Bureau of Investigation, U.S. Department of Homeland Security, FEMA, and the Small Business Administration. The WEOC is an ongoing effort by the Tennessee Department of Labor and Workforce Development to reach out to Tennessee employers and provide valuable information to foster economic development and promote our services.



2014 Paychecks for Patriots Hiring Event

Public Relations Specialists facilitated in 2013-2014 more than 115 "hiring events" connecting job seekers and employers with immediate hiring needs.

Pre-requisite for all events sponsored by the department is that employers must have immediate job openings to participate in the event. Job positions must be posted on Jobs4TN. An average of 35-45 employers attend each event with hundreds of Tennessee job seekers finding employment opportunities.

Paychecks for Patriots Hiring Event-2013: The Department of Labor and Workforce Development took the lead in partnering with Dollar General in 2011 to address high unemployment rate among our military service members, veterans and spouses. The Tennessee Department of Military and Employer Support for the Guard and Reserve (ESGR) joined in this first innovative partnership between public and private sectors to address veteran unemployment challenges. Paychecks has created a pathway toward economic opportunity for Tennessee veterans and their families both, online and through centralized focused outreach efforts organized by the Department of Labor. The event itself has been nationally recognized by the Pentagon and National Office of ESGR and has been honored with three PRSA (Public Relations Society of America) awards for Public Relations Campaign, Public Affairs and Community Relations for the past two years.

Governor Bill Haslam has declared "Paychecks for Patriots Hiring Event Day in Tennessee" all three years with more than 295 Tennessee companies representing 195 individual corporations participating in 2013. Both Florida and Georgia have taken Tennessee's lead by conducting "Paychecks for Patriots Hiring Events" in their respective states.

Tennessee remains a leader in addressing job opportunities with our service members, veterans, and spouses.

2013-2014 Funding

ADMINISTRATION	\$16,811,300
ADULT EDUCATION	\$15,944,600
BOILERS AND ELEVATORS	\$5,134,200
EMPLOYMENT SECURITY	\$48,667,500
LABOR STANDARDS	\$1,239,400
MINES	\$581,500
TOSHA	\$9,582,400
SECOND INJURY FUND	\$10,147,400
WORKERS' COMPENSATION	\$14,697,200
WORKERS' COMPENSATION EMPLOYEE MISCLASSIFICATION & ENFORCEMENT FUND	\$734,200
WORKFORCE SERVICES	\$70,391,600
JOB SERVICES	\$ 37,274,400
TOTAL	\$231,205,700



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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