



Department of  
**Labor & Workforce  
 Development**



# 2015-2016

# ANNUAL REPORT



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# Commissioner's Message



## *People, Processes & Technology*

In FY 2013-14 the department began to transform, creating a new culture of teamwork, continual improvement, innovation, creativity and performance accountability.

Through Root Cause Analysis we identified causes of service failures and repaired them rather than just treating symptoms. Using LEAN we streamlined operations and implanted simplicity into the department by reducing the number of steps in our processes and procedures. We moved rapidly towards paperless systems.

In FY 2014-15 the department embraced technology and created "OneTouch", a department wide, results driven customer service and business management system, based on data collection with process and outcome measures. The customer defines what is needed and tells us if we are delivering value in the service we provide. This data and customer feedback enables the development of "evidence based" policies that better serve.

In FY 2015-16 the department continued to introduce technology that enhanced the performance and accountability of every division. In particular, Workforce Development, Unemployment Insurance and Adult Education moved toward a fully integrated system, the first in the United States. This integrated system will bring efficiency and effectiveness to these programs so they can better serve our customers.

This report illustrates the many improvements and accomplishments the department has achieved through this "new way of doing business". We are proud of the progress we have made toward delivering customer service uncharacteristic of government.

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# Adult Education

Tennessee Adult Education (AE) is the key that opens the door of opportunity to postsecondary education and employment. AE empowers individuals to become self-sufficient by providing basic skills instruction leading to a High School Equivalency Diploma. Classes are located in each of Tennessee's 95 counties providing Adult Basic Education (ABE) and many counties also offer courses for English Language Learners (ELL).

The Tennessee High School Equivalency Diploma is based upon competence in reading, writing, social studies, science and math. Competence in these disciplines is measured by the HiSET® (High School Equivalency Test) exam. The HiSET® exam is approved by the United States Department of Education as well as the Tennessee State Board of Education as authorized under the Lois DeBerry Tennessee Alternative Diploma Act.

In the 2015-2016 program year there have been numerous improvements made to Tennessee's Adult Education program. Tennessee now has a comprehensive and adaptive online classroom, HiSET Academy®. Tennessee was one of the first states in the country with this technology. Through HiSET Academy® qualified students may now receive targeted instruction from their home, smartphone or anywhere they have access to the internet any time day or night. This removes many barriers to students including childcare, transportation or work schedules. HiSET Academy® launched in Tennessee August 1, 2015 and as of November 30, 2016 5,277 students have enrolled.

Tennessee was also one of twelve states selected by the United States Department of Education for participation in the College and Career Readiness Standards in Action Project. Through this project Tennessee adult educators have received state of the art training in College and Career Readiness Standards to improve the quality of instruction delivered statewide. Tennessee has also used this training to assemble a Tennessee Instruction Leadership Team charged with development of a Tennessee Adult Education Curriculum aligned to the standards in partnership with Educational Testing Services (ETS®), the makers of the HiSET®. This resource will be the first of its kind in the nation providing targeted instruction specifically geared toward adult learners.

As of July 1, 2016, the Tennessee Adult Education program restructured the number of programs from 45 to 8. This was done in an effort to better align to Tennessee's WorkForce Development infrastructure and to increase the number of full-time teachers statewide. The restructure resulted in a savings of over \$2 million in administrative funds that are now invested in instruction. The result is more instructors, in more locations, and more class offerings to meet the needs of our students.

In the 2015-2016 program year 21,497 students received 2,038,086 hours of instruction, 3,515 students increased their educational functioning level, 1,089 increased more than one educational functioning level and 4,724 students earned their High School Equivalency Diploma as a result of the Tennessee Adult Education program.



**5,277**

Students  
Enrolled



**21,497**

Students Received  
**2,038,086** Hours  
of Instruction



**3,515**

Students Increased  
Their Educational  
Functioning Level



**1,089**

Increased More  
Than One Educational  
Functioning Level



**4,724**

Students Earned  
Their High School  
Equivalency  
Diploma

# Employment Security

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](http://www.Jobs4TN.gov) website.

As of June 30, 2016, the Unemployment Insurance Trust Fund balance was more than \$1,003,249,814.

## UI Claims Center Operations

In the fiscal year ending June 30, 2016, 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 four centers located in Nashville, Chattanooga, Crossville, and Knoxville. During the reporting year, the system received processed 203,340 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, 2016, the Benefit Accuracy Measurement (BAM) unit audited more than 954 claims for benefit payment accuracy. The Benefit Payment Control (BPC) unit investigated 3,243 fraud cases and 14,226 non-fraud cases and issued 17,469 fraud decisions. The agency also established \$8,968,905 overpayments for this same period and recovered \$16,294,684.42 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.

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 (TNPAAWS)

The TNPAAWS Internet reporting system gives employers the option of filing their Wage and Premium reports over the Internet. Some 48,443 employers used TNPAAWS 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, 2016, over \$66,652,420.15 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](http://www.Jobs4TN.gov) site provides a labor exchange system for job seekers and employers and contains extensive labor market information.

**\$1,003,249,814**

Unemployment  
Insurance  
Trust Fund  
Balance

**203,340**

UI Claims

**954**

Audited Claims

**3,243**

Investigated  
Fraud Cases

**14,226**

Investigated  
Non-Fraud  
Cases

**17,469**

Issued Fraud  
Decisions

**\$8,968,905**

Established  
Overpayments

**\$16,294,684.42**

Recovered  
Overpayments

**48,443**

Employers Used  
TNPAAWS

**\$66,652,420.15**

Employer Taxes  
Paid Online

# Tennessee Occupational Safety & Health

**394**

Consultative Visits

**1,510**

Workplace Inspections

**282**

Seminars

**3,600**

Identified Workplace Hazards

**5,182**

Identified Safety and Health Hazards

**9,398**

Training Sessions Attendees

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 2015-2016, this section performed 394 consultative visits and identified 3,600 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 2015-2016, the Compliance Section performed 1,510 workplace inspections and identified 5,182 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 2015-2016, TOSHA conducted 282 seminars and logged 9,398 attendees at these training sessions.

# TOSHA Activity 2015-2016



## SAFETY ENFORCEMENT

Inspections conducted **571**

Violations cited **2,163**

Proposed penalties **\$1,733,230**



## HEALTH ENFORCEMENT

Inspections conducted **332**

Violations cited **1,552**

Proposed penalties **\$465,425**



## PUBLIC SECTOR OPERATIONS

Inspections conducted **607**

Violations cited **1,467**



## CONSULTATIVE SERVICES

Consultative visits **394**

Hazards identified during visits **3,600**



## TRAINING & EDUCATION

Seminars & formal programs conducted **282**

Number of attendance at activities **9,398**



## LABORATORY

Samples analyzed **522**

Determinations **4,302**



# Tennessee

## Safety & Health Conference

Since 1977, the Tennessee Safety and Health Congress, co-sponsored by TOSHA and the American Society of Safety Engineers, has brought together industry and subject matter experts to share knowledge, methods, and processes to improve workplace safety and health in Tennessee.



The 39th Annual Tennessee Safety and Health Congress was held in Nashville on July 17-20, 2016. The event included 126 exhibitors and 755 attendees.

Over the years, the Congress has become one of the most successful assemblies of safety and health professionals in the country. The 2016 conference featured safety experts leading more than 60 seminars designed for all levels of safety and health professionals. The Congress provided a great learning environment

and opportunity for like-minded people to network.

The exhibit hall featured 126 exhibitors offering a wide variety of safety equipment and products. The exhibitors were extremely knowledgeable and dedicated



to their field and provided the latest information on cutting edge technology and safety trends.

This year's keynote speaker was Jody Urquhart. Jody is a highly sought-after funny motivational speaker, she is the author of *All Work & No Say*, a bestselling book that shattered assumptions that work is meant to be stressful, boring or no fun. Jody is passionate about spreading the message of the importance of fun and meaningful work.

A motivational speaker for over 16 years, Jody speaks at over 60 organizations and associations every year, and is a top keynote speaker.

Jody's trademark is to deliver very funny motivational speeches;



**Keynote Speaker Jody Urquhart**

humor is a key part of her audience connection. A former stand-up comedian, Jody ONLY uses clean humor and original content catered to the audience.

Jody is a featured guest speaker for the GE Healthcare Tip-TV program, broadcast in over 2600 healthcare facilities. Her insights and expertise earned her the 2008 Bronze Award in the 29th Annual Telly Awards for excellence in programming this presentation.



# Workers' Compensation

## Overview

The **Bureau of Workers' Compensation** administers the Tennessee Workers' Compensation Act to assist both employees and employers minimize the impact of work-related injuries. The Bureau's programs are designed 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.

The **Court of Workers' Compensation Claims** completed its second full year of operations, adjudicating a docket approximately double in size from the previous year. In addition, the court achieved two critical public-outreach goals. First, court staff wrote and produced a video for self-represented litigants, which explains in plain English how to present cases in court. The video was posted on the Bureau's website as well as the Court blog. Second, the Chief Judge and the Director of Mediation and Ombudsman Services of Tennessee visited all eight Workers' Compensation offices to conduct "Listening Sessions," allowing members of the bar to offer informal feedback and suggestions for improvement. The court additionally



The Workers' Compensation courtroom in Murfreesboro.

surveyed litigants and lawyers who appeared before it, asking respondents to score the judges in a variety of areas, including quality of written decisions, impartiality, understanding of the law, and courtesy. The average score was 4.2, on a scale of one (lowest) through five (highest).

In its second full year of operation, the **Workers' Compensation Appeals Board** achieved several important goals while executing its core function of providing employees and employers of Tennessee fair, efficient, and meaningful appellate review of decisions of the Court of Workers' Compensation Claims. First, the Appeals Board began conducting oral arguments. The first session of oral arguments was held in the courtroom at Belmont University School of Law in August, and the second was held in the Tennessee Supreme Court's Nashville courtroom in November. Oral arguments provide parties an important opportunity to present their cases in an interactive setting with the Appeals Board judges, and the enhanced focus on the critical issues in the case aids greatly in the decision-making process. Both sessions were attended by dozens of law school students, providing a unique educational opportunity for young people who may one day be advising workers and employers alike. Moreover, since oral argument sessions are open to the

public, any other interested persons, including attorneys, self-represented litigants, and law students, can observe the functioning of the Appeals Board in a public setting. In the coming year, the Appeals Board will continue to develop its oral argument program in a manner that enhances the parties' opportunity to be heard, while also maintaining an efficient and meaningful appellate system.

Second, the Appeals Board maintained its commitment to issuing its decisions in accordance with statutory time requirements. This occurred despite a rapidly-increasing caseload involving appeals of both interlocutory and final judgments. These decisions are easily accessible to the public through LexisNexis, Westlaw, UT College of Law, Tennessee Attorneys Memo, and in a daily email from the Tennessee Bar Association called "TBA Today," which is available to all members of the Tennessee Bar Association. Decisions of the Appeals Board and Court of Workers' Compensation Claims have been downloaded over 21,000 times by readers across the United States and in foreign locations such as Germany, Ireland, and France.



Oral Arguments were presented in front of the Appeals Board at Belmont University, open to law students and the public.

The **Mediation and Ombudsman Services of Tennessee** helps resolve workers' compensation benefit disputes via mediation services for injured employees and their families, their employers, and their employers' insurance companies. The program also provides information about workers' compensation, how to obtain benefits, and how to protect the rights of all parties through the Ombudsman program.

The eight Bureau offices across the state conducted 3,244 mediations for temporary disability and medical benefits disputes in the 2015-2016 fiscal year. Of these mediations, 1,987, or 61%, resulted in the parties agreeing on the areas of dispute.

The mediation offices also conducted 2,302 in-person mediations involving permanent disability benefits disputes. With the mediators' assistance, 1,524, or 66%, of mediations resulted in a settlement agreement.

During the fiscal year, the ombudsmen made 21,522 telephonic, in-person and electronic contacts involving 11,403 unique issues. They provided information to 8,364 Tennesseans. The ombudsmen helped 404 injured workers receive their workers' compensation benefits.

The Bureau's **Medical Related Services** includes several programs to ensure that appropriate care is provided to injured workers at a reasonable cost. The workers' compensation statute allows the **Utilization Review (UR)** of medical treatment recommended by an authorized treating physician. 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 treatment recommended by the authorized treating physician, a UR Appeal may be made to the Bureau's Medical Director, who may overturn, modify, or affirm the denial. The decision made by the Medical Director is final for administrative purposes.

The UR program's new rules to clarify and improve the speed of the review and appeal process will go into effect in January 2017. This will provide injured workers quicker responses to requests for medical treatments that were denied by the employer or insurer. Over 1,409 appeals were processed in FY 2015-16, with more medications being reviewed in light of the opioid crisis. After records are received, the appeal decisions are typically completed in less than three days.



The Appeals Board, pictured at the Tennessee Supreme Court: Timothy Conner, Marshall Davidson, and David Hensley.

**Medical Case Management's** new rules become effective January 2017. They require certification for Case Manager Assistants and Tennessee specific yearly educational hours. Penalty provisions approved by the Legislature last session become effective in 2017.

The **Medical Impairment Rating Registry** is a statutorily mandated program currently composed of 88 board-certified physicians who help resolve impairment rating disputes between Tennessee employers and employees. Because these physicians have no affiliation with either party and have been specially trained to perform impairment evaluations in accordance with the American Medical Association Guides, opinions rendered by registry physicians are presumed to be accurate. Registry physicians opined on approximately 75 cases in the 2016-17 fiscal year, thus helping resolve disputes earlier than had they not been involved.

Updates to the program included increases in the fees paid to these physicians, and new rules, including an expansion of the definition of a "dispute" that became effective in September 2016. Additionally, a physician education course was presented in Knoxville and was attended by a record 55 physicians who updated their skills in providing impairment ratings.

The **Medical Payment Committee**, charged with analyzing disputed medical bills and payments, met four times and resolved 14 cases. Due to the active involvement of the Bureau's Nurse Consultant, more cases were resolved rather than presented to the committee. This committee was also involved in a review of the fee schedule related to trauma care during the year.

The **Medical Advisory Committee** advises the Bureau Administrator on all medical related issues. It was instrumental in the implementation of the Treatment Guidelines and the Drug Formulary. A Supplemental Formulary Study Group presented a report outlining some of the issues concerning communication between patients, providers, insurers and pharmacy benefits managers.

In regard to the **Medical Treatment Guidelines and the Drug Formulary**, the Bureau provided over 30 educational sessions. In addition, a video was made available that explained the purpose and methodology of the guidelines and formulary and was posted on the Bureau's website.



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 secure workers compensation coverage when required. As this is accomplished, employees injured on the job receive appropriate medical and disability benefits. Also, law abiding

employers compete for business on a more level playing field. The Compliance Program's outcomes continue to improve. Twenty percent more employees (7,271) gained new coverage in FY 2015-2016. More non-compliant employers were identified (430). Total collections increased by seven percent to \$1.38M (7%). The Bureau also upgraded the free coverage verification service so the public may receive an automatic notice to a person who requests notification if a policy cancels early.

The EMEEF Program was created in 2013 to help ensure that construction employers appropriately classify their workforce as employee. Employee misclassification can occur when employers underreport payroll to avoid premium, classify an employee as an independent contractor, or classify an employee incorrectly. The Compliance Program resolves disputes about these issues through an administrative process.

The Bureau's **Administrative Legal Services Unit** is charged with monitoring compliance with Orders of the Court of Workers' Compensation Claims and enforcing the penalties contained in the statute and/or set forth in the Bureau's rules. The Unit is also responsible for drafting the Bureau's rules and legislation, addressing inquiries from members of the Tennessee General Assembly, and handling constituent inquiries.

Timely compliance with orders of the Court of Workers' Compensation Claims was achieved in 99.21% of the orders issued and constituent inquiries referred from the General Assembly were researched and addressed within two business days in 2016. The Bureau's 2016 legislative proposal was adopted by the General Assembly by a unanimous vote, and all rules presented to the General Assembly were recommended by the Joint Government Operations Committee.

The Tennessee **Drug Free Workplace Program** is a voluntary program designed to add value for Tennessee employers by promoting drug-and-alcohol free workplaces. Employers whose workers are not impaired by drugs and alcohol have safer worksites



The sessions from the 19th Education Conference were packed.

and can operate on an enhanced competitive position free from the costs, delays, and tragedies caused by substance abuse. The program ended Fiscal Year 2015/16 with 3,523 active participants, which provided safer worksites for more than 325,000 Tennessee employees.

The focus on safety is the underlying value of the program along with these entitled benefits to active participants:

- A 5 % premium credit on their workers' compensation insurance policy;
- The discharge of discipline of an employee, or the employer's Drug-Free Workplace Program, will be considered done for "cause";
- A shift in the burden of proof required to award workers' compensation benefits to the employee, if an employee suffers a workplace injury and receives a positive confirmed post-accident drug test for illegal use of drugs or alcohol or refuses to submit to a post-accident drug or alcohol test.

With a Mission Statement of "Fulfilling the Promise of Workers' Compensation, Today...and Tomorrow" the Bureau has a strong belief that being accessible to its customers is important. One way that the Bureau illustrates that belief is by interacting with the public on a regular basis. It has developed an **Outreach and Education Program** that encompasses multiple means for the public to communicate directly with Bureau leadership with positive results.

In May, the Bureau conducted its 19th Annual Education Conference with a theme of "Roads to Recovery." Over 700 attendees heard presentations focused on topics important to them, including issues regarding pain management, ethics, best practices in claims handling techniques, and return-to-work success stories.

In October, the Bureau hosted a "National Conversation on the Future of Workers' Compensation." The event, a follow-up to the inaugural forum hosted last year, allowed stakeholders, including attorneys, employers, carriers, medical providers, and employee representatives to share opinions about a wide variety of issues that are currently being debated across the country and was part of a nationwide effort conducted by the IAIABC to solicit opinions to help guide the future. The opinions shared by the 50+ attendees were compiled and provided to the IAIABC for inclusion in their national study.



Administrator Hudgens speaks at the National Conversation on the Future of Workers' Compensation.

Throughout the year, Bureau leadership spoke at events sponsored by groups such as Chambers of Commerce, Bar Associations, Insurance Carriers, and Human Resource Associations to educate their members about actions that they can take to lessen or eliminate workplace injuries. Information was shared to help build and maintain trust with their injured employees by reducing the number of disputes in their claims. Bureau leadership spoke at over 100 events in the past year to more than 2,000 attendees.

The Southern Association of Workers' Compensation Administrators (SAWCA) named Abbie Hudgens as President of the organization during its annual conference in Sandestin, Florida. Abbie has served as Administrator for the Bureau of Workers' Compensation since September 2011 and was reappointed by Governor Haslam in 2013. She is also the vice president of the International Association of Industrial Accidents Boards and Commissions (IAIABC).



Attendees give their feedback on how they believe the workers' compensation system can be improved.

# Workforce Services

## Executive Summary

2015 – 2016 marked another impressive year for Tennessee with engaging activity, diligent work, and comprehensive approaches towards aligned systems with our partners. Since the Workforce Innovation and Opportunity Act (WIOA), Workforce Services has taken the lead, merging multiple state agencies and programs to better administer federally funded, employment programming.

These efforts remain imperative to the capitalization of our economical success and alignment with educational attainment and workforce development in our state. Through partnership with Local Workforce Development Boards, services are delivered through our American Job Centers, providing universal access to integrated labor exchange opportunities. Furthermore, workers, job seekers, and businesses alike may access these resources either on-site or online.

## State Workforce Development Board

The State Workforce Development Board provides leadership and guidance to Tennessee's Workforce System along with oversight to the Local Workforce Development Boards. They do so by assuring coordination of seamless and collaborative activities and monitoring continuous performance improvement within the state's workforce system.

The board envisions an increase to the competitive positioning of Tennessee businesses through the development of a high-skilled workforce. Supporting this vision, the 2016-2020 Combined State Plan was designed, providing a strategic and operational guideline with USDOL approval.



American Job Centers (AJCs) are valuable community resources that meet the needs of Tennesseans by reforming employment, education, and training. While services vary by location, free assistance, including access to Jobs4TN.gov, on-site employers, and personalized engagement with staff, is available to all looking for work, currently employed, or seeking to further their careers.

In order to link diverse talent to companies, the Business Services Team works diligently across programs, scheduling employers to recruit on-site and providing free virtual recruiting options on Jobs4TN.gov. During Program Year 2015 the AJC's have assisted 222,652 Wagner-Peyser applicants of which 119,934 received staff assisted services and referred 44,032 job seekers to employment opportunities. Entered employment following services received for job seekers is 69%.

## JOBS4TN.GOV

The Jobs4TN.gov online database conveniently provides integrated services for individuals, employers, training providers, workforce staff and One-Stop partners. This system, which integrates several programs, as well as labor market information and case management services, allows us to stay compliant with federal collection and reporting regulations.

A major highlight of Jobs4TN.gov is the continued integration of Virtual One-Stop (VOS). This system builds on our labor market information and job portals by adding an integrated case management system, which allows us to capture and report data across numerous programs. *This includes most of the programs listed below.* The Geographic Solutions Unemployment System (GUS) went live on May



# 222,652

Assisted AJC Applicants



# 119,934

Applicants Received Staff Assisted Services



# 44,032

Job Seekers Referred to Employment Opportunities



# 69%

Entered Employment Following Services Received

2016 and the Adult Education module is scheduled for integration within the next year.

These modules will provide Tennessee with a fully integrated system of data collection and reporting. This system positions the state to be able to quickly adjust while remaining compliant to federal regulations.

**Mobile Career Coaches**



The Career Coach units are mobile centers with services similar to what may be found in the American Job Centers (AJCs). These units focus on delivering services to rural areas and special populations that lack accessibility to brick and mortar AJCs. AJCs partner with employers that travel with the units to rural counties and events, recruiting for open positions. The Coach also serves as a support system to numerous job fairs and other events across Tennessee.

These vehicles will arrive on location:

- providing a mobile computer lab with Internet access
- creating a venue for workshops, including résumé assistance and interviewing skills
- serving as a recruitment center for companies moving to Tennessee

Both units and staff are certified mobile testing sites for the High School Equivalency Test (HSET).

Career Coaches currently administer an average of 109 HSETs per month across Tennessee in areas that lack a testing site. In Program Year 2015 the Coach Units served 6,509 participants in almost all 95 counties. On average the Coach Units visit 35 counties across the State per month with many of those counties being rural and below the poverty level.

For more information about the Mobile Career Coach Units visit [www.getonthecoach.tn.gov](http://www.getonthecoach.tn.gov).

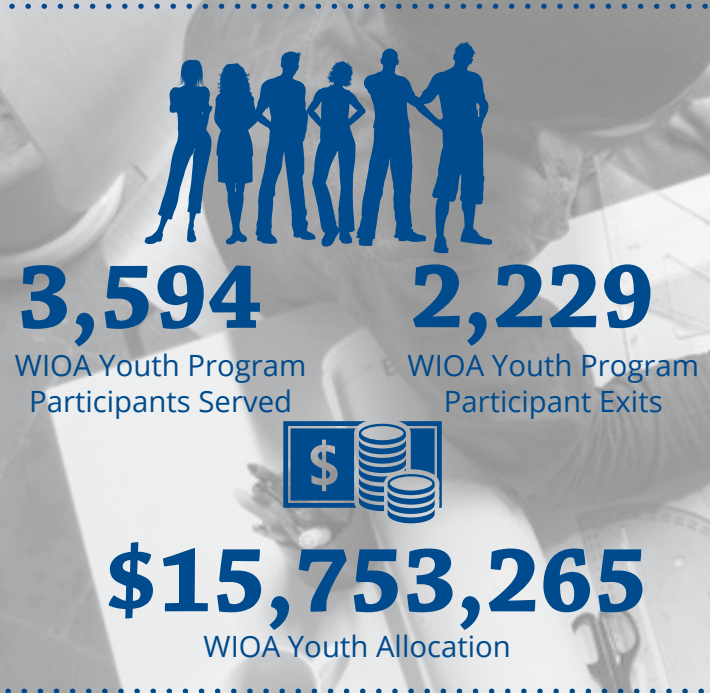
**Programs Available for Job Seekers at the American Job Centers**

**Workforce Innovation Opportunity Act (WIOA) Adult & Dislocated Worker Program (Title I)**

WIOA Title I Adult and Dislocated Worker funding is available to eligible participants for career and training services. Local Workforce Development Areas coordinate program, which may include support and assistance for individuals participating in provided career and training services. Priority is given to public assistance recipients, other low-income individuals, veterans, and those who are “basic skills-deficient.”

**Youth Services**

WIOA Youth Services are available to eligible low-income youth, ages 14-24, who face employment barriers. Service strategies, developed by workforce providers, prepare youth for employment and/or post-secondary education through interdependent academic and occupational learning. Under the direction of Local Workforce Development Boards, local communities partner with Tennessee



**Statewide Performance Goals and Outcomes Table**

Group	Performance Measure	Goal	Actual	Cost Per Participant
<b>Adults</b>	Entered Employment Rate	85%	87.7%	
	Retention Rate	91%	92.2%	\$2414
	Six-Month Average Earnings	\$15,711	\$17,411	
<b>Dislocated Workers</b>	Entered Employment Rate	90.8%	83.8%	
	Retention Rate	92.7%	92.6%	\$4891
	Six-Month Average Earnings	\$16,900	\$19,621	
<b>Youth (14-24)</b>	Placement in Employment or Education	86%	81.2%	
	Attainment of Degree or Certification	83%	86.6%	\$4367
	Literacy or Numeracy Gains	68%	66%	

Tennessee's common measure goals and the actual outcomes for the Program Year 2015

American Job Centers to provide youth activities and services. To be eligible for Youth Services, an individual must meet specific requirements related to age and income and school statuses that result in an employment barrier. Program participation is assessed by distinct for in-school youth (ISY) or out-of-school youth (OSY).

During Program Year 2015, the year-round WIOA Youth Program served 3,594 youth participants, with 2,229 exits. Local Workforce Development Areas reported \$15,753,265 WIOA Youth allocation.

**Trade Adjustment Assistance (TAA)**

Federal program, TAA assists U.S. workers who have lost their jobs as a result of foreign trade. Supporting re-employment, TAA seeks to provide these trade-affected workers with opportunities to obtain the skills, resources, and support needed to become reemployed.

Benefits include financial and job search assistance. The fiscal element includes:

- Textbooks, tools, and supplies
- Tuition and training assistance
- Relocation assistance
- Travel reimbursement

During the fiscal year ending June 30, 2016, there were 360 TAA participants of which 179 are currently enrolled in TAA training. Funds spent totaled \$1,427,973 and \$291,334 was obligated to fund TAA training.

**SNAP Employment & Training - Employment & Training (SNAP E&T) Program**

SNAP E&T prepares SNAP (formerly referred to as "Food Stamps") recipients for employment through work-related education and training activities. This includes any SNAP recipient that does not receive TANF benefits and "able-bodied adults without dependents" (ABAWDs) who need to meet their 20-hour federal work/activity requirement. The grant enables SNAP E&T staff members to provide case management, including a program overview and client assessment, determining an appropriate training component. Components offered include:

- Post-secondary education
- Vocational /technical & other training
- Adult Education classes
- WIOA and workforce training

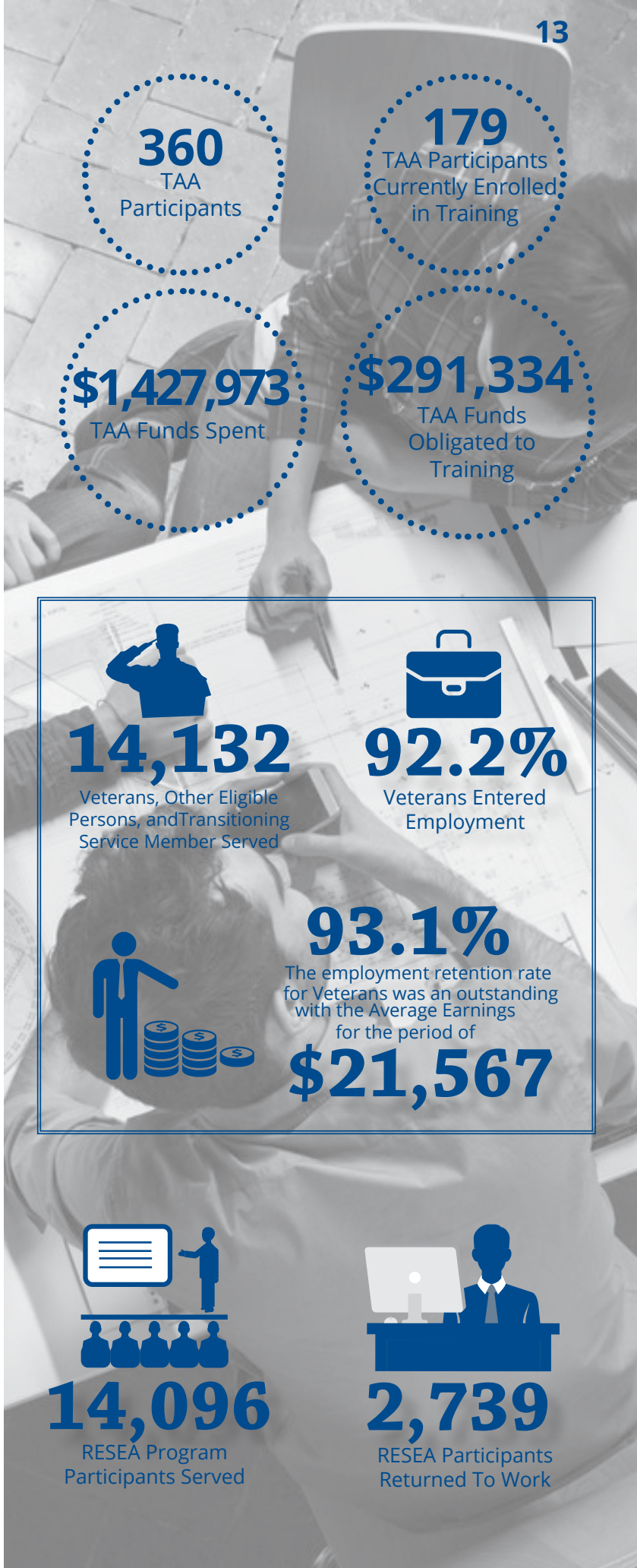
**Veterans Program**

The Jobs for Veterans State Grants (JVSG) program helps veterans transition to meaningful civilian employment by providing employment services at the American Job Centers and other locations. Funding allows Disabled Veterans Outreach Program (DVOP) specialists and Local Veterans Employment Representative (LVER) staff to specialize services designed to outreach and advocate for veterans. JVSG funds support services to veterans experiencing employment barriers and their eligible spouses. Those barriers include disabilities (as well as "special"), economical or educational disadvantages, and homelessness.

The Department of Labor and Workforce Development has provided services to 14,132 Veterans, other eligible persons, and transitioning service members achieving a 92.2% Entered Employment Rate. The employment retention rate for Veterans was an outstanding 93.1% with the Average Earnings for the period of \$21,567. Paycheck for Patriots, Tennessee's annual hiring event, continues to lead the way in hiring events for Veterans across the State.

**Re-Employment Services & Eligibility Assessment (RESEA)**

RESEA assists unemployment claimants with returning to work quicker. Staff works one-on-one with participants to assess their interests and abilities and establish an employment development plan that guides their career endeavors. This includes conducting workshops and delivering other workforce related services to participants. These services are being offered across the entire state, in both comprehensive and affiliate American Job Centers. In Fiscal Year 2016, the RESEA program served 14,096 participants. Of which, 2,739 participants returned to work.

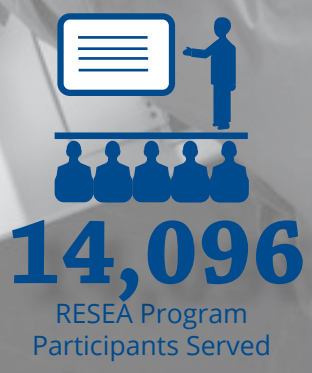


14,132  
Veterans, Other Eligible  
Persons, and Transitioning  
Service Member Served

92.2%  
Veterans Entered  
Employment

93.1%  
The employment retention rate  
for Veterans was an outstanding  
with the Average Earnings  
for the period of

\$21,567



**Agricultural Outreach & H2-A Programs**

Tennessee Department of Labor & Workforce Development manages the Migrant and Seasonal Farmworker (MSFW) and H2-A Certification for Temporary Agricultural Workers' programs. The MSFW program provides outreach and basic labor exchange services to those who are identified as migrant or seasonal farmworkers. The H2-A program helps employers recruit temporary alien workers when qualified U.S. workers are not available.

During the period beginning July 1, 2015 and ending June 30, 2016, the following job orders were posted: 406 PERM (permanent labor certification), 125 H-2B (temporary non-agricultural jobs), and 437 H2-A (temporary agricultural jobs). The H2-A program conducted 437 on-site preoccupancy housing inspections.

**Senior Community Service Employment Program (SCSEP)**

The Senior Community Service Employment Program provides marketable community service and work-based job training to seniors 55 and older. SCSEP participants gain work experience in a variety of community service activities at non-profit and public facilities, including schools, hospitals, and daycare and senior centers. Tennessee Department of Labor and Workforce Development currently has six sub-grantees and works with two national grantees, the National Council on Aging and Senior Service America, Inc., to administer the program statewide.

During the program year July 1, 2015 through June 30, 2016 the state program served 292 seniors and the total participants served throughout Tennessee. The State and Nationals participation was 1,491 individuals.

**Eligible Training Provider List (ETPL)**

The Eligible Training Provider List (ETPL) is a directory for postsecondary school and training providers and programs that assist with upgrading participants' education and/or skills. WIOA requires Tennessee to maintain such a list of entities certified to accept students using WIOA funds. This list is used by participants when researching career and training options based on their career goals.

WIOA expanded the eligible training provider lists for technical and occupational classroom training programs and strengthened the provisions regarding training provider eligibility.

There are a total of 170 providers on the ETPL. The provider composition is as follows:

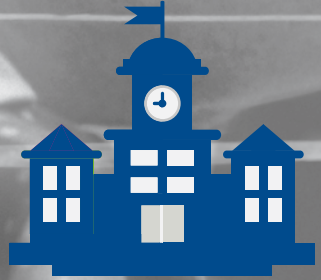
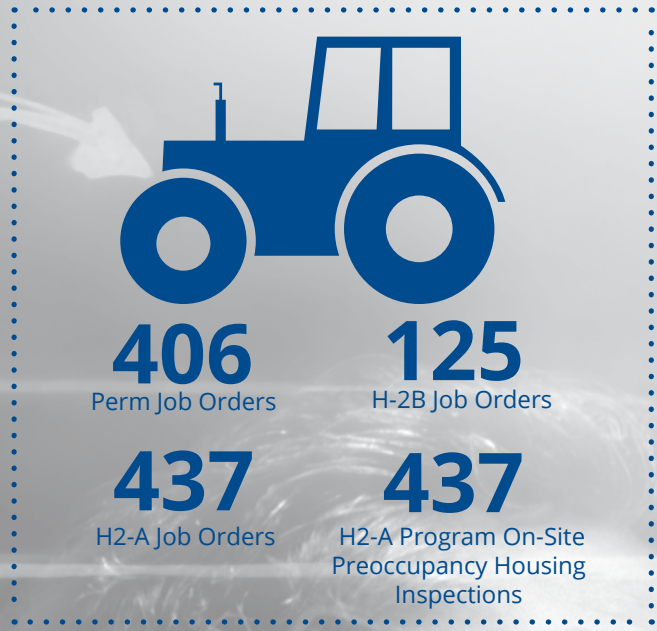
- Postsecondary Schools: 114 Providers
- Tennessee Technology Centers: 26 Providers
- Community Colleges: 16 Providers
- 4-year Universities: 10 Providers
- Registered Apprenticeship: 4 Providers

**Programs/Services Available for Employers at the American Job Centers**

**Business Services Team (BST)**

Tennessee's American Jobs Centers are equipped to assist businesses with recruiting, hiring, training, or upgrading skills for their workforce. BST includes representation of Vocational Rehabilitation, Local Workforce Development Areas and state departments: Economic and Community Development as well as Labor and Workforce Development.

Representatives offer a range of customized training options to meet businesses' needs, providing information about local and federal resources to assist with business decisions, including marketing and economic development opportunities.



- 114 : Postsecondary Schools
- 26 : Tennessee Technology Centers
- 16 : Community Colleges
- 10 : 4-Year Universities
- 4 : Registered Apprenticeship

The Business Services Teams in partnership with the Local Workforce Development areas have provided 234,206 services to employers across Tennessee.

**Work Opportunity Tax Credit (WOTC)**

The Work Opportunity Tax Credit (WOTC) exists to incentivize private businesses hiring individuals who consistently face significant employment barriers. This targets specific groups with maximum tax credits of the following:

- \$4,800 to \$9,600 for disabled veterans
- \$4,000 for long-term recipients of Temporary Assistance to Needy Families (TANF)
- \$1,200 for summer youth employees
- \$2,400 for all other target groups

During the 2016 Fiscal Year, the Tennessee Department of Labor and Workforce Development's WOTC Unit redesigned the application process, automating the application process and improving the determination procedure. This automation comprises of a new interface with the Tennessee Department of Correction, a bulk upload feature for employers and consultants, and a portal for other state coordinators to find information concerning applicants that received benefits in Tennessee.

In Fiscal Year 2016, WOTC issued 29,416 tax credit certifications which represent a potential federal corporate income tax savings of \$80,516,800 to qualified Tennessee employers.

**Rapid Response**

Rapid Response offers many services to help businesses and workers deal with the effects of layoffs and plant closures. This includes those that result from increased competition from imports, natural disasters, and other events. The program is designed to quickly coordinate services and provide immediate aid to companies and their affected workers. Rapid Response teams work with employers and any employee representative(s) to hastily maximize public and private resources, minimizing disruptions associated with job loss. Units provide customized services on-site at an affected company, accommodate any work schedules, and assist companies and workers through the painful transitions associated with job loss.

This past year, 188 companies received services and 14,822 displaced workers received assistance in making a career transition.

**Incumbent Worker Training (IWT)**

The IWT program is a competitive grant, providing funds to assist eligible Tennessee businesses effectively train and retain employees by providing skills upgrades and process improvement training for existing, full-time employees.

Using a conservative hourly wage estimate of \$7.50 per hour, the IWT program has saved and created a total of 2,378 jobs. Rapid Response funded IWT would result in a return of over \$37 million in recurring wages for local communities. Additionally, Rapid Response funded IWT would save the state's Unemployment Insurance Trust Fund an estimated \$15,457,000.

During this program year we have obligated \$932,245 in Rapid Response funds to 52 companies, which trained 2,378 Incumbent Workers. While the program year runs through December 31, 2016 here are the projected outcomes.

- 582 jobs saved
- 147 jobs created

*\* Each program has different eligibility requirements. Visit your local American Job Center to learn more.*



**234,206**

Individual Service Provided to Employers



**29,416**

WOTC Issued Tax Credit Certifications

**\$80,516,800**

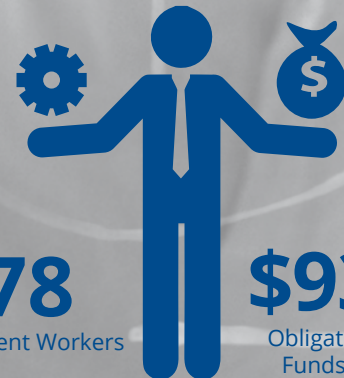
Potential Federal Corporate Income Tax Savings to Qualified Tennessee Employers.

**14,822**

Displaced Workers Received Assistance in Making a Career Transition

**188**

Companies Received Rapid Response Services



**2,378**

Trained Incumbent Workers

**\$932,245**

Obligated Rapid Response Funds to 52 Companies

**582**

Projected Jobs Saved

**147**

Projected Jobs Created





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 Individual and Total Services July 1, 2015 - June 30, 2016



**169,865**

Total number of individuals that registered



**278,582**

Total number of distinct individuals receiving services



**2,562,878**

Total number of services provided to individuals



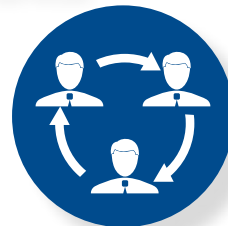
**104,656**

Total number of individuals that logged in



**79,226**

Total number of internal job orders created



**203,004**

Total number of internal job referrals created



**288,609**

Total number of services provided to employers

## 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.

# Workplace Regulations & Compliance



## Amusement Devices

The Amusement Device Unit mitigates risks related to the operation of fixed and portable amusement devices, zip lines, dark houses, carousels, bumper cars, fairs and carnivals. The law became effective January 1, 2009. In FY15/16 the Amusement Device Unit issued 250 annual permits and assessed/collected \$152,450 in revenue.

## Boilers

The Boiler Unit reviews more than 68,500 boilers and pressure vessels in Tennessee through biannual and biennial inspections. In FY15/16, inspectors conducted 33,557 inspections and issued 36,028 inspection certificates. The Boiler Unit generated more than \$2.7 million dollars in revenue.

## Elevators

The Elevator Unit inspects nearly 13,560 elevators, aerial tramways, chairlifts, escalators, dumbwaiters, and moving walks in the State of Tennessee. In FY15/16, inspectors performed 22,538 inspections and issued 12,581 inspection certificates. The Elevator Unit generated more than \$2.2 million dollars in revenue.

## 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 Tennessee 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 FY15/16, the Labor Standards Unit performed 3,704 inspections and collected \$380,909.75 dollars in fees.

## Mine Safety

The Mine Safety Unit maintains 2 rescue teams (8 members per team) who remain in a state of readiness in the event of a mining emergency. The Mine Safety Unit provides health and safety training for underground and surface miners. Currently, there are 12 coal mines, 5 zinc mines, and 260 rock quarries (limestone, sand, granite, marble and gravel pits) in Tennessee. Mine Safety Instructors taught 283 classes, issued 25 mine licenses [coal mines, zinc mines (metal) and rock quarries (nonmetal) attached to underground mines], and certified 171 mine foremen in FY 15/16. Most rock quarries are not required to obtain a mine license.

# Communications

Communications conducted more than 30 hiring events in 2015-2016 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-2015: The Department of Labor and Workforce Development took the lead in partnering with Dollar General, Lee Company, the Nashville Predators and Bridgestone Arena 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 14 PRSA (Public Relations Society of America) awards for Public Relations Campaign, Public Affairs and Community Relations for the past four years.

Governor Bill Haslam has declared "Paychecks for Patriots Hiring Event Day in Tennessee" all four years with more than 150 Tennessee companies participating in 2015. 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.

The Communications 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.



**30** Hiring Events



**14** PRSA Awards



**150** Paychecks for Patriots TN participating companies

# 2015-2016 Funding



ADMINISTRATION  
**\$24,984,700**



BOILERS AND ELEVATORS  
**\$5,172,700**



LABOR STANDARDS  
**\$1,157,300**



TOSHA  
**\$9,702,600**



WORKERS' COMPENSATION  
**\$13,982,200**



WORKFORCE SERVICES  
**\$69,966,300**



ADULT EDUCATION  
**\$16,932,200**



EMPLOYMENT SECURITY  
**\$35,730,400**



MINES  
**\$519,000**



SECOND INJURY FUND  
**\$10,147,400**



WORKERS' COMPENSATION EMPLOYEE  
MISCLASSIFICATION & ENFORCEMENT FUND  
**\$739,400**



JOB SERVICES  
**\$ 38,694,300**

TOTAL **\$223,728,500**