

# Department of Labor and Workforce Development

In July 1999, the Tennessee General Assembly created the Department of Labor and Workforce Development by combining the departments of Labor and Employment Security.

The Department of Labor and Workforce Development is a large, diverse department with dual areas of focus - providing both workforce development and workplace safety and health services to the citizens of Tennessee.

Adult Education, Employment Security, and Workforce Development provide a wide variety of workforce development services. These three divisions are integral parts in the Tennessee's Career Center System.

The Division of Adult Education administers Adult Education and Literacy funds that provide educational opportunities for adults seeking basic skills upgrades, General Equivalency Diploma (GED) exam preparation, and English language skills for speakers of other languages, and basic workplace computer skills. These services are offered at Adult Learning Centers and to employers on-site at their request.

Employment Security administers Tennessee's unemployment insurance program. The division takes and processes unemployment claims, pays unemployment benefits to eligible claimants, and collects wage information and unemployment insurance premiums from employers. This division also serves as the state's official source for employment research and statistics and assists employers who are looking at business expansions or are interested in labor availability and wage information.

Workforce Development is responsible for delivering the department's employment and training services to employers and job seekers with single points of contact; and customized packages of services including Older Worker Services, which implements the Senior Community Service Employment Program. For businesses, this department is a source for more skilled workers, recruitment, and training services. For job seekers, it serves as a source for job training, information, placement, and opportunities.

The department's workplace safety and health services are provided by the divisions of TOSHA, Workers' Compensation, and Workplace Regulations and Compliance.

The Tennessee Occupational Safety and Health Administration (TOSHA) strives to save lives, prevent injuries, and protect the health of Tennessee workers. The staff establishes protective standards, enforces those standards, and reach out to employers and employees through technical assistance, training and consultation programs.

The Workers' Compensation Division administers the workers' compensation program and promotes a better understanding of the program's benefits by informing employees and employers of their rights and responsibilities, by mediating disputed claims, and encouraging workplace safety. Workers' Compensation also administers the Second Injury Fund and manages the innovative Drug Free Workplace Program.

The Division of Workplace Regulations and Compliance oversees a diverse set of programs including: Mine Safety, Boiler, Elevator and Amusement Device Operations, Labor Standards,

and Labor Research & Statistics. This group conducts mine safety training classes and trains a mine rescue team for mine emergencies, inspects every boiler vessel, elevator and amusement device in Tennessee, with the exception of elevators in Memphis that are inspected by the City of Memphis, monitors compliance with labor laws and conducts research on accidents and fatalities in the workplace.

The Department of Labor and Workforce Development has the following programs:

1. Administration
2. Tennessee Occupational Safety and Health Administration (TOSHA)
3. Mines
4. Boilers, Elevators, and Amusement Devices
5. Labor Standards
6. Workers' Compensation
7. Employment and Training
8. Second Injury Fund
9. Adult Basic Education
10. Employment Security.

## **Administration**

### **337.01 Administration**

Administration provides policy direction and management for the department, including Administrative and Fiscal Services, the Information Office, Information Systems Management, Planning and Continuous Improvement, Internal Audit, Legal Services, Personnel, and Equal Employment Opportunity/Affirmative Action (EEO/AA).

### **Mandated and Optional Services and Best Means of Providing Them**

The Workforce Development Act of 1999 mandates that the Commissioner of Labor and Workforce Development develop and implement services which foster the continued enhancement of Tennessee's workforce, ensures the maintenance of a fair, equitable, and fully funded unemployment insurance program, and to be responsible for the administration of a workforce development system that protects the life, health, and safety of Tennessee's workforce.

These services include the overall administration of the department and its programs. This includes the Office of the Commissioner, which is mandated to formulate policies, procedures, and long-range plans to carry out the mission of the department outlined in Tennessee Code Annotated (TCA) 4-3-1407(1-3).

TCA 4-3-304(7) and 4-3-304(9) mandate the use of internal audits to provide management with objective reviews of departmental processes and include recommendations for improvements. Office of Management and Budget (OMB) A-133 mandates the Department of Labor and Workforce Development receives sub-recipient audit reports. TCA 8-19-501 and TCA 9-18-101-

104 mandate preparing property loss reports and coordinating departmental compliance with the Financial Integrity Act.

TCA 8-6-301 permits the Office of the Attorney General to employ staff attorneys and requires that the work of the staff attorneys be supervised and directed by the agency that employs them. In accordance with TCA Title 50 and its ensuing rules and regulations, the Department of Labor and Workforce Development employs attorneys to provide legal representation.

TCA 8-30-201-203 mandates that personnel services are based upon the principles of public personnel administration.

The EEO/AA-Employment Opportunity Division monitors departmental compliance with non-discrimination laws and equal opportunity obligations, reviews written policies, develops and publishes procedures for processing discrimination complaints, is responsible for coordinating recipient's obligations, serves as recipient's liaison with U.S. Department of Labor, Civil Rights Center, and monitors and investigates recipient's activities and the activities of the entities that receive funds from the recipient.

Information Systems Management (ISM) purchases, maintains, and services all of the department's computer hardware, software, and programs. The division works closely with the Office of Information Resources and all divisions within the department to keep pace with the rapid change in computer technology and departmental needs.

The Public Information Office handles internal and external communications for the department by responding to statewide media calls, writing and distributing press releases for all divisions including monthly state and county unemployment releases, updating the department's internet sites, and producing the weekly newsletter.

The department currently believes it is carrying out these activities in the most appropriate manner.

**Performance Standards**

- 1. The total administrative cost for the department will not exceed 5% of departmental budget.
- 2. The number of repeat financial audit findings will be zero.

**Performance Measures**

- 1. Administrative costs for the department as percentage of total budget.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
5%	5%	5%

- 2. Repeat financial audit findings.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
0	0	0

## **Means of Addressing Any Change in Services Since Previous Plan**

There are no changes in service since the previous plan.

## **Safety and Health**

### **337.02 Tennessee Occupational Safety and Health Administration (TOSHA)**

The primary goal of Tennessee Occupational Safety and Health Administration (TOSHA) is to improve occupational safety and health in workplaces throughout the state. Improving safety and health in the workplace will result in reduced injuries, illnesses, and fatalities. Tennessee's program services are delivered through a central office in Nashville and field offices located in six strategic geographical areas in Chattanooga, Jackson, Kingsport, Knoxville, Nashville, and Memphis.

The Occupational Safety and Health Act of 1972 mandates that every employer furnish a place of employment free of recognized hazards and provide a safe and healthful workplace for its employees. While the legislated mandate and philosophical approach to the implementation of the state's Occupational Safety and Health Program has remained constant, the resources, delivery of services, and staff relationships to citizens are constantly reevaluated. This allows TOSHA to meet the challenges of an ever-changing workplace.

### **Mandated and Optional Services and Best Means of Providing Them**

TOSHA is required to perform mandatory activities by the Tennessee Occupational Safety and Health Act of 1972 (TCA Title 50, Chapter 3) and a grant with the U.S. Department of Labor to operate the Compliance, Training and Education, and Consultation sections of TOSHA. These mandated activities include performing safety and health compliance inspections of workplaces in Tennessee, adopting occupational safety and health standards in a timely manner and providing for public access to these standards, investigating workplace fatalities and catastrophes (three or more workers hospitalized), investigating employee complaints concerning safety and health issues in the workplace, and investigating allegations of discrimination by employees who participate in a protected safety and health activity (i.e. filing a complaint with TOSHA). Additional mandated activities include providing safety and health training to employees and employers throughout the state, providing consultative services to employers to assist them in identifying hazards and improving workplace safety and health, and maintaining an accredited Industrial Hygiene Laboratory to analyze samples taken to assure employees are not overexposed to chemicals, dusts, fumes, and other containments.

In addition to mandated activities, TOSHA co-sponsors the Tennessee Safety and Health Congress attended by approximately 2,000 safety and health professionals, vendors, and exhibitors, currently in its 32<sup>nd</sup> year. TOSHA administers the Volunteer STAR Program. The Volunteer STAR Program is a Voluntary Protection Program designed to recognize and promote

effective safety and health management at manufacturing sites within Tennessee. In the program, management, labor, and TOSHA establish a cooperative relationship at a workplace that has implemented an effective safety and health management system. Prior to applying to participate in the program a site must maintain three-year injury and illness rates below the national average for their industrial classification. TOSHA administers an awards and recognition program known as the “Governors Award” and the “Commissioners Award,” to recognize achievement in safety and health by working a predetermined number of man-hours without a lost time accident or without an accident that results in restricted duty. TOSHA also produces and distributes a quarterly newsletter, *Together With TOSHA*, with a circulation of 18,000.

### **Performance Standards**

1. Eliminate serious hazards in workplaces where interventions take place.
2. Provide training in occupational safety and health training classes.

### **Performance Measures**

1. Number of serious hazards identified in workplaces during TOSHA interventions.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
10,500	6,500	6,500

2. Number of people trained in occupational safety and health training classes.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
10,500	10,000	10,000

### **Means of Addressing Any Change in Services Since Previous Plan**

There are no changes in service since the previous plan.

### **337.04 Mines**

The primary goal of the Mines Division is to provide health and safety training classes to Tennessee underground and surface miners in both coal and metal/non-metal mines. The division receives federal grants from the U.S. Department of Labor, Mine Safety and Health Administration, in addition to state funds and monies received from mine operators for safety classes to implement this training program.

The safety training classes are held at the division office in Caryville or at various locations as requested by industry. Additionally, the incident action plans were reviewed this year after the West Virginia coal mining incident to ensure that rescue personnel would be informed on how to respond to such an event.

## **Mandated and Optional Services and Best Means of Providing Them**

Federal Mine Safety and Health Administration (MSHA) mandates that all underground and surface coal mines, all metal underground and surface mines, and all underground non-metal mines receive training from a MSHA approved instructor. This includes mine rescue coverage for underground operations, as well as, electrical certification/qualifications for the coal industry. The division also provides training for the surface non-metal operations and contractors that are used by the operators.

The division provides the optional First Aid and CPR training to all interested parties employed with these companies.

The department currently believes it is carrying out these activities in the most appropriate manner.

## **Performance Standard**

1. Increase the number of persons trained in mine safety by 3% to reduce the number of non-fatal accidents/injuries across the state.

## **Performance Measure**

1. Number of persons trained in mine safety.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
2,039	2,500	2,500

## **Means of Addressing Any Change in Services Since Previous Plan**

There are no changes in service since the previous plan.

## **337.05 Boilers, Elevators, and Amusement Devices**

The primary responsibility of the Boiler, Elevator and Amusement Device Inspection Division is to protect citizens of the State of Tennessee from the potential hazards involved in the operation of boilers and pressure vessels, elevators and amusement devices in the state.

There are three categories of vessels that are inspected in the State of Tennessee; high pressure, low pressure and unfired pressure vessels. There are over 65,000 boilers and pressure vessels operating in the state. Deputy and special inspectors are state and national board certified to perform these inspections. Deputy inspectors perform all initial inspections of newly installed high and low pressure vessels in the state.

The Boiler Inspection Division also license boiler repair companies to repair boilers and pressure vessels located in the state. Located throughout the nation, there are approximately 180 repair

companies licensed to repair boilers and pressure vessel in Tennessee. These companies are national board authorized to perform repairs.

The Boiler Inspection Division is also responsible for conducting tri-annual quality control reviews for the American Society of Mechanical Engineers and the National Board of Boiler and Pressure Vessel Inspectors. The reviews are performed on companies that are in the State of Tennessee, that manufacture and/or repair boilers and/or pressure vessels.

The responsibility of the Elevator Division is to promote the safety of every passenger and freight elevator in the state. There are approximately 12,000 elevator inspections completed twice yearly for total inspections in excess of 24,000. This division performs initial inspections for all newly installed elevators to insure proper installation. Inspectors also conduct non-appointment inspections to verify safety codes are being met. An elevator inspector is responsible for conducting accident reports and reporting all findings to the chief elevator inspector.

The responsibility of the Amusement Device Section is mitigate potential hazards associated with the operation of fixed and portable amusement devices by the over 70 amusement device companies doing business in the State. Owners are required to obtain a permit and provide proof of insurance with inspection certificates for all devices before operating in the State. These devices are then inspected for safety by the State of Tennessee amusement inspectors. The Amusement Device Section became effective January 1, 2009.

### **Mandated and Optional Services and Best Means of Providing Them**

The Boiler Inspection Division is required to perform mandatory activities by TCA Title 68, Chapter 122.

These mandated services include: the inspection, registration, and invoicing of all boilers and pressure vessels; the safe and proper construction, installation, repair, use, and operations of boilers and pressure vessels in the State of Tennessee; the licensing of all repair companies; and the commissioning of Certified Boiler Inspector in the state.

TCA 68-121-106 mandates the inspection and testing of elevators dumbwaiters and escalators located in the State of Tennessee. Elevator inspectors are required to report all inspections and failure to file report of inspection.

The following are optional services preformed by the division:

Tri-Annual Quality Control Reviews are performed by a certified Review Team Leader on companies for the American Society of Mechanical Engineers (ASME), the National Board of Boiler and Pressure Vessel Inspectors (NBBI), and on companies that are in the State of Tennessee that manufacture and/or repair boilers and/or pressure vessels. The Boiler Inspection Division is asked by the ASME and NBBI to perform the required Tri-Annual Quality Control Reviews at no cost to the state. All man-hours and expenses are paid by the company receiving the service (review). There is a significant savings to the Tennessee based companies if the Boiler Inspection Division performs this service, rather than ASME and NBBI.

The division also conducts the National Exams for the Commissioning of Certified Boiler Inspectors and makes available requested public presentations of the laws, rules, and regulations.

The division also conducts and makes available requested public presentations of the laws, rules, and regulations. The department currently believes it is carrying out these activities in the most appropriate manner.

**Performance Standards**

1. Reduce the number of boiler and pressure vessel delinquents, any boiler or pressure vessel that is overdue for inspection by more than 90 days, by 50%.
2. Maintain a minimum of 30 hours of deputy training annually to ensure the latest state and/or national safety/operational techniques are maintained.

**Performance Measures**

1. Number of delinquent boiler and pressure vessels.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
2,189	200	200

2. Number of hours trained.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
71	30	30

**Means of Addressing Any Change in Services Since Previous Plan**

There are no changes in service since the previous plan.

**Workers' Compensation**

**337.03 Workers' Compensation**

The Workers' Compensation Division is responsible for administering the state's workers' compensation system, for promoting the better understanding of the program's benefits and for informing employees and employers of their rights and responsibilities. To fulfill these responsibilities, the Workers' Compensation Division educates the public on the laws and regulations that define workers' compensation requirements; investigates claims for workers' compensation benefits; administers a mediation program for disputed claims; ensures that covered employers properly provide benefits by assessing and collecting penalties for non-compliance with the requirements of the law; oversees the drug free workplace program designed to promote drug- and alcohol-free workplaces for increased productivity and an enhanced competitive position free from the costs, delays, and tragedies associated with work-related accidents resulting from substance abuse by employees; and investigates and enforces financial responsibility requirements for covered employers

The division contains the following units: Benefit Review, Case Management and Utilization Review, Claims, Coverage, the Drug Free Workplace Program, the Medical Impairment Rating (MIR) Registry, Penalties, the Administrative Review of a Specialist's Order, and the Uninsured Employers Fund (UEF). The division maintains six regional offices across the state: Memphis, Jackson, Nashville, Chattanooga, Knoxville, and Kingsport, as well as five satellite offices: Murfreesboro, Clarksville, Cookeville, Columbia and Dyersburg. The division employs approximately 165 employees statewide.

### **Mandated and Optional Services and Best Means of Providing Them**

The Benefit Review Program provides information and assistance regarding workers' compensation laws, rules, and procedures for early resolution of workers' compensation disputes in order to minimize adversarial relationships between parties, decrease litigation, and reduce the overall costs of workers' compensation claims for all parties as mandated by TCA 50-6-236, et seq.

Case Management and Utilization Review coordinates services provided by employers and insurance carriers to ensure that employees receive reasonable, necessary, and cost-effective medical services as mandated by TCA 50-6-123.

The Penalty Program receives and processes all referrals for possible violations of the workers' compensation laws and rules and investigates, assesses and collects penalties for violations pursuant to TCA 50-6-118, -125, -128, -233, -237, and -244.

The Medical Impairment Rating (MIR) Registry provides a resource to resolve disputes regarding the degree of permanent medical impairment ratings for workplace injuries and/or occupational diseases pursuant to TCA 50-6-204.

The Administrative Review unit helps to assure that a Workers' Compensation Specialist has made an appropriate decision when the Workers' Compensation Law is applied to the facts of a workers' compensation case pursuant to TCA 50-6-238.

The Uninsured Employers Fund receives and investigates all referrals for possible situations in which an employer is required to maintain workers' compensation insurance coverage but does not have such coverage. The UEF assesses and collects penalties in cases in which there is such a violation pursuant to TCA 50-6-412.

The Claims unit receives all claims forms filed by employers, insurance carriers, and attorneys and maintains the official state files and records of all of the programs within workers' compensation through imaging technology as mandated by TCA 50-6-201.

The Coverage unit receives all insurance filings and maintains a record of workers' compensation coverage as mandated by TCA 50-6-406.

The Drug Free Workplace Program establishes standards for voluntary programs implemented by employers to prevent the abuse of alcohol and drugs in the workplace as mandated by TCA 50-9-101. The procedures for testing for drugs and alcohol under Title 50, Chapter 9 are mandated by the U.S. Department of Transportation's rules for workplace drug and alcohol testing compiled at 49 Certified Federal Registry (CFR), Part 40.

The Workers' Compensation Division is a government entity; as such, there are no private industries that offer the services that the division provides at no charge. However, private lawyers and mediators can provide information and assistance regarding workers' compensation claims, to both injured employees and employers, for a fee. The court system can hear disputed workers' compensation claims, although, as of January 1, 2005 the law prohibits filing a case in court for accidents and injuries occurring on or after January 1, 2005 until after the Benefit Review Conference process has been exhausted. Through Electronic Data Interchange, the division is able to obtain workers' compensation coverage information provided by private insurance carriers. The division is required by statute to collect and analyze relevant statistical data and other information necessary to evaluate the workers' compensation system. The division must also maintain a statistical and historical database for the workers' compensation program. The division's cost is less than the cost of a private entity providing comparable services. The legislative mandate is to lower the overall cost of workers' compensation claims. It is in the citizen's interest to continue its current process.

### **Performance Standards**

1. Maintain the percentage of cases settled.
2. Improve compliance of the Tennessee Workers' Compensation Act by collecting Uninsured Employer Fund Penalties.

### **Performance Measures**

1. Number/percent of cases settled.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
3,350 (67%)	3,000 (67%)	3,000 (67%)

2. Total amount of UEF penalties collected.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
\$810,000	\$1,300,000	\$1,300,000

### **Means of Addressing Any Change in Services Since Previous Plan**

There are no changes in service since the previous plan.

### **337.08 Second Injury Fund**

The Second Injury Fund is entirely funded by the state and has offices in Knoxville, Jackson, and Nashville. Its purpose is to represent the division in catastrophic workers' compensation cases. Exposure in such cases could exceed \$500,000. The Second Injury Fund is staffed with six attorneys in addition to the director of legal services.

## **Mandated and Optional Services and Best Means of Providing Them**

TCA 50-6-208(a) and (b) mandates that the legal representation for the Department of Labor and Workforce Development defend the Second Injury Fund. Members of the legal team also prosecute TOSHA cases when necessary. The department currently believes it is carrying out these activities in the most appropriate manner.

### **Performance Standard**

1. Pay awards from the Second Injury Fund.

### **Performance Measure**

1. Awards paid from Second Injury Fund.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
\$5,000,000	\$11,900,000	\$11,900,000

## **Means of Addressing Any Change in Services Since Previous Plan**

There are no changes in services since the previous plan.

# **Labor Standards**

## **337.06 Labor Standards**

Labor Standards regulates the following laws: Child Labor Act, Wage Regulation Action, Prevailing Wage Act, and Employee Assistance Professional Licensing. The Prevailing Wage Commission consists of five members and the Employee Assistance Professional Board consists of five members. The Labor Research and Statistic Division are responsible for reporting and recording statistics for the following: Census of Fatal Occupational Injuries, OSHA Log Data Collection Survey, and Survey of Occupational Injuries and Illness. In addition, this division assists TOSHA with recordkeeping.

## **Mandated and Optional Services and Best Means of Providing Them**

The Prevailing Wage Act of 1975 protects wage earners from unfair practices regarding pay on state-funded building and highway construction projects. Payroll records are reviewed on all on-going building projects to ensure compliance with the prevailing wage rates. Job sites are visited and employees interviewed during routine investigations and investigations of employee complaints. Currently, there are no provisions for penalties for violations of the act. The act also requires the Department of Labor and Workforce Development to conduct surveys to determine

wage rates for various job classifications for state-funded construction projects. The data is solicited from contractors annually in highway construction and biennially in building construction. The Prevailing Wage Commission uses the survey data to determine the rates for all state funded construction projects in excess of \$50,000.

Under the Wage Regulation Act, private employers of five or more employees have a number of responsibilities: to inform all employees of the amount he/she will be paid prior to work being performed; to establish and maintain regular paydays at least twice per month; to provide a 30 minute rest or meal break if the employee is scheduled to work six hours or more, and; to protect employees from sex discrimination in relation to wages with the same job. Labor Standards is tasked with ensuring compliance with the statute through the investigation of written complaints. The majority of these investigations are performed using telecommunications and fax machines. The division also utilizes the U.S. Postal Service to serve notice to employers to provide evidence in the claim. Penalties are assessed against employers for non-compliance with this statute.

The Child Labor Act of 1976 protects any minor under the age of 18 in regards to hours of work, hazardous occupations, and meal breaks. A minor must be 14 years of age to be gainfully employed. Investigations are mandated at all places of employment where minors are likely to be employed. On-site inspections are initiated by complaint, report of minor injury, and routine scheduling. Penalties are assessed for non-compliance of this statute.

An optional service provided in conjunction with Child Labor is deliverance of lectures to interested parties educating them in the Child Labor Law. These lectures outline the responsibilities of the employer and are targeted to employers who have been cited for violations, as well as, employers wishing to avoid violations. Lectures are provided free of charge once a month in Nashville, Knoxville, and Jackson offices.

The Employee Assistance Professional Licensing Board is mandated to issue licenses to applicants who have met the minimum requirements. An EAP program is a worksite-based program designed to assist in the identification and resolution of productivity problems associated with employees impaired by personal concerns including but not limited to: health, marital, family, financial, alcohol, drug, legal, emotional stress, or other personal issues that might adversely affect an employee's job performance. The applicant's qualifications are verified by office staff and then submitted to the board for review and disposition. Fees are collected for application and renewal of licensure.

The Occupational Safety and Health Act allows OSHA to collect reports on OSHA recordkeeping. Companies that do not comply may be subject to enforcement actions. The statistics on fatal injuries are obtained through the Census of Occupational Injuries (CFOI).

The department currently believes it is carrying out these activities in the most appropriate manner.

## **Performance Standards**

1. Conduct at least 50 lectures per year to promote child labor safety education and awareness.
2. Maintain the number of violations as a result of increased lecture outreach programs at or below 20%.

## Performance Measures

1. Number of lectures delivered.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
105	50	50

2. Percent of child labor inspections found with violations.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
1%	20%	20%

## Means of Addressing Any Change in Services Since Previous Plan

There are no changes in service since the previous plan.

# Employment and Workforce Development

## 337.07 Employment and Training

The purpose of the Workforce Development Division (WD) is to provide services throughout the state that improve the overall quality of the workforce in order that job seekers may make successful career transitions and employers seek to locate and expand in Tennessee.

The division is responsible for administering the Workforce Investment Act (WIA) that assists individuals who are unemployed or underemployed in securing skills for self-sufficiency and assists local employers to meet their hiring demands. The budget allocation for WIA is approximately \$50 million each year with a three-year spending cycle.

In addition to the WIA, WD houses the Title V program, Senior Community Service Employment Program (SCSEP) that assists participants who are considered to be older workers according to varying age limitations (over 40 and over 55). Other programs managed through the divisions that are unfunded but mandated are the Re-Entry program and the Faith/Community-Based programs.

WD has a total of 34 positions; the majority of the positions are located in the Nashville state office, except eight of these positions are located in local workforce investment area offices to provide services when a mass layoff occurs. The division is divided into three units: Dislocated Worker and Rapid Response, Employer and Youth Services, and Operations. The division provides oversight and sets policy for 13 Local Workforce Investment Areas (LWIA) in order to deliver the department's employment and educational services to employers and job seekers with single points of contact and customized packages of services.

WD staff act as support for state board members during all board business. This includes assuring composition compliance, arranging all meetings, preparing any handouts, engaging speakers, answering any questions and providing orientation to new members.

## **Mandated and Optional Services and Best Means of Providing Them**

The three mandated services (core, intensive, and training) under the Workforce Investment Act are provided through the Tennessee one-stop Career Centers System. Depending on the location of a one-stop career center, it can house multiple partners representing agencies concerned with the labor and human potential development. Each Local Workforce Investment Area (LWIA) in Tennessee has at least one comprehensive center.

To compile information on these services, Workforce Development along with other state partners has opted to develop a common data collection system known as the enhanced Consolidated Management Activities Tracking System (eCMATS). Incentive funds are also awarded to LWIAs exceeding performance measures mandated by U.S. Department of Labor (USDOL). Additionally, this data collection system is used for monitoring deficiencies in the system and for monitoring non-compliance with federal and state law and regulations.

The division conducts mandated statewide services required by WIA section 665.200, including Rapid Response. The division has placed seven area Rapid Response coordinators and a Director of Rapid Response that respond to mass layoffs or closures for those who have lost their job in locations throughout the state.

The Senior Community Service Employment Program (SCSEP) has two services mandated by the Older Americans Act: to provide useful community services and to foster individual economic self-sufficiency through training and job placement in unsubsidized jobs. Services provided include up to 20 hours a week of part-time employment in community service assignments, job training related education opportunities, and opportunities for placement into unsubsidized jobs.

Workforce Development offers contracted statewide services that are mandated or optional as follows:

The Tennessee Higher Education Commission (THEC), in conjunction with the Division of Workforce Development, monitors and coordinates the state's Eligible Training Provider, a federally mandated service. THEC also performs investigations, on-site visits, maintains student records of closed institutions, and conducts a state level appeal process to determine whether a denied provider should be deemed eligible to participate on the state provider's list.

The University of Memphis assists Workforce Development in the development of quarterly and annual Workforce Investment Act participant and performance reports, a mandated program. The University responds to requests from Local Workforce Investment Areas regarding information on customer satisfaction surveys as well as issues related to performance measures. They also assist with matters pertaining to eCMATS, statewide evaluations, and state and local board technical assistance including demographic studies by local workforce areas and predictive economic models.

The Tennessee AFL-CIO provides technical assistance to those businesses and organizations having collective bargaining agreements with labor unions in the state. The AFL-CIO assists workers who have lost their jobs due to layoffs or plant closures. Through this mandated service,

AFL-CIO and Workforce Development work together helping these dislocated workers find and retain employment.

Jobs for Tennessee Graduates, an optional program that is a Jobs for America’s Graduates national program affiliate, assists at-risk and/or disadvantaged youths graduate from high school and find and maintain quality employment. Students receive classroom instruction, community orientation, and career exploration activities. Jobs for Tennessee Graduates requires student competencies in 37 different areas, thus meeting WIA goals for work-readiness, occupational skills training (where appropriate), and for a high school diploma.

**Performance Standards**

1. Workforce Investment Act (WIA) Adult Entered Employment Rate.
2. WIA Adult Retention Rate.

**Performance Measures**

1. WIA Adult Entered Employment Rate.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
83%	83%	83%

2. WIA Adult Retention Rate.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
86%	84%	84%

**Means of Addressing Any Change in Services Since Previous Plan**

With federal stimulus money, the Summer Youth outreach program was nearly doubled to serve over 12,000 at-risk youth and created a \$25 million influx into local communities throughout the state.

**337.09 Adult Basic Education**

The Division of Adult Education provides adult education services as outlined in Title II of the Workforce Investment Act including basic skills upgrades, GED Preparation, and English for Speakers of Other Languages (ESOL). The division also offers basic skills classes specific to a certain industry or job classification at the request of the employer. In addition, the division holds jurisdiction for the administration and supervision of the tests of General Educational Development (GED). The purpose is to ensure that all adults who qualify for services have access to Adult Education programs and that services provided are quality-based and customer-driven.

Services are provided in all 95 counties by contracting with local school systems, community colleges, technology centers, career centers, and community-based organizations. Classes are held at adult learning centers, career centers, and other community facilities, as well as on-site at the request of an employer.

The main office is located in the Central Office Building in Nashville, Tennessee, and employs a staff of ten.

### **Mandated and Optional Services and Best Means of Providing Them**

The primary goal of the Division of Adult Education is to assist adults in obtaining the knowledge and skills necessary for employment and self-sufficiency; in the completion of a high school equivalency education; in obtaining the educational skills necessary to become full partners in the educational development of their children; and in becoming proficient in English language skills.

Adult education provides these services to individuals who are 16 years of age and older; are not enrolled or required to be enrolled in secondary school under state law and lack sufficient mastery of basic educational skills to function effectively in society; do not have a secondary school diploma or its recognized equivalent; and have not achieved an equivalent education or are unable to speak, read, or write the English language.

Adult Education mandated services includes basic skills instruction provided to students reading at 0-8.9 grade level equivalent. This instruction may include life skills training, citizenship and employability skills at the request of an employer. Employability skills may include a range of instructional services such as education and training in basic skills, which could translate into the following: job readiness, job skills, life skills, job seeking skills, basic computer skills and job retention activities. Other mandated services include Adult Secondary Education (ASE), instruction to students reading 9.0 and above grade level equivalency; English Literacy instruction designed to assist students of limited English proficiency achieve competency in the English language; and programs for institutionalized adults and Family Literacy programs.

### **Performance Standards**

1. Raise the number of General Educational Development (GED) diplomas issued.
2. Raise the percentage of students completing a level of education in the Adult Education program.

### **Performance Measures**

1. Number of GED diplomas issued.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
11,000	13,310	13,310

2. Percent of students completing a level of education.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
65%	52%	53%

## **Means of Addressing Any Change in Services Since Previous Plan**

There are no changes in service since the previous plan.

## **Employment Security**

### **337.10 Employment Security**

The Division of Employment Security (ES) of the Tennessee Department of Labor and Workforce Development is one of the largest divisions in state government with approximately 1,100 employees and three main areas of focus. The ES Division administers Tennessee's Unemployment Insurance, Job Service programs, and Labor Market Information (LMI). These three programs are integral parts of the Tennessee Workforce system.

The Unemployment Insurance (UI) program's primary functions are the payment of unemployment insurance benefits and the collection of employer premiums to pay for these benefits. All employer premiums go into Tennessee's Unemployment Compensation Trust Fund. This trust fund is used solely for the payment of unemployment benefits and refund of erroneously paid premiums. The administrative costs of the Division of Employment Security are 100 percent federally funded by the Federal Unemployment Tax Act (FUTA).

Unemployment claimants residing in 91 Tennessee counties, and Tennessee claimants living outside of the state, file their unemployment claims by telephone through the Unemployment Insurance Claims Centers. These same individuals can file "Lack of Work" claims using the Internet. Mail-in claim forms are also available. Claimants living outside of the area served by the UI Claims Centers report in person to their local Labor and Workforce Development office or career center to file a claim.

Claimants and employers who disagree with an agency benefit eligibility decision can appeal that decision. The two levels of appeals within the division are the Appeals Tribunal, the lower authority, and the Board of Review, the higher authority.

The ES Division's Employer Accounts section determines employer liability, determines and assigns premium rates, collects and processes premium reports and payments, processes wage reports and collects wage information for determining benefits for claimants.

The Employment Security Division's Job Service is the largest employment agency in Tennessee. Our services are provided free and are delivered through Comprehensive and Affiliate Career Centers located across the state.

Job Services' primary objectives are to serve as a labor exchange by: assisting job seekers in finding jobs, assisting employers in filling jobs, and facilitating the match between job seekers and employers.

The Research and Statistics/Labor Market Information (LMI) section collects, analyzes and disseminates the "official" labor market information for the state, metropolitan statistical areas, local workforce investment areas, and counties.

LMI is available through the Internet and other electronic media, as well as through publications including "The Labor Market Report;" quarterly and annual publications on employment, wages, and occupational projections; publications on women, youth, and veterans in the workforce; and other periodic publications. The unemployment insurance database is the basic foundation for most LMI programs and research.

### **Mandated and Optional Services and Best Means of Providing Them**

The division is mandated to deliver unemployment insurance and Wagner-Peyser Programs in communities throughout the state. The division must process and provide payment of claims for unemployment insurance benefits in a timely manner. This division administers all federal claims programs including Unemployment Compensation for Federal Employees (UCFE), Unemployment Compensation for Ex-Servicemen (UCX), Trade Readjustment Assistance (TRA), Disaster Unemployment Assistance (DUA), Combined Wage, and Temporary Emergency Unemployment Compensation (TEUC).

The division administers an appeal process for parties (claimants or employers) dissatisfied with agency decisions on unemployment compensation claims.

The Benefit Operation/UI Technical section is composed of Federal Benefits, Combined Wage, Data Entry, Microfilm, Receipt Unit, Benefit Charge, and the Interstate Program Coordinator. Most units in Benefit Operations/UI Technical perform support functions for the field offices and the Claims Center where the initial claims are taken.

The UI Integrity section is composed of the Benefit Payment Control, Reports and Compliance, and Benefit Accuracy Measure units. They are essentially responsible for ensuring proper payment of Unemployment Insurance Benefits.

The division is mandated to establish employer liability under the unemployment insurance program, determine tax (premium) rates, receive and process employer premium and wage reports, collect unemployment premiums, audit employer records, and enforce employer compliance with the Tennessee Employment Insurance Law.

The division's Job Service section provides a wide range of services including pre-screening and pre-testing of applicants, provides computerized state and national job listings, and free office space for interviewing. The labor exchange services consist of taking, processing, and accepting applications for employment; assessment, counseling, and testing; job search assistance, job referral and placement; and placement assistance beyond direct placement such as job development and resume preparation.

The division is responsible for administering the Trade Act Assistance (TAA) program, which trains and helps workers who have been affected by foreign competition to seek new career opportunities and train for jobs in demand. Also in this division is the Work Opportunity Tax Credit program, which provides employers with a tax break if they hire and train on the job.

The division is also mandated to provide selected food stamp recipients, who are experiencing a crisis due to social or economic change, with assistance in job search and in obtaining employment. These services include adult education, counseling, referral to supportive services, and work experience. The veterans programs offer employers the best resources for hiring disciplined, experienced, and skilled workers. The Promoting Re-employment Opportunities for

Veterans program helps veterans to match their skills with employer needs and places job-ready veterans into target industries.

The division is mandated to provide the Alien Certification program, which offers assistance to employers to recruit alien workers when qualified U.S. workers are not available.

The Labor Market Information/Research and Statistics 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. With the assistance of the department's Public Information Office, *The Source*, Tennessee's official information guide for job seekers and employers, is available on the Internet, which enables job seekers to customize job searches and develop career plans. For employers, it provides updated wage, labor force, industry employment, demographic, training, and other detailed labor market information.

The department currently believes it is carrying out these activities in the most appropriate manner. The division provides these services in a manner that is both convenient and cost effective to employers, claimants, and the public at large. The majority of the division's services can be accessed by mail, fax, phone, or Internet. The division utilizes all available methods and technology to meet the needs of customers in a timely manner, while continuing to meet federal standards and performance measures.

**Performance Standards**

1. Exceed by 5% the federal standard payment of 87% on an intrastate initial claim for benefits within 14 days of the first payable week.
2. Exceed the negotiated standard for Wagner-Peyser Entered Employment Rate.

**Performance Measures**

1. Percent of intrastate initial claims paid within 14 days.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
84%	94%	92%

2. Entered employment rate for Job Service participants.

Actual (FY 2009-2010)	Estimate (FY 2010-2011)	Target (FY 2011-2012)
57%	68%	68%

**Means of Addressing Any Change in Services Since Previous Plan**

Per the conditions of accepting the federal stimulus money from the US Department of Labor, the department has implemented the alternate base period, dependent allowance, and eligibility for part-time workers. In addition, the program has implemented five tiers of extended benefits to combat the recession and high unemployment per federal guidelines.

Also, the department is working to upgrade its interactive voice response (IVR) system to more efficiently handle claimant calls for the UI call centers across the state. Additionally, the department also has plans to replace the UI check system, by offering debit cards and the option for direct deposit later in the 2010-2011 fiscal year. This offering should result in a department savings of over \$1 million.