

PHIL BREDESEN
THE GOVERNOR OF TENNESSEE

26 June 2009

Ms. Helen Parker
Regional Administrator
U.S. Department of Labor/ETA
Atlanta Federal Center, Room 6M12
61 Forsyth Street, S.W.
Atlanta, GA 30303

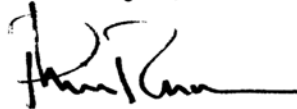
Dear Ms. Parker:

Please find enclosed for your approval Tennessee's Strategic Five Year Plan Modification for Title I of the Workforce Investment Act of 1998 and for the Wagner-Peyser Act.

The Tennessee Workforce Development Board and staff from the Governor's Office, as well as the departments of Labor and Workforce Development, Economic and Community Development, the Senior Community Service Employment Program, the Tennessee Higher Education Commission, and staff from the local workforce investment areas collaborated in drafting this plan. Included in this plan is information regarding our goals for the use of the American Recovery and Reinvestment Act funds and a full waiver plan for both regular formula and Recovery Act funds.

Enclosed is one original copy of the document forwarded electronically on this date. An additional electronic copy and a hard copy have been forwarded to Ms. Janet Sten, Federal Coordinator for Plan Review and Approval.

Warmest regards,



Phil Bredesen

cc: Janet Sten, Federal Coordinator, Plan Review and Approval
Linda Lundy, Federal Representative
James Neeley, Commissioner, Tennessee Dept. of Labor and Workforce Development

Enclosure



STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
220 French Landing Drive
Nashville, TN 37243
(615) 741-6642

PHIL BREDESEN
GOVERNOR

JAMES G. NEELEY
COMMISSIONER

June 26, 2009

Ms. Helen Parker
Regional Administrator
U.S. Department of Labor/ETA
Atlanta Federal Center, Room 6M12
61 Forsyth Street, S.W.
Atlanta, GA 30303

Dear Ms. Parker:

I am pleased to submit for your approval Tennessee's Plan modification for Title I of the Workforce Investment Act (WIA) of 1998 and for the Wagner-Peyser Act, effective July 1, 2009 – June 30, 2010.

The Tennessee Workforce Development Board and staff from the Governor's Office, as well as the departments of Labor and Workforce Development, Economic and Community Development, the Senior Community Service Employment Program, the Tennessee Higher Education Commission, and staff from the local workforce investment areas collaborated in drafting this plan. In accordance with TEGL 14-08, included in this plan modification, there is information regarding our goals for the use of the American Recovery and Reinvestment Act funds and information regarding a full waiver plan for both regular formula and Recovery Act funds.

In addition, full plans are being submitted for the following existing waivers for consideration of continued approval:

1. Permit Local Workforce Investment Areas the option for the required ten youth program elements served through the local administrative entity.
2. To permit 50% transfer between Adult and Dislocated Worker funding streams.
3. To de-obligate and re-allocate local area WIA funds issued after July 1, 2008.

A full plan is also being submitted for a new waiver for consideration of approval:

4. Local Boards, at their discretion, to be able to spend up to 10 percent of funds allocated under WIA Section 133(b) to carry out incumbent worker training programs.

Ms. Helen Parker
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Waivers included in our Plan Modification for use with the American Recovery and Reinvestment Act funding, and approved on May 27, 2009, are as follows:

5. WIA procurement requirements for youth summer employment providers, expanding existing competitively procured contracts and expediting limited competition to select service providers.
6. Waiver of performance measures for youth who participate in work experience only.
7. Waiver for program design flexibility for youth who participate in work experience only.

Existing waivers included in our Plan Modification and approved for extension on May 27, 2009, are as follows:

8. Waiver to allow local areas to use individual training accounts (ITAs) for older and out-of-school youth participants.
9. Waiver to report on the common measures to be effective on July 1, 2008.

The Program Administration Designees and Plan Signatures form is up-to-date and it provides the names of the agencies and officials, with appropriate contact information, of the designated representative for the State's for WIA Title I and Wagner-Peyser Act grant, submitted on March 30, 2009.

Enclosed is one original copy of the document forwarded electronically on this date. An electronic copy and a hard copy have been forwarded to Ms. Janet Sten, Federal Coordinator for Plan and Review.

We appreciate the opportunity to submit this plan modification request. Should you have any questions or require additional information, please contact Susie Bourque, Assistant Administrator, Workforce Development at 615) 741-1031 or Susie.Bourque@tn.gov.

Sincerely,


James G. Neeley

JN:SB:rk

cc: Janet Sten, Federal Coordinator for Plan and Review
Linda Lundy, Federal Project Officer

TENNESSEE

STRATEGIC FIVE-YEAR PLAN MODIFICATION WORKFORCE INVESTMENT SYSTEM

TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

AND

THE WAGNER-PEYSER ACT

July 1, 2005 -June 30, 2010

**STATE WORKFORCE INVESTMENT SYSTEMS PLAN
MODIFICATION**

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Section I. Context, Vision, and Strategy

Economic and Labor Market Context

Question IV in PY 2009 Stand-Alone Planning Guidance: Provide a detailed analysis of the state's economy, the labor pool, and the labor market context. (§112(b)(4).) *In responding to this question, the state should update its analysis to indicate how the economic downturn has impacted the state's economy and the labor market context. This analysis should include current and anticipated impacts on employment by sector, current and projected demographics of the available labor pool including income levels as appropriate, and describe any skills gaps the state faces, based on the skills held by current and expected dislocated workers and the skills demanded by industries and occupations expected to grow through economic recovery.*

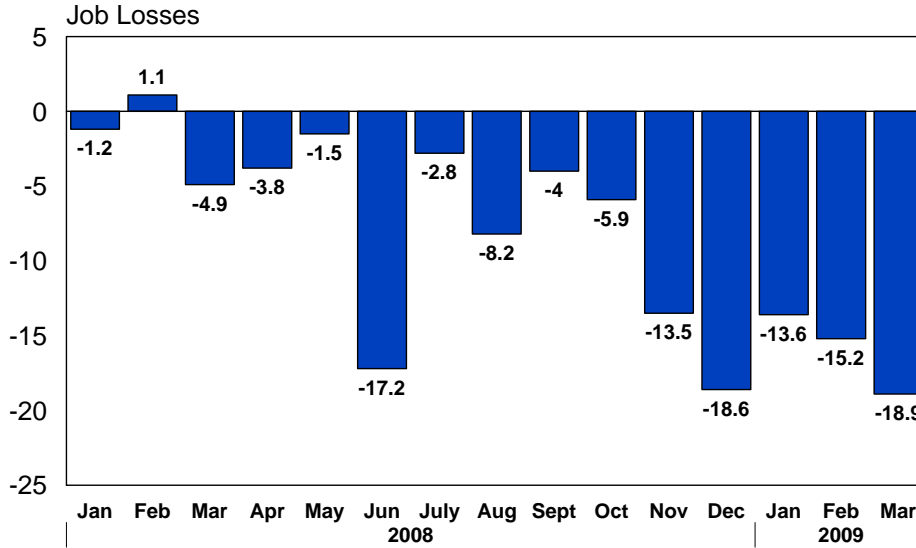
Current Downturn:

Tennessee, like many states, has been severely impacted by the current downturn in the economy. Between March 2008 and March 2009, Tennessee has lost a total of 116,900 non-farm jobs (not seasonally adjusted).

Title	March 2009 Employment	February 2009 Employment	March 2008 Employment	Over the Year Change
Total Nonfarm	2,667,600	2,662,600	2,784,500	-116,900
Total Private	2,234,800	2,230,600	2,357,200	-122,400
Goods Producing	437,100	443,500	509,200	-72,100
Service-Providing	2,230,500	2,219,100	2,275,300	-44,800
Private Service Providing	1,797,700	1,787,100	1,848,000	-50,300
Natural Resources and Mining a	111,400	111,600	135,800	-24,400
Manufacturing	325,700	331,900	373,400	-47,700
Durable Goods	197,300	201,800	232,800	-35,500
NonDurable Goods	128,400	130,100	140,600	-12,200
Trade, Transportation, and Utilities	576,000	572,500	608,200	-32,200
Wholesale Trade	127,200	126,700	133,200	-6,000
Retail Trade	312,900	309,400	328,800	-15,900
Transportation Warehousing an	135,900	136,400	146,200	-10,300
Information	47,500	47,500	49,200	-1,700
Finance	138,400	138,700	142,600	-4,200
Professional and Business Service	305,300	304,200	316,900	-11,600
Educational and Health Services	365,600	363,500	355,800	9,800
Leisure and Hospitality	264,300	260,200	272,100	-7,800
Other Services	100,600	100,500	103,200	-2,600
Government	432,800	432,000	427,300	5,500

TN Job Losses by Month

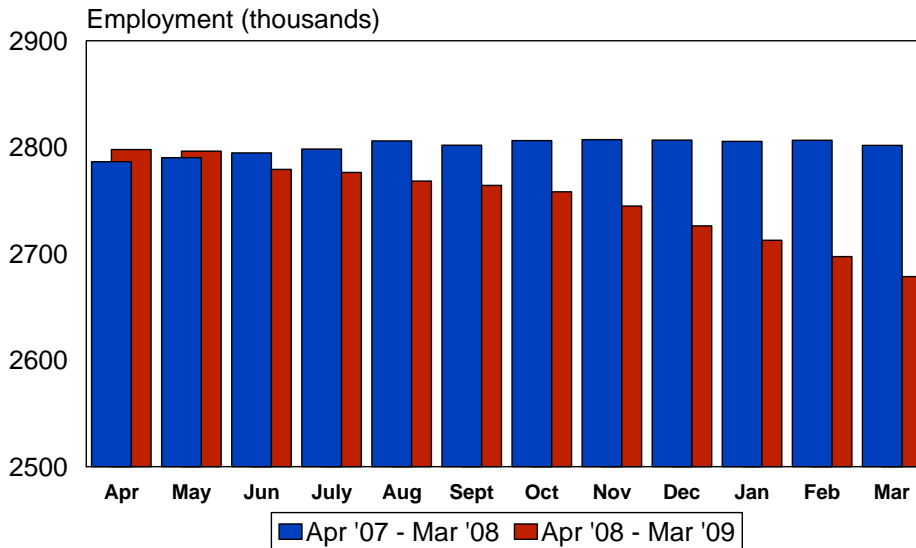
Seasonally adjusted - Jan 2008 - Mar 2009



Over the month employment declines have occurred in 14 of the last 15 months. Since November 2008, Tennessee has lost between 13,500 to almost 19,000 jobs each month.

TN Nonag Employment

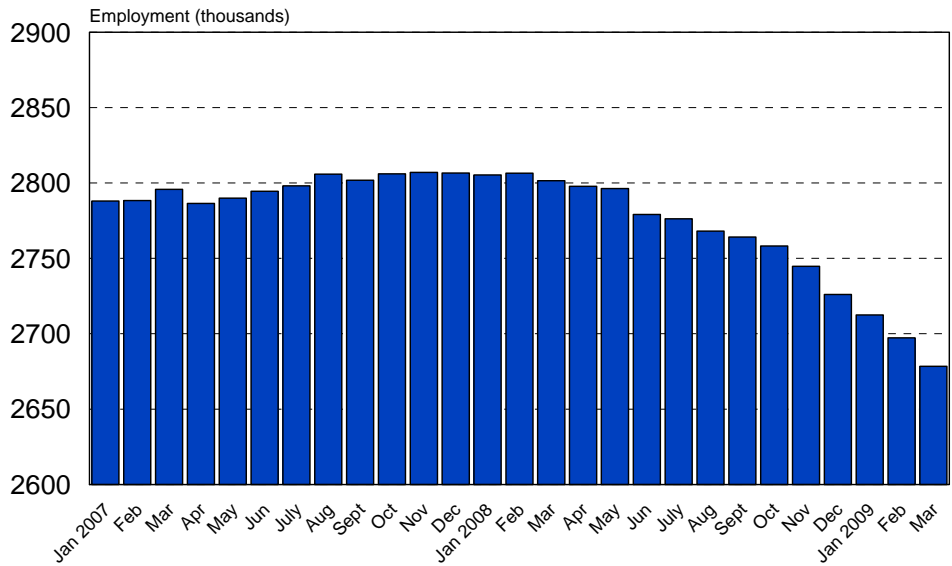
Monthly Employment Comparison of Same Month from Prior Year



Over the past twelve months, Tennessee’s overall employment level has continued to fall. There is an increasing larger difference between the current month’s employment and the same month for the prior year. For March, 2009, employment was 122,500 less than it was in March, 2008 (seasonally adjusted).

TN Nonag Employment

Jan 2007 - Mar 2009

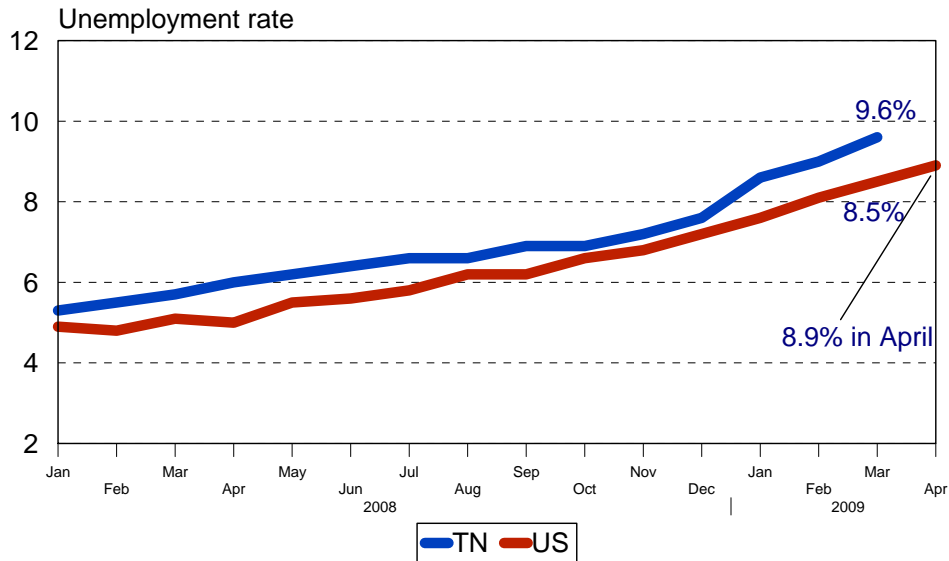


Employment through May 2008 was relatively stable. Since May, employment has declined each month. March 2009 employment is the lowest level since December 2003.

Note: Data are seasonally adjusted.

TN and U.S. Unemployment Rates

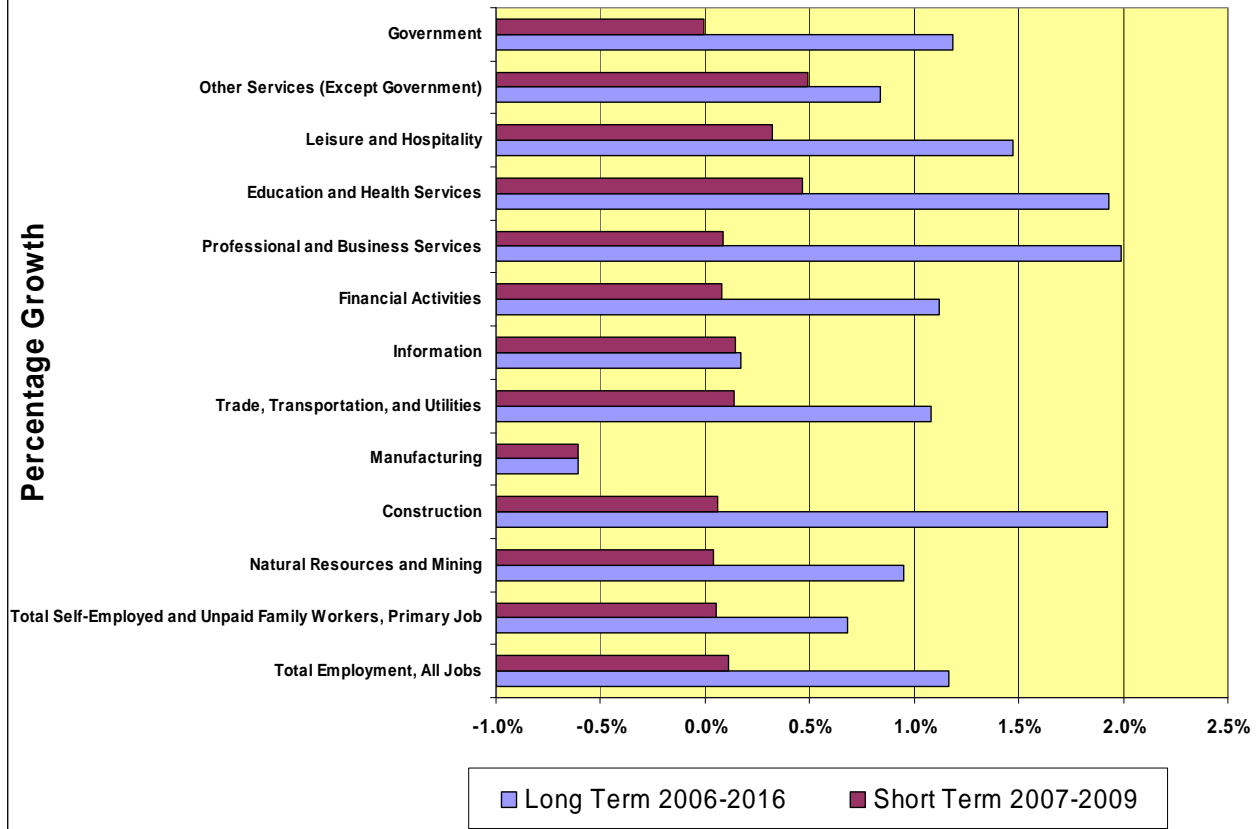
Jan 2008 - Apr 2009



Note: TN's April Unemployment Rate will be released on May 21, 2009.

The March 2009 unemployment rate of 9.6% is the highest unemployment rate in Tennessee since April 1984.

Figure. Percentage Growth for Short Term and Long Term, Tennessee Industries



The latest short term projections that Tennessee has are for 2007-2009. Long term projections have been completed to 2016. As can be seen in the graph above, nearly all industries in the short term through 2009 were expected to have growth rates at or near 0% annually, except education and health services, other services (including repair and maintenance, personal services, and religious and civil associations) and leisure and hospitality. In the longer term, however, as the economy improves, all industries except manufacturing, information (which includes publishing and newspapers), and natural resources and mining are expected to grow faster than 1% annually. Manufacturing is expected to continue to decline.

As seen above, as the economy recovers, the most rapidly growing industries are expected to be construction, professional and business services, and education and health services.

Occupational growth expectations for the short term, 2007-2009, were that two major groups, architecture and engineering and production occupations, would be declining in employment through 2009. Other groups anticipated to be slower-growing were protective service; construction; installation, maintenance and repair; and transportation and material moving occupations. The latter three groups would be negatively affected by downturns in both the

construction and manufacturing industries, as fewer personnel are needed to build residences and industrial plants; install and maintain industrial machinery; and transport goods.

The direction of these initial 2007-2009 projections are borne out by an examination of recent claimants' industry and occupational trends in Tennessee. An analysis of all claimants for April, 2009 by industry [including partials] showed 30% were employed in manufacturing, 11% in construction, and 19% in trade, transportation, and utilities. An additional group included those in temporary help agencies.

What will be the outlook for claimants and other unemployed if the economy recovers as expected through 2016? The most rapidly growing occupational groups through 2016 are expected to be:

Occupational Group	Annual Growth Rate
Computer and Mathematical Occupations	2.0 %
Community and Social Service Occupations	2.2 %
Legal Occupations	2.6 %
Healthcare Practitioners and Technical Occupations	2.3 %
Healthcare Support Occupations	2.6 %
Protective Service Occupations	2.0 %

Many occupations in protective service and some in healthcare support require only a high school education, but most of the jobs in the other categories require education beyond high school.

Comparing recent claimant data (February 2009, excluding partials) with occupational projections for 2009, it is clear that skills gaps will exist between the growth occupations and the occupations found most prominently among those receiving benefits:

Occupational Group	Occupational Code	Feb. 2009 Claimants	Percent	Annual Openings to 2016	Percent
Management, Business and Financial	TOTAL 11-130000	1963	2.3%	2340	4.1%
Professional and Related	TOTAL 15-290000	5968	7.1%	8880	15.4%
Service Occupations	TOTAL 31-390000	8922	10.6%	14750	25.6%
Sales and Related	TOTAL 410000	3609	4.3%	4440	7.7%
Office and Admin Suppot	TOTAL 430000	7156	8.5%	9260	16.1%
Farming	TOTAL 450000	191	0.2%	200	0.3%
Construction	TOTAL 470000	9179	11.0%	2350	4.1%
Install, M R	TOTAL 490000	2881	3.4%	2050	3.6%
Production Trans. And Material	TOTAL 510000	33786	40.3%	7150	12.4%
Moving	TOTAL 530000	10121	12.1%	6210	10.8%
Total		83776	100.0%	57630	100.0%

The occupational groups in the top section of the table; from the management, business and financial through office and administrative support; generally have fewer claimants than expected annual openings. The majority of claimants (52.4%) are in the production, transportation and material moving groups, which are expected to have less than a quarter (23.2 %) of the higher demand openings when the economy recovers. Shortages of workers in such fields as elementary education, social work, accounting, the skilled trades, pharmacists, electrical and computer engineering are expected. Detailed information comparing the occupations of claimants with expected demand occupations is reflected in the table below.

With the job losses Tennessee is experiencing especially in the manufacturing sector, it has lost some ground relative to the nation in terms of per capita income. The Center for Business and Economic Research at the University of Tennessee at Knoxville is forecasting slight erosion in our per capita income relative to the nation in the years ahead.

The state continues to grow in population. From 1998 to 2008, the state's population was estimated to have increased from nearly 5.6 million to 6.2 million -- more than a 10% increase. The workforce in March, 2009 was estimated at 2,707,400, with nearly 10% unemployment. Higher unemployment is found among youth ages 16-19 (30.9%), especially minority; blacks

(age 20+: 10.5%), and the Hispanic population (age 20+: 21.7%). Men have slightly higher unemployment than women.

Code	Demand Occupations	Claimants Feb 2009	Annual Openings to 2016	Median Wage	Education Level
111010	Chief Executives	521	470	126910	More than a Bachelor's Degree
111021	General and Operations Managers	166	1410	71280	More than a Bachelor's Degree
112021	Marketing Managers	105	110	72640	More than a Bachelor's Degree
112022	Sales Managers	620	270	72250	More than a Bachelor's Degree
113011	Administrative Services Managers	899	320	48670	More than a Bachelor's Degree
113021	Computer and Information Systems Managers	77	150	79720	More than a Bachelor's Degree
113031	Financial Managers	243	340	66370	More than a Bachelor's Degree
113040	Human Resources Managers	125	50	#N/A	NS
113071	Transportation, Storage, and Distribution Managers	264	110	66310	Work Experience in Related occupations
119021	Construction Managers	277	330	55380	Bachelor's Degree Work Experience in Related occupations
119051	Food Service Managers	627	330	35720	Work Experience in Related occupations
119141	Property, Real Estate, and Community Association Managers	252	140	37100	Bachelor's Degree
119151	Social and Community Service Managers	56	130	44470	Bachelor's Degree Work Experience in Related occupations
119199	Managers, All Other	1439	370	65640	Work Experience in Related occupations
131011	Agents and Business Managers of Artists, Performers, and Ath	27	140	67030	More than a Bachelor's Degree
131023	Purchasing Agents, Except Wholesale, Retail, and Farm Produc	202	100	44360	Long Term On-the-Job Training
131031	Claims Adjusters, Examiners, and Investigators Employment, Recruitment, and Placement Specialists	76	180	51310	Long Term On-the-Job Training
131071	Specialists	121	110	40220	Bachelor's Degree
131073	Training and Development Specialists	39	150	44570	More than a Bachelor's Degree
131199	Business Operations Specialists, All Other	327	590	62760	Bachelor's Degree
132011	Accountants and Auditors	596	660	49670	Bachelor's Degree
132072	Loan Officers	337	130	43130	Bachelor's Degree
151031	Computer Software Engineers, Applications Computer Software Engineers, Systems Software	109	180	69930	Bachelor's Degree
151032	Software	109	120	72340	Bachelor's Degree
151041	Computer Support Specialists	435	360	41040	Associate Degree or Post_Secondary Vocational Training
151051	Computer Systems Analysts	201	330	59300	Bachelor's Degree
151071	Network and Computer Systems Administrators	67	230	62430	Bachelor's Degree
151081	Network Systems and Data Communications Analysts	20	210	62600	Bachelor's Degree
172112	Industrial Engineers	232	150	63950	Bachelor's Degree
211021	Child, Family, and School Social Workers Mental Health and Substance Abuse Social Workers	149	250	34060	Bachelor's Degree
211023	Workers	14	160	28910	More than a Bachelor's Degree
212021	Directors, Religious Activities and Education	4	200	59230	Bachelor's Degree
231011	Lawyers	54	350	93430	More than a Bachelor's Degree
232011	Paralegals and Legal Assistants Kindergarten Teachers, Except Special Education	172	190	36920	Associate Degree or Post_Secondary Vocational Training
252012	Education	6	160	39800	Bachelor's Degree
252021	Elementary School Teachers, Except Special Education	123	1400	41980	Bachelor's Degree

252022	Middle School Teachers, Except Special and Vocational Educat	128	450	41460	Bachelor's Degree
252031	Secondary School Teachers, Except Special and Vocational Edu	129	850	42950	Bachelor's Degree
252032	Vocational Education Teachers, Secondary School	1	90	41500	Work Experience in Related occupations
252041	Special Education Teachers, Preschool, Kindergarten, and Ele	38	230	39160	Bachelor's Degree
252043	Special Education Teachers, Secondary School	41	110	41520	Bachelor's Degree
253021	Self-Enrichment Education Teachers	108	100	29810	Work Experience in Related occupations
254021	Librarians	12	120	42880	More than a Bachelor's Degree
259041	Teacher Assistants	127	890	18040	Short Term On-the-Job Training
291051	Pharmacists	12	330	107760	More than a Bachelor's Degree
291111	Registered Nurses	256	2200	53980	Associate Degree or Post_Secondary Vocational Training
291123	Physical Therapists	6	120	71670	More than a Bachelor's Degree
292011	Medical and Clinical Laboratory Technologists	31	100	51260	Bachelor's Degree
292012	Medical and Clinical Laboratory Technicians	62	150	30810	Associate Degree or Post_Secondary Vocational Training
292021	Dental Hygienists	35	130	56160	Associate Degree or Post_Secondary Vocational Training
292034	Radiologic Technologists and Technicians	64	180	46700	Associate Degree or Post_Secondary Vocational Training
292061	Licensed Practical and Licensed Vocational Nurses	292	960	34020	Associate Degree or Post_Secondary Vocational Training
311011	Home Health Aides	241	580	18720	Short Term On-the-Job Training
319091	Dental Assistants	134	210	30060	Moderate Term On-the-Job Training
332011	Fire Fighters	27	310	37600	Long Term On-the-Job Training
333051	Police and Sheriff's Patrol Officers	141	500	34480	Long Term On-the-Job Training
339032	Security Guards	769	980	19450	Short Term On-the-Job Training
339099	Protective Service Workers, All Other	26	260	24530	Short Term On-the-Job Training
352011	Cooks, Fast Food	370	700	14260	Short Term On-the-Job Training
352015	Cooks, Short Order	119	120	16260	Short Term On-the-Job Training
352021	Food Preparation Workers	245	860	17640	Short Term On-the-Job Training
353011	Bartenders	153	300	14320	Short Term On-the-Job Training
353021	Combined Food Preparation and Serving Workers, Including Fas	557	2280	14530	Short Term On-the-Job Training
371012	First-Line Supervisors/Managers of Landscaping, Lawn Service	44	100	32890	Work Experience in Related occupations
373011	Landscaping and Groundskeeping Workers	519	540	21060	Short Term On-the-Job Training
399011	Child Care Workers	341	1110	15760	Short Term On-the-Job Training
411011	First-Line Supervisors/Managers of Retail Sales Workers	1308	1200	31960	Work Experience in Related occupations
411012	First-Line Supervisors/Managers of Non-Retail Sales Workers	238	190	61030	Work Experience in Related occupations
412031	Retail Salespersons	2933	4520	19320	Short Term On-the-Job Training
413011	Advertising Sales Agents	181	110	35170	Moderate Term On-the-Job Training
413021	Insurance Sales Agents	134	250	38790	Bachelor's Degree
413031	Securities, Commodities, and Financial Services Sales Agents	124	180	82000	Bachelor's Degree
414011	Sales Representatives, Wholesale and Manufacturing, Technical	851	370	64280	Work Experience in Related occupations
414012	Sales Representatives, Wholesale and Manufacturing, Except T	348	750	48410	Work Experience in Related occupations

419091	Door-To-Door Sales Workers, News and Street Vendors, and Rel	53	50	22480	Short Term On-the-Job Training
419099	Sales and Related Workers, All Other	1375	250	32000	Moderate Term On-the-Job Training
431011	First-Line Supervisors/Managers of Office and Administrative	585	930	39030	Work Experience in Related occupations
433031	Bookkeeping, Accounting, and Auditing Clerks	1127	1120	29050	Moderate Term On-the-Job Training
433051	Payroll and Timekeeping Clerks	120	170	30960	Moderate Term On-the-Job Training
434111	Interviewers, Except Eligibility and Loan	52	240	25990	Short Term On-the-Job Training
434161	Human Resources Assistants, Except Payroll and Timekeeping	138	70	32680	Short Term On-the-Job Training
434171	Receptionists and Information Clerks	915	870	22980	Short Term On-the-Job Training
435031	Police, Fire, and Ambulance Dispatchers	46	130	28170	Moderate Term On-the-Job Training
435053	Postal Service Mail Sorters, Processors, and Processing Mach	38	50	43850	Short Term On-the-Job Training
436011	Executive Secretaries and Administrative Assistants	2020	970	32630	Work Experience in Related occupations
436012	Legal Secretaries	124	160	32410	Associate Degree or Post_Secondary Vocational Training
439061	Office Clerks, General	3282	1870	24580	Short Term On-the-Job Training
452092	Farmworkers and Laborers, Crop, Nursery, and Greenhouse	101	610	17850	Short Term On-the-Job Training
452093	Farmworkers, Farm and Ranch Animals	38	70	18530	Short Term On-the-Job Training
472031	Carpenters	1028	460	30240	Long Term On-the-Job Training
472051	Cement Masons and Concrete Finishers	129	170	28320	Moderate Term On-the-Job Training
472073	Operating Engineers and Other Construction Equipment Operato	623	380	30640	Moderate Term On-the-Job Training
472111	Electricians	909	620	39060	Long Term On-the-Job Training
472141	Painters, Construction and Maintenance	283	240	29010	Moderate Term On-the-Job Training
472152	Plumbers, Pipefitters, and Steamfitters	2042	430	36360	Long Term On-the-Job Training
472211	Sheet Metal Workers	197	180	32220	Long Term On-the-Job Training
473013	Helpers--Electricians	205	130	23620	Short Term On-the-Job Training
492022	Telecommunications Equipment Installers and Repairers, Excep	130	110	52210	Associate Degree or Post_Secondary Vocational Training
493031	Bus and Truck Mechanics and Diesel Engine Specialists	288	250	36430	Associate Degree or Post_Secondary Vocational Training
493042	Mobile Heavy Equipment Mechanics, Except Engines	104	150	35220	Long Term On-the-Job Training
499021	Heating, Air Conditioning, and Refrigeration Mechanics and I	307	280	30230	Long Term On-the-Job Training
499041	Industrial Machinery Mechanics	522	230	37300	Long Term On-the-Job Training
499042	Maintenance and Repair Workers, General	1155	450	31140	Moderate Term On-the-Job Training
499051	Electrical Power-Line Installers and Repairers	78	120	50890	Long Term On-the-Job Training
499052	Telecommunications Line Installers and Repairers	71	70	41930	Long Term On-the-Job Training
512023	Electromechanical Equipment Assemblers	106	60	26240	Short Term On-the-Job Training
512041	Structural Metal Fabricators and Fitters	241	90	31290	Moderate Term On-the-Job Training
514011	Computer-Controlled Machine Tool Operators, Metal and Plasti	180	80	32600	Moderate Term On-the-Job Training
514041	Machinists	599	300	35600	Long Term On-the-Job Training
514111	Tool and Die Makers	180	60	41600	Long Term On-the-Job Training
514121	Welders, Cutters, Solderers, and Brazers	1116	380	30690	Associate Degree or Post_Secondary Vocational Training
533032	Truck Drivers, Heavy and Tractor-Trailer	3009	2300	36800	Moderate Term On-the-Job Training

Source: TDLWD, LMI

State Vision and Priorities

Question I.C. What is the Governor’s vision for ensuring a continuum of education and training opportunities that support a skilled workforce? (§112(a) and (b)(4).) *In responding to this question, the state should review ETA’s vision for implementing the Recovery Act in Section 4 of this TEGL, and describe the Governor’s new vision since the economic downturn. The description should include the Governor’s vision for economic recovery, touching on the Act’s principles and the Governor’s view of how the Recovery Act funds can be integrated into transformational efforts to achieve an invigorated, more innovative public workforce system capable of helping enable future economic growth and advancing shared prosperity for all Americans.*

Governor Bredesen’s vision for economic recovery is embodied in Tennessee’s approach now, as much as it was in 2004. “As we forge ahead, we need to keep our fiscal balance. Good times shouldn’t make us careless. Tough times shouldn’t make us afraid.” This statement from Governor Bredesen’s 2004 State of the State Address is as applicable today as yesterday.

The Governor also asserts, to illustrate the vision more succinctly, “What I am trying to achieve with this budget is sensible, conservative long-range fiscal stewardship; to recognize these funds for the one-time help that they are, and to use them wisely and compassionately, and most of all, when this recession is over, to leave our state looking to the future strong and independent.” This statement from Governor Bredesen’s 2009-2010 Budget Address, March 23, 2009.

In Tennessee the federal legislation clearly directs approximately \$2.9 billion of the total, or approximately 58 percent, for pre-determined purposes intended primarily to alleviate suffering and stimulate the economy. Examples include \$490 million for the food stamp program, an additional \$318 million for unemployment insurance, and \$573 million for road and bridge infrastructure.

The economic stimulus measures provided by the American Recovery and Reinvestment Act (ARRA) include investments in the areas of community and economic development, infrastructure, human services, transportation and workforce development. Tennessee is committed to a process to make sure the funds that come to our state are used to their full potential for projects that have merit and are ready to proceed quickly so we can get more Tennesseans working again.

A Visible Economic Recovery

As a result of this vision, the office of Tennessee Recovery Act Management was created. This office will be headed by Mike Morrow, Deputy Commissioner of Finance and Administration, and staffed with persons from various areas within state government. It is charged with seeing that the money that Tennessee is receiving is spent in accordance with federal laws and regulations, as they continue to evolve. It is also charged with maintaining complete transparency throughout the process, and have already set up a web site—TNRecovery.gov—that will be the central clearinghouse for information.

Alleviate Suffering

The recovery package totals about \$5 billion for Tennessee, and contains two different kinds of money. About \$2.9 billion of the total, or 58 percent, is money being invested directly in Tennessee and intended primarily to alleviate suffering and stimulate the economy rather than directly address state budget issues. We call these the Congressional funds: their use has been almost completely earmarked by the Congress. Examples of this would be the \$490 million to the food stamp program, the additional \$318 million to unemployment insurance, or the \$573 million to road and bridge infrastructure. These are programs that are technically administered in various ways, but do not directly affect the discretionary state budget except insofar as they improve the general economy. Most of these funds pass through the Tennessee state budget; a few others are paid directly to various non-state agencies.

Improving Broad Economic Indicators

In March 2009, Governor Bredesen announced The Tennessee Clean Energy Future Act of 2009.

- Requiring state government to “lead by example” with improved energy management of its buildings and passenger motor vehicle fleet;
- Encouraging job creation in the clean energy technology sector by making qualified businesses eligible for Tennessee’s existing emerging industry tax credit; and
- Promoting energy efficiency in newly constructed homes with a limited statewide residential building code and expanding eligibility for federal funds used to “weatherize” existing homes in low-income areas.

In addition, Tennessee’s efforts have been noticed and jobs have already begun to follow. In just the past few months the top two polysilicon manufacturers in the world – Hemlock Semiconductor and Wacker Chemie AG – announced that they would locate billion-dollar plants in Tennessee and hire 500 workers each. Officials at Hemlock pegged their initial project at a \$1.2 billion investment and 500 jobs, but have stated they expect their numbers to grow to \$2.5 billion and 2,000 jobs, which would make the project the largest capital investment in Tennessee’s history.

For Tennessee to land these two billion-dollar projects, along with Volkswagen’s \$1 billion plant in Chattanooga, within an eight-month period, is unprecedented in terms of economic development and the good jobs it is creating in Tennessee. Governor Bredesen considers these large, capital-intensive manufacturing projects “anchors” because their presence will be a catalyst for the location of suppliers and auxiliary industries that will create an exponential number of highly skilled, well-paying jobs for Tennesseans.

Governor Phil Bredesen proposed the Volunteer State Solar Initiative, a comprehensive solar-energy and economic-development program that will use up to \$62.5 million in federal American Recovery and Reinvestment Act funds to advance job creation, education, research, and renewable-power production in Tennessee.

In announcing the new initiative, Bredesen was joined by legislative leaders and key partners including Oak Ridge National Laboratory (ORNL), the Tennessee Valley Authority (TVA), and

the University of Tennessee (UT). Support was registered from Washington, D.C., by members of Tennessee's congressional delegation, including U.S. House Science and Technology Committee Chairman Bart Gordon and Congressman John Tanner, a member of the House Ways and Means Committee. Subject to approval by the U.S. Department of Energy (DOE) and the Tennessee General Assembly, the proposed initiative consists of two closely related projects:

- The Tennessee Solar Institute at UT and ORNL, which will focus on basic science and industry partnerships to improve the affordability and efficiency of solar products; and
- The West Tennessee Solar Farm near Brownsville, a five-megawatt 20-acre power generation facility at the Haywood County industrial megasite that will be one of the largest installations in the Southeast and serve as a demonstration tool for educational, research and economic-development purposes. "Our success over the past few months in recruiting solar-industry manufacturers to Tennessee shows we have bright economic prospects for additional job growth in this area," Bredesen said. "Now, it's time to build on our strengths and position Tennessee for the next wave of investment in the renewable-energy sector. This approach fits within our state's broader job creation strategy, and addresses President Obama's short- and long-term goals in economic stimulus and renewable energy."

Innovative Services and Collaboration

Technology is an integral part of Tennessee's school program. The ConnectTEN Internet initiative made Tennessee the first state in the nation to provide Internet connection to all of its public schools and libraries. There is currently an emphasis on incorporating the use of technology seamlessly into the instructional and evaluation process. Tennessee is also maximizing the use of technology in its professional development programs. Tennessee partnered with Apple's iTunes University to launch its Electronic Learning Center, which hosts and archives professional development and teaching tools for educators, remedial and enrichment resources for students, and informational resources for parents and educators.

At the secondary level, schools are implementing a stronger high school curriculum to ensure that all graduates have the qualifications necessary for either the workplace or post-secondary training at a college, university or technology center. As part of that effort, Tennessee launched the e4TN initiative to develop online courses to provide students across Tennessee additional opportunities for earning advanced credit or recovery credit. The U.S. Distance Learning Association recently recognized Tennessee's e4TN initiative as a model of best practices in online learning.

More than 175,000 secondary students are served in Career and Technical Education (CTE) programs in Tennessee. The career and technical offerings cover over 140 occupational choices with these programs supported by eight statewide CTE youth organizations with over 40,000 active members. CTE classrooms provide a hands-on environment in which students can explore careers, increase their technical skills, reinforce academic skills, develop entrepreneurial skills, and gain practical experience through work-based education, as well as earn industry certification. CTE students complete the same 'Ready Core' graduation requirements as university-bound peers as well as additional credits in a chosen elective area of focus.

Governor Bredesen continues to make education his administration's top priority, developing several initiatives to ensure that every child has the skills they need to succeed upon graduation. The initiatives include:

- Protects education by fully funding the Basic Education Program, the state's funding formula for K-12 education, in each year;
- Ramps down spending in the discretionary and non-BEP areas of the budget to achieve a reduction of approximately 12 percent on average at the end of the four-year period;
- Saves jobs by limiting layoffs and defers the need for possible furloughs, as Recovery Act funds provide more time to plan reductions and realize reductions made through natural attrition;
- Fully funds the economic development projects currently underway;
- Keeps the employee pension fund actuarially sound and the state health insurance program fully funded; and,
- Maintains healthy cash reserves while ramping down state spending to achieve continued balanced budgets that match recurring revenues to recurring expenses.

The Jobs for Tennessee Graduates program is designed to help at-risk youth earn a high school diploma and secure placement in higher education and/or the workforce. This program earned the highest possible national award for the last three years for achieving a 96 percent graduation rate and a 92 percent post-secondary placement rate.

Governor Bredesen initiated the redesign and expansion of Tennessee's Governor's Schools. These summer academies offer students the opportunity to develop career skills in one of 12 areas, including emerging technologies, computational physics, the arts and education. The new curriculum content is more rigorous and relevant, and allows students to earn six college credits by completing a program.

Tennessee serves students with disabilities and their families through a variety of initiatives such as the Tennessee School Improvement Grant. TN SIG focuses on best practices in the development of reading and literacy skills of students who receive special education services, preschool through high school.

Earlier this year, a Johns Hopkins study also found Tennessee to have the highest high school graduation rate improvement in the nation.

Strong and Vital Workforce and Stakeholders

Governor Bredesen has made the creation of green jobs in Tennessee a priority, understanding that states that can prepare their economies to foster growth in the green energy sector will lead the 21st century. Tennessee retooled its economic incentive package to include tax credits for companies that adopt environmentally-friendly business practices and offers an emerging industry tax credit for innovative companies in the green energy sector.

Further, Governor Bredesen's administration has also worked hard to dispel the notion that education ends with graduation with a commitment to workforce training so workers acquire the skills they need to be successful throughout their careers.

Question I.E. What is the Governor's vision for ensuring that every youth has the opportunity for developing and achieving career goals through education and workforce training, including the youth most in need of assistance, such as out-of-school youth, homeless youth, youth in foster care, youth aging out of foster care, youth offenders, children of incarcerated parents, migrant and seasonal farmworker youth, youth with disabilities, and other youth at risk? (§112(b)(18)(A.)) *In responding to this question, the state should review ETA's vision for implementing the Recovery Act in Section 16 of this TEGl to reconnect disconnected youth through multiple pathways to education and training that enable them to enter and advance in the workforce. The state should describe its strategy for serving youth with funds from the Recovery Act, as well as how its strategies will be adjusted to respond to the economic downturn. What activities will the state focus on (i.e., primarily focus on summer employment opportunities, the full range of WIA youth services, or a combination)? Describe how plans for the Recovery Act youth activities will complement the state's overall vision for serving youth under WIA.*

The state will focus on summer employment opportunities with plans to exhaust all Youth ARRA funds within the summer of 2009. Tennessee's Summer Youth Program will provide \$25 million dollars for local areas to provide summer work experience to approximately 12,000 youth age 14-24, beginning May 2009 and ending in September 2009. Programs will run for six to eight weeks for most participants with youth employment services available in all 95 counties of Tennessee.

Worksites will be linked closely to local labor market opportunities with strong connections between academic and occupational learning. Summer youth employment will provide a vast array of work and education experience intended to increase work readiness skills. Partnerships with many employers for worksites have been enhanced including opportunities in the State Parks system and State Department of Safety offices.

An increased emphasis has been placed on youth currently in the Foster Care system, youth with disabilities, veterans and those whose parents have been dislocated from their jobs. Letters were sent to over 1,000 youth currently in the Foster Care system stating that they are automatically eligible for a slot in the summer youth program. Foster care youth were provided information on where to apply for the services to reserve their priority slot.

The ARRA funds will help educate each participant in the summer program get a kick start many fields of future employment and, at the same time, alleviate suffering and stimulate the economy. Examples include \$490 million for the food stamp program and an additional \$318 million for unemployment insurance.

Question II. Identify the Governor's key workforce investment system priorities for the state's workforce investment system and how each will lead to actualizing the Governor's vision for workforce and economic development. (§§111(d) and 112(a.)) *In responding to this question, states should reflect on shifting priorities necessitated by the economic downturn*

and areas of focus for economic recovery. States should identify the Governor's key workforce investment priorities for the use of the Recovery Act funds infused into the state's workforce investment system and how each will lead to actualizing the Governor's new vision.

Governor Bredesen has laid out a plan that reflects his commitment to conservative, long-range fiscal stewardship, so that when the recession is over and the one-time stimulus funds have been used, Tennessee will be positioned in the best possible way. Training Tennessee's workforce could be the best long term approach to ensuring continued prosperity.

Governor Bredesen has allocated approximately 58 percent of Tennessee's ARRA funds to be used for pre-determined purposes intended to alleviate suffering and stimulate the economy, such as the food stamp program, unemployment insurance, and road and bridge infrastructure. The remaining 42% of Recovery Act funding is being allocated to economic stimulus projects in the form of grants for Education, Energy, and the Arts.

Among these projects Governor Bredesen has worked with the Tennessee Commissioner of Education to allocate significant ARRA funds for the improvement of teaching and learning of Title I students most at risk of failing to meet state and academic achievement standards; as well as important allocations to enhance education methods and ensure children with disabilities are provided services that meet their needs, and expand the state's IDEA (Individuals with Disabilities Education Act), and that the long term needs of Tennessee education institutions are addressed with significant funding for our Higher Education Stabilization project. Further, the DOE (Department of Energy) recently announced ARRA funding in Tennessee to support 28 new wind energy projects, including an award to Tennessee Technological University toward research in wind power and the goal of '20 Percent Wind by 2030.' Also in the recent allocations, Governor Bredesen and the Tennessee Arts Commission recently announced the ARRA recipients of 'Investing in Tennessee' awards, for the purpose of protecting and preserving jobs in the nonprofit arts sector that are threatened by the current economic downturn.

The state's Rapid Response Team, which informs dislocated workers about state services, will receive \$2.4 million of ARRA funds to reach workers who are being laid off. The number of layoffs and closures and the infrastructure for rapid response will be increased to meet the current demands.

Unemployment insurance has become a lifeline for those who have lost their jobs processing approximately 150,000 checks each week in 2009. The Recovery Act has not only increased weekly benefits for claimants by \$25, but also has extended the deadline for application for the federal extension (EUC08) to December 26, 2009. Additionally, the first \$2,400 paid in unemployment benefits will not be subject to Federal Income Tax.

The Incumbent Worker Training program provides grant funding for training for existing businesses. Employers can receive financial assistance for skills upgrade training that will help them retain existing jobs or place workers into other jobs with higher wages. Through this program, Tennessee is able to effectively retain businesses while keeping them competitive. The state's investment in Incumbent Worker Grants have a dual effect by serving to retain workers in their current occupations which can lead to marketability and expansion for employers. In 2009,

Incumbent Worker Training grants have totaled \$2,840,000 for 124 Companies and trained 8,641 Tennessee employees.

Overarching State Strategies

Question V.B. What strategies are in place to address the national strategic direction discussed in [Section 4] of this guidance, the Governor’s priorities, and the workforce development issues identified through the analysis of the State’s economy and labor market? (§112(b)(4)(D) and 112(a).) *The state’s response to this question should describe the state’s key, actionable strategies it is deploying to achieve the Governor’s vision for the use of Recovery Act and regular formula funds. ETA is interested in how the state is connecting and integrating recovery activities to ongoing workforce investments. The responses should provide actionable direction to local areas.*

- How workforce investment system resources, both stimulus and regular formula funds, can be deployed to serve increased numbers of workers in need.
- How adults and dislocated workers, including low-income adults, who need to acquire new skills will have increased access to education and training opportunities.
- How the state will address a dual-customer approach, meeting the skill needs of existing and emerging employers and high-growth occupations as well as the needs of under-skilled adults.
- How workforce activities (e.g., adult education, job training, postsecondary education, registered apprenticeship, career advancement, needs based payments, and supportive service activities) will be aligned in career pathways both now in implementing the Recovery Act and in the transformed workforce system of the future.
- How the state will partner to develop workforce solutions with community colleges, business and labor organizations, registered apprenticeship program sponsors, civic groups, and community organizations to align workforce development strategies and align workforce strategies with strategies for regional development and shared prosperity.

During this time of economic downturn, traditional approaches to workforce development will be modified to fit the needs of the unemployed and the needs of businesses. For the unemployed and underemployed, the demographics are changing and more program participants are making career changes. The following strategies have been implemented to serve this changing population:

- Increases in support services to include re-instating child care, transportation and needs based payments
- Increases in Individual Training Accounts and in available training through purchased classes in industries experiencing skills shortages and with forecasted growth, such as “Clean Energy”
- Increases in the numbers of individuals to be trained by at least 30%.

For business and industry, the following strategies have been implemented to serve the changing needs:

- Increases in the caps on Incumbent Worker Training grants and decreases on the match requirements.

- Exploration of an extended employment program, referenced as “Bridge Grants,” that provides On-the-Job Training at the end of employment instead at the on-set of employment.

With the ARRA funding, Tennessee has been able to increase our efforts with individuals seeking GED and Literacy Skills. The state has invested \$1.5 million in statewide and Rapid Response funding to increase the capacity of the Adult Education program by 20%.

In addition, Tennessee’s Technology Centers, have been able to increase capacity by 30% through classes purchased by the Local Workforce Investment Areas and the statewide fund. The state pursued two agreements with the Tennessee Technology Centers and Tennessee Community Colleges, both divisions of the Tennessee Board of Regents. The local workforce investment areas have provided over 3 million in ARRA Adult and Dislocated Worker funding to deliver training classes. Classes include nursing, allied health, welding, automotive and clean energy. Also, the state provided for a 1 million dollar contract with the Tennessee Technology Centers to develop training in weatherization, and clean energy.

The state funded, through ARRA statewide funds, a Clean Energy Training Center at Walter’s State Community College as an expansion of the Workforce Development Center formerly funded through a USDOL Community Based Job Training Grant that ended in June of 2009.

Tennessee contracted with the United Way’s 211 Information Line to recruit low income adults and youth to the Career Centers. Approximately 70% of callers receive or are eligible for the Food Stamp program in Tennessee and callers are screened and, through information from 211 Operators, may self-refer to the Career Centers for services. For outreach to low income and under skilled adults, the state utilized the 211 Information line to provide outreach to individuals receiving Food Stamps and other low income services. As callers requested assistance, the 211 operators screened them for potential eligibility for ARRA programs and made referrals to the appropriate Tennessee Career Center.

In one very depressed Tennessee County, Perry County, the Unemployment Rates have exceed 24% and a multi-agency effort between TDLWFD, DHS and the Board of Regents is underway to provide jobs to approximately 400 unemployed individuals with TANF and WIA funds. A five-million dollar TANF grant was administered by the local workforce investment area to employ low income adults into subsidized employment. Approximately 300 individuals are being served by this program, including Summer Youth and TANF funded low income adults.

All local areas were required to submit plans to the State Workforce Development Board on the development of Needs Related payments to low income adults and this support service is now well underway.

In order to better define Career Pathways, the state (Department of Education/Career and Technical, Department of Labor and Workforce Development and the Tennessee Technology Centers) has entered into contract with Career Communications to customize the Career Cluster publications that are released to 80,000 high school students and 10,000 Dislocated Workers

each year. This customization will focus on Green Jobs pathways, something not previously provided prior to ARRA.

The state is partnering with the Workforce Development office of the Tennessee Board of Regents to develop training programs in emerging industries on an ongoing basis. Weekly meetings of the Energy Training Workgroup will result in several competitive grant applications from Tennessee based on this collaboration. The state has engaged the apprenticeship programs by offering grants through the statewide fund to Pipefitters, Frost and Heat Insulators and the International Brotherhood of Electrical Workers. In all local workforce investment areas the administrative entities are working to align workforce strategies and regional development.

Service Delivery Strategies, Support for Training

Question IX.G. Describe innovative service delivery strategies the state has or is planning to undertake to maximize resources, increase service levels, improve service quality, achieve better integration or meet other key state goals. (§112(b)(17)(A).) *In answering this question, the state should describe innovative state strategies to accomplish the state's vision and achieve the goals of the Recovery Act, including how the state will:*

- Increase services to workers in need.
- Support the full range of One-Stop Career Center customers in acquiring the skills needed to attain jobs in high-growth, high-wage industries and occupations, including such supports as needs-based payments, basic skills remediation, English as a second language, and supportive services.
- Ensure education and training delivered through the workforce system results in education and workforce skills of demonstrated value, and focus assessments and certifications towards the next level of education and employment.
- Strategically use youth, dislocated worker and adult statewide funds to quickly deliver innovative services.
- Provide targeted work experiences in order to prepare individuals for job opportunities in new industries or occupations, particularly using registered apprenticeship and on-the-job training for all jobseekers, and summer work experience for youth.
- Align workforce activities with education strategies and economic and community development strategies to meet skill needs of jobs and industries important to the local and regional economies and meet the needs of under-skilled adults.

Looking forward over the next couple of years the Tennessee Department of Labor and Workforce Development will continue its successful Incumbent Worker Training Program (IWT). We continue to seek opportunities to improve the program to better serve Tennessee employers. We expect to serve 100 to 150 employers and train 7,000 to 9,000 employees each year. IWT funds always target areas of deficiency within the framework of Tennessee business with an emphasis of skill upgrades leading to certification where possible. This model helps business stay competitive and use limited training assistance in high priority areas. Additional stimulus dollars to expand IWT would be of major benefit to many struggling companies.

Our Apprenticeship Assistance Program (AAP) has been successful and we hope to grow the program through 2011. Our goal is to provide assistance to 30 to 40 Certified Apprenticeship

programs and serve approximately 600 apprentices. TDLWD is exploring the option of bringing the Office of Apprenticeship in house. There are some 20 States that have done so and we are contacting some of those states for guidance.

TDLWD has been instrumental in the development of the Tennessee Energy Industry & Construction Consortium (TEICC). This is a group of concerned local business, labor, local & State governments that are concerned about the availability of high skill, high demand workers that we feel are in demand now and even more so in the future. There is a huge amount of need for these jobs in Tennessee because of the movement of Green industry into Tennessee over the next couple of years. Other major construction is taking place in East Tennessee with the new VW facility that is under construction which will also bring a need for 2,000 skilled workers for the production of their vehicles.

The Tennessee Career Readiness Certificate program was launched as a pilot program in the middle Tennessee region in 2006. The Tennessee Career Readiness certificate is issued based on ACT WorkKeys® Assessments and modeled after the National Career Readiness Certificate standards. During the pilot program 4,400 certificate were issued.

In March 2007 plans were launched to move the program statewide. The statewide program launched in October 2007. In the first year of the program 11,554 certificates were issued. After completion of a successful first year a statewide listening tour was conducted in all 13 LWIA's across the state which produced excellent feedback in making a few modifications for the second year. Year two of the program was shortened by three months in order to bring it in line with the fiscal year. Even with the shortened year the program has already issued over 9,000 certificates and is on track to exceed it's year two goals.

As of May 1, 2009 the TDLWD development began a collaborative effort with the Tennessee Technology Centers. The program will work toward a goal of every graduate earning a Career Readiness Certificate before graduation. This effort is expected to produce over 6,500 individuals being issued Career Readiness Certificates.

As we move forward into year three there are plans being developed to transition into the National Career Readiness Certificate. With over 25,000 Career Readiness Certificates being held by Tennesseans statewide we have begun to use the program as a strong economic development tool in recruiting businesses like Volkswagen, and Hemlock Semiconductor to Tennessee by demonstrating an area's workforce and skill levels of that workforce.

Another project we are looking to implement is the Tennessee Bridge grant program. A brief description of the project is below. As we write we are pleased to report that we have been in discussion with both the Regional and National Office regarding implementation of this project.

A significant portion of the existing state allocation targets services to eligible adults and dislocated workers. Working through a myriad of eligible providers many of these low-income individuals are able to gain necessary skills to earn successful entry into the workplace. During the current down-turn in the economy job placement becomes more challenging as the labor pool is expansive. The State of Tennessee resembles much of the current job market with more

people in training than ever before. Due to the demand of limited WIA training dollars several local workforce areas have actually developed targeted training in economic sectors. This helps target limited dollars in high demand sectors which by definition steers eligible enrolled applicants into high demand training programs.

Working in partnership with Economic Development and the Governor's Fast Track initiative, the Employer Services team in Workforce Development, continually promote existing labor pools of unemployed skill sets, those in training's skill sets, the Work Opportunity Tax Credits (high utilization of this program in Tennessee) and WARN. These programs all relate to serving first the low income adults and dislocated workers in our system. Many companies choose to utilize the public system and our customer satisfaction results seem to indicate that we are doing an effective job.

The Tennessee Department of Labor & Workforce Development has made a number of shifts in the past year in order to introduce and/or to strengthen service delivery strategies, increase partners around the table, and leverage resources for youth. In summary, those included:

- Upgrading the services in each of the 13 local workforce areas;
- Providing more manpower for each LWIA;
- Placing more emphasis on assessment and career advising
- Setting up field meetings and workshops to assist areas in rolling out the summer jobs campaign;
- Developing new partnerships, employer outreach and youth recruitment strategies;
- Promote more apprenticeship training; and
- Working with multiple state agencies to better understand the new resources provided by the Recovery Act.

This cross agency partnership addresses the potential job growth and resulting skill demand. By working with other state agencies, this procedure helps in influencing whether or not they use their resources to provide for workforce development activities. To date, the Executive Office of Labor & Workforce Development has promoted the following:

- **Foster Care** The Commissioners of Labor & Workforce Development and Health sent out a joint letter inviting foster care children to actively participate in the summer youth employment program to expand the number of youth accessing summer jobs and leverage Workforce Investment Act funding and state funding.
- **Tennessee Department of Rehabilitation** The Office of Labor & Workforce Development worked together to connect vocational rehabilitation staff to ensure coordinated services for the youth summer employment program. Each of the local workforce Navigators played a critical role in this endeavor.
- **Weatherization Project** Coordination with the local workforce boards, on-going communication to ensure that "weatherization" resources and activities were planned by LWIA's.

- **Clean Energy and Green Jobs** The state level agencies are working together to utilize new resources through the Recovery Act and the Tennessee Energy, Industry and Construction Consortium to recruit new industries and develop career awareness to Tennessee. Funding strategies, policy and education were recently discussed in a statewide conference held in Chattanooga, Tennessee.
- **Department of Higher Education** To plan for potential “supply-side” strategies and partnerships at the state level, the Office of Labor & Workforce Development is working with the Tennessee Department of Education to discuss strategies that ensure K-12, higher education and workforce resources are effectively utilized. Each LWIA plans to meet with higher education institution in their perspective area on a regular basis to address hiring demands.

The State primary goal remains consistent, to be compliant to the funding source. In this context we, as an agency, do not use a large portion of our funds for economic development outreach; however, as a partner in economic development we do use a portion of our funds to include eligible populations as an economic driver. Using state-set aside funds we are able to be a partner in the Governor’s Fast Track initiative and we play a role based on allowable expenses to allowable populations. This model rarely provides the new or expanding employer with their needs but it does add value to include our resources in an economic development context. In many ways through a coordinated, streamlined approach Tennessee has been able to stay connected to the Governor’s Office and their Economic Development team as we add value to the process ensuring that veterans, low income, disadvantaged, or dislocated workers understand and can pursue an opportunity. Most every agency usually has a similar goal connected to the Governor’s Office, based on agency and funding stream we are all tasked to be accountable and get the job done. We do not always refer the best and brightest available but we do refer the best and brightest available to us, the participants we serve.

Lay-Off Aversion Bridge Grant

Request: \$1M, earmark \$800,000 (currently budgeted at \$600,000)

- Pay up to 50% of the wage (in context of Dislocated worker – Needs related payment = to 50% of wage) not to exceed \$7.00 an hour
- Program runs for up no more than 8 weeks based on notification
- Company notifies media, rapid response coordinator, LWIA of lay-off. After notification but before lay-off occurs offer program through LWIA.

Background:

- UI pays out \$300.00 a week lessening trust fund balance, trust fund lowers and new higher tax table take effect.
- Keep employees making current wages with existing benefits for an extended period of time.
- Can potentially learn new disciplines within company, if so agreed by both parties, or participate in company modification projects to include community service.
- If no current work or project exists the employee participating in the program agrees to participate in a community service project allowing for potential skill development or networking, i.e. substitute teacher, mentor, habitat, homeless shelter, other community based projects.

Qualifying Company:

1. Employ less than 100 employees and wants to lay-off no more than 40% of workforce. These numbers can vary as long as it remains a partial lay-off.
2. Company located in a significantly distressed County (Unemployment rate above Tennessee average), or in Urban areas, already designated Enterprise Communities or Empowerment Zones.

Example: Company ABC employs 75 people in an eligible county paying \$10.00 an hour (\$400.00 + benefits a week). Indicate a lay-off of 25 due to loss of business on x date (our current cost $\$300.00 \times 25 = \$7,500$ a week going out of trust fund). We asked the company to participate in the program. Because the company gave notification 4 weeks in advance we negotiate an extension of up to 4 weeks, understanding that we are asking the employer to continue the benefit package during the extended period (their only cost). We pay 50% of the wage for 8 weeks ($\$5.00 \times 40 \times 25 = \$5,000$ per employee per week stalling use of trust fund for 2 months).

This additional delay before lay-off occurs may provide the following benefits:

1. Economy may turn or stimulus package takes effect
2. Company may get additional contract or work
3. Stall use of trust fund dollars
4. Stall increase to next tax table
5. Employee may find new occupation
6. Employees may find a new use for existing equipment or machinery. (85% a new products are developed by existing companies)
7. Keep families in a position to keep up bills

Based on a model using a budget of \$1,000,000 we could keep 446 people working for eight more weeks at \$7.00 an hour – high. At \$5.00 an hour we could serve 625 employees.

Using a budget of \$2,000,000 we could either double the participants or double the time, i.e. 8 weeks vs. 16 weeks.

Project timelines: Kick off (Pending federal approval)

- No marketing required. This is a tool in our frontline staff toolbox to offer companies that express the need to cut-back, close or lay-off employees. Frontline staff to include: Rapid Response coordinators, LWIA Directors and their Employer Services Staff, and Commissioner’s Office.
- Grants will flow through LWIA with 5% administrative dollars.
- Employers who choose to participate will agree to providing wage data and participant data for those enrolled in program. If participant enrolls in a community service project outside of the company they will still need to provide written documentation about the project they are engaged in to the company. This will be submitted as a part of the close-out grant packet. Participants are partly LWD funded. We would like to use some of that investment to allow the employee an experience to challenge themselves to develop a passion.

This is intended to be short term, not labor intensive and data heavy. Grants will be administered similar to Fast Track or Incumbent Worker. Basic participant data, classified as a Bridge grant.

Metrics to consider. We cannot use the current measures even though they will be captured.

- Currently DW average 45 weeks in training. Time in training?
- Would this model expedite job placement?
- Does this model positively impact/stall trust fund use?
- Customer satisfaction
- 8 weeks from lay-off to registration in WIA activity. Can we cut this time?

Products to complete process:

Short Application

Employer agreement (lay-off notice, list of employees (wages, demographics, ID, etc)

Employee agreement (Agree to participate, commit to community service project)

Tennessee has worked hard to be a leader in the clean energy sector and it's clear that our efforts are yielding dividends in job creation. Expanding our focus on energy efficiency, renewable power production and other clean energy activities is helping jumpstart our state's economy, and it happens to be the right thing to do for the environment. I'm proud that the Volunteer State is leading the way in growing the clean energy economy.” Tennessee Governor Phil Bredesen

Overview

Under the leadership of Governor Phil Bredesen, Tennessee has made major strides in encouraging energy efficiency and conservation and promoting renewable energy. Across Tennessee you find significant investment in all seven of the energy efficiency and renewable energy industries defined in Section 171(e)(1)(B)(ii) of the WIA. A strong, well-trained workforce will be essential to support the continued economic growth in the “green collar” sectors.

Economic Success

Tennessee has experienced significant job growth in the clean energy sector and is already a national leader in attracting green jobs. A June 10, 2009, report by the Pew Charitable Trusts found that Tennessee is one of only three states in the country — including Colorado and Oregon — that enjoy a large and fast-growing clean energy economy. Already home to clean energy companies like Sharp Solar, AGC Flat Glass, Alstom Power, and others, Tennessee’s economic development strategy has generated notable success in recruiting renewable-energy firms, marked by billion-dollar investments in our state by two of the solar industry’s largest suppliers. Within the past year, Hemlock Semiconductor and Wacker Chemie AG, both producers of polycrystalline silicon, a key precursor element in photovoltaic solar panels, announced plans to bring thousands of jobs to Tennessee as the U.S. solar market expands. Commissioner Neeley serves on the Governor’s Jobs Cabinet and WIA state funding supports on the job training for eligible new hires. The Career Center front line staff assists by work the job orders and making referrals of qualified candidates.

Hemlock Semiconductor will construct its production facility in Middle Tennessee and Wacker Chemie will open a production site in Southeast Tennessee. Their arrival in the Volunteer State is in part attributable to an innovative green-energy tax credit approved by the General Assembly last year. The companies’ decisions, we believe, reflect a confidence in Tennessee’s commitment to making further investments that encourage the development of solar energy. We also believe current conditions in the solar industry hold the potential for future growth in our state.

Looking ahead, our challenge is to leverage and build on the current momentum created by activities and investments already underway in our state in energy efficiency and conservation and renewable energy.

Governor’s Task Force on Energy Policy

In 2008, Governor Bredesen established the Governor’s Task Force on Energy Policy. This group, personally chaired by the Governor, was charged with developing statewide energy strategies, including: identifying how state government can lead by example in retrofitting its largest buildings with more energy efficient equipment and appliances and purchasing more fuel efficient vehicles in its fleet; improving energy efficiency in the residential sector; expanding the availability and use of biofuels and renewable energy; and growing the clean energy technology sector.

Concurrent with the work of the Governor’s Task Force, the state established the Energy Efficient Schools Initiative (EESI) using approximately \$90 million in excess proceeds from our state’s lottery program to fund energy-efficient retrofits of public school buildings across Tennessee. The first round of EESI grants is currently being awarded to all school districts across the state under this forward-looking program.

The work of the Task Force resulted in Governor Bredesen introducing the 2009 Clean Energy Future Act. The Southeast Energy Efficiency Alliance (SEEA), a regional coalition of business, government and environmental interests, called it “the cornerstone for all future energy policy in Tennessee.” Passed by the General Assembly in June and signed into law by Governor Bredesen, this landmark legislation requires state government to do a better job “leading by

example” in managing its buildings and vehicle fleet; makes the clean-energy technology sector eligible for Tennessee’s emerging industry tax credit; and promotes residential energy efficiency by streamlining the distribution of federal funds for weatherization of low-income homes and establishing a limited statewide residential building code for new construction.

Sustainable Mobility

Additionally, the state has focused significant resources in promoting cleaner and independent sources of energy in the transportation sector, a concept we refer to as “sustainability mobility.” In 2007, we invested approximately \$70 million to establish the Tennessee Biofuels Initiative between the University of Tennessee (UT) and Oak Ridge National Laboratory (ORNL). The resulting activities led to a partnership between DuPont Danisco Cellulosic Ethanol, LLC, and Genera Energy, LLC, representing the UT Research Foundation. Last October, the partnership began developing a pilot-scale cellulosic ethanol biorefinery and research and development facility. The state’s investments successfully leveraged a \$135-million investment by the U.S. Department of Energy (DOE) to create a Bioenergy Research Center at ORNL.

More recently, we began exploring opportunities to accelerate the development of electric vehicles, including those that will be produced by Nissan, which in 2008 completed the relocation of its North American headquarters to Middle Tennessee. The General Assembly approved Governor Bredesen’s request to state energy office funding to participate in a DOE-approved multistate electric vehicle project led by Electric Transportation Engineering Corp., based in Phoenix, Ariz., and Nissan North America, based in Franklin, Tenn. The ARRA-funded project, announced in August, is being described as the largest deployment of electric vehicles and infrastructure ever undertaken. Earlier in June DOE announced that Nissan has been conditionally approved for a \$1.6 billion loan to modify its Smyrna manufacturing plant to produce zero-emission vehicles and state-of-the-art lithium-ion battery packs to power them. In addition to the electric vehicle project, Exide Technologies, of Bristol, Tenn., is also receiving ARRA funding to support production of advanced lead-acid batteries.

Volunteer State Solar Initiative

In September, DOE approved Tennessee’s proposed Volunteer State Solar Initiative. Tennessee will use its State Energy Program Recovery Act funds to establish the Volunteer State Solar Initiative, a comprehensive solar energy and economic development program, focusing on job creation, education, renewable power production, and technology commercialization. Building upon current efforts, this program will stimulate short-term economic growth, while positioning the state to support long-term expansion of the solar industry. Recovery Act funds will enable the state to accelerate national market transformation in a manner that will create jobs and ensure a clean energy future.

The initiative consists of two projects: The Tennessee Solar Institute at the University of Tennessee (UT) and Oak Ridge National Laboratory (ORNL), which will focus on industry partnerships to improve the affordability and efficiency of solar products; and the West Tennessee Solar Farm, a five-megawatt 20-acre power generation facility in Haywood County that will be one of the largest installations in the Southeast and serve as a demonstration tool for education and economic development.

The Tennessee Solar Institute at UT and ORNL will be a center for excellence to spur accelerated growth in Tennessee's burgeoning solar industry and serve as a crossroads for a wide-range of solar-related activities in the Volunteer State. Among other purposes, the institute will bring together scientists, engineers and technical experts with business leaders, policymakers and industry workers to help speed the improvement and deployment of solar photovoltaic (PV) technology. A "Solar Opportunity Fund" is being established to underwrite a series of new innovation and installation grants. Over the next three years, approximately \$23.5 million in grants will be distributed to solar-industry firms looking to strengthen or expand their operations as well as businesses looking to install solar-energy generation systems.

The West Tennessee Solar Farm, a five-megawatt solar array in Haywood County, Tennessee, will serve as a demonstration site for educational purposes for the public and students to learn about the benefits of renewable energy. It also will be a showcase for a range of commercially available solar techniques and technologies. The farm, to be located at a site along Interstate 40 near the Haywood County industrial megasite, will be Tennessee's largest solar installation and one of the largest in the Southeast. Demonstrating the zero-carbon production of electricity on a highly visible and significant scale is expected to encourage future renewable-energy interest and investments.

According to DOE, the net result of the Volunteer State Solar Initiative will be to advance solar technology, promote the use of renewable energy statewide, lower fossil fuel emissions, decrease the state's dependence on foreign oil, and create green jobs across Tennessee

The Tennessee Department of Labor and Workforce Development supports the Governor's Clean Energy goals. This includes participation in the Governor's Fast Track initiative (job creation), WIA training support through local workforce investment dollars and using the Career Center as a focal point for service delivery.

Section II. Service Delivery

State Governance and Collaboration

Question III.A.2. Describe how the agencies involved in the workforce investment system interrelate on workforce, economic development, and education issues and the respective lines of authority. (§112(b)(8)(A).) *In responding to this question, the state should describe how the Governor is ensuring cross agency collaboration so that workforce investments are fully tied to other investments funded by the Recovery Act outside of workforce development.*

The Governor's FastTrack Initiative, accomplishes many of the goals of the state's workforce effort. The program is customer driven, highly responsive, and provides a seamless, integrated, one-stop partnership with many departments and agencies. The roll of the Workforce Development Division is to provide training assistance for new employees who need to improve their skill sets, to better meet the requirements of the new or expanding employer. Within Economic and Community Development's presentation to the potential employer, Labor is afforded the opportunity to showcase the specific services provided by the existing One-Stop

Career Center System and TDLWD through both Wagner-Peyser and the Workforce Investment Act.

Over the past three years Tennessee has been recognized for numerous efforts and awards relating to economic development activities. Some worth high-lighting include:

- #1 Most Competitive State (2007) – *Site Selection Magazine*
- Top 10 State To Do Business for three consecutive years – *Site Selection Magazine*
- #1 for Economic Development Achievement – *Expansion Management Magazine*
- A tie for #1 Most Improved in Economic Development – *Forbes Magazine*
- Governor Bredesen, Ten Most Influential Economic Developers –
- Regional collaboration with both the states of GA and AL has had a positive impact in recruiting VW.

In many ways there are examples of connecting state ARRA investments together as there are numerous examples of ARRA building capacity lost during the existing economy. As indicated earlier many people are trying to access training and already, in spite of the increase in funding, training is not always available. This has to do with demand for programs, capacity to deliver those programs, and qualified personnel to teach the programs. Over the last several years based on demand many of these training programs have been at capacity. In particular the Tennessee School of Nursing is an example of having to turn over 3,200 qualified applicants due to lack of capacity. Once additional trained personnel were identified, lack of clinical experiences became the barrier. The continuous up and down of federal support certainly does not assist in this regard. ARRA dollars will certainly help many complete training but without the necessary job market to support the trained has anything really been accomplished. The emphasis, as much as we are able, has certainly been to support existing and expanding industry to stay competitive. The better certifications, qualifications, trained labor force exists in industry the better they are positioned to attract new business or potential contracts. We have made an effort to make training dollars available to Tennessee business for this desired outcome as have many other states.

An example of connecting ARRA investments together one needs look no further than Perry County, Tennessee. Both their largest industries were connected to Chrysler and GM. When these automotive giants filled for bankruptcy this community's unemployment rate shot up to 27%. Through the Governor's Office many state agencies were called in to take an all hands on deck approach to assist.

Many agencies used ARRA funds to jump start that local economy. Labor was able to put in a call center hiring 16 positions, Transportation hired over 50 and put them to work on multiple road projects, Environment and Conservation hired several at a state park and Corrections identified 6 new positions at the county jail. All of these positions along with over 300 private sector positions were identified as temporary, full-time jobs through September 2010. The Tennessee Department of Human Services made a special effort to identify eligible participants for these positions and we are using both ARRA and Tornado relief funds to pay subsidized wages for an extended period of time. While all this is taking place we are also funding two post-secondary classes at the community center in Perry County, one for EMT training and the

other a LPN class. Both are certified courses offered through the local Community College and Technology Center respectively. ConnectTN was also provided addition resources to wire the community with Broadband and AT&T has donated computers for an entrepreneurial class and desktop/web class. For additional information see attached article regarding this initiative from the New York Times.

These awards have been made possible due to Tennessee's "team approach" to new and existing industries. Over the past year we have had three announcements that have exceeded \$1 billion in new investment in our state, these being VW, Hemlock SemiConductors, a Division of Dow Chemical and Wacker Chemie. The latter two are both connected to the production of polycrystalline and the production of solar panels. These two industries have received significant commitments as Tennessee transforms itself to a leader in clean energy.

Question III.C.1. Describe the steps the state will take to improve operational collaboration of the workforce investment activities and other related activities and programs outlined in section 112(b)(8)(A) of WIA, at both the state and local level (e.g., joint activities, memoranda of understanding, planned mergers, coordinated policies, etc.). How will the State Board and agencies eliminate any existing state-level barriers to coordination? (§§111(d)(2) and 112(b)(8)(A).) *In responding to this question, states should describe how collaboration will be supported and sustained between state agencies, particularly between the organizational entities responsible for WIA, Wagner-Peyser Act, Unemployment Insurance, Trade Act services, and Registered Apprenticeship.*

As a part of the economic downturn many states have been challenged like never before to do more with less. A strategy for success is cross-agency collaboration. The State Workforce Development Board has been and continues to be an asset to over-coming barriers. The appropriate leadership that remains actively engaged is an asset for a foundation to effective strategies. One current example of inter-agency coordination is currently being implemented by the Governor's office focused on severely economically distressed counties.

Perry County in rural Tennessee hit 27% unemployment rate in February and is at 24% in March. The Tennessee Governor has pulled multiple agencies together to better address this severely distressed county in our state. Multiple agencies have been meeting under an "all hands on deck" approach. TDLWD will play a key role in delivering a subsidized employment model in partnership with local employers to connect people with opportunity. While the wages for this model will come from the Department of Human Services, Labor increased their youth allocation to include more summer youth workers in this county than anywhere else in the state. Transportation will also hire several workers using ARRA dollars on several roads projects planned. Again, the impact with just Labor dollars would have been small. With the Governor leading multiple agencies into this county under a cross agency collaborative the impact should be significant.

The State Workforce Board is very involved in guiding and supporting the effort of the local boards and has developed a strong infrastructure that eliminates duplication of services. Additionally, at the state level, partner agencies participate in advisory committees and conduct statewide workforce conferences to bring all partner programs together. At the local level

consortiums bring together partner agencies and private sector members to serve on local board advisory committees.

Reemployment Services and Wagner-Peyser Act Services

Question IX.C.4.b. Describe the reemployment services the state provides to Unemployment Insurance claimants and the worker profiling services provided to claimants identified as most likely to exhaust their Unemployment Insurance benefits in accordance with section 3(c)(3) of the Wagner-Peyser Act. (§112(b)(17)(A)(iv).) *In responding to this question, states should describe:*

- The Governor's vision for Reemployment Services (RES), including how they differ from Wagner-Peyser core services.
- How RES will be coordinated with other services provided at the One-Stop Career Center under WIA.
- How UI claimants will be identified quickly and RES provided as early as possible following initial receipt of UI benefits or referrals through UI profiling systems.
- The services that will be provided under RES, including in-depth services such as skill assessment, career guidance, individual service plans, and labor market information.
- The specific population among UI claimants (e.g., those most likely to exhaust benefits) that the state intends to target with Recovery Act funds for RES.
- How the state intends to integrate information technology into its RES program to better identify and serve UI claimants, including the percentage of funds that will be used for integrating ES and UI technology requirements to identify and serve the needs of UI claimants
- Any labor market information tools that will be funded and integrated into RES.

Reemployment Services (RES) for unemployment claimants will continue as a major area of emphasis. TDLWD utilizes a modernized statistical model that focuses on general variables to reflect a number of economic and motivational aspects of the unemployed. The newly expanded method of selection concentrates on those claimants most likely to exhaust and an intermediate level of those most likely not to exhaust. RES are initiated once a targeted claimant receives their first payment of benefits.

RES clients are referred to intensified services to facilitate an early return to employment, resulting in a decrease in expenditures of trust fund money. RES collaborates with WIA and other partners to deliver supportive activities and services through a comprehensive and integrated delivery system. The claimants targeted for these services are referred for initial and comprehensive assessments, employability development plans, training, supportive services, and/or job service referrals if deemed to be job ready. The intensive reemployment services offered to such UI claimants are further enhanced through the use of Job Central, O*NET, Labor Market Information (LMI) and the agency's automated notification system. Additionally, a LMI self-service module will be funded to assist claimants with finding work and training information online. Virtual OneStop provides universal access to online services for individuals seeking jobs, training, and program information; employers looking to recruit talent and assess the labor market; and providers promoting their programs. The Virtual OneStop system also provides services for staff and one-stop operators, automating their case management and allowing them to efficiently assist job seekers, employers and providers. In addition to the core and intensive

services delivered by Virtual OneStop, the system offers easy access to key reporting features to provide management with valuable information for improving service delivery and enhancing performance.

Funding received for RES supports staffing in 56 locations across the state, providing reemployment services to UI claimants identified as mandatory participants. RES funding also provides training for One-Stop staff to learn how to better use technology tools such as skills transferability, ability profiler, labor market information, and initial and comprehensive assessments. Additionally, over 60% of ARRA Re-employment Services funds will be used to re-employ UI claimants who are likely to exhaust. The State plans to use 5-10% of ARRA funding to integrate the ES and UI systems.

In order to improve the scope and depth of reemployment services to UI claimants, the review team evaluates these activities as part of the local office review process. Additionally, review staff analyzes applications to determine compliance with the work test requirements. If any deficiencies are identified, the review team makes recommendations for improvement, and the local office develops a corrective action plan that is monitored by management until the desired improvement is achieved.

The state has a one-year tracking report process for claimants targeted for reemployment services. The report is compiled quarterly and examines the wage files for a one-year period since the individuals were identified.

Question IX.C.1.b. Describe how the State will ensure the three-tiered service delivery strategy for labor exchange services for job seekers and employers authorized by the Wagner-Peyser Act includes: (1) self-service, (2) facilitated self-help service, and (3) staff assisted service, and is accessible and available to all customers at the local level.

(§112(b)(17)(a)(i).) In order to ensure that jobs generated through the Recovery Act are accessible and available to all customers, describe how the state will facilitate the listing of such jobs on the State Job Bank.

Governor Bredesen has been asked to issue an executive order requiring Tennessee ARRA recipient employers to post their ARRA jobs through the state job bank system. Job order processing has been modified on the state job bank system (self-service for employers and manual posting by Career Center staff) to include ARRA specific questions. Each job order includes the mandatory question: “Is this an American Recovery and Reinvestment Act (ARRA) Job?”

Adult and Dislocated Worker Services

Question IX.C.1.a. Describe state strategies and policies to ensure adults and dislocated workers have universal access to the minimum required core services as described in §134(d)(2). *In its response, the state should address core services for adults, dislocated workers, and target populations, especially those given preference in the WIA Adult program in the Recovery Act – recipients of public assistance and other low-income individuals.*

Services at a Career Center include the use of computers, telephones and fax machines for job searches; financial planning and stress management workshops; financial support for training, income support if jobs were lost due to foreign trade; and special services for veterans and adults with disabilities.

The ARRA has provided Tennessee with a one-time appropriation of \$21.2 million to assist dislocated workers and \$9.2 million to assist low-income adults pay for training and support services. ARRA funding is anticipated to increase participation of the dislocated worker program by more than 40% over the number of individuals who received training services last year.

Dislocated workers and low-income adults who qualify for the ARRA funds must apply for the assistance at their local Tennessee Career Center. Individuals are assessed and training opportunities are chosen from a local list of approved training providers. In addition to occupational skills training, Adult Education and literacy preparation are available for earning a GED. Those receiving approved training may also receive travel allowances and child care assistance while they are upgrading their skills.

\$21.2 million in Recovery Act funds will be used to increase services to Dislocated Worker services and \$9.2 million to low-income adults to pay for enhanced training amounts and support services such as travel and child care that were reduced in 2008 due to program cuts. ARRA funding will increase the number of enrollees by 20% due to the downturn in the economy.

Statewide Rapid Response activities include the following outreach:

- Meeting with Business Chambers of Commerce
- Attending job fairs to provide employers with Rapid Response program information services across the state.
- Local Boards are apprised of all Rapid Response activity in their Region by their local workforce centers. A locally driven system means the level of involvement of the local Board in Rapid Response activities is determined by each region. The State Rapid Response Unit is responsible for conducting and setting up the presentations regarding Rapid Response Services.
- The State's Rapid Response Unit has created a packet for the layoff transition workshop and supplies the entire state with the workshop information. A Spanish packet is also distributed when needed.

The requirement to make core services available to all customers is included in the Memorandum of Understanding (MOU) signed by the heads of the State agencies that provide workforce services. WIA and Wagner-Peyser funded services must be provided for the universal population in all certified One-Stop Career Centers. In addition, a variety of labor market information is available to the universal population at all Career Centers.

Additional assistance is available at the Career Centers for people with disabilities through the Disability Program Navigator as well as to Veterans through the DVOP/LVER programs.

Question IX.C.1.c. Describe how the state will integrate resources provided under the Wagner-Peyser Act and WIA Title I for adults and dislocated workers, as well as resources provided by required One-Stop partner programs, to deliver core services.

(§112(b)(17)(a)(i).) In its response, the state should address how it will integrate resources provided under the Recovery Act, the Wagner-Peyser Act, and WIA Title I for adults and dislocated workers, as well as resources provided by required One-Stop partner programs. For example, how will the state use these resources to provide significant funding for low-income and low-skilled workers that help them access the services and training needed to pursue family-supporting jobs.

Any individual that visits a Career Center system will be provided core employment related services. Information about job vacancies, career options, student financial aid, and relevant employment trends will be provided. Directions and instructions on how to access the information will also be provided. Information and assistance will be given on how to write a resume, how to conduct job search and how to interview with a prospective employer is available to any job seeker.

Emphasis on services for hard-to-serve populations and needs-based payments will be given priority. Needs based payments may be provided to adults and dislocated workers who are unemployed and who cease to qualify for unemployment compensation. The purpose of these payments is to enable these individuals to participate in training programs under the WIA. To be eligible to receive needs based payments, a dislocated worker participant must have a documented need, as reflected on the Needs Determination/Needs Related Payments or Supportive Service Form. Needs Related Payments will be based on weekly attendance. The Needs Related Form is to be completed by the Case Manager on adult participants as a need for needs related payments. The amount cannot exceed the weekly U. I. rate.

The Rapid Response, Dislocated Worker and TAA programs Operate under a state/local collaboration and partnership to ensure that the One-Stop system has the ability to respond effectively and deliver services to affected workers. To develop and deliver services, a team of state and local staff are gathered from, but not limited to; the local Career Center regions; state and/or local economic development agencies; community service organizations; and organized labor, as appropriate. At each Career Center the goal is to provide integrated service delivery to customers covering all core and intensive services. Workforce System Specialists conduct annual program compliance monitoring to ensure this goal is met. Local Workforce areas are encouraged to establish strong linkages with the county department(s) of human services within their region and to involve these departments as workforce partners. Regions are also encouraged to use the Work Opportunity Tax Credit (WOTC) and Welfare-to-Work tax credit programs as hiring incentives to encourage employers to hire disadvantaged job seekers.

Tennessee has been awarded ARRA Wagner-Peyser funds in the amount of \$2,780,427.00. Funds will be used to increase Career Center service levels. Any individual who visits a Career Center system will be provided core employment related services. Information about job vacancies, career options, student financial aid, and relevant employment trends are being provided; directions and instructions on how to access the information is also provided. Information and assistance is given on how to write a resume, how to conduct job search and

how to interview with a prospective employer is available to any job seeker. During the 2008 Program Year, when ARRA funds were made available, 555,016 participants were served. That represents a 40 percent increase over the 397,347 provided services during the 2007 Program Year.

Regions are also encouraged to use the Job Service partner's Work Opportunity Tax Credit (WOTC) and Welfare-to-work (WTW) tax credit programs as hiring incentives to encourage employers to hire disadvantaged job seekers. During the 2009 Fiscal year over 30,000 WOTC and WTW tax credits have been issued to employers who hired individuals from various disadvantaged target groups.

Question IX.C.3.a. Describe the Governor's vision for increasing training access and opportunities for individuals including the investment of WIA Title I funds and the leveraging of other funds and resources. (§112(b)(17)(a)(i).)

In its response, the state should describe how the state will increase training access and opportunities for individuals, including the investment of WIA Title I funds and Recovery Act funds, and the leveraging of other funds and resources. How will the state use contracts with institutions of higher education and other training providers (as described in Section 6 of this TEG) to maximize funds to the greatest benefit?

The TDLWD, the Department of Education, and the Tennessee Board of Regents, through the Tennessee Technology Centers have collaborated on several projects. In Tennessee the primary Institutes for Higher Education are the Tennessee Technology Centers and Community Colleges. The State Board has issued over \$5 Million in Statewide ARRA contracts or approximately 10% of funds to IHEs to increase training opportunities. Statewide funds will be used to create additional high skill job training classes in the Energy, Healthcare, and information technology sectors. Classes are being purchased to accommodate increased enrollments and flexibility in schedules for individuals requiring training and eliminate waiting lists.

The explosion in green technology has united the Tennessee Technology Center and career centers in North Tennessee in the expansion of a portable learning lab to train in solar photovoltaic and heat systems, fuel cell technology, wind turbines and power generation, biodiesel fuel, geothermal technology, heat pump technology, weatherization and other "green" technologies as developed. Our East Tennessee career centers are utilizing the Center for Workforce Development to prepare workers to construct, operate and maintain clean energy technology, provide appropriate training for a workforce capable of developing, installing, maintaining, and updating clean energy systems and technologies. Individuals will access training that will:

- Develop workers for clean energy businesses, and to offer training to existing business and industry participants,

- Improve the regional economic development through the use of clean energy technologies, and
- Develop a model for other institutions to implement clean energy technology programs.

It is anticipated that an additional 4,000 adults and dislocated workers will be trained throughout the state as a result of increased collaborations and training opportunities.

The state has identified targeted populations based on the amount of funding appropriate under ARRA to include percent increases in enrollment into training. For the Adult population, we are requesting a 20% increase in training enrollments with an emphasis on the low income.

For the Dislocated Worker program we are requesting an overall increase of 40%, a closer collaboration with TAA and targeting of individuals who are at risk of exhausting UI and Extended UI without employment.

Purchased classes will include these populations.

Question IX.A.5. What models/templates/approaches does the state recommend and/or mandate for service delivery in the One-Stop Career Centers? For example, do all One-Stop Career Centers have a uniform method of organizing their service delivery to business customers? Is there a common individual assessment process utilized in every One-Stop Career Center? Are all One-Stop Career Centers required to have a resource center that is open to anyone? (§§112(b)(2) and 111(d)(2).) *In its response, the state should describe its models/templates/approaches for service delivery in the One-Stop Career Centers, particularly whether the state is adjusting its approach to deliver increased levels of services with funds received under the Recovery Act.*

- Do all One-Stop Career Centers have a uniform method of organizing their service delivery to business customers?
- Is there a common individual assessment process utilized in every One-Stop Career Center?
- What approaches will be used to ensure funds are targeted to those most in need, including low-income, public assistance recipients, persons with disabilities, etc.?
- How will states streamline the sequence of service to facilitate individual access to needed services and training?

The State has developed a One-Stop Career Center delivery system that is structured for consistency yet flexible for local service delivery. With the TDLWD responsible for all but a handful of the required partner programs, the state has made co-location of all Departmental programs a priority. The Wagner Peyser and WIA programs are the backbone of these co-location efforts.

In Tennessee, all career center locations have established resource rooms open to the public, where space availability permits. Having a resource room is an essential component of a career center, enabling it to be part of the public service infrastructure of the local community. Individuals that register with the job service section will meet with a qualified interviewer that

will perform an assessment of the persons work history and skills to determine what services they may need.

TDLWD streamlined business services by providing a centralized online location where employers and job seekers can easily find the services they need. Employer services have been enhanced by adding an online self-service option to post job orders. Also, the department increased staffing levels in order to handle the additional workload produced by higher unemployment rates.

To ensure broader services to the business community, TDLWD has employed marketing representatives that promote the services of the Department within the local communities. They are trained and familiar with the Career Center system and the nuances and services provided by each local area. These representatives visit employers across the state and hold quarterly employer meetings in virtually every county. These meetings are designed to provide a forum for employers to share with the Department ways we can better meet their needs. This includes workers compensation, occupational safety and health, hiring, training, and retaining their workforce just to name a few of the topics. Feedback from these meetings is provided to the Commissioner and other members of the Jobs Cabinet as needed to ensure employers can stay and grow in Tennessee.

The One Stop Career Center uses a basic intake form to assess each individual on work experience, skills, certifications, etc. This information is streamlined for all programs through access to the Enhanced Consolidated Management Activity Tracking System (eCMATS). Each program shares access to the information on ECMATS.

Through this basic intake of information in assessing the individual we are able to determine the needs of our clients. The client will be referred to the program for which they have the greatest need.

While Wagner Peyser programs are accessible to all individuals who come to us for employment and/or training related needs, staff who administer these programs work closely with other government agencies and community-based organizations whose client base consists of low-income individuals, public assistance recipients, or persons with disabilities to ensure that they are familiar with our programs and services and to encourage them to refer their customers to us. Our staff often conduct workshops for customers of such programs to prepare them for the world of work and to enhance their interviewing skills when it is determined that they are job-ready. In addition, each career center has a Wagner Peyser staff person who has been designated to handle special applicant services. These individuals work primarily with ex-felons and individuals with disabilities to ensure that they obtain all pertinent services and to enhance their ability to find suitable employment with more specialized staff assistance. These staff members work closely with their respective Disability Program Navigators as well to provide intensive job search, referral and training opportunities to those customers with disabilities.

In career centers where the Food Stamp Employment and Training program is offered to customers designated as eligible by the Department of Human Services, we have assimilated these activities into the career centers instead of conducting the program off-site or in the Human

Services offices across the state. This enables us to expose these clients to the full range of services offered through the career center system, including the resource centers, workshops and on-line labor market information that can assist them in their job search process. These efforts have been well-received by both the customers and the staff who deliver these services because of the value added to their routine program.

Finally, through our outreach programs and with the help of the marketing staff statewide, we ensure that the employer community is aware of the wide range of services and qualified candidates available to them through the career center system. We emphasize those programs that they may take advantage of if they will hire certain target groups, such as the Work Opportunity Tax Credit and the federal bonding program.

One of the ways we have streamlined services for the benefit of our customers is through the utilization of our Department's website. Four new on-line workshops were developed in an effort to deliver critical job search assistance to job seekers. One is an overview of the types of re-employment services offered by the Department, another deals with resume preparation, another is on effective job search skills and the final one deals specifically with interviewing skills. Additionally, we post information on the website about major recruitment projects occurring within the state such as the Volkswagen project in Chattanooga, Tennessee. We continue to work with our agency's Research and Statistics unit to enhance "The Source" which is the department's on-line tool for updated labor market information that is helpful to both job seekers and employers. The website also provides updated information to employers on programs offered through the one-stop system and the Department as a whole. Employers may access information on specific programs and obtain contact information for agency representatives who may be experts in a particular subject.

For job seekers, the One Stop Career Center uses a basic intake form to assess each individual on work experience, skills, certifications, etc. This information is streamlined for all programs through access to the Enhanced Consolidated Management Activity Tracking System (eCMATS). Each program shares access to the information on ECMATS. Upon intake a visual assessment may be completed to determine generally what types of services might be of the most benefit to a particular customer. While the Interviewer is reviewing a person's application, it provides the opportunity for that person to discuss in detail other partner programs besides Wagner Peyser activities that are available which might enhance the skills and abilities a job seeker may need to obtain suitable work. If the customer shows some interest we will immediately attempt to refer that person to a partner program for further in-depth assessment. At that point, all information concerning the interview will be entered into the ECMATS system in order that all partners may access the record to determine the services provided and next steps for each customer.

Youth Services

Question IX.E.1. Describe the state's strategy for providing comprehensive, integrated services to eligible youth, including those most in need. (§112(b)(18).) *In responding to this question, the state should include the following:*

- Describe the anticipated program design for the WIA Youth funds provided under the Recovery Act. Include in this description a program design for both younger, in-school, and older or out-of-school youth (including the 22-24 year olds that can be served with Recovery Act funds).
- Will the state use the Recovery Act funds to fund only a 2009 summer youth program or some combination of 2009 and 2010? If using the funds over two summers, what percentage of funds does the state anticipate using for the first summer?
- Describe the types of worksites that will be developed for summer employment, including a mix of public and private sector work experiences, and how the state will ensure that meaningful work experiences will be developed.
- Describe the state's policy for developing the mix of classroom versus worksite time in a summer employment opportunity. Describe the state's policy for determining that summer employment opportunities are connected to academic and/or occupational learning and the types of connections that will be utilized.
- Describe any policies or strategies that the state is implementing to ensure that local areas implement activities that support out-of-school youth during summer and/or non-summer months, such as supportive services, needs-based payments, or day-care.
- Provide the anticipated number of youth to be served with Recovery Act funds, including the anticipated number of summer employment opportunities created with Recovery Act funds.

Tennessee's plan for the ARRA is to distribute the entire amount of the \$25M designated for disadvantaged youth. This money provided by the ARRA will help reinstate a valuable program that will help to train, educate and enrich our youth. Each of the approximately 12,000 youth to be served will be assessed and placed in an area worksite that best matches his/her desired vocation. Each worksite supervisor will provide work readiness that each participant can carry with them to build upon when the program is complete.

Participants ranging from 14-24, are to be selected from the pool of qualified applicants that fill out the appropriate forms located in one of the thirteen Local Workforce Investment Area across the state of Tennessee.

The TDLWD has chosen to provide the entire amount of the \$25M to LWIA's, with the anticipation of liquidating the entire amount in the 2009 summer session. Tennessee has encouraged each LWIA to advertise the summer youth program and, as assumed, many youth participants are filling out applications. Along with the LWIA's advertisements, the Governor, Phil Bredesen and Labor Commissioner, James Neeley has made efforts in sending out press releases encouraging anyone that meet the eligibility to visit the area offices.



Coordination with several state departments will be utilized during the summer youth program. The Tennessee Department of Safety has plans to place at least one summer youth in each of the 53 driver's license stations across the state. Each of the Tennessee State Parks has positions and will employ approximately 1,000 youth to work on green jobs. Tennessee Vocational Rehabilitation will work with the LWIA's to employ several of their youth. In a partnership with the Tennessee Department of Children Services, TDLWD sent out over 1,000 letters to 16-17 year old Foster Care youth to have an automatic slot saved for employment.

A variety of public and private worksites are encouraged by the Tennessee Department of Labor and Workforce Development for local boards, who have the ultimate authority and responsibility of selecting worksites that are aligned with the labor market needs of the local area. Local boards have reported a decrease in worksite options for youth, related to the current downturn in the economy combined with the displacement of traditional youth entry level jobs by higher skilled adults who themselves have been displaced from the job market. In addition the Recovery Act significantly increases the number youth to be placed summer employment. Youth summer job developers are faced with a daunting challenge. Together, these pose a significant challenge for local programs to serve the number of youth required to expend the Recovery Act funds in an expedient manner. Tennessee is supporting the local boards with worksite development that has meaningful work experience.

The Executive Offices of Labor & Workforce Development and Health have partnered together to make connections between the local workforce boards to not only recruit youth who are in foster care and juvenile justice and other state care situations, but also to establish worksite agreements between the public sector employers and their vendor community as employers. In addition, the Executive Offices of Labor & Workforce Development has worked with the Department of Parks and Recreation and the Department of Safety to provide summer work for over 1000 youth. To further increase services, the Executive Offices of Labor & Workforce compiled a listing of all displaced veterans within the appropriate age qualifications and released it to the local workforce boards in the respected area. Each veteran listed was notified and, where appropriate, employed as worksite coordinators. Local workforce boards also have a variety of private (for profit) sector employers that they can draw on to establish placements. Approximately 30 % make up the worksites.

Work experience is the core component of a summer employment program. All local areas should ensure that participating worksites introduce and reinforce the rigors, demands, rewards, and sanctions associated with holding a job. Summer Youth Coordinators should make an effort to match worksites with participants' interests and goals. The state of Tennessee has given local workforce boards flexibility in using a variety of learning components to determine each participant skill level. The Tennessee Adult Basic Education (TABE) is one example. This policy remains in place for Recovery Act funded summer jobs.

Each local workforce board are encouraged to develop age appropriate integrated work-based and classroom-based learning activities to establish work readiness achievement benchmarks such as combination of work and classroom based career awareness, basic and life skills for younger or less experienced youth. Whereas on the job learning experiences for older or more experienced/skilled youth. The Executive Offices of Labor & Workforce Development strongly encourages local areas to link summer employment to academic learning for summer employment participants who are out-of-school but who do not have a high school diploma. This strategy is highly encouraged for high school drop outs.

Staff from the Tennessee Department of Labor & Workforce Development serves on a statewide committee that works closely with the Governor to develop policy to combat the dropout rate for Tennessee. This Commission collaborates with other agencies to develop specific recommendations on ways that local workforce boards resources could support dropout prevention and re-entry, and especially how boards can establish multiple pathways for youth to succeed in learning and employment.

Local workforce boards are encouraged to map and develop a pipeline to employment through a variety of community, school and higher education partnerships where new work and learning models will provide the opportunities for youth to become attached to what is predicted to be a burgeoning economy. The Executive Offices of Labor & Workforce Development expects that each youth enrolled in the Recovery Act summer employment program will have a meaningful work experience during the summer and that the experience will emphasize the relevant work readiness skills necessary to obtain and retain employment.

Local boards are encouraged to establish and strengthen their connections to pre-apprenticeship and registered apprenticeship programs which a wide range of hands on experiences and a career pathway into various building trades and other sectors of the economy including Tennessee's health care, finance hospitality and green jobs.

In younger youth, career development means defining interests and abilities in terms of employment skills and matching those with possible future careers via area employers. It was revealed that most often, younger youth were more open to trying different jobs. Older youth were guided toward experiences in identified areas of career interests.

The TDLWD has a long and productive history of working with the thirteen LWIAs, alternative high schools and Adult Education and literacy classrooms, which are good sources of referred older youth in need of career development. By extending the maximum age for the summer stimulus (ARRA) through age 24, more partnerships were established with agencies such as the

Department of Children Services, Parks and Recreation, Health, Safety and Vocational Rehabilitation.

Along with the establishment of worksites based on the needs of youth to become exposed to careers, other services were necessary for success. Individual assessments of each worksite dictated the type of support funding used. This may be for worksite clothing, tools to do the job, safety material, job-related healthcare (such as physical examinations), childcare while starting a job, transportation to and from the worksite (public transit and personal vehicle), and personal one-on-one supervision for students with disabilities. Algebra and remedial camps were implemented throughout the summer for developing individual training plans for a youth in need of special service.

Veterans' Priority of Service

Question IX.C.5.b. What policies and strategies does the state have in place to ensure that, pursuant to the Jobs for Veterans Act (P.L.107-288) (38 USC 4215), priority of service is provided to veterans (and certain spouses) who otherwise meet the eligibility requirements for all employment and training programs funded by the Department of Labor? *In answering this question, the state should outline the changes to state and local policies and strategies that make them sufficient to meet the requirements of 20 CFR 1010.230, published at 73 Fed. Reg. 78132 on December 19, 2008, of the Jobs for Veterans Act regulations issued on December 19, 2008 implementing priority of service for veterans and eligible spouses in Department of Labor job training programs. This includes providing the following information and/or attachments to the State Plan modification:*

- A description of the changes to policies for the delivery of priority of service by the State Workforce Agency or Agencies, Local Workforce Investment Boards, and One-Stop Career Centers for all qualified job training programs delivered through the state's workforce system. The description must include how:
 1. The state policies ensure that covered persons are identified at the point of entry and given an opportunity to take full advantage of priority of service.
 2. The state policies ensure that covered persons are aware of:
 - a. Their entitlement to priority of service;
 - b. The full array of employment, training, and placement services available under priority of service; and
 - c. Any applicable eligibility requirements for those programs and/ or services.
- A description or copy of the state's policy requiring Local Workforce Investment Boards to develop and include policies in their Local Plan to implement priority of service for the local One-Stop Career Centers and for service delivery by local workforce preparation and training providers.

The Job Service Manual has been updated in accordance with the provisions of 20 CFR 1010.230 regarding veterans' priority service, see table below. Both the Veterans' Services Coordinator and the Assistant Director of the Job Service Program and Technical Support section attended training at the National Veterans' Training Institute (NVTI) in early May 2009. Veterans' priority service was a key training topic. Conference calls have been held with

Wagner-Peyser and Veterans Employment and Training Service (VETS) funded staff throughout the state. During those sessions, the policy and its practical implications were discussed. This was done in an effort to insure that there was a clear understanding of what veterans' priority service policy entailed, and how it must be implemented. Attendees were advised that participants meeting the definition of "Covered Person" must be provided with priority of service by Wagner-Peyser funded staff. "Eligible Veterans, Other Eligibles and Transitioning Service Members" will be provided priority of service by VETS funded staff, at sites where they are located. Furthermore, we discussed the process for identifying "Covered Persons" at the reception point, and shared ideas for ensuring that all 'Covered persons' were advised of their right to priority service and service availability. We plan to pursue collaborating with our partners to obtain signage, which advises participants of our veteran's priority service policy.

2001 Definitions

DEFINITIONS: This section provides Employment Service definitions of all veteran categories as defined in USC 38, Section 4211.

A. Eligible Veteran: 38 U.S.C. 4211, defines an individual who is eligible to be served as a veteran by the public labor exchange delivery system: The term "Eligible Veteran" means a person who:

1. Served on active duty for a period of more than 180 days and was discharged or released there from with other than a dishonorable discharge;
2. Was discharged or released from active duty because of a service-connected disability;

OR

3. As a member of a Reserve component under an order to active duty, served on active duty during a period of war or in a campaign or expedition for which a campaign badge is authorized and was discharged or released from such duty with other than a dishonorable discharge. (**Note: Where an "Eligible Veteran" served is immaterial; only that they served during a period of war, covered campaign or expedition**)

B. Active Duty: The term "active duty" (or "active 'military,' 'naval,' or 'air' service") means full-time duty in the Armed Forces **other than duty for training in the reserves or National Guard**. Any period of duty for training in the reserves or National Guard, including authorized travel, during which an individual was disabled from a disease or injury incurred or aggravated in the line of duty is considered "active duty."

C. Special Disabled Veteran: The term "special disabled veteran" means (A) a veteran who is entitled to compensation (or who but for receipt of military retired pay would be entitled to compensation) under laws administered by the Secretary for a disability (i) rated at 30% or more, or (ii) rated at 10 or 20% in the case of a veteran who has been determined under section 3106 of this title to have a serious employment handicap; or (B) a person who was discharged from active duty because of a service-connected disability.

D. Disabled Veteran: The term "disabled veteran" means (A) a person entitled to compensation (or who but for the receipt of military retired pay would be entitled to

compensation) under laws administered by the Secretary, or (B) a person who was discharged or released from active duty because of a service connected disability.

E. Vietnam Era Veteran: The term "Veteran of the Viet Nam Era" means an eligible veteran any part of whose active military, naval, or air service was during the Viet Nam era.

F. Other Eligibles: An eligible person is one who is:

1. The spouse of any person who died on active duty or of a service-connected disability;

OR

2. The spouse of any member of the Armed Forces serving on active duty who at the time of application is listed by the Secretary concerned in one or more of the following categories and has been so listed for a total of more than 90 days: missing in action, captured in line of duty by a hostile force, or forcibly detained or interned in line of duty by a foreign government or power;

OR

3. The spouse of any person who has a total disability, permanent in nature, resulting from a service-connected disability;

OR

4. The spouse of an eligible veteran who died while a disability so evaluated was in existence.

G. Recently (Newly) Separated: An "Eligible Veteran" who has been released from active duty military service for a period of time that is less than 36 months.

H. Transitioning Service Members: A Transitioning Service Member (TSM) is defined as a service member in active duty status (including separation leave) who participates in employment services and is within 24 months of retirement or 12 months of separation.

(Occasionally a Veteran will re-enter the service after their initial discharge. If they come in to register for Job Services before they are separated from their second term, they are technically both a 'Veteran' and a 'Transitioning Service Member'. They can only be marked as one or the other. CMATS will not accept a 'Yes' answer to both categories. Please enter them as 'TSM' only. The 'Veteran' field should be marked 'No'. When they are finally discharged they should then be changed and marked as a regular Newly Separated Veteran with the most recent discharge date applied to the Military section of the JS Application in CMATS.)

I. Priority of Service: Priority of service is the vehicle by which service to veterans will be carried out. Priority of service does not mean exclusivity of service. It does mean, that if a veteran meets the basic qualifications for any Employment and Training program, he/she will be given priority in referral and enrollment into said program over a non veteran of equal qualification. A veteran does not qualify for a program simply because they are a veteran unless being a veteran is the basic criteria for the program. Also see section 2003: Priority of Service.

The Priority of service for Veterans and Eligible Spouses is further reinforced in Title 20 CFR Part 1010: Priority Of Service for Covered Person: Final Rule; dated Dec 19,2008 as follows:

The Jobs for Veterans Act (JVA), and as specified by the Veterans' Benefits, Health Care,

and Information Technology Act of JVA calls for priority of service to be implemented by all "qualified job training programs, " defined as "any workforce preparation, development or delivery program or service that is directly funded, in whole or in part, by the Department of Labor." Since enactment of JVA in 2002, priority of service has been implemented under policy guidance issued by the Employment and Training Administration. The purpose of these regulations is to further articulate how priority of service is to be applied across all new and existing qualified job training programs. The new regulations appear in the December 19, 2008 edition of the *Federal Register* and are effective as of January 19, 2009.

Key Definitions

- *Covered person* - The regulations adopt and apply this statutory term, which includes *eligible spouses*, as defined by the statute, and *veteran*, as defined by the regulations.
- *Veteran* - The regulations specify that the definition for *veteran* specified at 38 U.S.C. 101(2) applies across all qualified job training programs for the purpose of priority of service. That definition includes two key criteria:
 - Service in the active military, naval, or air service; and,
 - Discharge under conditions other than dishonorable.
- The definition of *veteran* specified by the regulations for priority of service is functionally equivalent to the definition enacted by the Workforce Investment Act (WIA) and codified at 29 U.S.C. 2801(49)(A).

Identifying and Informing Covered Persons

- The regulations require all recipients of funds for qualified job training programs to identify covered persons at the *point of entry* to programs and/or services so they can take full advantage of priority of service. Point of entry includes physical locations, such as One-Stop Career Centers, as well as web sites and other virtual service delivery resources.
- The regulations require all recipients to implement policies to ensure that covered persons are aware of:
 - Their entitlement to priority of service;
 - The full array of programs and services available to them; and,
 - Any applicable eligibility requirements for those programs and/or services.

Implementing Priority of Service

- The regulations provide that priority of service means the right of eligible covered persons to take precedence over eligible non-covered persons in obtaining services. They further specify that taking precedence may mean:
 - The covered person receives access to the service or resource earlier in time than the non-covered person; or
 - If the service or resource is limited, the covered person receives access to the service or resource instead of or before the non-covered person.
- The regulations specify how priority of service is to be applied across three different types of qualified job training programs:
 - Universal access programs that do not target specific groups;
 - Discretionary targeting programs that focus on certain groups but are not

- mandated to serve target group members before other eligible individuals; and,
- o Statutory targeting programs that are mandated by federal law to provide priority or preference to certain groups.

The Job Service Manual has been updated in accordance with the provisions of 20 CFR 1010.230 regarding veterans' priority service, see the attachment. Both the Veterans' Services Coordinator and the Assistant Director of the Job Service Program and Technical Support section attended training at the National Veterans' Training Institute (NVTI) in early May 2009. Veterans' priority service was a key training topic. Conference calls have been held with Wagner - Peyser and Veterans Employment and Training Service (VETS) funded staff throughout the state. During those sessions, the policy and its practical implications were discussed. This was done in an effort to insure that there was a clear understanding of what veterans' priority service policy entailed, and how it must be implemented. Attendees were advised that participants meeting the definition of "Covered Person" must be provided with priority of service by Wagner-Peyser funded staff. "Eligible Veterans, Other Eligibles and Transitioning Service Members" will be provided priority of service by VETS funded staff, at sites where they are located. Furthermore, we discussed the process for identifying "Covered Persons" at the reception point, and shared ideas for ensuring that all 'Covered persons' were advised of their right to priority service and service availability. We plan to pursue collaborating with our partners to obtain signage, which advises participants of our veterans' priority service policy. The abovementioned veterans' priority service policy is being implemented by Job Service staff in the Career Center System.

Service Delivery to Targeted Populations

Question IX.C.4.a. Describe the state's strategies to ensure that the full range of employment and training programs and services delivered through the state's One-Stop delivery system are accessible to and will meet the needs of dislocated workers, displaced homemakers, low-income individuals, migrant and seasonal farm workers, women, minorities, individuals training for nontraditional employment, veterans, public assistance recipients and individuals with multiple barriers to employment (including older individuals, limited English proficiency individuals, and people with disabilities).

(§112(b)(17)(A)(iv).) *In responding to this question, the state should:*

- Describe the strategy the state will use to effectively implement the Recovery Act priority of service for low-income individuals and recipients of public assistance under the WIA Adult program.
- Indicate how the state will use Wagner-Peyser resources to support individuals with disabilities, such as funding disability program navigators in One-Stop Career Centers, or assisting other targeted populations.

One observation made in planning for summer youth was the tremendous need in rural areas to create opportunities for youth in which to participate. Quality employment opportunities for youth are limited to retail and fast food in many small towns. Due to this fact the thinking turned to opportunities for people with disabilities and how much more difficult it is to find suitable employment learning experiences. The need for job developers was introduced. After several

discussions with partner agencies to include Vocational Rehabilitation, Disability Program Navigators and Council on Developmental Disabilities, we are moving forward to identify a process of sharing dollars to put three regional job developers in place to work with VR staff and the Navigators to identify and create suitable workplaces. We continue to meet as a group and hopeful we can put a two year plan in place before July 1.

- Low –Income individuals, including recipients of public assistance are encouraged to visit the Career Center for services.
- Local workforce areas are encouraged to establish strong linkages with the county department(s) of human services within their region.
- Local Workforce Investment Areas are encouraged to provide information regarding the career opportunities available to non-traditional employment and to assist interested clients in obtaining training for non-traditional employment. To the extent possible, local areas are encouraged to partner with existing community-based organizations to increase the availability of services for clients who wish to explore the possibility of non-traditional employment.
- Individuals with multiple barriers to employment (including older workers, people with limited English speaking ability and other disabilities) are also provided services.

In Tennessee the Local Career Centers are encouraged to establish strong linkages with the county department(s) of human services within their region and to involve these departments as workforce partners. Regional areas are also encouraged to use the Job Service partner's Work Opportunity Tax Credit (WOTC) and Welfare – to – Work (WTW) tax credit programs as hiring incentives to encourage employers to hire disadvantaged job seekers. During the 2009 Fiscal year over 30,000 WOTC and WTW tax credits have been issued to employers who hired individuals from various disadvantaged target groups.

Numerous service delivery tools are provided through the Career Centers in Tennessee for the Spanish speaking population. We also have bilingual staff who are available statewide to assist in delivering services to individuals with limited English speaking proficiency. The State cultivates relationships with the local community-based organizations that focus on service non-English speaking customers to assist them in overcoming barriers to employment.

Section III. Operations

Transparency and Public Comment

Instruction from Section II of State Planning Guidance Plan Development Process: Include a description of the process the state used to make the Plan available to the public and the outcome of the state's review of the resulting public comments. (§§111(g) and 112(b)(9).)

The Recovery Act places a high priority on transparency. The state should describe:

- State efforts to promote transparency.
- The process used to make the Plan modification available to the public and the outcome of the state's review of resulting public comments.

Tennessee has provided a website devoted to information about the American Recovery and Reinvestment Act information and its impact on the state <http://www.tnrecovery.gov/>. The site provides links to each of the State Agencies, allocation summaries, competitive Grant Opportunities, Implementation Directives for state agencies, News and Updates, Documents, Plans and Reports, frequently asked questions, and links for related subject. In addition, the state has developed the Office of the Tennessee Recovery Act Management (TRAM) to establish the requirements of prime and sub-recipients of ARRA funds to include all state and local government agencies. The Office of the Tennessee Recovery Act Management, with assistance from the Comptroller of the Treasury, established these directives to require all ARRA fund recipients to take immediate (and any and all subsequent required follow-up) action(s) necessary to implement a framework to meet the program, administrative, accountability and transparency objectives of the Act. The following directives have been established:

- 1) All recipients and sub-recipients of American Recovery and Reinvestment Act (ARRA) funds are required to designate a senior accountable official for Recovery Act activities.
- 2) All recipients and sub-recipients of ARRA funds are required to ensure that all ARRA funds are accounted for separately, from non-ARRA funds in financial and reporting systems to include sub-systems.
- 3) All recipients and sub-recipients of ARRA funds are required to monitor the accountability objectives of the ARRA and all other federal, state and local laws, rules and regulations.
- 4) All recipients and sub-recipients of ARRA funds are responsible for ensuring that proper procurement and grant and contract management procedures are established and followed.
- 5) All state recipients and sub-recipients of ARRA funds are responsible for establishing an appropriate internal control environment over ARRA funds including approvals, adjustments, recordkeeping, reporting reconciliation, segregation of duties and supervision. The internal control environment must facilitate con-current external monitoring and post-audit activities.
- 6) All local agencies, including city and county governments and non-profit organizations receiving ARRA funds must follow internal control guidance prescribed by the State of Tennessee Comptroller of the Treasury, Division of Municipal Audit and Division of County Audit.
- 7) All recipients and sub-recipients of ARRA funds must ensure all contract and award documents include clauses to clarify that recipients are legally obligated to meet ARRA reporting requirements.
- 8) All recipients and sub-recipients of ARRA funds are required to adopt a risk assessment process for all ARRA programs to include risk identification, risk evaluation and mitigation plans. The risk assessment must also include items that address meeting program requirements and objectives.

- 9) No later than April 13th, 2009, all recipients and sub-recipients of ARRA funds are required to submit an action plan to the Office of Tennessee Recovery Act Management (TRAM
- 10) All recipients and sub-recipients of ARRA funds are required to submit state specific reports to TRAM as requested.
- 11) All recipients and sub-recipients of ARRA funds must ensure that ARRA-funded programs are carried out, expeditiously, in an effective and efficient manner.

On May 15, 2009 the State Workforce Development Board voted to accept the recommended modification of the State Plan. The plan was submitted on May 18, 2009 to begin the 30-day public comment period. The Plan Modification was posted on the Public Notice site http://www.tn.gov/labor-wfd/public_notices/public_notices.htm and sent electronically to all Administrative Entity contacts requesting review and input. *This document was submitted to USDOL on June 26, 2009, no additional changes will be made after date unless directed by USDOL.)*

Increasing Services for Universal Access

Question VI.C. What state policies are in place to promote universal access and consistency of service statewide? (§112(b)(2).) *In its response, the state should explain how it will efficiently and effectively use its Wagner-Peyser Recovery Act funds to support the hiring of sufficient levels of staff in the limited time period available for state One-Stop Career Centers to provide universal access and services required to meet the needs of increased numbers of customers in the economic downturn.*

The State of Tennessee is under a blanket hiring freeze which does not allow us to fill vacant positions unless we get an exception approved. Exceptions will be allowed in limited areas necessary for the public welfare and come through the Department of Human Resources. We are in the process of increasing staff in Career Centers in order to provide good service. The Tennessee Department of Labor and Workforce Development has requested blanket Freeze Approval from the Tennessee Department of Human Resources to fill all vacant positions that relate to the Employment Security Division. The ES Division's Field Operation Section is in the process of reorganizing into a more locally driven system. Comprehensive Career Center Managers will serve as the lead for Wagner-Peyser staff and all Job Service Career Center Managers will report to the lead. Staffing needs are being evaluated and vacancies will be filled.

The state's Reemployment Service programs are being evaluated and changed to improve effectiveness. Reemployment Service Assistants are being designated and hired where necessary.

Local Planning Process

Question VIII.D. Describe the state-mandated requirements for local areas' strategic planning, and the assistance the state provides to local areas to facilitate this process.

((§112(b)(2) and 20 CFR 661.350(a)(13).) *In responding to this question, states should describe how they are facilitating the use of the local planning process to ensure that local areas are able to update their Local Plans and still quickly and efficiently deliver increased levels of services as intended under the Recovery Act.*

A key guiding principle of the Tennessee's State Workforce Development Board is that Tennessee's workforce system be aligned and integrated. The Planning Guidance for 2009 challenged Local Workforce Investment Areas to continue the involvement of all partners in the planning process. The intent of this process was to better align local programs with national strategic objectives, the Governor's and the State Workforce Development Board priorities, and the strategic vision of the Department of Labor and Workforce Development.

With all partners collaborating on program development and coordinating service delivery, the workforce system will serve as a competitive advantage. This advantage will enable the state to attract and retain high-growth, high-demand industries and jobs, educate and train the workforce, operate more effectively and efficiently, and deliver better service to the citizens of Tennessee.

Tennessee's Career Center System serves as the storefront through which workforce investment services are delivered to businesses and individuals across Tennessee's thirteen Local Workforce Investment Areas (LWIAs). The workforce system is demand driven and committed to continuously improving service delivery and performance.

The 2009 local planning process was implemented in three phases. In addition, the final product from the 2009 process organized the plans in a manner that will lend itself to advancement in the Baldrige criteria. The Strategic Planning Committee met at the State Workforce Board Meeting on March 12, 2009 to discuss the Local Workforce Investment Area's plan presentations. Listed below are the questions that the Planning Committee requested that each local area respond to in their presentation to the Strategic Planning Committee on April 2-3, 2009. Questions address in the plan presentation and included as a modification to each local plan:

1. How will the LWIA ensure the expedited and effective use of stimulus funds are made concurrently with regular formula funds? (Example: increase number of customers, ITAs, support services and needs-based payments.)
2. Provide a description of plans for your Summer Youth Program. (Example: contractors, number of participants, types of jobs, individuals with disabilities and other special populations.)
3. What approach will the LWIA take to reach the hard-to-serve population, low income customers, low skills customers?
4. What changes or plans does the LWIA have to enhance the service delivery strategies to focus on innovative and effective approaches to meet the demands of today's economy?
5. What are your challenges to assist Adults and Dislocated Workers?

The Strategic Planning Committee of the State Workforce Development Board considered the responses to each of these questions from the local areas and asked questions to assure the effective and efficient use of all funds available.

Procurement

Question VIII.F.5. Describe the competitive and non-competitive processes that will be used at the state level to award grants and contracts for activities under title I of WIA, including how potential bidders are being made aware of the availability of grants and contracts. (§112(b)(16).) (Note: All procurements must comply with OMB requirements codified in 29 CFR Parts 95.40-95.48 and 97.36.) *In answering this question, the state should describe:*

- How providers of all youth services will be procured under the Recovery Act. If using funds for summer employment opportunities and the fiscal agent or the state is not operating this program element, please specifically describe procedures for procuring summer employment operational entities and job opportunities.
- How the state will implement the Recovery Act provision that a Local Workforce Investment Board may award a contract to an institution of higher education or other eligible training provider if the local board determines that it would facilitate the training of multiple individuals in high-demand occupations, and if such a contract does not limit customer choice.

Tennessee's procurement policy mirrors the OMB requirement codified in 29 CFR Parts 95.40-95.48 and 97.36. The process detailed in the modification for Program Year 2007-2009 will continue to be implemented for procuring services for the dislocated and adult programs served under the ARRA plans. However, for procuring providers who will serve youth under ARRA, we have requested a waiver to allow the requirements of the WIA Title I, Section 123, and 20 CFR Part 664.405(a)(4) that indicates eligible providers of youth activities shall be awarded on a competitive basis. We are requesting that all current youth service providers are to be used to provide ARRA summer youth employment services, without further competition, based upon the recommendation of the youth council and based upon the past performance for the local board. These youth providers were originally procured in accordance with the OMB Circular and with federal and state legislation and regulations. Specifically, the waiver request asks to waive the competitive procurement requirements in order to carry out an expedited and limited procurement process for 2009 summer youth programs as cited in WIA Section 129(c)(2)(C). This waiver is requested to conduct and expedite limited competition to select service providers.

We will proceed with competition procurement for service providers (who may want to provide services to summer youth) if recommended by the youth council and the local board. If approved, this waiver will only be applied to the summer employment program elements and only for the summer of 2009 (under the Recovery Act funding.)

To procure sole-source providers for youth services, the state will require all local areas to use their local policies and procurement procedures. A copy of the procurement procedure each local area uses for all contracts is included in each local plan modification for Program Year

2009-2010. In addition, the state certifies that each local area will be monitored by state Program Accountability Review (monitors) staff to ensure that reasonable accountability and safeguards, as stated in the local area policies and procedures, progress toward meeting expected outcomes.

Purchased class will provide training in pipefitting, healthcare, HVAC, welding, weatherization, business system technology, solar panel training, Industrial Maintenance with in Emphasis Solar Panel Installation, Surgical Tech, Housing Inspector, and Heavy Equipment/Construction, and others as needs are identified.

Technical Assistance

Question VIII.G.2. Describe how the state helps local areas identify areas needing improvement and how technical assistance will be provided. (§112(b)(14).) *In answering this question, the state should describe its strategy for providing training and technical assistance to local areas for all programs funded by the Recovery Act, including whether Recovery Act funds will be used for technical assistance and training to local areas. The state should also address training to be provided to new staff and technical assistance on the creation of a summer employment program.*

For Program Year 2009-2010, local-area plan modification, the state required all local areas to adopt the Baldrige based criteria through the Tennessee Center for Performance Excellence in their plans. This process allowed each local area to examine the strengths and opportunities for improvement within their organizations. The state plans to compile this information and assist LWIAs to strengthen opportunities for improvements and to help them continue excelling in what they do well. The monthly fiscal and program reports, that local areas are required to submit are used to determine the technical assistance needs in the area of expenditures. The results of state monitoring visits also provide the state sufficient information to warrant technical assistance in areas exhibiting repeated deficiencies.

To ensure transparency and accountability for programs funded under ARRA, the state conducted several technical assistance sessions (beginning with training to local workforce directors.) This was followed by local workforce staff and career center staff delivering services. Each local area was asked in turn, to provide technical assistance to their sub-contractors and employers regarding the expenditure of funds and the requirements for monitoring the programs they deliver through the end of 2011. In addition, the state plans to provide several technical assistances workshops throughout the life of ARRA funding and to continue to monitor the results of services offered under the regular formula funds through the end of the approved program years.

Monitoring and Oversight

Question VIII.H. Describe the monitoring and oversight criteria and procedures the state utilizes to move the system toward the state's vision and achieve the goals identified above, such as the use of mystery shoppers, performance agreements. (§112(b)(14).) *In responding to this question, the state should demonstrate, through a monitoring plan or otherwise, that the*

state monitoring system meets the requirement of 20 CFR 667.410(b)(2) and that the state's plan includes monitoring and oversight of the additional funds provided under the Recovery Act, particularly plans to monitor reemployment services and summer employment, including summer employment worksites.

The definition of the scope of monitoring is determined by means of the WIA Contracts Report, which is submitted by the department's Budget and Fiscal Services Office. This report is the total list of sub-recipients for the state's 100 percent federally funded Workforce Investment program. All Recovery Act contracts also will be included in the report, and incorporated into our systematic monitoring plan. It is the department's position, and as required by WIA of 1998, that all such contractors should be monitored annually. National Emergency Grant contracts are monitored twice each year.

Summer Employment project sites also will have the benefit of a three-person monitoring team, consisting of highly knowledgeable program experts, who will visit each site regularly.

WIA §184 (A) 4 of the Workforce Investment Act requires each Governor of a state receiving WIA Title funds "to conduct on an annual basis onsite monitoring of each local area within the state to ensure compliance with the uniform administrative requirement."

Workforce Development staff discuss the risk factors with our Budget and Fiscal Services office and then modify a risk-based analysis to assess the risk level and determine which of our contractors are at higher risks than others. The results of this thorough analysis of various factors support the need for monitoring on an annual basis.

In order to conduct a complete monitoring review, the PAR (Program Accountability and Review) monitors examine both the fiscal and programmatic aspects at the Administrative Offices and/or Comprehensive Career Centers within the LWIAs (Local Workforce Investment Areas). An updated Program Accountability Review Guide and the Uniform Administrative Review instruments should be used to review expenditures, invoices, and contracts to tie information back to the contracts.

Prior to the monitoring reviews, PAR should receive a copy of the contracts from the department's Budget & Fiscal Office. As far as locations of the monitoring reviews, a fiscal review and a programmatic review can be conducted at the Administrative Offices. However, a programmatic review would be incomplete without the monitors observing first-hand the delivery of participant services that occur in this process at the Comprehensive Career Centers/One-Stop shops and/or affiliate sites.

Reemployment Services are reviewed by analyzing applications to determine compliance with the work test requirements. If any deficiencies are identified, the review team makes recommendations for improvement, and the local office develops a corrective action plan that is monitored by management until the desired improvement is achieved. The state has a one-year tracking report process for claimants targeted for reemployment services. The report is compiled quarterly. It examines the wage files for a one-year period since the individuals were identified.

Accountability and Performance

Question X.C.1. Describe the state’s performance accountability system, including any state-system measures and the state’s performance goals established with local areas. Identify the performance indicators and goals the state has established to track its progress toward meeting its strategic goals and implementing its vision for the workforce investment system. (§§112(b)(3) and 136(b)(3).)

- The Recovery Act emphasizes the importance of accountability. Describe the state’s overall efforts to hold the state and its local areas accountable for the results of activities funded by the Recovery Act, and how the state will measure whether it has achieved the state’s goals for implementation as described in Questions I.C. and I.E. under “State Vision and Priorities.”
- The Recovery Act requires states to report on work readiness to assess the effectiveness of summer employment opportunities for youth. The state should identify its methodology for determining whether a measurable increase in work readiness skills has occurred, and what tools will be used for this determination.
- The Recovery Act emphasizes the importance of accountability. Describe the state’s overall efforts to hold the state and its local areas accountable for the results of activities funded by the Recovery Act, and how the state will measure whether it has achieved the state’s goals for implementation as described in Questions I.C. and I.E. under “State Vision and Priorities.”
- The Recovery Act requires states to report on work readiness to assess the effectiveness of summer employment opportunities for youth. The state should identify its methodology for determining whether a measurable increase in work readiness skills has occurred, and what tools will be used for this determination.

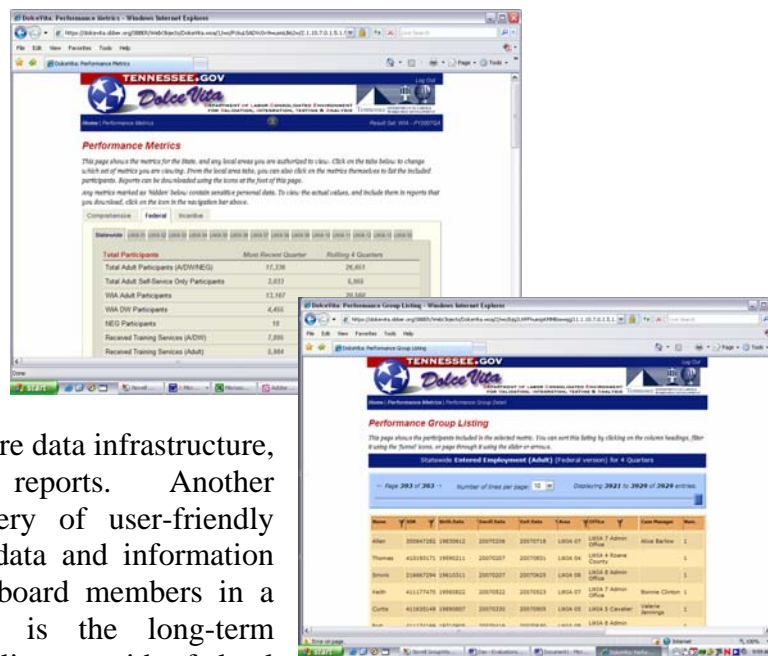
Recovery Act performance, and our cyclical accountability system will work seamlessly with regular funded WIA enrollments toward effective summer employment projects for youth, enhanced training opportunities for adults and dislocated workers, in the light of fully visible and measurable goals. The Division of Workforce Development continued its emphasis upon cyclical data management. The division improved performance reporting processes, enhanced its use and understanding of Workforce Investment Act data, negotiated realistic performance levels. It also implemented effective common measures, and ensured compliance with the upcoming WISPR (Workforce Investment Streamlined Performance Reporting) performance reporting system. To these ends, the division has put together a Web-based reporting system, with supporting wiki development Web sites, which together form the DolceVita Reporting System.



DolceVita

The division's cyclical data management concept, in coordination with AITC (Advanced Information Technology Center, University of Memphis), has led to designed and implemented, collaborative workspaces. These workspaces are dedicated to WIA federal and local performance reporting and to cross program problem solving and technical discussion. An open source software product, called DolceVita (Department of Labor Consolidated Environment for Verification, Integration, Testing, and Analysis), is used to put swift performance measurement tools effectively into the hands of workforce professionals for management and participant outcome purposes. The division has processed over 5,000 lines of Oracle PL/SQL extract code, with 43 iterations of the scripts, and is presently calculating common measures metrics for the upcoming WISPR system. In effect, DolceVita calculates and presents on-line, high-quality performance reports with specific outcomes for each performance measure. It also has drill-down features which permit near-instant access to participant data fields; it also has performance group worksheets (detailed for each funding group) and export functions that provide instant archiving of reports and supporting participant data. We have deployed DolceVita in the local workforce areas by development and execution of source code, table design, data models, Web-page templates DolceVita mapping files.

DolceVita is the heart of our performance evaluation and performance reporting processes and procedures. It consists of multiple elements: management of extracts for federal reporting, process evaluation, review and improvement, secure data infrastructure, custom management reports. Another element is the delivery of user-friendly applications to share data and information with local areas and board members in a timely manner. It is the long-term framework for compliance with federal reporting requirements for WIA, WP, VETS, TAA, and NEG; and, the division implemented DolceVita during program year 2007. What this means is that the division is continually conducting project-level evaluations, focusing on the context, outcomes, and logic involved in on-going federal and local performance reporting using DolceVita. We currently are creating the system interfaces which will display monthly participant performance reports, for Recovery Act enrollments. These reports will be instrumental in the successful delivery of the Recovery Act monthly reports through ETA's proposed, web based portal. The division has identified stakeholders, developed budgets, determined data collection methods, collected the data, and analyzed and interpreted the data; all of which are hallmarks of effective evaluation methods. The division now experiences continual improvement to the quality of WIA extract data (even



when vetted against DRVS) so that error rates have dropped from 20% to 1% (through script improvements and clean-up of data in eCMATS).

Wiki Collaboration

The division's wiki site has been in production use for nearly two years and has proven to be an invaluable evaluation tool for coordinating and documenting the processes and requirements for WIA and WP reporting. These collaborative Web sites provide documentation for the numerous iterations of data extracts that have been run leading up to each quarter's final extracts.



These sites provide user-editable, Web pages where authorized users can edit and update documentation of issues, plans, and data specifications. The sites also provide a “ticket” system for requesting, prioritizing and tracking; they also help to coordinate changes between staff in policy, MIS, and AITC.

These sites, including DolceVita, are secure, Web-based applications, hosted by the University of Memphis. They are also password protected and have role-based security. They provide full, statewide metrics and participant data; they also provide performance reports just for the unique local workforce area.

Consolidated Data Capture

eCMATS plays a central role in this strategy, but it is not the only or most important role. eCMATS is an excellent data system used to support the reporting processes for WIASRD and the upcoming WISPR/WISRD system; it is the consolidated, Web-based, customer-tracking system called eCMATS (Enhanced Consolidated Management Activity Tracking System). eCMATS is a Web-based, electronic, record-collection instrument which operates by using Oracle9i machine languages. The shell interfaces with internet navigators such as Internet Explorer or Netscape, and the shell also requires the continuing support of technicians, programmers, and database administrators. End-users provide transactions which are extracted daily, weekly, monthly, quarterly, and annually to deliver performance outcome reports. A major element of these transactions is the interaction between our ESCOT system and eCMATS; this interaction transfers source earnings data to eCMATS. This method is based on quarterly updates to employee earnings, as entered by employers and staff, to ensure the accurate delivery of earnings data. Earnings data then is extracted by DolceVita and used to automatically report earnings. The strength of this system is its ability to integrate seemingly different program designs, such as WIA, ES, TAA, NEG, with Adult Education programs. Administrators and end-users, among all these programs, are utilizing eCMATS to enter and to capture jobseeker and



employer data. The purpose for this capture is to track and report program costs, priorities, solutions, and, most of all, timely and accurate performance outcomes. In these ways eCMATS is an important contributor to our seamless performance management approach to the delivery of ETA-funded programs.

The table which follows shows our current negotiated performance levels, which in recent communications with ETA Region 3, we have requested that these performance levels should be carried over into Program Year 2009.

TN Performance Measures	PY 2008 Goals
Adult Measures	
Entered Employment Rate	84
Employment Retention Rate	84
Avg. Six Month Earnings	\$12,800

Dislocated Worker	
Entered Employment Rate	86
Employment Retention Rate	90
Avg. Six Month Earnings	\$13,300

Youth Common Measures	
Placement in Emp. Or Education	68
Attainment of Degree or Certificate	69
Literacy or Numeracy Gains	25

Our understanding has been to be prepared for changes rather than to wait for changes that may introduce themselves at any moment. Our participation in this project has positioned the Tennessee Department of Labor and Workforce Development at the forefront of implementing the WISPR reporting system.

Work Readiness

The Work Readiness performance measure is part of the overall WIA Skill Attainment metric, which is designed to measure the rate of work readiness achievements among youth participants who receive WIA services. As such, any youth in summer employment funded by the Recovery Act will be included in the work readiness indicator. We are prepared to implement and compute the summer youth work readiness metric for all eligible youth enrolled, and especially for the summer employment youth under the Recovery Act. Our understanding is that work readiness is defined as stated in TEGl 17-05 (Attachment B, page 6); as "...a

measurable increase in work readiness skills including world-of-work awareness, labor market knowledge, occupational knowledge...” and all the described and required elements of work readiness. I should be noted that we are well equipped to compute and report the Recovery Act, Summer Youth, work readiness outcomes, because the computation of the skill attainment metric still is embedded in the DolceVita system, and as vetted by DRVS 7.2.

The work readiness metric also will flag the required pre-assessments and post-assessments, as well as the work experience component; such that, briefly, anyone in summer employment goes into the denominator and those successful in the measure go into the numerator, to indicate a measurable gain in the work readiness skills.

Public Comments

- Add pictures of various summer youth worksites
- Include an attachment section with clips of various state awards
- Provide information on what the Stated is doing to eliminate any existing state level barriers to coordination

#1 Ten program elements served through local administrative entities

State of Tennessee Waiver Request Workforce Investment Act

Request for Waiver to Permit local investment areas the option for required ten program elements served through local administrative entities

Statutory and Regulatory Provisions to be Waived

The Tennessee Department of Labor and Workforce Development requests a waiver under the authority of the Secretary of Labor to waive requirements of Workforce Investment Act (WIA), Title I, WIA Section 189 (i) (4) (B) and WIA Regulations at 661.420 (c). Tennessee is requesting an extension of a waiver to continue allowing the thirteen Local Workforce Investment Areas the option of fulfilling the required ten program elements for the youth services through administrative entities.

Tennessee has only been approved to provide four of the ten elements through the administrative entities in local areas. This request is to allow the continuation of the four elements through the administrative entities. The approved elements are:

1. Support Services
2. Follow-up services for not less than 12 months after the completion of participation
3. Summer employment opportunities directly linked to academic and occupational learning
4. Paid and unpaid work experiences including internship and job shadowing

State or Local Statutory or Regulatory Barriers

There is no state or local statutory or regulatory barrier to implementing the state policy.

Goals to be Achieved by the Waiver and Expected Programmatic Outcomes

Due to the previous approval of this waiver, administrative entities have been able to generate a larger pool of funds which has driven down the cost of providing services thus allowing more youth to be served.

- Continuity of services to youth when administrative entities provide support service and follow-up services.
- Rapid implementation of the summer youth jobs program
- Strong ties with work experience/internship host agencies and employers
- Reduction of administrative cost
- Follow-up services provide more stability of services including longer retention

Description of the Individuals Impacted by the Waiver

Eligible WIA youth, who are required the above services, will be impacted by this waiver.

Description of the Process to Monitor Progress

The Division of Workforce Development, Tennessee Department of Labor and Workforce Development, will continue to monitor the implementation and impact of the waiver, as well as

Ten program elements served through local administrative entities
p. 2

the progress toward meeting expected outcomes. This waiver will be incorporated into the Workforce Development Division's WIA monitoring procedures.

Opportunity for Local Board and Public Comment on Waiver Request

This waiver was previously posted on the Division's Website for 30 days for public review and comment. This Department plans to notify the public of the extension of this waiver when it receives a letter of approval.

Send any comments or questions regarding the waiver request to Susie.Bourque@state.tn.us or call 615-741-1031.

#2 Permit 50% transfer between Adult and Dislocated Worker funding streams

**State of Tennessee
Waiver Request
Workforce Investment Act**

Request for Waiver to Transfer Funds

Statutory and Regulatory Provisions to be Waived

The Tennessee Department of Labor and Workforce Development requests a waiver under the authority of the Secretary of Labor to waive requirements of Workforce Investment Act (WIA), Title 1, WIA Section 133(b) (4) (2) and WIA Federal regulations at 20 CFR 667.140. Tennessee is requesting an extension of the Governor's waiver authority to approve local boards to transfer, between the two programs, up to 50% of a program year allocation for adult employment and training activities and up to 50% of a program year allocation for dislocated worker employment and training activities.

State or Local Statutory or Regulatory Barriers

There is no state or local statutory or regulatory barrier to implementing the state policy.

Goals to be Achieved by the Waiver and Expected Programmatic Outcomes

Since the previous approval of this waiver, Local Workforce Investment Areas have been aided by the waiver and have achieved the following benefits.

- Increased flexibility and effective management of funding (including response to sudden increased service demands in the dislocated or the adult program).
- Benefit to customers who need additional services to be able to meet employer demands.
- Increased services to adults most in need.

The Workforce Development goal remains the same and the extension of this waiver and goals will allow Local Workforce Investment Areas to provide services and *ease the impacts of the current economic situation* on diverse groups of businesses and job seekers facing very different obstacles.

Description of the Individuals Impacted by the Waiver

Adult and Dislocated Worker customers needing services including those who have the most need for extensive services to enter the labor market will be helped the most.

Description of the Process to Monitor Progress

The Division of Workforce Development, Tennessee Department of Labor and Workforce Development, will continue to monitor the implementation and impact of the waiver, as well as the progress toward meeting expected outcomes.

Permit 50% transfer between Adult and Dislocated Worker funding streams
p. 2

Opportunity for Local Board and Public Comment on Waiver Request

This waiver was previously posted on the Division's Website for 30 days for public review and comment. This Department plans to notify the public of the extension of this waiver when it receives a letter of approval.

Send any comments or questions regarding the waiver request to Susie.Bourque@state.tn.us or call 615-741-1031.

Adult-DW Transfer- Additional Information

- How has the state used this waiver?

The state does not use the transfer authority for adult and dislocated worker funds reserved at the state level. Transfers occur at the Local Investment Area level. Currently, eighty percent of the Local Investment Areas receiving formula funds have taken advantage of this authority. Even though the waiver is approved statewide, local investment areas needing to transfer funds have been asked to send their requests for the transfer along with the reasons for the transfer.

This request is sent to the fiscal office where a staff member will examine the reasons and approve the transfer. Local Areas have stated the reasons for such transfers due to an increase in the number of dislocated workers needing services. Another reason was due to an increase in services to the adult population. Another was due to increase in the amount of ITAs approved by their local boards. In addition, the recent economic climate has forced many adults and dislocated workers to visit career centers. So this waiver has helped to stabilize the financial need of both the dislocated worker funding stream and the adult funding stream. It also provides the flexibility local areas need at this time.

#3 Deobligate and Reallocate WIA Formula Funds

State of Tennessee Waiver Request Workforce Investment Act

Request for Waiver to Deobligate and Reallocate WIA Formula Funds

Statutory and Regulatory Provisions to be Waived

The Tennessee Department of Labor and Workforce Development requests a waiver under the authority of the Secretary of Labor to waive requirements of Workforce Investment Act (WIA), Title 1, WIA Section 128 (c) (2) and 133 (c) (2) , WIA Federal regulations at 20 CFR 667.160. Tennessee is requesting an extension of a waiver to continue to deobligate and reallocate local area WIA funds. Proposed policy regarding deobligation and reallocation was presented to the State Workforce Development Board and was approved on March 14, 2008.

The proposed policy procedure notifies local areas that all contracts issued on or after July 1, 2008, will be affected by this policy. Local areas must have at least 70 percent expenditure rates at the end of the first year of the contract period and a 100 percent expenditure rate at the end of the second year of the contract period. Formula funds that show less expenditure will be reduced by calculating the difference between actual expenditures and the required amount.

State or Local Statutory or Regulatory Barriers

There is no state or local statutory or regulatory barrier to implementing the state policy.

Goals to be Achieved by the Waiver and Expected Programmatic Outcomes

Since this waiver was initially approved in the current program year, the state does not have an historical precedent to evaluate the full impact of this waiver. However, extension of this waiver will allow:

- Unused funds in local areas to be identified and distributed to areas of greater need.
- Local areas experiencing large number of lay-offs, to be supported with recaptured funds if the area has depleted its share of formula allocation.
- Local areas, expending their funds in a timely manner and providing substantial training services, to be better supported.

Description of the Individuals Impacted by the Waiver

All WIA customers residing in areas needing additional funds will be positively impacted by the extension of this waiver. Local boards, identifying unmet needs or experiencing a sudden need for increased services, will be able to assist their customers.

Local workforce boards experiencing under expenditures will not be unduly jeopardized by the deobligation of unexpended funds since they would become eligible to participate in subsequent distribution of funds based on improved performance and on increased needs within their areas.

Description of the Process to Monitor Progress

The Division of Workforce Development, Tennessee Department of Labor and Workforce Development, will continue to monitor the implementation and impact of the waiver, as well as the progress toward meeting expected outcomes. This waiver will be incorporated into the Workforce Development Division's WIA monitoring procedures.

Opportunity for Local Board and Public Comment on Waiver Request

This waiver was previously posted on the Division's Website for 30 days for public review and comment. This Department plans to notify the public of the extension of this waiver when it receives a letter of approval.

Send any comments or questions regarding the waiver request to Susie.Bourque@state.tn.us or call 615-741-1031.

#4 New Additional Waiver Request

State of Tennessee Workforce Investment Act Waiver Request

Incumbent Worker Training Utilizing Local Activity Funds

Statutory or Regulatory Requirement to be Waived

The Tennessee Department of Labor and Workforce Development (TDLWD) requests a waiver under the authority of the Secretary of Labor to waive requirements of the Workforce Investment Act (WIA), Title I, WIA Section 134(d) (3) (A) to allow the Local Boards, at their discretion, to spend up to 10 percent of funds allocated under WIA Section 133(b) to carry out incumbent worker training programs. These funds should be utilized in the same manner as statewide activities funds. Subsequently, income eligibility (including self sufficiency) and WIA performance measures would not be applicable, rather the state would develop and require local areas to collect and report program outcomes based on a set of predetermined criteria. The state request an effective date for this wavier of July 1, 2009, through June 30, 2010, and request that, upon approval, this waiver should be incorporated by reference into the state's Grant Agreement, and that it should constitute a modification of the state's approved Strategic Plan.

WIA Section 134(d)(3)(A) effectively prevents the use of formula funds for incumbent worker training. Approval of this Waiver Plan will reduce layoffs and closures by assisting companies in saving jobs and becoming more competitive through provision of needed training to current workers. Through its implementation, this waiver will further the state's workforce investment system and will align with the state's strategic plan goals by addressing the need for a more skilled workforce and assist in the retention of businesses.

Tennessee recognizes that the regulation that prevents the Local Boards from spending up to 10 percent of funds allocated under WIA Section 133(b) to carry out incumbent worker training programs is a barrier to using local funds to meet the needs of businesses and their existing workers. The state wishes to encourage a local system to provide companies the assistance they need to retain jobs and create new ones through incumbent worker training.

State or Local Statutory or Regulatory Barriers

There are no State or local statutory barriers to implementing the requested. Present regulations and policy statements are in compliance with current federal law. Upon notification of the approval of this waiver request, rules and policies will be amended to comply with the terms of the waiver.

Goals and Expected Programmatic Outcomes

This Waiver Plan will provide Local Boards the option to spend a portion of their WIA formula funding for incumbent worker training. With the current economic down turn it is imperative that the Local Boards be able to respond more quickly and efficiently to immediate local needs. Incumbent worker training provides companies the assistance they need to retain jobs in these very difficult times and even to create new jobs. The training should result in a high probability of lay-off avoidance and possible company growth through the economic recovery period.

Individuals Affected

This Waiver Plan will positively affect business by reducing the risk of layoff or closing because workers have not kept current with new skills and technology. During this economic recovery period when the company may be experiencing slow productivity the company can fill those down times by providing training that will enhance existing or provide new skills that will create new job opportunities and avoid layoffs or closures. This Waiver Plan increases the role of Local Boards and the role of businesses in the workforce development system. It also increases local flexibility to respond to the business community, in keeping with the goals of WIA.

Description of the Process to Monitor Progress

The Tennessee Department of Labor and Workforce Development will encourage the Local Boards to implement the Waiver Plan to develop incumbent worker training programs, and will monitor the performance results through the statewide management information system. The Department of Labor and Workforce Development will issue a workforce development policy to define the requirements for the incumbent worker training program to include a 50 percent match from the business. The match could come from other federal, state or private funding, or in-kind contributions.

The Division of Workforce Development, Tennessee Department of Labor and Workforce Development, will monitor the implementation and impact of the waiver, as well as progress toward meeting expected outcomes. This waiver will be incorporated into the Workforce Development Division's WIA monitoring procedures.

Opportunity for Local Board and Public Comment

The draft waiver request will be posted on the Division's Web site for 30 days for public review and comment, and we will solicit additional, public input regarding this waiver request through notification to our state and local partners. Any responses to this posting will be forwarded on to the U.S Department of Labor within thirty days.

Incumbent Worker Training Utilizing Local Activity Funds
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Consistent with general waiver request requirements, the State is adhering to publication requirements to insure the broadest participation possible including informing appropriate youth program partners such as schools, labor and community based organizations, local workforce boards, and the Tennessee Workforce Investment Board. In addition, we have posted this waiver on our Web site for public review and comment, and have consulted local boards and other interested stakeholders.

Send any comments or questions regarding the waiver request to Pat.Bleecker@tn.gov or call 615) 741-1031.

Local Funds for Statewide Activities – Additional Information

- Need state/local area’s layoff aversion and IWT approach
- Plan for how IWT will be delivered
- Criteria that he state will use to identify appropriate uses of IWT

- **Need state/local area’s layoff aversion and IWT approach**
 The state and local approach is to provide companies financial assistance to Tennessee companies who, now more than ever, have a need to up grade the skills of their incumbent workers in company related, work specific training. Companies are prepared to take this time of slow productivity to provide training on company time that will result in future company growth, increase new business opportunities by upgrading the skills of their incumbent workforce and increase the possibility of avoiding layoffs.

- **Plan for how IWT will be delivered**
 The IWT training will be delivered through the 13 Local Workforce Investment Areas across the state using the existing IWT guidelines and application process. These funds should be utilized in the same manner as statewide activities funds. Subsequently, income eligibility (including self sufficiency) and WIA performance measures would not be applicable, rather the state would develop and require local areas to collect and report program outcomes based on a set of predetermined criteria.

- **Criteria that he state will use to identify appropriate uses of IWT**
 The LWIA’s and their Local Workforce Boards use existing criteria and scoring system, part of the score sheet is attached below, to evaluate proposals. If the Local Workforce Board finds the applications has meet the criteria then they send a request for approval, with the application to the state office for approval. All applications are reviewed and approved by the state.

	<i>Desired Outcome</i>	Value	Score
20.	Prevent relocation	5	
21.	Will save jobs, layoff aversion.	5	
22.	Will create new jobs	5	
23.	Will improve short term wages	5	
24.	Will improve long term wages	5	
25.	Will result in certification	5	
26.	Train in a demand occupation	5	
27.	Skills upgrade	5	
28.	Assist in training minorities	2	
29.	Assist in training veterans	2	
30.	Assist persons with disabilities	2	

5 WIA procurement for Youth Summer Employment

State of Tennessee
Workforce Investment Act
Waiver Request
American Recovery and Reinvestment Act

**Waiver related to WIA Procurements for
Summer Youth Employment Providers**

Statutory or Regulatory Requirements to be Waived

The Tennessee Department of Labor and Workforce Development requests a waiver under the authority of the Secretary of Labor to waive requirements of the Workforce Investment Act (WIA) Title I (WIA Section 123 and 20 CFR Part 664.405 (a) (4)) that indicates eligible providers of youth activities shall be awarded on a competitive basis. Specifically, this request asks to waive the competitive procurement requirements in order to carry out an expedited and limited procurement process for 2009 summer youth programs as cited in WIA Section 129(c)(2)(C). This waiver is requested to conduct and expedite limited competition to select service providers.

To procure sole-source providers for youth services, the state will require all local areas to use their local policies and procurement procedures. A copy of the procurement procedure, each local area uses for all contracts, is required to be included in each local plan modification for Program Year 2009-2010. In addition, the state will certify that each local area will be monitored by state monitors to ensure that reasonable accountability and safeguards, as stated in the local area policies and procedures, are produced.

Tennessee's request for waiver of competitive procurement requirements for ARRA summer youth service providers is unique. Our request for waiver does not follow the model found in other states in which a large, rule-laden, centralized bureaucracy is responsible for procurement. Such a centralized model seems to have a history of overpriced projects and failures to buy what was really needed by program staff and citizens. Neither does Tennessee's request for waiver ask to follow the model of total decentralization which is characterized by a lack of proper controls and accountability. Instead, ARRA Summer Youth service contracting needs to be moderately decentralized, involving limited competition for 2009, so that it is predominately the responsibility of each Local Workforce Investment Area (LWIA) and guided by the state's service procurement rules. In short, this request for waiver asks for approval to model the ARRA Summer Youth procurement procedures after the overall procurement process already in place as Tennessee state law, that is, as moderately decentralized. Moderately decentralized, this waiver would expedite limited competition in the process of youth service provider selection, provide Youth Councils with the flexibility to immediately identify high performance summer youth program providers, and more closely align the WIA procurement procedures with Tennessee's moderately decentralized procedures. As with all approved service contracts and subcontracts, it is required that contracts awarded under this waiver enforce provisions

relating to conflicts of interest, lobbying, nondiscrimination, public accountability, public notice, and the maintaining of records.

Each LWIA has responsibility for soliciting and evaluating proposals, selecting contractors and grantees, drafting legal agreements, and managing contracts for the effective delivery of service. While these processes are decentralized, the Department of Labor and Workforce Development serves to guide this process with its adherence to federal and state law, as well as the normal review and approval function within state government.

Additionally, each procuring LWIA is responsible for the management of all of its own contracts and grants. Contract management involves the already existing state department or agency's ongoing continuum of processes for administering and reviewing the performance of each service contract for efficiency, cost-effectiveness, and service provider accountability and results.

The Tennessee Department of Labor and Workforce Development requested that each local area publicly continue to announce the Summer Youth Program through the beginning of each local area's program implementation date. Local media including public schools have been used at the local level to inform the public about the youth program funded under ARRA. Each local investment area, in consultation with its local board, is responsible for hiring new staff to ease the burden of additional monitoring and intake processes. As required in TEG 14-08, the state and local areas will provide information and participant records showing how ARRA funds were used during Program Year 2009 through 2011. ARRA participant records will be reported through Tennessee's enhanced Case Management and Tracking System (e-CMATs). Financial records will be made available on the U. S. Department Grantee Reporting System.

State or Local Statutory or Regulatory Barriers

There are no State or local statutory barriers to implementing the requested waiver. Present regulations and policy statements are in compliance with current federal law. Upon notification of the approval of this waiver request, rules and policies will be amended to comply with the terms of the waiver.

Goals to be Achieved by the Waiver and Expected Programmatic Outcomes

If approved, the waiver will: eliminate bureaucracies; expedite service delivery to eligible youth; give sufficient time to staff to plan for the program and provide information about the program to constituents rather than about procurement.

Description of the impacts by the Waiver

- Eligible youth customers as well as the state's local workforce board will be affected positively by the adoption of the waiver.

- Local workforce boards will be able to implement the summer program in a timely manner.
- Increased numbers of customers in need of service will be served.
- The general community, parents and employers who will benefit from serving in their communities and will contribute to welfare of the local area.

Description of the Process to Monitor Progress

The Division of Workforce Development, Tennessee Department of Labor and Workforce Development, will monitor the implementation and impact of the waiver, as well as the progress toward meeting expected outcomes. This waiver will be incorporated into the Workforce Development Division’s WIA monitoring procedures.

Opportunity for Local Board and Public Comment

The draft waiver request will be posted on the Division’s Web site for 30 days for public review and comment, and we will solicit additional, public input regarding this waiver request through notification to our state and local partners. (Version 2)

Consistent with general waiver request requirements, the State is adhering to publication requirements to insure the broadest participation possible including informing appropriate youth program partners such as schools, labor and community based organizations, local workforce boards, and the Tennessee Workforce Investment Board. In addition, we have posted this waiver on our Web site for public review and comment, and have consulted local boards and other interested stakeholders.

Send any comments or questions regarding the waiver request to Susie.Bourque@tn.gov or call 615) 741-1031.

Youth Competitive Procurement – Additional Information

- How has this waiver been used by the state?
- What local areas are using this waiver?
- Who's providing these youth services? What contractors?

The state has not used the waiver for competitive procurement to serve youth because the state does not retain any of the youth funding at the state level. All of the youth funds that the state receives are distributed by formula to Local Investment Areas. However, Local Workforce Investment Areas have taken advantage of this waiver. A few of these areas using this waiver are listed below.

Local Workforce Investment Area 8, located in Clarksville, has used this waiver. With the approval of the local youth council and the local investment board, LWIA 8 was able to operate the youth program in-house as allowed by ARRA. This enable Workforce Essential Inc.(LWIA 8) to immediately hire staff, develop worksites, and to recruit students, thus providing the summer youth program a success, serving eight hundred fifty (850) youth were served.

Another Local Investment Area that took advantage of this waiver was LWIA 5, located in Chattanooga. After explaining the benefits of using the waiver to the local investment board, the board was able to contract with the existing service provider that had the infrastructure in place period. This provider was able to deliver to deliver services across nine counties with local offices fully established and local networks fully fleshed out. The result was quick recruitment and a streamlined certification process at the community level. The waiver was also valuable in establishing interest among local agencies and organizations to serve as worksites and to provide supervision to youth in the program. Due to this waiver LWIA 5 was able to serve 700 youth through a limited startup schedule.

Local Workforce Investment Area 1, located in east Tennessee, also used this waiver. Adopting this waiver helped the LWIA to rapidly deploy the ARRA Summer Youth Program through two Tennessee Board of Regents' institutions. Previous youth services provided through these two institutions have proven to be a success. If the waiver had not been implemented, the alternative would have necessitated lengthy reviews and evaluation bids including analysis by the Youth Council and the local Investment board. This process would have been lengthy and cumbersome and would have delayed the Summer Youth Program and made it considerably less effective. Therefore, the use of current providers helped to ensure high service quality and to increase the probability of achieving performance measures. Due to this waiver, LWIA 1 was able to serve 900 youth.

#6 Waiver of performance measures for Youth Work Experience

State of Tennessee
Workforce Investment Act
Waiver Request
American Recovery and Reinvestment Act

**Waiver Related to WIA Performance Measures
For Youth Participating in Work Experience Only**

Statutory or Regulatory Requirements to be Waived

The Tennessee Department of Labor and Workforce Development (TDLWD), as the administrative entity for the Workforce Investment Act (WIA) in the State of Tennessee, is requesting a waiver of the seven statutory performance measures in WIA Section 136(b)(2)(A) and to waive the common performance measures under TEGL 17-05. This request will permit the use of the work readiness indicator as the only performance indicator for out-of-school youth ages 18-24 who participate in work experience only (following the summer of 2009). The time limit for this request is October 2009 to March 2010.

Out-of-school youth, participating in work experience only, will be provided full assessment to determine needs for education and training services after receiving work experience services. The TDLWD will provide guidance to local investment areas to ensure that the needs of the youth are met either through recovery act funds or through WIA formula funds. The training and educational needs of the youth will be met by transitioning their services and co-enrolling them in the adult program.

State or Local Statutory or Regulatory Barriers

There are no State or local statutory barriers to implementing the requested. Present regulations and policy statements are in compliance with current federal law. Upon notification of the approval of this waiver request, rules and policies will be amended to comply with the terms of the waiver.

Goals to be Achieved by the Waiver, Expected Programmatic Outcomes

Approval of this waiver will encourage the continued engagement of youth who are disconnected from education and the workforce. It will allow a smooth transition from summer employment to a more comprehensive array of education and training services. During the time the waiver is in effect; service providers will work to connect youth to further education and training opportunities through WIA formula adult or WIA youth programs as appropriate.

Description of the Individuals Impacted by the Waiver

- Out-of-school youth with multi barriers who will be advancing their careers.

- Local Workforce Investment Areas providing services that will impact the economies of their local areas.

Waiver of performance measures for Youth Work Experience
p. 2

- Service providers who will be competing to provide training services that will be in demand in the short and long term.

Description of the Process to Monitor Progress

The Division of Workforce Development, Tennessee Department of Labor and Workforce Development, will monitor the implementation and impact of the waiver, as well as progress toward meeting expected outcomes. This waiver will be incorporated into the Workforce Development Division’s WIA monitoring procedures.

Opportunity for Local Board and Public Comment

The draft waiver request will be posted on the Division’s Web site for 30 days for public review and comment, and we will solicit additional, public input regarding this waiver request through notification to our state and local partners

Send any comments or questions regarding the waiver request to Susie.Bourque@tn.gov or call 615) 741-1031.

#7 Youth Program Design Flexibility

State of Tennessee
Workforce Investment Act
Waiver Request
American Recovery and Reinvestment Act

Program Design Flexibility

Statutory or Regulatory Requirements to be Waived

The Tennessee Department of Labor and Workforce Development (TDLWD) requests a waiver under the authority of the Secretary of Labor to waive requirements of the Workforce Investment Act (WIA), Title I, WIA Section 129 () (2) (A)-(J) that indicates the requirements of ten program elements youth must receive including 12 months of follow-up services. We are requesting a waiver of these requirements for youth between the ages of 18-24 who will be in the summer program, and will be provided work experience only and assisted by ARRA funds.

The TDLWD will instruct all local investment areas to provide a comprehensive assessment of the basic skills and support service needs of each youth; these may include a review of occupational skills, prior work experiences, employability, and needs. In addition, the instructions must include an individual service strategy, which may identify achievement objectives and appropriate employment goals.

In addition, local service providers in their selection and development of work sites, should be conducive in integrating work and learning to ensure that the youth are provided assistance in developing and refining attitudes, values and work habits. These experiences will not only contribute to their success in the work-readiness summer program, but they are transferred to the appropriate services to ensure that educational and skill needs will be met.

State or Local Statutory or Regulatory Barriers

There are no State or local statutory barriers to implementing the requested. Present regulations and policy statements are in compliance with current federal law. Upon notification of the approval of this waiver request, rules and policies will be amended to comply with the terms of the waiver.

Goals to be Achieved by the Waiver; Expected Programmatic Outcomes

If approved, the waiver will provide youth a successful transition from work to learning. It will give ample time to service providers to assess the needs of the youth and to make sure that the appropriate institution is selected to assist needs in skill gaps or for classroom learning. The waiver will help local investment areas to develop a meaningful relationship with each youth while in the work readiness program. This will effectively assist each youth during the transition to classroom environment.

Description of the Individuals Impacted by the Waiver

- Eligible youth who have basic skills deficiencies or need skills upgrade.
- Local workforce boards will have to select the appropriate mix of services to meet the need of each youth.
- The general community, parents, and employers who will benefit from serving young adults who will be the leaders of their communities.

Description of the Process to Monitor Progress

The Division of Workforce Development, Tennessee Department of Labor and Workforce Development, will monitor the implementation and impact of the waiver, as well as progress toward meeting expected outcomes. This waiver will be incorporated into the Workforce Development Division's WIA monitoring procedures.

Opportunity for Local Board and Public Comment

The draft waiver request will be posted on the Division's Web site for 30 days for public review and comment, and we will solicit additional, public input regarding this waiver request through notification to our state and local partners

Send any comments or questions regarding the waiver request to Susie.Bourque@tn.gov or call 615) 741-1031.

8 Individual Training Accounts (ITAs) for youth

STATE OF TENNESSEE WAIVER REQUEST WORKFORCE INVESTMENT ACT Individual Training Accounts (ITAs) for youth

The Tennessee Department of Labor and Workforce Development (DLWD), as the administrative entity for the Workforce Investment Act (WIA) in the State of Tennessee, is requesting a waiver of the regulatory prohibition of the use of Individual Training Accounts (ITAs) for youth. in compliance with WIA Section 189(I)(4)(B) and WIA Regulations 661.420(C). please accept the following as a request for a waiver.

A. Statutory Regulation to be Waived:

WIA Regulation 29 CFR §664.610 prohibits the use of Individual Training Accounts for youth. This waiver requests the use of Individual Training Accounts to access occupational skills training as needed for WIA youth, especially out-of-school youth and/or older youth.

B. Goals to be achieved by the Waiver:

- Ensure local areas have the flexibility needed to design and deliver programs based on the needs of their customers, rather than on restrictions based on the age of the customer.
- Provide access to the required youth element of occupational skills training without the need to dual-enroll a youth as an adult to provide this element.
- Allows training opportunities for youth in demand occupations that can enable the youth to become self-sufficient.
- Provide Youth access to training needed instead of only the training opportunities that might be available through an RFP process. Training institutions have little interest in developing and submitting a proposal for youth training in response to an RFP.
- Allow more efficient use of resources by allowing youth dollars to be spent on youth and adult funds to be spent on adults.
- Eliminate the need to dual enroll a youth just to be able to provide the specific training needed by the youth to attain their occupational goal as is currently necessary for a youth to access occupational skills training through the Adult Individual Training Account (ITA) and Eligible Training Provider List (ETPL) process.
- Offer Youth the customer choice and informed decision making opportunities specified in Section 129 of the Act through use of the ITA/ETPL process.
- Allow Youth to be counted only in the appropriate youth measures instead of in both the youth and adult measures. Youth and an adult. (This can be especially critical when serving challenging populations such as Older Youth.)

C. State or Local Statutory or Regulatory Barriers:

There are no existing state or local statutory or regulatory barriers to implementing this waiver request.

D. Description of the Goals of the Waiver and Expected Outcomes:

The implementation of WIA brought a shift from short-term approaches in providing youth training activities to a comprehensive, year-round program. The legislative intent of WIA was to provide more comprehensive services to youth with both in-school and out-of-school youth being served. We fully

agree with the intent of the legislation but do not feel that contracted year round services are the only way or always the best way to serve our youth population.

Youth may currently access Individual Training Accounts (ITAs) through co-enrollment into the adult program. Approval of this waiver would allow flexibility in using youth funds to provide training services to youth while retaining limited adult funds to be used on adult training services. Co-enrollment would still be a viable option if the needs of the customer warrant co-enrollment. Being able to access the Eligible Training Provider (ETP) List would allow more comprehensive services to be provided to the WIA youth being served in Tennessee. The Tennessee Higher Education Commission (THEC) provides a consumer report available via web site that provides consumers with enrollment, completion and placement data on each program on the ETP List. Utilizing the ETP List would enhance the local areas' ability to better serve youth by not having to issue a Request for Proposal for the single stand alone training services that might be needed by one or a small group of youth.

§664.510 states, "in order to enhance youth participant choice, youth participants should be involved in the selection of educational and training activities." Receiving this waiver would provide the youth customers with more opportunity to be strongly involved in the development of their service strategies. Each local area would outline a youth strategy through the local plan process.

Receiving this waiver will allow the local areas in Tennessee to more efficiently and cost effectively, serve the youth population. The local areas could also better manage WIA Performance Measures by receiving this waiver. The ultimate outcome would be that individual needs of the youth will be better served.

WIA requires local areas make available a menu of ten program elements, specified at 20 CFR 664.410, to eligible youth. These required program elements include occupational skills training. Currently, it is difficult to provide that element to our youth. We believe the intent of this waiver request is practical and needed for successful outcomes for youth. We will, through the local plan process, require that the local workforce investment areas outline a plan of action to ensure compliance with this regulation for persons receiving occupational skills training through the use of an Individual Training Account.

E. Description of the Individuals Impacted by the Waiver

This waiver will positively impact all youth customers. These customers will benefit from having more opportunities for training activities available to them. This waiver will also positively impact adult customers, as limited adult funds will not be needed to serve all youth customers accessing occupational training.

F. Description of the Process to Monitor Progress:

DLWD will be the entity responsible for monitoring the goals established in this waiver request. We will also be responsible for monitoring the local area process during annual on-site reviews of each local area, (See attached state policy)

G. Opportunity for Local Boards to Comment on the Waiver Request:

This waiver request was initiated based on needs identified by local area Youth Leads.

Individual Training Accounts (ITAs) for youth
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H. Public Comment on the Waiver Request:

The public comment period for this waiver request will be issued from November 10, 2003 through November 30, 2003.

I. Additional Information

If this waiver is granted, the Tennessee Department of Labor and Workforce Development, administrator of the Workforce Investment Act in Tennessee, will issue through guidance memorandums, authority for the thirteen Local Workforce investment Areas (LWIAs) to pursue the use of Individual Training Accounts (ITAs) for youth utilizing the methodology outlined in sections 663.400-440 and 663.500-595 of the regulations.

Each local area will be required to amend their local area plan to include use of this process for youth. They will also be required to implement guidelines outlining how the ITA will be utilized, including the maximum length of training and the maximum amount of allowable funding.

Each LWIA will follow state and locally established policies and procedures governing the use of the ITAs. The LWIAs will be encouraged to monitor the process through internal monitoring processes. The state will monitor the process during the annual on-site reviews of each local area.

This waiver will be in effect January 1, 2004.

9 Waiver to Report the Common Measures

State of Tennessee Waiver Request Workforce Investment Act

Request for Waiver to Report the Common Measures

Statutory and Regulatory Provisions to be Waived

The Tennessee Department of Labor and Workforce Development requests a waiver, to be effective July 1, 2008, under the authority of the Secretary of Labor to waive requirements of the Workforce Investment Act (WIA), Title 1, Subtitles B and E. Tennessee is requesting a waiver to reporting the 17 statutory measures required under WIA §136(b), and as required in 20 CFR §666.100(a) and §666.300(a), which specify the state and local performance measures currently required for WIA Title 1 programs. The Tennessee Department of Labor and Workforce Development will report performance using the federal Common Measures exclusively.

State or Local Statutory or Regulatory Barriers

There are no State or local statutory barriers to implementing the requested waiver. Nothing in this waiver is intended to prevent the State or local workforce board from implementing additional measures to assess performance.

Goals to be Achieved by the Waiver and Expected Programmatic Outcomes

This waiver will allow Tennessee to continue its performance focus, facilitate system integration across partner programs, and enhance the state's flexibility to plan and implement innovative and streamlined service delivery strategies, as well as strengthen our continuing work to provide strategic economic and labor market investments. The Common Measures provide a simplified and streamlined performance measurement system, consistent with the new WISPR (Workforce Investment Streamlined Performance Reporting) system. Tennessee's Cyclical Performance Management System, as further explained in our recently approved WIA Strategic Five-Year Plan, is an excellent match with WISPR and the Common Measures, and already has produced a first draft WISPR file. A waiver to report Common Measures exclusively thus will provide cost effectiveness, better case management, and increased customer service.

This waiver is viewed as a continuous improvement measure which will have the following benefits and outcomes:

- Facilitate the goal of a fully integrated workforce system,
- Provide clear and understandable information to stakeholders concerning the use of public funds and return on investment,
- Improved case management integration, service coordination and information sharing,
- Assist in the realignment of youth program designs to better implement ETA's New Youth Vision and targeting out-of-school youth,
- Use a single set of measures for youth, thus eliminating the need to track younger versus older youth, and
- Reduce labor intensive data collection and processing.

Description of the Individuals Impacted by the Waiver

All customers of the workforce system will benefit from this waiver. The quality and quantity of services to participants will be enhanced by focusing on fewer targeted outcomes. State and local program administrators will benefit as the State progresses toward a fully integrated workforce system that concentrates on demand-driven accountability measures.

Description of the Process to Monitor Progress

The Division of Workforce Development (Division), Tennessee Department of Labor and Workforce Development will monitor the implementation and impact of the waiver, as well as progress toward meeting expected outcomes. This will be accomplished as follows:

- Tennessee's eCMATS (Enhanced Consolidated Management and Tracking System) online database will be used for case management, tracking of services, follow-up and reporting. eCMATS will be used to monitor the data collection and reporting of the Common Measures at both the state and local levels. eCMATS presently accommodates the new WISPR reporting system, and permits specialized reports to ensure accuracy of the data. This will enable state and local staff to identify technical assistance needs.
- The Division will review applicable policies, procedures, and manuals and modify them accordingly.
- The Division will report performance on the Common Measures to ETA quarterly and annually in accordance with the WIA Performance Reporting System.
- The Division will monitor the implementation of the waiver through quarterly reports and meetings with Local Workforce Investment Area (LWIA) administrators. The reports and meetings will serve as opportunities to address implementation issues.
- The State incentive and sanction policy will be revised around the Common Measures to reward success in exceeding performance and require timely corrective action to increase the performance of failed measures.

Opportunity for Local Board and Public Comment on Waiver Request

The proposed waiver would impact all 13 of Tennessee's LWIAs. Tennessee's State Workforce Development Board of Directors, representing the 13 LWIAs, has instructed the Division to submit this Request for Waiver to the Common Measures to the US Department of Labor for consideration. The draft waiver request was posted on the Division's website for the required 30 day period for public review and comment, and we solicited additional public input regarding this waiver request through a Performance Business Meeting held on January 10, 2008, and through notification to our State and local partners. All comments received have been provided full consideration, and when applicable have been incorporated into this request.

Rapid Response for Incumbent Worker Training – Additional Information

- Need state/local area’s layoff aversion and IWT approach
- Plan for how IWT will be delivered
- Criteria that he state will use to identify appropriate uses of IWT

- **Need state/local area’s layoff aversion and IWT approach**
 The state and local approach is to provide companies financial assistance to Tennessee companies who, now more than ever, have a need to up grade the skills of their incumbent workers in company related, work specific training. Companies are prepared to take this time of slow productivity to provide training on company time that will result in future company growth, increase new business opportunities by upgrading the skills of their incumbent workforce and avoid layoffs.

- **Plan for how IWT will be delivered**
 The IWT training will be delivered through the 13 Local Workforce Investment Areas across the state using the existing IWT guidelines and application process.

- **Criteria that he state will use to identify appropriate uses of IWT**
 The LWIA’s and their Local Workforce Boards use existing criteria and scoring system(part of the score sheet is attached below) to evaluate proposals. If the Local Workforce Board finds the applications has meet the criteria then they send a request for approval, with the application to the state office for approval. All applications are reviewed and approved by the state.

	<i>Desired Outcome</i>	<i>Value</i>	<i>Score</i>
20.	Prevent relocation	5	
21.	Will save jobs, layoff aversion.	5	
22.	Will create new jobs	5	
23.	Will improve short term wages	5	
24.	Will improve long term wages	5	
25.	Will result in certification	5	
26.	Train in a demand occupation	5	
27.	Skills upgrade	5	
28.	Assist in training minorities	2	
29.	Assist in training veterans	2	
30.	Assist persons with disabilities	2	

Peak Performance

Tennessee's economic development leadership claims top billing in *Site Selection's* annual Competitiveness Award rankings.

by MARK AREND
mark.arend@conway.com

Tennessee's Department of Economic & Community Development has won handily – by a margin of nearly 30 points – the 2007 *Site Selection* Competitiveness Award. This is the department's second such award since the index-based recognition was launched in 2003 for economic development activity in 2002.

The award goes to the state-level economic development agency that accumulates the most points across 10 criteria that measure business-expansion activity; the criteria are based on project data tracked by *Site Selection* publisher Conway Data's proprietary New Plant database. To qualify in a given category, a state must finish in the top 20, at which point it is assigned points according to where in the top 20 it fell.

Among the 10 criteria used in the indexing system are four per-capita measures so that

Top Ten COMPETITIVE STATES of 2007

Rank	State	Points
1	Tennessee	144
2	Alabama	116
3	North Carolina	108
4	Kentucky	107
5	Ohio	102
6	Iowa	97
7	Indiana	92
8	Nebraska	88
9	South Dakota	86
10	Kansas	82

states have the same shot at competing for the award. The criteria used are:

- Total new and expanded facilities per 1 million population in 2007;
- Total capital investment in new and expanded facilities per 1 million population in 2007;
- Total new jobs created at new and expanded facilities per 1 million population in 2007;
- Total actual number of new and expanded facilities in 2007;

- Percentage growth in new and expanded facilities from 2006 to 2007;
- Three-year growth change (from 2004 to 2007) in new and expanded facilities;
- Ranking in *Site Selection*'s most recent annual business climate survey;
- Number of top 100 metros in the annual ranking of top metros;
- Number of top 100 small towns in the annual ranking of small towns; and
- Number of 100-plus-job projects per 1 million population in 2007.

<http://www.siteselection.com/issues/2008/may/competitiveness/>

***Site Selection* ranks Tennessee as a Top 5 Business Location**

Second year in a row for top ranking by national magazine

The editors of *Site Selection* magazine, one of the nation's premier economic development publications have ranked Tennessee as the fifth best business location in the U.S. The closely watched annual rankings appear in the November issue and mark the second year in a row Tennessee has ranked among the top five states in the nation for its business climate. North Carolina topped the list, followed by Texas, Ohio and Georgia.

"This announcement reinforces my belief that we are on the right path in terms of job creation and capital investment," said Tennessee Gov. Phil Bredesen. "We're not resting on our laurels, however. We've outlined specific strategies aimed at ensuring all Tennesseans have the opportunity to find a higher skilled, better paying job."

The governor was referring to initiatives outlined in his "Next Steps" speech in Nashville last September. In it, he outlined a four-point plan aimed at developing a more skilled work force, attracting jobs to rural communities through infrastructure investment, developing high quality research and development jobs through targeted assistance and hosting "orange carpet" tours to better market high unemployment regions of Tennessee.

In addition to the overall business climate rankings, *Site Selection* also conducted surveys among corporate site selectors and asked questions based on respondents' experiences in managing property assets around the country. In the "executive survey" portion of the rankings, Tennessee ranked No. 6. The magazine noted that both Memphis and Nashville ranked among Entrepreneur.com's top 10 cities for business and pointed out that Tennessee's gross state product grew 35.3 percent faster than the national average from 2001-2005. In addition, *Forbes* magazine recently listed Nashville among the 25 most wired cities in America and California's Milken Institute last year ranked Clarksville, Tenn., among the 20 best performing cities in the nation for economic growth.

<http://www.state.tn.us/ecd/Communications/HotSheet110806.htm>

State praised for its efforts

Development push recognized by national magazine

By [Josh Flory \(Contact\)](#)

Tuesday, March 4, 2008

Tennessee's economic development efforts got some validation on Monday, with recognition from a national publication.

Site Selection magazine reported that the Volunteer State ranked No. 3 in its 2007 "Governor's Cup," a tabulation of states with the most new or expanded capital projects. Tennessee boasted 293 projects, trailing only Ohio and Illinois.

Site selection top 10

States are ranked according to new or expanded capital projects in 2007.

--Ohio - 399

--Illinois - 362

--Tennessee -293

--North Carolina - 291

--Texas - 281

--New York - 244

--Michigan - 210

--Virginia - 207

--Florida - 203

Source: Site Selection magazine

<http://www.knoxnews.com/news/2008/mar/04/state-praised-for-its-efforts/>

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Press Release

Site Selection Names Top Business Climates

Atlanta, November 2, 2005: *Site Selection* magazine has named North Carolina the state with the Top Business Climate for 2005, reclaiming the top spot from Texas, which had unseated a North Carolina's three-year claim to first place from 2001 through 2003. Texas placed second this year. As revealed in the November 2005 issue of the magazine, research based in part on a survey of corporate real estate executives has identified the Tar Heel State's overall climate for capital investment to be tops in the United States. Rounding out the top five are Georgia, Ohio and Tennessee.

North Carolina Governor Michael Easley credits his state's highly skilled labor force and low cost of doing business relative to other states with a large number of technology-industry workers as the keys to executives' favorable impressions of the state. "We can do everything they can do about 25 percent cheaper in terms of labor capital expenditures and land acquisition," he told *Site Selection*. "The skills are rising much faster than the cost of doing business is, and that makes our state attractive to business."

The annual business climate rankings are determined 50 percent by performance of the state in Conway Data's New Plant Database, which tracks new and expanded business facility activity, and 50 percent by a survey of corporate site seekers across the country. More than 100 corporate decision-makers responded to the survey, which asked, "Based upon your experience, what are the top 10 state business climates, taking into consideration such factors as lack of red tape, financial assistance and government officials' cooperation?" By this measure alone, Texas ranked first, followed by Georgia and North Carolina.

"This year's business climate ranking is much like the 2004 ranking, with Southern states garnering significant attention from corporate expansion planners," says Mark Arend, Editor of *Site Selection*. "Eight of the top 10 states among their picks for top business climates are southern." Arizona and Nevada also made the Top Ten list.

The entire Business Climate story, as well as the annual state legislative and incentives update, appears in the November 2005 edition of *Site Selection* and at www.sitenet.com. Also featured in the issue:

- The cover story showcases a major new project in Kannapolis, N.C. Billionaire investor David Murdock is building a "biopolis," or biotech research park, on the grounds of a former textile plant, injecting new life into a region hurt by industry moving out of state and boosting North Carolina's stature as a center of life science R&D.
- State and Area Spotlight articles include coverage of Ontario, Tennessee, Virginia, Northern California, Kansas, the Southwest and the Ohio River Corridor states — as well as the European Union.
- Industry Reviews look at projects and trends in the aerospace and food processing sectors.

Site Selection magazine, published by Conway Data Inc., delivers expansion planning information to 44,000 executives of fast-growing firms. The senior publication in the development field, *Site Selection* is also available via *Site Selection Online* (www.siteselection.com). *SiteNet Dispatch*, a weekly e-mail newsletter, goes to more than 22,000 industry professionals.

Conway Data is an international publishing and association management company headquartered in Atlanta. The firm manages the Industrial Asset Management Council, the Development Hall of Fame and the World Development Federation (WDF), offers consulting services and awards the annual Conway Safe Skies Award.

Top 10 State Business Climates in 2005

- 1 North Carolina
- 2 Texas
- 3 Georgia
- 4 Ohio
- 5 Tennessee
- 6 Indiana
- 7 Alabama
- 8 Michigan
- 9 Kentucky
- 10 South Carolina

Executive Survey Business Climate Rankings in 2005

- 1 Texas
- 2 Georgia
- 3 North Carolina
- 4 Alabama
- 5 South Carolina
- 6 Tennessee
- 7 Florida
- 8 Arizona
- 9 Nevada
- 10 Kentucky

http://www.conway.com/press/051102_busClime.htm

[Additional article:](#)

In Tennessee Corner, Stimulus Meets New Deal



Josh Anderson for The New York Times

By [MICHAEL COOPER](#)
Published: July 27, 2009

LINDEN, Tenn. — Critics elsewhere may be questioning how many jobs the stimulus program has created, but here in central Tennessee, hundreds of workers are again drawing paychecks after many months out of work, thanks to a novel use of federal stimulus money by state officials.

Here in one of Tennessee’s hardest-hit areas, some workers were cutting down pine trees with chainsaws and clearing undergrowth on a recent morning, just past the auto parts factory that laid them off last year when it moved to Mexico. Others were taking applications for unemployment benefits at the very center where they themselves had applied not long ago. A few were making turnovers at the Armstrong Pie Company (“The South’s Finest Since 1946”).

The state decided to spend some of its money to try to reduce unemployment by up to 40 percent here in [Perry County](#), a rural county of 7,600 people, 90 miles southwest of Nashville where the unemployment rate had risen to above 25 percent after its biggest plant, the auto parts factory, closed.

Rather than waiting for big projects to be planned and awarded to construction companies, or for tax cuts to trickle through the economy, state officials hit upon a New Deal model of trying to put people directly to work as quickly as possible.

They are using [welfare money](#) from the stimulus package to subsidize 300 new jobs across Perry County, with employers ranging from the state Transportation Department to the milkshake place near the high school.

As a result, the June unemployment rate, which does not yet include all the new jobs, dropped to 22.1 percent.

“If I could have done a W.P.A. out there, I would have done a W.P.A. out there,” said [Gov. Phil Bredesen of Tennessee](#), a Democrat, referring to the [Works Progress Administration](#), which employed millions during [the Great Depression](#).

“I really think the president is trying to do the right thing with the stimulus,” Mr. Bredesen said, “but so much of that stuff is kind of stratospheric. When you’ve got 27 percent unemployment, that is a full-fledged depression down in Perry County, and let’s just see if we can’t figure out how to do something that’s just much more on the ground and direct, that actually gets people jobs.”

Tennessee is planning to pay for most of the new jobs, which it expects will cost \$3 million to \$5 million, with part of its share of \$5 billion that was included in the stimulus for the Temporary Assistance for Needy Families program, the main cash welfare program for families with children. The state did not wait for the federal paperwork to clear before putting residents of Perry County back to work.

Other states are still drawing up plans for spending the welfare money, which is typically used for items like cash grants for families and job training. Some are likely to use part of it to subsidize employment, as Tennessee is doing, but it is hard to imagine many other places where the creation of so few jobs could have such an immediate and outsize impact as it did in this bucolic county.

A stimulus job came just in time for Frank Smith, 41, whose family was facing eviction after he lost his job as a long-haul truck driver. Then he landed a job with the Transportation Department.

“The day I came from my interview here, I was sitting in the court up here where I was being evicted,” Mr. Smith said after a sweaty morning clearing trees under a hot sun to make room for new electric poles. “Luckily I’m still in the same place. There’s a lot of people that were totally displaced.”

Scott and Allison Kimble married after meeting on the assembly line at the Fisher & Company auto parts plant. When the factory closed last year and relocated to Mexico, the Kimbles, along with many of their friends and neighbors, found themselves out of work. Now Mr. Kimble has a stimulus job working for the Transportation Department, and Ms. Kimble has one in what has become a growth industry, taking telephone applications for unemployment benefits.

“I know what they feel like,” she said between calls. “I’ve been in their position.”

Michael B. Smith, 53, who drove a forklift at the plant for 31 years, now drives a Caterpillar to clear land for a developer. Robert Mackin, 55, who lost his job, his health insurance and his home, now has a job with the Transportation Department, a rental home, health insurance and an added benefit: the state employee discount when his daughter goes to a state college.

“With a degree, she can always go somewhere,” Mr. Mackin said.

The impact has been enormous, all across the county. Even the look of the place is changing, following the old W.P.A. model. In addition to the jobs for adults, there are 150 summer jobs for young people, some of whom have been working with resident artists to paint murals depicting local history on the buildings along Main Street in Linden, the county seat.

Over all, two-thirds of the new jobs are in private sector businesses, which are reimbursed by the state for the salaries of eligible stimulus workers. Some, in retail, might be hard to sustain when the stimulus money runs out in September 2010. Other businesses say the free labor will help them expand, hopefully enough to keep a bigger work force.

[The Commodore Hotel Linden](#), a newly restored 1939 hotel that has brought new life to [downtown](#), has seen an increase in its bookings since it has expanded its staff thanks to the stimulus. And the [Armstrong Pie Company](#) expects to be able to keep on the new bakery assistants and drivers it hired with stimulus money, saying the new workers have helped the company triple its pie production and expand its reach through central Tennessee.

The county mayor, John Carroll, has been working to lure new industry to the area. Walking through the cavernous, empty Fisher plant, Mr. Carroll pointed to a forgotten display case filled with dozens of awards for safety and manufacturing excellence. “What we can offer,” he said, “is a great work force.”

Mr. Kimble said the new jobs had given him and his wife paychecks, health insurance and a reason to get up each morning. But he said he hoped that a big, long-term employer would move in soon.

“This job here is not a permanent fix,” he said. “We still need some kind of industry to look and come into Perry County. But for right now we’ve got hope, and when you’ve got hope, you’ve got a way.”