



TN Department of Labor & Workforce Development
FY 2008-2009 Annual Report

Vision

To be the nation's leading provider of comprehensive workforce development and workplace safety and health services.

Mission

To work as a team to promote workforce development and improve workplace safety and health throughout Tennessee.

Values

We are a professional customer-focused team committed to serving the citizens of Tennessee.

We strive to deliver effective and efficient programs while treating our customers and employees fairly, consistently and with respect.

The events that affected Tennessee in the past 12 months have demonstrated, as never before, how critical the Tennessee Department of Labor and Workforce Development is to the economic well-being of the state. As a result of the unprecedented volume of unemployment, the number of people who have reached out to our department for assistance has never been higher since standardized recordkeeping began in the 1970s.

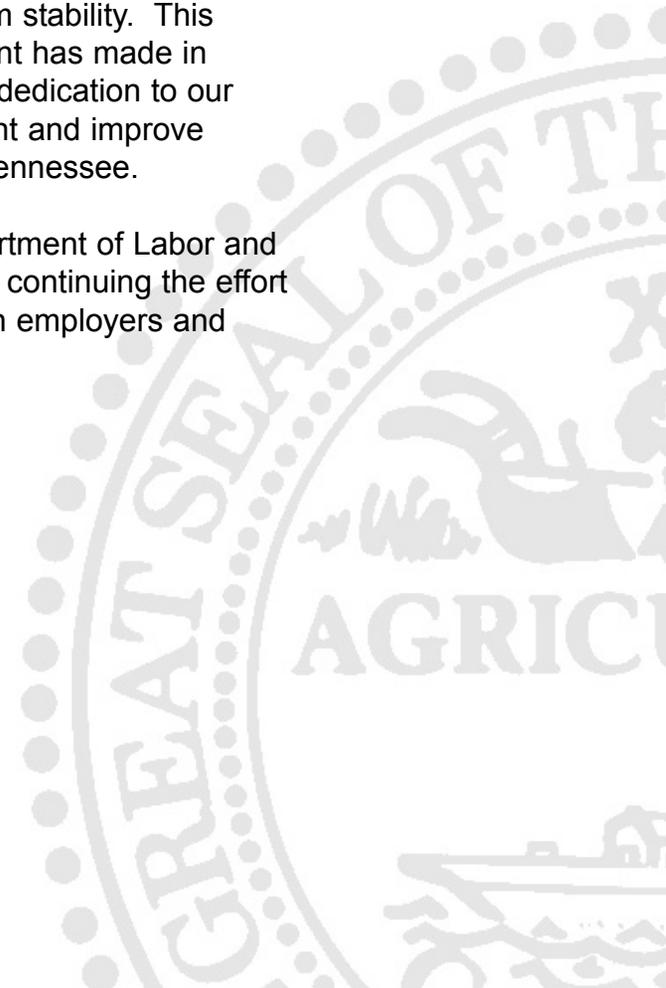
The Department of Labor and Workforce Development is firmly committed to sensible and conservative financial stewardship to ensure continued long-term stability. This report outlines the progress the department has made in the last fiscal year and demonstrates our dedication to our mission to promote workforce development and improve workplace safety and health throughout Tennessee.

As Commissioner of the Tennessee Department of Labor and Workforce Development, I look forward to continuing the effort to deliver the best possible service to both employers and citizens of the state.

Sincerely,



James G. Neeley



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2008-2009 Legislation **Timeline**

June 5, 2009	We Want to Learn English Initiative - Grant program provides resources for immigrants and refugees to learn English.	SB 1745, HB 1648
June 30, 2010	Sunsets the Prevailing Wage Commission on June 30, 2010. Senate amendment extends the commission for two years and waives the audit requirement.	SB 1000, HB 0993
June 30, 2010	Sunsets the Occupational Safety and Health Review on June 30, 2010. Senate amendment extends the commission for two years and waives the audit requirement.	SB 1003, HB 1051
June 30, 2010	Sunsets the OSHA Labor Advisory Council on June 30, 2010. Senate amendment extends the commission for two years and waives the audit requirement.	SB 1004, HB 1052
June 30, 2010	Sunsets the Elevator and Amusement Device Safety Board on June 30, 2010. Senate amendment increases from seven to eight the number of members on the board by adding one representative. Senate amendment extends the commission for two years and waives the audit requirement.	SB 1007, HB 1001
June 30, 2010	Sunsets the Medical Care and Cost Containment Committee on June 30, 2010. Senate amendment extends the commission for two years and waives the audit requirement.	SB 1020, HB 1068
June 30, 2010	Sunsets the Board of Boiler Rules on June 30, 2010. Senate amendment extends the commission for two years and waives the audit requirement.	SB 1026, HB 1069
June 27, 2009	Sunsets the Board of Review, Department of Labor and Workforce Development on June 30, 2010. Senate amendment extends the commission for two years and waives the audit requirement.	SB 1028, HB 1066
June 30, 2009	Sunsets the Board of Employee Assistance Professionals on June 30, 2009. Senate amendment terminates Board of Employee Assistance Professionals.	SB 1032, HB 1058
Jan. 1, 2010	Unemployment Compensation Benefit Provisions. Revises benefit provisions concerning seeking work, dishonesty and absenteeism and also revises hearing procedures and penalties for fraud.	SB 1201, HB 1760
Dec. 31, 2008	Provisions Governing Experience Ratings for Employers. Clarifies that the reserve ratios and premium rates of both the predecessor and successor employers must be recalculated and made effective immediately upon the date of the transfer of the trade or business relative to experience ratings for employers.	SB 2315, HB 2324
June 23, 2009	Advisory Council on Workers' Compensation Membership. Increases the number of nonvoting members on the Advisory Council on Workers' Compensation from seven to eight (adds a person nominated by the TN Chiropractic Association to the membership of the advisory council).	SB 0607, HB 0461
July 1, 2009	AOC to consult with Joint Workers' Compensation Committee. Requires the administrative office of the courts to consult with the joint legislative Workers' Compensation Committee when developing continuing education programs on topics related to Workers' Compensation for the annual meeting. Senate amendment specifies that an injured employee is not entitled to seek reconsideration of permanent partial disability benefits if the preinjury employer is sold or acquired subsequent to receipt of such benefits and the employee continues to be employed by the successor at the same or higher pay.	SB 1567, HB 1471



2008-2009 ARRA Report

Extension of Emergency Unemployment Compensation	The original deadline for all Emergency Unemployment Compensation (EUC) was March 31, 2009. The American Recovery and Reinvestment Act (ARRA) extended that deadline to December 26, 2009, with a phaseout for benefit payments through May 31, 2010. EUC is the federal extension of unemployment benefits for those who have run out of Tennessee Unemployment Compensation.	100% Federal Funding
Additional \$25 in Benefits	Beginning with the week that ends February 28, 2009, for weeks in which claimants are eligible for any Unemployment Insurance benefit payments, they will receive an additional \$25 per week. The last payable week for claims established by this date will be the week ending July 3, 2010.	100% Federal Funding
Suspension of Income Tax	For tax year 2009, the first \$2400 paid in unemployment benefits will not be subject to Federal Income Tax. Amounts more than \$2,400 remain taxable.	Deduction on 2009 tax returns
Summer Youth Jobs	\$25 million in funding was available for the Summer Youth Jobs Program in Tennessee. 13,000 jobs were available for disadvantaged youth between the ages of 14 and 24. Summer work began June 6th and ended on August 7th.	\$25,099,116
Unemployment Insurance State Administration	Use will be limited to the administration of incentive provisions and improvement of UC benefit and tax operations. While a portion will be reserved to cover future base funding shortfalls anticipated as a result of expansion of the Trade Readjustment Act to service industries, the majority will be earmarked for future technology upgrades to the benefit system overall.	\$10,145,000
Employment Security	Funding for re-employment services will be used for identifying and serving the needs of UI claimants, assisting in Re-Employment Services such as skills gap, identifying employment barriers, and job matching and placement with employers. The remaining funds will be used to offset administrative budget deficits.	\$7,414,446
Adult	Provides for training and re-training of eligible low-income adults. Stimulus funds will be used to increase services to current enrollees (training amounts, support services such as travel and child care) to increase the number of enrollees by 20% due to the downturn in the economy. The state will retain 10% of this allocation for statewide programs listed below under "Stimulus Statewide."	\$9,210,483
Dislocated Worker	Stimulus funds will be used to increase services to current enrollees (training amounts, support services such as travel and child care) to increase the number of enrollees by 40% due to the downturn in the economy and the increase in numbers of individuals on unemployment insurance. The state will retain 10% of this allocation for statewide programs listed below under "Statewide Set Aside."	\$21,279,186
Rapid Response State Set Aside	The state will retain 10% of the dislocated worker funding for Rapid Response service to employees and 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.	\$2,400,000
Statewide Set Aside	10% of Adult and Dislocated Worker funds will be used to create high skill job training classes in the energy, healthcare, and information technology sectors. It is anticipated that an additional 4,000 adults and dislocated workers will be trained throughout the state as a result of these grants.	\$6,400,000
Community Service for Older Americans	Current SCSEP programs will use the ARRA funds to support additional training and employment opportunities for unemployed low-income seniors, 55 and older, with an objective that they gain unsubsidized employment.	\$484,100

Adult Education Report 2008-2009

During the 2008 - 2009 program year, The Tennessee Department of Labor and Workforce Development Division of Adult Education provided adult education services through 91 local providers to 37,250 Tennessee adults.

The number of GED diplomas earned was 13,099, or 35% of the total enrollment (including literacy and ESOL students). The number of dislocated workers served rose to 2,078, most of whom were served from January 1, 2009, to June 30, 2009.

A fully implemented Fast Track curriculum, which allows students who test at the highest levels to complete their GED Preparation in 12 to 15 hours, was responsible for AE highest performance levels to date. The curriculum provides focused instruction for each student based on his individual needs. Overall performance has increased by more than 20% since the curriculum has been implemented, and several other states are implementing Tennessee's curriculum in order to improve their performance.

The Division of Adult Education was ranked 6th in the nation in overall AE performance according to data provided by USDOE, Office of Vocational and Adult Education.

Fourteen adult education supervisors have recently completed an intensive two-year training program and are now Certified Managers in Program Improvement (CMPPI). This national certification is the first of its kind in the adult education field and signifies the participants as a member of an elite group of professional managers.

The National Adult Education Professional Development Consortium (NAEPDC) and ProLiteracy joined forces to develop the Leadership Excellence Academies (LEA) training and certification. Training is facilitated by national adult education leaders who provide participants with practical strategies and models for transferring research into continuous improvement processes and structures.

Tennessee's certified managers completed an intensive 187 hours of workshops, online courses, webcasts, interim activities, and learning projects during the Leadership Excellence Academies to earn this prestigious distinction. Tennessee is one of only ten states that has adult educators who have achieved this certification status.



Johniqua Walker re-enrolled in the Williamson County Adult Education Program and started classes at Columbia State Community College in August 2009. She plans to become a registered nurse and hopes to own her own nursing/assisted living facility one day.

Employment Security Report 2008-2009

The Division of Employment Security administers Tennessee's Unemployment Insurance and Job Service programs and Tennessee's Research and Statistics/Labor Market Information (LMI). Unemployment Insurance (UI) provides unemployment benefits to workers who have lost their jobs through no fault of their own. Designed as a state and federal partnership 70 years ago, this program is a stabilizing force that keeps a flow of dollars moving in the local economy and helps sustain a trained workforce for employers.

Unemployment Insurance Trust Fund balance

\$608,715,243 on June 30, 2008

\$129,990,450 on June 30, 2009

UI Claims Center Operations

In the fiscal year ending June 30, 2009, the UI Claims Center system allowed claimants in 91 counties, and out-of-state claimants, to file for unemployment benefits by telephone, Internet or mail. Five centers located in Nashville, Chattanooga, Crossville, Johnson City, and Knoxville were operational. During this year, the five centers collectively received 307,903 telephone calls and by the end of the year were processing approximately 84 % of the statewide unemployment insurance claims workload. These numbers increased from the previous fiscal year when 234,000 calls were answered representing 70 % of the statewide workload. In the spring of 2009 an additional base of operations was implemented in Linden, TN (Perry County). In the summer of 2009, a new Claims Center was opened in Huntingdon. An additional center in the Memphis area is planned.

Unemployment Insurance Integrity

Unemployment Insurance Integrity includes Benefit Payment Control (BPC), Benefit Accuracy Measurement (BAM), and Reports and Compliance. During the fiscal year ending June 30, 2009, UI Integrity audited 22,264 claims for accurate payment. More than 22,000 claims were audited for correct benefit payments during the fiscal year ending June 30, 2009. The Agency established 29,403 overpayments for this period and recovered \$9,953,696 in overpayment collections.

Benefit Operations/UI Technical Services

Benefit Operations is responsible for processing and paying claims for unemployment insurance benefits under the Tennessee Employment Security law. This section administers all federal claims programs, including Unemployment Compensation for Federal Employees (UCFE), Unemployment Compensation for Ex-Servicemen (UCX), Trade Readjustment Assistance (TRA), Disaster Unemployment Assistance (DUA), Combined Wage, and Alternative Trade Adjustment Assistance (ATAA). Benefit Operations is also responsible for maintaining an archival record of all claims and claims related documents, determining alien claimant status, making strike claims determinations, assuring that all repayments of benefits are posted to the appropriate record and assuring that base period employers are charged the appropriate percentage of benefits paid to former employees.

In the fiscal year ending June 30, 2009, the Benefit Operations section processed 5,547,895 weeks of claimed unemployment compensation totaling more than \$1.297 billion in unemployment benefits paid. This is an increase of approximately 260% in weeks claimed during a time in which the Agency implemented five new federal unemployment insurance benefit programs (Emergency Unemployment Compensation or EUC08, EUC08 Tier 1, EUC08 Tier 2, Federal Additional Compensation and Tennessee Extended Benefits.)

The UI Technical Services provides technical support to central and local office personnel, claimants, employers, and the general public. This includes responding to correspondence and telephone inquiries; coordinating the child support intercept program; developing and delivering specialized training; preparing procedural manuals and conducting program evaluations.

Appeals Operations, Board of Review & Support Staff

Claimants and employers can appeal department decisions relating to claims. The Appeals Tribunal, the lower appeals level, conducts de novo hearings where the parties testify under oath and can offer documents and other evidence, such as the testimony of witnesses, for consideration. During the fiscal year ending June 30, 2009, there were 5,776 benefit decisions appealed by the employer and 15,562 appealed by the claimant for a total of 21,338 benefit decision appeals.

The Board of Review, the higher authority, decides contested unemployment claims appealed from the Appeals Tribunal. During the fiscal year ending June 30, 2009, there were 1,262 benefit decisions appealed by the employer and 2,762 appealed by the claimant for a total of 4,024 benefit decision appeals. Employers can also appeal their premium rate and other liability issues.

Veterans' Programs

Job Service registered 40,641 veterans for the period beginning July 1, 2008, and ending June 30, 2009. The entered employment rate for veteran applicants is 63 percent. The employment retention rate is 82 percent, and the average six-month earnings were \$13,629. All performance outcomes exceed the federally negotiated measures for Tennessee regarding services provided to veterans. The performance measures and outcomes for disabled veterans mirror those for all eligible veterans.

Food Stamp Employment & Training Program

This section provides selected Food Stamp recipients with assistance in job search and other services that enhance the recipient's employability, including adult education, counseling, referral to supportive services, and work experience. During the period beginning July 1, 2008, and ending June 30, 2009, 32,882 participants were enrolled in Food Stamp Employment and Training components.

Trade Act Assistance (TAA) Program

TAA provides tuition, required textbooks, tools, and supplies for approved workers adversely affected by foreign competition. This allows trade affected workers to receive training that will facilitate their return to the labor force in new occupations. A total of 1,220 participants enrolled in TAA training during the fiscal year ending June 30, 2009. \$5,781,935 was obligated to fund TAA training. TAA Job Search and Relocation Allowances are benefits used to assist workers who must seek employment outside their normal commuting area. For TAA Job Search Allowances \$805.25 was expended, and \$15,965.77 was expended for TAA Relocation Allowances.

The Work Opportunity Tax Credit (WOTC)

WOTC provides tax credits to employers who hire and train targeted workers on the job. This easy-to-use program is a national model that saves employers money while putting people to work. There were 28,461 WOTC tax certifications in the fiscal year ending June 30, 2009, with a potential value of \$142.2 million.

Alien Labor Certification

Alien Labor Certification helps employers recruit temporary alien workers when qualified U.S. workers are not available. Prevailing wages and job orders are processed through the department's central office. During the period beginning July 1, 2008, and ending June 30, 2009, 451 job orders were posted by agency staff. 1,012 prevailing wage rate determinations were made. The H2-A program conducted 358 on-site preoccupancy housing inspections.

Tennessee's Premium & Wage Online Reporting System (TNPAWS)

The TNPAWS Internet reporting system to file Wage and Premium Reports system gives employers the option of filing their Wage and Premium reports over the Internet. As of the end of the second quarter of 2009, more than 33,200 employers are using TNPAWS to file their wage and premium reports.

Labor Market Information

The Research and Statistics/Labor Market Information section produces comprehensive, accurate, timely, and properly documented labor market information regarding the economic and demographic characteristics of the people, businesses, and industries of Tennessee. This section responds to thousands of requests each year. The Source Web site provides labor market information, averaging 1,600,000 hits and more than 39,400 session visits per month.

Workforce Development Report 2008-2009

Career Readiness Certificates

The Tennessee Career Readiness Certificate continues to be a successful program for both employers and job seekers with more than 17,307 certificates issued statewide during the last fiscal year. In the upcoming year Tennessee will transition to the National Career Readiness Certificate in an effort to better serve employers and job seekers.

Governor's Fast Track Initiative

The Governor's Fast Track initiative was formed through Executive Order 15. This Order ensured that all governmental agencies that participate in economic development work with potential new expansions or relocations to the state in a coordinated, responsive and professional manner. Since the implementation of Executive Order 15, we have partnered with several agencies to work with site consultants, Chambers of Commerce, local industrial boards and other entities to expand existing industries or attract new ones to our state. Over the past year we have continued our work with Volkswagen and attended the announcements of both Hemlock Semiconductor in Clarksville and Wacker Chemie AG in Cleveland. Over the next several years, after the construction phase of these projects is complete, the above mentioned three companies will employ in excess of 3,000 workers in Tennessee. In addition other expansions/locations have included Green Mountain Coffee Company, Le Clerc, SAIC, Madem Reels, Shoals Technologies, Standard Candy and Mountain City Meat Company.

The Department of Labor and Workforce Development has prepared more than 114 proposals as a part of the Fast Track initiative in the past fiscal year. Each proposal focuses on two incentives. The first is a value through cost avoidance that factors in the time, energy and efforts provided in services through the Career Center System. To date the value through cost avoidance has exceeded \$12 million in recruitment and screening services and \$4.5 million in on-the-job training for new hires. This has also led to the creation of 8,015 new jobs that have certainly helped offset some mass layoffs and closures.

Incumbent Worker Training Program

This program was piloted in 2002. Since that time this program has grown to become a tremendous service to Tennessee business and industry. In 2008 the grants provided training for 8,641 employees and served 124 businesses. The total grant funds awarded was \$2,847,679 with a total cost per participant at \$329. The Tennessee Economic Recovery Training Grant is an expanded Incumbent worker program offered through the American Recovery & Reinvestment Act. This grant is providing assistance to Tennessee companies who have a need to train incumbent workers in company related, work specific training. The training is intended to provide a high probability of layoff avoidance and possible company growth through the economic recovery period. The maximum grant amount is \$100,000 to for-profit companies with a required 25% minimum match. From April 1, 2009, to June 30, 2009, 10 companies had been awarded a total of \$926,508 which provided training for 1419 employees.

Apprenticeship Assistance Program

On January 1, 2008, the Workforce Development Division kicked off the new Apprenticeship Assistance Program. Commissioner James Neeley, working with the State Workforce Board and the Local Workforce Investment Areas, approved this new program to bring valuable skill training for the building trades and other skill related jobs in high-growth industries that face critical skills shortages where demand exceeds supply.

January 1, 2009, began the second year of this program. Through June 2009, 11 apprenticeship programs were awarded grants totaling \$504,486 serving 809 apprentices. For the first two years of this program, 24 grants were awarded, serving 1,513 apprentices totaling \$1,112,846. This one-time grant opportunity is intended to provide training assistance to companies who wish to provide training to their employees during the economic recovery period and need more than the \$50,000 cap that IWT provides.

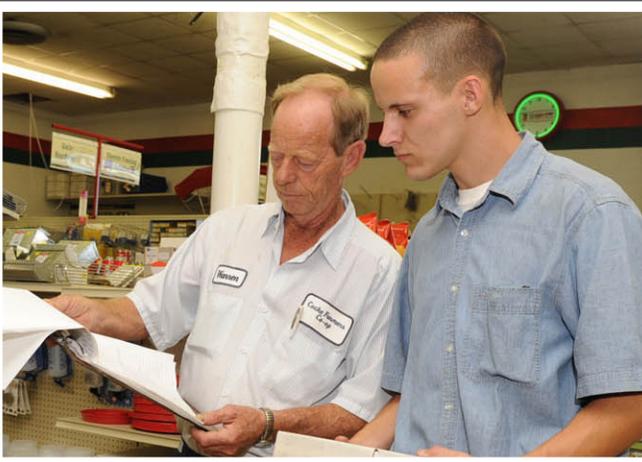
Energy

The Tennessee Department of Labor & Workforce Development, in partnership with TVA and B&W Y-12, the Department of Education and Department of Economic and Community Development, has been instrumental in the formation of the Tennessee Energy, Industry and Construction Consortium (TEICC). This Consortium is a result of the SE Skills Labor Summit in Biloxi, MS, held in August 2008. The Consortium is industry led and engages electric, nuclear, natural gas utilities, energy industries, labor, and the construction industry in a strategic, unified and results-oriented effort to develop solutions to the imminent workforce shortage. The group's primary goal is to develop a skilled workforce pipeline that will meet future needs.

Rapid Response

The Rapid Response unit provides assistance to companies that are downsizing or closing as a result of the economic downturn and/or other reasons. The Rapid Response Team works with employees in mass to inform them of services that are available to them through the Career Center system. Those services include unemployment insurance, job search and placement assistance, testing and assessment of skills, resume preparation and classroom and occupational skills training, if deemed necessary.

Counseling is also available to help Dislocated Workers with a variety of issues, including financial assistance and job referral information and coping with the stress of having lost their jobs by no fault of their own. This past year 390 companies received services and 27,235 displaced workers received assistance in making a career transition. This almost doubled the number from the previous year. In the past year, 241 individuals age 55 and older received assistance through the regular program. Thirty-three individuals have received assistance through the American Recovery and Reinvestment Act.



Warren Bryant (supervisor) and Jeremiah Brown working at the Coker County Farmer's Co-op.

"Jeremiah is an extremely hard worker. He's never been late and he never leaves early," said Bryant. "We've given him all kinds of responsibilities and he has done great."



Ann Phillips (volunteer store manager) and Amber Dotson working at the Jefferson County Habitat for Humanity thrift store.

"I have learned how to handle responsibility and I've learned a lot about working with people," said Dotson. "I didn't know if I wanted to go to college, but after talking to Ms. Phillips and my mom now I think I can go."



Lester Stephens, age 14, is working in the University of Tennessee Anthropology and Archaeology Laboratory. He is a high-school freshman. "The work I'm doing this summer is going to be helpful to scientists in the future."



Summer Youth Employment Program

The Summer Youth Program provided employment for more than 12,600 economically disadvantaged youth participants. Each of the Local Workforce Investment Areas sought out approximately 3,000 worksites to provide eight weeks of employment for eligible youth ages 14-24 years old.

Total participants	12,636
Total work sites	3,136
% of private sector sites	30%
Foster care participants	400
Veterans/spouses of veterans	47
Participants hired	452

Highlights from Summer Youth Program:

- Exceeded goal of 12,500
- 14% were offered employment
- 1/5 of the region's eight states summer youth population came from Tennessee



Perry County Job Recovery

Governor Bredesen, Commissioner Neeley and state and local officials visited Perry County May 15, 2009 to announce the goal to create jobs for the economically stressed area. The Department of Human Services determined eligibility in the program. The Tennessee Department of Labor, together with the South Central Workforce Alliance, established worksites and held weekly job fairs to connect jobseekers and participating employers.

The program gained national and international attention with media coverage by CBS Evening News, British Broadcasting Corporation (BBC), Wall Street Journal and the New York Times.

Perry County Totals (as of 8/31/09)

- **387** Jobs created
- **84** Participating employers
- **146** Summer Youth Program participants

(Eight weeks of subsidized employment for economically disadvantaged youth)



"The jobs package we're launching today will put people back to work immediately and begin to ease some of the strain caused by the economic downturn, which are key goals of President Obama's recovery plan."

Governor Phil Bredesen

Boilers, Elevators & Amusement Devices Division Report 2008-2009

Boiler Inspection Section

The responsibility of the Boiler Inspection Section is to prevent potential hazards involved in the operation of more than 65,000 boilers and pressure vessels in Tennessee through biannual and biennial inspections. In the 2008-2009 fiscal year, inspectors conducted 37,596 inspections and issued 35,089 inspection certificates. Invoiced revenue for Boiler Division services is more than \$2 million.

Elevator Inspection Section

The responsibility of the Elevator Inspection Section is to prevent potential hazards involved in the operation of nearly 12,107 elevators, aerial tramways, chairlifts, escalators, dumbwaiters and moving walks in the State of Tennessee through inspection. Annually, more than 21,990 elevator inspection reports are processed. Each year, more than 500 new elevators are installed and must be inspected by this section before they can be placed in operation. Invoiced revenue for Elevator Division services is more than \$1.8 million.

Amusement Device Section

The responsibility of the Amusement Device Section is to mitigate potential hazards associated with the operation of fixed and portable amusement devices by the more than 70 Amusement Device Companies doing business in the state. Owners are required to obtain a permit and provide proof of insurance with inspection certificates for all devices before operating in the state. These devices are then inspected for safety by the state of Tennessee amusement inspectors. At this time, \$40,000 in revenue has been collected; however, statutory regulation and oversight of amusement devices by the Amusement Device Section only became effective as of January 1, 2009.



Tennessee's Mine Rescue Team finished first in Bell County's mine emergency rescue competition in October 2008. Rescue teams gained valuable experience participating in the simulated underground fire, which required emergency services to work together to prepare for actual rescue efforts.

Fatal Work-Related Injuries by Event or Exposure in Tennessee	2006	2007	2008
Transportation Incidents	59	72	51
Contact with Objects and Equipment	29	33	27
Assaults and Violent Acts	37	18	22
Falls	14	25	24
Exposure to Harmful Substances or Environments	9	4	6
Fires and Explosions	5	-	4
Yearly Totals	153	154	134

*dashes indicate data which are not available or do not meet publication criteria

Labor Standards Section

The Labor Standards Division regulates three labor and wage laws. Inspectors perform routine inspections to encourage compliance with those laws and to recover unpaid wages. In fiscal year 2008-2009, the Labor Standards Division processed 76,530 complaint calls. The division also conducted 132 free seminars across the state to educate employers on proper compliance with those laws.

The Child Labor Act

The Child Labor Act establishes the number of hours a minor between the ages of 14 and 17 may be employed and prohibits employment in certain occupations that may be hazardous to the health and safety of the minor. Labor Standards inspectors conducted 662 child labor inspections, issued 133 citations, and collected \$18,050 in fines for child labor violations.

Wage Regulations Act

The Wage Regulations Act protects workers in private employment when employers have five or more employees. It requires employees to be informed of what they will be paid prior to performing the work and requires employees to be paid all compensation due on their final payday. This act also protects employees from sex discrimination in relation to wages. The Labor Standards Division received 835 wage complaints. Of those investigated, there was \$280,168 recovered for complainants.

Prevailing Wage Act

The Prevailing Wage Act protects wage earners from unfair practices regarding pay on state-funded building and highway construction projects. The act requires the department to conduct two surveys to determine the wage rates from various job classifications for state-funded construction projects in both highway and building related projects. From 2008 to 2009, Labor Standards inspectors conducted 569 Prevailing Wage inspections. These investigations resulted in the collection of \$46,980.65 for eligible workers.

Employment of Illegal Aliens Act

This statute became effective January 1, 2008. The Employment of Illegal Aliens Act protects the state of Tennessee against employers who knowingly hire illegal aliens. The act requires the division to perform inspections of various employment locations for violation of the act. The investigation of these types of violations must be preceded by a written complaint that originates from a state or local governmental agency, officer, employee, or entity.



TOSHA Report 2008-2009

TOSHA's mission is to assure the safety and health of Tennessee's workers by setting and enforcing standards; providing training, outreach, and education; establishing partnerships; and encouraging continual improvement in workplace safety and health.

Consultative Services

The Consultative Services Section offers a free consulting program to smaller employers, who seek safe and healthful working conditions for their employees. Services offered by this section include technical advice and assistance, hazard abatement recommendations, and employee training. In 2008-2009, this section performed 549 consultative visits and identified 3,805 workplace hazards.

Compliance Section

The Compliance Section is responsible for enforcement of the Tennessee Occupational Safety and Health Act of 1972 (Title 5, Chapter 3) with emphasis on employee exposure to chemical and physical hazards. On-site monitoring and inspections are conducted to identify safety and health hazards and assure hazards are controlled or eliminated. In fiscal year 2008-2009, the Compliance Section performed 2,442 workplace inspections and identified 9,635 safety and health hazards.

Training & Education Section

Through a variety of programs, TOSHA Training and Education Section assists employers, employees, and their representatives in reducing safety and health hazards in their workplaces and in complying with the requirements of TOSHA standards and regulations. A series of seminars are held statewide in the spring and fall covering a variety of safety and health issues. In 2008-2009, TOSHA conducted 394 seminars and logged 10,736 attendees at their training sessions.



TOSHA worked with clean-up crews, contractors and homeowners in Murfreesboro to urge job safety during the recovery process from tornadoes that struck on April 10, 2009.

TOSHA	2008-2009
Safety Enforcement	
Inspections conducted	1,312
Violations cited	4,481
Proposed penalties	\$1,523,692
Health Enforcement	
Inspections conducted	575
Violations cited	3,339
Proposed penalties	\$609,661
Public Sector Operations	
Inspections conducted	555
Violations cited	1,815
Consultative Services	
Consultative visits	394
Hazards identified during visits	3,805
Training & Education	
Seminars and formal programs conducted	394
Number of attendance at activities	10,736
Laboratory	
Samples analyzed	963
Determinations	4,044

Marketing Report 2008-2009

Within the marketing division, 10 Employer Services Specialists are responsible for marketing the department's services to employers and establishing quarterly Workforce Employer Outreach Committees (WEOCs) across the state. The purpose of the WEOC is to provide a broader reach to Tennessee's employer community and provide to them a direct link with the Department of Labor and Workforce Development.

In FY 2008-09, Employer Services Specialists promoted the department's services to more than 5,000 Tennessee employers and facilitated more than 290 Workforce Employer Outreach Committees and employer organizations across the state.

Over the past year we have seen a significant rise in employer participation in departmental programs:

- More than 2,894 employers are participating in the Drug-Free Workplace program, about a 47% increase over the previous year
- Work Opportunity Tax Credit certifications increased approximately 30%
- Dislocated workers increased GED enrollment approximately 55%

Marketing has continued to provide employers with additional information by partnering with other agencies such as CoverTN, TN Department of Environment and Conservation, TN Bureau of Investigation, U.S. Department of Homeland Security, and I.C.E. Division.

Employer Service Specialists visited 5,000 Tennessee employers in FY 2008-09 and held 290 meetings to create awareness of the department's programs and services available to employers.



Programs	# Employers Reached
Adult Education	4,123
Drug Free Workplace	3,930
Hire Veterans First	5,226
UI Fraud	3,920
Anti-Meth Campaign	2,977
Child Labor	2,977

*Information collected from July 1, 2008 through June 30, 2009

Workers' Compensation Report 2008-2009

Benefit Review (BR)

The BR Program continues a dynamic response to the challenges and changes affecting the delivery of workers' compensation benefits. There was no significant change in the number of requests for benefit review conferences and requests for assistance in FY 2007-08 compared to the prior year; however, requests for settlement approvals and the number of requests for discovery continued to grow this year. Overall, FY 2008-09 recorded approximately 5,500 requests for assistance, 7,100 requests for benefit review conferences and 5,250 requests for settlement approval. A statistical study commissioned by the Workers' Compensation Advisory Council indicated that settlements approved by the department before any lawsuit was filed accounted for 59% of all workers' compensation cases concluded in calendar year 2007. That trend continues to reflect positively on the goals of the program, which are to reduce the adversarial nature of claims and to also reduce the costs of resolving them.

Administrative Review (AR)

A party aggrieved by a benefit review order issued on or after May 26, 2006, may file a request for an administrative review. Such requests initiate an informal conference or telephone conference call, which must be held within 10 calendar days, wherein the parties present the dispute to the administrator or their designee of the division. The division must produce an order disposing of the request for an administrative review within seven calendar days of the informal conference. During FY 2008-09, administrative review received 856 requests; an increase of 24% above the number of requests received the previous fiscal year. Results showed approximately 72% of the orders being affirmed with approximately 28% of the orders not being affirmed.

Medical Fee Schedule (MFS)

Four years after the implementation of the Medicare-based workers' compensation MFS, the department continues to educate payers, providers, attorneys and others in the industry through educational presentations, by electronic means, and with on-site presentations. Reviews, conducted annually by the department since the schedule's inception, have kept the MFS both competitive and fiscally responsible. Quality medical care for the injured employee remains the priority for the department. A link to the current Medical Fee Schedule can be found on the Workers' Compensation Division's Web site.

Drug-Free Workplace Program (DFWP)

The DFWP continues to grow at an impressive rate. The program ended FY 2007-08, with 8,126 employers who have participated in the program since its inception. By the end of the FY 2008-2009, the number had grown to 9,087, an increase of 961 employers.

The covered employers choosing to participate in this voluntary program have been entitled to the following:

- Receive a 5% premium credit on their workers' compensation insurance policy
- The ability to discharge or discipline an employee or refuse to hire a job applicant who is found to be in violation of the covered employer's Drug-Free Workplace Program will be considered done so for cause.
- If an employee suffers a workplace injury and receives a positive confirmed post-accident drug test for illegal use of drugs or alcohol, or refuses to submit to a post-accident drug or alcohol test, the burden of proof is shifted to the employee.

Uninsured Employers' Fund (UEF)

The UEF is focused on the goal of ensuring that employees who are injured on the job get the medical and disability benefits entitled to them. In addition, the UEF is concerned that employers do not gain an unfair business advantage by violating the workers' compensation law. Statewide investigations resulted in collected penalties against violating employers totaling \$1,043,847.73 in FY 2008-09. In FY 2008-09, 4,072 employers were investigated. This was an increase of 48% compared to the 2,747 investigated in FY 2007-08.

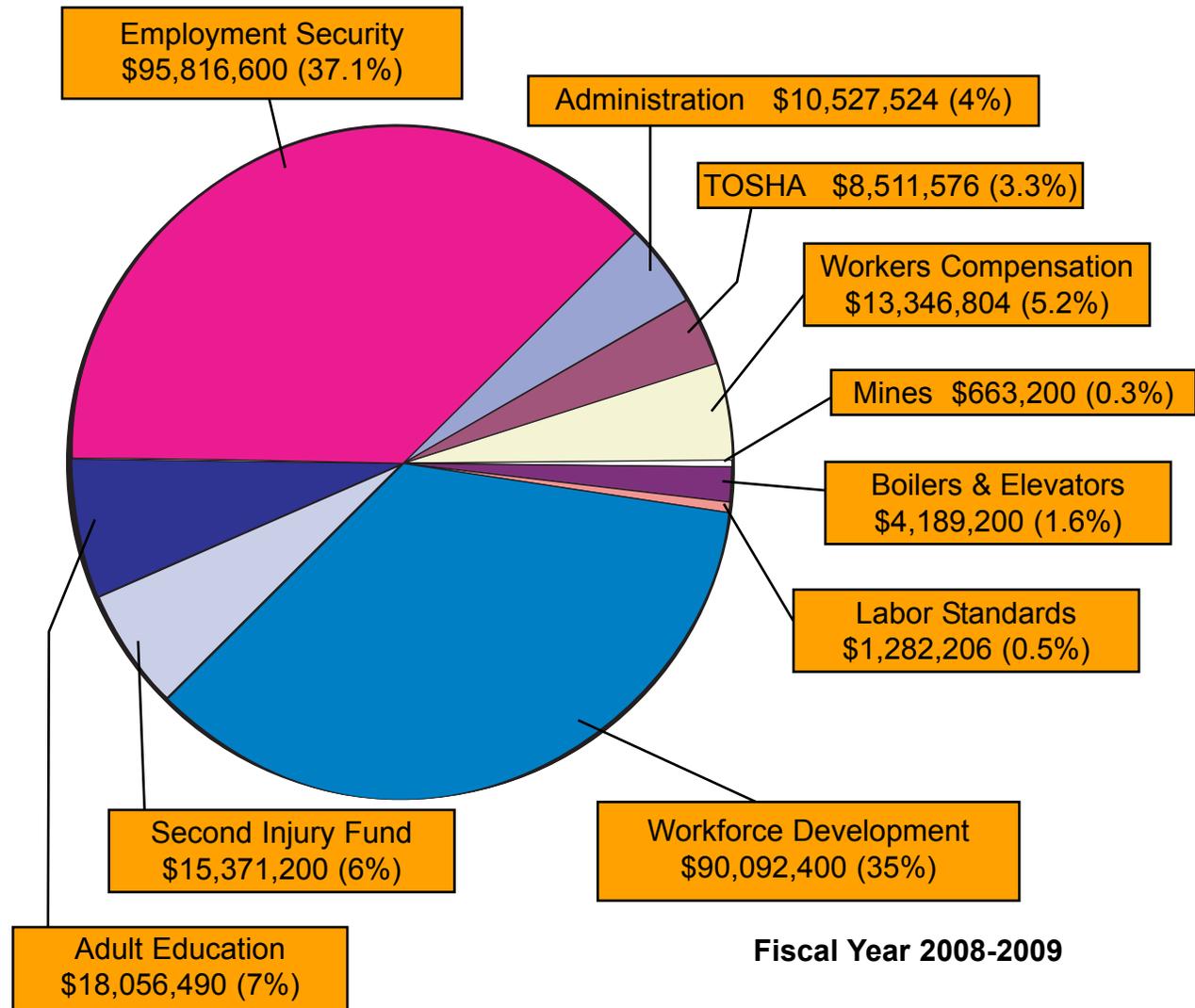
Labor and Workforce Development Annual Funding

Headquarters

220 French Landing Drive
Nashville, TN 37243

- Office of the Commissioner (615) 741-6642
- Adult Education (615) 741-7054
- Employment Security (615) 253-4809
- Employment & Workforce Development (615) 741-1031
- Boilers & Elevators, Mine Safety, Labor Standards, Labor Research & Statistics (615) 741-1627
- Tennessee Occupational Safety & Health Administration (TOSHA) (615) 741-2793
- Workers' Compensation (615) 741-2395
- Tennessee Career Centers (800) 576-3467
- Marketing (Employer Service Specialists) (615) 741-7374
- TDD number for the hearing impaired (615) 532-2879

Individuals with hearing impairments please call the TN Relay Service: 711
Servicio de Relevó en Español: 1-866-503-0263
(Voice, TTY, ASCII)



Fiscal Year 2008-2009

Federal	\$179,100,900
State	\$ 46,411,700
Other	\$ 32,344,600
Total	\$257,857,200



The Tennessee Department of Labor and Workforce Development is an equal opportunity employer/program; auxiliary aids and services are available upon request to individuals with disabilities.



The Tennessee Department of Labor and Workforce Development annual report was posted online only.