

2007-2008 Annual Report



We accomplish unbelievable things because our workers have made a commitment to the people of Tennessee.



The Tennessee Department of Labor and Workforce Development has achieved many things this year. We have implemented new laws: the non-smoker protection act and the illegal alien employment act. We have provided adult education for more than 40,000 Tennesseans wanting a brighter future, and have given \$2.2 million in grants to upgrade the skills of Tennessee workers. We've also played a crucial part in recruiting companies like Volkswagen and Nissan.

Like the nation, the state also began to see a downturn in the economy with our unemployment rate inching upward and companies announcing layoffs. The staff of our department has been there for Tennesseans facing difficult times. We are there when employees lose their jobs and we were there after the February tornado that struck middle Tennessee, to keep victims safe when cleaning up after the storm.

I often say we have the best department in state government because of the dedication of our employees. We accomplish unbelievable things because our workers have made a commitment to the people of Tennessee, and I appreciate that.

As you read through this annual report you will see this dedication and teamwork. You will also notice the integral part we play in Tennessee State Government and the many crucial services we provide to the citizens of this state.

Sincerely,

James Neeley
Commissioner
Tennessee Department of Labor and Workforce Development

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Great things happened in 2007-2008

Adult Education

The Division of Adult Education was nationally recognized for its data management system and for a new English as a Second Language (ESOL) curriculum deployed statewide. The division also achieved the second largest number of GED diplomas issued since the program began, with 14,662 diplomas. Academic gain increased by 14 percent and number of hours a student spends in the classroom decreased by ten.

Workforce Development

Commissioner Neeley and Deputy Commissioner Bob Henningsen as well as staff of the Workforce Development Division played an integral role in the recruitment of the new Volkswagen Manufacturing facility in Chattanooga that is forecasted to bring in over 10,000 new jobs to the region. The division provided \$3.8 million for On-The-Job training benefiting close to 6,700 new employees and \$2.2 million for Incumbent Worker Training benefiting more than 7,500 Tennessee workers.

Employment Security

In fiscal year 2007-2008 the Job Service section took 30,958 job orders which represents 75,999 job openings. Of the Job Service participants served, 227,769 entered employment. The number of TAA participants who entered training was 1,080. The Appeals Tribunal and Board of Review, and the Benefit Payment Control unit both ranked second in the southeast region in their respective categories for promptness and lowest amount of overpayments.

TOSHA

TOSHA-During July of 2007, Tennessee OSHA co-sponsored the 30th annual Tennessee Safety and Health Congress at the Opryland Hotel. The event was attended by over 1,500 delegates. In February 2008, TOSHA staff conducted an outreach effort in Middle and West Tennessee after tornadoes destroyed many homes and businesses. Approximately 25 TOSHA employees, in cooperation with TEMA, visited the effective areas and provided safety and health information to home owners and clean-up personnel.

Workers' Compensation

As a result of 2004 Workers' Compensation Reform Act and its implementation, the overall cost of workers' compensation insurance in Tennessee continues to decrease. In FY 2007-08 this was reflected by a loss cost decrease of 5 percent. The Uninsured Employers Fund penalized over 200 employers for failure to provide workers' compensation insurance. This resulted in the collection of over one million dollars but more importantly, these employers now provide workers' compensation insurance coverage for their employees.

Marketing

In 2007 Employer Services Specialists (ESS's) promoted the department's services to more than 5,000 Tennessee employers and coordinated more than 250 Workforce Employer Outreach Committees (WEOCs) across the state. Over the past year we have seen a significant rise in employer participation in departmental programs:

- More than 7,700 employers are now participating in the Drug-Free Workplace program, about a 40 percent increase over the previous year
- Work Opportunity Tax Credit certifications increased by 17 percent
- GED class enrollment increased by 33 percent
- Child Labor Law citations across the state decreased by 10 percent

Partnering with the Governor's Office and other state agencies we continue to inform employers of CoverTN, Immigration and I-9 requirements and the Non-Smoking Protection Act.

Strategic Planning

2006-2010

The department's four-year strategic plan maintains the course for continuous improvement and performance excellence within Labor and Workforce Development. Using the performance measures stated in the strategic plan, the department has created a balanced scorecard, which monitors these measures to ensure that the department is meeting its goals.

Building on last year's employee opinion survey, the strategic planning team implemented several organizational development initiatives to improve the department's response in the following areas: career growth, employee recognition, supervisory training, workforce sustainability, and communication. Some of those initiatives include a pilot employee mentoring program where new employees are paired with veteran state employees to help them learn more about how their job affects the department and state government as a whole. The Golden Hand Award was created as an informal way to recognize hard work in the department for "going the extra mile," which would otherwise go unnoticed. Also, the career growth team created a presentation to better explain the process for filing applications with the state.

Additionally, the department's Continuity of Operations Plan (COOP) was revised this year. This plan details how the department would react to crises that range from fire to earthquake. Also, the department participated in creating the state's pandemic influenza plan. The Commissioner is committed to the department's preparation and ability to handle such disasters, should they occur.

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.

Adult Education Report

During the 2007 - 2008 program year, The Tennessee Department of Labor and Workforce Development Division of Adult Education, provided adult education services to 43,179 Tennessee adults through 91 local providers.

The number of GED diplomas earned was 14,662, a 33 percent increase over the previous program year. This was due in part to additional funding that gave part-time teachers their first raise in nine years- from \$15.00 an hour to \$18.00. The funding also paid the GED test fee which for many individuals is a barrier to taking the test.

A new Fast Track curriculum was fully-implemented that allows those students who test in at the highest levels to complete their GED Preparation in 12-15 hours. This curriculum also provides very focused instruction for each student at all levels based on their individuals needs. The new curriculum was also instrumental in increasing overall student performance by 14 percent and decreasing the hours spent in class by ten hours on average.

The Division of Adult Education was recognized nationally for its data management system and for a new English as a Second Language (ESOL) curriculum developed by practitioners and deployed state-wide.

Country music artist Gretchen Wilson is one of 14,662 Tennesseans who earned a GED this year.



More than 43,000 Tennesseans are enrolled in Adult Education programs across the state. This year 33 percent more students earned their GED.

Employment Security Report

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 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 which keeps a flow of dollars moving in the local economy and helps sustain a trained workforce for employers.

Field Operations & Tennessee Career Centers

The Field Operations staff coordinates the delivery of agency services to the public through Tennessee Career Centers and Tennessee Department of Labor and Workforce Development offices throughout the state. Tennessee Career Centers offer computerized labor market information, internet access, workshops, an on-line talent bank to assist both job seekers with job placement and employers with recruitment.

Job Service

Job Service is the largest employment agency in the state. In addition to job referrals, Job Service offers employers and job seekers a broad range of services. Job Service has the most extensive computer-based job applicant pool in the country.

Veterans' Programs

Job Service registered 34,040 veterans for the period beginning July 1, 2007, and ending June 30, 2008. The entered employment rate for veteran applicants is 68 percent. The employment retention rate is 83 percent, and the average six month earnings were \$13,379.00. 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.

Support for Veterans

Training sessions were conducted online to inform employees of traumatic brain injury and post traumatic brain disorder. Nationally recognized experts trained staff how to deal with these vets when they come into a Tennessee Career Center.



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, 2007, and ending June 30, 2008, 24,825 participants were enrolled in Food Stamp Employment and Training components, and 12,508 subsequently entered employment.

Trade Act Assistance (TAA) Program

TAA provides tuition, required textbooks, tools, and supplies for approved workers adversely affected by foreign competition. This allows dislocated workers to receive training which will facilitate their return to the labor force in new occupations. A total of 1,002 participants enrolled in TAA training during the fiscal year ending June 30, 2008, \$5,375,674.00 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, \$1,456.00 was expended, and \$12,799.00 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 9,443 WOTC tax certifications in the fiscal year ending June 30, 2007, with a potential value of \$107.4 million.

Alien Labor Certification

Alien Labor Certification helps employers recruit temporary alien workers when qualified U.S. workers are not available. Applications are filed through the department's central office with final determination by the U.S. Secretary of Labor. During the period beginning July 1, 2007, and ending June 30, 2008, 85 temporary alien labor certifications were issued. In processing those certifications, 1,479 prevailing wage rate determinations were made.

Employer Accounts Operations

Employer Accounts Operations is responsible for establishing the following:

- unemployment insurance premium liability of employers
- determining premium rates
- collecting and processing premium and wage reports and premium payments
- keeping a record of the quarterly wages of all Tennessee workers to be used in determining benefit eligibility
- auditing employer records and providing the accounting function for the Unemployment Insurance Trust Fund

Employer applications for the federal Work Opportunity Tax Credit have increased by approximately 15 percent in the past 12 months. Tennessee continues to be one of the top ten users of the WOTC tax credit program.

The staff at the Tennessee Career Center at Chattanooga discuss how to handle emergency situations that may arise with clients who are experiencing hardships after a job loss.



Unemployment Insurance Trust Fund balance

-\$667,791,520.22 on June 30, 2007

-\$609,873,348.88 on June 30, 2008

Employer Accounts Operations received

-\$404,979,372.23 total Unemployment Insurance premiums

-\$28,780,107.35 in interest was received on the Unemployment Insurance Trust Fund balance

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 2008, over 31,000 employers are using TNPAWS to file their wage and premium reports.

UI Claims Center Operations

In the fiscal year ending June of 2008, the UI Claims Center system allowed claimants in 79 counties and out-of-state claimants to file for unemployment benefits by telephone, internet or mail. Four centers located in Nashville, Chattanooga, Crossville and Johnson City were operational. During this year, the four centers collectively received 234,000 telephone calls and by the end of the year were processing approximately 70% of the statewide unemployment insurance claims workload. In the spring of 2008 an additional center became operational in Knoxville. The number of counties currently being served is 91. This represents approximately 86% of the statewide work load. Additional centers are planned in west Tennessee and Huntingdon.

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, 2008, UI Integrity audited 20,584 claims for accurate payment. Over 19,000 claims were audited for correct benefit payments during the fiscal year ending from June 30, 2008. As a result of these audits, \$7,422,811.18 was recovered.

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, 2008, the Benefit Operations section processed 2,127,921 weeks of unemployment compensation totaling more than \$459 million in unemployment benefits paid.

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, 2008, there were 5,645 benefit decisions appealed by the employer and 14,068 appealed by the claimant for a total of 19,713 benefit decision appeals. The Board of Review, the higher authority, decides contested unemployment claims appealed from the Appeals Tribunal. Employers can also appeal their premium rate and other liability issues.

Labor Market Information

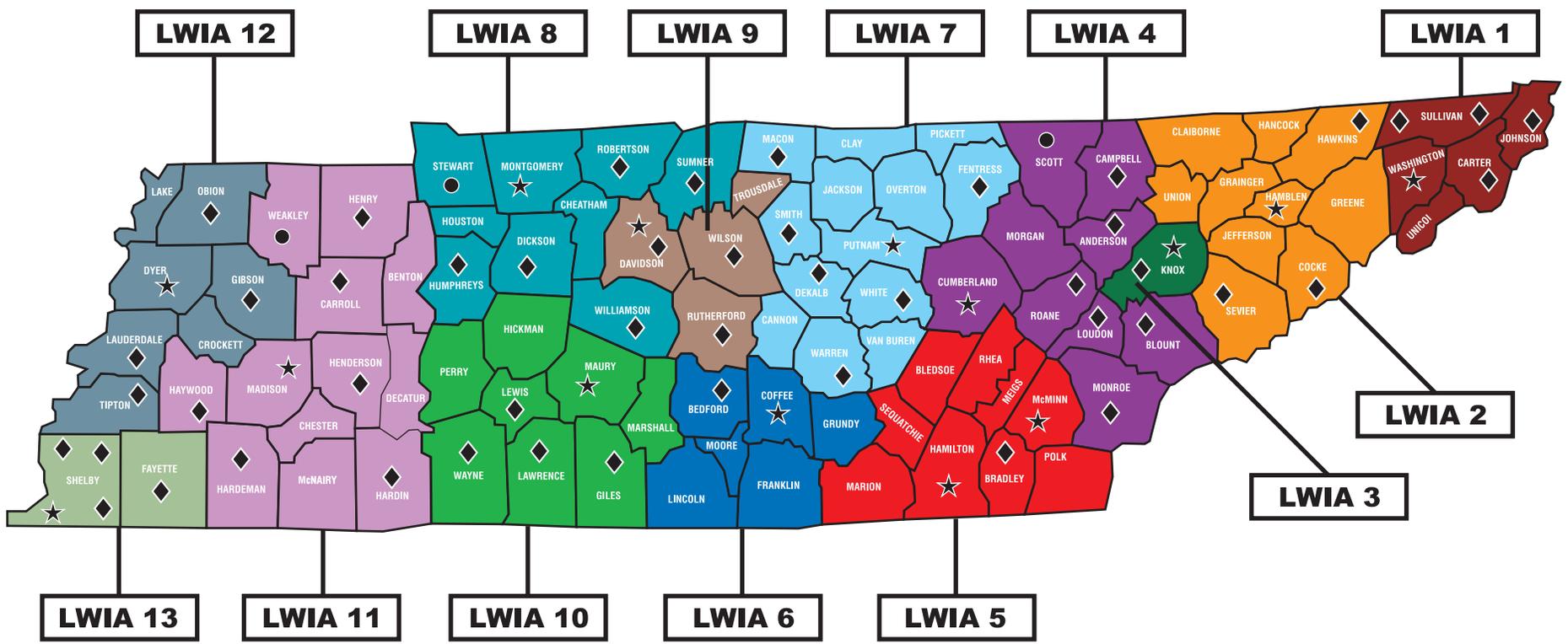
The Research and Statistics/Labor Market Information section produces comprehensive, accurate, timely, and properly documented labor market information regarding the economic and demographic characteristics of the people, businesses, and industries of Tennessee. This section responds to thousands of requests each year. The Source web site provides labor market information, averaging almost 900,000 hits and more than 24,000 session visits per month.

During the Fiscal Year ending June 30, 2008, 394,527 participants were provided service (e.g., job referral, training referral, job search assistance, labor market information, career guidance and job placement).

Tennessee Career Centers

Partner Programs include Adult Education Division, Employment Security Division, and the Workforce Development Division

Tennessee has a network of centers across the state where employers can go to find the workers they need and job seekers can get career information and services. Each center offers computerized labor market information, Internet access, workshops, an on-line talent bank, job placement, recruitment and training. Centers are located strategically within Local Workforce Investment Areas (LWIAs), as indicated on the map below. Many other programs are offered in the Tennessee Career Centers by several other state and local agencies.



★ Comprehensive Career Centers (15) ◆ Affiliated Sites (48) ● Local Offices (3)



Labor and Workforce Development Headquarters

All divisions of the Tennessee Department of Labor and Workforce Development are now located in one building in the Metro Center area of Nashville. The central office was completed in November of 2007 and is 240,000 square feet.

Workforce Development Report

Incumbent Worker Training Grant Program

This program was piloted in 2002. Since that time this program has grown to become a tremendous service to Tennessee business and industry. Each year program modifications are addressed to continue to make this program user friendly to both Tennessee business and the Local Workforce Investment Areas who administer the grants. In 2007 the grants provided training for 7,514 employees and served 92 businesses. The total grant funds awarded were \$2,263,029 with a total cost per participant at \$301. When you consider that this program includes a match requirement up to the amount requested up to \$50,000, the incumbent worker training program has invested or stimulated investment in excess of \$16M over a five year period.

Apprenticeship Assistance Program

On January 1, 2008 the Workforce Development Division kicked-off the new Apprenticeship Assistance Program. Commissioner Neeley, working with the State Workforce Board and 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 skill shortages where demand exceeds supply.

- Applications were accepted beginning November 15, 2007 and funds became available January 1, 2008 with \$500,000 available.
- In July, 2008 an additional \$300,000 was available for distribution making a total of \$800,000.
- There was a \$50,000 dollar limit on each grant approval with a dollar for dollar company match.
- 13 Applications were received and approved between January, 1 2008 and August, 2008 by the TDOL Workforce Development Office. As of August, 13 grants have been awarded for a total of \$608,000 serving 740 apprentices in East, Middle and West Tennessee.

Title V Program for Older Workers

In the past year, 360 individuals age 55 and older received assistance through the program.

The Rapid Response unit provides assistance to companies that are downsizing and to the workers that are losing their jobs. This past year 176 companies received services and 10,621 displaced workers received assistance in making a career transition.

Career Readiness Certificates

The Career Readiness Certificate (CRC) is a portable skills credential that documents the standards that have been demonstrated via WorkKeys® assessments in applied math, reading for information, and locating information. WorkKeys® is a method for quantifying basic skills required for specific jobs. It can be used as a system to compare an individual's skills to those for a job. In January 2008 the Career Readiness Certificate program went statewide. This concluded a highly successful pilot of the program that resulted in more than 8000 certificates being issued, as of August 2009 over 15,000 Career Readiness Certificates have been issued across the state.

Energy

The Tennessee Department of Labor & Workforce Development, in partnership with TVA and B & W Y-12, the Departments of Education and Economic Development, has been instrumental in the formation of the Tennessee Energy, Industry and Construction Consortium (TEICC). This consortium is a result of the SE Skilled Labor Summit in Biloxi, MS and is an extension of the Skills Trades Shortage Work Group.

This consortium will be industry led, engaging electric, nuclear, natural gas utilities, energy industries, labor, and construction 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.

Governor's Fast Track Initiative

As reported in previous years, 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 by attracting new ones to our state. Over the past year we have seen the opening of the Nissan Headquarters, announcement by Volkswagen to locate to Chattanooga, and are currently actively serving companies such as Nike, Alstom, Penske, Johnson Controls, Premier Manufacturing, Federated (Macy's), etc. to train workers for newly created positions.

Since early 2004, the Department of Labor and Workforce Development has prepared over 454 proposals as a part of the Fast Track initiative, which has led to over 40 expansions or relocations. Each proposal focuses on two incentives. The first is a value through cost avoidance which factors in the time, energy and efforts provided in services through the Career Center System. To date the value through cost avoidance has exceeded \$10M in recruitment and screening services and \$3.8 M in on the job training for new hires. This has also led to the creation of 6,696 new jobs that have certainly helped to offset some of our mass layoffs and closures.

Governor Phil Bredesen announces Volkswagen's selection of Chattanooga as the site of the company's manufacturing operations for the U.S. market.



Workplace Regulations Report

Boilers & Elevators, Mine Safety, Labor Standards, Labor Research & Statistics

Boilers and Elevators

The responsibility of the Boiler Inspection Section is to prevent potential hazards involved in the operation of nearly 65,000 boilers and pressure vessels in Tennessee through biannual and biennial inspections. In 2007-2008 inspectors conducted 34,558 inspections, and issued 33,023 inspection certificates. Invoiced revenue for Boiler Division services is more than \$1.9 million.

The responsibility of the Elevator Inspection Section is to prevent potential hazards involved in the operation of nearly 11,666 elevators, aerial tramways, chairlifts, escalators, dumbwaiters and moving walks in the State of Tennessee through inspection. Annually, more than 21,700 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.

Mines

The Mines section provides required health and safety training to underground and surface miners and provides mine rescue coverage for underground mines in the event of a mining disaster. In fiscal year 2007-2008, MSHA certified instructors provided mine safety training for 2,755 miners. The Division of Mines issued 36 mine operator license and 503 mine foreman certificates across Tennessee.

Labor Standards

Labor Standards regulates four labor and wage laws and administers the laws for licensing employee assistance professionals in the state of Tennessee. Inspectors perform routine inspections to encourage compliance with those laws and to recover unpaid wages. In fiscal year 2005-2006, the Labor Standards Division processed 71,672 complaint calls.

Labor Research & Statistics

The Labor Research and Statistics Section conducts the U.S. Bureau of Labor Statistics Survey of Occupational Injuries and Illnesses and the OSHA Log Data Collection Initiative Survey to obtain data on non-fatal workplace incidents. Statistics on fatal occupational injuries are obtained through the Census of Fatal Occupational Injuries.

2007 Tennessee Census of Fatal Occupational Injuries

Fatal Work-Related Injuries by Event or Exposure in Tennessee	2005	2006	2007
Transportation Incidents	70	59	66
Contact with Objects and Equipment	29	29	32
Assaults and Violent Acts	18	37	18
Falls	14	14	25
Exposure to Harmful Substances or Environments	5	9	4
Fires and Explosions	3	5	-
Yearly Totals	139	153	147

The Child Labor Act

The Child Labor Act establishes the number of hours a minor between the ages of 14 and 18 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 1313 child labor inspections, 102 companies issued penalties and collected \$88,650 in fines for child labor violations.

Prevailing Wage Act

The Prevailing Wage Act protects wage earners from unfair practices regarding pay on state-funded building and highway construction. The act requires the department to conduct two surveys to determine the wage rates from various job classifications for state-funded construction projects. In 2007-2008, Labor standards inspectors conducted 694 Wage Inspections with \$241,432 recovered for complainants.

Wage Regulations Act

The Wage Regulations Act protects workers in private employment of 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 842 wage complaints. Of those investigated there was \$489,289 recovered for complainants.

Illegal Alien Employment Act

Public Chapter 529, known as the Illegal Alien Employment Act, was signed into law by Governor Phil Bredesen on June 12, 2007 and became effective on January 1, 2008. Under this new law an employer who knowingly hires an illegal immigrant could lose any local or state issued license related to their business for up to one year. Labor standards inspectors conducted five Illegal Alien Employment Act inspections. These inspections were closed with no consequences to the businesses under inspection.

Tennessee Occupational Safety and Health Administration (TOSHA) Report

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 2007-2008, this section performed 524 consultative visits and identified 3,937 workplace hazards.

Compliance Section

The Compliance Section is responsible for enforcement of the Tennessee Occupational Safety and Health Act of 1972 (Title 5, Chapter 3) with emphasis on employee exposures to chemical and physical hazards. On-site monitoring and inspections are conducted to identify safety and health hazards and assure hazards are controlled or eliminated. In fiscal year 2007-2008, the Compliance Section performed 2,564 workplace inspections and identified 9,125 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 2007-2008, TOSHA conducted 541 seminars and logged 11,522 attendees at their training sessions.

TOSHA aids in tornado relief effort

Tosha inspectors assisted property owners and cleanup crews following the series of deadly tornadoes in February 2008. Ten teams of TOSHA staff travelled into the counties affected by the storms to provide assistance and distribute safety and health items.



TOSHA	2007-2008
Safety Enforcement 2007-2008	
Inspections conducted	1,308
Violations cited	4,383
Proposed penalties	\$1,553,392
Health Enforcement	
Inspections conducted	633
Violations cited	3,336
Proposed penalties	\$553,016
Public Sector Operations	
Inspections conducted	623
Violations cited	1,406
Consultative Services	
Consultative visits	524
Hazards identified during visits	3,937
Training & Education	
Seminars & formal programs conducted	541
Number of attendance at activities	11,522
Laboratory	
Samples analyzed	1,005
Determinations	3,819

Tennessee's Smoking Ban
 Beginning October 1, 2007 the Tennessee Non-Smokers Protection Act became law. The Tennessee Department of Labor and Workforce Development is responsible for enforcing the law in workplaces. In Fiscal year 2007-2008* we issued 457 advisory letters, seven warning letters and issued one fine of \$100.00. This data proves that advising employers of the law in most cases leads to employers complying with the legislation.

*law took effect October 2007

Smokefree Tennessee

Tennessee Non-Smokers Protection Act



Workers' Compensation Report

Benefit Review (BR)

The effects of the 2004 Workers' Compensation Reform Act as it relates to the BR Program have begun to level-off and decline in some instances. Both Requests for Benefit Review Conferences and Requests for Assistance with temporary issues grew significantly in numbers from 2004-2006 with FY 2007-08 showing a slight reduction in each area. However, Requests for Settlement Approvals continued to grow for the year. Overall, the total claims involving the program for FY 2007-08 were reduced by just over 4% as compared to the previous year. The statistics produced 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 wherein the parties present the dispute to a senior member of the Division that must be held within 10 calendar days. The Division must produce an Order disposing of the Request for an Administrative Review within 7 calendar days of the Informal Conference. During the FY 2007-08, the first full year of the program's operation, Administrative Review received 693 requests. Results showed approximately 77% of the Orders being affirmed with approximately 23% of the Orders being not affirmed.

Medical Fee Schedule (MFS)

Three 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 website.

Drug-Free Workplace Program (DFWP)

The DFWP continues to grow at an impressive rate. The program ended FY 2006-07 with 7,170 employers participating. By the end of the 2007-08 FY the number had grown to 8,126, an increase of 956 employers. More than 650,000 Tennesseans are now working in drug-free workplaces created by this program. Also, during the 2007-08 FY more than 5,000 people, mostly employers and supervisors, have been exposed to the advantages and benefits of program participation through formal DFWP presentations.

Uninsured Employers' Fund (UEF)

The UEF has been extremely successful in assuring that employers comply with the insurance requirements of the Workers' Compensation Act. A major goal of the program is to ensure that employees who are injured on the job may be certain that benefits will be available to them and to ensure that employers do not gain an unfair business advantage by violating the law. Statewide investigations resulted in penalties against violating employers totaling \$1,417,042 collected in FY 2007-08. This was an increase of more than 30% compared to the \$1,077,356 collected in FY 2006-07.

Marketing Report

Within the marketing group, 10 Employer Services Specialists (ESSs) 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 Workforce Employer Outreach Committee 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. Each WEOC enables two-way communication that fosters economic development, promotes departmental services, and facilitates distribution of policies and information. Currently, every county in Tennessee is affiliated with a WEOC group, with more than 250 WEOC meetings being conducted annually. The ESSs also visit more than 5,000 individual Tennessee employers annually.

Programs	# Employers Reached
Drug Free Workplace	4,123
Unemployment Insurance Fraud	3,930
Adult Education	5,226
Child Labor	3,920
Hire Veterans First	2,977

*Information collected from July 1, 2007 - June 27, 2008

Business leaders from all 95 counties in Tennessee attend Workforce Employer Outreach Committee meetings. This meeting was held at the Oak Ridge Chamber of Commerce.



2007-2008 FUNDING	2007-2008	% of budget
Employment Security	\$89,883,300	(37.8%)
Workforce Development	\$68,699,400	(28.9%)
Adult Education	\$23,559,600	(9.9%)
Second Injury Fund	\$15,371,200	(6.4%)
Workers Compensation	\$14,179,500	(6%)
Administration	\$10,737,400	(4.5%)
Occupational Safety & Health Administration	\$9,253,900	(3.9%)
Boilers & Elevators	\$4,009,250	(1.7%)
Labor Standards	\$1,437,200	(.6%)
Mines	\$694,100	(.3%)

Federal	\$158,198,500
State	\$ 49,542,600
Other	\$ 30,083,750
Total	\$237,824,850

OFFICE OF THE COMMISSIONER (615) 741-6642

ADULT EDUCATION (615) 741-7054

EMPLOYMENT SECURITY (615) 253-4809

WORKFORCE DEVELOPMENT (615) 741-1031

WORKPLACE REGULATIONS AND COMPLIANCE (615) 741-1627

TOSHA (615) 741-2793

WORKERS' COMPENSATION (615) 741-2395

TENNESSEE CAREER CENTERS (800) 576-3467

MARKETING (615) 741-7374

TN DEPARTMENT OF LABOR
AND WORKFORCE DEVELOPMENT
HEADQUARTERS

220 French Landing Boulevard
Nashville, TN 37243

www.tn.gov/labor-wfd

The TN Department of Labor and Workforce Development is committed to principals of equal opportunity, equal access, and affirmative action. Auxiliary aids and services are available upon request to individuals with disabilities. Callers with hearing impairments may use TTY (615)532-2879, TTY 1-800-848-0298, TDD 1-800-848-0299 or TTY/TDD 711.



The Tennessee Department of Labor and Workforce Development; September 2008; Online only.

