



Department of  
**Labor & Workforce  
Development**



# 2016-2017 ANNUAL REPORT



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# Commissioner's Message

## *People, Processes & Technology Answering the Demands of Change*

In early 2013, this department sought 'leaders' for its senior positions. Individuals that believed in the value of a culture of transparency, accountability, performance, truth and veracity. Leaders who were not afraid to tackle challenges and do so with bold moves and healthy risks.

From this, there has developed over the last four years a culture characterized by a mindset of teamwork, continual improvement, innovation, and performance accountability.

In a time when AI, automation and information technology are rapidly transforming the needs of business and industry they demand government must change as well.

The department embraced information technology and automation recognizing the efficiency and effectiveness it would bring to the department by enhancing the performance and accountability of every division. It created a department wide, results driven customer service and business management system, based on data collection with process and outcome measures. It streamlined operations and implanted simplicity into the department by reducing the number of steps in our processes and procedures. It used technology to identify causes of service failures and repaired them rather than just treating symptoms. It is moving rapidly towards paperless systems.

The department repaired a 40-year-old dysfunctional unemployment insurance system and developed it into a highly performing system. At the same time, it was required to implement a new modern system. Though the new system stumbled at launch, department leaders relentlessly worked to overcome this and today the new system functions as it should.

The department successfully implemented the Workforce Innovation and Opportunity Act strengthening its workforce development system, upgraded its Adult Education program and transformed its Workplace Regulation and Compliance Division into an effective operation.

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



ADULT  
EDUCATION

## Adult Education

Tennessee Adult Education (Adult Ed.) is often looked at as a means to an end, but it is merely the starting line. For many, Adult Ed. is the gateway to the labor market, for others, the furtherance of being life-long learners. Adult Ed. strives to assist individuals who may lack their high school diploma, English language learners, or who are in need of a basic skills upgrade. We are proud to provide our services to all 95 counties within Tennessee.

In the 2016-2017 program year, Adult Ed. began making improvements, by changing how service is delivered and what services are provided. Adult Ed. went from 45 service areas to 8. This improvement has reduced the amount of administrative work on the State level and allows for better efficiency for locals and State staff, alike.

Tennessee has also made strides in creating and adapting distance education to assist participants who have barriers attending traditional classes. Tennessee distance education consists of four (4) computer modules (HiSet Academy, Burlington English, Kahn Academy, and Read Theory) that provide instruction from the basics of reading and math to more advanced concepts. There were 743 participants

enrolled in distance education. Distance education has allowed Adult Ed. to expand service delivery times from specified class schedules to anytime, anywhere.

In addition, Adult Ed., with the goal of assisting individuals in their preparation for the workforce, is implementing Integrated Education and Training (IET) programs. Several programs have implemented programs working directly with employers or with colleges preparing the participants for a specified job or job cluster. The focus is to streamline the process for students, from receiving Adult Ed. instruction to building workplace skills and improving their employment opportunities. Adult Ed. will be implementing in class instruction software that will allow students to learn basic workplace skills, which will supplement the employer and college based programs.

In the 2016-2017 program year Tennessee Adult Ed. assisted 22,862 individuals. 16,520 received considerable staff assisted services obtaining a total of 704,709 hours of attendance. Out of the 16,520 participants, 1,275 made measurable skills gains, while 5,194 earned their diploma.

# 743

Enrolled Distance  
Education Participants

# 22,862

Assisted Individuals

# 16,520

Received Considerable  
Staff Assisted Services

# 704,709

Hours Of Attendance

# 1,275

Made Measurable  
Skills Gains

# 5,194

Earned Their Diploma



**\$1,094,023,469**

Trust Fund Balance

**161,034**

Processed UI Claims

**930**

Audited Claims

**7,508**

Issued Non-Fraud Cases

**1,483**

Issued Fraud Cases

**\$6,897,795**

Overpayments

**\$11,017,401**

Recovered Overpayment Collections

**20,373**

Heard And Ruled Unemployment Appeals

**64,018**

Employers Used TNPAAWS

**\$66,697,817**

Taxes Paid Online

## Employment Security

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

In May of 2016, the Unemployment Insurance division launched the new, modernized, cloud based unemployment system. This new system (GUS) has replaced the 43 year legacy system and is set up to service unemployed Tennesseans for years to come.

As of June 30, 2017, the Unemployment Insurance Trust Fund balance was more than \$1,094,023,469.

### UI Claims Center Operations

In the fiscal year ending June 30, 2017, the UI Claims Center system allowed claimants in 95 counties and out of state a choice to file for unemployment benefits by telephone or Internet. The Claim Center system consists of four centers located in Nashville, Chattanooga, Crossville, and Knoxville. During the reporting year, the system received processed 161,034 UI claims. The Claims Operations unit also processes special claims such as Trade Readjustment Allowances (TRA) claims for eligible workers covered by a Trade Adjustment Assistance (TAA) petition. TRA weekly benefits may be payable to eligible workers following the exhaustion of unemployment insurance (UI) benefits.

Disaster Unemployment Assistance (DUA), Combined Wage, and Interstate Claims programs and SAVE (Systematic Alien Verification for Entitlements) process for all alien claimant Unemployment Insurance (UI) compensation applications are also processed within Claims Operations.

Unemployment Insurance Integrity includes Benefit Payment Control (BPC), Benefit Accuracy Measurement (BAM), and Reports and Compliance. During the fiscal year ending June 30, 2017, the Benefit Accuracy Measurement (BAM) unit audited more than 930 claims for benefit payment accuracy. The Benefit Payment Control (BPC) unit issued 7,508 non-fraud cases and issued 1,483 fraud decisions. The agency also

established \$6,897,795 overpayments for this same period and recovered \$11,017,401 in overpayment collections.

The UI Integrity Unit is also responsible for reviewing legislative changes that impact the Employment Security Law and the processing of claims. Since the UI program is essentially a federal program, all proposed legislative changes impacting the program must be reviewed by the U.S. Department of Labor for conformity and compliance with federal regulations.

Claimants and employers can appeal departmental decisions relating to claims. The Appeals Tribunal, the lower appeals level, conducts de novo hearings in which parties testify under oath and can offer documents and other evidence for consideration, such as the testimony of witnesses. Employers can also appeal their premium rate and other liability issues. In calendar year 2017, the Appeals Tribunal heard and ruled on over 20,373 unemployment appeals.

### Tennessee's Premium & Wage Online Reporting System (TNPAAWS)

The TNPAAWS Internet reporting system gives employers the option of filing their Wage and Premium reports over the Internet. Some 64,018 employers used TNPAAWS to file their quarterly Wage and Premium Reports online. Since July 17, 2013, employers have also had the option to pay their quarterly taxes online. Through June 30, 2017, over \$66,697,817 in taxes was paid online.

### Labor Market Information

The Labor Market Information section produces comprehensive, accurate, timely, and properly documented labor market information regarding the economic and demographic characteristics of the people, businesses, and industries of Tennessee. This section responds to thousands of requests each year. The www.Jobs4TN.gov site provides a labor exchange system for job seekers and employers and contains extensive labor market information.



## Tennessee Occupational Safety & Health

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

### Consultative Services

The Consultative Services Section offers a free consulting program to smaller employers who seek safe and healthful working conditions for their employees. Services offered by this section include technical advice and assistance, hazard abatement recommendations, and employee training. During FY 2016-2017, this section performed 328 consultative visits and identified 2,971 workplace hazards.

### Compliance Section

The Compliance Section is responsible for enforcement of the Tennessee Occupational Safety and Health Act of 1972 (Title 5, Chapter 3) with emphasis

on employee exposures to chemical and physical hazards. On-site monitoring and inspections are conducted to identify safety and health hazards and assure hazards are controlled or eliminated. During FY 2016-2017, the Compliance Section performed 1,686 workplace inspections and identified 6,632 safety and health hazards.

### Training and Education Section

Through a variety of programs, the TOSHA Training and Education section assists employers, employees, and their representatives in reducing safety and health hazards in their workplaces and in complying with the requirements of TOSHA standards and regulations. A series of seminars is held statewide in the spring and fall covering a variety of safety and health issues. During FY 2016-2017, TOSHA conducted 341 seminars and logged 8,464 attendees at these training sessions.

# 328

Consultative Visits

# 341

Seminars

# 6,632

Hazards Corrected  
(Compliance)

# 1,686

Workplace  
Inspections

# 2,971

Hazards Corrected  
(Consultation)

# 8,464

Training Sessions  
Attendees

# TOSHA Activity 2016-2017



## SAFETY ENFORCEMENT

Inspections conducted: **705**

Violations cited: **2,862**

Proposed penalties: **\$2,355,075**



## HEALTH ENFORCEMENT

Inspections conducted: **350**

Violations cited: **1,747**

Proposed penalties: **\$576,050**



## PUBLIC SECTOR OPERATIONS

Inspections conducted: **631**

Violations cited: **2,023**



## CONSULTATIVE SERVICES

Consultative visits: **328**

Hazards identified during visits: **2,971**



## TRAINING & EDUCATION

Seminars & formal programs conducted: **341**

Number of attendance at activities: **8,464**



## RECOGNITION PROGRAMS

Volunteer STAR: sites - **36** employees - **19,861**

SHARP: Sites - **14** employees - **3,102**



# Tennessee

## Safety & Health Conference

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

This year the Tennessee Safety and Health Conference celebrated its 40th anniversary in Nashville on July 30 - August 2 2017. The event included 141 exhibitors and was attended by 616 delegates.

Over the years, the conference has become one of the most successful assemblies of safety and health professionals in the country. The 2017 conference featured safety experts leading more than 50 seminars designed for all levels of safety and health professionals. The conference provided a great learning environment and opportunity for like-minded people to network.

The exhibit hall featured 141 exhibitors offering a wide variety of safety equipment and products. The exhibitors were extremely knowledgeable and dedicated to their field and provided the latest information on cutting edge technology and safety trends.

This year's keynote speaker was Dale Lasenski, Vice President of Sales and Training for DiVal Safety. Dale utilizes his 25 years of experience in the safety profession to provide an enjoyable and motivational keynote address. Commissioner Burns Phillips addressed the conference delegates during the opening session.

In 2018 the Tennessee Safety and Health Conference will partner with the National Voluntary Protection Program Participants Association to bring an even bigger event to the Opryland Convention Center. The 41st Tennessee Safety and Health Conference will take place during the week of August 28, 2018 and will feature a greatly expanded venue of speakers, workshops, and exhibitors. Over 4,000 people are expected to attend.



Dale Lasenski,  
Vice President of Sales and  
Training for DiVal Safety



# Bureau of Workers' Compensation

## Overview

The **Bureau of Workers' Compensation** administers the Tennessee Workers' Compensation Law to assist employees and employers in minimizing the impact of work-related injuries. The Bureau's programs are designed to:

- Provide timely, effective services that help injured employees return to their health and jobs as quickly as possible;
- Help ensure employers' costs are manageable and competitive with surrounding states; and,
- Promote a better understanding of the benefits and requirements of the Workers' Compensation Law by informing all parties of their rights and responsibilities.

The **Tennessee Drug Free Workplace Program** is a voluntary program that promotes drug- and alcohol-free workplaces to make them safer. Workers who are not impaired by drugs and alcohol have fewer workplace accidents and injuries and their employers operate free from the costs, delays, and tragedies related to substance abuse. The program ended Fiscal Year 2016/17 with 3,619 actively participating employers who employ more than 310,000 workers.

Benefits for participating employers include:

- A 5% credit on their workers' compensation insurance premiums;
- A "for cause" rationale assigned to the discharge or discipline of employees in violation of the drug-free policy if the employers comply with the rules; and,
- A presumption that the drug or alcohol was the proximate cause of the injury if an employee has a positive, confirmed post-accident drug test or refuses to submit to a post-accident drug test.

The Bureau's **Medical Related Services Unit** is comprised of several programs that help ensure quality medical care is available to injured and disabled employees. The Unit helps control medical costs by eliminating unnecessary expenses and by regulating costs.

- The comprehensive **Medical Fee Schedule** establishes a ceiling for fees that physicians and surgeons, hospitals and other providers may charge, as well as for prescriptions drugs (unless the Bureau issues a waiver). The **Medical Payment Committee** approved revisions to the Fee Schedule, which will be implemented in early 2018, subject to approval by the Tennessee General Assembly's Joint Government Operations Committee. The Medical Payment Committee also resolved 27 cases concerning disputed payments to providers in 2017.
- The **Utilization Review (UR) Appeals** program helps ensure that appropriate, necessary medical care is provided to injured employees. Utilization Review occurs when an insurance adjuster requests its UR provider to evaluate the medical necessity of a procedure recommended by the authorized treating physician. If the adjuster denies the recommended treatment based on that evaluation, the injured employee may file a UR Appeal with the Bureau's Medical Director. The Medical Director may deny, modify or approve the recommended treatment. The Medical Director completed 1,532 Appeals in Fiscal Year 2016/17. The UR appeals program recently improved its processes, reducing the average time for appeals to fewer than four days from the Bureau's receipt of the medical records.
- The **Medical Case Management** program helps ensure that Nurse Case Managers: develop a proper treatment plan for injured employees; monitor their medical progress; assess whether alternate medical services are appropriate; ensure that the injured employees follow the prescribed treatment plans; and formulate return-to-work plans with due regard to employees' recoveries and restrictions, if any. Legislation passed in 2016 required certification for Nurse Case Managers and Assistants, which includes obtaining annual continuing education credits in Tennessee workers' compensation-specific topics. The Medical Related Services Unit implemented the certification program effective January 2017, as well as investigations of complaints and penalty assessments that were also part of legislation.

- The **Medical Advisory Committee** was instrumental in the implementation of the Bureau's **Medical Treatment Guidelines** and the **Drug Formulary**, both of which provide evidence-based guidance to stakeholders concerning best practices in treating injured employees. A Supplemental Formulary Study Group outlined solutions to issues concerning communication among patients, providers, insurers and pharmacy benefits managers. The Drug Formulary, which is updated monthly, is posted on the Bureau's website. The Committee will discuss in the coming year a project to assess injured workers' access to medical care with an emphasis on the quality and timeliness of and distance traveled to receive medical care.
- The **Medical Impairment Rating Registry** consists of 90-plus board-certified and specially-trained physicians who help resolve impairment rating disputes. Registry physicians resolved 113 cases in Fiscal Year 2016/17. The Bureau held a Physician Education Course in Memphis in June 2017, training or updating 30 Registry physicians.

The **Mediation and Ombudsman Services of Tennessee (MOST)** program has two main objectives:

1. Through its Ombudsman Services, provide the public with information regarding how and when injured employees may be eligible to obtain workers' compensation benefits and how employees and employers may protect their rights.
2. Through its Mediation Services, resolve workers' compensation disputes between injured employees and their employers or insurance companies that concern eligibility of benefits.

During the 2016/17 Fiscal Year, Bureau Ombudsmen made 22,009 telephonic, in-person and electronic contacts involving 14,058 issues and provided information to 10,947 Tennesseans, helping 794 injured workers receive their workers' compensation benefits.



During that same time, Bureau Mediators conducted 2,729 mediations concerning temporary disability and medical benefits.

Of these mediations, 2,023, or 74%, resulted in dispute-resolution. Mediators also conducted 1,974 in-person mediations concerning permanent disability benefits. 1,508, or 76%, of mediations resulted in resolutions.

The **Court of Workers' Compensation Claims** was created in the 2013 Workers' Compensation Reform Act to adjudicate claims that are not resolved in mediation. Now in its fourth year, the docket for each judge leveled to where they all have full "new law" caseloads and virtually no pre-Reform cases.

The Bureau launched TNComp for electronic filing of court forms and case management in fall 2017. This new, web-based platform, modeled on the federal court's PACER system, makes it easier for judges and staff to locate individual documents within electronic files and to track deadlines. External users can file documents and access files 24/7.



Public outreach and education remain a top priority for the Court, with each judge speaking publicly at bar association meetings and to trade associations/business groups. Judges also write articles for the Court's blog, which is located on the Bureau's webpage. In October, the Chief Judge and the Presiding Judge of the Appeals Board spoke to an international audience of workers' compensation judges and administrators at the 103rd Convention of the International Association of Industrial Accident Boards and Commissions. The Chief Judge spoke about the pioneering methods Tennessee's Court uses to ensure excellence in written orders. As the year ended, the Court began planning updates to a video on the Bureau's website for self-represented employees.

The new Court has been well-received by the state's legal community, which sees it as an improvement to the pre-Reform system in the Chancery and Circuit Courts. Decisions of the new Court were issued within an average of only 24 days during the year. External reviewers of the decisions rated 91% of the Court opinions as "above average" or "exceptional." Further, an annual survey of attorneys who appeared before the Court on average rated it "4" on a scale of 1-5.

In its third full year of operation, the **Workers' Compensation Appeals Board** continues to emphasize its core function of providing fair, efficient, and meaningful appellate review in the approximately 260 decisions issued by the Court of Workers' Compensation Claims. The Appeals Board also published an instructional video and guidebook on the Bureau's website to assist self-represented litigants in navigating the appellate process. These tools provide basic information, help answer frequently-asked questions, and equip litigants with the information necessary to make their appeals more appropriate and meaningful.



In Fiscal Year 2016/17, the Appeals Board affirmed the Court of Workers' Compensation Claims' decisions approximately 78% of the time in cases where the appeal was decided on the merits. The Board's decisions were all issued within statutorily-mandated timeframes. Their opinions are available on the Bureau's website, as well as on LexisNexis, Westlaw, Tennessee Attorneys Memo, the College of Law at the University of Tennessee, and in a daily e-mail called "TBA Today" distributed to members of the Tennessee Bar Association.

In Fiscal Year 2016/17, the Appeals Board began hearing oral arguments at courtrooms and law schools across the state. These venues allow students, attorneys and members of the public to attend the proceedings. Law students particularly find the process interesting and educational. The Appeals Board posted its oral argument dockets on the Bureau's website so that interested members of the public are notified in advance of the dates, times and places of the arguments.

The Bureau's **Administrative Legal Services Unit** monitors compliance with orders from the Court of Workers' Compensation Claims and the Bureau's Medical Director and enforces the penalties in the statute and the Bureau's rules. Timely compliance with Court orders was achieved in 98% of those issued in 2017.

The Unit also drafts and presents the Bureau's rules and legislation to the legislature, addresses inquiries from members of the Tennessee General Assembly and researches constituent inquiries. Highlights from the past year included:

- The Bureau's 2017 legislative proposal was part of the Governor's legislative package and was adopted by the General Assembly with an overwhelming majority vote, while each of the Bureau's proposed rules were recommended by the Joint Government Operations Committee.
- In the Bureau's sunset hearing in November 2017, the Joint Government Operations Committee recommended a six-year extension for the Bureau of Workers' Compensation and for its Medical Payment Committee and Medical Advisory Committee.
- All constituent inquiries referred from the General Assembly were researched and addressed within two business days in 2017.

The **Compliance** program includes the **Uninsured Employers Fund (UEF)** and the **Employee Misclassification Education and Enforcement Fund (EMEEF)**.

The purpose of the UEF program is to ensure that all Tennessee employers secure workers' compensation coverage required by statute. When this is accomplished, employees injured on the job have access to appropriate medical and disability benefits, and employers may compete for business with other employers with similar expenses—thus leveling the economic playing field. Bureau staff investigates construction employers to ensure that they have the required insurance coverages. The Bureau assesses civil penalties against non-compliant employers. Penalized employers must provide workers' compensation insurance coverage in addition to paying a penalty. If assessed, the employers may appeal the penalties to an administrative law judge.

The EMEEF program was created in 2013 to help ensure that construction service employers appropriately classify their workforce as employees. Employee misclassification prevents otherwise eligible workers from receiving the medical and disability benefits to which they are entitled. This occurs when employers:

- Under-report the amount of their payroll to avoid workers' compensation insurance premiums;
- Illegally classify an employee as an independent contractor to avoid providing workers' compensation coverage; or,
- Misrepresent to their insurance agent the true job duties that its employees perform to reduce their premiums.

An important aspect of the Compliance program is education. The program launched a community outreach program in 2017 to help meet the needs of the Spanish-speaking community. Workers and employers who do not speak English as their primary language face additional challenges in the workplace. The first meeting was held in Knoxville with more than 30 employers in attendance. The Compliance Program held similar outreach meetings in Nashville on December 14 and 15, 2017, with approximately 45 people attending. Similar outreach programs are scheduled for 2018.



With the mission of “Fulfilling the Promise of Workers’ Compensation, Today... and Tomorrow,” the Bureau has an overarching belief in accessibility to its customers. One way the Bureau demonstrates this belief is through frequent communication with the public. The **Outreach and Education** program used multiple, successful means to encourage public interaction directly with Bureau leadership.

In June, the Bureau conducted its 20th Annual Education Conference with a theme of “Improving Communications: The Key to Improving Outcomes.” More than 700 attendees learned about topics that included advocacy-based claims handling, managing difficult moments in a workers’ compensation claim, pain management, ethics, and return-to-work success stories.



The Bureau also hosted a “Conversation on Workers’ Compensation Insurance Misclassification” on June 21, 2017. The event, a follow-up to last year’s forum on the future of workers’ compensation, allowed stakeholders (attorneys, employers, and insurance carriers) to share opinions about a variety of issues related to employee misclassification.

Nearly 50 attendees exchanged ideas and experiences, which the Bureau compiled and uses as it works with insurers to improve its Compliance program. On November 16, 2017, approximately 30 representatives of insurance companies participated in a follow-up teleconference.



In November, the Bureau conducted a pilot class for its upcoming Adjusters and Adjusting Entity Certification program. This voluntary program will be implemented before June 1, 2018, to improve claims adjusters’ understanding of the Tennessee Workers’ Compensation Law and help identify best practices for achieving improved outcomes.

Throughout the year, Bureau leadership also spoke at events sponsored by groups such as chambers of commerce, bar associations and human resources groups to educate their members about how to lessen or eliminate workplace injuries and

better handle injuries. Information was shared to help build and maintain employers’ trust with their injured employees and its effect on reducing the number of disputes. Bureau leadership spoke at over 100 events in the past year to more than 2,000 attendees.

The Bureau also developed a newsletter that it distributed to the public. Three editions of the newsletter highlighted updates to statutes, rules, forms and court cases and publicized events such as the annual conference. The Bureau delivered the newsletter electronically to more than 1,500 interested stakeholders.

Further, Bureau Administrator Abbie Hudgens and MOST Director Brian Holmes were recognized for their work in the industry. Ms. Hudgens was awarded the Comp Laude Industry Leader Award by workcompcentral.com, and Mr. Holmes received the NextGen Award by the International Association of Industrial Accidents Boards and Commissions as a national leader in workers’ compensation under the age of 40.



**3,204,540**  
AJC Services Provided  
To Individuals

**270,793**  
Assisted Wagner  
-Peyser Applicants

**86,696**  
Received Staff  
Assisted Services

**35,077**  
Referred Job Seekers To  
Employment Opportunities

**68%**  
Entered Employment  
Following Services Received

**6,713**  
Mobile AJC Participants Served  
In Almost All 95 Counties

**65**  
Mobile AJC Visits  
Counties Across  
The State Per Month

## Workforce Services

### Executive Summary

It is an exciting time for the Department of Labor and Workforce Development as we move towards full implementation of the Workforce Innovation and Opportunity Act (WIOA), remaining customer-focused, motivated to deliver integrated, job-driven services to job seekers, workers, and employers. WIOA strengthens and improves our nation's workforce system by providing us with tools designed to meet the rapidly evolving challenges facing workforce development, not only here in Tennessee but across the United States.

We are in a process of both adapting and transforming the way we operate to continuously improve our ability to help Tennesseans obtain high-quality jobs and careers, while also helping employers hire, train and retain skilled workers. We should all be very proud of where we are today and excited about where we are headed. With technological advances, mobility and proactive use of social media we continue to make what we do more accessible to our customers, this also means that response time, comprehensive knowledge of resources and allocation of scarce funding must be maximized.

### American Job Center

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

In order to link diverse talent to companies, the Business Services Team works diligently across

programs, scheduling employers to recruit on-site and providing free virtual recruiting options on Jobs4TN.GOV. During Program Year 2016 the AJCs have provided 3,204,540 services to individuals assisted 270,793 Wagner-Peyser applicants of which 86,696 received staff assisted services and referred 35,077 job seekers to employment opportunities. Entered employment following services received for job seekers is 68%.

The mobile AJCs gives you the American Job Centers (AJCs) access on wheels with a focus of delivering services to rural areas and special populations that lack accessibility to brick and mortar AJCs. The mobile AJC also serves as a mobile support system to numerous job fairs and other events across Tennessee.

In Program Year 2016 the Mobile AJCs served 6,713 participants in almost all 95 counties. On average the Coach Units visit 65 counties across the State per month with many of those counties being rural and below the poverty level. For more information about the Mobile AJCs visit [www.getonthecoach.tn.gov](http://www.getonthecoach.tn.gov).

### Jobs4TN.Gov

Jobs4TN.Gov extends services far beyond the American Job Center. It is known for its access to the best jobs and career information, a comprehensive talent pool for your employers, the latest labor market data for researchers, and the case management tools the staff needs to effectively and efficiently assist their clients. Jobs4TN.Gov significantly increases the size and quality of your available talent pool and access to jobs.

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

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

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

### Youth Services (Title I)

WIOA Youth Services are available to eligible low-income youth, ages 14-24, who face employment barriers. Service strategies, developed by workforce providers, prepare youth for employment and/or post-secondary education through interdependent academic and occupational learning. Under the direction of Local Workforce Development Boards, local communities partner with Tennessee American Job Centers to provide youth activities and services. To be eligible for Youth Services, an individual must meet specific requirements related to age and income and school statuses that result in an employment barrier. Program participation is assessed by distinct for in-school youth (ISY) or out-of-school youth (OSY).

During Program Year 2016, the year-round WIOA Youth Program served 4,212 youth participants, with 1,505 exits. Local Workforce Development Areas reported \$18,853,852.32 WIOA Youth allocation.

### Trade Adjustment Assistance (TAA)

Federal program, TAA assists U.S. workers who have lost their jobs as a result of foreign trade. Supporting re-employment, TAA seeks to provide these trade-affected workers with opportunities to obtain the skills, resources, and support needed to become reemployed. Benefits include financial and job search assistance. The fiscal element includes:

- Textbooks, tools, and supplies
- Tuition and training assistance

- Relocation assistance
- Travel reimbursement

There were 565 TAA participants of which 213 were enrolled in TAA training. Funds spent totaled \$2,262,716 and \$1,191,005 was obligated to fund TAA training.

### SNAP Employment & Training - Employment & Training (SNAP E&T)

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

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

### Veterans Program

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

The Department of Labor and Workforce Development has provided services to 16,193 Veterans, other eligible persons, and transitioning service members achieving a 65% Entered Employment Rate. The employment

# 4,212

WIOA Youth Program  
Participants Served

# 1,505

WIOA Youth Program  
Participant Exits

# 565

TAA Participants

# 213

TAA Participants  
Enrolled In Training

# \$2,262,716

TAA Funds Spent

# \$1,191,005

TAA Funds Obligated  
To Training

# 16,193

Veterans, Other Eligible  
Persons, And Transitioning  
Service Member Served

# 65%

Veterans Entered  
Employment

# 86%

Employment Retention Rate For  
Veterans With The Average Earnings  
For A Six Month Period

# \$ 16,982



**18,087**  
RESEA Participants Served

**2,001**  
RESEA Participants Returned To Work

**393**  
Perm Job Orders

**43**  
H-2B Job Orders

**414**  
H2-A Job Orders

**753**  
H2-A Program On-Site Preoccupancy Housing Inspections

**307**  
SCSEP Seniors And Total Participants Served Throughout Tennessee

**1,466**  
State And Nationals SCSEP Individuals Participated

**159** TOTAL ETPL PROVIDERS

- 106** • Postsecondary Schools
- 26** • Tennessee Technology Centers
- 16** • Community Colleges
- 11** • 4-Year Universities
- 14** • Registered Apprenticeship

retention rate for Veterans was 86% with the average earnings for a six month period of \$16,982.

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

RESEA assists unemployment claimants with returning to work quicker. Staff works one-on-one with participants to assess their interests and abilities and establish an employment development plan that guides their career endeavors. This includes conducting workshops and delivering other workforce related services to participants. These services are being offered across the entire state, in both comprehensive and affiliate American Job Centers. In Fiscal Year 2016, the RESEA program served 18,087 participants. Of which, 2,001 participants returned to work.

**Agricultural Outreach & H2-A Programs**

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

During the period beginning July 1, 2016 and ending June 30, 2017, the following job orders were posted: 393 PERM (permanent labor certification), 43 H-2B (temporary non-agricultural jobs), and 414 H2-A(temporary agricultural jobs). The H2-A program conducted 753 on-site preoccupancy housing inspections.

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

The Senior Community Service Employment Program provides marketable community service and work-based job training to seniors 55 and older. SCSEP participants gain work experience in a variety of community service activities at non-profit and public facilities,

including schools, hospitals, and daycare and senior centers. Tennessee Department of Labor and Workforce Development currently have six sub-grantees and works with two national grantees, the National Council on Aging and Senior Service America, Inc., to administer the program statewide.

During the program year July 1, 2016 through June 30, 2017 the state program served 307 seniors and the total participants served throughout Tennessee. The State and Nationals participation was 1,466 individuals.

**Eligible Training Provider List (ETPL)**

The Eligible Training Provider List (ETPL) is a directory for postsecondary school and training providers and programs that assist with upgrading participants' education and/or skills. WIOA requires Tennessee to maintain such a list of entities certified to accept students using WIOA funds. This list is used by participants when researching career and training options based on their career goals. WIOA expanded the eligible training provider lists for technical and occupational classroom training programs and strengthened the provisions regarding training provider eligibility. There are a total of 159 providers on the ETPL. The provider composition is as follows:

- 106 Private Schools
- 26 Tennessee Technology Centers
- 16 Community Colleges
- 11 4-year Universities
- 14 Registered Apprenticeship

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

**Business Services Team (BST)**

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



15

**214,241**  
Business Services  
Provided To Employers

**140,569**  
WOTC Issued Tax  
Credit Certifications

**\$3.5 Billion**  
Potential Federal Corporate  
Income Tax Savings To  
Qualified Tennessee Employers

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

The Business Services Teams in partnership with the Local Workforce Development areas have provided 214,241 services to employers across Tennessee.

#### **Work Opportunity Tax Credit (WOTC)**

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

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

WOTC issued 140,569 tax credit certifications which represent a potential federal corporate income tax savings of \$3.5 billion to qualified Tennessee employers.

#### **Rapid Response**

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

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

#### **Consolidated Business Grants**

The Consolidated Business Grants was established to assist businesses with training that builds the skills their employees that will improve productivity and workforce retention. The CBG sponsors the training programs based on the needs of the employer to help train and retain employees by providing skills upgrades and process improvement training for existing, full-time employees.

The restructuring of the CBG has allowed greater flexibility to serve businesses in the local areas as is evident by the total amount earmarked and the actual money spent by employers. During this program year there were 308 pre-applications and \$2,172,706 earmarked for 146 businesses to training 3,410 individuals in Rapid Response funds to 52 companies, which trained 2,378 Incumbent Workers. While the program year runs through December 31, 2016 here are the projected outcomes.

- 71 Incumbent Worker Training Contracts (2,371 trainees)
- 57 On-the-Job Training Contracts (725 trainees)
- 13 Apprenticeship Contracts (415 trainees)

Each program mentioned above has different eligibility requirements. Contact your local American Job Center to learn more: <https://www.tn.gov/workforce/jobs-and-education/job-search1/find-local-american-job-center.html>.

**188**  
Companies Received  
Rapid Response Services

**14,822**  
Displaced Workers Received  
Assistance In Making  
A Career Transition

**308**  
Consolidated Business  
Grants Pre-Applications

**\$2,172,706**  
Earmarked For 146  
Businesses To Train  
**3,410**  
Individuals

**52**  
Companies Received Rapid  
Response Funds To Train  
**2,378**  
Incumbent Workers



Tennessee job seekers and employers now have a more powerful tool in searching for jobs and job candidates, the result of an upgrade to Jobs4TN.gov Web site. The revisions now allow users to customize their workplaces, to expand database searches and how they are saved, and to share jobs through e-mail and the Career Network. The job resource averages 90,000 Tennessee jobs available at any time.

## Jobs4TN Individual and Total Services July 1, 2016 - June 30, 2017



**93,338**

Total number of individuals that registered



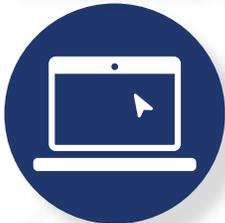
**297,946**

Total number of distinct individuals receiving services



**3,204,479**

Total number of services provided to individuals



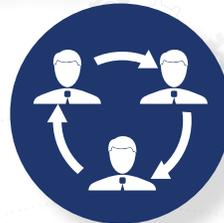
**188,856**

Total number of individuals that logged in



**84,994**

Total number of internal job orders created



**371,122**

Total number of internal job referrals created



**430,007**

Total number of services provided to employers

### Jobseeker Resources

JOBS4TN is a new kind of search engine that generates thousands of jobs listed by major Tennessee employers. It's the premier site for finding work and locating useful labor market information.

### Employer Resources

JOBS4TN Online connects you to the ideal candidates based on the qualifications that are most important to you. It also provides valuable labor market information from the Tennessee and U.S. Departments of Labor as well as the Bureau of Labor Statistics.



# Workplace Regulations

## Amusement Devices

The Amusement Device Unit issues annual operating permits to amusement device companies who meet statutory compliance requirements. The unit mitigates risks associated with the operation of fixed and portable amusement devices including inflatables, zip lines, dark houses, roller coasters, Ferris wheels, carousels, bumper cars, trampoline parks and other devices that fall under the definition of an amusement device. The unit verifies third party inspectors are certified, confirms proper industry standards are applied, and reviews inspection reports to ensure amusement device companies are safe and operable on the date of the inspection. The Amusement Device Law became effective January 1, 2009 as an unfunded mandate. In FY16/17, the Amusement Device Unit received nonrecurring funding for two consecutive fiscal years. As a result, a manager, an administrative assistant, and three (3) safety compliance officers were hired. Employees manage, monitor the permit application process, and serve as an extra layer of oversight by performing onsite visits at companies, fairs, and carnivals. In FY16/17 the Amusement Device Unit issued 348 annual permits to companies covering 3,126 devices and assessed/collected \$118,475 in revenue.



## Boilers

The Boiler Unit inspects High Pressure (i.e. steam boilers), Low Pressure (i.e. hot water heaters) and Unfired Pressure Vessels (i.e. air compressors) that are used in the commercial industry. Hotels, restaurants, factories, dry cleaners, and hospitals utilize these vessels. There are over 68,880 boilers and pressure vessels across the state. Depending on the type of vessel, inspections are performed every 6 months and/or every 2 years by 15 state (deputy) inspectors or 13 insurance companies that employ 2 or more (special) inspectors. During FY16/17, the Boiler Unit inspected 32,339 boilers and pressure vessels including a total of 1,862 newly installed vessels. Approximately 2,142 new installation permit applications were received and processed. The Unit issued 33,662 Certificates of Boiler Inspection and generated over \$2.5 million dollars in revenue.



## Elevators

The Elevator Unit is responsible for approving plans, specifications and issuing permits for the installation of new, altered or relocated elevators, escalators, dumbwaiters, moving walks, aerial tramways and other related conveyances (devices). The unit also performs routine safety inspections every 6 months for over 15,000 conveyances to check the operation and to prevent potential hazards. During FY16/17, more than 22,536 inspections were performed and 14,272 annual operating permits were issued. Also, more than 600 new conveyances were installed and inspected before they could be placed in operation for the general public. The Elevator Unit is comprised of 27 state inspectors and generated approximately \$2.6 million dollars in revenue in FY16/17.



## Labor Standards

The Labor Standards Unit enforces the Non-Smoker Protection Act, Illegal Alien Act, Child Labor Act, Prevailing Wage Act, Wage Regulations Act, and the Tennessee Lawful Employment Act. Inspectors investigate employers to determine if companies are in compliance with state law. Frequent issues include an employer's failure to pay or failure to timely pay wages, hiring persons unauthorized to work in Tennessee, failure to post no-smoking signs in public places, failure to pay proper rates to employees who work on state-funded highways, roads and bridges, failure to provide minors with proper rest breaks or failure to protect minors by employing them in prohibited occupations. The Labor Standards Unit includes 10 inspectors and performed 3,026 inspections and collected \$269,300.00 in revenue in FY16/17.



## Mine Safety

The Mine Safety Unit issues mine licenses to underground mines as well as surface coal/metal mines. The unit administers mine foreman exams and issues certifications to foreman who meet state, federal and industry requirements. Safety training classes are offered to individuals and companies and training is performed by certified Mine Safety Instructors. Rescue team members are trained monthly as to state and federal guidelines and compete in two or more mine rescue contests annually. A mine rescue station is located in Caryville, TN and two rescue teams serve at a state of readiness in the event of a mining accident or emergency. The unit includes a manager who is certified instructor, an administrative assistant, two certified instructors, and 13 part-time rescue members. For FY16/17, the Mine Safety Unit issued 19 mine licenses, conducted 297 mine safety classes, taught 2,152 individuals, issued 102 mine foreman certificates and collected \$44,860.00 in revenue.



# Communications

The Tennessee Department of Labor and Workforce Development took the lead with the Paychecks for Patriots Hiring Event partnering with Dollar General, Lee Company, the Nashville Predators and Bridgestone Arena to address high unemployment rate among our military service members, veterans and spouses. The Tennessee Department of Military and Employer Support for the Guard and Reserve (ESGR) joined in this first innovative partnership between public and private sectors to address veteran unemployment challenges. Paychecks has created a pathway toward economic opportunity for Tennessee veterans and their families both, online and through centralized focused outreach efforts organized by the Department of Labor. The event itself has been nationally recognized by the Pentagon and National Office of ESGR and has been honored with 17 Public Relations Society of America (PRSA) Parthenon Awards for Public Relations Campaign, Public Affairs and Community Relations for the past five years. Governor Bill Haslam has declared "Paychecks for Patriots Hiring Event Day in Tennessee" all four years with more than 150 Tennessee companies participating in 2016. Both Florida and Georgia have taken Tennessee's lead by conducting "Paychecks for Patriots Hiring Events" in their respective states. Tennessee remains a leader in addressing job opportunities with our service members, veterans, and spouses.

The Communication's division implemented an extensive media campaign for Adult Education which included outdoor and transit advertising, creating awareness of the state's new HI-Set High school Equivalency Diploma, classes and free testing. Social media advertising was a tool heavily used for the 2017 Tennessee OSHA Safety Conference, increasing participant registration by five percent over the previous year.

The Communication's Public Relations Specialists continue to provide employers with departmental information through the Workforce Employer Outreach Committees (WEOC). The committees partner with other agencies such as the Governor's Office, Tennessee Department of Economic and Community Development, Tennessee Department of Agriculture, Tennessee Bureau of Investigation, U.S. Department of Homeland Security, FEMA, and the Small Business Administration. The WEOC is an ongoing effort by the Tennessee Department of Labor and Workforce Development to reach out to Tennessee employers and provide valuable information to foster economic development and promote our services.



**17** PRSA Awards



# 2016-2017 Funding



ADMINISTRATION  
**\$18,914,000**



ADULT EDUCATION  
**\$16,261,600**



BOILERS AND ELEVATORS  
**\$5,864,700**



EMPLOYMENT SECURITY  
**\$35,714,900**



LABOR STANDARDS  
**\$1,220,800**



MINES  
**\$539,700**



TOSHA  
**\$10,000,800**



SECOND INJURY FUND  
**\$10,181,700**



WORKERS' COMPENSATION  
**\$15,341,700**



WORKERS' COMPENSATION EMPLOYEE  
MISCLASSIFICATION & ENFORCEMENT FUND  
**\$1,149,600**



WORKFORCE SERVICES  
**\$99,516,300**

TOTAL **\$214,705,100**