

# Department of Labor



## *At A Glance*

**SHARON M. PALMER, *Commissioner***

**Dennis C. Murphy, *Deputy Commissioner***

***Established - 1873***

***Statutory authority - C.G.S. Sec. 31-1 to 31-403 (excluding chapter 568)***

***Central office - 200 Folly Brook Blvd., Wethersfield, CT 06109-1114***

***Average number of full-time employees - 852***

***Recurring operating expenses: Federal - \$103,181,506; State - \$77,675,851***

***Capital outlay: Federal - \$1,166,447; State - \$17,793; CEPF - \$37,297***

***Website - [www.ct.gov/dol](http://www.ct.gov/dol)***

## **Mission**

***The Connecticut Department of Labor (CTDOL) is committed to protecting and promoting the interests of Connecticut's workers and assisting workers and employers to be competitive in the global economy.***

## **Statutory Responsibility**

The Connecticut Department of Labor meets the needs of workers and employers to become competitive in the global economy. For workers, this is accomplished through income support between jobs, assistance in searching for jobs, protection and fairness on the job, training programs, and information about the economy, wages and the workplace. Services offered to businesses include workplace data, labor market information, recruitment assistance, regional job fairs, programs to help maintain and upgrade employee skills, such as apprenticeship and incumbent worker training, OSHA guidance and consulting services, and tax credit information. Informational services to workers and employers, as well as enforcement responsibilities include the payment of wages, health and safety, employment of minors, family and medical leave, representation by labor organizations, and resolution of labor disputes. As the Connecticut arm of

the U.S. Bureau of Labor Statistics, the agency collects, analyzes and disseminates workforce data to inform businesses, the general public, government planners and policymakers about employment issues and trends.

## **Public Service**

### ***Workforce Policy Advisors***

- Through its *Office of Workforce Competitiveness* (OWC), CTDOL serves as the Governor's principal workforce development policy advisor. OWC works to coordinate employment, education and training programs and promote innovative strategies and ideas that will stimulate employment opportunities and job growth. OWC staff provides technical assistance to the Connecticut Employment and Training Commission (CETC) whose members represent Connecticut businesses, employers, key state agencies, regional/local entities, organized labor, community-based organizations and other stakeholders.

### ***Unemployment Insurance and Related Assistance***

- *Unemployment Insurance* (UI) benefits are provided to unemployed persons pursuant to statute while claimants look for new work or take part in approved training programs. The agency offers two options for filing unemployment compensation claims – *TeleBenefits*, an automated voice system, and *WebBenefits*, an Internet system – both available in English and Spanish. *WebBenefits* gives claimants access to their benefit payment and the capability to print out the information. The online system also provides an appeals filing application for unemployment insurance decisions. Most individuals filing weekly unemployment claims use the Internet system.
- *Trade Adjustment Assistance* (TAA) helps individuals who are part of worker groups certified by the U.S. DOL whose jobs were believed to be affected by increased imports or a shift in production to a foreign country. To assist eligible workers return to suitable employment as quickly as possible, benefits include training; job search, relocation and readjustment allowances; health coverage tax credit; and wage subsidies for individuals 50 years of age and older who return to lower-paying work. TAA activity during the program year includes:
  - *Worker group certifications*: Petitions filed on behalf of workers from 37 companies were approved, with the workers determined by USDOL to be adversely affected by foreign trade and certified as eligible to apply for TAA; petitions filed on behalf of workers from five companies were denied.
  - *Individual applications*: 1,094 individuals were identified by USDOL as potentially eligible to apply for TAA benefits and 765 eligibility determinations were issued in response to submitted applications.
  - *Training*: 505 individuals entered TAA-approved training programs and 1,182 individuals were active in training. Training payments totaled \$4,101,687.

- *Trade Readjustment Allowances (TRA)*: A total of \$6,067,425 was paid for 12,801 weekly TRA claims, representing 709 weeks of basic TRA, 11,103 weeks of additional TRA, and 989 weeks of remedial TRA. Individuals who satisfy applicable program requirements may receive one or more types of TRA income support: up to 26 weeks of basic TRA; up to 52, 65, or 78 weeks of additional TRA, depending on the Trade Act petition number; and up to 26 weeks of remedial/completion TRA.
- *Reemployment/Alternative Trade Adjustment Assistance (R/ATAA)*: A total of \$226,004 in payments was issued to eligible workers.
- *Health Coverage Tax Credit (HCTC)*: covers 72.5% of qualified health insurance premiums for eligible individuals and their families. The Internal Revenue Service administers HCTC in partnership with the Connecticut Department of Labor, other federal and state agencies, and the private health insurance industry.
- *Worker Adjustment and Retraining Notification (WARN)* is a federal requirement that applies to Connecticut employers of 100 or more full-time workers to give 60-days advance notice of a plant closing or mass layoff if they: (1) close a facility or discontinue an operating unit with 50 or more workers; or lay off 50-499 workers (and these workers comprise at least 33% of the total workforce at a single site of employment); or lay off 500 or more workers at a single site of employment. The law further requires that this notification be given to the appropriate local chief elected official, the Dislocated Worker Unit of the State Department of Labor, and the collective bargaining representative of affected employees or each employee if the employees do not have such representation.
- The state's *Rapid Response Team*, headed by CTDOL, reaches out to Connecticut employers contemplating or experiencing plant closings, and exists to ease the impact of layoffs and to assure that workers are offered a full range of benefits and services. The agency's Rapid Response staff conducts, prior to layoffs, "*Early Intervention*" sessions where employees can learn about unemployment benefits, job search assistance, training opportunities and receive information about community services and local agencies that provide support to dislocated workers and their families. The Rapid Response Team includes representatives from local Workforce Investment Boards and other assisting state agencies such as the Departments of Economic and Community Development and Social Services.

During the period July 2012 to June 2013, Rapid Response staff made 246 outreach calls and responded to 144 WARN notices affecting 5,307 workers; made 138 employer and/or union visits and provided 179 presentations to 3,018 impacted workers, which included 14 on-site job search workshops and eight Trade Act benefit seminars. When face-to-face contact was not possible, an additional 3,450 dislocated workers including human resources managers and union representatives were provided written informational materials.

The Rapid Response Unit submitted eight Trade Adjustment Assistance Act (TAA) petitions on behalf of workers whose jobs were believed to be affected by increased exports or a shift in production to a foreign country. Six of the eight petitions, covering 471 workers, were certified TAA eligible. One petition was denied and one was pending investigation at the close of the program year. The Rapid Response staff also submitted one request for reconsideration regarding a TAA denial of benefits.

- The *Reemployment Eligibility and Assessment (REA) program* is a federally-mandated initiative of the Middle Class Tax Relief and Job Creation Act of 2012, requiring all unemployment insurance claimants applying for federal Extended Unemployment Compensation (EUC) Tier I and Tier II benefits to schedule an interview including an employability assessment at their local *CTWorks* Career Center. CTDOL employees meet with claimants, assess their work search efforts for appropriateness, and offer re-employment strategies.

The REA program was fully implemented on May 1, 2012 and is set to end in December 2013. Between July 2012 and June 2013, a total of 45,549 claimants collecting EUC were notified to attend a mandatory meeting. Those who did not appear were referred to adjudications and subject to disqualification of benefits.

CTDOL intends to use this model as the foundation of its services for connecting unemployment insurance claimants to services and job opportunities as early as possible. Information gathered through the assessment process will be posted on [www.CT.jobs](http://www.CT.jobs), the agency's state job bank, and will give CTDOL the ability to build a solid base of qualified candidates that can be accessed by employers searching for potential employees. Going forward, the goal is to automate and virtualize services to allow for larger participation as well as the ability to focus one-to-one for those UI claimants most in need.

### ***Employment and Training***

- CTDOL *Employment Services (ES)* program receives federal funding under the *Wagner-Peyser Act* to provide universal access to an integrated array of labor services. ES provides a variety of these services, including job search assistance, referrals to jobs, placement assistance for jobseekers, reemployment services to unemployment insurance claimants, and recruitment services to businesses with job openings.

A total of 218,879 Wagner-Peyser program participants received services (staff-assisted or self-service) with a total of 349,992 staff-assisted services provided statewide. Approximately 70,013 Wagner-Peyser customers benefited from a host of services, including assistance with career choices and job searches; job search resources such as fax machines and computers with Internet connection; and workshops on résumé writing, interviewing, and career exploration. Customers also received information about specific companies and labor market trends. In addition, 7,419 individuals received résumé services at CTDOL-sponsored events and *CTWorks* Career Centers. Résumé preparation services were provided by staff with board-certified credentials from the Professional Association of Résumé Writers.

- The *Online Labor Exchange* ([www.CT.jobs](http://www.CT.jobs)) Connecticut's state labor exchange system is the self-service job bank known as CT.jobs. It provides a range of employment services for jobseekers by helping to match them with potential employers based on qualifications, desired location, salary, and other criteria. CT.jobs operates in alliance with US.jobs, the national labor exchange endorsed by the National Association of State Workforce Agencies. CT.jobs enables jobseekers to search thousands of employment opportunities representing all types of occupations, including Connecticut state agency jobs, and make inquiries regarding positions of interest. As part of a national labor exchange with other states, CT.jobs includes job listings from other states for jobseekers interested in relocating. Jobseekers can also post their résumés online and approved Connecticut businesses can post W-2 jobs and search the résumé bank for qualified candidates at no cost. Technical assistance is provided to both employers and jobseekers.

A total of 1,721 new account requests from businesses were processed by CT.jobs staff between July 2012 and June 2013. During this same period, employers posted 54,156 new Connecticut job openings and jobseekers placed 11,168 new résumés into the system. In addition, 1,183 jobs were indexed (indexing identifies links to jobs on corporate websites, which enables jobseekers to click on a job title and be taken directly to the job listing on the corporate website) for greater user ease.

- *STRIDE (Skills, Transitional Support, Respect, Integrity, Direction, and Employment):* Through a memorandum of agreement with state's Community Colleges, the CTDOL funds Quinnebaug Valley Community College's STRIDE program which provides incarcerated and paroled individuals with the occupational and job search skills training and resources to enter competitive employment positions. Program services support successful reintegration into the community focusing on self-sufficiency. The program also links participants to community-based transitional services that support respective employment goals.
- A series of eight Connecticut Career Fairs including a veteran-specific Heroes4Hire Job Fair co-sponsored with the Department of Veterans Affairs drew 413 company recruiters and 6,800 jobseekers. The events also included résumé writing critiques and assistance provided by trained résumé staff at the Labor Department. Employers are not required to report hires as a result of the job fairs, however, exit surveys from jobseekers and employers indicate that companies are highly satisfied with the caliber of candidates attending these events while jobseekers have noted that employers have hired them at the event or set-up an additional interview.

### ***Reemployment Services for Unemployment Insurance Claimants***

- The *Enhanced Reemployment Services* (ERS) program seeks to identify unemployment insurance claimants who are likely to exhaust their benefits, are unlikely to return to their previous occupations, and will typically need job search assistance services to make a successful transition to new employment. Recipients of Unemployment Insurance benefits

are required to register with Employment Services as a condition of eligibility for compensation.

Orientation sessions were conducted for 10,545 ERS participants who received labor market information, career guidance, information on CT jobs, an overview of the *CTWorks* Career Center services, and details on UI benefit rights and responsibilities. Many of these claimants also benefited from more direct, individual employment services and training which resulted in 31,782 additional re-employment services being provided.

### ***Business Services***

- CTDOL's *Alien Certifications Unit* acts as an agent for the U.S. Department of Labor. The program ensures that employers have exhausted all efforts to hire American workers before recruiting foreign workers prior to receiving certification. CTDOL staff handled 58 certifications, including temporary certifications for foreign agricultural workers (H-2A). A total of 41 pre-occupancy housing inspections in connection with agricultural certifications were completed.
- The *Migrant and Seasonal Farm Workers* program provided outreach services to 477 workers, including information on available workforce services, referrals to healthcare providers, and related supportive services. Agricultural employers received recruitment assistance, mediation, interpreter services, and technical guidance on compliance with the Migrant and Seasonal Farm Worker regulations.
- The *Office of Apprenticeship Training* administers Connecticut's Registered Apprenticeship system, which is supported by the state's general fund, industry support from registration fees, and a federally-funded Green Jobs Funnel Initiative grant. Based on an employer-employee relationship, Registered Apprenticeship offers individuals the opportunity of "learning while earning." Registered Apprenticeship is a long-term (typically three to four years) structured training strategy that combines on-the-job training with classroom-related instruction to prepare skilled workers for Connecticut industry. Currently 1,500 active sponsors (employers) and 4,325 registered apprentices.

The Office of Apprenticeship Training provides registration, monitoring, technical assistance and consulting services for the administration of apprenticeship agreements per state regulations and standards. The office also qualifies employers for tax credits, works with the Department of Education, Department of Consumer Protection and other state agencies, and performs outreach to veterans, employer groups, and many community-based organizations to promote Registered Apprenticeship in Connecticut. Most recently, the office has been working to expand registered apprenticeship within the manufacturing sector.

- *Jobs First Employment Services* serves recipients of Temporary Family Assistance (TFA) through the agency's partnership with the Department of Social Services and the Workforce Investment Boards. During the year, approximately 15,368 participants received employment services from *CTWorks* One Stop staff or through contracted service

providers. Services include job search assistance, vocational education, adult basic education, subsidized employment, case management and other support services.

- *Job Corps* is a national, federally funded educational and vocational training program administered by the U.S. Department of Labor that helps low income youth ages 16-24 gain workplace skills, train for a high-demand occupation, and become independent and self-sufficient. With centers in Hartford and New Haven, more than 400 students enroll each year to earn a high school diploma or GED, learn a trade, obtain third party certifications and receive assistance finding a good job. On-site Labor Department employees provide staffing support to the Hartford Job Corps Academy and New Haven Job Corps Center.
- Hundreds of educators, employment professionals and members of the business community attend the *Connecticut Learns and Works Conference* each year in conjunction with the Connecticut Career Resource Network, the Departments of Labor, Education, Economic Development, and the state's community college system. Entering its 17<sup>th</sup> year, the conference provides a forum for sharing new ideas and hearing from workforce and education experts.

### *Veterans' Services*

- *Office for Veterans' Workforce Development (OVWD)* helps Connecticut veterans through its team of Veterans' Employment Representatives located at *CTWorks* Career Centers, U.S. Department of Veterans Affairs offices, and various outstations throughout the state.
  - During the year, employment and training services were provided to 9,268 veterans. In partnership with both the state and federal Department of Veterans Affairs and the Connecticut Military Department, demobilization services were also provided to returning troops from the CT National Guard and U.S. Armed Service Reserves.
  - As part of the agency's *Connecticut Job and Career Fair* series, a veteran-specific *Heroes4Hire Job Fair*, co-sponsored with the Department of Veterans Affairs, provided job-matching services and résumé development assistance to 105 employers and 1,523 veterans.
  - *Veterans Retraining Assistance Program (VRAP)*: CTDOL's Office for Veterans' Workforce Development (OVWD) provides assistance through the federal VRAP which offers 12 months of retraining assistance to veterans. VRAP eligibility factors are: unemployed vet; at least 35 but not more than 60 years of age; have an other than dishonorable discharge; not eligible for any other VA education benefit program (e.g., the Post 9/11 GI Bill, Montgomery GI Bill, Vocational Rehabilitation and Employment); not in receipt of VA compensation due to individual unemployability; not enrolled in a federal or state job training program; and enrolled in a VA-approved program of education offered by a community college or technical school. OVWD staff interview veterans as they complete VRAP training and assist them with résumé preparation, job development, and job search efforts.

Under the federal guidelines, the program can serve up to 45,000 participants between July 1 and September 30, 2012, and up to 54,000 between October 1, 2012 and March 31, 2014. Participants may receive up to 12 months of unemployment insurance assistance at the full-time payment rate under the Montgomery GI Bill–Active Duty program. Currently, this rate is \$1,473 per month. As part of this initiative, the program must lead to an Associate Degree, Non-College Degree or a Certification, and veterans must be trained for what is deemed to be a high-demand occupation.

- The “*Gold Card Initiative*” is a joint venture of the U.S. Department of Labor's Employment and Training Administration and the Veterans' Employment and Training Service to lower veterans' unemployment and ensure service members leave the military career-ready. The Gold Card provides unemployed post-9/11 era veterans with the intensive and follow-up workforce services they need to succeed in today's job market.

Under this initiative, CTDOL's Office for Veterans' Workforce Development (OVWD) provides job readiness assessments; an Employment Development Plan; career guidance through group or individual counseling that helps veterans make educated training and career decisions; provision of labor market, occupational, and skills transferability information to assist with educational, training, and occupational decisions; referral to job banks, job portals, and job openings; referral to employers and registered apprenticeship sponsors; referral to training by WIA-funded service providers; and monthly follow-up by an assigned case manager for up to six months. To date, the OVWD has served 1,490 post-9/11 veterans through this initiative.

- The VETS 2 COPS and VETS 2 FIREFIGHTERS program, launched in November 2012, consists of two components: (1) a workshop for veterans on how to apply for jobs in the field of fire and police and (2) outreach to police and fire departments to educate about the program and assist with the hiring process. Since its inception, 29 veterans have taken part in the program with 25 currently going through various stages of the process: one has started patrols; three are graduating from the police academy in October; one is waiting for an academy date with Drug Enforcement Agency; one is waiting for an academy date with Immigration Customs and Enforcement; two will soon begin careers as firefighters; and 21 are in various stages of the hiring process.
- The Subsidized Training and Employment Program (Step Up) was expanded by the Legislature to allow all unemployed veterans to take part in the wage subsidy and training program. Previously, the program was only available to post 9-11 combat veterans. The expansion is expected to help replicate the success of the original Step Up program which was created under the Jobs Bill of 2011.

### ***Web-Based Services***

- From July 2012 to June 2013, more than 6.2 million people visited the agency website, and approximately 3.6 million of these people searched for information related to

Unemployment Insurance benefits. Visitors also searched the site for information relating to their job search efforts: 220,950 visitors sought job fair information; 115,548 sought employer recruitment information; 72,000 were interested in veterans' services; and 274,070 visitors sought information related to other job seeking methods.

- An average of 43,776 claimants (43.2%) use the Web function to file for their weekly UI payments.
- The *Connecticut Job & Career ConneCTion (JCC)* received 73,799 visitors from July 1, 2012 to June 30, 2013. The JCC site provides job descriptions, education and training requirements for each job category, wage information and employment projections for nearly 800 occupations. Included in the JCC is the VETCENTRAL website, which allows military veterans to find similar civilian occupations by military code, rank, or branch of service.
- More than 25,400 visitors made use of the agency's *Connecticut Education & Training ConneCTion* over the past year. It serves as a leading online source of information on education and training in the state that provides access to thousands of training programs and courses.

### ***Workplace Guidance and Safety***

- *Wage and Workplace Standards* enforces a wide range of workplace laws including minimum wage and overtime, paid sick leave, wage payment, prevailing wage, and the employment of minors. Wage and Workplace staff recovered \$6,544.707 in owed wages for Connecticut workers this year.
- *State Board of Labor Relations* defines and protects the statutory rights of employees including the right of public employees to form, join, or assist labor organizations. The Board also encourages and protects the right of employees and employers to bargain collectively and remedies certain practices on the part of employees and employers that are detrimental to the collective bargaining process and to the general public. More than 80 percent of the cases filed with the State Board of Labor Relations are resolved short of a Board hearing, largely due to successful mediation efforts of Assistant Agents.
- *State Board of Mediation and Arbitration* provides mediation and arbitration services to employers and employee organizations in the public and private sector. The objectives of the Board are to save jobs by maintaining peaceful employer/employee relations and to promote equity between labor and management by resolving labor disputes.
- *Connecticut Occupational Safety and Health Division (CONN-OSHA)* enforces health and safety standards in public sector workplaces by conducting safety inspections, responding to complaints or requests, and investigating fatalities and serious accidents. Citations are issued where violations are discovered. Safety training and onsite safety and health consultations are provided to private and public sector employers on request, and the division offers no-cost technical assistance and information services on

workplace hazards. The statistics unit collects data and provides information on workplace injuries, illnesses, and fatalities that occur in Connecticut.

- The *Office of Program Policy* provides legal counsel to the agency's executive administration and divisions, as well as technical assistance in unemployment insurance matters to agency adjudicators, as well as written opinions and verbal guidance in complex cases. In addition, staff provides classroom and workplace-based training in unemployment compensation statutes, regulations, case law and the adjudication process. Staff members also represent the Unemployment Compensation Administrator in hearings and related proceedings before the Employment Security Appeals Division and the Employment Security Board of Review. Staff members are involved in an employer education program that covers a wide range of topics.
- Cooperating with the U.S. Bureau of Labor Statistics, the *Office of Research* collects, analyzes and delivers information on the state's labor market. Information is collected and disseminated on employment levels, unemployment rates, wages and earnings, estimates of available labor, employment projections, business staffing patterns, and career planning information. Employers, career counselors, educators, economic developers, training program planners, policy makers, economists and the general public use the information.

The *Office of Research* also produces the *Labor Situation* report and partners with the Department of Economic and Community Development to produce the *Economic Digest*. The *Labor Situation* provides a monthly and over-the-year snapshot of the state's industry sectors and unemployment rate. Monthly estimates are later revised, using actual employer records. The *Economic Digest*, published each month, provides comprehensive and timely data on the state's workforce and economy.

- The *Employment Security Appeals Division* conducts appeal hearings from decisions granting or denying Unemployment Compensation benefits through two levels of Appeals. The first level (Referee Section) decided 19,432 appeals while the second level (Board of Review) decided 2,821 appeals. This year, the division continued to exceed the federally-mandated quality standards in issuing decisions. The Referee Section also recaptured the federally-mandated standards for the timely issuance of decisions.

### ***Employer Services***

- *Business Services Consultants* assisted businesses with 473 recruitment events attended by 8,842 jobseekers between July 2012 and June 2013. Employers can schedule recruitment events with a Business Services Consultant or through the CTDOL website. Additionally, Business Services staff administered the 21st Century Skills Training Program, a unique program for new and expanding Connecticut businesses that need to enhance the skills of the current workforce to remain competitive. Using an allocation of \$425,000, staff developed agreements resulting in more than \$950,000 for training programs that included

green manufacturing, Lean Government practices, and quality systems. A total of 1,383 employees received training at 60 Connecticut companies.

- The *Tax Division* administers an equitable unemployment insurance tax program that protects both workers and employers through the fair enforcement of the Unemployment Compensation law. Unemployment Insurance (UI) benefits paid to unemployed workers totaled \$1.52 billion. Of that amount, \$781.7 million was paid to claimants formerly employed by employers paying quarterly UI taxes under the regular UI benefits program, and \$738.7 million was provided to claimants formerly employed by non-taxable employers and/or under other programs. Total taxes paid by more than 98,000 employers whose employees were covered by Unemployment Insurance totaled \$856 million.

One of the missions of the Tax Division is to ensure that all workers providing services in Connecticut are properly classified either as employees or as bona fide independent contractors. Workers who are misclassified as independent contractors can experience a loss of certain employment protections such as unemployment compensation benefits, workers' compensation coverage, no overtime pay, pay below minimum wage, and often a job without health benefits. Further, when companies intentionally misclassify workers as independent contractors rather than as employees, this creates an unfair business climate. Law-abiding employers cannot compete against those employers who intentionally undercut them by not paying all taxes and benefits for workers, and do not pay lawful employment-related taxes on workers – resulting in higher taxes for those employers that follow the law. Information about misclassification from Connecticut's Joint Enforcement Commission on Employee Misclassification is available online to assist employers in the proper classification of their workers. A work committee within the Labor Department has also been formed to increase misclassification outreach and prevention efforts.

- *Work Opportunity Tax Credit (WOTC)* program provides a federal tax credit for employers hiring individuals from specified groups. A total of 2,508 tax credit certifications were granted for 2012-2013. Authorization to grant WOTC to all non-veteran target groups expired on December 31, 2011 and was reauthorized January 3, 2013, which allowed the processing of pending applications.
- *Shared Work* is an outstanding resource for hundreds of Connecticut companies and their employees. The program provides partial unemployment benefits to eligible workers, thus offering companies facing tough economic conditions an alternative to layoffs. Employers can remain open, and retain skilled workers at reduced hours because employees temporarily work a reduced workweek, with the lost portion of their salary supplemented by partial unemployment compensation benefits. Law changes in 2013 will allow non-contributory employers (reimbursing method) to participate, while expanding the reduced workweek percentage from “20 to 40 percent” to “10 to 60 percent.” The changes are expected to expand employer participation in the *Shared Work* program, thus further helping to prevent permanent reduction in the labor force.

### *Grants and Awards*

- USDOL awarded the CTDOL an Unemployment Insurance (UI) Re-employment and Eligibility Assessment (REA) grant of approximately \$2 million to implement UI REA programs at seven participating American Job Centers. (AJCs). The purpose of the UI REA grant is to prevent and detect improper UI payments and to assess continuing eligibility for UI benefits to achieve savings in the UI Trust Fund. Providing re-employment services is a mandatory component of the program and includes helping claimants identify skills needed for employment, find employment and access training. Additional enhanced employment services of the grant include providing referrals to services, career planning, individual counseling, occupational skills training, résumé writing, interviewing techniques and networking skills.
- The \$3.36M *State Energy Sector Partnership (SESP)* grant, made available through the American Recovery and Reinvestment Act of 2009 and administered through the Office of Workforce Competitiveness, was awarded to the Connecticut Employment and Training Commission. The primary focus of the SESP grant is to provide free and low-cost green training to unemployed and underemployed jobseekers and incumbent workers in Connecticut. Regional project teams meet on a quarterly basis and steer regional training activities leading to employment in the green economy. Regional training efforts training began in January 2011 and will continue into 2013. The grant also provided for a Green Jobs Coordinator at each Workforce Investment Board (WIB) to provide energy industry-specific advisement to One-Stop customers, conduct outreach to education, training and employer partners, train One-Stop staff on green careers and training opportunities, and to convene project teams to determine regional training priorities and strategies.

When the grant expired June 30, 2013, a total of 573 individuals had received training through the WIBs with 502 earning an industry-recognized credential. Other grant partners achieving successful program outcomes include the following:

- Education Connection developed the *Earth and Energy Science Essentials* curriculum for use by 11<sup>th</sup> and 12<sup>th</sup> graders.
  - The CT Community College system developed a new Building Analyst curriculum.
  - The CT Energy Workforce Development Consortium developed the “Get Into Energy” website.
  - The CTDOL Office of Apprenticeship Training assigned apprenticeship training representatives to develop, promote, and monitor apprenticeship opportunities for green occupations.
- In July 2011, CTDOL was awarded a three-year, \$5.8M grant from USDOL to administer the *Connecticut Green Jobs Funnel Initiative*. Managed by the Department’s Office of Workforce Competitiveness, the goal is to promote career pathways in the green construction industry for 975 unemployed and underemployed workers in seven Connecticut communities. The initiative enhances and replicates the evidence-based Jobs Funnel pre-apprenticeship model with core services that include assessment, case management, support services, basic and technical skills training, and job placement and retention support.

- ***Dislocated Worker Grants:*** During the 2012-2013 fiscal year, the agency administered grants awarded by the USDOL to serve dislocated workers under its Workforce Investment Act (WIA) Program. These are as follows:

**Demonstration Grants**

- ***Connecticut's Early Warning System Demonstration Program:*** Connecticut was one of only two states awarded this competitive grant totaling \$1,888,091 which was administered by CTDOL. The program operated from July 2008 to December 2012 and sought to demonstrate whether workforce training grants could help at-risk manufacturing employers avert layoffs and remain in business in the state. During this period, 51 businesses were served with 1,499 workers completing training. As of December 31, 2012, 89% of these companies that completed training in 2011 remained in business in Connecticut one year later and of those, 88% of the companies retained an employment level of at least 90% one year later.

**National Emergency Grants (NEG):**

- ***Mohegan Sun:*** CTDOL received \$335,400 to provide employment and training services to workers displaced from the Mohegan Sun Casino. From January 2011 through June 2013 the Eastern CT Workforce Investment Board served as project operator of this grant. A total of 128 workers were assisted under this grant with 40 entering training, 28 receiving supportive services, and 85 entering employment as of June 30, 2013.
- ***North Central Multi-Company:*** CTDOL was awarded \$420,518 to provide employment and training services to 100 workers displaced from 10 different companies located in the region served by the North Central WIB – Capital Workforce Partners (CWP). CWP is the project operator of this grant with a performance period of July 1, 2012 to June 30, 2014. As of June 30, 2013, a total of 55 workers received intensive re-employment services, of which 13 enrolled in training and eight entered employment following services.
- ***Hurricane Sandy (Disaster NEG):*** In November 2012, CTDOL was awarded an initial grant of \$610,207 with an approved threshold of up to \$1,830,620 to assist with Hurricane Sandy recovery efforts. The grant is designed to assist individuals find temporary employment working at public sites damaged by the storm. In addition to these employment opportunities, the grant also supports the provision of Workforce Investment Act services, including training for participants.
- ***Workforce Investment Act (WIA) federal funding*** was used to provide quality workforce services to approximately 6,000 individuals, and helped Connecticut's workforce investment partners increase the availability of employment and training assistance – an important component to the economic recovery of the state. The CTDOL and the Workforce Investment Boards use WIA funding to develop new employment and training initiatives that will yield immediate employment opportunities and show the best potential

for job growth, and fund projects that can best strengthen Connecticut's workforce and businesses. WIA funding totaled \$29.1 million during 2012-2013.

- *Individual Development Accounts (IDAs)*: Since the program began in 2000, funding in the amount of \$5,180,250 has been administered by CTDOL. The program helps create self-sufficiency, enhance careers and build assets. IDAs are matched savings accounts designed to help low-income individuals and families save money to purchase assets. Since IDAs inception, CTDOL has received \$907,500 in federal funding, \$2,525,250 in state-appropriated funds, \$600,000 in Connecticut Housing Trust Funds and \$1,147,500 in contributions from financial institutions and/or community action agencies.

CTDOL has administered four federal *Assets for Independence Act* grants, two *Housing Trust Fund* initiatives and three *Connecticut Individual Development Accounts (IDA)* initiatives to provide 964 Individual Development Accounts statewide, resulting in 333 asset purchases to date.

### ***Outreach Efforts/Public Education/New Publications***

- The agency's Communications unit developed and maintains a growing web presence on new CTDOL *Facebook* and *Twitter* social networking/media sites and expanded its public outreach and education efforts to a diverse, technology-savvy population through electronic flyers, newsletters and publications.
- The "Labor Exchange," a new electronic newsletter, was launched in March 2013 to help promote and inform the public about the many employment and training services offered at the agency. The newsletter is provided to federal and state workforce partners, the Legislature, Connecticut's Congressional Delegation, community partners, state agencies and many other public/business organizations, and is posted on the CTDOL website. Individuals are able to subscribe by clicking on the appropriate link at the bottom of the newsletter.
- The agency's *Speaker's Bureau* includes a diverse pool of agency experts available for public speaking engagements on topics and issues within the agency's jurisdiction. Topics include employment law, worker health and safety, labor market information, hot jobs, résumé writing, job interview tips and techniques, workforce development, and unemployment insurance. Requests are made via telephone, fax, or by using the agency website. This year, approximately 240 speaking requests were answered.
- The *Office of Program Policy* continued its successful Employer Education Breakfast Seminar Series. These seminars educate human resources professionals, business owners, associations, attorneys and other interested parties about Connecticut employment laws, such as the new Paid Sick Leave law, Unemployment Compensation, Drug Testing, Wage and Hour, Introduction to Employment Law. More than 325 participants attended seminars at the agency this past year. The staff also performs outreach and spoke before at approximately 30 groups on topics within the jurisdiction of the agency.

- *CONN-OSHA* staff continued its monthly Employer Roundtable Discussion series of free events featuring guest speakers, panel discussions and an overview of state and federal safety and health regulations for the workplace. The discussion series is held on the third Tuesday of every month and continues to grow, with participation averaging 40 attendees per event.

### ***Labor Laws/Legislation***

- The *Wage and Workplace Standards Division* enforces approximately 160 state statutes and administers a wide range of workplace laws, such as the minimum wage (currently \$8.25 per hour effective Jan. 1, 2010); overtime laws, wage payment laws, prevailing wage; employment of minors, Family and Medical Leave Act, and misclassification of workers as independent contractors to avoid worker's compensation requirements. Requests for wage recovery assistance has escalated due to a challenging economy, and has led to more complaints and an increasing number of cases of non-payment, and failure to pay minimum wage or overtime.
- The *Office of Program Policy* issued decisions on a variety of legal and policy questions within the agency's jurisdiction, including opinions in 360 individual unemployment compensation cases and 92 multi-claimant cases, including two labor disputes. Attorneys handled hearings before the Employment Security Appeals Division and the Employment Security Board of Review, whose decisions are precedent in similar unemployment compensation cases. More than 43 appeals, written arguments or motions were submitted to the Board of Review and Appeals Referees. A total of 40 FMLA complaints were received and 36 cases were closed either by settlement, withdrawal or dismissal. Office attorneys were involved in Connecticut Supreme Court decisions that affirmed the agency's position. The office drafted regulations for multiple CTDOL programs, including CONN-OSHA, FMLA for paraprofessionals and unemployment compensation. Office attorneys handled retaliation cases that concerned complaints filed by individuals under the three retaliation statutes administered by the office – wage retaliation, unemployment compensation retaliation, and public-sector OSHA retaliation.

## **Improvements/Achievements 2012-13**

### ***Increased Efficiencies***

- *Tax Rate Notices:* The Connecticut Department of Labor has historically mailed annual UI tax rate notices to employers no later than the first week in March of the tax rate year. In 2012, the Department modified its processes to expedite the mailing of the notices. For the 2012 tax year, the annual UI tax rate notices were mailed on January 27, 2012. For the 2013 tax year, the annual UI notices were mailed on December 28, 2012. The efficiency in mailing annual UI tax rate notices enables employers to accurately project their UI tax obligations, which results in more accurate UI tax payments.

- *Appeals Offices Consolidation:* Effective February 13, 2013, the Hamden, Hartford and Norwich Appeals offices were consolidated into one location in Middletown. The consolidation improves process efficiency as it provides the flexibility for claimants and employers to participate in the hearing process without a loss of employment hours, interviewing time, job searching hours, or increased gas expenses incurred in traveling to hearing sites. As a result of the increased number of appeals hearing staff co-located in one facility, there has been a decrease in the number of hearings needing to be postponed or continued. The consolidation has also resulted in an increase in Referee efficiency, which will allow the Referee Section to continue to satisfy the federally-mandated performance standards.
- *Digital Recordings* – The Digital Conferencing and Recording service continues to be a major asset to the Unemployment Appeals Division. Hearing officers use the mechanism to record hearings in a digital format. The system is both efficient and cost-effective as it provides telephone conferencing, storage, archiving and retrieval of all hearing recordings, and overall system maintenance. Recordings of hearings can be archived and paper records can be purged from storage in accordance with the existing retention schedule. Digital recordings of hearings are transferred to a permanent recording medium for archive in accordance with the existing retention schedule.
- Major additions to the CTDOL website were launched during the reporting period of July 2012 through June 2013: (1) the Connecticut’s Subsidized Training and Employment Program (Step Up) website, which gives users, particularly small businesses, information to assist them in hiring employees and expanding their workforce; and, (2) the Unemployment Insurance Online Services website, which makes it easier for claimants to access UI information online. The website also allows a claimant to contact CTDOL concerning common unemployment issues by allowing requests to be entered online, rather than having the claimant wait on the phone for significant periods of time to talk with a staff person.
- *Online Quarterly Tax Registration:* The Tax Division provides expanded customer service to the state’s approximately 99,000 businesses by offering an Internet registration system and a quarterly tax filing system that includes the ability to pay electronically any monies that are due. Working with providers of commercial desktop payroll software and the Department of Revenue Services, the division also provides employers with a “Gateway” system to file and pay state withholding and state UI taxes in one electronic transmission.

Currently the Division receives electronic quarterly tax return submissions from approximately 60,000 employers via its Internet system, the Gateway or other electronic means such as diskettes and File Transfer Protocol (FTP), and processes roughly 600 Internet employer registrations each month.

- *DirectBenefits:* CTDOL’s paperless payment system for unemployment benefits is currently saving approximately \$210,000 a month. During the height of the past recession, when CTDOL was issuing 170,000 payments weekly, average costs associated with issuing checks were approximately \$400,000 per month, or \$4.8 million annually. With the current

claim load of approximately 80,000 payments per week, cost savings remain substantial, at approximately \$2.5 million annually.

- *Treasury Offset Program (TOP)*: Working in collaboration with the Internal Revenue Service and USDOL, individuals with a fraud overpayment that have not responded to agency requests for repayment are identified and provided to the IRS for recovery. This allows the IRS to intercept the federal income tax refund or garnish federal wages. The program recoups payments for deposit in the unemployment insurance Trust Fund. Connecticut implemented the program in March 2012, recovering nearly \$1 million. More than \$4 million was recovered in calendar year 2013, exceeding all expectations.
- *Surveillance Capability*: A 2011 partnership with Connecticut employers that provides surveillance operators and captures employment activities that substantiate agency investigations with video/written narrative. The goal is to detect fraudulent UI payments while preventing additional fraudulent opportunities. Since June 2011, the program has detected and prevented more than \$1.3 million dollars in improper UI payments.
- *Fraud Prosecutions*: A new partnership combining the resources of the Connecticut Department of Labor and Chief State's Attorney's Office is fighting fraud by tracking down and prosecuting offenders for collecting Unemployment Compensation benefits to which they were not entitled. Since June 2013, over 15 arrests were initiated, accounting for more than \$300,000 in overpaid dollars.
- *Fraud Detection Software* – Implemented in January 2013, Integrity software allows the agency to scan thousands of unemployment insurance records to detect odd or unusual patterns, resulting in positive investigative fraudulent leads.
- *Garnishment/Wage Execution Program*: Through *E-filing*, the agency improved the efficiency of the garnishment program, and it currently recovers approximately \$2 million dollars in outstanding UI overpayment debt each year.
- *Return-to-Work Crossmatch* – Utilizing employer-submitted “New Hire or Rehire” information, hundreds of cases are reviewed each week for fraudulent activity. This significant prevention program diminishes opportunities to fraud the UI program. An estimated \$5 million dollars in improper payments are prevented each year as a result of this program.
- *Information Messages to Fight Fraud*: In an effort to deter fraudulent activities, the agency continues to provide claimant and employer educational messages to deter and prevent unemployment insurance fraud. Posters, claimant mailings, employer newsletters, claimant videos and tip sheets, and media releases on the agency website are part of the campaign.
- *Social Security Verification*: CTDOL implemented a batch process that verifies every Social Security number through the Social Security Administration database. Implemented May 20, 2013, this process will prevent approximately \$5 million dollars in improper UI payments each year.

## *Special Initiatives*

- *Subsidized Training and Employment Program (Step Up)* promotes job creation and worker opportunity for Connecticut small businesses and unemployed workers and offers employer incentives for hiring new workers. Since its inception through June 2013, this state program, which is part of the Jobs Creation Bill, has resulted in the hiring of 1,669 new employees with 501 unduplicated companies participating in the program. Positions include machinists, paralegals, engineers, office support and sales representatives.
- *Jobs Funnel Initiative* is comprised of public-private joint efforts around the state to place unemployed and underemployed individuals in a variety of employment opportunities including construction and non-construction jobs in both union and non-union settings and apprenticeship training programs. The Funnels have placed more than 3,600 individuals and the average starting hourly wage for the participants that complete Jobs Funnel programs is \$18.
- *State Energy Sector Partnership* offers tuition assistance and training opportunities to eligible Connecticut jobseekers in careers in renewable energy, energy efficiency and other industries with a green focus to promote career pathways to green jobs in construction, the building trades, and energy-related fields.
- *Connecticut Conservation Corps Program* is designed to help prepare CT's "green-skilled workforce" on career pathways contributing to state economic growth, while helping to conserve, protect and improve the state's natural resources and environment. A total of 60 young men and women ages 18-25 with a variety of backgrounds, including military veterans, worked during the summer of 2012 in state parks in eastern and western Connecticut. The six to eight week program offered opportunities to obtain certification in several areas, such as weatherization techniques, while counseling and workforce services for exploring and pursuing a future career were provided.
- *Misclassification:* Through its Wage and Workplace Standards Division, the agency has increased public awareness and strengthened its efforts to identify and deter willful employee misclassification by expanding its investigation efforts, resulting in the issuing of Stop Work orders. Misclassification occurs when employers intentionally misclassify workers as independent contractors rather than employees of the company. In an attempt to circumvent the law and cut costs by failing to provide required employee protections (such as worker's compensation) employers create an unfair advantage over companies abiding by state laws. During the year, 91 construction projects were visited and 258 contractor records were reviewed. This activity resulted in 183 Stop Work Orders to be issued, which requires cited employers to show proof of appropriate coverage before worksites can be reopened and work resumed.

- **New Legislation Promotes Efficiency in Unemployment Insurance Tax Filing:** Three legislative changes will save money, allow the agency to utilize staff more effectively, and support the unemployment insurance Trust Fund. As a result of this new legislation, the following improvements will take place:

- *Electronic UI payments for employers will save CTDOL more than \$200,000 annually on data entry costs associated with the recording of UI tax, wage and payment data submitted in paper form.*

Effective with the first calendar quarter of 2014, all employers must file UI tax returns and make UI tax payments electronically. The legislation, which allows for waiver requests, will eliminate the data entry costs associated with paper forms and will also allow CTDOL to reallocate staff to other priority functions, such as delinquent tax collections and enforcement activities. Employers can access the Department's website to file returns and make payments free of charge.

- *Incentive for employers to register timely, ensuring stable funding from the USDOL and timely payment of UI benefits (effective October 1, 2013):*

Employers subject to UI tax filing requirements must register with CTDOL. The USDOL sets requirements regarding the timely registration of employers, as untimely employer registrations delay the payment of UI benefits to unemployed workers. Failure to meet requirements for timely registration jeopardizes federal funds received by the Department from the USDOL. Once in effect, all newly-registered employers must notify CTDOL electronically within 30 days of the date they became liable for UI tax reporting. Failure to do so results in the assessment of a \$50 penalty.

- *Incentive for employers to file under the CTDOL-assigned registration number to promote increased efficiency and cost savings (effective October 1, 2013):*

Employers are required to file UI tax returns quarterly under a registration number assigned by the Department. Failure to utilize this registration number causes delays in the posting of tax, wage and payment data and also may delay the payment of UI benefits. These filings also result in significant staff costs in correcting errors. Once in effect, employers filing a tax and wage report under an improper registration number will be assessed a \$25 fee. This fee will encourage employers to file under the assigned registration, with the ultimate goal of improving the timeliness of UI benefit payments and of the posting of tax, wage and payment information.

## **Information Reported as Required by State Statute**

### ***Wage and Workplace Standards Violations***

- Labor Department investigators recovered a total of \$6,544,707.83 in legally due wages for employees during the past fiscal year. This included \$3,660,496.47 recovered by wage enforcement staff responding to 2,528 complaints that owed wages had not been paid. Wage and Workplace Standards staff also returned \$899,689.97 to 1,701 workers who were not paid for overtime work or who were paid less than minimum wage and recovered \$1,959,866.81 by enforcing the state's prevailing wage laws. An additional \$34,654.58 was recouped in back pay owed to 34 service workers hired by private contractors.
- Violations of prevailing wage laws were determined after investigators conducted 64 payroll audits and made 30 site inspections. A total of 544 employees received owed wages as a result of non-payment of prevailing wage rates.
- Violations were found in 388 additional cases concerning employment of minors in the workplace (hours of labor, night work of minors, prohibited employment of minors, working papers/certificates of age), smoking in the workplace, meal/rest periods, personnel files, and drug testing issues.
- A total of 183 Stop Work orders were issued to employers that did not comply with Worker's Compensation requirements. Following on-site investigations, these companies were required to cease work on a construction project until certain workplace regulations were met. In some cases, it was determined that employers misrepresented employees as independent contractors, a practice that causes an economic disadvantage to companies following the law and to those workers that are misclassified.

### ***Unemployment Compensation***

- Unemployment Insurance (UI) benefits paid to unemployed workers totaled \$1.52 billion. Of that amount, \$781.7 million was paid to claimants formerly employed by employers paying quarterly UI taxes under the regular UI benefits program and \$738.7 million was provided to claimants formerly employed by non-taxable employers and/or under other programs. Total taxes paid by more than 98,000 employers whose employees were covered by Unemployment Insurance totaled \$856 million.

### ***Population and Employment Data***

- Through its Office of Research, the agency completes special state, local, or sub-state regional studies and economic analyses to provide information support for economic transition, workforce development initiatives, education program analysis and development, and responses to major layoffs or disasters. Strategies for addressing issues such as labor gaps, and for positioning the state's educational and workforce systems to be

able to respond quickly to critical areas of workforce need, are a fundamental part of the Governor's vision for Connecticut's workforce and economic development efforts.

### ***Occupational Analysis Products and Publications***

- *Current Conditions and Outlook for the U.S. and Connecticut Economies*: Annual comprehensive review and analysis of the U.S. and Connecticut economies.
- *2012 Information for Workforce Investment Planning (annual)* contains a variety of data on Connecticut and each of the state's five Workforce Investment Areas including population and population density, labor force, employment and wages by industry sector, and new housing permits. In addition, detailed information on residents in need of workforce investment services such as high school dropouts, Medicaid recipients, adult probationers, Temporary Family Assistance recipients, and other residents with barriers to employment is included. Also incorporated is information on commuting patterns, long-term unemployment insurance claimants, a work area profile for each Workforce Investment Area as well as appendix tables and historical data on the aforementioned topics for comparisons and trends analysis.
- *Connecticut Career Paths* is a planning guide developed for mainly high school students and those making or guiding career choices. Nearly 500 occupations are profiled, along with their employment levels, growth potential, expected earnings, skills requirements, and education paths.
- *Connecticut's Reemployment Portal* displays occupations with similar characteristics such as knowledge areas, tools and technology, and general work activities of selected occupations to connect jobseekers with helpful information and current job openings.
- *Training and Education Planning System (TEPS)* is a tool designed to aid the analysis and discussion of the demand and supply of talent in Connecticut's workforce. It is intended to help identify where there may be skill shortages or surpluses in the labor market, and thereby guide investments in education and training programs by program planners and administrators, as well as by individuals considering career options. The program is intended primarily for educational administrators and workforce development training providers that are considering whether or not to develop a new program, expand or contract an existing one, or drop an existing program, by showing where there may be a need for trained workers.
- *Economic Indicator Scorecards* are monthly updated economic indicators that present an overall picture of the current conditions in the Connecticut labor market, business climate, consumer sector and the current/future overall. These include charts, trends, year-to-year changes and data for 24 economic indicators.

## ***CONN-OSHA***

- *Report on inspections:* The Occupational Safety and Health Division conducted safety and/or health compliance inspections at 135 public worksites, affecting workplace conditions of 3,317 state and municipal employees. Violations were documented in 83 of those inspections, with citations for 127 "serious" violations, 200 "other than serious" violations, and two repeat violations.
- *Report on consultations, training and clinics:* CONN-OSHA provided safety and health consultations to 341 private-sector businesses that collectively employ 17,312 workers and to 127 public sector workplaces with a total of 8,103 employees. Additionally, safety training programs and outreach were provided to more than 6,640 employees.

## ***Mediation and Arbitration***

- During the year, 616 grievances were filed for arbitration and 947 formal grievance arbitration hearings were scheduled, resulting in 656 cases being successfully closed and 109 awards issued. Expiration notices on 197 private sector contracts were received. In compliance with State Statutes, the Board of Mediation and Arbitration imposed binding arbitration on 444 municipal contracts and three state contracts. Mediators responded to a total of 641 requests for grievance mediation.