

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 - 845

Recurring operating expenses 2013-14: Federal - \$107,804,112; State - \$75,833,798

Capital outlay: Federal - \$477,605; State - \$269,628; CEPF - \$24,313

Website - www.ct.gov/dol

Mission

The Connecticut Department of Labor (CTDOL) is committed to providing the state's jobseekers and business community with services to strengthen our workforce and the 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, CONN-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 also 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 – *WebBenefits*, an Internet system, and *TeleBenefits*, an automated voice 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 United States Department of Labor (USDOL) 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 included:
 - *Worker group certifications*: Petitions filed on behalf of workers from 21 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*: 1,091 individuals were identified by USDOL as potentially eligible to apply for TAA benefits and 601 eligibility determinations were issued in response to submitted applications.
- *Training*: 321 individuals entered TAA-approved training programs and 791 individuals were active in training. Training payments totaled \$2,964,747.
- *Trade Readjustment Allowances (TRA)*: A total of \$6,384,908 was paid for 13,026 weekly TRA claims, representing 2,088 weeks of basic TRA, 9,313 weeks of additional TRA, 1,539 weeks of remedial TRA and 86 weeks of completion 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 \$252,242 in payments was issued to eligible workers.
- *Health Coverage Tax Credit (HCTC)*: The HCTC tax credit covered 72.5% of qualified health insurance premiums for eligible individuals and their families. This IRS program expired January 1, 2014, and the credit is no longer available.
- *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, over a 30-day period, they: (1) close a facility or discontinue an operating unit affecting at least 50 employees, not counting part-time workers, or (2) lay off 50-499 workers (and these workers comprise at least 33% of the total workforce at a single site of employment); or (3) lay off 500 or more workers at a single site of employment. Employers may also be required to provide 60-days advance notice if, over a 90-day period, they have had a series of smaller layoffs, none of which individually would be covered under WARN but which add up to numbers that would require a WARN notice. 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 2013 to June 2014, CTDOL's Rapid Response staff made 287 outreach calls and responded to 48 WARN notices affecting 3,605 workers; made 140 employer and/or union visits; and provided 182 presentations to 3,781 impacted workers, which included 28 on-site job search workshops, four Trade Act benefit seminars, and 10 webinars for workers at companies that opted not to have on-site meetings. When face-to-face contact was not possible, an additional 2,805 dislocated workers, including human resources managers and union representatives, were provided written informational materials.

The Rapid Response Unit submitted nine 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 certain foreign countries. Four of the nine petitions, covering 319 workers, were certified TAA eligible. Three petitions were denied, one petition was terminated as workers were deemed eligible under a prior certification, and one was pending final determination at the close of the program year.

- The *Reemployment Services and Reemployment and Eligibility Assessments (RES/REA)* program was a federally-mandated initiative of the Middle Class Tax Relief and Job Creation Act of 2012, requiring certain individuals applying for federal Emergency Unemployment Compensation (EUC) Tier I and Tier II benefits to attend an interview at their local *American Job Center*. CTDOL employees met with claimants, assessed their work search efforts for appropriateness, and offered reemployment strategies. RES/REA activities ended due to the expiration of the EUC program on January 1, 2014. To date, Congress has not passed any further extensions.

Between July 2013 and December 2013, a total of 18,465 claimants collecting EUC were notified to attend a mandatory meeting. Those who did not appear were referred to adjudications and subject to disqualification of UI benefits.

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.

This past year, as part of a national initiative, CTDOL began the transition of renaming the *CTWorks Career Centers* to the state's *American Job Centers*. Under guidance issued by USDOL, the goal is to better identify a country-wide network of job centers to assist employers and jobseekers with workforce needs. To support this effort, CTDOL incorporated the *American Job Center (AJC)* name in its re-designed agency logo and issued guidance to CTDOL staff and the state's five Workforce Investment Boards (WIBs) on usage of the AJC name. This year, CTDOL and the WIBs completed the process of

updated signage at the state's job centers to reflect the AJC identity, and the agency continues to update its website to notify the public of this transition.

At the AJC offices, 191,372 Wagner-Peyser program participants received services (staff-assisted or self-service) with a total of 252,288 staff-assisted services provided statewide. Approximately 48,762 Wagner-Peyser customers benefited from employment 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, 9,338 individuals received résumé and LinkedIn services at CTDOL-sponsored events and *American Job 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) Connecticut's state labor exchange system is the self-service job bank known as CT.jobs. This free service 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. Jobseekers can post their résumés online while employers can post W-2 jobs and search the résumé bank for qualified candidates. 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. Technical assistance is provided to both employers and jobseekers.

A total of 1,714 new account requests from businesses were processed by CT.jobs staff between July 2013 and June 2014. During this same period, employers posted 36,709 new Connecticut job openings and jobseekers placed 9,594 new résumés into the system. In addition, 107,028 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.

- *Jobs First Employment Services (JFES)* serves families receiving state cash assistance, Temporary Family Assistance (TFA), through the agency's partnership with the Department of Social Services and the Workforce Investment Boards. During, fiscal year 2013-2014, a total of 15,678 participants received employment services from *American Job Center* staff, or through contracted service providers. Services include job search assistance, vocational education, adult basic education, subsidized employment, case management and other support services such as transportation benefits.

In fiscal year 2013-2014, the "Integrated Basic Education and Job Skills Training (I-BEST)" pilot program – which is based on the state of Washington's nationally recognized model – was implemented for JFES participants. I-BEST is an evidence-based model that

provides technical skills training simultaneously with basic adult education. The curriculum is designed jointly and classes are co-taught by an adult education instructor and a specialist in the appropriate vocational technical field. The I-BEST model has proven to help participants improve their basic skills, learn English and/or earn a high school diploma while attaining an industry-recognized credential. Many of the I-BEST pilot programs included a post-program subsidized employment or internship component.

- *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 workforce development program which provides transitional support services to incarcerated and paroled individuals, including job search skills training and resources to enter competitive employment positions. Program services support successful reintegration into the community focusing on self-sufficiency and parental responsibilities. The program also links participants to community-based transitional services that support respective employment goals.
- A series of seven Connecticut Career Fairs including a veteran-specific Heroes4Hire Job Fair co-sponsored with the Department of Veterans Affairs drew 362 company recruiters and 6,200 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 additional interviews.
- CTDOL's *Alien Certifications Program* located within the Performance and Accountability Unit acts as an agent for USDOL. The program ensures that employers have exhausted all efforts to hire American workers before recruiting foreign workers prior to receiving certification. In fiscal year 2013-2014, CTDOL staff handled 59 certifications, including temporary certifications for foreign agricultural workers (H-2A). A total of 85 pre-occupancy housing inspections in connection with agricultural certifications were also completed.
- The *Migrant and Seasonal Farm Workers* program provided outreach services to 1,370 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 Jobs Driven National Emergency 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 employer-sponsors and 4,500 registered apprentices and an additional 500 apprentices will complete their training this year.

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. The office continues its efforts to expand registered apprenticeship within the manufacturing sector.

- *Job Corps* is a national, federally funded educational and vocational training program administered by USDOL that helps low income youth (ages 16-24) gain workplace skills, train for high-demand occupations, 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. CTDOL has an assigned staff member who provides on-site support to the Hartford Job Corps Academy and New Haven Job Corps Center.

Veterans' Services

- *Office for Veterans' Workforce Development (OVWD)* helps Connecticut veterans through its team of Veterans' Employment Representatives located at *American Job Centers*, U.S. Department of Veterans Affairs offices, and various outstations throughout the state.
 - During the year, employment and training services were provided to more than 8,000 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.
 - In April 2014, OVWD sponsored a *Heroes4Hire* job fair. This event drew 89 employers and more than 1,000 veterans. In addition to having the chance to meet with representatives from companies with job openings, veterans were provided information on veterans' benefits, vocational rehabilitation, résumé critique assistance, education and career options, and career development guidance.
 - Also in Program Year 2013, OVWD staff continued its work with the Oasis Centers program, which is operated through Connecticut's Board of Regents for Higher Education. Oasis Centers are located on the campuses of Connecticut universities and state community colleges, offering a place where veterans can gather and meet with state and federal benefit providers. OVWD staff provides veterans with labor market information and offers assistance with occupational exploration, research into education options, résumé and cover letter preparation, interviewing skills, and employment searches.

- A pilot program connecting the OVWD and Department of Social Services (DSS) was put into motion in order to expedite services to veterans who meet criteria for cash assistance, SNAP and other potential benefits. Initial findings within the first year included the following:
 - Under the pilot, the proper identification of veterans between CTDOL and DSS has increased from 339 veterans in April 2014 to 489 veterans (to date) receiving CTDOL workforce services.
 - The new online link developed and posted on CTDOL's website (www.ctvets.org) has streamlined wait time for veterans receiving assistances and eliminated long lines.
 - Veterans have priority at DSS with a dedicated advisor.

- The VETS 2 COPS and VETS 2 FIREFIGHTERS program, launched in November 2012, continues to assist veterans interested in continuing careers in law enforcement and as first responders. This year, 10 veterans have been hired as police officers, 22 assigned slots at the academy for training, and three hired for federal correctional positions. The program 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.

- In September 2013, veterans in need were provided services by OVWD staff at Stand Down. This event, held at the State Veterans' Home in Rocky Hill, offered opportunities for veterans who are homeless, chronically unemployed, or have difficulty adjusting in society. CTDOL services included résumé writing assistance, online job search guidance and registration for employment services.

- Transitioning services were also provided by OVWD staff to Connecticut's National Guard and Army Reserve troops returning from Iraq and Afghanistan. At four demobilization briefings, services were provided to more than 400 Army, Marines, Sailors and Airman. Services included information and referrals to benefits and federal training programs, and education, and employment programs offered through the *American Job Centers*. Unemployment information was also provided to those discharged from active military service. OVWD staff participated in numerous 30, 60 and 90 day follow-ups with these units and their families. This important transitioning process for returning troops is accomplished through the joint efforts of the U.S. Department of Veterans Affairs, CTDOL's veterans' staff, CT Department of Veterans' Affairs, USDOL, and the Connecticut Military Department.

- The Subsidized Training and Employment Program (Step Up), 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) is part of the original Step Up program created under the Jobs Bill of 2011. Through marketing and employer outreach events, the "Step Up for Vets" program has

provided 151 employers the opportunity to hire 218 veterans using state funding to help subsidize the positions for up to six months.

- *Veterans Retraining Assistance Program (VRAP)*: CTDOL's Office for Veterans' Workforce Development (OVWD) provided assistance through the federal VRAP which offered 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 interviewed veterans as they completed VRAP training and assisted them with résumé preparation, job development, and job search efforts.

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 10,072 ERS participants who received labor market information, career guidance, information on CT jobs, an overview of *American Job 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 30,102 additional reemployment services being provided.

Web-Based Services

- From July 2013 to June 2014, more than 4.6 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: 90,414 pages were viewed regarding interviewing skills information; 74,712 sought employer recruitment information; 48,735 were interested in veterans' services; and 450,491 visitors sought information related to other job seeking methods.
- An average of 36,066 claimants (49.5%) used the Web function to file for their weekly UI payments.
- The *Connecticut Job & Career ConneCTion (JCC)* received 65,818 visitors from July 1, 2013 to June 30, 2014. An additional 19,600 visitors came to JCC through the Agency's

Reemployment Portal. 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 27,165 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

- The *Wage and Workplace Standards Division* recovered \$6,564,848 in owed wages for Connecticut workers this year. The Division enforces approximately 160 state statutes and administers a wide range of workplace laws, including the minimum wage (currently \$8.70 per hour effective Jan. 1, 2014; \$9.15 effective Jan. 1, 2015; \$9.60 effective Jan.1, 2016 and \$10.10 effective Jan. 1, 2017 (see P.A. 14-1), overtime laws, wage payment laws, prevailing wage, employment of minors, Family and Medical Leave Act, and misclassification of workers as independent contractors to avoid workers' compensation requirements. Requests for wage recovery assistance have escalated due to a challenging economy, and have led to additional complaints filed and an increasing number of cases of non-payment and failure to pay minimum wage or overtime.
- *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 and 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.

In 2013-2014, Program Policy decisions included opinions in 297 individual unemployment compensation cases and 46 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 77 appeals, written arguments or motions were submitted to the Board of Review and Appeals Referees. Program Policy staff conducted formal training sessions on new UI law and policy for approximately 80 CTDOL adjudications staff, trained newly appointed adjudications specialists on UI laws and trained staff on and administered the quarterly federally-mandated Benefits Timeliness and Quality program. The office drafted regulations for multiple CTDOL programs, including CONN-OSHA, Family Medical Leave Act (FMLA) for paraprofessionals and Shared Work. 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. The office attorneys also handled Freedom of Information (FOIA) requests and 34 FMLA complaints.

- 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 and articles 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 appeal. The first level (Referee Section) decided 18,408 appeals while the second level (Board of Review) decided 2,335 appeals. This year, the Division continued to exceed the federally-mandated quality standards in issuing its decisions. The Board also recaptured the federally-mandated standards for the timely issuance of its decisions.

Employer Services

- *Business Services* helps Connecticut's employers to hire, train and retain workers by meeting with employers and analyzing the needs of businesses and offering customized solutions. Between July 2013 and June 2014, Business Services staff assisted Connecticut employers with more than 480 recruitments attended by approximately 7,523 jobseekers. For the program year July 1, 2013 through June 30, 2014, the Connecticut Legislature passed legislation combining the 21st Century Job Training program formerly administered by CTDOL with the Incumbent Worker Training program operated by the Workforce Investment Boards. This new Incumbent Worker Training program, administered by CTDOL, resulted in developing 88 training agreements with Connecticut employers using approximately \$700,000 in incumbent worker training funds. The program enabled 2,061 employees to participate in these trainings. While the Incumbent Worker Training program legislation required that a minimum of 50 percent of the training funds go to new employers, CTDOL staff expended 81 percent of the funds with new employers, far surpassing the legislative requirement. These numbers do not include the three statewide training contracts with Central Connecticut State University's Institute of Technology and Business Development, CONNSTEP and the Middlesex Chamber of Commerce. Employers were required to provide a 50 percent or greater match for each of these training programs which included training in the Manufacturing, Allied Health and Green Technology sectors.
- 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 \$1.35 billion. Of that amount, \$757.6 million was paid to claimants formerly employed by employers paying quarterly UI taxes under the regular UI benefits program, and \$595.4 million was provided to claimants formerly employed by non-taxable employers and/or under other programs, including \$533.4 million in Emergency Unemployment Compensation benefits paid by the federal government. Taxes paid by more than 98,000 employers whose employees were covered by Unemployment Insurance totaled \$863 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.

- *Work Opportunity Tax Credit (WOTC)* program provides a federal tax credit for employers hiring individuals from specified groups. A total of 9,330 tax credit certifications were granted for October 1, 2013 through June 30, 2014. Authorization to grant WOTC to all specified groups expired on December 31, 2013 and is awaiting federal re-authorization.
- *Shared Work* guidelines were expanded in 2013-2014 to offer an outstanding resource to additional 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. Additional information on the expansion can be found under the *Improvements/Achievements* section.
- The *Lean Government Process Improvement* program continued to promote its services to state agencies and organizations. The program, which consists of formal classroom training and group sessions, works in a team setting to map out work processes, identify customer values, and find ways to slash waste. The goal of CTDOL's Center for Lean Government is to promote increased productivity, fewer errors and improve quality by eliminating unnecessary reports and paperwork and streamlining approval processes and information retrieval.

Grants and Awards

Grants

- CTDOL was awarded a three-year, \$5.8 million grant from USDOL in July 2011, 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.
- In October 2013, Connecticut was one of eight states to receive a grant under USDOL's Disability Employment Initiative (DEI). Awarded to CTDOL's Office of Workforce Competitiveness, the three-year, \$3,058,706 grant implements strategic approaches for enhanced employment services to individuals with disabilities in the public workforce investment system.

Working with DEI case managers, jobseekers with disabilities receive a full range of employment assistance including: assessments, career readiness skills, training, education,

or finding solutions to physical, programmatic or communications accessibility workplace barriers.

The DEI grant will provide for capacity building efforts to serve jobseekers with disabilities through extensive staff training, as well as the purchase and installation of up-to-date assistive technology in the *American Job Centers*. The grant also supports key partnerships and collaboration across multiple workforce and disability service systems.

As a requirement of the DEI, two local Workforce Investment Boards – Northwest Regional Workforce Investment Board and Capital Workforce Partners – became active Employment Networks (ENs) in the Social Security Administration’s Ticket to Work Program, thus expanding the Connecticut workforce investment system’s capacity to serve eligible beneficiaries.

- In June 2014, CTDOL’s Office of Research was awarded a three-year grant under the USDOL Workforce Data Quality Initiative (WDQI). This \$823,791 grant will be used to coordinate CTDOL’s workforce training, Jobs First Employment Services, UI Benefits, UI wages and other related databases into a unified system that can link with the education database system. This will assist researchers in these agencies to better understand the links between Connecticut’s education system, workforce training system, and successes in the labor market.
- **Dislocated Worker Grants:** During the 2013-2014 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:

National Emergency Grants (NEG):

- ***Job Driven National Emergency Grant:*** On June 27, 2014, the CTDOL was awarded a grant totaling \$3,392,350 to implement a job driven strategies program for dislocated workers, particularly the long-term unemployed. The grant period is July 1, 2014 to September 30, 2016.
- ***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 Workforce Investment Board – Capital Workforce Partners (CWP). The Board began operating the program on July 1, 2012. As of June 30, 2014, a total of 103 displaced workers have been served under the grant: 103 received intensive re-employment services; 29 enrolled in occupational skills training; and 41 entered employment following services. The grant end date has been extended to June 30, 2015.
- ***Hurricane Sandy (Disaster NEG):*** In 2012, CTDOL was awarded \$610,207 to assist with Hurricane Sandy clean-up efforts through October 30, 2013. The grant end date was extended to June 30, 2014. Through the Eastern Workforce Investment Board and The Workplace, Inc., 44 displaced workers were placed in

temporary employment and assisted in storm clean-up projects on public lands or assisted in municipal coordination efforts.

Awards

- *Workforce Investment Act (WIA)* federal funding was used to provide quality workforce services to approximately 6,100 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 \$27.5 million during 2013-2014.
- *Individual Development Accounts (IDAs)*: Since the program began in 2000, funding in the amount of \$5,419,363 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 the IDA program inception, CTDOL has received \$907,500 in federal funding, \$2,725,250 in state-appropriated funds, and \$600,000 in Connecticut Housing Trust Funds and \$1,186,613 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 962 Individual Development Accounts statewide, resulting in 407 asset purchases to date.

Outreach Efforts/Public Education/New Publications

- The agency's Communications unit continued to develop a growing web presence by refining and expanding CTDOL's *Facebook* and *Twitter* social networking/media sites. Efforts to increase social media awareness included web banners, frequent tweets, following/liking similar or partner sites, and inviting state policymakers to visit CTDOL's Facebook page. The unit expanded its public outreach and education efforts to a diverse, technology-savvy population through an increasing number of electronic flyers, newsletters and publications.
- The "Labor Exchange" electronic newsletter has helped 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.
- 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 245 speaking requests were answered.

- *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.
- The 20th *Connecticut Learns and Works* consortium, an annual education and workforce development conference, was attended by 285 participants. The May 16, 2014 program offered eight different workshops focusing on education collaboration with present day workforce needs. Tailored to counselors, educators, case managers, employment and training professionals, job developers, recruiters and private sector business, topics included career pathways, manufacturing employment, training opportunities, social media usage, Labor Market Information, and STEM initiatives for young women in middle schools.

Improvements/Achievements 2013-14

Increased Efficiencies

- *Website Improvements:*
 - A new UI website, www.FileCTui.com was created to provide customers an alternative to waiting on the phone for an answer to commonly-asked questions. Using an easy-to-remember website name, the online service offers customers a quicker method to obtain UI information and services. The main intent is to help ease the impact of being unemployed by providing the tools for clearly understanding how to file a claim and access re-employment services. Information available pertaining to Unemployment Assistance includes how to create an account for online filing, assistance when filing for the first time or currently filing, and re-opening an account. Since implementing the website in November 2013, more than 60,500 individuals have visited the site. In May 2014, CTDOL expanded this service to include a Spanish Language Assistance Center. This service is now averaging up to 1,500 online inquires monthly.
 - Enhancements were made to the Connecticut Occupational Safety and Health (CONN-OSHA) area of the Department of Labor's website this year. The customer-friendly improvements included the addition of the "Breakfast Roundtable Discussion Group" section to the CONN-OSHA site to complement the CONN-OSHA discussion groups held each month. This new feature allows users to view in detail the subject area to be discussed in the coming month, as well as to access information on all present and past discussion groups. An additional improvement was to add the CONN-OSHA Hazard Communication/GHS Employer Training Program to the site.

- Decision documents pertaining to the Connecticut State Board of Labor Relations decision documents were upgraded so that they are now searchable online. The decisions, which date back from 1945 to the present day, serve as a valuable resource for CTDOL staff, attorneys and the general public.
- *Online Quarterly Tax Registration:* Beginning with the first calendar quarter 2014, employers are now required to file their Unemployment Insurance tax and wage reports and make payments electronically. The department's website allows employers to complete these transactions efficiently and free of charge. In addition to filing tax and wage reports and making payments, employers may also notify the department of account updates such as mailing address changes and business acquisitions.
- *DirectBenefits:* CTDOL's paperless payment system for unemployment benefits is currently saving approximately \$91,000 per month. Although the economy is rebounding, CTDOL currently issues about 50,000 payments weekly (down from up to 175,000 claims weekly during the height of the Recession) but cost savings remain substantial – more than \$1 million dollars annually.
- *Shared Work:* Law changes implemented in October 2013 expand the program's availability from "contributing employers" to all Connecticut employers meeting the program's eligibility requirements. Additional law changes effective July 1, 2014 offer companies more opportunities to take part in the program and thus avoid laying off skilled workers. Eligible employers could qualify for the program when faced with the need to reduce the hours of its permanent full-time and/or part-time workforce by 10 to 60 percent; have a minimum of two employees affected by the change in hours worked; and pay a dependency allowance to those employees taking part in the program that have qualifying dependents on their unemployment insurance claim. Currently, 104 companies are participating in the Shared Work program.
- *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 prevents \$5 million dollars in improper UI payments each year.
- *Monetary Penalty:* Effective October 1, 2013, UI integrity laws were enacted to modify the practice of establishing administrative penalty weeks to a monetary penalty when an individual fraudulently claims UI benefits. This change was required by federal mandate(s), to prevent improper payments and support Trust Fund solvency. With the change, each fraudulent overpayment is assessed either a 50 percent (first offense) or 100 percent (additional offense) monetary penalty, which is in addition to the principal overpayment amount. Program modifications and LEAN initiatives were implemented in April 2014 to support the new integrity laws. In less than four months, fraud investigators/auditors completed over 19,000 cases that allowed them to identify more than \$21 million in overpaid UI benefits for recoupment action.
- *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. Further, informational notices are mailed to the claimant, reminding them of the laws that prohibit working and not reporting their earnings.

- *Surveillance Capability*: This partnership with Connecticut employers provides for surveillance operators and captures employment activities that substantiate agency investigations with video/written narrative. Since June 2011 when the program began, the program has detected and prevented more than \$1.7 million dollars in improper UI payments.
- *Fraud Prosecutions*: A partnership combining the resources of the Connecticut Department of Labor and Office of the Chief State's Attorney to fight UI fraud by prosecuting offenders for collecting UI benefits to which they were not entitled. Since June 2013, over 70 arrests were initiated which account for more than \$2 million dollars in overpaid UI benefits, while recovering \$527,264.46 dollars from these individuals.
- *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. Since implementing the program in March 2012, Connecticut recovered over \$7.7 million dollars.
- *Garnishment/Wage Execution Program*: Through *E-filing*, the agency improved the efficiency of the garnishment program. Since January 2013 when the program began, the program has recovered more than \$2.6 million dollars in outstanding UI overpayment debt.
- *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, conferences, and media releases are part of the campaign.
- *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.

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 2014, this state program, which is part of the 2011 Jobs Creation Bill, has resulted in the hiring of 2,639 new employees with 821 unduplicated companies participating in the program. Positions include machinists, machine and press operators, CNC specialists, mechanics, paralegals, engineers, office support, electricians, data center technicians, cable

technicians, property managers, lab technicians, welders, carpenters, and sales representatives.

- The *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 3,957 individuals.
- *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 to a number of employers. 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, 121 construction projects were visited and 324 contractor records were reviewed. This activity resulted in the issuance of 172 Stop Work orders, which requires cited employers to show proof of appropriate coverage before worksites can be re-opened and work resumed. CTDOL's Unemployment Insurance Tax Division also works to deter misclassification, and staff accomplished this by conducting more than 1,500 employer audits and approximately 9,500 individual wage investigations. These examinations resulted in the reclassification of more than 6,000 workers and the discovery of more than \$70 million in previously unreported payroll.
- *Efficiencies in Unemployment Insurance Tax Filing*: New legislation that went into effect Jan. 1, 2014 is saving money, allows the agency to utilize staff more effectively, and supports the unemployment insurance Trust Fund. As a result of this new legislation, which requires that employers make their UI payments electronically, the agency is saving more than \$200,000 annually on data entry costs associated with the recording of UI tax, wage and payment data submitted in paper form. The elimination of data entry costs associated with the old paper forms has allowed CTDOL to reallocate staff to other priority functions such as delinquent tax collections and enforcement activities. Employers, who can make waiver requests for certain circumstances, are finding it easy to access the CTDOL website to file returns and make payments free of charge.

Information Reported as Required by State Statute

Wage and Workplace Standards Violations

- Labor Department investigators recovered a total of \$6,564,848.58 in legally due wages for employees during the past fiscal year. This included \$3,053,199.60 recovered by wage enforcement staff responding to 2,776 complaints that owed wages had not been paid. Wage and Workplace Standards staff also returned \$1,241,282.79 to 1,178 workers who were not paid for overtime work or who were paid less than minimum wage and recovered

\$2,067,543.09 by enforcing the state's prevailing wage laws. An additional \$202,823.10 was recouped in back pay owed to 376 service workers hired by private contractors.

- Violations of prevailing wage laws were determined after investigators conducted 51 payroll audits and made 44 site inspections. A total of 424 employees received owed wages as a result of non-payment of prevailing wage rates.
- Violations were found in 392 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 172 Stop Work orders were issued to employers that did not comply with Workers' 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 \$1.35 billion. Of that amount, \$757.6 million was paid to claimants formerly employed by employers paying quarterly UI taxes under the regular UI benefits program and \$595.4 million was provided to claimants formerly employed by non-taxable employers and/or under other programs, including \$533.4 million in Emergency Unemployment Compensation benefits paid by the federal government. Total taxes paid by more than 98,000 employers whose employees were covered by Unemployment Insurance totaled \$863 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.
- *2013 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 286 public worksites, affecting workplace conditions of 6,185 state and municipal employees. Violations were documented in 186 of those inspections, with citations for 229 "serious" violations, 365 "other than serious" violations, two "willful" violations, one "failure to abate" violation and four "repeat" violations.
- *Report on consultations, training and clinics:* CONN-OSHA provided safety and health consultations to 469 private-sector businesses that collectively employ 14,874 workers and 100 public sector workplaces with a total of 3,447 employees. Additionally, safety training programs and outreach were provided to 4,309 employees.

Mediation and Arbitration

- During the year, 585 grievances were filed for arbitration and 1,101 formal grievance arbitration hearings were scheduled, resulting in 694 cases being successfully closed and 68 awards issued. Expiration notices on 184 private sector contracts were received. In compliance with State Statutes, the Board of Mediation and Arbitration imposed binding arbitration on 404 municipal contracts and three state contracts. Mediators responded to a total of 713 requests for grievance/contract mediation.