

ANNUAL REPORT



State of Rhode Island Department of Labor and Training **2019 Annual Report**

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Introduction

Dear Rhode Islanders:

I am pleased to present the Rhode Island Department of Labor and Training's 2019 Annual Report to the people of Rhode Island, our partners and colleagues in state government, elected officials, business leaders, and community stakeholders.

The Department of Labor and Training has a simple mission: to help Rhode Island become a fairer, more prosperous, and safer place to live, work, raise families, and grow companies. Over the past year, we worked hard to live up to this responsibility.

One of the ways we do this is by connecting Rhode Islanders with good jobs. We help Rhode Islanders gain the skills they need for the most in-demand professions through Real Jobs RI, Governor Raimondo's signature, business-led workforce development program. Since its launch in 2015, nearly 7,000 Rhode Islanders have found employment or gained new skills through a Real Jobs RI training program – including nearly 2,000 people in 2019 alone – to the benefit of over 1,200 businesses. We've expanded to new and emerging industries, from wind energy to biotechnology. In 2019, we added 12 new partnerships and served 527 additional employers.

We provide resources and guidance to Rhode Island jobseekers, especially those facing significant barriers to employment, at our four netWORKri One-Stop Career Centers and on our EmployRI website. In 2019, 5,235 jobseekers were served in total, including 4,809 unemployed individuals.

We administer benefit programs to help Rhode Islanders support themselves and their families while temporarily out of the workforce. Unemployment Insurance (UI) provides assistance to people who have lost their job through no fault of their own, and Temporary Disability Insurance (TDI) allows Rhode Islanders to take the time they need to recover from illness or injury. Rhode Island is also one of only states in the country with paid family leave; established in 2014, Temporary Caregiver Insurance (TCI) provides four weeks of paid leave for workers to bond with a new child or care for a sick relative.

We ensure that Rhode Islanders are covered in the event that they're injured on-the-job through workers' compensation. We educate workers and businesses about workforce rights and safety and ensure that all required business have insurance coverage. In 2019, the Rhode Island Uninsured Protection Fund (UPF) had sufficient enough funds to begin paying benefits to individuals injured while working for employers who failed to maintain workers' compensation insurance.

We make sure that our programs are administered fairly and that those who misuse them are held accountable. In 2019, our Legal Division initiated 32 civil prosecutions against uninsured employers in the Workers' Compensation Court, resulting in \$363,978 in restitution ordered. The Legal Division criminally prosecuted 26 Unemployment Insurance fraud cases, with \$374,297 in restitution ordered. We also secured a large settlement in a prevailing wage matter in the amount of \$351,422.91.

We enforce the safety laws that protect Rhode Island's workforce. Through our Workforce Regulation and Safety Division, we regulate and license the building trade professions, enforce prevailing wage laws, investigate wage and hour violations, handle inspections of elevators and boilers, and oversee the state's OSHA laws.

Finally, we provide Rhode Island with up-to-date information on the current state of the economy through our Labor Market Information Division, which publishes extensive data and studies to help state leaders make informed policy decisions.

At the time of this report's release, we are in the midst of a global pandemic — the effects of which are not reflected in this 2019 report but are felt sharply across the current labor force. The data found here harken back to a time of relative normalcy, providing a baseline from which to compare the unprecedented nature of the present moment. For example, in all of 2019, we received 55,962 UI claims; in 2020, we received over 200,000 claims in just a few months. The average unemployment rate in 2019 was 3.6% — nearly the lowest in our state's history. In April 2020, Rhode Island unemployment rate was 17.0% — the highest we've ever seen.

We hope that the effects of this pandemic will be largely temporary — and that, soon enough (and as safely as possible), people will start returning to work. But we also know that we'll be returning to a *new* normal; jobs and businesses will inevitability look different in a post-COVID world. Preparing Rhode Island's labor force to navigate this new normal will be one of our foremost goals for the rest of 2020 and beyond.

I'm proud of the work done at the Department of Labor and Training in 2019, which you will find highlighted throughout this report. I'm honored to lead an agency whose work is helping to ensure economic prosperity for all Rhode Islanders both today, and for years to come.

Sincerely,

Scott R. Jensen Director Rhode Island Department of Labor and Training

Real Jobs RI



Real Jobs RI grows business-led partnerships that build workforce solutions to address their unique workforce challenges. Solutions can include:

- Placing new employees into **immediate job openings**;
- Upskilling current employees to advance skills and/or remain competitive;
- Helping business owners and entrepreneurs advance their ventures;
- Creating **pipelines of talent** for the future.

Real Jobs RI is a win-win because companies get the talent they need to compete globally and grow locally, and Rhode Islanders get opportunities to thrive in a flourishing economy.

It starts with employers...





...who develop workforce solutions...









Lb

Industry Sectors

...and connect Rhode Islanders with opportunities.







Business Owners & Entrepreneurs Served



As of December 31, 2019

Real Jobs RI Partnerships

AQUACULTURE

Aquaculture Training Partnership

BUSINESS SERVICES

Northern RI Career Academy Partnership SkillsRI Real Jobs Partnership* Westerly Regional Partnership

COMMERCIAL FISHING

Commercial Fisheries Partnership

CONSTRUCTION

Building Futures Real Jobs RI Partnership RI Builders Workforce Partnership UA Local 51 Opportunity Partnership West Elmwood Housing Development Corporation Partnership

DEFENSE

Pipeline to Manufacturing Careers in Shipbuilding SENEDIA Defense Partnership

DESIGN DESIGNxRI Partnership

ENERGY

Business Network for Offshore Wind Partnership* Energy RI Partnership* North Kingstown Chamber WindWinRI Partnership Rhode Island Solar PV Industry Partnership

FINANCE

RI Bankers Partnership RI Society of CPAs Collaborative*

HEALTH AND LIFE SCIENCES

American Safety Healthcare Partnership* Care New England Career Advancement Partnership* Claflin Biomedical Partnership

HEALTH AND LIFE SCIENCES (cont.)

Clínica Esperanza Partnership* Lifespan Workforce STAT Partnership NEMIC Medical Innovation Partnership* PVDHealthworks Partnership RI Bio Partnership RI Long-Term Care Industry Partnership* RIC Healthy Jobs RI Partnership SEIU 1199's Quality Care Partnership*

HORTICULTURE

RI Nursery and Landscape Association Partnership

HOSPITALITY AND TOURISM

RI Hospitality Partnership

MANUFACTURING

RI Food Policy Council Partnership* Brickle Group Textile Manufacturing Partnership RI Manufacturing Growth Collaborative Toray Real Jobs RI Partnership OPC Workforce Innovation Partnership

MARINE TRADES AND COMPOSITES

RI Marine Trades and Composites Partnership

SOCIAL ENTERPRISE

Social Enterprise Greenhouse Partnership

TECH

CCRI Digital Economy Aspirations Labs* Tech Collective

TRANSPORTATION AND LOGISTICS

Teamsters Local 251 Real Jobs RI Partnership

OTHER

Man Up, Inc. Partnership for Returning Citizens OIC of Rhode Island Partnership

* New partnership in 2019

Income Support

The **Income Support Division** provides financial assistance to Rhode Islanders who are temporarily out of the workforce, allowing them to support themselves and their families until they can return to work. The largest benefit programs within the Income Support Division are Unemployment Insurance (UI) and Temporary Disability Insurance (TDI).

In administering these programs, the Income Support Division also takes numerous steps to ensure their integrity so that resources remain available to Rhode Islanders who need them most.

Unemployment Insurance

Unemployment Insurance (UI) is a federal/state insurance program financed solely by employers through payroll taxes. In 2019, approximately 35,440 Rhode Island employers paid federal and state unemployment taxes, an increase of 8 percent from 2018.

UI provides temporary income support to workers who have lost their jobs through no fault of their own and have earned enough wages within a specific base period to qualify. The maximum benefit rate payable in 2019 was \$586 per week for up to 26 weeks.

In 2019, the Department received 55,962 initial unemployment insurance claims – a decrease of over 2,000 from 2018. Of these, 27,114 resulted in payment of benefits. The average weekly benefit was \$360, and the average duration was 14.9 weeks. Overall, 402,961 payments were issued, totaling \$145,207,764.

The UI Call Center, which assists Rhode Islanders in filing UI claims, handled 259,858 calls in 2019, including 93,229 self-service calls and 166,629 staff assisted calls.

The Unemployment Insurance unit also manages several related programs.

WorkShare

When Rhode Island employers experience a temporary, non-seasonal slowdown in business, the **WorkShare** program helps them to avoid layoffs by allowing employees to work a reduced workweek while collecting a percentage of UI.

In 2019, the WorkShare program averted 269 layoffs at 65 Rhode Island companies. The Department received 1,094 initial WorkShare claims and issued 16,173 payments.

RESEA Program

The **Reemployment Services and Eligibility Assessment (RESEA)** program aims to help UI claimants with the highest risk of exhausting benefits return to work faster by providing reemployment services such as in-person assessments and job search assistance. RESEA also helps to maintain the integrity of the UI program by ensuring that claimants meet eligibility requirements and preventing improper payments.

In 2019, RESEA received nearly \$1,373,776 in federal grant funding from the U.S. Department of Labor, allowing the state to serve more than 5,005 Rhode Islanders.

Federal Claims

Rhode Island administers two federal unemployment compensation programs aimed at assisting former federal employees and servicemembers. Individuals in both programs must meet the same eligibility requirements as other unemployment insurance claimants.

The **Unemployment Compensation for Federal Employees (UCFE)** program provides unemployment compensation for federal employees who lost their employment through no fault of their own. There were 142 initial UCFE claims in 2019, with a total of \$525,607 in benefits paid.

The **Unemployment Compensation for Ex-Servicemembers (UCX)** program provides unemployment compensation benefits to individuals transitioning from military service to the civilian labor market. In 2019, there were 65 initial UCX claims, with a net payment of \$570,315.

Temporary Disability Insurance

The **Temporary Disability Insurance (TDI)** program is a state-administered insurance program designed to provide financial protection to those unable to work due to illness or injury. Unlike workers' compensation insurance, which protects against income loss caused by job-related disabilities, TDI covers disabilities that are not work-connected or are otherwise not covered by workers' compensation. Together, the two programs ensure that virtually all Rhode Island wage and salary workers will receive a weekly income while they are medically unable to work.

In 2019, the Department received 36,193 TDI claims and issued 357,228 payments. Payments totaled \$186,290,126, an increase of 7 percent from 2018, with an average weekly benefit amount of \$521 (\$21 higher than in 2018). The average claim duration was 12.1 weeks, a decrease of 8 percent from 2018.

The TDI program is financed entirely by workers who are protected by the program.

There were 430,300 total workers paying TDI taxes in 2019. The TDI Trust Fund had an income of \$193,540,126, and expenditures totaled \$210,030,852. The year-end fund balance was \$83,486,491.

Temporary Caregiver Insurance

In 2014, Rhode Island established the **Temporary Caregiver Insurance (TCI)** program, becoming one of the first states in the country to enact paid family leave. TCI provides up to four weeks of benefits for individuals taking time out of work to bond with a new child or care for an ill family member.

The TCI program continues to increase in popularity. The Department received 12,855 total TCI claims in 2019, a 5 percent increase from 2018, and issued 24,404 payments. The total amount of payments was \$14,437,884 – up 9 percent from 2018 – with an average weekly benefit amount of \$568. The average claim duration was 3.5 weeks.

Police Officers' Relief Fund and Firefighters' Relief Fund

The **Police Officers' Relief Fund** and **Firefighters' Relief Fund** provide financial support to the families of deceased or permanently disabled first responders. If an active or retired police officer or firefighter dies in the line of duty or from certain health conditions, the corresponding fund offers annuity to the surviving

spouse and each dependent child until they reach the age of 18. In 2019, there were 196 recipients of Police Officers' Annuity Benefits, totaling \$725,100, and there were 692 recipients of Firefighters' Annuity Benefits, totaling \$2,544,050.

The Police Officers' and Firefighters' Relief Funds also offer tuition payment for permanently disabled firefighters as well as the dependents of deceased or permanently disabled firefighters at any Rhode Island state college or university. Seventeen dependents received tuition benefits from the Police Officers' Relief Fund, as well as 36 dependents and two firefighters who received tuition benefits from the Firefighters' Relief Fund. The total tuition expenditures were \$11,901 for the Police Officers' Relief Fund and \$271,755 for the Firefighters' Relief Fund.

Integrity Programs

The Income Support Division has a variety of initiatives to ensure the integrity of the benefit programs.

The **Central Adjudication Unit (CAU)** conducts initial interviews and research into disputed unemployment insurance claims to determine whether the claimant is eligible for benefits.

The CAU rendered 18,609 adjudication decisions in 2019. Eleven thousand forty-five of these decisions involved separation issues, meaning that the circumstances of the job termination were in question. Claimants are only eligible for UI if they are out of work through no fault of their own, so understanding the reason behind the separation – whether it be layoffs, firing, or voluntary quitting – is critical for determining eligibility. Separation issues may involve, for example, an employer attesting that the worker left voluntarily, but the worker claiming otherwise. 40.7 percent of separation-related claims resulted in the denial of UI benefits.

Additionally, 7,564 decisions involved non-separation issues, which relate to standard qualifications or continued eligibility (such as evidence of work, job search requirements, or availability for work). 91.8 percent of these claims resulted in the denial of benefits.

To preserve the integrity of the UI and TDI programs, the **UI/TDI Fraud Unit** investigates suspicious activity. In 2019, the UI/TDI Fraud Unit investigated 159 cases and detected \$627,410 in overpayments. In 2019, the Department continued to crossmatch UI benefit payments against quarterly wage records and the National Directory of New Hires to improve accuracy and to prevent overpayments that might occur in the future.

The Department recovers UI and TDI overpayments obtained through fraudulent means by intercepting state and federal income tax refunds and lottery winnings, benefit payment offset, direct payment and court-ordered restitution. In 2019, the \$2,461,136 was recovered in UI overpayments and \$94,271 was recovered in TDI overpayments.

The Department's Legal Division criminally prosecuted 26 Unemployment Insurance fraud cases in 2019, with \$374,297 in restitution ordered.

The U.S. Department of Labor's **Benefit Accuracy Measurement (BAM)** program is a diagnostic tool used to audit the accuracy of UI claims. Analyzing a sample of weekly benefits and denied claims, BAM identifies overpayments and underpayments and then determines the cause of and party responsible for the error. In 2019, the BAM sample of 471 claims in Rhode Island found that 82.7 percent of claims were paid

properly, whereas 17.3 percent were overpaid, and 0.2 percent were underpaid. Full results can be found on the U.S. Department of Labor website.

Workforce Development Services

The **Workforce Development Services** (WDS) Division is dedicated to the advancement of all who comprise the workforce: those who perform the work and those who hire them. The division oversees a variety of programs that guide jobseekers to suitable employment and introduce employers to qualified workers.

The Department remains a core partner in Rhode Island's four netWORKri offices—the local offices of the national network of American Job Center's CareerOne locations. In 2019, 5,235 jobseekers were served in total, including 4,809 unemployed individuals. Additionally, 1,016 employers were served, and 91,550 job orders were posted.

EmployRI

EmployRI.org is a website that contains information about jobseekers, employers, job orders, and training providers. It has dramatically improved netWORKri's ability to match self-service jobseekers with employers and has been a helpful tool for staff-assisted job matching. In 2019, nearly 23,931 total jobseekers registered on EmployRI, including 14,781 new jobseekers.

A virtual one-stop job search resource, EmployRI compiles multiple online job boards. It allows jobseekers to target their search by preferred employer, location, source, date, or required skills and offers additional features such as automated resume and cover letter generation. Four hundred thirty employers registered on EmployRI in 2019.

WIOA Title IB Programs

The Workforce Development Services division supports programs under Title IB of the federal **Workforce Innovation and Opportunity Act (WIOA)** by disbursing WIOA funds to Rhode Island's two Local Workforce Development Boards (LWDBs), who, as subgrantees, provide Title IB program services in the State of Rhode Island. The LWDBs—the Workforce Partnership of Greater Rhode Island and Workforce Solutions of Providence/Cranston—are responsible for the operations of the WIOA Adult, WIOA Dislocated Worker, and WIOA Youth programs under the Act. In 2019, there were 363 adults, 443 dislocated workers, and 455 youths served in Rhode Island under WIOA Title IB.

Trade Adjustment Assistance

Trade Adjustment Assistance (TAA) provides monetary benefits and educational assistance to workers who have lost their jobs or whose hours of work and wages have been reduced due to increased imports or a shift in production out of the United States. The Department coordinates with the U.S. Department of Labor's Employment and Training Administration, filing petitions on behalf of affected workers. TAA services may include educational and occupational training, on-the-job training, job search and relocation

allowances, income support, and other reemployment services. In 2019, there were 44 TAA program participants, with 20 participants trained and a total training allocation of \$139,713.

Additionally, Reemployment Trade Adjustment Assistance (RTAA) provides a wage subsidy to eligible individuals 50 years of age or older who become reemployed at a lower wage than they previously earned. Twelve individuals participated in RTAA in 2019.

Supplemental support with healthcare premium costs through the Health Coverage Tax Credit (HCTC) came to an end on December 31, 2019.

Veterans Service Unit

The **Veterans Service Unit** employs a two-pronged approach: 1) directing veterans to meaningful employment through job placement and training opportunities, and 2) educating RI's employer community on the wealth of skills and experience which veterans bring to the civilian workforce.

For participant ease, federal, state, and local programs are coordinated and offered in locations across the state including netWORKri career centers, colleges, universities, the Rhode Island Office of Veterans Affairs, local housing authorities, military installations, homeless shelters and other non-profit veterans' organizations.

Within the Veterans Service Unit at Department, the Jobs for Veterans State Grants program funds two branches of support that increase the number of veterans who enter employment: Local Veterans' Employment Service Representatives (LVERs) and Disabled Veterans' Outreach Program (DVOP) specialists. LVERs advocate for participants by educating employers on the transferable benefits of veterans' skills, informing employers about incentives for hiring veterans, generating job development contacts for veterans and eligible persons, and conducting job search and employer workshops.

DVOP specialists develop outreach programs with local veteran organizations, employers, communitybased organizations and educational institutions to ensure maximum assistance is available to qualifying veterans. DVOPs provide case management and intensive services to address barriers to employment, foster relationships in the community to enhance services to veterans, direct participants to job training programs and apprenticeships, and provide vocational counseling services.

In 2019, the unit served 355 veterans in total, placing 304 in gainful employment through more than 10 community partnerships.

Senior Community Service Employment Program

The **Senior Community Service Employment Program (SCSEP)** is a service and work-based program for low-income persons aged 55 and older.

The Department administers the program, which includes recruitment and outreach, eligibility screening, enrollment assessment, Individual Employment Plans, follow-up, worksite placement, monitoring, and enrollee recertification. Through SCSEP, enrollees are placed at worksites for up to 30 hours per week and are compensated with wages commensurate with the occupation. Work sites, which include faith-based organizations, senior centers, community action programs, and community-based organizations, prepare participants for future unsubsidized employment. The program is a bridge to unsubsidized employment.

Eligible SCSEP applicants must reside in Rhode Island, be unemployed at the time of application, and be a member of a family with an income not more than 125 percent of federal poverty guidelines. Priority is given to applicants over the age of 60, veterans, and spouses of veterans. Preference is given to Limited English Proficient (LEP) minority applicants.

RI Works

RI Works is a partnership with the Rhode Island Department of Human Services (DHS) that provides intensive employment services to beneficiaries receiving cash assistance under the federal Temporary Assistance for Needy Families (TANF) program. Those receiving cash benefits, as well as Supplemental Nutrition Assistance Program (SNAP) beneficiaries, and non-custodial parents must participate in approved job search activities to continue receiving such benefits.

In 2019, 101 people were referred to RI Works by the Department of Human Services. Forty-one participated in four or less program days, and nine participated in more than five program days (out of 20).

Business Workforce Center

Representatives from the **Business Workforce Center** are the Department's liaisons to the business community, simplifying the process of doing business in Rhode Island and offering job order development, recruitment and job fair coordination, and guidance on programs that may help employers become or stay competitive (such as tax credits, on-the-job training, incumbent worker grants, or WorkShare).

Because the Business Workforce Center served as the primary employer outreach for the Department in 2019, it also oversaw employer-centered initiatives such as Rapid Response and tax credit programs.

Business Workforce Center services were decentralized in October 2019 and are now provided from four netWORKri offices.

Rapid Response Program

The **Rapid Response** program proactively responds to layoffs and plant closings by quickly coordinating services and providing aid to companies and their affected workers, maximizing public and private resources and minimizing disruptions associated with job loss.

Rapid Response staff members assemble at the employer's site to provide intensive assistance to impacted employees, explaining how to apply for UI benefits, outlining netWORKri One-Stop Career Center reemployment services, and reviewing available training opportunities. Other services include coordinating job fairs for impacted employees and offering customized reemployment workshops, such as resume development and interviewing strategies.

Forty-two Rhode Island companies (including three trade-certified companies) were served by the Rapid Response program in 2019, assisting 1,296 impacted workers.

Work Opportunity Tax Credit

The **Work Opportunity Tax Credit (WOTC)** is a federal tax credit available to employers as an incentive to promote hiring among individuals from certain target groups who have consistently faced "significant

barriers to employment" (SBE), such as people with disabilities, returning citizens, and veterans. WOTC encourages workplace diversity and helps to provide job opportunities to those who have often faced challenges in finding employment.

In 2019, there were 6,287 WOTC certifications issued by the Department, providing employers with a potential \$32,554,000 in tax credits.

Foreign Labor Certification and Migrant Seasonal Farm Workers

The foreign labor certification process allows employers to bring foreign workers who are authorized by the U.S. Citizenship and Immigration Service to live and work in the United States temporarily. However, before hiring a foreign worker, a business must demonstrate its inability to fill the position with a qualified citizen at prevailing wages.

The Department guides the employer in complying with U.S. Department of Labor regulations and requirements, offers training on placing job orders through the EmployRI website, reviews job orders for compliance with content requirements, and monitors the referral of U.S. workers.

The Migrant and Seasonal Farmworkers (MSFWs) program includes outreach activities designed to foster and reinforce relationships with farmworkers, farmers, and non-profit organizations

The State Monitor Advocate (SMA) conducts reviews of the delivery of services and protections to MSFWs by netWORKri offices, which are monitored for compliance. Field checks, field visits, and migrant housing inspections are performed yearly at all farms that will be hosting H2A workers.

Workers' Compensation

All Rhode Island employers are required to maintain workers' compensation insurance, which provides workers with protection in the event of a work-related injury or illness by covering missed wages and medical expenses. At the Department of Labor and Training, the **Workers' Compensation Division** monitors the state's workers' compensation system, ensuring that all required employers have insurance coverage, that appropriate documents are filed to protect injured workers and employers, that claims are paid correctly, and that measures are taken to detect and prevent fraud.

The number of workplace injuries has decreased by 2 percent since 2018. In 2019, there were 5,978 reported indemnity injuries – meaning that the worker was paid weekly benefits – and 12,807 non-indemnity injuries, also referred to as no lost time or medical-only injuries because the disability did not exceed the waiting period of three days from earning full wages.

Rather than submitting claims to an insurance company, certain Rhode Island employers can opt to selfinsure and pay workers' compensation claims out of their own funds. The Department certified 23 selfinsured employers in 2019.

The Workers' Compensation Administrative Fund (WCAF) collects a mandated assessment on premiums within the workers' compensation system. This assessment provides appropriations for the Division of Workers' Compensation, the Workers' Compensation Court, the Medical Advisory Board, and the Workers' Compensation Advisory Council.

WCAF also provides reimbursement to eligible insurers for pre-1974 at maximum, bi-weekly direct pay for bankruptcy, certain cost-of-living claims, post-1974 true second injury claims, reversals of Pre-Trial Orders, and bonus incentive payments. In 2019, there were 555 requests for reimbursement from the WCAF, and \$1,273,896 in total reimbursements.

Education Unit

The Workers' Compensation **Education Unit** keeps employers and employees informed about workplace safety and workers' compensation benefits and procedures. Unit representatives reach out to employers, employee groups, and medical professionals, offering employer education workshops and on-site consultations.

Medical office staff may call the Education Unit with questions on forms or reimbursement, or the Education Unit Rep may reach out to medical office staff if they see that they are not submitting forms correctly to insurers. In 2019, the Education Unit had eight consultations with off-site medical staff.

The Education Unit also has a dedicated information line to field questions regarding workers' compensation or workforce health and safety. In 2019, the Education Unit received 4,327 telephone calls to the information line, including ten calls in Spanish. The unit also received 627 emails and 38 walk-ins.

Fraud and Compliance Unit

The **Fraud and Compliance Unit** detects, prevents, and refers for criminal prosecution any suspected fraudulent workers' compensation activity. The unit also ensures employer and insurer compliance with workers' compensation requirements, to ensure that Rhode Island's workers are protected.

In 2019, the number of employers penalized for failure to carry workers' compensation insurance dropped to 101, a reduction of 36 percent from the prior year. The majority of offenders were able to quickly become compliant before substantial penalties accrued. This is not only beneficial to the employer but more importantly, it is of benefit to the employees who are protected by the insurance. Thirty-two civil prosecutions against uninsured employers were referred to Workers' Compensation Court, resulting in \$363,978 in restitution ordered.

Uninsured Protection Fund

The **Rhode Island Uninsured Protection Fund (UPF)**, formerly the Uninsured Employer Fund, was established in 2007 to provide relief to individuals injured while working for employers who failed to maintain workers' compensation insurance. The UPF has been capitalized through filing fees at the Workers' Compensation Court per <u>RI General Law §28-35-32</u>. In 2019, there were sufficient funds to begin paying benefits. Claims with dates of injury on or after September 1, 2019, are eligible for payment of benefits from the UPF. As of December 31, 2019, the balance in the UPF was \$1,746,617.59.

Chief Judge Robert F. Arrigan Rehabilitation Center

Established through the Rhode Island Workers' Compensation Act, the **Chief Judge Robert F. Arrigan Rehabilitation Center** integrates treatment from medical doctors, therapists, psychologists, and educators to rehabilitate workers who have been injured on the job. Injured workers must be referred by a physician or by the Workers' Compensation Court, and services are offered at no cost to patients covered by workers' compensation insurance.

In 2019, there were 1,039 referrals to the Arrigan Center and 877 patients admitted for treatment. Sixtyfour percent of patients had no prior workers' compensation injuries. Of the 332 who completed treatment, 239 returned to work (72 percent) and 93 did not return to work (28 percent). The table below includes the total treatment results.

Arrigan Center Treatment Activity 2019	
Total Treatments*	1,478
Functional Capacity Evaluation	106
Therapeutic Treatment (PT/OT/Psych)	634
Evaluation Only	143
Completed Treatment	246
Did Not Complete Treatment	191
In Treatment at Time of Data Collection	54
Vocational Rehabilitation	134
Completed Program	35
Did Not Complete Program	65
In Treatment at Time of Data Collection	34
Chronic Pain Management	123
Evaluation Only	17
Completed Treatment	51
Did Not Complete Treatment	25
In Treatment at Time of Data Collection	30
*Patients typically participate in several disciplines during the course of treatment. Subsequently, the number of total treatments (1,478) is higher than the total number of individuals receiving treatment (877).	

Workforce Regulation and Safety

The **Workforce Regulation and Safety Division** is charged with enforcing the safety laws that protect Rhode Island's workforce, including fair collection of wages, child labor laws, trade licensing, apprenticeship training, hazardous substance exposure, weights and measures, and prevailing wage laws.

This is accomplished through licensing, inspection programs, educational programs, and labor law enforcement. The division is comprised of three units: Labor Standards, Professional Regulation, and Occupational Safety.

Labor Standards

The **Labor Standards Unit** enforces workplace laws and ensures that Rhode Island's employees receive the wages they have earned. Labor Standards investigates wage complaints involving minimum wage, payment

of wages, overtime, Sunday/holiday premium pay, and vacation pay upon termination, as well as child labor, parental and family medical leave, and industrial homework.

In 2019 there were 835 claims filed (including 244 individual cases involving one employer). 496 claims were closed in 2019 and 534 claims were still in process at the time of data collection.

Professional Regulation

The **Professional Regulation Unit** is responsible for monitoring and enforcing prevailing wage and safety laws, as well as for testing and licensing several technical professions.

<u>RI General Law §37-13</u> mandates that any contractor awarded a bid on a public works construction project of more than \$1,000 must pay prevailing wage rates. During 2019, 28 prevailing wage cases were filed and \$666,618 was recovered in back wages and penalties. We also secured a large settlement in a prevailing wage matter in the amount of \$351,422.91.

Trade Licensing Activity 2019	
Examinations Performed	2,675
Licenses (issued or renewed)	30,204
Electrician	8,023
Hoisting Engineer	9,545
Pipefitter, Refrigeration Technician, Fire Protection	7,384
Sprinkler Fitter, Sheet Metal Worker	
Telecommunication	1,862
Plumbers and Irrigators	2,289
Burglar Alarm	1,101

The **Trade Licensing Section** licensed 30,204 technical professionals in 2019, many with multiple licenses. It also monitors and enforces trade laws pertaining to electricians, hoisting engineers, pipefitters, refrigeration technicians, sprinkler fitters, plumbers, sheet metal workers, and telecommunications technicians.

Occupational Safety

The **Occupational Safety Unit** directs, coordinates, and enforces the safety inspections of boilers and elevators, the storage and handling of hazardous substances, and the accuracy of weights and measures within Rhode Island's business establishments. State inspections are synchronized with local government requirements to ensure that Rhode Islanders have a safe environment in which to work and live.

Elevator Section

The **Elevator Section** inspects and assesses all elevator devices in the state, issuing licenses to elevator service companies and their mechanics who engage in the installation, construction, servicing, repair, or modernization of elevator devices, which include escalators, vertical platform lifts, material lifts, freight elevators, and other means of vertical transportation.

The Elevator Section also certifies the safety of new installations, construction sites and repairs, and decommissions devices when they are no longer safe to operate.

In 2019, the Elevator Section performed 3,981 inspections and issued 3,835 certificates of operation. One hundred thirty-four permits for new installations and 228 licenses were granted. The Elevator Section also issued 2,759 violation letters.

Boiler Section

The **Boiler Section** inspects and assesses all pressure vessels in the state, certifying that all new installations, reconditioned vessels, repairs, and hydrostatic testing meet all safety codes.

The Boiler Section partners with numerous state, city, and town agencies to coordinate the programs, mandates, licensing requirements, inspection procedures, and enforcement measures, which ensure the safe operation of boiler systems. These partners also educate the public on dangers and preventative safety measures.

In 2019, the Boiler Section issued 6,517 Certificates of Operation and conducted 7,258 inspections. Two hundred twenty-three permits were granted for new installations, and 94 commission licenses were issued.

Right-to-Know Section

The **Right-to-Know Section** inspects and assesses all businesses with employees who are exposed to hazardous substances or that store hazardous substances on the premises.

Businesses must register these substances with the Occupational Safety Unit and the local fire department as a workplace safety measure. The training and education of employers and employees in safety practices is an ongoing function. Each month, new employers in the state are notified of the Right-to-Know law and receive an informational packet to assist them in understanding the law.

The Right-to-Know section registered 6,599 employers in 2019 and completed 213 inspections.

Weights and Measures Section

The **Weights and Measures Section** inspects and assesses all gasoline measuring systems and measuring devices used in retail/wholesale establishments. It also licenses all oil dealers. To properly calibrate such measuring devices, sealers receive certification after completion of highly technical course training requirements. There are eight licensed, certified sealers in the state.

State Apprenticeship Agency

The **State Apprenticeship Agency (SAA)** registers, coordinates, and regulates training programs in which an apprentice receives technical instruction while employed in a full-time occupation, thereby achieving certification. In 2019, the SAA oversaw 552 apprenticeship programs and entered into 2,163 individual agreements. Two hundred seventy-three apprentices completed a program.

The proven success of the apprenticeship training model has been recognized by many industries seeking to build a skilled workforce. The SAA oversees training activities in licensed trades, such as electricians, in non-licensed construction trades, such as roofers, and in other apprentice-able occupations, such as pharmacy technicians or tool makers. The SAA has been endorsed by the U.S. Department of Labor's Office of Apprenticeship.

Labor Market Information

The **Labor Market Information (LMI)** Division collects, analyzes and disseminates a wide variety of information on the Rhode Island labor market. LMI aims to make the latest information readily available to Rhode Island people, businesses, and organizations so they can make informed decisions about their economic futures.

Quick Facts on Rhode Island's Economy 2019		
Total Labor Force	555,600	
Average Number of Employed	535,800	
Average Number of Unemployed	19,800	
Average Unemployment Rate	3.6%	
Average Annual Wage	\$54,800	
Number of Jobs in RI Businesses	503,600	

LMI operates four federal/state statistical programs in cooperation with the U.S. Department of Labor's Bureau of Labor Statistics (BLS). BLS is responsible for the funding and administration of the programs, providing conceptual, technical, and procedural guidance. LMI is responsible for the preparation, analysis, and publication of data collected through these programs. The BLS/state partnership ensures data consistency and comparability over time and between states.

These programs—Current Employment Statistics (CES), Local Area Unemployment Statistics (LAUS), Occupational Employment Statistics (OES), and Quarterly Census of Employment and Wages (QCEW)— provide the foundation for much of the economic data disseminated by LMI.

- **Current Employment Statistics:** This is a monthly survey of business establishments. Approximately 900 Rhode Island businesses participate in the CES survey, providing the LMI Division with a monthly count of employees, hours worked, and wages paid. CES provides current estimates of non-farm establishment employment, as well as hours and earnings for production workers employed in the manufacturing sector. The employer responses are incorporated into statistical models developed by BLS, which generate employment estimates for the state's major industries each month.
- Local Area Unemployment Statistics: This monthly program provides labor force, resident employment and unemployment estimates, and unemployment rates for state and sub-state areas based on information obtained from a household survey known as the Current Population Survey (CPS). While the national unemployment rate is derived directly from data collected through this survey, sample sizes in each state are too small to provide reliable monthly estimates for the states directly. Therefore, all states, including Rhode Island calculate their unemployment rates using statistical models developed by BLS. The models incorporate the number of jobs at businesses and current Unemployment Insurance claims data to refine the individual state estimates provided by the CPS survey.
- Occupational Employment Statistics: This program provides wage rates, occupational employment estimates, and industrial staffing patterns for Rhode Island. Approximately 1,400 Rhode Island employers are surveyed each year with a request to provide the number of workers by wage range for each occupation in their employ.
- Quarterly Census of Employment and Wages: This collaboration with the BLS provides monthly employment and quarterly wage data by industry, location and size of employer. The QCEW program derives its data from the quarterly tax reports submitted by employers subject to Rhode Island's Unemployment Insurance law. This information is supplemented with data collected from government agencies and businesses with multiple locations.

LMI is also responsible for statewide industry and occupational projections. Using a national model that incorporates state-specific industry trends, occupational staffing patterns, and population forecasts, LMI generates two-year projections on an annual basis and ten-year projections on a biennial basis. The LMI Division also extracts data from the Department's administrative records to assemble reports on the diverse activities of the Department.

In 2019, the LMI Division distributed its monthly Employment Bulletin newsletter in both print and electronic form to over 1,000 people and released an electronic data update, entitled LMI Stat-Track, to a listserv of 1,200 people. LMI provides industry and occupational information as well as an employer database for EmployRI.

In addition to these communications, LMI staff provides overviews of current labor market conditions as well as training sessions for students, industry groups, and education counselors, and business associations.

Rhode Island's Labor Force in 2019

As defined by the Current Population Survey (CPS), the labor force consists of all employed and unemployed Rhode Islanders. In 2019, the total labor force in Rhode Island was 555,600. Those who do not fall into either category are considered not in the labor force.

An employed person is someone 16 years and older who, when surveyed, had worked at least one hour in the past week (known as the "reference week") as a paid employee or in their own business, worked unpaid for at least 15 hours in a family-owned business or farm, or were temporarily absent from a job (for reasons such as vacation or illness). Volunteer work, unpaid internships, and work around their own house are not considered employment. Each person is only counted once, even if they have more than one job. The average number of employed Rhode Islanders in 2019 was 535,800.

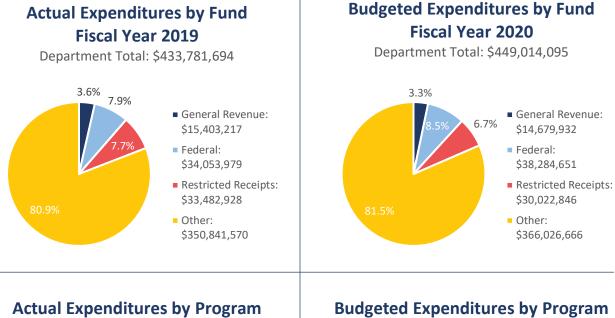
An unemployed person is someone who was not employed during the reference week but was available for work (except for temporary illness) and had made at least one effort to find employment (such as applying for a job or having an interview) sometime in the past four weeks. People temporarily laid off and expecting to be recalled to a job need not be looking for work to be classified as unemployed. In 2019, the average number of unemployed Rhode Islanders was 19,800.

The unemployment rate is the percentage of unemployed people in the total labor force. In 2019, the average unemployment rate was 3.6 percent.

The number of jobs in Rhode Island businesses is based on a monthly survey of approximately 900 employers. Each month employers are asked to provide the number of workers on their payrolls for the pay period that includes the twelfth of the month. The employers' responses ae incorporated into statistical models which generate employment estimates for the state's major industries. Each year the job estimates are revised by benchmarking them to employment data reported by all employers on their quarterly payroll reports. In 2019 there were an average of 503,600 workers employed by establishments located in Rhode Island.

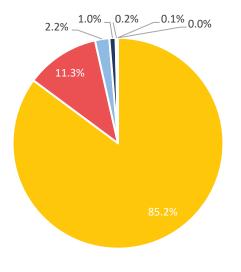
In 2019, the average annual wage was \$54,800; it is determined by dividing total annual wages by annual average employment. All full and part-time private sector and state, local and federal government employees are included in this employment data.

Budgetary Expenditures



Fiscal Year 2019

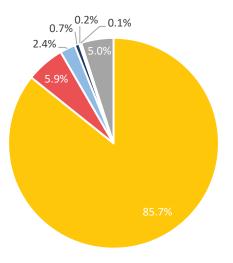
Department Total: \$433,781,694



- Income Support: \$369,432,204
- Workforce Development Services: \$49,137,003
- Injured Worker Services: \$9,515,555
- Workforce Regulation and Safety: \$4,163,706
- Cental Management: \$1,061,260
- Labor Relations Board: \$471,966
- Governor's Workforce Board: \$0

Budgeted Expenditures by Program Fiscal Year 2020

Department Total: \$449,014,095



- Income Support: \$384,980,928
- Workforce Development Services: \$26,473,191
- Injured Worker Services: \$10,573,722
- Workforce Regulation and Safety: \$3,231,560
- Cental Management: \$1,019,628
- Labor Relations Board: \$441,669
- Governor's Workforce Board: \$22,293,397