The mission of the Rhode Island Department of Labor and Training (DLT) is to provide workforce development, workforce security and workplace safety to the state’s workers, employers and citizens. In Fiscal Year 2013, it had 462.5 authorized full-time equivalent (FTE) employees distributed within six divisions: Central Management; Workforce Development; Workforce Regulation and Safety; Income Support; Injured Worker Services; and Labor Relations Board.

Labor and Training Budget – Fiscal Year 2013

The majority of funding for the Rhode Island Department of Labor and Training in FY 2013 came from Other Funds (67.4 percent) – which includes the Unemployment Insurance Trust Fund – followed by federal funds (23.0 percent). Restricted receipts (derived primarily from Workers’ Compensation and Job Development funds), general revenue and operating transfers accounted for 9.6 percent of funding. DLT’s largest category of expenditure was assistance and grants (80.6 percent), which represented unemployment insurance, workforce training and other benefits. The tables below illustrate the sources of funding for DLT and how funds were budgeted in FY 2013.¹

¹ Figures for DLT’s funding sources and budget categories are based on the FY 2013 revised budget, as signed into law by Governor Lincoln D. Chafee on July 3, 2013 (2013 R.I. Pub. Laws, Ch. 144).
Unemployment Insurance Trust Fund

DLT’s Debt Service category includes state payments to the federal government for funds borrowed for the Unemployment Insurance (UI) Trust Fund. Like 30 other states, Rhode Island paid more to unemployed residents than it collected from payroll taxes in the recent recession, with Rhode Island borrowing a total of $721.5 million from March 2009 through June 2013. The state has repaid $566.6 million through June 2013, financed partly through a temporary increase in employers’ Federal Unemployment Tax (FUTA). At the end of June, the state’s UI loan balance was $155.0 million.

In FY 2012, Governor Lincoln D. Chafee proposed and the General Assembly enacted reforms to the UI Trust Fund to bring RI benefits more in line with those of neighboring states and to require higher contributions, particularly among businesses whose employees access the UI fund more frequently (e.g., seasonal work). These reforms will allow the state to repay federal loans in 2015 instead of 2016 – avoiding $45.0 million in temporary FUTA payments. The reforms will lead to a surplus of more than $500.0 million in the UI Trust Fund by 2020; if the state had not enacted reforms, the Trust Fund surplus would have been $45.0 million in 2020 – below levels recommended by the federal government.²

In calendar year 2011, the state added a temporary Interest Assessment (IA), enabling it to pay required interest on its federal UI loans. Governor Chafee’s FY 2014 budget would have reduced the state’s IA from 0.3 percent to 0.25 percent in calendar year 2014 – potentially saving employers $3.0 million. Instead, the budget approved by the General Assembly maintained the current IA at 0.3 percent but eliminated it entirely in 2015, starting in the quarter after RI’s federal UI loans are fully repaid.

² Detailed information about the 2012 UI reforms is available at: http://www.dlt.ri.gov/ui/taxchangesFAQ.htm

RI Department of Labor and Training’s (DLT) Unemployment Insurance (UI) programs provide benefits to eligible workers who become unemployed through no fault of their own, and meet certain other eligibility requirements. DLT’s objective is to provide timely service while making accurate determinations.

Figure A: Percent of Initial UI Claims Paid within 35 Days

Key Points:
• DLT seeks to pay initial UI claims within 35 days. DLT improved its performance and attained that target in January 2013. A subsequent increase in new applications in January caused DLT’s performance to decline in February (see Performance Review).
DLT’s objective is to provide timely service while making accurate determinations. Non-monetary eligibility determinations include the reason for the claimant’s separation from his/her last employment, a claimant’s availability to work, student status, etc.

**UI NON-MONETARY DETERMINATION ACCURACY**

![Figure B: Percent of Reviewed UI Claims with Accurate Non-Monetary Determinations](image)

**Key Points:**

- As required by the US Department of Labor, RI DLT regularly conducts accuracy reviews on a sample of UI cases. When a case’s eligibility is found to have been determined incorrectly, the Central Adjudication Unit is notified and the issue is addressed. Periodic trainings are conducted to ensure staff are aware of the most current eligibility criteria.
- This measure is tracked quarterly by state fiscal year (July 1 – June 30).

**UI INITIAL BENEFIT PAYMENT ACCURACY**

An individual’s UI Benefit Rate is calculated based upon the income he/she earned over the previous 15 months. DLT’s goal is to provide timely service while making accurate determinations.

![Figure C: Percent of Initial UI Claims Paid Accurately](image)

**Key Points:**

- This quarterly measure determines the percentage of initial UI claims paid accurately. DLT has exceeded its target of 96.0 percent accuracy for five quarters since January – March of 2012.
Temporary Disability Insurance (TDI) provides benefit payments to insured Rhode Island workers for unemployment caused by temporary disability or injury. RI’s TDI Program, enacted in 1942, was the first of its kind in the US. Only four other states; New York, New Jersey, California and Hawaii, have a TDI program.

**TDI CLAIM PROCESSING**

Figure D: Percent of TDI Claims Processed within 21 Days

Key Points:
- DLT tracks the percentage of TDI claims (allowed or denied benefits) that are processed within 21 days of being entered into claims system. DLT seeks to process 79.0 percent of claims within the target timeframe.
- In 2012, the average claim duration was 11.8 weeks, with 30,546 individuals filing at least one eligible claim.
- In July 2012, DLT adjusted goal from 79.0 to 77.0 percent because of staff reductions.

**WIA EMPLOYMENT RATE**

The Workforce Investment Act (WIA) Adult and Dislocated Worker Program is designed to provide quality employment and training services to assist eligible individuals in finding and qualifying for meaningful employment, and to help employers find the skilled workers they need to compete and succeed in business.

Figure E: Percent of Individuals Employed in First Quarter after Exiting Program

Key Points:
- As of December 2012, 75.7 percent of WIA program participants were employed within three months of exiting the program.
- Targets are established between DLT and the U.S. Department of Labor (USDOL). Because DLT had exceeded the previous target, the target was increased from 61.0 percent to 72.7 percent in September 2012. This measure is tracked quarterly.
The Workforce Investment Act’s (WIA) objective is to increase employment and employment retention for its participants and provide employers with a skilled workforce and qualified job applicants.

**Figure F: Percent of Participants Remaining Employed in Both Second and Third Quarter**

Key Points:

- As of December 2012, 89.3 percent of employed WIA program participants retained employment in the second and third quarters after exiting the program.
- Targets are established between DLT and USDOL. Because DLT had exceeded the previous target, the target was increased from 84.1 percent to 87.7 percent in September 2012. This measure is tracked quarterly.

**Figure G: Percent of Individuals Receiving Credential/Certificate by End of Third Quarter**

Key Points:

- As of December 2012, 67.0 percent of employed WIA program participants earned a credential or certificate by the end of the third quarter after exiting the WIA Adult/Dislocated Worker Employment program.
- Targets are established between DLT and USDOL. Because DLT had exceeded the previous target, the target was increased from 56.0 percent to 64.5 percent in September 2012. This measure is tracked quarterly.
TRADE LICENSES

Workforce Regulation and Safety’s Professional Regulation Unit oversees the licensure, testing, registration, and discipline of more than 30,000 individuals in 67 trade occupations. This office also oversees the administrative and regulatory functions of 7 licensing boards whose 56 members represent various professions.

Figure H: Number of Trade Licenses Issued

Key Points:

- The Professional Regulation Unit administers examinations to electricians, hoisting engineers, pipefitters, refrigeration technicians, fire protection sprinkler fitters, sheet metal workers, plumbers, telecommunication system contractors, and installers.

WAGES ASSESSED

The Labor Standards Unit is charged with administering and enforcing the laws that affect the workforce within the state. This Unit investigates wage complaints throughout Rhode Island involving child labor, overtime, Sunday/holiday premium pay, minimum wage, and parental and family medical leave.

Figure I: Amount of Wages Determined to Have Been Under-Paid By Employers

Key Points:

- The Labor Standards Unit assessed a total underpayment of $768,243 in FY 2011 and $281,124 in FY 2012. In the first nine months of FY 2013 (July 2012 – March 2013), DLT assessed $189,435, representing a decline of 12.9 percent from $217,501 assessed in the first nine months of FY 2012.
ELEVATOR CERTIFICATES OF OPERATION

The Elevator Safety Section insures that all elevators, escalators, dumbwaiters, moving walks, wheelchair lifts, material lifts, conveyors and all other related devices are inspected on an annual basis. When these devices are found to be in a proper and safe working condition, the unit issues a certificate of operation.

**Figure J: Number of Elevator Certificates of Operation Issued**

Key Points:

- The Elevator Section issued 3,280 inspection certificates in the first eleven months of FY 2013 (July 2012 – May 2013) – more than the 2,488 certificates issued in all of FY 2012.
- In FY 2012, DLT experienced a reduction in inspections due to the extended absence of the Chief Elevator Inspector. DLT later received approval to hire temporary inspectors, after which the unit experienced an increase in the number of certificates issued.

BOILER INSPECTIONS

The Boiler Safety Section certifies that all high- and low-pressure boilers and unfired pressure vessels, storage tanks, expansion tanks, steam kettles and de-aerators are functioning in a safe manner.

**Figure K: Number of Boilers Inspected**

Key Points:

- Most units within commercial establishments and public buildings of assembly must be inspected annually, and a certificate of operation is issued by this unit when devices are in full compliance.
- Starting in 2011, DLT no longer required inspections of more than 3,400 low-pressure water heaters in over 3,000 businesses – leading to fewer inspections since that time.
PERFORMANCE REVIEW
Unemployment Insurance

At the start of 2013, Rhode Islanders contacting DLT’s Unemployment Insurance (UI) Division call center experienced lengthy wait times. These wait times were the cumulative result of several factors:

- The state’s seasonally adjusted unemployment rate for January 2013 was 9.8 percent, resulting in an estimated 54,900 residents actively seeking employment;
- Each year, DLT reviews existing UI benefits to ensure accuracy of future payments;
- DLT received new inquiries and filings after Congress renewed Extended Unemployment Compensation (EUC) benefits, which had been scheduled to expire on December 31, 2012; and
- Layoffs of 51.0 full-time equivalent (FTE) positions in the UI Division in July 2012, which had been funded through the time-limited federal stimulus program. (The UI Division rehired 22.0 FTE positions by September 2012 to address a growing backlog.)

By February 2013, UI Division faced more than 4,000 pending Internet claims and 5,000 help e-mails, as illustrated in Figure L below. Also, as seen in Figure M, the average call wait time for the UI call center climbed to more than 50 minutes, with high call volumes resulting in busy signals and preventing some callers from entering the call queue.

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**Figure L: Unemployment Claims and Backlog**

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3 DLT’s average call wait times represent the length of time a caller waits between accessing the UI call center system and being connected to a UI agent. DLT is unable to track the number of callers who receive busy signals or the amount of time it takes to reach the call center queue successfully.
At Governor Chafee’s request, DLT’s UI Division implemented a number of short-term changes to address backlog and call wait times, including:

- Temporarily rehiring an additional 11.0 FTE positions in January 2013 to help reduce backlog;
- Enhancing team-based staff training to improve efficiency of claims research and processing;
- Encouraging greater use of online filing instead of call center by installing UI computers in fifteen public libraries and four community-based organizations in Pawtucket; and
- Completing upgrades to the UI partial payment system, thereby ending the requirement that claimants for partial UI benefits contact the UI call center every week.

These changes initially allowed DLT to reduce Internet claim and Help email backlogs; as seen in Figure L, pending Internet claims and help emails fell below 1,000 in April 2013 before climbing again in June 2013. As seen in Figure M, average call center wait times declined from a maximum of 52 minutes the week of January 23, 2013, to 34 minutes as of July 3, 2013.\(^4\) While an improvement, recent call center wait times are still longer than DLT’s target of 20 minutes.

In the longer term, DLT is making additional changes to improve performance, including:

- Establish an all-online claims filing system and to phase out use of the call center for UI claims;
- Review of UI claims procedures to identify potential process improvements for additional efficiency; and
- Participate in an interstate consortium to overhaul the entire UI process, including upgrades of all hardware and software (expected to take between three to five years).

DLT’s improvements to wait times may be challenged in the coming months, particularly with an expected reduction in federal Extended Unemployment Compensation benefits and associated funding. The Office of Management and Budget will continue monitoring weekly performance data and collaborate with DLT in its efforts to manage UI pending claims volume and call wait times.

\(^4\) DLT’s weekly data are submitted using a reporting period from Thursday to Wednesday.