



# THE ALABAMA DEPARTMENT OF LABOR 2014 ANNUAL REPORT



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**Letter to the Governor  
The Honorable Robert Bentley  
Governor of Alabama**

Dear Governor Bentley,

In 2014, this Department saw some rather large changes. In August, long-time Commissioner Tom Surtees retired, and I was happy and honored to replace him as the new Labor Commissioner. In this letter, I will provide some highlights of the year.

Our biggest news of 2014 was the unemployment rate. Alabama's unemployment rate (as of November 2014) was at 6.0%, which is the lowest it's been since Oct. 2008. In November, we experienced year-over-year job growth of 1.75%, which represents the highest percentage of job growth since June 2006.

Our Career Centers reflected this improvement in the economy with 300,000 new registrants contributing to more than 600,000 customer visits to the Centers, and more than 500,000 individuals being served.

More than 156,000 jobseekers entered employment after receiving services at our Career Centers, and more than 80% of those were still employed six months after exiting the system. The average annual earnings of these jobseekers were nearly \$25,000.

Additionally, more than 160,000 job openings were advertised on the state's free online jobs database, [www.joblink.alabama.gov](http://www.joblink.alabama.gov). Career Center staff assisted jobseekers in applying for these jobs in a unique way this year. Jobs Phone Banks were held at TV stations in Montgomery, Mobile, Birmingham, and Huntsville. Staff answered viewer calls on live television and assisted them in applying for jobs and scheduling services. More than 900 viewer calls were answered during these events.

Alabama continues to have an extremely low rate of unemployment for veterans. Alabama's veteran unemployment rate is 5.6%, compared to 9% nationally. Veterans' representatives employed in the Career Centers provided staff-assisted services to 10,000 veterans and are credited with assisting 8,800 veterans into jobs in 2014.

As unemployment continued to decline, the amount of unemployment insurance taxes employers paid decreased as well, providing much needed relief. We have collected nearly \$200 million less this year than we did in 2011. That means that there is nearly \$200 million in Alabama's economy, which can be used to create jobs.

2014 marked the first year with no unemployment compensation benefits extensions since 2008. Alabamians currently qualify for only the regular, state-funded 26 weeks of unemployment compensation benefits.

Our investigators continue to crack down on unemployment compensation fraud, recovering more than \$12 million in 2014 and filing 758 warrants. Nearly \$5.5 million of that was intercepted through our participation in the Treasury Offset Program, which recovers overpayments from federal tax refunds.

We also signed a Memorandum of Understanding with the U.S. Department of Labor that enables the agencies to share information regarding misclassification of employees and, in turn, make notifications to the proper agencies. This will help protect employers and ensure that employees are afforded all the rights to which they are entitled.

ADOL will continue to provide services to those Alabamians who need us the most. Our staff is dedicated to upholding our efficient and professional service standards.

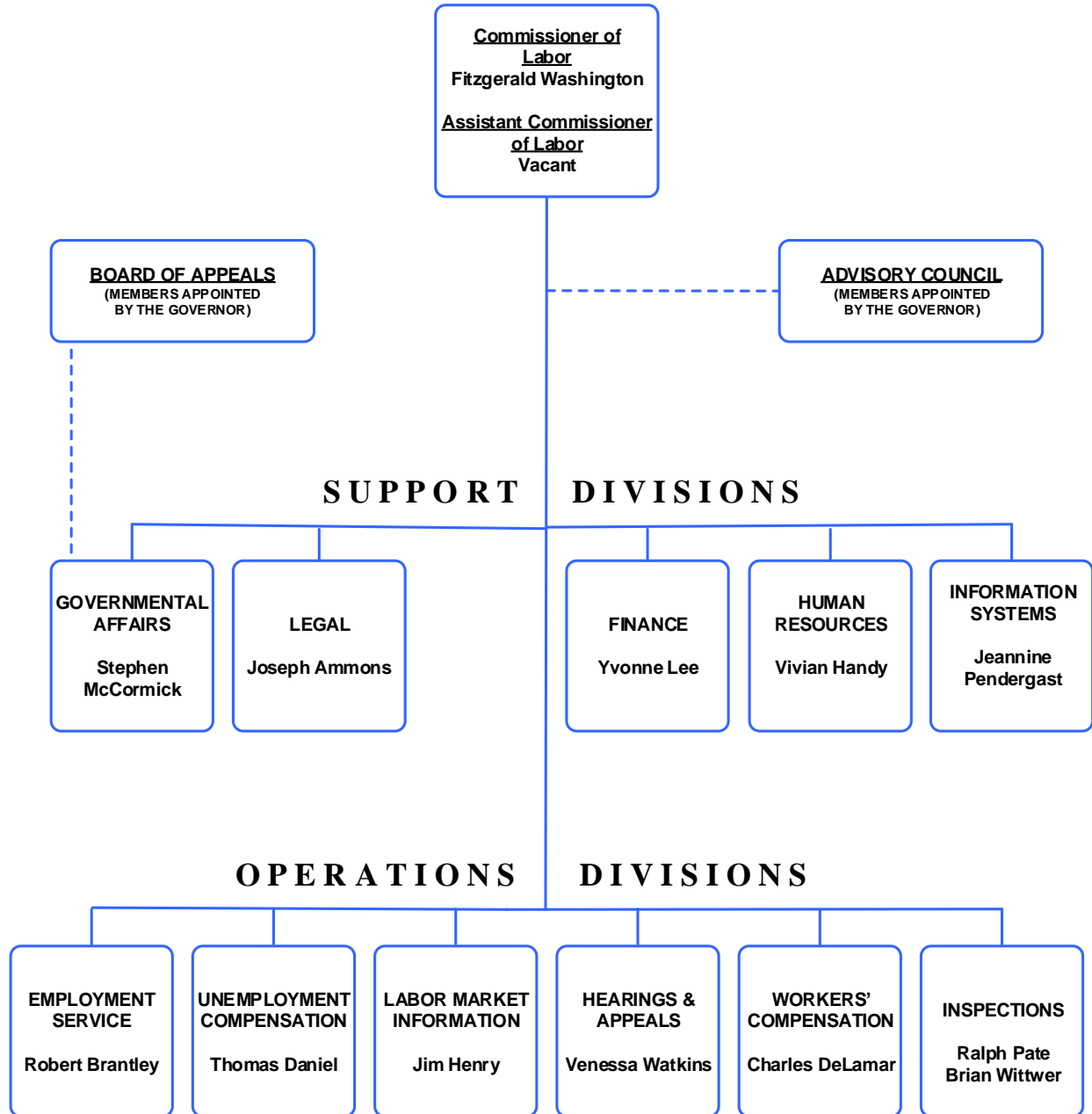
I present the 2014 Alabama Department of Labor Annual Report, which reflects a high level of commitment to positive, proactive, and ongoing efforts to adapt to ever-changing times and to position Alabama for the future.

Sincerely,

A handwritten signature in cursive script that reads "Fitzgerald Washington".

Fitzgerald Washington, Commissioner

**STATE OF ALABAMA  
DEPARTMENT OF LABOR  
ORGANIZATION CHART**



## EMPLOYMENT SERVICES

The Employment Services Division of the Alabama Department of Labor (ADOL) serves as the gateway to the state’s labor and job markets by delivering labor exchange services for both job seekers and employers through the Alabama Career Center System. Alabama is also a proud partner in the American Job Center Network, <http://jobcenter.usa.gov/>, designed to unify and brand workforce services as part of a single national network.

As a partner in the American Job Center Network, ADOL works with all partners to build a customer-friendly system that provides job seekers and employers with a full range of seamless employment and training services in 50 “One-Stop Career Centers” located throughout the state. Services were expanded to Lowndes County this year with the opening of itinerant Centers in Ft. Deposit and Hayneville. Access to service is available 24/7 by internet at [www.JobLink.Alabama.gov](http://www.JobLink.Alabama.gov) or through “Resource Areas” located in local Career Centers where customers have access to high speed internet computers and software designed to aid job seekers, along with a vast array of resource materials, including the latest labor market information, to assist career and job searches. Computers are equipped to offer registration assistance, résumé preparation, labor market / career / information / exploration, as well as a wide range of online resource material and tutorials for job-related subjects. Service may be either self-directed by the customer, or provided by the professional staff available in the Job Center for assistance.



Passage of the Workforce Innovation and Opportunity Act (WIOA) in July 2014, to become effective July 2015, has prompted pursuit of new and ongoing initiatives. Establishment of a “common identifier” for “branding” recognition of the workforce system has been pursued through collaboration with state television media to broadcast “live” Job Fairs in the State’s major markets with four airing in the last half of the year. More than 900 viewer calls were answered during these events. Quarterly TV Job Fairs will be rotated among the state’s major markets next year.



*Career Center Staff answering viewer phone calls at Jobs Phone Banks in Birmingham and Montgomery.*

Workforce staff capacity building emphasized in WIOA began to be addressed with the first installment of training accomplished for front-line staff in résumé and cover letter

development and preparation. Other training is under development for delivery in 2015 to provide staff with critical knowledge and skills required to serve job seekers and employers.

Recognition of the unlimited potential of social media to expand outreach service to a vastly wider audience through Facebook and the commitment to utilize this medium combined to result in Career Centers doubling the number of “likes” to over 20,000.



Unemployment continued to improve in the state for the fifth consecutive year in 2014, registering 6.0% in November. Payrolls added over 37,300 jobs this year led by professional and business services (+11,100), leisure and hospitality (+8,900), manufacturing (+7,400), construction (+4,700), education and health services (+2,000), and other services (+1,700).



Alabama’s Career Centers reflected this improvement in the economy with 300,000 new registrants contributing to over 600,000 customer visits to Centers, and over 500,000 individuals being served. Approximately 75 percent of registrants self-register for service while the remaining 25 percent visit Career Center locations throughout the state seeking registration assistance and service from professional staff. However, almost 20 percent of self-registrants eventually seek staff assistance at a Career Center. Approximately half of those seeking help were Unemployment Insurance claimants.

Driving Alabama’s workforce development system is Alabama JobLink (AJL), an Internet-based, customer-driven service delivery system at ([www.joblink.alabama.gov](http://www.joblink.alabama.gov)), featuring self-service options for job seekers and employers. AJL began using Google Analytics for tracking on June 4, 2014; since then, there have been over 372,000 users on AJL, with over 1.1 million sessions, consisting of more than 21 million page views.

AJL refined its e-mail matches to more closely meet the needs of the job seekers and of the employers, thus reducing mismatches. This fiscal year, AJL generated over 99,000

automatic e-mail job match notifications to job seekers, and over 7,800 automatic e-mail notifications to employers of résumé matches.

For job seekers, AJL offers around-the-clock access for registration, job search, online résumé creation, automatic e-mail notification when skills match employer openings, and, in some instances, direct employer contact.

For employers, AJL is available 24/7 to post and manage job openings, search for qualified workers, and receive automatic e-mail notification when job requirements match job seeker skills.



AJL includes jobs from the Job Central National Labor Exchange in addition to jobs listed by employers with the Alabama Career Center System. Job Central represents the job openings available through an array of leading global employers. Jobs from Job Central include jobs in Alabama from USAJOBS, the Federal Government’s official one-stop source for Federal jobs and employment information.

*“I’m really amazed at the level of ‘IT’ data that is possible with your site. Thanks for all you do at JobLink. It’s my main lead for jobs. The jobs that are on the site are thankfully linked to offsite employers which does save time in looking for the company and applying. Usually the link is a great lead. Also I apply to jobs when I get notification about a job from you so it makes putting a résumé there such a smart job search tool. I really like the features which tell me about which résumé was searched and accessed. That is good information because it tells me that my résumés may not get searched if I have some obscure name that employers may not search for. I’ve just really pumped up my job search.” –Praise from a satisfied*

AJL offers the ability to upload a résumé to the system, display job openings on a map for ease of location, and “job speeding” / “job spidering,” which expands access to millions of jobs from sources such as Monster, Hotjobs, and Careerbuilder, along with thousands of other sources, including small industry-specific job boards, local newspapers, and trade associations.

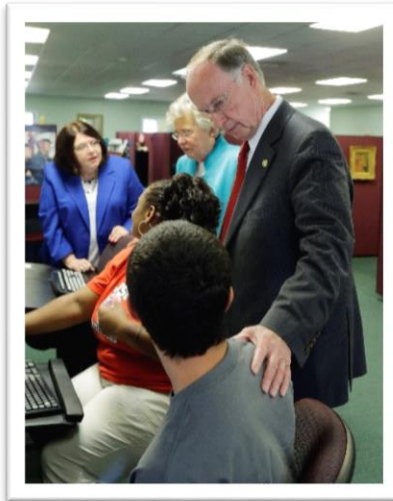
Empowerment of the users of Alabama’s Labor Exchange system to self-direct job and worker searches has opened access to the public labor exchange system, making it truly a “customer demand–driven” system. Success in this shift in service delivery is borne out in the numbers of job seekers and employers served by the system with 112,000 new job seeker accounts and 4,100 new employer accounts established this year. Over 120,000 new job orders representing over 161,000 job openings were listed on AJL this year. Automation and streamlining of the delivery of workforce development services continues to position the Alabama Career Center System as the “gateway” to Alabama’s job and labor markets.

For the most recently completed year, over 156,000 jobseekers entered employment after receiving employment services through the Career Center System, representing more than half (57.4%) of the job seekers exiting the labor exchange system during this period. An overwhelming majority (80.0%) were found to still be employed six months after exiting the system with a job. Average earnings were \$24,346 per year or \$11.70 per hour.

Responsive adaptation to change serves to support and strengthen the mission of the Employment Services Division to achieve a customer-focused, technologically advanced, outcome-driven workforce delivery system that provides high standards of customer service and satisfaction.

### **CLAIMANT ASSISTANCE PROGRAM**

The Claimant Assistance Enhancement Program is designed to reduce the duration of joblessness for Unemployment Compensation claimants. This is accomplished through quick, early intervention by Career Center staff with UC claimants to assess their needs and offer services designed to return them to work as quickly as possible. These services include: review of job search efforts, orientation to Career Center services, provision of labor market and career information, skills assessment, employability development plans, job search plans, job search workshops, and intensified job development and placement services including skills assessment/transferability tools provided online to claimants by the Career Center.



*Governor Bentley visiting with jobseekers at the Alabaster Career Center.*

This year, more than 115,000 eligible claimants were helped to find jobs, representing more than 59% of the eligible claimants exiting the labor exchange system during this period, creating a significant savings to the Unemployment Trust Fund.

### **BUSINESS CONTACTS**



Over 21,800 promotional business contacts were made by Career Center staff with Alabama employers last year, representing the most business contacts made in over a decade. Driving the yearly increase of 1,400 contacts was expansion in the Business Services program with trained Business Service Representatives focusing outreach to both new employers and those not previously using Career Center services to help solve workforce problems.

Employers are apprised of services, programs and assistance available through the Career Center System to include on-the-job training and incumbent worker training program opportunities to help in meeting their workforce needs. The goal of the Business Services initiative is to help employers take advantage of programs in order to grow and create jobs. In turn, employers' feedback is used to adjust services or develop new services to better serve employers.

### **RAPID RESPONSE**

Rapid Response activities provided by Career Center staff, funded under contract with the Alabama Department of Economic and Community Affairs, support the State's Rapid Response Team in providing assistance to the business community and workers affected by layoffs or plant closings in the state. Career Center staff participate in group employee meetings as key members of the State's Rapid Response Team to provide information and direction to dislocated workers relative to Career Center services, including: UI registration, job registration, résumé preparation, online job search, job placement, veteran's services, labor market information, and when necessary and appropriate, conduct dedicated on-site job search workshops.

During the past year, the Rapid Response team assisted workers at 34 major closing and layoffs which affected more than 8,100 dislocated workers.

### **FOOD STAMP PROGRAM**

During Fiscal Year 2014, 29,400 food stamp registrants were referred to the ADOL Food Stamp Employment and Training Program from the Alabama Department of Human Resources. This represents little change from the number referred in FY 2013. Of those referred, 24,091 clients were placed in job search programs and were provided training in job seeking skills. A total of 1,366 Food Stamp clients were either placed on jobs by the Career Centers or obtained employment after participating in the program.

Effective Oct 1, 2014, nine more counties (Jefferson, Tuscaloosa, Bibb, Shelby, Chilton, Coosa, Talladega, St Clair, and Blount) were added to the existing five counties (Mobile, Montgomery, Houston, Morgan and Etowah) comprising the Food Stamp E&T Program. Emphasis of the program will also be refocused to include working with Able Bodied Adults without Dependents (ABAWDs) to find employment. The key to the success of this program will be increased emphasis in the development of quality résumés for clients in AJL to improve employer job match searches and availability of job shops to hone job search/hiring skills.

### **TAX CREDITS FOR EMPLOYERS**

The Work Opportunity Tax Credit (WOTC) program is a federally funded program that provides incentives to businesses to hire individuals who have historically faced barriers to employment. The benefits of WOTC are twofold: it is an aid in helping targeted job seekers find and retain employment, and it saves employers money by reducing their tax liability. Private-sector employers can reduce their tax costs by employing individuals from any of nine targeted WOTC designated groups. These include: TANF recipients, food stamp recipients, youth, ex-felons, SSI recipients, veterans, and those with disabilities, among others.

Alabama WOTC issued 10,135 certifications during FY14. This represents 10,135 individuals who found jobs along with a tax savings of at least \$24,324,000 for Alabama employers. Please note that because WOTC expired Dec 31, 2013, the reporting period is for only three months. Congress has acted to extend WOTC through Dec 31, 2014, but the US Department of Labor and the Internal Revenue Service have not yet issued instructions to the states as to when determined applications can be released.

Year	Month	# Certifications	Potential Federal Income Tax Credits
2012	Nov-12	1,178	\$ 2,839,200
	Dec-12	232	\$ 574,000
<b>2012 Totals</b>		<b>21,120</b>	<b>\$ 55,667,400</b>
2013	Jan-13	20,168	\$ 53,868,000
	Feb-13	3,064	\$ 8,845,800
	Mar-13	4,112	\$ 11,192,400
	Apr-13	2,573	\$ 7,279,200
	May-13	3,769	\$ 11,097,400
	Jun-13	2,987	\$ 8,364,200
	Jul-13	2,731	\$ 7,525,200
	Aug-13	3,326	\$ 9,069,800
	Sep-13	2,919	\$ 8,119,800
	Oct-13	3,538	\$ 9,610,600
	Nov-13	3,465	\$ 9,451,400
	Dec-13	3,215	\$ 9,204,200
<b>2013 Totals</b>		<b>55,867</b>	<b>\$ 153,628,000</b>
2014	Jan-14	2,782	\$ 8,054,800
	Feb-14	1,002	\$ 3,329,800
	Mar-14	1,135	\$ 3,951,200
	Apr-14	1,245	\$ 4,428,400
	May-14	1,780	\$ 6,001,800
	Jun-14	1,124	\$ 3,829,000
	Jul-14	1,810	\$ 5,282,000
	Aug-14	1,293	\$ 4,087,000
	Sep-14	1,023	\$ 3,548,000
	Oct-14	642	\$ 2,004,000

Once the certification dates for 2014 are released, the number of certifications will rise to approximately 43,196, with a tax savings of at least \$103,670,400.

WOTC automation efforts for streamlining access to records of UI receipt and wage data and the Supplemental Nutrition Assistance Program (SNAP) for use in determining eligibility for veteran target groups continued. Also, continued efforts were taken to eliminate the need for “hard-copy” applications by providing encouragement and more direction for filing electronically. Those who take advantage of filing electronically have the added benefit of monitoring their decisions online. This eliminates the cost of mailing decisions in the traditional manner.

Additional information regarding the WOTC is available at <http://www.doleta.gov/business/incentives/opptax/> and <http://wotc.alabama.gov/WOTC.html>.

## **SERVICES TO RURAL RESIDENTS**

In addition to comprehensive Career Centers located in the state's more densely-populated Metropolitan Areas, the Alabama Career Center System also operates 13 satellite Career Centers and 10 itinerant Career Centers. This helps to facilitate access to workforce delivery services through the Alabama Career Center System in the state's rural areas.



As a part of this service, the Alabama Career Center System conducts the Agricultural Recruitment Service (ARS) and assists the U.S. Department of Labor, Office of Foreign Labor Certification, with the Foreign Labor Certification H-2A temporary agricultural program for nonimmigrant foreign workers. Staff members based in Alabama Career Centers as well as members of the Alabama Department of Labor central office staff are also responsible for overseeing the Migrant and Seasonal Farm Worker Outreach Program and for conducting agricultural pre-occupancy housing inspections for the H-2A program.

Last year, in response to 38 separate H-2A certifications, ALCC staff inspected 98 dwellings, with occupancy approved for 878 workers.

Migrant and seasonal farm workers were offered all services provided to other applicants and referred to other community agencies as needed. A bilingual staff member is available for each local office to help coordinate the process if the applicant is not proficient in English.

## **FOREIGN LABOR CERTIFICATION**

The Foreign Labor Certification Unit of ADOL works directly with the employer to ensure that labor certification applications meet regulations and guidelines mandated by federal and state laws and U.S. Department of Labor and Employment Service guidelines.

The Foreign Labor Certification H-2B Unit fills a customer service role by responding to employer inquiries and by disseminating comprehensive information concerning the program and by providing guidance in the filing process. In Fiscal Year 2014, ADOL received seven new intrastate job orders identified as H-2B, one state workforce staff assisted intrastate referral, two state workforce staff assisted interstate referrals, and seven interstate job orders from other states.

## VETERANS SERVICES

### **Alabama Career Centers Provide Veterans with Priority in Services and Training**

The Alabama Career Center System implemented a Re-focus initiative proposed by the U.S. Department of Labor and required by Federal grant provisions in 2014, which directs Career Center specialists to provide veterans with core services, including initial assessments of job readiness, résumé assistance, and referrals to job openings and job training.

Wounded Warriors and Disabled Veterans, veterans recently released from active military duty, Homeless Veterans, economically and educationally disadvantaged veterans, and veterans with significant barriers to employment are referred to Disabled Veterans Outreach Program (DVOP) specialists for intensive services. DVOP specialists provide comprehensive assessments of job readiness, assist veterans in developing a plan to become employed, and help veterans connect to resources, services, and benefits.

The Re-focus initiative provides that Local Veterans Employment Representatives (LVERs) will advocate the Veterans Services Program to employers, conduct job search activities and workshops to assist veterans in finding employment, and promote the hiring of veterans.

The number of veterans in the Alabama labor force during the reporting period decreased to 179,000 in 2014 from 212,000 veterans in 2013. However, the unemployment rate of veterans in Alabama remains at 5.6 percent. In comparing veterans of the Post-9/11 era, the number of Post-9/11 veterans in the nation's labor force increased by more than 10 percent to 2,278,000, but decreased in Alabama to 39,000, after last year's surge to 52,000 Post 9/11 veterans. However, while the unemployment rate for Post-9/11 veterans in the U.S. decreased only slightly from 9.9 to 9 percent, the unemployment rate for Post 9/11 veterans in Alabama declined from 6.7 to 5.7 percent, or about 2,000 unemployed Post 9/11 veterans in Alabama.

At the close of 2014, nearly 22,000 veterans and Military Transitioning Service Members (TSMs), including military spouses, were registered in Alabama Job Link (AJL) for job search assistance, résumé assistance, and employment and training services. Female veterans now make up 20 percent of the registered veterans in the Alabama Job Link (AJL).

Veterans are provided priority in all services and training provided by the Alabama Career Center System. JobLink offers self-service features and the convenience of access by Internet to provide job matching and many other services. Nevertheless, nearly half of registered veterans also took advantage of personal assistance offered by Career Center Specialists, Local Veterans Employment Representatives (LVERs), and partnership agencies located at local Career Centers. Veterans' Employment Representatives and Career Center Specialists provide career coaching, local and national job search assistance, intensive services to locate and apply for supportive services and resources, and personal assistance in navigating today's complex and challenging job market. Alabama Career Centers provided staff-assisted services to 10,000 veterans and were credited with assisting 8,800 into jobs.



*Picture LVER Dale Cookson assisting veterans at a Career Fair.*

Local Veterans Employment Representatives are well-acquainted with the needs of local employers and how to assess military skills to determine a service member's transferable skills related to occupations in civilian careers. The Local Veterans Employment Representatives are assigned to the Business Services Teams at Career Centers as veterans' employment advocates to locate potential employment opportunities and encourage employers to offer veterans priority consideration for their job openings.

Many veterans and military service members preparing for separation from active duty are provided career counseling and assistance to enroll into state and federally-funded workforce training or into vocational or four-year degree programs under the GI Bill.

At the close of 2014, 57 percent of registered veterans who received staff-assisted services were employed into new jobs. U.S. Department of Labor reporting shows that of 1,338 newly-released from active duty veterans who received staff-assisted services, over 75 percent entered employment, and all Alabama Career Centers met or exceeded the state's performance measure for Veterans Entered Employment.

### **Services to Military**

Veterans' employment representatives participate in Military Yellow Ribbon events and military family functions for deploying and deactivating units of the Alabama National Guard and the Military Reserve components to extend job search services to soldiers in transition from active duty and assist military spouses in finding jobs during the service member's active duty deployment.



### **Extensive Outreach to Disabled Veterans and Veterans Facing Special Challenges**

To assist veterans and separating service members with service-connected disabilities in finding civilian jobs, the State of Alabama operates a Disabled Veterans Outreach Program (DVOP), funded under a federal Job for Veterans State Grant, using specialists to provide intensive services and to guide disabled veterans into vocational training or to develop employment opportunities. The Disabled Veterans Outreach Program also provides statewide outreach programs and events to assist economically or educationally disadvantaged veterans in connecting with resources and services to overcome barriers to employment.

Last year, Disabled Veterans Outreach Program specialists counseled over 4,500 veterans with significant barriers to employment due to military service-connected disabilities by providing them with employment services including: career counseling, guidance on applying for veterans' benefits, referrals to supportive services, job training, and information about their employment and reemployment rights.

In partnership with the U.S. Department of Veterans Affairs, Vocational Rehabilitation and Employment (VR&E) Division, DVOP specialists in the Alabama Career Centers work with VR&E's counselors to develop job opportunities for disabled veterans participating in vocational

training for employment. The Alabama program was adopted by the U.S. Department of Labor and the U.S. Department of Veterans Affairs as a nationwide program.

### **Partnerships to Serve Veterans**

Alabama Career Centers collaborate with colleges, universities, and trade schools to coordinate job fairs and career expositions, including events held at military installations and National Guard armories. These intensive efforts make an important difference for recently-separated military veterans. Other community partnerships developed by Alabama Career Centers and the Alabama Department of Labor include Homeless Veterans Stand-Down events in Mobile, Birmingham, Dothan, Huntsville, Opelika-Auburn, and several rural areas.

Local Veterans Employment Representatives and Disabled Veterans Outreach Program specialists served 319 homeless veterans in Alabama last year, including 37 female homeless veterans by providing job search services, intensive services under a strategy of case management, and through innovative partnerships with local agencies and community organizations. These efforts resulted in finding employment for 115 Homeless Veterans.

Alabama is in partnership with the Direct Employers Association, through an initiative supported by the National Association of State Workforce Agencies (NASWA) that automates the posting of federal contractor job and career openings into Alabama's JobLink data system. Jobs are posted directly to the Career Center located at the site of the contract. Veterans have 24-hour priority access to employment openings posted by member companies holding federal contracts in Alabama.

## The Alabama Veterans Executive Network (AlaVetNet)

Governor Robert Bentley signed Executive Order 42 creating AlaVetNet to address ways to better provide services for Alabama service members, veterans, and their families. AlaVetNet commission members studied and evaluated all services in the state directed at improving the well-being of service members, veterans, and their families in the key areas of education, employment, health, homelessness, legal assistance, and family services. Through a series of meetings, the Commission developed final recommendations that were submitted to the Governor on June 23, 2014.

The image is a screenshot of a news article from a website. The article title is "Panel releases plan to help Alabama veterans with health, employment, homelessness, legal problems". The main image shows the Alabama State Capitol building. To the right of the main image is a sponsored advertisement for "WISKEY LABBY HAPPY HOLIDAYS" with a "SHOP NOW!" button and a "GET INSPIRED" button with the hashtag "#SprinkleJoy". Below the advertisement is a "Most Read" section with two items: "Pizza delivery driver, 63, killed at Summit apartments in Birmingham" and "Protesters slow US 280 traffic during rally". At the bottom left of the article, it says "By Mike Cason | mcason@al.com" and "Email the author | Follow on Twitter". There is also a "Print" button and a "10" in a box.

# UNEMPLOYMENT COMPENSATION

## QUALITY ASSURANCE

Quality Assurance met federal requirements for both the number of cases selected for review and for case completion time lapse in all cases, both paid and denied. The federally mandated time lapse for paid cases is 70 percent in 60 days. Alabama completed 97.92 percent of paid cases within 60 days. The mean completion time was 32 days. The mandated time lapse for denied claims is 60 percent in 60 days. Alabama completed 99.34 within 60 days. The mean completion time was 29 days. Alabama continues to have one of the lowest coding error rates in our region of eight states and among the states included in the cross regional reviews.

Two representatives attended cross regional peer reviews in Philadelphia, PA in May 2014 and at the Department of Labor Regional Office in Atlanta, GA in August 2014. One auditor attended Benefit Accuracy Measurement (BAM) Investigator Training in Washington, DC in October 2014. Our Senior Specialist attended BAM Supervisor Training in Washington, DC in September 2014 and Annual Reports Training in Washington, DC in October 2014.



*Staff attending training in Washington, D.C.*

## BENEFIT OPERATIONS

### Benefit Payment Control

Alabama participated in the Unemployment Compensation (UC) Treasury Offset Program in 2014 and intercepted \$5,449,004.78 in federal tax refunds that were used to offset fraudulent UC overpayments. The total amount of recovery excluding the offset of unemployment benefits is \$12,087,301.59.

Retired State Employees continue to assist in the establishment of overpayments and other related tasks. These staff members closed 6,420 cases, resulting in the establishment of \$5,043,925.17 in overpayments.



Special Investigators filed 758 warrants which have resulted in 189 prosecutions won to date. The addition of investigative staff and the continued publication of prosecutions acts as a deterrent to committing UC Fraud.

Internet Response Module for Employers (IRME) and Electronic Wage Audit Notice (EWAN) software was installed allowing employers to respond electronically to Unemployment Insurance Benefit Payment Audits. Employers are joining at a steady rate and hundreds of audits are being processed quickly by this system.

## Special Programs

Emergency Unemployment Compensation (EUC) for unemployed workers ended Dec. 24, 2013.

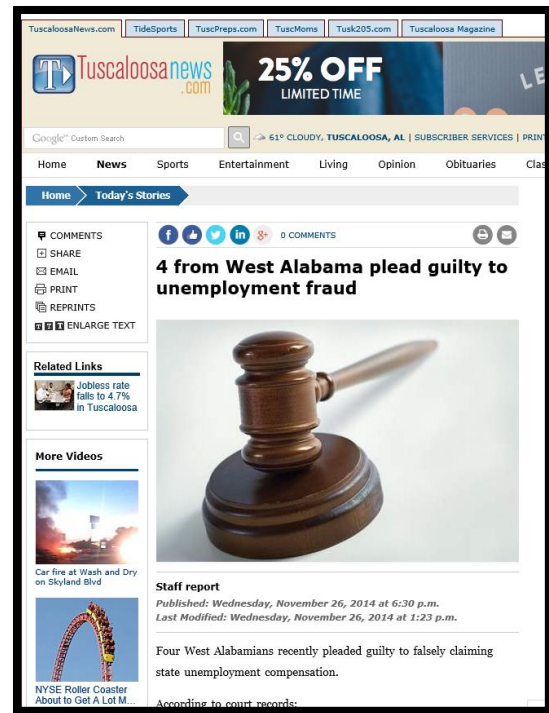
During the period beginning Oct. 1, 2013 and ending Sept. 30, 2014, one company was certified for Trade Adjustment Assistance.

As a result of severe storms, flooding, tornadoes, and straight-line winds that occurred on April 28, 2014, President Obama declared a federal disaster in Alabama on May 2, 2014. Nine Alabama counties were declared to be major disaster areas for the purpose of paying Disaster Unemployment Assistance (DUA) benefits. The counties declared to be major disaster areas were: Baldwin, Jefferson, Lee, Limestone, Blount, DeKalb, Etowah, Mobile, and Tuscaloosa. There were 63 DUA claims filed and eight claims approved. The last week payable was Nov. 8, 2014. The total amount expended for DUA by Sept. 30, 2014 was \$18,624.

At the end of 2014, there were 182 participants in the ATAA /RTAA programs.

At the end of 2014, there were 476 participants in TAA-funded training.

The Health Coverage Tax Credit (HCTC) ended Dec. 24, 2013.



## **Benefit Services**

Former Federal Civilian (UCFE) employees may now file via the web as this application has been added to list of internet filing options.

The Staff Accountant assigned to the Combined Wage Unit for combined wage billing functions assumed additional billing duties for federal agencies impacted by unemployment claims filed by former Unemployment Compensation Military Members (UCX) and Unemployment Compensation Federal Employees (UCFE).

Federal Programs staff, Information Systems programmers, and other department personnel participated with Xerox staff in the development and testing of Military State Data Exchange Claims (MSDEC) and Military State Data Exchange Billing (MSDEB) applications for the Military State Data Exchange System (MSDES) project.

## **UC Technical Services**

ADOL was granted \$1,088,505 from the U.S. Department of Labor in a Supplemental Budget Request (SBR) to improve UC Integrity. The UC Technical Services Section will coordinate implementation of additional electronic enhancements to prevent, detect, and recover overpayments of UC Benefits.

The Single Line Adjudication Program (SLAP) was fully implemented during 2014. Technical Services staff provided SLAP training to Call Center personnel in Birmingham and Montgomery.

Technical Services staff serve on a myriad of committees, including the Mainframe Modernization Project work group, which will eventually select a vendor for the new mainframe. One staff member represents Benefit Operations on the newly established Performance Improvement Training committee.

We continue to add participating employers to STATE INFORMATION DATA EXCHANGE SYSTEM (SIDES). This electronic response system for employers will be expanded due to monies allocated from the SBR, adding single sign-on capability for employers.



## CALL CENTER OPERATIONS

This section consists of an administrative unit and two call centers. Through the call centers, unemployed individuals can file unemployment claims by calling a toll-free telephone number and receiving assistance from a customer service representative (CSR) or by accessing a web application and completing their claim without human intervention. Claims adjudicators work in the Call Centers and review claims and issue initial determinations on whether to allow or deny unemployment compensation benefits based on the cause behind a claimant's separation from employment and based on whether or not other eligibility requirements under the Alabama Unemployment Compensation Law are met.

- Approximately 297,666 claims and inquiry calls were handled through ADOL's Unemployment Compensation Call Centers in 2014. This is a 20 percent reduction in calls received in 2013.
- 139,716 claims were processed through the Remote Initial Claims (RIC) system. This is 34 percent less than 2013.
  1. 55,687 claims were filed through the call centers by customer service representatives (CSRs).
  2. 76,300 claims were filed and completed via our web application.
  3. 7,729 claims were initiated on the web but were not completed and claimants had to be referred to the call centers for completion by CSRs.
- 45.4 percent of claims processed were completed by a CSR and 54.6 percent of claims processed were completed via the web. Web initiated claims continue to be the preferred method to file claims by claimants as 60.1 percent of all claims filed were initially filed via the web.
- Approximately 134,310 issues were adjudicated by adjudication staff. This amounts to a 13 percent workload reduction from 2013.
  1. 93,928 separation issues
  2. 40,382 non-separation issues

In an effort to streamline claims adjudication process and ensure a higher quality of claims adjudication to claimants and employers, a decision was made to establish an adjudication center. This adjudication center should be staffed and in operation by early 2015.

The Unemployment Compensation Division of the Alabama Department of Labor ranks near the top of the region in the prompt payment of unemployment compensation benefits to the unemployed citizens of Alabama. During the 2014 calendar year the Division consistently maintained the number one ranking for the region in this category.

## Benefits: Timeliness and Quality Reports

### ALL FIRST PAYMENT TIMELINESS REPORT FOR 10/01/2014 THROUGH 12/31/2014

STATE	Total Workload	<=7 Days	14 Days	21 Days	28 Days	35 Days	42 Days	49 Days	56 Days	63 Days	> 70 Days
<b>Alabama</b>											
11/30/2014	4,032	68.8%	91.7%	94.6%	96.5%	97.7%	98.9%	99.4%	99.5%	99.6%	100.0%
10/31/2014	4,324	66.0%	93.1%	95.9%	96.9%	98.0%	98.9%	99.1%	99.3%	99.3%	100.0%
<b>Florida</b>											
11/30/2014	13,262	57.0%	74.3%	81.7%	84.5%	87.5%	90.7%	93.3%	94.7%	95.7%	100.0%
10/31/2014	19,828	57.2%	72.6%	80.6%	83.5%	86.6%	89.7%	92.2%	93.8%	94.8%	100.0%
<b>Georgia</b>											
11/30/2014	11,062	36.8%	67.2%	86.8%	91.7%	94.0%	95.7%	97.2%	98.3%	98.9%	100.0%
10/31/2014	13,047	38.0%	67.3%	87.2%	92.5%	94.2%	95.5%	96.9%	98.1%	98.8%	100.0%
<b>Kentucky</b>											
11/30/2014	3,769	30.8%	63.8%	80.0%	90.1%	93.9%	95.5%	96.1%	96.6%	96.9%	100.0%
10/31/2014	3,800	38.2%	68.9%	86.1%	91.0%	92.9%	93.7%	94.1%	94.7%	95.8%	100.0%
<b>Mississippi</b>											
11/30/2014	2,307	77.1%	87.9%	91.0%	93.2%	95.4%	96.8%	97.8%	98.4%	98.7%	100.0%
10/31/2014	3,106	74.8%	85.8%	89.2%	91.7%	93.6%	95.7%	97.0%	98.2%	98.6%	100.0%
<b>North Carolina</b>											
11/30/2014	7,562	42.5%	63.8%	72.5%	76.7%	79.4%	82.6%	85.9%	88.5%	91.3%	100.0%
10/31/2014	8,580	43.3%	62.3%	71.1%	75.3%	77.5%	79.6%	81.6%	84.6%	87.9%	100.0%
<b>South Carolina</b>											
11/30/2014	4,882	76.3%	90.6%	94.3%	95.4%	96.2%	96.9%	98.1%	98.6%	98.9%	100.0%
10/31/2014	4,728	75.4%	90.8%	94.0%	95.3%	95.8%	97.0%	98.2%	98.9%	99.1%	100.0%
<b>Tennessee</b>											
11/30/2014	5,746	71.2%	89.1%	93.4%	94.7%	95.5%	96.4%	97.3%	97.8%	98.1%	100.0%
10/31/2014	6,618	66.7%	85.6%	90.3%	91.7%	92.8%	93.8%	95.0%	95.9%	96.6%	100.0%

## TAX OPERATIONS

In 2014, Tax Operations continued to thrive and set the standard for the nation in many categories. The unit continues to operate in the black by collecting unemployment compensation taxes in excess of \$352 million and deposits into the Alabama Unemployment Insurance Trust Fund have exceeded benefit payments for the fourth straight year. The trust fund balance is currently at just under \$329 million.

Electronic filing and remittance percentages continue to make Alabama one of the most efficient states in payment processing. Electronic receipts of tax returns averaged 99 percent and electronic remittances averaged 96 percent during the year. Enhancements to computer systems to eliminate paper processes continue. These enhancements are listed below:

- Approximately 7,585 batches were processed through online automated adjustments.
- The new Bulk Wage Change filing method for third party filers (ADP, Paychex) which was put into production in August resulted in 343 Bulk Wage Change filings.
- The new AWARE software program is being utilized to validate social security numbers filed by employers on quarterly returns and 1099 information from IRS. This should make a big difference in fraud, as well as ensuring that wages are reported correctly up front.
- Tax Rate notices will once again be available for download from our website for calendar/tax year 2015. The majority of the taxpayers utilize the electronic version and there will only be 390 paper documents mailed. For the fiscal year ending Sept. 30, 2014, calendar year 2015 tax rates produced will be 74,474 for on-line filers saving postage costs of \$36,301.26.
- Electronic registration for employer accounts increased by two percent this year. Of all employer applications (Status Report Form SR-2) received this year, 75 percent were filed electronically, thus further reducing the amount of paper forms processed. Likewise, 29.5 percent of all address changes were entered by employers online.

Other items of note are as follows:

- Twelve State Unemployment Tax Act (SUTA) Dumping investigations were completed in 2014.
- Tax Operations successfully passed all Tax Performance studies in 2014. Tax met or exceeded all minimum requirements mandated by the U.S. Department of Labor.
- In 2012, an initiative was launched to resolve the backlog of tax appeals accumulated since the recession. The first step was to create a Tax Hearing Representative position. Since 2010, there have been 161 appeals. Of those, 76 were resolved prior to a hearing, 64 hearings were scheduled, leaving 21 pending. Of those 21 pending, 14 are currently scheduled or in negotiations, and only 7 recent remain unscheduled. Of the 140 cases resolved, 133 have been pending

since January 2012. The Tax Hearing Representative has handled 83 percent of those. Of the cases that have been resolved, 54 percent were handled without the need of a hearing. The majority of the cases handled have been during 2014.

Field Services also experienced a major year. Some accomplishments are as follows:

- The Field Staff has collected \$9,886,703.39 of delinquent monies this year.
- Completed 1,431 Employer Wage Audits.
- Discovered 2,550 misclassified workers and \$25,500,963 misclassified wage dollars.
- Round Robin training sessions for new Field staff were held twice during the year with a total of 17 Field Representatives attending the two sessions. These sessions provide a connection between the Field staff and the Central Office staff and allow each of the divisions the opportunity to meet and discuss what each does and how they interact.



*Staff participating in Round Robin training.*

- Design and implementation of a new program (Automated Field Assignment System Tax (AFAST)) to issue, complete, and submit assignments, is in the testing phase with a target implementation date of Jan. 1, 2015. This program will allow electronic input as well as electronic return of all Tax assignments which should offer substantial savings in postage, as all paper assignments are mailed from and back to Central Office. Most importantly this automation will speed up the information return by as much as five days or more in some investigations. This project has been an in-house team effort between Tax and the Information Systems personnel.

Additionally in 2014, ADOL entered into a Memorandum of Understanding (MOU) with the U.S. Department of Labor that would further cooperation and notification between the agencies in regards to misclassification of employees. This MOU will help to prevent employer misunderstanding and to protect the rights of workers.



*Labor Commissioner Fitzgerald Washington and Wayne Kotowski, Regional Director, Wage & Hour Division, U.S. Dept. of Labor*

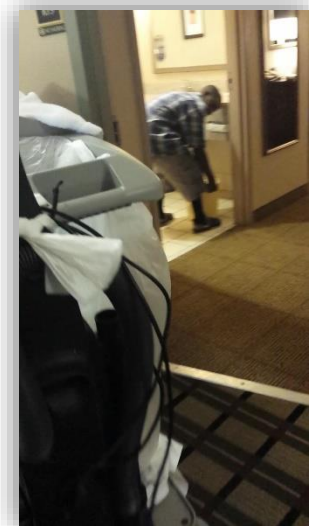
## CHILD LABOR ENFORCEMENT

State law currently allows children age 14 and 15 to work only until 7 p.m. during a school year and 10 p.m. for those 16, 17, and 18 years old who are still enrolled in high school.

Minors under the age of 18 are prohibited from working in many hazardous occupations. **However, seven Alabama teenagers have died in prohibited work-related activities since 2000.** Fortunately, none of those have occurred in the last seven years, although several serious injuries have been reported.

### What Does Child Labor Enforcement Do?

- Follows up on eight to 10 complaints per month. These complaints involve multiple issues including record keeping, hour violations, prohibited occupations, and alcohol.
- Randomly inspects businesses for compliance.
- Conducts trainings for new employers and those who have first offenses.
- Issues civil penalties that are returned to the General Fund.
- Trains 175+ Career Technical Teachers, in three separate sessions each year (as required by the Department of Education).
- Participates in the Annual Fire Explorer Junior Cadet training at the Alabama Fire College.
- Writes, designs, and updates all of our own posters, brochures, forms, and other publications which are provided to every school system in the state.
- Answers calls and emails from the public, businesses, and school officials.
- Conducts training for employers upon request.



*A 10-year old boy operating heaving machinery in Florence, AL.*

## Fiscal Year 2014

- 1,281 inspections of businesses were conducted.
- 525 violations were identified.
- \$25,575.00 in civil penalties were collected.
- \$92,580.00 in fees were collected for Child Labor Certificates.
- Child Labor began Fiscal Year 2014 with only two Child Labor Inspectors, and as of August 2014, the department is up to three inspectors to cover the entire state.

<b>ALABAMA CHILD LABOR LAWS</b>		
Each employer shall obtain and display the proper Child Labor Certificate(s) for each location where minors under the age of 18 are employed. To apply for a certificate(s) go to <a href="http://www.labor.alabama.gov">www.labor.alabama.gov</a>		
<b>Persons under 14 years of age SHALL NOT BE EMPLOYED</b>		
	Minors Age 14/15	Minors Age 16/17
<b>Employment Certificate</b> (Renewed Annually)	<b>Class I Certificate</b> To employ minors age 14/15	<b>Class II Certificate</b> To employ minors age 16/17
<b>Work Time Restrictions</b> (Minors Under age 19)	<b>During the Months when Public Schools are in Session</b> No more than 3 hours on any school day No more than 8 hours on a non-school day No more than 6 days per week No more than 18 hours per week Not before 7am or after 7pm on <b>Any Day of the Week</b> Not during school hours (8am-3pm)  <b>During Months when Public Schools are NOT in Session</b> No more than 8 hours per day No more than 6 days per week No more than 40 hours per week Not before 7am or after 9pm each day	<b>During the Months when Public Schools are in Session</b> Minors 16-17-18 years old who are enrolled in public or private school, may NOT work after 10pm or before 5am on a night preceding a school day.  <b>During Months when Public Schools are NOT in Session</b> Minors 16 and older do not have an hour restriction during this time.
<b>Breaks</b>	A documented 30 minute break is required for any 14 or 15 year old who is employed for more than 5 hours continuously.	No breaks are required for employees 16 and older.
<b>Occupations</b>	See AL §25-8-33 to 35 for a detailed list of prohibited occupations	See AL §25-8-43 for a detailed list of prohibited occupations.
<b>Record Keeping</b>	Each employer must keep on premises an <b>Employee Information Form</b> (available at <a href="http://www.labor.alabama.gov">www.labor.alabama.gov</a> ), <b>Proof of Age</b> , and <b>Time Records</b> showing the number of hours worked each day, starting and ending times, and break times for each employee 18 years of age and younger.	
<small>*Children of parents who own their own business are NOT exempt from Alabama Child Labor Law</small>		

**Alcoholic Beverages**  
Employees must be:  
21 to serve alcoholic beverages for consumption on premises (19 if licensee is RVP certified).  
16 and older may be employed in such establishments as busboys, janitors, dishwashers, cooks, hostesses, or seaters.  
14 and 15 year old minors SHALL NOT work in any establishment that serves alcohol for consumption on premises.  
(Note: Members of the immediate family of the owner or operator who are 14 or 15 years of age may be employed in such establishments provided they do not serve, sell, dispense, or handle alcohol.)

**Inspections by the Department of Labor**  
The Department of Labor has the right to enter, without warrant or notice, any business establishment for the purpose of routine inspections. These visits shall be conducted as frequently as needed to ensure that minors are employed in compliance with this act. The department shall enforce this act and may administer fines and/or prosecution for any violation of this act.

This notice is to be posted in a conspicuous place. This notice is for reference only. For full text, consult §25-8-32 to 63. Any difference in state or federal law regarding child labor, the law providing the most protection to the minor takes precedence.

FOR MORE INFORMATION CONTACT:  
The Alabama Department of Labor  
Child Labor Enforcement  
649 Monroe Street  
Montgomery, AL 36131  
(334)353-1761 [www.labor.alabama.gov](http://www.labor.alabama.gov)

Published 2012



## INTERNAL SECURITY

The ADOL Internal Security Section (comprised of the Internal Security Unit, the UI Disclosure Unit, and the Physical Security Unit) is vital to maintaining the integrity of the UI program and safeguarding program assets. Authority for Internal Security resides in provisions set forth in the Social Security Act Section 303(a)(5) and Internal Revenue Code Section 3304(a)(4). Per Employment and Training (ET) Handbook 376, Guidelines for Internal Security in UI Operations, all states are required to administer an Internal Security Program.

Internal security activities include conducting risk analyses, reviewing newly automated and manual procedures, conducting investigations of alleged internal violations by agency staff and other perpetrators, and conducting audits and reviews of UI operations. The Internal Security Unit conducted three internal investigations, five internal audits, and provided a response to more than 10,000 requests from law enforcement agencies.

The entire Physical Security staff received certifications in CPR and Automated External Defibrillator operation.



*Security guards Joe Marshall and Joseph Vallandingham with lifesaving equipment in the Central Office.*

The Disclosure Unit oversees the release of ADOL confidential information and prepares all Informational Disclosure Agreement contracts for release of confidential information. Requests are received from various clients (claimants, attorneys, employers, payroll companies, etc.). The Disclosure Unit invoices each request and in 2014 processed more than 19,000 records totaling more than \$180,000 in receivables.

UNEMPLOYMENT COMPENSATION				
	Fiscal Year		Net Change	Percent Change
	2014	2013		
<b>State Unemployment Compensation</b>				
Initial Claims				
New	160,895	187,633	(26,738)	-14.3
Additional	56,909	68,824	(11,915)	-17.3
Weeks Claimed *	1,439,419	1,650,285	(210,866)	-12.8
Weeks Compensated	1,243,682	1,371,401	(127,719)	-9.3
Gross Benefits Paid	\$257,952,443	\$279,446,716	(\$21,494,273)	-7.7
<b>Federal Employees</b>				
Initial Claims				
New	2,363	1,217	1,146	94.2
Additional	239	276	(37)	-13.4
Weeks Claimed *	7,649	13,484	(5,835)	-43.3
Weeks Compensated	6,818	12,235	(5,417)	-44.3
Gross Benefits Paid	1,555,043	\$2,947,135	(\$1,392,092)	-47.2
<b>Ex Servicemen</b>				
Initial Claims				
New	1,452	1,823	(371)	-20.4
Additional	147	156	(9)	-5.8
Weeks Claimed *	14,322	21,074	(6,752)	-32.0
Weeks Compensated	13,105	18,858	(5,753)	-30.5
Gross Benefits Paid	3,425,683	\$4,945,845	(\$1,520,162)	-30.7
<b>High Extended Benefit Unemployment</b>				
Initial Claims	4	98	(94)	-95.9
Weeks Claimed *	49	111	(62)	-55.9
Weeks Compensated	49	111	(62)	-55.9
Gross Benefits Paid	2,723	8,756	(6,033)	-68.9
<b>Trade Readjustment Allowance **</b>				
Initial Claims	835	406	429	105.7
Weeks Claimed	4,670	9,685	(5,015)	-51.8
Weeks Compensated	4,705	9,530	(4,825)	-50.6
Gross Benefits Paid	1,202,573	\$2,345,105	(\$1,142,532)	-48.7

**UNEMPLOYMENT COMPENSATION (Continued)**

	<b>Fiscal Year</b>		<b>Net Change</b>	<b>Percent Change</b>
	<b>2014</b>	<b>2013</b>		
<b>Emergency Unemployment Compensation</b>				
Initial Claims	9,467	36,710	(27,243)	-74.2
Weeks Claimed	159,121	853,683	(694,562)	-81.4
Weeks Compensated (ALL TIERS)	161,830	853,683	(691,853)	-81.0
Gross Benefits Paid (ALL TIERS)	30,441,781	\$156,408,351	\$125,966,570)	-80.5
<b>Disaster Unemployment Assistance FEMA No. 4176</b>				
Initial Claims	63	0	63	**
Weeks Claimed	78	0	78	**
Weeks Compensated	25	0	25	**
Gross Benefits Paid	12,919	\$0	\$12,919	**
<b>Alternative Trade Adjustment Assistance Program</b>				
Initial Claims	113	95	18	18.9
Weeks Claimed	3,913	4,539	(626)	-13.8
Weeks Compensated	3,913	3,611	302	8.4
Gross Benefits Paid	712,492	\$792,367	(\$79,875)	-10.1

## WORKERS' COMPENSATION

The Workers' Compensation Division's main function is to insure that necessary medical attention and compensation benefits are provided to employees injured on the job, or, in case of death, benefits are provided to their dependents. The Division also provides information and services to claimants, employers, insurance companies, attorneys, judges, legislators, labor and management groups, government agencies, and other parties. Other functions include gathering statistics on accidents, enforcing reporting requirements, monitoring claim payments, auditing all claim settlements, and taking corrective action on incorrect settlements or improper reporting procedures. The division is also responsible for gathering information on fraudulent claims of employees.

Ombudsmen mediate disputes through the benefit review conference process. The most frequent issue involves requests for information/assistance concerning the law or specific medical topics. The ombudsmen also provide assistance to employees, employers, attorneys, insurance carriers, and third party administrators, via telephone, seminars, and speaking engagements.

The division conducts employer inspections to ensure compliance with the Workers' Compensation Law. The division offers both a formal and informal medical dispute resolution process for any party that may dispute a medical service that has been conducted or that is requested.

Effective May 23, 2014, the State of Alabama's average weekly wage was determined to be \$794.24 for the calendar year 2013. This resulted in the following changes, effective July 1, 2014:

- The minimum weekly compensation payable increased from \$217 to \$218.
- The maximum benefits payable on fatalities increased from \$394,000 to \$397,000.

During fiscal year 2014 there were:

Group Fund Certificates Issued	3,927
Group Fund Certificates canceled	3,577
Self-Insurance certificates issued	15
Self-Insurance certificates canceled	9
Self-Insurers audited	358
Compliance inspections	20,961
Employers in Non-compliance	3,995
Continuing Education Seminars	5
Seminar Attendees	1,207
Continuing Education Certificates	1,195
Voluntary Mediations	1,455
Voluntary Mediations Resolved	1,272
Court Ordered Mediations	75
Court Ordered Mediations Resolved	48
Utilization Management/Bill Screening Certificates issued	58
Drug-Free Workplace Certificates issued	389
Medical Disputes	448
Third Party Administrators Certified	28
Professional Employer Organizations Certificates issued	30

### Self-Insurance Section

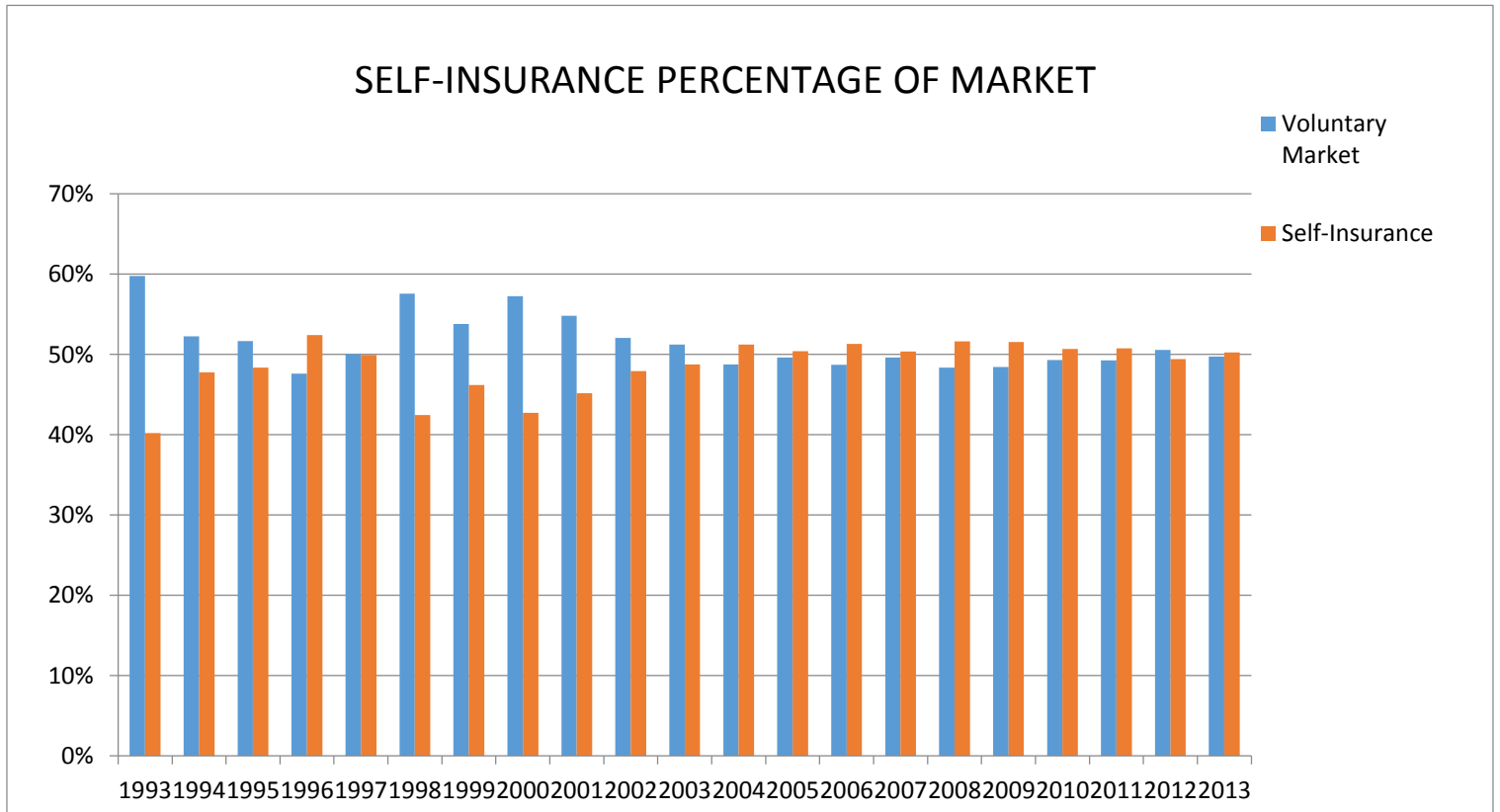
The Workers' Compensation Division also administers the rules and regulations for both the Individual Self-Insurers and Group Self-Insurers. During FY2014, the following activity took place within the Self-Insurance Section:

<b>INDIVIDUAL SELF-INSURANCE</b>			
	<b>FY2014</b>	<b>FY2013</b>	<b>Percent Change</b>
<b>Certificates Issued</b>	15	6	150.00%
<b>Certificates Canceled</b>	9	22	-59.09%
<b>Total Individual Self-Insurers</b>	282	276	2.17%

<b>GROUP SELF-INSURANCE</b>			
	<b>FY2014</b>	<b>FY2013</b>	<b>Percent Change</b>
<b>Certificates Issued</b>	3,927	3,052	-1.26%
<b>Certificates Canceled</b>	3,577	2,716	-20.09%
<b>Total Employers</b>	26,155	25,614	1.13%
<b>Total Number of Group Funds</b>	17	17	0.00%

## WC Market Trends

The graph below represents the total dollar amount actually paid for Workers' Compensation claims for Calendar Years 1992 through 2013, according to the Workers' Compensation Annual Assessment Report for Insurance Companies & Self-Insured Employers. As demonstrated by the graph, the trend for the voluntary market (private insurance) shows a steady decrease in market size of 60% in 1993, to 50% in 1997; but this market has remained steady since 1997. The Self-Insurance sector increased its market share from 40% to 50% over the past twenty-year period.



## FIRST REPORTS OF INJURY BY COUNTY AND TOTAL NUMBER OF INJURIES

	<u>FY2014</u>	<u>FY 2013</u>	<u>% Change</u>		<u>FY2014</u>	<u>FY 2013</u>	<u>% Change</u>
Autauga	119	91	31%	Jefferson	2,066	2,158	-4%
Baldwin	502	495	1%	Unclassified	1,206	1,316	-8%
Barbour	52	52	0%	Mobile	1,180	1,106	7%
Bibb	42	31	35%	Montgomery	966	918	5%
Blount	53	55	-4%	Madison	790	782	1%
Bullock	17	12	42%	Tuscaloosa	704	700	1%
Butler	97	71	37%	Baldwin	502	495	1%
Calhoun	215	198	9%	Talladega	404	380	6%
Chambers	41	57	-28%	Etowah	348	304	14%
Cherokee	44	49	-10%	Shelby	336	345	-3%
Chilton	77	69	12%	Houston	279	319	-13%
Choctaw	30	14	114%	Marshall	278	266	5%
Clarke	70	78	-10%	Morgan	275	285	-4%
Clay	36	33	9%	Colbert	226	147	54%
Cleburne	19	5	280%	Lee	226	288	-22%
Coffee	108	120	-10%	Calhoun	215	198	9%
Colbert	226	147	54%	Lauderdale	175	212	-17%
Conecuh	27	44	-39%	Cullman	161	130	24%
Coosa	14	16	-13%	Limestone	155	155	0%
Covington	67	98	-32%	Elmore	138	125	10%
Crenshaw	44	50	-12%	Autauga	119	91	31%
Cullman	161	130	24%	Pike	117	81	44%
Dale	110	113	-3%	Walker	117	155	-25%
Dallas	87	128	-32%	Dale	110	113	-3%
Dekalb	101	100	1%	Coffee	108	120	-10%
Elmore	138	125	10%	Dekalb	101	100	1%
Escambia	67	74	-9%	Jackson	99	124	-20%
Etowah	348	304	14%	Butler	97	71	37%
Fayette	28	28	0%	Franklin	97	103	-6%
Franklin	97	103	-6%	Dallas	87	128	-32%
Geneva	60	59	2%	St. Clair	87	120	-28%
Greene	9	35	-74%	Russell	84	100	-16%
Hale	14	20	-30%	Tallapoosa	80	139	-42%
Henry	33	22	50%	Chilton	77	69	12%
Houston	279	319	-13%	Marion	75	71	6%

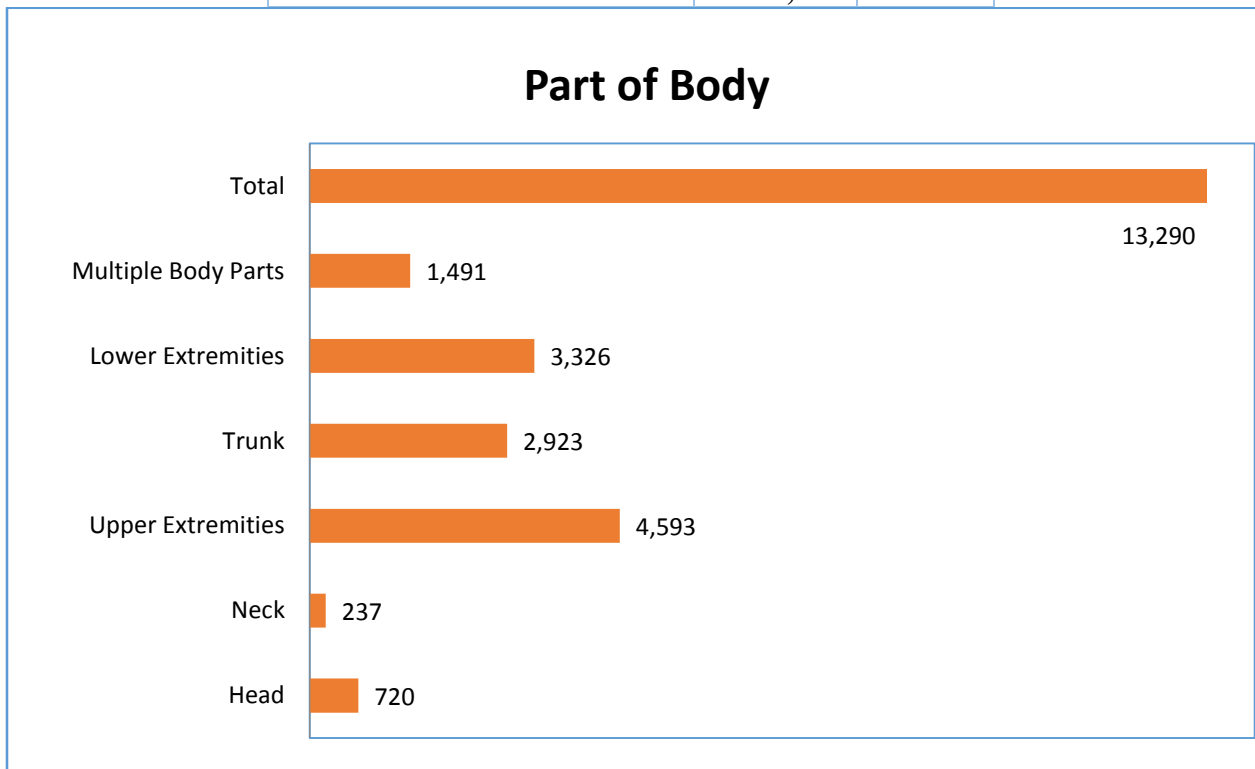
Jackson	99	124	-20%	Marengo	73	45	62%
Jefferson	2,066	2,158	-4%	Clarke	70	78	-10%
Lamar	30	28	7%	Covington	67	98	-32%
Lauderdale	175	212	-17%	Escambia	67	74	-9%
Lawrence	24	36	-33%	Winston	67	51	31%
Lee	226	288	-22%	Washington	64	38	68%
Limestone	155	155	0%	Geneva	60	59	2%
Lowndes	22	21	5%	Blount	53	55	-4%
Macon	21	30	-30%	Barbour	52	52	0%
Madison	790	782	1%	Cherokee	44	49	-10%
Marengo	73	45	62%	Crenshaw	44	50	-12%
Marion	75	71	6%	Bibb	42	31	35%
Marshall	278	266	5%	Chambers	41	57	-28%
Mobile	1,180	1,106	7%	Monroe	41	60	-32%
Monroe	41	60	-32%	Clay	36	33	9%
Montgomery	966	918	5%	Henry	33	22	50%
Morgan	275	285	-4%	Choctaw	30	14	114%
Perry	11	14	-21%	Lamar	30	28	7%
Pickens	28	28	0%	Randolph	30	27	11%
Pike	117	81	44%	Fayette	28	28	0%
Randolph	30	27	11%	Pickens	28	28	0%
Russell	84	100	-16%	Conecuh	27	44	-39%
Shelby	336	345	-3%	Lawrence	24	36	-33%
St. Clair	87	120	-28%	Lowndes	22	21	5%
Sumter	13	14	-7%	Macon	21	30	-30%
Talladega	404	380	6%	Cleburne	19	5	280%
Tallapoosa	80	139	-42%	Bullock	17	12	42%
Tuscaloosa	704	700	1%	Coosa	14	16	-13%
Unclassified	1,206	1,316	-8%	Hale	14	20	-30%
Walker	117	155	-25%	Wilcox	14	17	-18%
Washington	64	38	68%	Sumter	13	14	-7%
Wilcox	14	17	-18%	Perry	11	14	-21%
Winston	67	51	31%	Greene	9	35	-74%
<b>TOTAL</b>	<b>13,290</b>	<b>13,455</b>	<b>-1%</b>	<b>TOTAL</b>	<b>13,290</b>	<b>13,455</b>	<b>-1%</b>



### First Reports of Injury (continued)

- During FY2014 there were 19 fatalities reported.
- Of the 19 fatalities 84% were males with an average weekly wage of \$798.00.
- The average age was 48 with the average time employed being 12 years.
- Of the 19 deaths, approximately 16% were employed six months or less.
- Three fatalities were 60 years of age or older and five were 38 years of age or younger, with vehicular crashes making up 63% of the cause of death.

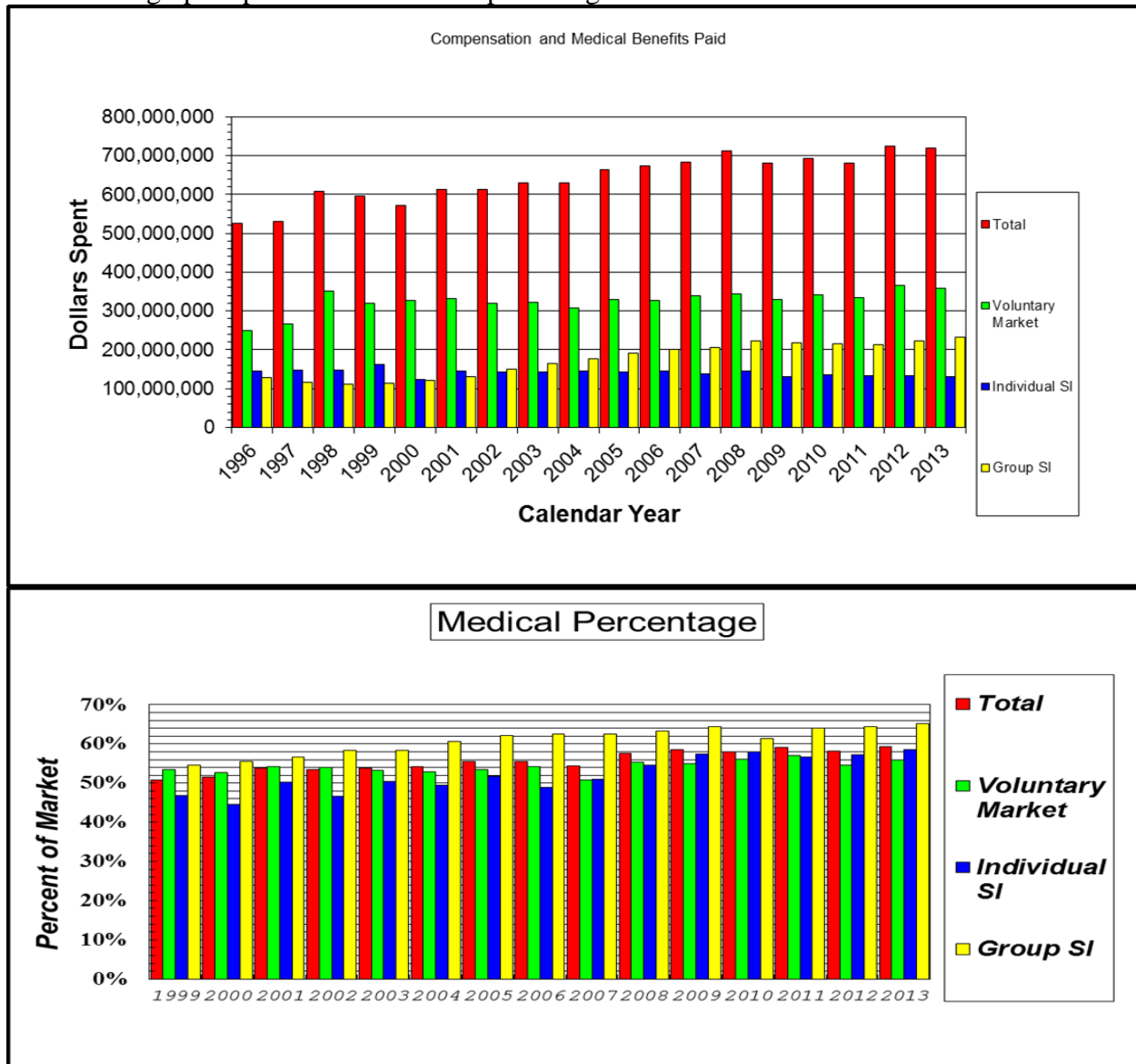
Type of Injuries		
Body Part Injured	Number	Percent
Head	720	5%
Neck	237	2%
Upper Extremities	4,593	35%
Trunk	2,923	22%
Lower Extremities	3,326	25%
Multiple Body Parts	1,491	11%
<b>Total</b>	<b>13,290</b>	<b>100%</b>



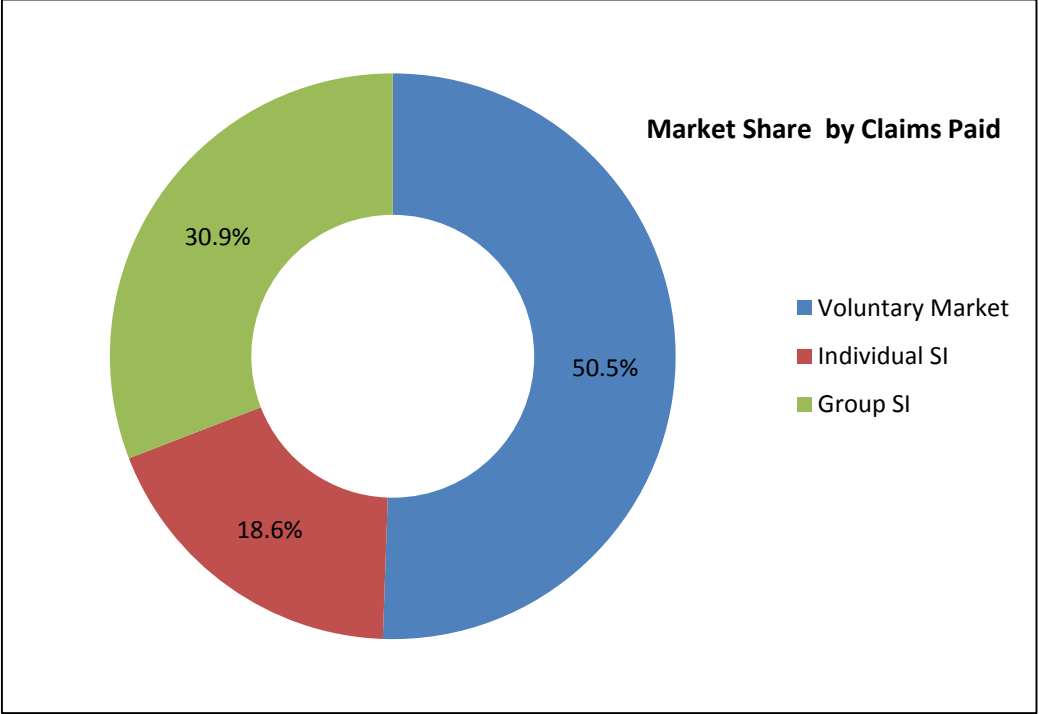
## Compensation and Medical Benefits Paid

The first graph represents the total dollar amounts actually paid for Workers' Compensation claims for Calendar Years 1996 through 2013, according to the Workers' Compensation Annual Assessment Report for Insurance Companies & Self-Insured Employers. These amounts were paid in the calendar year as specified below, regardless of date of original injury, and the totals represent both compensation and medical benefit paid.

The second graph represents the medical percentage trend from 1999 - 2013.

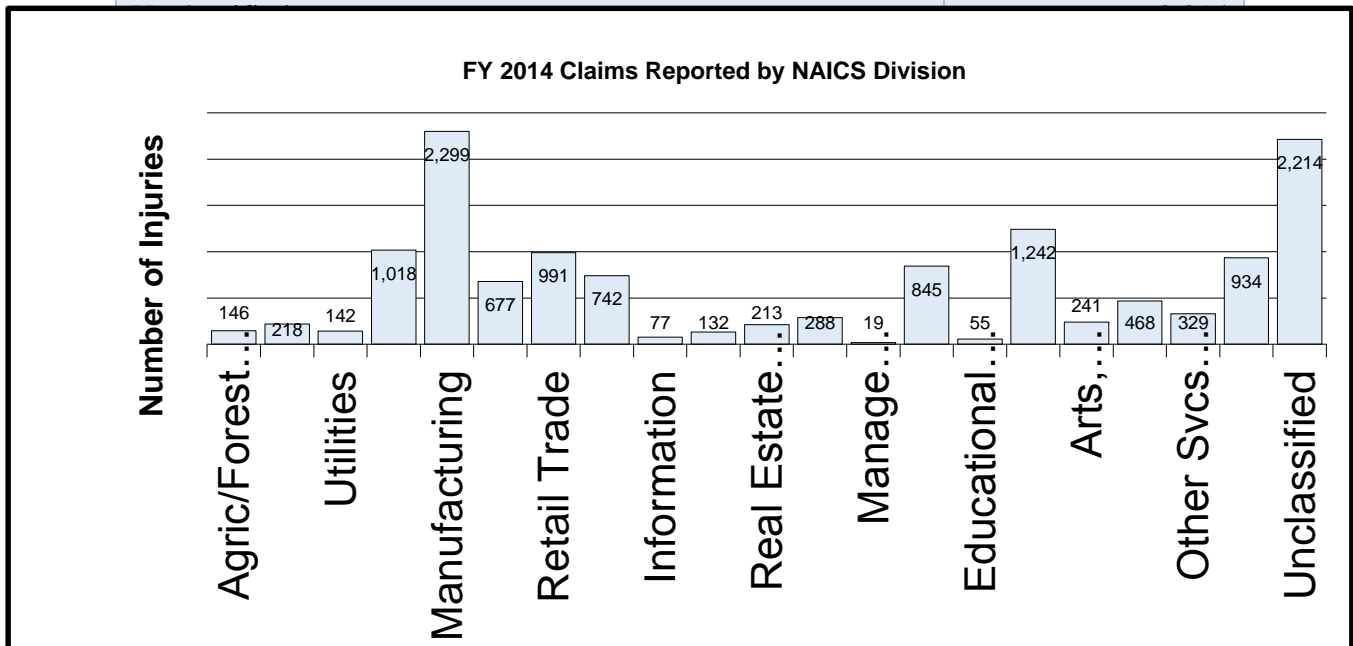


Total Compensation by Market For 2013		
	Compensation	% Medical
Voluntary Market	\$358,107,335	55%
Individual Self-Insured	\$129,983,397	57%
Group Self-Insured	\$231,938,276	64%
<b>Total</b>	<b>\$720,029,335</b>	<b>58%</b>



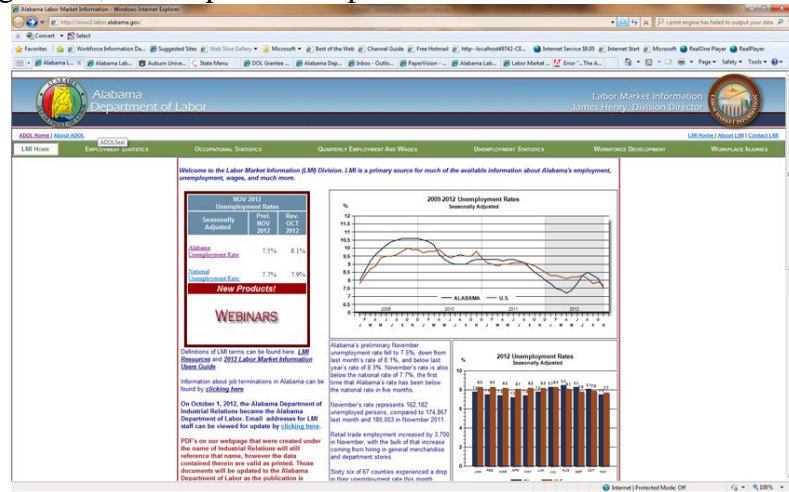
## First Reports of Injuries Categorized by Industry

Industry	Number of Injuries
Agriculture/Forest/Fish/Hunt	146
Mining	218
Utilities	142
Construction	1,018
Manufacturing	2,299
Wholesale Trade	677
Retail Trade	991
Transport & Warehouse	742
Information	77
Finance & Insurance	132
Real Estate & Rent & Lease	213
Profess, Science, & Tech Services	288
Manage Comp & Enterprise	19
ASWMRS	845
Educational Services	55
Health Care & Social Assist	1,242
Arts, Entertain & Recreation	241
Accommodation & Food	468
Other Services, Ex Public Admin	329
Public Administration	934



## LABOR MARKET INFORMATION

The Labor Market Information (LMI) Division is responsible for collecting, analyzing, and disseminating data essential for evaluating the condition of the Alabama economy. What is the latest unemployment rate? What wages can be expected from a certain occupation? Which industries employ the most people? What occupations are in high demand? These are just a few examples of questions answered with labor market information. The LMI website, <http://labor.alabama.gov/lmi>, allows public and professional users access to the LMI data.



The LMI division operates five Federal-State cooperative programs in agreement with the Bureau of Labor Statistics (BLS), a statistical branch of the United States Department of Labor. These core programs include:

- Current Employment Statistics (CES)
- Local Area Unemployment Statistics (LAUS)
- Occupational Employment Statistics(OES)
- Quarterly Census of Employment and Wages(QCEW)



The CES program is a monthly count of jobs, earnings, and work hours among the state's nonfarm businesses using survey data from over 19,000 businesses. CES publishes data on over 70 detailed industries at the state level as well as industry detail for 11 metropolitan areas each month. These sample-based estimates are revised annually to re-anchor them back to the near universe counts of employment (QCEW).

The LAUS program calculates and publishes civilian labor force, employment, unemployment, and an unemployment rate for the state, metropolitan areas, and counties each month. The LAUS unit is responsible not only for publishing the rates, but providing insight to the rates from an historical standpoint. Michele Tatum, Assistant LMI Director, continues to serve as state representative for the Atlanta Region on the LAUS Policy Council.

The OES program surveys nonfarm establishments collecting occupational employment data on workers by industry. Data collected produces estimated total employment by occupation

for the state and selected areas as well as estimated wages. The data produced is used by a variety of customers from economic developers, job seekers, school counselors, and secondary education. In addition, the information helps our projections units to produce projected employment. Two survey panels were conducted in 2013; May 2013 – December 2013 (76.14% response) and November 2013 – June 2014 (75.74% response).

The QCEW program collects quarterly employment and wage data for workers covered by state unemployment insurance (UI) laws. This program is responsible for assigning NAICS (North American Industry Classification System) and county codes to new employers and surveying established employers to ensure accuracy. The QCEW provides the number of establishments, monthly employment, and quarterly wages, by NAICS industry groups, for the state and counties. In 2014, numerous requests involving both current and historical data were fulfilled using system reports and staff created Progress queries. Deborah Conner, Unit supervisor, serves as a state representative on the Bureau of Labor Statistics State Systems Redesign Team and will be instrumental in the development of an enhanced PC based system to be used by all states.

In addition to the five cooperative BLS programs, the LMI Division also maintains the responsibility as the official statistical data collection and analysis manager for the Workforce Information System. This responsibility includes analyzing workforce trends, providing data updates to the Workforce Information Database, and publishing reports to deliver quality workforce information to our customers. In 2014 LMI:

- Developed and Published State Long Term Occupational Projections 2012-2022.
- Produced Help Wanted Online Reports for State, Metropolitan Areas, and Workforce Development Regions.
- Continued to provide quarterly updates to Alabama Business Employment Dynamics (BED) data reports.
- Published Results of the 2013 Alabama Skills Survey.
- Published Alabama Underemployment and Alabama Underemployment Forecast Reports.
- Produced and published (website) Accelerate Alabama Reports.
- Participated in approximately 5 career fairs
- Presented to 5 training conferences for new career coaches
- Presented to over 150 high school students on career resources

Presented Labor Market Information to the following groups:

- Local SHRM Chapter
- Alabama Business Educators Association (ABEA)
- State Workforce Investment Board
- Birmingham Local Area Workforce Investment Board
- Workforce Development Regional Board Meetings
- Existing Industry Seminars in St. Clair, Chilton, and Shelby Counties.

As part of the Department of Labor (DOL) mission to foster and promote the welfare of job seekers and provide insured benefits to those who have lost jobs due to no fault of their own, the Reports Unit of LMI compiles ongoing data on unemployment activity levels across the

State. In FY 2014, unemployment activities continued to recover from the recession of the previous years. New Initial claims dropped seven percent over the previous fiscal year.

The Reports Unit continues to track and submit data on claims and payment levels for the various unemployment compensation programs along with providing special requests to government and private agencies. The unit also compiles narratives and publishes the monthly Statistical Bulletin on the internet which reveals claimant totals and trends of the State UI and federal/ex-military unemployment programs.

The following programs were supported in FY2014:

- State Unemployment Insurance
- Unemployment Compensation for Federal Employees
- Unemployment Compensation for Ex-servicemembers
- Emergency Unemployment Compensation 08 -Tier 1 and 2
- HEB Compensation
- Trade Act of 1974
- Disaster Unemployment Assistance (DUA)
- Alternative Trade Adjustment Assistance

In addition, the Trade Act Participant Report (labeled TAPR) was submitted and data obtained in conjunction with other federal and state agencies. This federally mandated quarterly report tracks participant characteristics and outcomes from training, etc. and reemployment success of the Trade Act Program.

This section also conducted economic research to provide estimates for Unemployment Compensation Legislation, including the analysis of the benefit costs, tax revenues, and trust fund adequacy.

## HEARINGS AND APPEALS

The Hearings and Appeals Division processes appeals and schedules and conducts quasi-judicial hearings for the Alabama Department of Labor. While the majority of the appeal cases involve contested determinations on unemployment compensation claims, the Division also decides cases related to departmental personnel matters and other due-process hearings relative to the operations of the Department. Hearings on contested unemployment compensation claims are conducted via teleconference, unless special accommodations are required. Hearings are conducted five days a week. Appeals on unemployment compensation claims are administered and processed in accordance with prescribed federal and state laws, statues, guidelines, and formal administrative hearing procedures to meet the acceptable performance levels established by the U.S. Department of Labor.

The U.S. Department of Labor measures the performance of the Division by examining the timeliness of finalizing a case and the quality of lower authority appeal hearings and decisions. Over the past four calendar quarters, the Division has rated significantly above the minimum acceptable performance levels for timeliness and quality. The minimum accepted standard for timeliness is 60 percent of cases finalized within 30 days of the appeal file date. During fiscal year 2014, the Division finalized 16,271 appeal cases on contested unemployment compensation claims with an average of 95 percent of the cases being finalized within 30 days. To meet the minimum acceptable performance measures for quality, at least 80 percent of the cases evaluated must rate 85 percent of the potential points for quality. For fiscal year 2014, 74 of the 80 cases evaluated averaged a 93 percent rating for quality.

### LOWER AUTHORITY APPEALS TIME LAPSE

STATE	Total Workload	<=30 Days	45 Days	60 Days	75 Days	90 Days	120 Days	> 120 Days
Alabama								
09/30/2014	1,352	96.9%	99.2%	99.8%	99.9%	99.9%	99.9%	100.0%
08/31/2014	1,324	96.5%	99.2%	99.5%	99.8%	99.9%	99.9%	100.0%
07/31/2014	1,443	97.6%	99.4%	99.8%	99.9%	99.9%	99.9%	100.0%
06/30/2014	1,230	96.7%	99.3%	99.7%	99.8%	99.8%	99.9%	100.0%
05/31/2014	1,317	97.6%	99.3%	99.7%	99.8%	99.8%	99.8%	100.0%
04/30/2014	1,313	97.6%	99.5%	99.8%	99.8%	99.8%	99.9%	100.0%
03/31/2014	1,343	95.9%	98.9%	99.9%	99.9%	100.0%	100.0%	100.0%
02/28/2014	1,271	89.9%	97.9%	99.3%	99.7%	99.8%	99.8%	100.0%
01/31/2014	1,372	88.8%	97.2%	99.1%	99.5%	99.9%	99.9%	100.0%
12/31/2013	1,343	93.9%	98.7%	99.5%	99.6%	99.8%	99.9%	100.0%
11/30/2013	1,290	92.9%	96.9%	98.4%	98.5%	99.2%	99.4%	100.0%
10/31/2013	1,673	96.7%	99.3%	99.7%	99.9%	100.0%	100.0%	100.0%



**LOWER AUTHORITY APPEALS QUALITY  
REPORT FOR 10/01/2013 THROUGH 09/30/2014**

STATE	Minimum Sample Size	Cases Not Scored	Cases Scored	Number of Scored Cases >= 85	Percent of Scored Cases >= 85
09/30/2014	20	0	20	17	85
06/30/2014	20	0	20	20	100
03/31/2014	20	0	20	18	90
12/31/2013	20	0	20	19	95
Total	80	0	80	74	93

Source: United States. U.S. Department of Labor. *Benefits: Timeliness and Quality Reports*. Washington: Employment and Training Administration. 2014. Web. 5 December 2014

## HUMAN RESOURCES

The Human Resources (HR) Division provides administrative support to all Divisions, Sections, Units, and individual employees of the Alabama Department of Labor. Administrative Duties include the processing and monitoring of all newly hired employees and transfers, separations, disciplinary procedures, Family and Medical Leave Act enforcement, donated leave program, military leave actions, leave management, performance appraisal process, policy development, counseling, providing recommendations, and other HR related matters. HR serves as the liaison with the Retirement Systems of Alabama and the State Comptroller's Office on certain matters and with the State Personnel Department for information, updates, changes, and information that is to be disseminated throughout the Department. HR is responsible for ensuring that all federal and state laws are followed. The Human Resources Director is responsible for supervising employee training and Equal Employment and Grievance Procedures.

The Training Section is responsible for coordinating training needs and assignments throughout the entire Department. This year, the newly appointed Labor Commissioner authorized the creation of the *Performance Improvement Training* (PIT) Team. The PIT Team's mission is to ensure continued excellence in customer service, equal job and career development opportunities for all levels of employees, and enhanced succession planning through formal, systematic training. The coordination and approval for all training activity is handled through HR. The PIT Team will focus on the training needs that will bring all employees to an agreed standard of job proficiency. HR provides training to Labor employees on various subject matters. HR is responsible for overseeing and managing the use of the main training room and training equipment in the central office building.



*HR Director Vivian Handy conducting PIT Team training.*

In addition, a goal of HR is to assist employees, the public, applicants, and callers by providing needed information while fostering a professional image. Training records are maintained on each ADOL employee for all classes taken when properly approved.

## The Office of Equal Employment Opportunity and Compliance

The Office of Equal Employment and Opportunity was placed under the supervision of the Human Resources Director in 2008.

The Equal Employment Opportunity and Grievance Unit is responsible for ensuring that the Alabama Department of Labor complies with federal equal opportunity and nondiscrimination laws and regulations. The unit conducts compliance reviews of departmental programs, activities, and services and provides technical assistance as needed. They receive, investigate, and/or mediate complaints and grievances filed by departmental employees or customers served by the department and make recommendations for corrective action when appropriate. During the 2014 calendar year numerous grievances or complaints were made by Labor employees. Most complaints were mediated or settled by the EEO Section resulting in one grievance actually being filed through the Federal EEOC in Birmingham. This grievance has been resolved. Employees in the EEO section listen to and counsel employees on various confidential subjects, including: problems being encountered in the workplace with supervisors or co-workers, discrimination based on race or sex, harassment complaints, and fairness in promotions, among others.



It is the intent of the Alabama Department of Labor to ensure compliance with Title VII of the Civil Rights Act of 1964, as amended, and related codes, statutes, and regulations. It is also the intent that applicants and employees are treated equally during employment without regard to their race, religion, sex, color, national origin, age, or disability in accordance with all federal and state laws. Action covered by this statement shall include employment, promotions, demotions, transfers, recruitment, training, setting rates of pay, and other terms of employment.

### **Other duties performed by EEO include:**

- Conduct local office compliance reviews of departmental programs, services, and activities throughout the state and provide technical assistance as needed.
- Review and provide assistance as needed to proposed job interview questions.
- Revise and update appropriate ADOL memoranda and provide distribution to all local offices.
- Provide mandatory poster updates on the subjects of FMLA and ADA and other ADOL posters as required by the federal government.

## **FINANCE**

The Finance Division works with the entire department to ensure that all funds are used in accordance with applicable laws and regulations, and to maximize the efficient use of resources in providing needed services to the public. The Division performs the following functions: budget and allocation control, accounts payable and payroll, accounting and reporting, real estate management, procurement of equipment, supplies and services, property inventory, mail service, reproduction and word processing services, and grounds/building maintenance.

One of the Division's main objectives has been to determine ways to enhance the department's accounting process. The department's current accounting system has been in place since 1978. In October 2013, the department entered into an agreement with the Alabama Department of Finance to become a partner in the upgrade of the statewide accounting system.

The Alabama Department of Finance is currently upgrading the statewide accounting system from the current mainframe Advantage 2.0 system to a web-based Advantage 3.10 system. The new system is called STAARS, or State of Alabama Accounting and Resource System.

As part of the implementation phase of STAARS, representatives from ADOL have been attending training classes and meetings on various financial processes which will be changed with the execution of STAARS. These changes will effect Cost Accounting, Accounts Payable, Budgeting, Procurement, Fixed Assets, and Accounts Receivable.



At this time, STAARS is anticipated to go live in October 2015 and ADOL will begin utilizing this system at that time.

## **GOVERNMENTAL AFFAIRS**

The Governmental Affairs Division is responsible for serving as the governmental and legislative liaison for the department and other entities of local, state, and federal government, along with business and labor groups. The division is also responsible for drafting departmental legislation. The Governmental Affairs Division works closely with the legislature to pass legislation beneficial to the department and the people of Alabama.

During 2014, the Governmental Affairs Division prepared and passed Senate Bill 48 which added a bright-line test to the Unemployment Compensation statute regarding business mergers and acquisitions. The law will require a company that acquires 65% of the organization, trade, employees, or business would inherit the experience rating of the original business. This bill allows for further clarification of this section of law for the Alabama Department of Labor and the employers of this state. Effective July 1, 2014.

The Governmental Affairs Division also prepared and passed House Bill 107, which changed the Workers' Compensation law in order to raise the maximum amount of burial benefits to an employee who loses his or her life due to an on the job accident or illness. The last such statutory increase occurred more than 20 years ago. Death benefits increased from \$3,000 to \$6,500. Effective July 1, 2014.

The Governmental Affairs Division also acts as a liaison for the Board of Appeals. The Board of Appeals is a statutorily created board that reviews and hears Unemployment Compensation cases at the highest administrative level. The Board holds hearings at seven cities around the state on a rotating basis. Hearings are held in Birmingham, Decatur, Dothan, Mobile, Montgomery, Oxford, and Tuscaloosa. In 2014, the Board reviewed 3482 appeals and held 1444 in-person hearings.

## **LEGAL**

The Legal Division serves as legal counsel for the department. In that regard, the division renders legal opinions and interpretations of the department's various laws, and represents the department in all court matters.

The General Counsel and Assistant General Counsels have represented the department before all Circuit Courts throughout the state, the Alabama Court of Civil Appeals, the Alabama Supreme Court, the United States Bankruptcy Courts, the United States District Courts, and the United States Supreme Court. These cases involve the following:

- Unemployment compensation benefit appeals
- Unemployment compensation overpayment cases
- Unemployment tax cases
- Workers' compensation compliance cases
- Objections to subpoenas for confidential records
- Child Labor Enforcement cases
- Child support withholding cases
- Surface Mining violation cases
- Board of Adjustment matters
- Bankruptcy matters

In addition, the division represents the department in all employment related litigation, including, but not limited to, pre-termination/pre-suspension hearings, and State Personnel Board matters.

During 2014, the department had one active case in Federal District Court. Counsel for the department made more than 415 court appearances during the past year, and has collected a total, through November, of \$442,341.18 from overpaid claimants. It is estimated that during the month of December, 2014, an additional \$10,000+ could be added to the overpayment collection figure.

**INSPECTIONS DIVISION  
MINING AND RECLAMATION**

The Mining and Reclamation Division is responsible for administering programs in:

- Abandoned Mine Land Reclamation
- Mine Safety and Inspection, and
- Surface Mining of Non-Fuel Minerals.

### **Abandoned Mine Land Reclamation**

The mission of the Abandoned Mine Land (AML) Program is to restore land and water resources which have been adversely affected by past coal mining and for which there is no continuing reclamation responsibility under state or federal law. The work is funded by annual grants from the U.S. Department of the Interior, Office of Surface Mining, which collects production fees from active coal operators at a rate of 28¢ per ton for surface-mined coal and 12¢ per ton for underground-mined coal, 50% of which is granted back to Alabama. High priority projects are those that remove extreme dangers and safety hazards to the public, but also correct a multitude of significant adverse environmental impacts throughout the 21 coal producing counties in northern Alabama. The program also impacts positively on local economies as reclamation dollars are expended on earthmoving, construction materials, and revegetation supplies and fund contractors utilizing local manpower to carry out the work.

During FY 2014:

- Eleven abandoned mine land reclamation projects were completed with two others under contract and/or under construction.
- Seventeen different public hazards were eliminated.
- Eight dangerous highwalls totaling 20,550 linear feet were reclaimed.
- Two hundred and sixteen acres of abandoned mine spoil were stabilized and returned to productive use.
- Two hazardous vertical openings (airshafts) were permanently sealed.
- Engineering and design was completed on seven upcoming AML reclamation projects, and four projects are still under design for a total of 11 projects.
- Maintenance was performed on 17 reclaimed AML project sites.
- 10 acres on one previously reclaimed site were planted in trees under Alabama's AML reforestation program. This included approximately 6,800 hardwood species (including 150 American Chestnut Trees) in cooperation with OSM, the Appalachian Regional Reforestation Initiative (ARRI), and the American Chestnut Foundation. In the past 37 years, ADOL has planted approximately eight million trees on its reclaimed sites.

Also during FY 2013, the Alabama AML Program completed its 193<sup>rd</sup> Emergency Project in Jefferson County. The Emergency provisions in Alabama's AML Program allows ADOL to respond to sudden, life threatening abandoned mine related problems within 24 hours.

Emergency Projects completed include:

- One incident of a sudden discovery of three open abandoned iron ore mine portals on Red Mountain were permanently sealed.
- One abandoned coal mine portal was closed after flooding along Blue Creek caused the original riprap used to close the mine in the 1990's to fail (Adger Slope Portal Emergency).

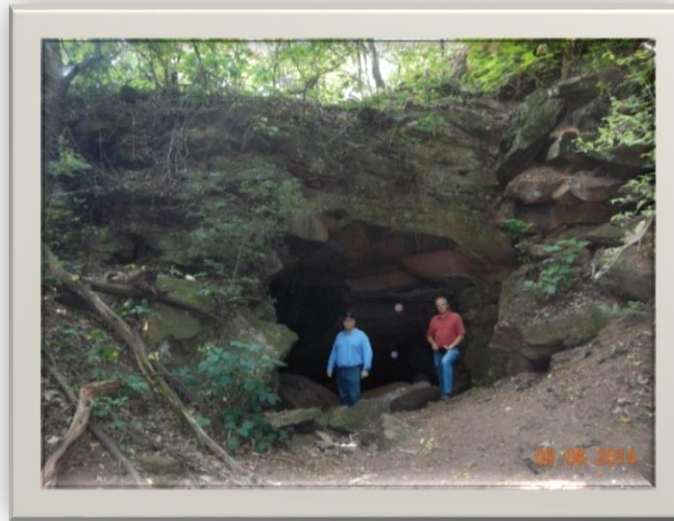


*View northwest of the reopened Adger Slope Mine Portal with Blue Creek flowing into the opening. Note eroded and sloughing banks of the stream associated with flood water activity.*



*View east of the southern portion of the project site with Blue Creek returned to its original stream bed after reclamation of the Adger Slope Portal Emergency.*

One Emergency Project located in Jefferson County eliminated 3 abandoned iron mine openings discovered on Red Mountain as the result of a social media posting. Information provided by Mr. Phil Hutcheson of Alabama Public Television revealed that a representative of Alabama Public Television (APT TV) was monitoring social media and found a post directing individuals to a “Party at the Mine.” It was realized that an accompanying map directed the would be party goers along the recently opened Vulcan Trail to a location on APTV property on Red Mountain.



*One of three iron ore mine portals discovered on Red Mountain and subsequently closed as a safety hazard to the public. Note rock-Walls in the foreground from fractured sandstone located around the opening.*

APT TV representatives visited the site and located the abandoned iron ore mine portals. Observation of the area surrounding the larger portal indicated heavy visitation with a multitude of trails showing frequent use and graffiti in and around the portal, including arrows inside the portal directing visitors deeper into the mine. The three open mine portals presented a risk of

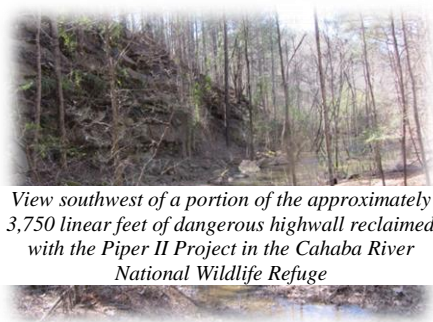


substantial harm to the public for people who might have ventured into the open portals and could have been exposed to hazards such as unstable rock, low oxygen, poisonous gases, steep inclines, and winzes. Any of these listed hazards could easily cause death to a member of the public unfamiliar with the hazards of abandoned mines. A similar nearby iron ore mine which was partially filled with water caused the death of a 20 year old man in May 1987. Because the mining was not associated with coal, a special request was submitted by Governor Bentley to the Secretary of the Interior of the United States to allow Alabama to utilize SMCRA funding for the reclamation of the three iron mine portals.

Due to the potential for two proposed AML reclamation projects impacting the summer roosting habitat of the Indiana Bat, the U. S. Fish and Wildlife Service required Threatened and Endangered (T/E) studies be conducted for each project prior to approval. Both studies were conducted and concluded that there would either be no adverse impacts to any federally listed threatened or endangered species located in the watersheds, or that the projects as designed would not cause adverse impacts on any T/E species or their associated habitats.

In 2014, the State of Alabama Abandoned Mine Land Program became one of the first states/tribes to complete the process of digitizing and geo-referencing its e-AMLIS (electronic-Abandoned Mine Land Inventory System) Problem Area Descriptions, and as a result was selected by The Department of the Interior Office of Surface Mining Regulation and Enforcement to Beta Test the ArcPad Mobile Geographical Information System for AMLIS (created and developed by Ohio's AML Program). Alabama's AML Program co-presented a paper on the adoption of this technology at the 2014 National Association of Abandoned Mine Land Programs Conference in Columbus, Ohio.

In 2014, the State of Alabama Abandoned Mine Land Program completed its first AML reclamation project in a National Wildlife Refuge. The AML Program, working in cooperation with the U.S. Fish and Wildlife Service, completed the Piper II AML Reclamation Project in Bibb County. The project reclaimed approximately 3,750 linear feet of dangerous highwall and an associated 45 acres of Mine Spoil within the Cahaba River National Wildlife Refuge (CRNWR). The area that is now the CRNWR was strip and underground mined in the early to mid-1900's. In 2002, the CRNWR was established for the purpose of protecting and managing a unique section of the Cahaba River and adjacent land. The refuge contains suitable habitat for eight federally endangered and five federally threatened species as well as two federal species of concern.



*View southwest of a portion of the approximately 3,750 linear feet of dangerous highwall reclaimed with the Piper II Project in the Cahaba River National Wildlife Refuge*

The Cahaba River itself stretches for almost 200 miles and is Alabama's longest free flowing stream. The river currently supports 64 rare and imperiled plant and animal species, 13

of which are found nowhere else in the world. With 131 fish species, the river has more fish species than any other river its size in North America.



*View southwest of the completed Piper II Project in the Cahaba River National Wildlife Refuge.*

Alabama attended the NAAML P Winter Business Meeting in Anchorage, AK on Feb. 26 – March 1, 2014 and the Annual Conference in Columbus, OH on Sept. 20-25, 2014. The Association consists of 28 states and three Indian tribes, all of which administer abandoned mine land reclamation programs funded through the U.S. Department of the Interior, Office of Surface Mining, pursuant to Title IV of Public Law 95-87, the “Surface Mining Control and Reclamation Act of 1977” (SMCRA). At this meeting Alabama’s State Mine Land Reclamation Supervisor was elected Vice President for the NAAML P.

August 3, 2014, marked the 40<sup>th</sup> anniversary of the enactment of the *Surface Mining Control and Reclamation Act*. When Congress passed SMCRA, it presented a challenge – strike a balance between our country’s need for the energy produced by coal and the protection of our environment. Through vital partnerships between the Office of Surface Mining, state governments, tribal governments, the coal mining industry, and environmental communities, the daunting goal of SMCRA is being achieved. Alabama has had primacy for its coal regulatory and abandoned mine land programs since 1982.

### **Mine Safety and Inspection**

The Mine Safety and Inspection Program inspects all mines (+600 mines statewide) to ensure compliance with state laws which protect the safety of persons working in the mining industry. This section also coordinates rescue efforts in the event of a mine disaster and investigates mine accidents.

During FY 2014, 2,735 miners were employed in the coal industry, producing 17.5 million tons of coal. An additional 2,000 miners were employed in open pits and quarries producing approximately 38 million tons of non-fuel minerals. A total of 365 underground and surface inspections were completed at coal mines statewide. During this fiscal year, there was one mining fatality.

A continuing program provided education and training for mine foremen and underground blasting certification. Two underground certification examinations were

administered, resulting in the issuance of 121 underground mine foreman certificates and 40 fireboss certificates. Also, 17 surface foreman certifications and 32 hoist certificates were

issued. Mine rescue training continued to be provided by Beville State Community College under contract with the department.

The two State mine rescue teams continued to train and prepare for mine rescue and recovering in extreme and potentially lethal environments. Their efforts along with those of the entire Mine Safety staff help to provide safe working conditions for all miners.

### **Surface Mining of Non-Fuel Minerals**

Non-fuel minerals are mined in all 67 Alabama counties and contribute greatly to the state's economy. Examples of non-fuel minerals mined in Alabama are: sand, gravel, granite, clay, bauxite, and shale. This section makes certain that lands mined for those minerals are reclaimed in accordance with the *Alabama Surface Mining Act of 1969*. In addition, this section issues mining permits, ensures that mine sites are properly bonded for reclamation purposes, makes periodic inspections, and releases bonds once sites have been satisfactorily reclaimed.

In FY 2014, 316 permits (23 new permits, 293 renewals) were issued to operators for the surface mining of non-fuel minerals, representing a 5% increase in permit renewals from last year. Meanwhile, efforts continued to bring all unpermitted surface mining operations into compliance.

One inspector stationed in the Montgomery Central Office and one inspector stationed in the Foley Career Center made 200 site inspections. Of that total, 36 inspections were made to verify locations of new permit areas, 90 inspections were made of active operations, 60 inspections were made of unpermitted sites, 10 inspections were made to investigate citizen complaints and 20 inspections were made of operations with expired permits. During FY 2014, nine bonds were released for satisfactory reclamation, and seven bonds were forfeited for failure to reclaim. A total of 332 acres were reclaimed – a 20% reduction from last year.

Other activities included telephone contacts with operators, surety companies, citizens, other agencies, and landowners. Letters were written to mining operators regarding results of site inspections and action needed to remain in compliance with the *Alabama Surface Mining Act of 1969*. Citizen complaints involving blasting at quarries, highwalls situated too close to property lines, sediment discharge from uncontrolled runoff, and lack of reclamation were promptly investigated. An estimated 78 sites were abandoned and left unreclaimed at year's end, with insufficient funds to complete any meaningful reclamation. Mining continues at approximately 200 permitted sites, with 220 sites being idle, abandoned, or in the process of being reclaimed.

A large decrease in mining of aggregates (limestone, marble, sand, gravel, and crushed stone) was experienced in FY 2014. Road contractors have reacted to new hardness specifications for paving materials by opening new granite and sandstone quarries.

## **INSPECTIONS DIVISION BOILERS AND ELEVATORS**

When the Alabama Legislature charged the Labor Department with administering new state elevator and boiler safety inspection codes, it also created two professional advisory boards to enact rules and regulations and provide program oversight. Members are appointed for staggered terms.

### **BOARD OF BOILERS AND PRESSURE VESSELS**

- Dr. David F. Dyer, Chairman (Auburn University, former Mechanical Engineering Department Chairman) (*public/engineering schools*)
- Fitzgerald Washington (Commissioner, Alabama Dept. of Labor) (*government*)
- Jerry Rhodes, Vice Chairman, Southside (Westinghouse/Anniston) (*owners and users of pressure vessels*)
- Joe Pledger, Satsuma (IBEW international representative) (*owners and users, power boilers*)
- Gene Canaan, Prattville (International Paper) (*owners and users of heating boilers*)
- R. Barry Latham, Tuscaloosa (McAbee Construction) (*boilers and pressure vessels manufacturers*)
- Steve Speed, Jasper (Boilermakers, international representative) (*labor*)
- Jeffery Lambert, Montgomery (Mechanical Contractors) (*heating contractors*)
- Jerry W. Godwin, Atmore (Travelers Insurance Co.) (*insurance companies*)

### **ELEVATOR SAFETY REVIEW BOARD**

- Arthur Steber, Chairman (Elevator Maintenance & Repair Co.), Prattville (*elevator manufacturers*)

- Fitzgerald Washington (Commissioner, Alabama Dept. of Labor)  
(*government*)
- Jeff McNorton, Birmingham (*elevator service and repair  
companies*)
- Jay Jenkins, (Jenkins, Jenkins, and Monroe), Anniston (*architects*)
- Betty Swan (Building Owners & Managers Assn.), Birmingham  
(*public*)
- James H. Wyatt, (Planning and Engineering, City of Birmingham)  
(*municipalities*)
- Linda Burkette (*Public*)
- Jerry W. Bragwell (retired), Russellville (*physically disabled  
community*)
- D. Stanley Borden, Montgomery (*professional licensed engineers*)
- David Hallmark, (Business Agent, IUEC Local 24), Birmingham,  
(*labor*)

**Program History**  
**Boilers and Pressure Vessels**

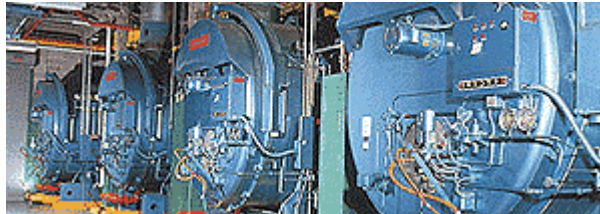
When the boiler and pressure vessel safety inspection program was established by the State Legislature in 2000, Alabama became the 49<sup>th</sup> state in the nation to begin conducting boiler and pressure vessel safety inspections. The Alabama Department of Labor estimates Alabama has about 15,900 boilers and pressure vessels. During FY 13-14, a total of 9,674 inspections were performed by state and insurance inspectors. 6,711 violations were found, and 2,046 were corrected. There were 1,185 new boiler permits received during the reporting period.

From the 1840s through the 1920s, about 50,000 people a year were killed in boiler explosions and thousands more were injured, giving rise to boiler safety inspection programs. Modern day pre-emptive safety checks by state governments and insurance companies have reduced boiler explosions fatalities nationwide.

Most common Alabama boiler violations:

- Safety valve removed or not working.
- Low water safety device missing or not working.
- Stack missing or damaged (carbon monoxide danger).
- Unqualified welded repairs.

Boilers and pressure vessels with serious violations, such as safety circuit overridden or not working, are shut down immediately. Minor violations require a 30-day completion schedule.



*Alabama has an estimated 44,000 boilers and pressure vessels.*

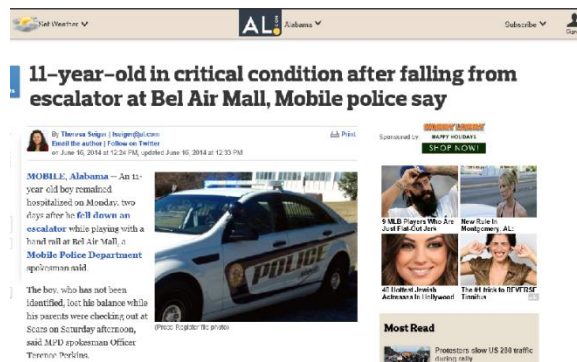
## **Program History**

### **Elevators and Escalators**

When the Legislature adopted an elevator safety inspection code in 2003, Alabama became the 44<sup>th</sup> state to institute a safety inspection program for passenger lift devices. The program became fully functional in June of 2004. Before passage of a statewide bill, only Birmingham inspected elevators.

Elevator accidents are much more frequent than boiler malfunctions. Across the country about 30 people lose their lives each year in elevator accidents and another 17,000 are injured. The incident rate is probably not that surprising given the fact that more people use elevators each day than all other forms of transportation put together including planes, trains, and automobiles.

Escalators also cause injuries, especially for children. According to the U.S. Consumer Product Safety Commission, escalator accidents result in more than 10,000 reported injuries a year.



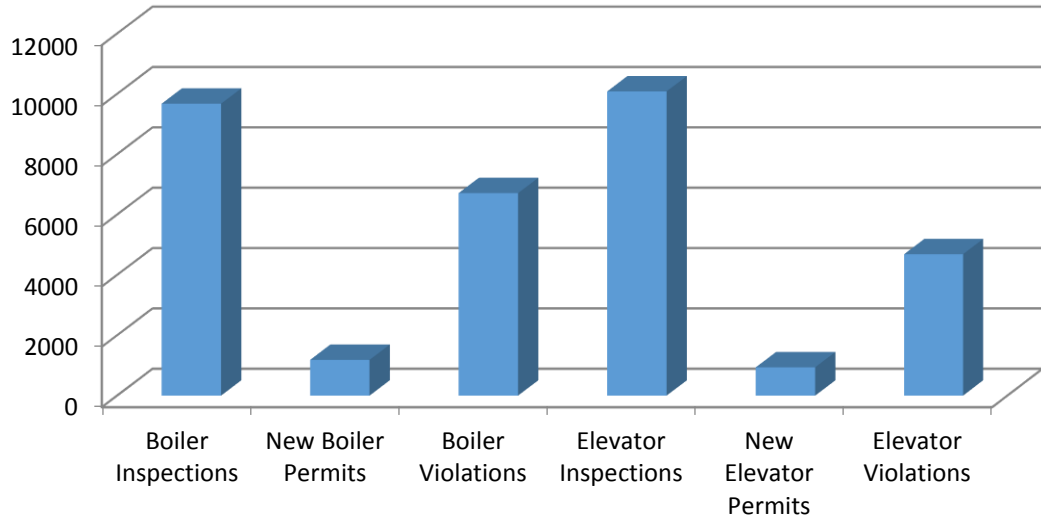
The Alabama Department of Labor estimates Alabama has about 11,000 elevators and related conveyances. During FY 13-14, state and private inspectors conducted 10,082 safety checks on elevators and escalators in Alabama. In the process, 4,686 violations were uncovered and 4,478 were corrected. New code violations are found each day. There were 937 new elevator permits received during the reporting period.

Most common Alabama elevator violations:

- Annual and five year safety checks past due, some by more than several years.
- Missing or inoperative/disabled door restrictors.
- No communication device in elevator.
- Alarm bell not working.
- Door safety circuits jumped out (runs with doors open).

A combination of these and other violations could require an immediate shutdown. Owners are required to fix most violations within 30 days.

## Boiler/Elevator Statistics Fiscal 2013-2014





## INFORMATION SYSTEMS

ADOL's Information Systems Division must support the department in all aspects of its responsibilities. This support ranges from the routine, day-to-day functions of maintaining PC's and printers all across the state to implementing new, cutting-edge projects.

In 2014, the division experienced its most significant change in many years. Mainframe services were consolidated with Alabama's central Information Services Division (ISD) in the Department of Finance. Working closely with various ISD staff and with months of planning, the consolidation was successful.

The New Hire Reporting Enforcement project was completed. Penalties are now being levied against employers who fail to report newly hired employees. This cuts down on fraudulent unemployment payments.

A website allowing employers to file their First Report of Injury claims was implemented.



The screenshot displays the Alabama Department of Labor website interface. At the top, there is a blue header bar containing the Alabama Department of Labor logo on the left, the text "Alabama Department of Labor" in the center, and a "SECURE" badge with an SSL icon on the right. Below the header, a white form area is framed by a dark blue border. The form title is "Employer's First Report of Injury or Occupational Disease". Below the title, there is a horizontal line. Underneath the line, the text "Insurer Federal ID #" is followed by a text input field and an "Enter" button.

Several months were spent adding enhanced functionality to the Department's Single Line Adjudication Program.

The Alabama Job Link website was upgraded to take advantage of enhanced functionality offered in the newer versions of software.

Over 10,000 technical issues were resolved.

Several of the biggest projects were "behind the scenes" projects that enhanced and streamlined Information Systems operating procedures. All FTP's were centralized under a standard process enhancing data security. The VoIP phone system was converted to SIP trunking technology. This allows the department to dynamically manage the throughput of data into the call centers and central office. Also, a majority of AODL's servers were migrated into ISD's central data center. This has allowed for greater functionality at a lower cost.

## ALABAMA CAREER CENTER SYSTEM

**Alabaster Career Center**  
109 Plaza Circle  
Alabaster, Alabama 35007  
Phone: (205) 663-2542

**Albertville Career Center**  
5920 U.S. Hwy. 431 North  
Albertville, Alabama 35950  
Phone: (256) 878-3031

**Alexander City Career Center**  
Central AL Community College  
1375 Jr. College Drive  
Alexander City, Alabama 35010  
Phone: (256) 215-4494

**Andalusia Career Center**  
L B Wallace Community College  
1000 Dannelly Boulevard  
Andalusia, Alabama 36420  
Phone: (334) 881-2304

**Anniston Career Center**  
Gadsden State Community  
College  
1731 Coleman Road  
Anniston, Alabama 36207  
Phone: (256) 832-0147

**Athens Career Center**  
406 South Jefferson Street  
Athens, AL 35611  
Phone: (256) 230-0880

**Bay Minette Career Center**  
201 Faulkner Drive  
Bay Minette, Alabama 36507  
Phone: (251) 937-4161

**Birmingham Career Center**  
3440 3<sup>rd</sup> Avenue South  
Birmingham, Alabama 35222  
Phone: (205) 254-1300

**Birmingham/Jeff State  
Community  
College Career Center**  
2601 Carson Road  
Birmingham, Alabama 35215  
Phone: (205) 856-8024

**Blountsville Career Center**  
68644 Main Street, Suite 5  
Blountsville, Alabama 35031  
Phone: (205) 429-4311

**Brewton Career Center**  
1023 Douglas Avenue, Suite 314  
Brewton, Alabama 36426  
Phone: (251) 867-4376

**Camden Career Center**  
Camden City Hall  
223-A Claiborne Street  
Camden, Alabama 36726  
Phone: (334) 682-9428

**Decatur Career Center**  
1819 Bassett Avenue, SE  
Decatur, Alabama 35601  
Phone: (256) 355-0142

**Demopolis Career Center**  
1074 Bailey Drive  
Demopolis, Alabama 36732  
Phone: (334) 289-0202

**Dothan Career Center**  
787 Ross Clark Circle  
Dothan, Alabama 36303  
Phone: (334) 792-2121

**Enterprise Career Center**  
2021 Boll Weevil Circle  
Enterprise, Alabama 36330  
Phone: (334) 347-0044

**Eufaula Career Center**  
511 State Docks Road  
Eufaula, Alabama 36027  
Phone: (334) 687-3551

**Fayette Career Center**  
Bevill State Community College  
2631 Temple Avenue North  
Tom Bevill Center Room B-37  
Fayette, Alabama 35555  
Phone: (205) 932-3221

**Foley Career Center**  
200 West Michigan Avenue  
Foley, Alabama 36535  
Phone: (251) 943-1575

**Fort Deposit Career Center**  
Public Library  
24 South Pollard Street  
Fort Deposit, AL 36032  
Phone: (334) 404-4400

**Fort Payne Career Center**  
2100 Jordan Road, SW  
Fort Payne, Alabama 35968  
Phone: (256) 845-2900

**Gadsden Career Center**  
216 N 5th Street  
Gadsden, Alabama 35901  
Phone: (256) 546-4667

**Greenville Career Center**  
117 W. Commerce Street  
Greenville, Alabama 36037  
Phone: (334) 382-3128

**Haleyville Career Center**  
2010 9th Avenue North  
Haleyville, Alabama 35565  
Phone: (205) 486-4154

**Hamilton Career Center**  
Bevill State Community College  
1481 Military Street South  
Hamilton, Alabama 35570  
Phone: (205) 921-5672

**Hanceville Career Center**  
Wallace State Community College  
Ctr Economic Workforce Dev.  
801 Main Street NW  
Hanceville, Alabama 35077  
Phone: (256) 352-5538

**Hayneville Career Center**  
Family Guidance Center  
22 Washington Street N  
Hayneville, AL 36040  
Phone: (334) 548-6307

**Huntsville Career Center**  
2535 Sparkman Drive NW  
Huntsville, Alabama 35810  
Phone: (256) 851-0537

**Jackson Career Center**  
3090 Highway 43  
Jackson, Alabama 36545  
Phone: (251) 246-2453

**Jasper Career Center**  
2604 Viking Drive  
Jasper, Alabama 35501  
Phone: (205) 221-2576

**Luverne Career Center**  
886 Glenwood Road  
Luverne, Alabama 36049  
Phone: (334) 335-2300

**Mobile Career Center**  
515 Springhill Plaza Court  
Mobile, Alabama 36608  
Phone: (251) 461-4146

**Monroeville Career Center**  
33 Outlet Drive  
Monroeville, Alabama 36460  
Phone: (251) 575-3894

**Montgomery Career Center**  
1060 East South Blvd.  
Montgomery, Alabama 36116  
Phone: (334) 286-1746

**Opelika Career Center**  
2300 Frederick Road  
Opelika, Alabama 36801  
Phone: (334) 749-5065

**Pell City Career Center**  
311 Miles Parkway  
Pell City, Alabama 35125  
Phone: (205) 338-5440

**Phenix City Career Center**  
Chattahoochee Valley  
Community College  
Brassell Hall, C Building, Room  
132  
2602 College Drive  
Phenix City, Alabama 36869  
Phone: (334) 214-4828

**Phil Campbell Career Center**  
Northwest Shoals Community  
College  
2080 College Rd  
Phil Campbell, Alabama 35581  
Phone: (256) 331-6285

**Rainsville Career Center**  
Northeast Alabama Community  
College  
138 Alabama Highway 35  
Rainsville, Alabama 35986  
Phone: (256) 638-2239

**Roanoke Career Center**  
3928 Hwy. 431  
Roanoke, Alabama 36274  
Phone: (334) 863-8114

**Scottsboro Career Center**  
23123 John T. Reid Parkway  
Scottsboro, Alabama 35769  
Phone: (256) 574-1720

**Selma Career Center**  
1112 Water Avenue  
Selma, Alabama 36703  
Phone: (334) 872-0471

**Sheffield Career Center**  
500 S. Montgomery Avenue, Suite  
102  
Sheffield, Alabama 35660  
Phone: (256) 383-5610

**Talladega Career Center**  
Central Alabama Community  
College  
1005 South Street East  
Talladega, Alabama 35160  
Phone: (256) 480-2109

**Troy Career Center**  
1023 South Brundidge Street  
Troy, Alabama 36081  
Phone: (334) 566-3920

**Tuscaloosa Career Center**  
202 Skyland Drive  
Tuscaloosa, Alabama 35405  
Phone: (205) 758-7591

**Valley Career Center**  
Southern Union Community  
College  
321 Fob James Drive  
Valley, Alabama 36854  
Phone: (334) 756-0024

**Vernon Career Center**  
Lamar County Vocational School,  
Adult Ed Wing  
43880 Hwy 17 S  
Vernon, Alabama 35592  
Phone: (205) 695-8224

