

# 2004 DIR Accomplishments

In 2004 the Alabama Department of Industrial Relations continued its mission to provide workforce development and protection services for a more positive economic environment for Alabama employers and workers. Nowhere is this more evident than in the Department's response to the needs of citizens and employers all across Alabama during and following Hurricane Ivan. Our employees were sent to Disaster Recovery Centers across the southern parts of our state to assist effected citizens by providing information needed to file claims for unemployment benefits. Our department received and processed over 10,000 disaster related claims. On the day following Hurricane Ivan, employees of our department reported to work and started making preparations for the hard weeks to follow. Employees of our department have logged hundreds of hours of overtime to process the disaster related claims as quickly as possible.

## **Technological Advances**

There have been numerous technological advances in our efforts to be more efficient and provide better customer service. The following are examples of some of these advances:

- In the Workers' Compensation Division, a paperless submission of group fund application has resulted in a savings of \$47,000 annually. In addition to the savings, the entire process of streamlining application approval has occurred. Implementation of paperless processes for other areas of operation in Workers' Compensation will continue.
- A major electronic imaging project was begun in 2004 using PaperVision, a Digitech Systems Product that provides a less expensive way to have Electronic Document Management (EDM). Listed below are some of the results of this management system:
  1. It brings instant access and control to mountains of paper and endless scattered versions of corporate electronic documents.
  2. It has a browser-based solution providing a quick way to implement EDM, across any enterprise.
  3. It provides airtight security configurations. Providing users access only to the required functionality and data.
  4. It supports viewing of over 250 file types, from graphics to word processing, to presentations and spreadsheets, scanned page and Adobe® PDF files. It can be viewed as one contiguous document. The highly advanced full-text search engine makes finding documents easier and faster. Email, fax and print are supported.
  5. It is an integrated workflow solution allowing the imaging of documents at a central site, and providing employee work to appear automatically to any destination, either in the Central Office or throughout the state.

6. It has allowed the processing of 150,000 documents per month using less staff and expense than with antiquated microfilm.
7. PaperVision Enterprise Cold provides electronic images of documents to be produced without producing paper documents, but the paper documents are available if required.
  - Implemented a Departmental Functional Analysis and Records Disposition Authority, displayed on the Internet, showing how the department is organized, how it functions, what it does to serve the public, what records it maintains, and how long such records are kept.
  - Initiated a plan for listing the goals of each division, tracking progress toward reaching them, and ensuring that they are reached.
  - Increased the use of digital imaging as a records storage medium for replacing microfilm as a storage medium to reduce costs, increase records retrieval speed, allow concurrent access to records, and improve access to information needed in administration of the department's programs.
  - Enhanced the department's information disclosure services by reducing the use of diskettes, compact discs and tape cartridges and increasing the use of file transfers to reduce costs and increase the speed of disclosures; reorganized the information disclosure function to allow for the use of higher skilled staff to improve customer service; and more evenly distributed workloads to allow for better backup and shorter response times to requests for information.

### **Service to Customers and Taxpayers**

Our Labor Market Information (LMI) Division received the first “WIA Progress in Partnership Award” for its outstanding and cooperative effort in the delivery of quality workforce information. The following is a synopsis of the accomplishments of the last 18-24 months:

1. Data Mining Data Mining efforts that have produced **localized data for demand driven planning regions** statewide that include:
  - **Regional Profiles** planning documents provided to all 12 planning regions which include employment, unemployment, demographic, occupational, and industry data in one concise easy to use document
  - **Location Quotient** industry cluster analysis tools—a new concept in analyzing industry composition and growth issues in regions statewide
  - Detailed **Skills Reports** on known workforce supply
  - Labor turnover
  - More detailed **Supply/demand** data
2. Initiation of Alabama’s participation as the 32<sup>nd</sup> partner state in the U.S. Census **Local Employment Dynamics** program expected to yield detailed demographics on Alabama’s workforce expected to augment the ability of planners, developers, and businesses in analyzing workforce trends, issues, and the potential solutions to workforce challenges

3. A report was prepared for the **Governor's Black Belt Commission** that researched occupational projections for those counties. Occupational recommendations were outlined that require less than two years of post high school training.

Other divisions provided outstanding customer and taxpayer service as well:

- When Governor Riley consolidated employment and training services to the newly-created Office of Workforce Development in late 2003, the Department of Industrial Relations cooperated fully in the collaborative process in order to ensure that the new system was the best one possible for customers and taxpayers. Dr. Tim Alford, head of the Office, stated at the onset of his appointment that he has the “utmost respect and appreciation for the work done by DIR employees . . . I would like to expand those services provided by DIR to an even greater degree in a One-Stop environment.”
- DIR has contracted with the Social Security Administration (SSA) for a records exchange procedure to help eliminate fraud in the payment of unemployment compensation benefits. Once the program is operational, when a claimant calls in an unemployment compensation claim with a Social Security Number, our agency will be able to cross-check with SSA to ensure that it is a valid number. Alabama will become the first state in the nation to take this step.
- The Legal Division collected an unusually high amount of unemployment insurance overpayments. This is money paid out to claimants that was later determined should be returned. For the most recent calendar year, a total of \$319,934.19 was collected through civil action. The money collected is returned to the State Unemployment Insurance Trust Fund and reduces the amount of money that must be collected from employers to pay benefits to Alabamians who have lost their job through no fault of their own.
- Several Internet projects for the Unemployment Compensation Division were completed that were begun in 2003: employer registration, employer wage reporting, and Internet remote claims. (See 2003 report.) This division has recently been awarded two additional grants totaling approximately \$100,000 to install a new fire suppression system and a battery back-up system in our Information Systems area. These projects will benefit the state by protecting invaluable information and equipment. During times of manmade or natural disaster, this equipment may save thousands of man hours and hundreds of thousands of dollars that would be needed to recreate and reinstall our computer data, hardware, and software. This project will also bring the department into compliance with previous audit concerns.
- Four DIR employees earned cash performance prizes from a federal grant designated to recognize those who do an outstanding job in working with veterans. The awards were given at the recent Workforce Development Conference in Birmingham.
- The Workers' Compensation Division in Alabama was rated the “Most Improved” state in overall ranking, according to the new study, *2004 State Report Cards for Workers' Compensation*. Alabama was also among the nine states that received an “A” on the report card.
- Communication with the employer community was greatly enhanced by communicating via e-mail directly to employers and to various professional associations around the state on employer issues. Articles of interest to the business community are also posted on the DIR homepage under the “News You Can Use” section. Here are the titles of posted articles: “New-Hire Information May be Posted Electronically,” “2005 Unemployment

Compensation Rate Schedule Announced,” “Improving Stewardship of Employer Unemployment Insurance,” “New Employer Services Come Online,” “Capture Tax Savings that go Straight to the Bottom Line,” “DIR is on Track to Extend the ‘Enhancement’ Legislation,” “Is Self-Insurance Right for You?” “New Procedure for Filing Unemployment Appeals,” “Getting that Competitive Edge,” “What Would Happen If . . .?”

### Alabama State Employment Service Activities

- Core Employment Services
  - job seekers registered - 440,581
  - ✓ One of every five (20.4%) of the state’s 2.2 million civilian labor force
  - job openings received from employers - 114,419
  - employer promotional contacts - 18,571
  - job referrals to employers - 649,017
  - individuals entered employment - 104,524
  - job search activities provided individuals - 328,675
  - ✓ job search workshops - 8,839
  - ✓ job search planning - 248,157
  - ✓ specific labor market information - 190,021
  - ✓ automated labor exchange orientation - 35,496
  - ✓ resume preparation - 3,396
  - ✓ testing - 5,876
  - ✓ job development - 5,467
  - internet linkage - America’s job bank / talent bank
  - ✓ 18 million hits - Alabama’s Web site  
@<http://www.dir.state.al.us/es>
  - coordinate with Alabama Industrial Development Training (AIDT)
  - ✓ automotive manufacturers and suppliers
    - ▶ Mercedes - 24,000 applications
    - ▶ Honda - 16,000 applications
    - ▶ Hyundai - 45,000 applications
- Enhancement Act - state activity from earmarked UI trust fund
  - 38,000 claimants helped to find jobs
- Services provided other federal programs / grants
  - Rapid Response to dislocated worker

- ✓ 16,154 dislocated workers at 86 companies served
- Workforce Investment Act (WIA)
  - ✓ 6,275 WIA eligibility certifications completed (B'ham & Mobile) for training of youth, adults, and dislocated workers
  - ✓ 6,509 rapid response, TRA/TAA dislocated workers served through 1,442 job search workshops
  - ✓ 3,098 business service contacts for Career Center System
- Job Corps Program
  - ✓ 1,108 disadvantaged youth referred to training
- Food Stamp Program
  - ✓ 22,075 recipients referred to ES from DHR last year
  - ✓ 2,796 entered employment
  - ✓ 11,612 fail to comply
- Work Opportunity Tax Credit & Welfare-to-Work Tax Credits
  - ✓ Certified 7,487 WOTC eligible and 856 WtW individuals FY 2003
  - ✓ Provided Alabama employers a maximum tax credit of \$24,200,000.
- Veterans
  - ✓ priority employment services provided to over 38,000 veterans and eligible family members

Employment Service administrative improvements made in FY 2002-2003:

- ▶ New offices were opened in Trussville, Mobile and Centre providing better, more convenient access to workforce services by customers. The Troy office relocated with Career Center partners offering workforce services at a single location. The Albertville office was renovated and expanded to allow partner agencies to relocate to a single location providing workforce services.
- ▶ Branch/out-station offices were closed in Leeds, Tallassee, Livingston, Marion, and Daphne as necessitated by cost cutting measures. The Russellville office was

down-sized to a branch office of the Sheffield office - again in a cost reduction move.

- ▶ Alabama's electronic virtual One-Stop became operational providing core one-stop services to 11 Alabama counties which have geographically limited access to a One-Stop Center.
- ▶ Employer training seminars were conducted statewide to offer a forum for employers to learn the latest on laws, programs, and services administered by dir that may impact their businesses.

Employment Service administrative improvements made in FY 2003-2004:

- ▶ Consolidation of employment and training services this year brought partner agencies, including ES, together under the newly-created Office of Workforce Development.
- ▶ Installation/upgrading of PCs to replace mainframe terminals was completed this year in preparation of conversion from a mainframe to a server based operating system to facilitate communication with the WIA partners.
- ▶ Tuscaloosa, Talladega, and Ft Payne offices broke ground on new career center facilities this year in order to provide better more convenient access to workforce services by customers.
- ▶ North Mobile and Sylacauga satellite offices were relocated during the year.
- ▶ Stevenson, Midfield, and Ashland branch/out-station offices were closed as necessitated by cost cutting measures.
- ▶ One-Stop Career Centers were opened in Selma, Montgomery, and Haleyville this year.

### **DIR Legislative Accomplishments**

- Legislation was passed which allows the Department of Industrial Relations to send out rate schedule notices to employers the first week in December instead of waiting until late January to announce the rate schedule for the impending year. This earlier notice permits employers to adequately prepare their budgets for the coming year.
- Representatives from our department have been meeting with representatives from business and labor to look at possible restructuring of unemployment insurance tax laws so that businesses will not pay higher rates during a time when the economy is beginning to emerge from a recession. DIR wants to ensure that employers are taxed fairly, while at the same time enough money is paid into the Unemployment Compensation Trust Fund for benefits to those who qualify. Several states have bankrupted their trust fund and are having to borrow money from the federal government at a high interest rate, and that is certainly something that we want to avoid here in Alabama.
- DIR has been working on drafting compliance legislation aimed at deterring companies from not paying its fair share into the State Unemployment Insurance Trust Fund. Some companies have done this by a practice called "SUTA-dumping." Recently, President Bush signed legislation to stop SUTA dumping after unanimous Senate consent. In this day and time, when political partisanship is so strong, that's practically unheard of. It is now a crime for businesses to engage in this practice. We'll need to pass an Alabama bill

as well, establishing penalties for SUTA dumping, as well as setting other parameters and guidelines.

- In 2003, Enhancement legislation was passed and extended until March, 2006. This legislation is a means to divert .06 percent of the UC collections into a special fund to operate the Claimant Assistance Program (CAP). The CAP allows Employment Service personnel to focus on unemployed workers who are drawing UC benefits out of the Trust Fund, and direct efforts into putting them back to work. This does several positive things: it puts people back to work, and it contributes to the productivity of many Alabamians to be able to pay taxes and stop drawing money out of the Trust Fund.

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