

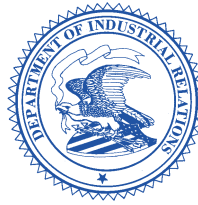
***Building a Solid Foundation
Focusing on the Future***



Alabama Department of Industrial Relations
2006 Annual Report

Letter to the Governor

The Honorable Bob Riley
Governor of Alabama



For the Alabama Department of Industrial Relations in 2006, there were some striking similarities to the previous year, with major strides in technology and the passage of vital legislation at the forefront.

Industrial Relations' dedicated and talented employees continued our agency's customer service-focused approach to deliver cutting-edge service technologies that meet needs and surpass expectations. With the phasing out of paper checks, Alabama became one of the pioneer states to offer a debit card as an option for unemployment compensation claimants to receive their weekly payments. AL Vantage is a prepaid *MasterCard* that carries a fixed cash amount that is deposited into a claimant's account within 48 hours of a successful weekly certification. It is a cost saver for the claimant, due to the elimination of possible check-cashing fees, as well as a cost saver for our agency in terms of reduced postage and administrative costs associated with printing checks. AL Vantage also minimizes the potential for identity theft and assures that claimants can receive benefits in the event of disruptive natural disasters.

A technological boost also made the filing of unemployment claims more convenient. Industrial Relations began offering unemployment claims filing online through the agency Web site. There are strong indications that Internet filing will become the preferred method for claimants. The system facilitates automatic registration with Alabama JobLink (AJL). A job-searching "spider" that crawls the Web for jobseekers was a 2006 upgrade to the Alabama Career Center System's free job match site.

The Alabama Legislature passed three major pieces of legislation backed by Industrial Relations in 2006. Enhancement legislation provides for a tiny percentage (.06 percent) of state unemployment taxes to be set aside to fund staff to get unemployed workers back to work; a \$10 hike in maximum weekly unemployment compensation benefits was approved for 2006, with another \$5 hike in 2007; and the Alabama Professional Employer Organization (PEO) Registration Act mandates that PEOs register with Industrial Relations prior to launching operations, with our agency also responsible for oversight of PEOs.

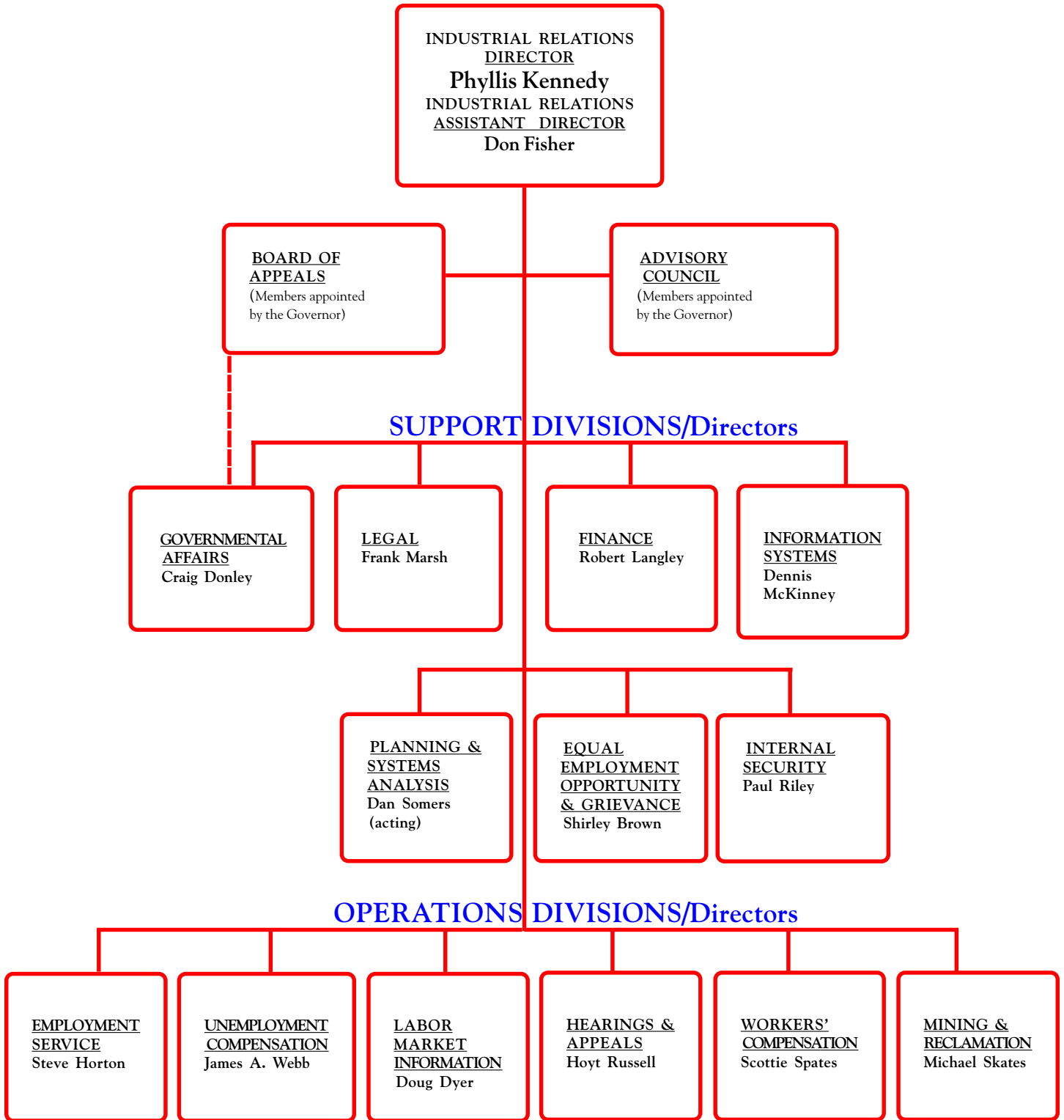
I proudly present the 2006 Alabama Department of Industrial Relations Annual Report, which reflects a high level of commitment to positive, proactive, and ongoing efforts to adapt to ever-changing times and to position Alabama for the future.

Sincerely,

A handwritten signature in black ink that reads "Phyllis Kennedy".

Phyllis Kennedy,
Industrial Relations Director

**STATE OF ALABAMA
DEPARTMENT OF INDUSTRIAL RELATIONS
ORGANIZATION CHART**



The Alabama Department of Industrial Relations is an umbrella organization of state government which administers:

- State Employment Service**
- Unemployment Insurance**
- Workers' Compensation**
- Labor Market Information**
- Abandoned Mine Reclamation, Mine Safety & Inspection**
- Surface Mining of Non-Fuel Minerals**

Board of Appeals

Public-At-Large: John A. Screws
Employers: Don Jones
Labor: Charlotte G. Flowers

Members of the Board of Appeals are appointed by the Governor to staggered six-year terms in accordance with the Code of Alabama, 1975. The Board of Appeals adjudicates decisions on appeals of contested unemployment compensation claims and certain matters relating to mine and industrial safety.

“The mission of the Alabama Department of Industrial Relations is to effectively use tax dollars to provide state and federal mandated workforce protection programs promoting a positive economic environment for Alabama employers and workers and to produce and disseminate information on the Alabama economy.



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THE ALABAMA DEPARTMENT OF INDUSTRIAL RELATIONS IS AN EQUAL OPPORTUNITY EMPLOYER. PROGRAM AUXILIARY AIDS AND SERVICES ARE AVAILABLE UPON REQUEST TO INDIVIDUALS WITH DISABILITIES.

2006 Industrial Relations Highlights

"With Enhancement there are lots of winners: the unemployed worker, the employer's tax rate, the Alabama economy, and, of course, Industrial Relations."

Phyllis Kennedy, Industrial Relations director

---Enhancement Legislation & Unemployment Benefits Increase Pass---

Two important pieces of legislation were passed on the final day of the 2006 Alabama Legislature Regular Session. The Alabama Senate passed Enhancement legislation to extend the program through March 31, 2008. Enhancement supplements federal funding by taking .06 percent of the state unemployment taxes paid by employers. This will provide DIR with funds totalling about \$7.8 million annually to help get unemployed workers back on the job. Also passed was a bill raising maximum weekly unemployment benefits in July from \$220 to \$230. In July 2007, maximum weekly benefits will increase to \$235.

---PEO Legislation Provides Increased Worker Protection---

The Alabama Legislature passed, and Governor Bob Riley signed, a bill mandating state registration of staff leasing companies, or professional employer organizations (PEOs). DIR was given responsibility for registration and oversight of PEOs that become the off-site employer of record for their clients. The legislation allows DIR to receive securities or guarantees protecting payments of unemployment compensation taxes and workers' compensation expenses. DIR is also authorized to perform investigations, audits, or reviews of any registered PEO.

---DIR Offers Online Filing of Unemployment Claims---

DIR began offering unemployed workers the option to file new, additional and reopened claims for unemployment compensation online through the DIR Web site. The process is similar to the telephone system used in UC Call Centers. When an electronic claim is filed the claimant's information is received in that same system. So, a claimant may contact a Call Center representative to confirm a successful filing, add information, or change information, on the same day that a claim is filed electronically. Claimants can also be automatically registered with Alabama JobLink. Some types of claims will continue to be processed through a Call Center.

---DIR Launches New Method for Paying Weekly UC Benefits---

Alabama became one of only eight states to offer claimant debit cards as a cost-effective and secure method of payment of weekly unemployment compensation benefits. AL Vantage is a prepaid MasterCard for new claims filers who do not choose the direct deposit option for their benefits payments. AL Vantage will reduce postage and administrative costs associated with printing checks, as well as assuring claimants they can receive benefits even when mail service is disrupted.



Jeannine Trotter (left), Information Systems, has the attention of Governor Bob Riley as she responds to one of his questions about the tremendous strides DIR has made in information technology. Other Information Systems employees from right of the Governor are: Ramona Jordan, Melanie Flowers, Carrie Beasley, Dennis McKinney, and Joe Martin. Governor Riley was special guest at a reception recognizing DIR employees for the creative application of information technology that has improved service to the public.

2006 Industrial Relations Highlights

---Alabama Leads in Reemployment---

A U.S. Department of Labor survey determined that Alabama's UC Program was first in the nation in the number of UI claimants who were reemployed in the first quarter following the quarter in which an initial UC payment was made. According to the Department of Labor Benefits Accuracy Measurement Program, Alabama recorded a facilitation of reemployment rate of 69.5 percent.

---Alabama JobLink Adds Job-Searching Spider---



Alabama JobLink (AJL), the Alabama Career Center System's free job match Web site, continued to make positive strides with the addition of a job-searching "spider." A "spider" is a program that visits and collects specific information from Web pages and indexes the keywords and text of each page it finds, which is then stored in a searchable index. As it crawls the Web, the AJL Job Spider gives instant access to millions of jobs from a wide variety of resources.

---Pilot Program Launched for Seriously Disabled Veterans---

Joining forces and pooling resources, the Employment Service and U.S. Department of Veterans Affairs, Vocational Rehabilitation and Employment (VR&E), launched a pilot program (the first of its kind in the nation), to assist veterans with severe disabilities find employment in Alabama. Through VR&E Co-Management, a Local Veterans Employment Representative (LVER) or Disabled Veterans Outreach Program (DVOP) Representative and a VR&E counselor team up to be mutually-accountable for the progress of seriously disabled veterans from enrollment to employment.

---Emergency Office Closing System Implemented---

DIR implemented an Emergency Office Closing System (EOC) to provide employees and the public updated information, in the event a weather catastrophe or other kind of emergency forces agency offices to close. The EOC information is available to employees by phone and through the Internet (<http://dir.alabama.gov/eoc>) for employees and the public.

---Employers Receive Timely Tips from North Alabama Roundtable---

In cooperation with the Marshall County Economic Development Council, DIR held a Governor's Regional Economic Roundtable in Boaz in August. The forum offered information on a variety of issues and programs to assist employers improve and enhance their business operations.

Employment Law was the topic of Mike Giles (right), an attorney with Constangy, Brooks & Smith, LLC, during the Governor's Regional Economic Roundtable. Other Roundtable topics were: Unemployment Insurance Tax Management; Health Insurance Cost Management; Reduction of Workers' Compensation Insurance; Preventing Identity Theft and Fraud; and Crisis Planning for Businesses.



---DIR Mission Statement Revised---

The DIR Mission Statement was updated to more specifically communicate the ever-changing role of the agency: *The mission of the Alabama Department of Industrial Relations is to effectively use tax dollars to provide state and federal mandated workforce protection programs promoting a positive economic environment for Alabama employers and workers and to produce and disseminate information on the Alabama economy.*

EMPLOYMENT SERVICE

Emergence of Alabama JobLink (AJL), an Internet-based, customer-driven workforce service delivery system, featuring self-service, dominated the state's workforce landscape in 2006, as jobseekers and employers visited the site in record numbers seeking to find work or workers. Almost half-a-million citizens sought first jobs, next jobs or better jobs through AJL, posting more than 100,000 resumes into the system. Some 50,000 Employers seeking qualified workers (during a period of economic expansion and record low unemployment in the state) turned to the system as a growing source of qualified workers to fill over 200,000 job openings.

"I used Alabama JobLink and found a job (and was hired) in the field I wanted within a week. I never thought it would be so simple and user friendly."

Jobseeker

For jobseekers, AJL offers around-the-clock access for registration, employment services, the opportunity to create a resume online, receipt of automatic e-mail notification when skills match employer openings, and in some instances, direct employer contact. For employers, AJL is available 24-hours-a-day/seven-days-a-week to post and manage their own job openings, search for qualified workers, and receive automatic e-mail notification when job requirements match jobseeker skills.

"Excellent. Keep up the good work. When I ask my Internet recruits how they found me, a lot will say JobLink. JobLink works."

Employer

Empowerment of the users of Alabama's Labor Exchange system (AJL) to self-direct their job and worker searches opened access to the public for the first time, making it truly a "customer demand-driven" system. Indicative of the success of this paradigm shift is the record numbers of jobseekers and employers served, with over half (50.8 percent) of the labor force registrations completed through self-registration, and over a third (37.3 percent) of the services accessed completed through self-service. Of the more than 7,000 new Employers Accounts established in AJL, one-third (35 percent) were self-service. This streamlined delivery of labor exchange services, necessitated by diminished funding, continues to position the State Employment Service (ES) to serve as the "Gateway" to Alabama's job and labor markets. Despite the closing of 20 offices and a 30 percent reduction in staff, over 450,000 jobseekers sought and received labor exchange services representing one in five (20 percent) of the state's 2.2 million workers. Through its remaining 34 points of service, delivered through the Alabama Career Center System, ES offers both staff-assisted service and Internet-based self-service, providing convenient access to the state's labor force and employer community, assisting workers in seeking first jobs, new jobs, or better jobs and employers seeking qualified workers.



Over 177,000 unemployed jobseekers entered employment after receiving employment services, representing almost two-thirds (63.7 percent) of the unemployed jobseekers exiting the system during this period. An overwhelming 79.4 percent were still employed six months after exiting the system with a job. Average earnings for the six-month period were \$10,668 or \$10.26 per hour. Adaptation to change serves only to further support and strengthen the mission of the Employment Service to achieve a customer-focused, technologically-advanced, outcome-driven workforce delivery system, providing high standards of customer service and satisfaction.

EMPLOYMENT SERVICE

---Resource Centers Offer Computer Access---

Employment Service is one of the four partner agencies comprising the Alabama Career Center System. ES has worked diligently with partners to build a customer-friendly system providing jobseekers and employers with a full range of seamless employment and training services in collocated “One-Stop Career Centers” throughout the state. All centers have “Resource Centers” featuring computers with high speed internet access for self-service jobseekers. These computers also have resume preparation software and tutorials for a number of job-related subjects. Online assistance and information are available around-the-clock through the ES Web site at JobLink@alabama.gov.



Staff-assisted personal service continues to be available for applicants and employers who wish to access available workforce-related services from partners in the Career Center System. As a partner in the Career Center System, ES continues to pursue opportunities for workforce reform, leading to more effective and efficient service through leveraging and sharing of resources, integration of activities, and commitment to a common goal with Office of Workforce Development partners. This commitment was manifest in 2006 with the opening of a new Career Center in Talladega, relocation of the Eufaula Career Center, and planning finalized for a new Career Center in Dothan. In addition, temporary reemployment offices were opened in Alexander City and Sylacauga to assist displaced textile and apparel industry workers.

Alabama JobLink (AJL), in addition to its proven ability to serve the labor exchange needs of jobseekers and employers, presents Career Center partners the opportunity to participate in an open-shared information system that helps assure the coordinated delivery of services, tracking of client progress, and successful exit through an integrated workforce delivery system, that better serves customers.

AJL continued to grow and expand services during 2006, finding increasing favor among jobseekers and employers. AJL gained access to millions of jobs from sources such as Monster, Hotjobs, Careerbuilder, Craigslist, New York Times, and Fortune 500 Web sites with the addition of a “Job Spider.” Job Spider also draws from thousands of other sources as well, including small industry specific job boards, local newspapers and associations. The number of job seekers’ resumes available to employers quadrupled during 2006 from 15,000 to 60,000. During the year, over 2,500 employers created self-service accounts to gain access to these resumes.

---Claimant Assistance Program Limits Drain on Trust Fund---

The Claimant Assistance Program is designed to reduce the duration of joblessness for Unemployment Insurance claimants. This is accomplished through quick intervention by local offices with the claimants to assess their needs and offer services designed to return them to work as quickly as possible. Among these services are Employability Development Plans, Job Search Plans, Job Search Workshops, and intensified job development and placement services provided by the Employment Service. During the past year, more than 70,000 claimants received assistance in finding jobs, which created a significant savings to the Unemployment Trust Fund.

---Employer Satisfaction is 87 Percent---

Over 14,000 personal contacts were made with employers by Career Center staff, while countless other contacts were made by fax, mail, or e-mail. Employers were notified of assistance available to help them in meeting their workforce needs. In turn, employers provided valuable feedback on how they could be better served. Surveys conducted to determine employer satisfaction, as mandated in the Workforce Investment Act, yielded an employer satisfaction score of 87 percent.

A vital part of ES’s Customer Satisfaction Program is the Alabama Employer Services Committee (AESC). AESC members are actively involved in Alabama’s Career Center System. The committee, made up of business owners and leaders from throughout the state, voluntarily serves in an advisory capacity to make recommendations to enhance the services of Industrial Relations. The organization comprises 38 local community committees, representing approximately 2,500 employers who work with local ES offices throughout the state.

EMPLOYMENT SERVICE

---Rapid Response Assists Employees From 62 Closed Plants---

The Dislocated Worker Program, funded under a contract with the Alabama Department of Economic and Community Affairs, coordinates Rapid Response activities when there are layoffs or plant closings in the state. This includes arranging for employee groups to meet with appropriate local and state agencies and, when feasible, schedule on-site Job Search Workshops.

During 2006, the Rapid Response team assisted workers at 62 major plant closing and layoffs which affected more than 10,000 dislocated workers.

---Over 1,000 Youths Referred to Job Corps---

Job Corps is America's leading employment and training program for at-risk young adults. The program funded by Congress and administered by the U.S. Department of Labor (DOL), offers a comprehensive array of career development services to young women and men, ages 16 to 24. The Employment Service provided outreach and admissions services for Job Corps under a cost-reimbursable contract that ended September 30, 2006. During Fiscal Year 2006, the Employment Service referred 1,102 economically-disadvantaged youth to Job Corps Centers, primarily in Alabama, Georgia, Kentucky and North Carolina. Of those referred, 728 youths were enrolled in programs that prepared them personally and vocationally for successful careers.

---Food Stamp Program Referrals Total Nearly 23,000---

During the program year, 22,868 clients were referred to the Food Stamp Employment and Training Program. Of the clients referred, 14,623 were placed in job search. Approximately 2,000 Food Stamp clients were either placed on jobs by the Employment Service or obtained employment after being referred to the program.

---Maximum Tax Credit Potential Exceeds \$25,000---

The Work Opportunity Tax Credit (WOTC) and the Welfare-to-Work (WtW) Tax Credits are two employer-friendly benefits for hiring jobseekers most in need of employment. They reduce an employer's cost of doing business and require little paperwork. The tax credits are designed to help American workers gain economic self-sufficiency and increase American productivity and economic growth. ES is responsible for administration of the eligibility determination and certification process of WOTC and WtW. During the Program Year 2006, ES certified 7,666 WOTC-eligible individuals and 113 WtW-eligible individuals. These tax credits provided Alabama employers a maximum potential tax credit of more than \$25,000,000.

---ES Coordinates Services for Rural Residents---

In addition to the base offices located in the more densely-populated metropolitan areas of the state, the Employment Service also operates seven base offices and eight branch and itinerant offices to facilitate access to workforce delivery services through the Career Center System in the state's rural areas.

As a part of this service, ES coordinates the activities of the Agricultural Placement Program, Agricultural Clearance Program, and H-2A Program for nonimmigrant aliens. ES is also responsible for conducting agricultural crew leader registration, overseeing the Migrant and Seasonal Farm Worker (MSFW) Outreach Program as well as performing preoccupation housing inspections for 46 H-2A dwellings. These dwellings represented 31 different H-2A certifications.

During 2006, two local offices received full on-site monitoring reviews and all local offices received monthly reports and data analysis reviews concerning agricultural workers. Migrant and seasonal farm workers were offered all services provided to other applicants and referred to other community agencies as needed. Bilingual MSFW outreach workers helped to coordinate this process.

EMPLOYMENT SERVICE

---ES Offers Technical Assistance in Temporary Jobs Certifications---

ES, through its Foreign Labor Certification Unit (FLCU), works directly with the employer, his agent, or attorney, to ensure that labor certification applications meet regulations and guidelines mandated by federal and state laws, U.S. Department of Labor, and Employment Service guidelines. As of March 2005, processing of permanent applications was transferred to the U.S. Department of Labor. ES now provides technical assistance to employers applying for certification of temporary jobs.

During Fiscal Year 2006, ES received over 200 temporary nonagricultural applications, and, during this same period, processed 175 temporary nonagricultural applications. In addition, ES provides prevailing wage determinations for certifications. A total of 1,120 prevailing wage determinations were issued.



DIR employees who attended a Montgomery training session for a pilot program to assist veterans with severe disabilities find employment, from left: Mike Hathaway, LVER, Enterprise ES; Charlene Bazzle, LVER, Montgomery ES; Herschel Henderson, DVOP, Montgomery ES; Lavughn Williams, DVOP, Montgomery ES; Dave Pittman, DVOP, Dothan ES; and Brent Boozer, LVER, Dothan ES.

---ES Assists Nearly 15,000 Veterans---

Veterans are provided maximum employment and training opportunities and eligible veterans receive priority in all employment services, including referrals to job listings, job development contacts with employers, and referrals to all supportive services. All local Employment Service locations assign a Local Veterans' Employment Representative to assist veterans with their job search and offer special assistance with work-search related problems or barriers to employment. The Alabama Career Center System offers specialized employment services to disabled veterans by Disabled Veterans' Outreach Program representatives, when available.

The Employment Service Division extends job search assistance and employment information to military members and spouses who are preparing to leave the service from any military installation in Alabama. The Transition Assistance Program each year assists hundreds of service members and their families transition into the civilian work force.

During the 2006 Program Year, the Veterans Services Program in Alabama provided priority employment services to more than 25,000 veterans and eligible family members. Almost 15,000 veterans were placed into jobs, or located work with ES assistance. Veterans made up nine percent of all registered Alabama job seekers.

The Employment Service continues to play a key role in "Operation Grateful Heart," a statewide initiative for military personnel returning to civilian life and the families of Alabama troops still deployed overseas. Through "Operation Grateful Heart," they are able to make one point of contact to request assistance and answer questions regarding reentry into the workforce, health benefits, and support organizations. The toll-free number for the initiative (1-866-452-4944) is answered by the Employment Service.

UNEMPLOYMENT INSURANCE

---State Posts Record Low Unemployment---

Alabama's jobless rolls followed the trend set nationally in 2006 and registered a decline in unemployment levels for the fifth consecutive year. The 4.4 percent national unemployment rate in October 2006 hit a five-year low. Alabama posted record-low unemployment rates of 3.2 percent in October and November.

The number one task of the State Unemployment Insurance Program is to place benefits in the hands of out of work individuals to insure that at least some of life's necessities such as food, shelter and clothing can be met while looking for a job. These emergency outlays also help to lessen the impact on the surrounding economic environment as funds are made available to the unemployed consumer. Subsequently, the spiraling effect of the demand and supply balance are aided or delayed to the community.

---Initial Claims Continue to Drop in Alabama---

In the late 1970s, the nation experienced the onset of a recession. In Alabama, in Fiscal Year 1978, initial claims totaled 298,668 and climbed for the next four years to a peak of 632,801 by Fiscal Year 1982. The 1982 peak has descended over the last 25 years to the incredible low of 230,634 in the 2006 Fiscal Year, a drop-off of 402,167 unemployed persons.

The number of applications for benefits dropped 10 percent from the Fiscal Year 2005 total of 256,313. Those laid-off for the first time in the fiscal year accounted for over two-thirds of the decrease (new claims), and almost a third of the filers experienced intermittent work during their benefit periods (additional filers).

The Fiscal Year 2006 first quarter initial claims level was heavily inflated by Hurricane Katrina. During the eligible period of filing for Disaster Unemployment Assistance (DUA) relief, August 29 through November 30, 2005, disaster-related claims totaled 7,672 applicants. In fact, the only five-digit decrease in initial claims from last year was recorded in Mobile County. This substantial downturn in one county area primarily represented work recovery after Hurricane Katrina.

In industry, construction claims experienced the sharpest decline from last fiscal year, down by 5,441 applications. Transportation equipment manufacturing, followed by retail trade recorded the next leading drops. The overall decline was offset substantially by a four-digit increase in textile product mill layoffs.



Starting In 2006, new claims filers who did not choose the direct deposit option for payments could, instead, receive AL Vantage, a prepaid debit card from MasterCard.

---Benefits Paid Hit Five-Year Low---

The gross amount of benefits paid in Fiscal Year 2006 to workers covered by the state insurance program totaled \$209,326,244. Payments represented a five-year low and tallied \$100,000,000 less than the Fiscal Year 2002 payout of \$315,422,826. The highest allowable amount of benefits per week passed by the Alabama Legislature for any claimant is \$220.00. The average check paid to recipients was \$183.03 compared to \$180.88 in Fiscal Year 2005.

The weeks of unemployment claimed and paid workloads reflect a mirror image of the continuing level of joblessness at a given time. Contrary to the application counts (initial claims), these workloads allow a quick glance of the numbers continuing to draw benefits at any point in time. The number of weeks claimed for unemployment benefits was 1,263,422, down nine percent from Fiscal Year 2005, and almost 800,000 less than the high reached in Fiscal Year 2002. Of the almost 1.3 million weeks of benefits requested, 1,159,276 weeks of compensation were paid to the claimants in Fiscal Year 2006.

UNEMPLOYMENT INSURANCE

---Claimants' First Payments Fall 12 Percent---

First payments to claimants is one of the main indicators of the trend in new plant layoffs, shutdowns, sluggish sales and/or slow economic recovery which trigger joblessness. First payments represent the unduplicated count of persons who drew their initial benefit check during the year. A snapshot of this workload echoes more accurately the ongoing changes of unemployment trends of an area than any of the other activity workloads. The improved bright outlook of the last five years was evidenced by the first payments decline in Fiscal Year 2006. Recipients who received the first check dropped 12 percent from the previous year and reflected 58,660 less than five-years ago. Final payments also paralleled the other workloads and recorded an eight percent drop. Compared to the high experienced in Fiscal Year 2003, the Fiscal Year 2006 final payments level declined by 19,909 claimants over the last three years. This reflected a steady decline in those exhausting the maximum amount available in the benefit year. Chronic unemployment is the label given to high final payment trends.

---Federal Claims Drop 14 Percent---

At a combined total of 2,459, initial claims filed for benefits under the UCFE/UCX federal unemployment compensation program declined 14 percent from the previous year's total of 2,864. The Fiscal Year 2006 level stood 23 percent less than the total three years earlier. The decline was primarily due to a reduction of new claims from military personnel (UCX). Government job losses in the civilian sector lagged eight percent from the year before. Weeks claimed for benefits, weeks paid, and amount of payments also experienced declines. Weeks claimed at 4,557, weeks paid at 4,136, and amount of benefits \$795,949, respectively, were recorded in Fiscal Year 2006. Initial claims from ex-military employees eased from 1,620 to 1,344, down 17 percent. The payment activities to these filers followed the lower claims trend and recorded 4,980 fewer weeks claimed, 4,985 less weeks paid and a reduction of \$1,725,127 in benefits.

---TAA Certifications Issued to 29 Companies---

The Special Programs Unit of the Unemployment Insurance Division reviews, determines eligibility and issues payments under the Trade Adjustment Assistance (TAA) program. The TAA program is offered to workers who lose their jobs or have a reduction in the work week due to increased imports. The Trade Act of 2002 reauthorized and extended TAA through September 30, 2007, and made several amendments to the Trade Act of 1974. The amendments provided workers covered under certified petition numbers greater than TAW 49999 eligible for up to 52 additional weeks of Trade Readjustment Allowances (TRA) benefits if they are still attending approved training and have exhausted Unemployment Insurance and basic TRA benefits. In addition, the Trade Act of 2002, consolidated the former TAA and NAFTA-TAA programs into a single enhanced TAA program.

As of September 30, 2006, TAA certifications were issued to 29 companies statewide. At the end of the fiscal year, 656 participants were still enrolled in TAA-funded training. Benefits paid to institutions statewide totaled \$2,104,775. Waivers were issued to 924 TRA claimants due to suitable training unavailable or other issues.

Initial claims activity under the program registered substantial levels in Fiscal Year 2006. In May 2006, a major textile plant in Alabama announced it was going out of business and ultimately resulted in more than 1,300 residents seeking benefits and/or new jobs. Initial claims jumped 71 percent to a total 2,383, and reflected almost 1,000 more claimants. The weeks claimed and weeks compensated workloads each declined 29 percent to 23,034 and 22,842, respectively. Benefits paid at \$4,684,807 decreased 22 percent. As of September 30, 2006, workloads continued to be reported on 117 petitions in Alabama.

UNEMPLOYMENT INSURANCE

---Hurricane Katrina Still Spurs Disaster-Related Claims---

The major objective of the DUA program is to provide assistance to individuals whose employment has been lost or interrupted as a result of a major disaster. From October 1, 2005 through September 30, 2006, Alabama did not experience a declared disaster. Hurricane Katrina, which occurred on August 29, 2005, accounted for the majority of the activity levels under the DUA program in Fiscal Year 2006. Hurricane Katrina affected 11 Alabama counties: Baldwin, Choctaw, Clarke, Greene, Hale, Marengo, Mobile, Pickens, Sumter and Washington. Of the total 4,323 applications for benefits stemming from Katrina, 646 were received in Fiscal Year 2006. Weeks claimed totaled 7,929 and 8,331 weeks of compensation were paid. Benefits paid amounted to \$968,430.



Martha Johnson (left), Unemployment Compensation (UC) Automation Support coordinator, and Bonnie Lashley, UC Special Programs supervisor, display the DUA procedures manual, used by UC Call Center personnel in handling DUA claims.

---Certified ATAA Petitions Increase---

The Trade Act of 2002 established the Alternative Trade Adjustment Assistance (ATAA) Program as an alternative assistance program for older workers certified eligible to apply for TAA. This program was effective for petition filers on or after August 6, 2003. The Trade Act requires that adversely-affected firms who request TAA certification must also apply for the ATAA program at the time they file the petition. Workers in an eligible worker group who are at least 50 years of age, and who obtain different, full-time employment within 26 weeks of separation from the adversely-affected employer, may receive up to half of the difference between the worker's old wage and the new wage. The wage subsidy may be paid up to a maximum of \$10,000 during a two-year eligibility period. To be eligible for the ATAA program, workers may not earn more than \$50,000 per year in the new employment. The worker group must also be certified as eligible to apply for TAA benefits and meet other ATAA criteria. Workers who begin receiving payments under the ATAA program cannot receive other TAA benefits and services except for relocation allowance and the Health Coverage Tax Credit. ATAA workload activities in Fiscal Year 2006 accelerated, as 29 new Alabama petitions were certified. Applications for the offset benefit climbed 95 percent to 74; weeks claimed and compensated totaled 1,162 each; and total benefits paid amounted to \$227,712.

---Industrial Relations Assists With Health Coverage Tax Credit---

The Trade Act of 2002 created a federal tax credit that covered 65 percent of the premium amount that eligible individuals pay for qualified health insurance coverage. The Health Coverage Tax Credit (HCTC) was implemented in Alabama in August 2003 for displaced workers certified to receive certain TAA benefits and individuals receiving benefits from the Pension Benefit Guaranty Corporation. The Internal Revenue Service is responsible for administering the Health Coverage Tax Credit program and the Department of Industrial Relations transmits daily files to the HCTC office in Washington, D. C. Two options are available for TAA applicants to receive the benefits. Eligible individuals may choose to either pay 100 percent of their premiums throughout the year and claim the credit when they file their federal tax return or they may choose to have the 65 percent credit paid monthly on their behalf to their health plan administrator. Eligible individuals must pay 35 percent of their premium monthly to the HCTC program if they choose the advance payment option.

UNEMPLOYMENT INSURANCE

	Fiscal Year 2006	Fiscal Year 2005	Net Change	Percent Change
<u>State Unemployment Compensation Initial Claims</u>				
New	155,421	174,126	(18,705)	-10.7
Additional	75,213	82,187	(6,974)	-8.1
Weeks Claimed *	1,263,422	1,385,934	(122,512)	-8.8
Weeks Compensated	1,159,276	1,273,501	(114,225)	-9.0
Gross Benefits Paid	\$209,326,244	\$226,349,932	(\$17,023,688)	-7.5
<u>Federal Employees Initial Claims</u>				
New	753	833	(80)	-9.6
Additional	193	192	1	0.5
Weeks Claimed *	4,557	5,882	(1,325)	-22.5
Weeks Compensated	4,136	5,440	(1,304)	-24.0
Gross Benefits Paid	\$795,949	\$1,418,656	(\$622,707)	-43.9
<u>Ex-Servicemen Initial Claims</u>				
New	1,344	1,620	(276)	-17.0
Additional	169	219	(50)	-22.8
Weeks Claimed *	13,238	18,218	(4,980)	-27.3
Weeks Compensated	12,676	17,661	(4,985)	-28.2
Gross Benefits Paid	\$2,773,660	\$4,498,787	(\$1,725,127)	-38.3
<u>Trade Readjustment Allowance **</u>				
New	2,383	1,365	1,018	74.6
Additional	32	51	(19)	-37.3
Weeks Claimed	23,034	32,251	(9,217)	-28.6
Weeks Compensated	22,842	31,980	(9,138)	-28.6
Gross Benefits Paid	\$4,684,807	\$5,987,967	(\$1,303,160)	-21.8
<u>Alternative Trade Adjustment Assistance Program</u>				
Initial Claims	74	38	36	94.7
Weeks Claimed	2,123	1,323	800	60.5
Weeks Compensated	2,123	1,323	800	60.5
Gross Benefits Paid	\$227,712	\$163,558	\$64,154	39.2
<u>Disaster Unemployment Assistance</u>				
Initial Claims	646	3,667	(3,031)	-82.4
Weeks Claimed	7,929	10,195	(2,266)	-22.2
Weeks Compensated	8,331	9,466	(1,135)	-12.0
Gross Benefits Paid	\$968,430	\$1,037,064	(\$68,634)	-6.6

* Excludes interstate claims data received through Internet System.

** Includes retroactive payment activity.

WORKERS' COMPENSATION

---Minimum Weekly Compensation Increases to \$179---

The main function of the Workers' Compensation Division is to insure that necessary medical attention and compensation benefits are provided to employees injured on the job, or, in case of death, 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 or employers, which includes reacting to tips received on the fraud hotline: 1-800-WC FAKED, or 1-800-923-2533.

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 for 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.

As of May 23, 2006, the State of Alabama's average weekly wage was determined to be \$651.32 for the calendar year 2005. This resulted in the following changes, effective July 1, 2006: The minimum weekly compensation payable increased from \$173 to \$179. The maximum benefits payable on fatalities increased from \$314,500 to \$325,500.

---Fiscal Year 2006 Workers' Compensation Totals---

Group Fund Certificates Issued	4,972	Voluntary Mediations	2,168
Group Fund Certificates Canceled	4,268	Court Ordered Mediations	244
Self-Insurance Certificates Issued	12	Mediations Resolved	1,936
Self-Insurance Certificates Canceled	27	Utilization Management/Bill	
Self-Insurers Audited	404	Screening Certificates	22
Compliance Inspections	21,906	Drug-Free Workplace Certificates	195
Employers in Noncompliance	1,403	Medical Disputes	714
Continuing Education Seminars	5	Medical Dispute Resolutions	0
Seminar Attendees	1,176	Third Party Administrators Certified	20
Continuing Education Certificates	1,157		

WORKERS' COMPENSATION

---Fiscal Year 2006 Self Insurance Activity---

The Workers' Compensation Division administers the rules and regulations for both the Individual Self-Insurers and Group Self-Insurers.

<u>Individual Self-Insurance</u>	<u>Fiscal Year 2006</u>	<u>Fiscal Year 2005</u>	<u>Percent Change</u>
Certificates Issued	12	12	0.00
Certificates Canceled	27	26	3.85
Total Individual Self Insurers	372	373	-0.27
<u>Group Self-Insurance</u>			
Certificates Issued	4,972	5,598	-11.18
Certificates Canceled	4,268	3,982	7.18
Total Employers	27,662	26,958	2.61
Total Number of Group Funds	17	17	0.00

---First Report of Injury Totals---

<u>Fiscal Year 2006</u>	<u>Fiscal Year 2005</u>	<u>Percent Change</u>
19,439	18,848	3.0

During Fiscal Year 2006 there were 86 fatalities reported. Twenty-three percent occurred in Non-Classifiable Establishments. Thirteen percent were in the Construction and Manufacturing industries. The 11 Construction fatalities are broken down as follows: six in specialty trade, three in heavy and civil construction, and two in construction of buildings. The manufacturing fatalities are broken down as follows: two each in textile mills, wood product manufacturing, and printing and related support activities, and one each in apparel manufacturing, paper manufacturing, chemical manufacturing, plastics and rubber products manufacturing, and fabricated metal product manufacturing.

---2005 Compensation & Medical Benefits Paid---

<u>TOTAL:</u>	<u>\$663,383,688</u>
Voluntary Market:	\$329,057,034
Individual Self-Insured:	\$143,109,490
Group Self-insured:	\$191,217,164

MINING & RECLAMATION

---Abandoned Mine Land Reclamation Program---

The mission of the Abandoned Mine Land (AML) Reclamation 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 35 cents per ton for surface-mined coal and 15 cents per ton for underground-mined coal. In addition to benefitting Alabama through removing mine-related safety hazards and improving the environment, the program impacts positively on local economies as reclamation dollars are expended on earth-moving, construction materials, revegetation supplies, and contractors utilizing local manpower to carry out the work. AML achievements during Fiscal Year 2005 were as follows:

- ▲ 7 abandoned mine land reclamation projects successfully completed.
- ▲ 114 acres of mine spoils and coal refuse material (considered wastelands) returned to productive use.
- ▲ 3 portals and 1 open subsidence permanently sealed by AML contractors.
- ▲ 7 dangerous highwalls (totaling 10,200 linear feet) along roads and near residential areas eliminated.
- ▲ 16 incidents of mine subsidence beneath urban areas; 8 vertical openings, 4 slumps; and 1.3 acres of burning gob corrected by AML's emergency program.
- ▲ 7 hazardous water bodies abated.
- ▲ 17,200 tree seedlings planted on five AML sites, that totaled 43 acres.

---Recovered Waste Coal Turned Into Electricity---

Work continued under an innovative "no cost" contract to eliminate a hazardous mine refuse impoundment overlooking the Black Warrior River in Walker County. Over 500,000 tons of waste coal was recovered and turned into electricity. The coal recovery at the site has been completed. Grading and revegetation of the property is underway. Removal of the coal fines protects the environment and will save AML approximately \$1 million dollars in reclamation costs.

Alabama's reforestation of abandoned mines is nationally recognized. During Fiscal Year 2006, tree planting operations were carried out by the Walker County Soil and Water Conservation District Board, under cooperative agreement with Industrial Relations, on five abandoned mine land reclamation projects covering 44 acres. Over seven million trees have been planted by Industrial Relations during its 29 years in the reclamation business.

A cost sharing partnership between Industrial Relations and Alabama Department of Environmental Management began to treat acid mine drainage being discharged from a 20-acre gob pile and 12 small underground mine portals into Cane Creek, a tributary of the Black Warrior River. Problems associated with acid mine drainage include toxicity to fish and other aquatic communities; corrosion to pipes, culverts and bridges; and undrinkable water supplies requiring expensive treatment.

The Alabama AML Program completed its 147th emergency project on September 27, 2006 in Walker County. The emergency provision of Alabama's program allows Industrial Relations to respond to sudden, life-threatening abandoned mine land problems within 24 hours. In December 2006, Congress passed legislation extending funding for AML through 2024. The reauthorization extends a federal coal tax to facilitate funding for the program. The legislation also calls for the Office of Surface Mining to begin distribution of the more than \$1 billion AML Trust Fund to the states. That funding will be phased in over a nine-year period.

MINING & RECLAMATION

---Mine Safety and Inspection Funding Increased---

The Mine Safety and Inspection Section inspects all mines 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 Fiscal Year 2006, 3,946 miners were employed in the coal industry, producing 19.3 million tons of coal. An additional 2,500 miners were employed in open pits and quarries, producing approximately 80 million tons of non-fuel minerals. A total of 927 inspections (517 at coal mines, 410 at open pit and quarry operations) were completed. Mine Safety and Inspection investigated four fatalities and four non-fatal serious accidents.

A continuing program provided education and training for mine foreman and underground blasting certification. Two underground certification examinations were administered, resulting in the issuance of 31 underground mine foreman certificates, 31 underground blasting certificates, and 50 surface foreman certificates. Mine rescue training was provided by Beville State Community College under contract with Industrial Relations. Mine safety funding increased by the Alabama Legislature from \$499,000 to \$1,100,000. This increase Industrial Relations to hire and fully equip six additional mine safety inspectors, moving toward full compliance with the law for the first time since the law was written in the 1970s.

---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 Fiscal Year 2006, 419 permits (33 new permits, 381 renewals and 5 amendments) were issued to operators for the surface mining of non-fuel minerals. This was a one-half of one percent increase from Fiscal Year 2005. Meanwhile, efforts continued to bring all unpermitted surface mining operations into compliance.

One inspector stationed in the Montgomery Central Office made 178 site inspections. Of that total, 33 inspections were made to verify locations of new permit areas, 62 inspections were made of active operations, 44 inspections were made of unpermitted sites, 15 inspections were made to investigate citizen complaints, and 24 inspections were made of operations with expired permits. Eleven permits were amended to add acreage, 26 bonds were released for satisfactory reclamation, and 15 bonds were forfeited for failure to reclaim.

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 15 sites were abandoned and left unreclaimed at year's end, with insufficient funds to complete any meaningful reclamation. Mining continues at approximately 350 permitted sites, with 72 sites being idle, abandoned, or in the process of being reclaimed.

A small increase in mining of aggregates (limestone, marble, sand, gravel, and crushed stone) is anticipated in Fiscal Year 2007. Road contractors have reacted to new hardness specifications for paving materials by opening new granite and sandstone quarries. As residential areas encroach on the sources of those minerals, increased citizen complaints will need to be addressed.

LABOR MARKET INFORMATION

---LMI Administers Bureau of Labor Statistics Programs---

The Labor Market Information (LMI) Division is responsible for administering five Bureau of Labor Statistics programs. The core programs include: Quarterly Census of Employment and Wages, Current Employment Statistics, Local Area Unemployment Statistics, Mass Layoff Statistics, and Occupational Employment Statistics. LMI also conducted research in the area of benefit costs, tax revenue, and trust fund adequacy.

The *Quarterly Census of Employment and Wages (QCEW)* program summarizes employment and wage data for workers covered by state unemployment insurance (UI) laws and for civilian workers covered by the program of Unemployment Compensation for Federal Employees (UCFE). It is also a comprehensive and accurate source of employment and wage data, by industry, at the state and county levels and provides a virtual census of nonagricultural employees and their wages.

Current Employment Statistics (CES) collects data each month on employment, hours, and earnings from a sample of nonagricultural establishments (including government). From these data, employment, hours, and earnings series are prepared and published each month by industry and geographic area.

The *Local Area Unemployment Statistics (LAUS)* section calculates and publishes civilian labor force, employment, unemployment, and an unemployment rate for the state, metropolitan areas, and counties each month.

The *Mass Layoff Statistics (MLS)* uses a standardized, automated approach to identify, describe, and track the effects of major job cutbacks, using data from each State's unemployment insurance database. The program yields information on an individual's entire spell of unemployment, to the point when regular unemployment insurance benefits are exhausted.

The *Occupational Employment Statistics (OES)* survey is a periodic mail survey of nonfarm establishments that collects occupational employment data on workers by industry. These data are used to estimate total employment by occupation for the state and selected areas.

---2006 Labor Market Information Accomplishments---

- ▲ Continued training in "O*Net" and "LMI Tools You Can Use".
- ▲ Developed and published Industry and Occupational Projections 2004-2014 for State and workforce investment areas.
- ▲ Developed and published State Occupational Projections 2005-2007.
- ▲ Distributed Licensed Occupation Guide update in early 2006.
- ▲ Presented data at WIA regional board meeting, career tech, annual workforce development conference, Veterans Summit (sponsored by the U. S. Department of Labor and the State of Alabama), Labor and Employment Relations Association (LERA), and Alabama Association of Regional Councils (AARC).
- ▲ Updated "Hot 40" poster with 2004-2014 data.
- ▲ Completed skills projections reports 2002-2012 for all WIA regions in November 2006.
- ▲ Local Employment Dynamics (LED) was continuously updated with the most recent data available. The state entered into contract to provide 2005 data for the "On The Map" module. An older workforce report was developed for the State of Alabama using Quarterly Workforce Indicators.



Left photo: Pam Clay, Marshall County Ecomic Development Council, was among participants at an LMI seminar entitled, "Mapping Alabama's Future: Labor market Intelligence in Planning and Decision Making." Right photo: Hugh Rowland, Hearings and Appeals administrative hearings officer, at his Shelby County home, where he uses a computer to conduct hearings on disputed UC claims.



HEARINGS AND APPEALS

The Hearings and Appeals Division is responsible for conducting all due-process hearings for the department, including those related to the Unemployment Compensation Division, the Employment Service Division, the Workers Compensation Division, and the Mining and Reclamation Division. This division is also responsible for conducting hearings concerning departmental personnel matters. The majority of the hearings conducted involve unemployment compensation benefits. Hearings concerning unemployment compensation benefit eligibility are promptly scheduled and generally conducted on a weekly basis by teleconference. A staff of 12 administrative hearing officers conduct these hearings and issue their decisions in a timely manner. These hearings conform with the legal requirements of due-process of law, but without the strict adherence to legal rules of evidence. Approximately 15,291 of these hearings were scheduled in 2006.

The U.S. Department of Labor implemented new criteria for measuring lower authority appeals quality in 1996. The Hearings and Appeals Division has consistently received passing scores on all appeal cases randomly selected for each quarterly study. By late 2006, all cases selected and evaluated for 2006 have received a passing score.

---2006 Hearings and Appeals Highlights---

- ▲ Developed software applications to allow the administrative hearing officer to digitally record testimony.
- ▲ Developed software applications to allow employers and third parties participating in a hearing to provide pertinent appeal information by voice response through an automated call-in system.
- ▲ Developed software applications that allow claimant's participation in a hearing to provide pertinent information on an automated call-in system.
- ▲ All administrative hearing officers are conducting teleconference hearings as of 2006.
- ▲ Eight administrative hearing officers are now telecommuting, thereby reducing the cost of leasing office space.
- ▲ Consistently exceeded the U.S. Department of Labor standards for quality in processing and deciding appeal cases.
- ▲ Continued to provide a high quality service during a period of increasing workload in a cost efficient manner by implementing the use of modern day technology in the appeals process.

EQUAL OPPORTUNITY AND GRIEVANCE

The Equal Employment Opportunity and Grievance Division is responsible for ensuring that the department complies with federal equal opportunity and nondiscrimination laws and regulations. The division conducts compliance reviews of departmental programs, activities, and services and provides technical assistance as needed; receives, investigates, and/or mediates complaints and grievances filed by departmental employees or customers served by the department; and makes recommendations for corrective action, where appropriate.

---2006 EEO and Grievance Highlights---

- ▲ Conducted ten local office compliance reviews of departmental programs, services and activities throughout the state and technical assistance was provided for each one as needed.
- ▲ Continuing to review and provide assistance as needed to proposed interview questions.
- ▲ Developed checklist to be used for developing a Limited English Proficiency Plan (LEP). The checklist will also assist in ensuring that LEP persons receive meaningful access to departmental programs and services.
- ▲ Developed a “NOTICE” poster and distributed it to all local offices to be displayed and in Alabama Career Centers that provides information to customers regarding requesting accommodations or assistance for services.
- ▲ Revised and updated appropriate posters and Industrial Relations memorandums as needed and distributed them to all local offices.
- ▲ Updated the English version of the tape that provides the Equal Opportunity Notice of Nondiscrimination in an alternate format for individuals with a disability that limits their seeing or reading ability. Worked with ADECA to update the Spanish version. Both updated versions were distributed to all local offices.

Equal Employment Opportunity is
THE LAW

FINANCE

As trustee of the taxpayers' dollars, the Finance Division controls spending throughout the department to ensure that funds are used only as the law prescribes. Despite recent cuts in federal funding, the department's finances were managed so as to continue service to the public while maintaining fiscal responsibility.

Finance has continued to assist in maintaining the streamlined system of local employment offices and unemployment call centers throughout Alabama. Negotiation of short-term building leases allowed the flexibility needed to make further adjustments in response to future changes in funding or operations. Subleasing of space to partner agencies helped keep offices open to provide nearby service in all areas of the state.

The department's accounting process was enhanced with the implementation of an automated system for reporting and monitoring postage utilization in the various divisions and offices. This and other accounting controls ensure that expenditures are in compliance with all applicable regulations as well as fiscal responsibility.

GOVERNMENTAL AFFAIRS

The Governmental Affairs Division prepared and passed a two-year extension of the Enhancement Legislation which provides approximately \$7 million dollars a year to fund the Claimant Assistance Program. The program focuses on unemployed workers to help them find work quicker, thus making them productive citizens and taking them off the unemployments and saving money in the UC Trust Fund. Expiration date for the program is March 2008. Another bill passed in the 2006 Alabama Regular Session raised the maximum unemployment compensation weekly amount from \$220 a week to \$230, effective July 1, 2006, and to \$235, effective July 1, 2007.

The Governmental Affairs Division also prepared and passed legislation to mandate state registration of staff leasing companies, or professional employer organizations (PEOs). Industrial Relations was given the responsibility for registration and oversight of PEOs that operate in Alabama. The legislation allows the agency to receive securities or guarantees protecting payments of unemployment compensation taxes and workers' compensation benefits.

The Board of Appeals reviews and hears UC cases at the highest administrative level. The Board holds hearings at seven cities on a rotating basis. The cities in which hearings are held are: Montgomery, Trussville, Gadsden, Mobile, Decatur, Tuscaloosa, and Dothan. In 2006, the Board processed approximately 2,967 cases and held 713 hearings. The Board started using PaperVision to review cases away from Montgomery, thus saving time and travel expenses.

INFORMATION SYSTEMS

The Information Systems Division provides state of the art mainframe and distributed system processing to support all Industrial relations departmental functions. The division is composed of three sections: Data Systems, Computer Operations and Distributed Systems. Significant achievements from 2006 include the development and implementation of the following applications: Internet UC Initial Claims, UC Debit Cards, Internet Wage Reporting and Employer Registration, and the UC Claimant Appeals Interactive Voice Response System.

INTERNAL SECURITY

The objective of the Internal Security Division is to prevent internal fraud, waste, and abuse in Industrial Relations programs. In order to accomplish these objectives, Internal Security does the following:

- ▲ Conducts compliance-related audits and reviews and investigations into alleged internal fraud or other alleged inappropriate activity.
- ▲ Conducts pre-employment background checks for all prospective department employees. There were 75 in 2006.
- ▲ Conducts a daily review of unemployment compensation transaction registers in order to identify potentially fraudulent or inappropriate activity.
- ▲ Provides an enhanced level of security to automated unemployment compensation systems by controlling/maintaining special password systems. This system is designed to identify the user that has input suspicious or inappropriate transactions into the department's computer system.
- ▲ Provides all divisions in the department with a mandatory system for reporting of security-related incidents.
- ▲ Evaluates the physical security of department property, assets and information.
- ▲ Makes recommendations to management for improvements.

In addition to the above state responsibilities, in 2006, Internal Security assisted over 100 law enforcement agencies (federal, state and local) with 15,836 requests for information. Internal Security also assisted the Alabama Attorney General's Office.

LEGAL

The Legal Division serves as legal counsel for Industrial Relations. In addition to actual courtroom trial work, the division renders legal opinions and interpretations of the various laws administered by the agency. Legal represented Industrial Relations on appeals in the Court of Civil Appeals and the Alabama Supreme Court. Court appearances were made in the various federal courts concerning individuals suing, claiming a violation of federal statutes and bankruptcies. The division represented the agency in all Circuit Courts throughout the state, in cases involving Unemployment Compensation benefit appeals, Unemployment Compensation tax, rules to show cause, motions to quash, Unemployment Compensation overpayments, child support withholding, and surface mining violations, as well as matters before the Board of Adjustment. A total of \$290,876.94 was recovered in cash from overpaid claimants and placed into the Unemployment Compensation Trust Fund in 2006.

PLANNING AND SYSTEMS ANALYSIS

The Planning and Systems Analysis Division administers special projects and services, records management operations, disclosure of confidential information, and forms management. It coordinates various activities which may cross program or departmental lines and plays a key role in departmental planning functions. Significant achievements in 2006 include the following:

▲ Operated the Information Disclosure Program for the benefit of:

Individuals who are the subject of the information for them to use in qualifying for subsidized housing, scholarships, social services, unemployment benefits, medical services, low cost health insurance for children, job training programs, and various other benefits provided by government agencies and private entities.

Government agencies, for use in making eligibility determinations for clients, combating fraud, and administering official programs.

Researchers, for performing studies and analyses used in planning, drafting legislation, structuring programs, and making optimum use of public and private human and capital resources.

Law enforcement agencies, for apprehension and prosecuting of criminals, tax law compliance, and fraud prevention.

▲ Operated Records Management Program, increasing the efficiency of the agency, by ensuring that records concerning various support services and programs are accurately maintained, made readily available to authorized users, protected from improper disclosure, and properly disposed of as soon as retention periods have expired.

▲ Processed over 12,000 requests for information received from employers, educational institutions, researchers, government agencies, and Industrial Relations clients.

▲ Assisted over a dozen states in developing an automated system for verifying clients' Social Security Numbers like the one Industrial Relations was first to implement in 2005.

▲ Operated Forms Management Program monitor and coordinate the development of forms used in all Industrial Relations operations; ensure compatibility with automation equipment; prevent redundancy; ensure that accurate information is captured, archived and made accessible; and facilitate efficient administration of programs.

▲ Served as DIR's records liaison to the State Records Commission and maintained official records disposition authority posted on the Web site for the Alabama Department of Archives and History.

▲ Developed and maintained the DIR Policies and Procedures Manual to ensure more efficient operation of the department by conveying to employees what they need to know to follow departmental policies and understand procedures involved in workplace conduct and in doing their jobs properly.

▲ Maintained lists of departmental goals developed by Auburn University at Montgomery, Center for Government and Public Affairs, and goals for each division developed by their respective directors, and prepared quarterly update reports for DIR director and DIR Intranet.

▲ Updated organization charts, DIR safety plan, and space allocation/use chart for DIR Central Office.

ALABAMA CAREER CENTER SYSTEM

COUNTY	LOCATION	PHONE
Baldwin	201 Faulkner Dr./Bay Minette/36507	251-937-4161
	200 West Michigan Ave./Foley/36535	251-943-1575
Barbour	511 State Docks Rd./Eufaula/36027	334-687-8251
Blount	68626-A Main St./Blountsville/35031	205-429-4311
Butler	117 W. Commerce St./Greenville/36037	334-382-3128
Calhoun	1731 Coleman Rd./Anniston/36207	256-832-0147
Clarke	3090 Highway 43/Jackson/36545	251-246-2453
Coffee	2021 Boll Weevil Cir./Enterprise/36330	334-347-0044
Colbert	500 S. Montgomery Ave., #102/Sheffield/35660	256-383-5610
Conecuh	1023 Douglas Ave., #314/Brewton/36426	251-867-4376
Cullman	1201 Katherine St. NW/Cullman/35055	256-734-4911
Dallas	1112 Water Ave./Selma/36703	334-872-0471
DeKalb	2100 Jordan Rd. SW/Fort Payne/35967	256-845-2900
Etowah	216 North 5th St./Gadsden/35901	256-546-4667
Houston	1950 Reeves St./Dothan/36303	334-792-2121
Jackson	3509 S. Broad St., Ste. 319/320/Scottsboro/35769	256-574-1720
Jefferson	3440 Third Ave. S./Birmingham/35222	205-254-1300
	820 Watterson Curve/Trussville/35173	205-655-0395
Lee	2300 Frederick Rd./Opelika/36801	334-749-5065
Madison	2535 Sparkman Dr./Huntsville/35810	256-851-0537
Marengo	1074 Bailey Dr./Demopolis/36732	334-289-0202
Marion	1481 Military St. S./Hamilton/35570	205-921-7657
Marshall	5920 U. S. Hwy. 431 N./Albertville/35950	256-878-3031
Mobile	515 Springhill Plaza Ct./Mobile/36608	251-461-4146
Monroe	33 Outlet Dr./Monroeville/36460	251-575-3894
Montgomery	1060 East South Blvd./Montgomery/36116	334-286-1746
Morgan	1819 Bassett Ave. SE/Decatur/35601	256-355-0142
Pike	1023 South Brundidge St./Troy/36081	334-566-3920
Randolph	3862 Hwy. 431/Roanoke/36274	334-863-8114
Shelby	109 Plaza Cir./Alabaster/35007	205-663-2542
Talladega	2535 Haynes St./Talladega/35160	256-480-2109
Tuscaloosa	202 Skyland Blvd./Tuscaloosa/35405	205-758-7591
Walker	2604 Viking Dr./Jasper/35501	205-221-2576

INDUSTRIAL RELATIONS CENTRAL OFFICE DIRECTORY

Information
334-242-8055

Director
334-242-8990

Employment Service Director
334-242-8005

Unemployment Insurance Director
334-242-8025

Workers' Compensation Director
334-353-0990

Mining & Reclamation Director
334-242-8265

Governmental Affairs Director
334-242-8274

Labor Market Information Director
334-242-8859

Industrial Relations Web Site
<http://www.dir.alabama.gov/>

