

# 2008 Annual Report

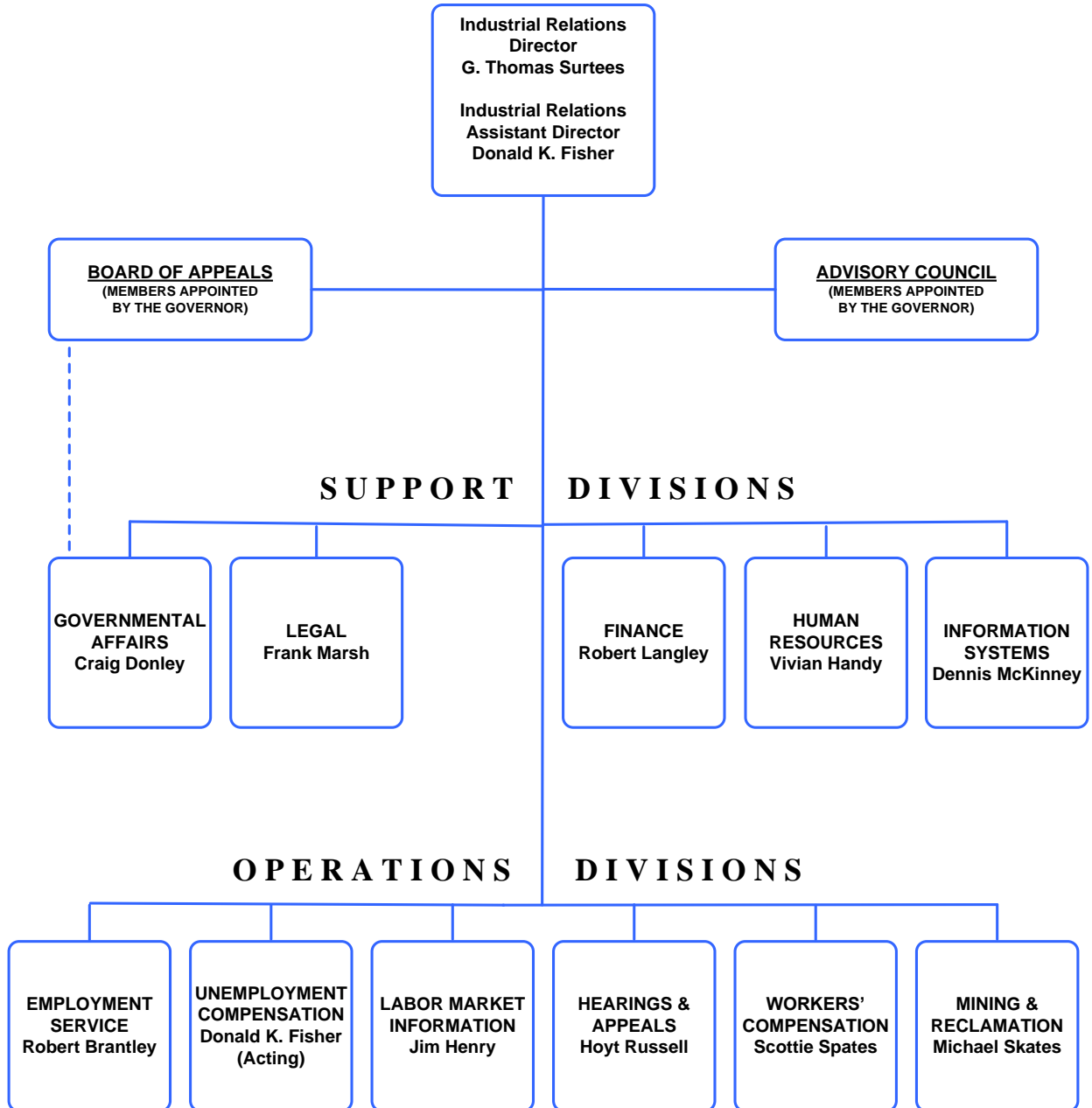


2008 Division Directors



Alabama Department of Industrial Relations  
649 Monroe Street  
Montgomery, AL 36131

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



**Letter to the Governor**  
**The Honorable Bob Riley**  
**Governor of Alabama**



This year has been an active one for the Department of Industrial Relations. As the nation has slipped into a deep recession, the services of the Department have become even more in demand and even necessary to so many Alabamians. After several years of record-low unemployment, in 2008 Alabama joined the rest of the nation in watching our unemployment numbers grow. In December, we saw our rate rise to the highest of the year, 6.5%. However, we remain below the national average of 7.2% (December 2008).

As more and more Alabamians became unemployed, we set out to serve them in an efficient and timely manner. We added more staff to our two call centers, allowing more claimants to file claims each day. Our internet claims have increased as well, easing the wait time on the phone. We implemented a system using claimants' Social Security numbers in order to serve the maximum amount of people on a given day.

Over 430,000 people sought assistance in our Career Centers, which are located statewide. The Career Centers have staff available to help the unemployed and underemployed with job searches, job training, and educational assistance. The Career Centers also work closely with Alabama JobLink, our online jobs database that matches potential employees with employers.

Our Department also administered two federal extensions of Unemployment Compensation benefits. Congress passed two extensions this year, bringing the total number of compensable weeks to 47.

Also this year, the maximum weekly benefit amount was increased by \$20. This first of two scheduled increases raises the maximum weekly benefit to \$255. The second increase is scheduled for July 2009, and will raise the maximum weekly benefit to \$265.

We at the Department, along with the rest of the nation, will closely monitor the economy over the coming months, and will be prepared to assist our fellow Alabamians in a time when they need it most. Our staff is dedicated to upholding our efficient and professional service standards.

I present the 2008 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, appearing to read "Thomas Sartorius". The signature is written in a cursive style with a large initial "T".

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## EMPLOYMENT SERVICE

Alabama's Public Labor Exchange continued to serve record numbers of job seekers in 2008, despite slowing economic growth, which produced fewer jobs, layoffs and rising unemployment throughout the year ending with December's yearly high of 6.5%. Nationally, unemployment trended similarly, reaching 7.2% by year's end. Over 318,000 individuals registered for work this year and over 430,000 sought job seeking assistance through the Alabama Career Center System. Over half (55.7%) seeking help were Unemployment Insurance claimants, up from 36.0% in 2007. Driving Alabama's labor exchange is Alabama JobLink (AJL), an Internet-based, customer-driven workforce service delivery system, featuring self-service options for job seekers and employers. AJL continued to expand service in 2008, attracting over 110,000,000 hits to the web-site resulting in almost 3,000,000 automatic e-mail job match notifications to job seekers, and 296,000 automatic notifications to employers of job matches.

For job seekers, 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 24/7 to post and manage their own job openings, search for qualified workers, and receive automatic e-mail notification when job requirements match job seeker skills.

***“I like this site (AJL) because it seems to be the most popular for employers in Alabama. Other sites don't have as many jobs.”***

Empowerment of users of Alabama's Labor Exchange system to self-direct job and worker searches has opened access of the system to the public, making it truly a “customer demand-driven” system. Success of this paradigm shift in service delivery is borne out in the numbers of job seekers and employers served by the system with over a quarter million new job seeker accounts and 3,300 new employer accounts established this year. This stream-lining of the delivery of labor exchange services continues to position the Career Center System as the “Gateway” to Alabama's job and labor markets.

“Job Spidering,” AJL's newest feature, offers expanded labor exchange service by gaining access to millions of jobs from sources such as Monster, Hotjobs, Careerbuilder, Craigslist, the New York Times and Fortune 500 corporate websites. Spidering also draws from thousands of other sources as well, including small industry specific job boards, local newspapers and associations.

Staff-assisted employment services along with many other workforce services are available through the Alabama Career Center System with thirty-four (34) points of service strategically located throughout the state. Resource rooms with internet capability are available in all Career Centers for either self or staff-assisted service.

***“We were provided great resumes and applicants for our opening. We did not have to go to any expense for outside advertising to fill this position which was a great benefit to our company. Thank you for the assistance.”***

For the most recently completed year, over 136,000 unemployed job seekers entered employment after receiving employment services representing almost two-thirds (65.6%) of the unemployed job seekers exiting the labor exchange system during this period. An overwhelming 81.9% were found to still be employed six (6) months after exiting the system with a job. Average earnings for the six-month period were \$11,403 or \$10.96 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.



## CAREER CENTER PARTNER

Employment services are delivered through the Alabama Career Center System. Workforce development partners have worked diligently to build a customer friendly system providing job seekers and employers with a full range of seamless employment and training services in collocated “One-Stop Career Centers” located throughout the state. All centers have “Resource Rooms” equipped with computers and high speed internet access for self-service job seekers. These computers have resume preparation software and tutorials for a number of job related subjects. Online assistance and information are available 24/7 through [JobLink@alabama.gov](mailto:JobLink@alabama.gov).

Staff-assisted personal service continues to be available for applicants and employers needing assistance in accessing 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 changes leading to more effective and efficient service through leveraging and sharing of resources, integration of activities, and commitment to implementation of the Workforce Strategic Plan, leading to achievement of goals set by the Governor’s Office of Workforce Development.

Alabama JobLink (AJL), in addition to its proven ability to serve the labor exchange needs of Alabama’s job seekers and employers, presents Career Center partners the opportunity to participate in an “open-shared information system” that assures the coordinated delivery of partner services, tracking of co-registered client progress, and successful exit through an integrated workforce delivery system that better serves customers.

## **CLAIMANT ASSISTANCE PROGRAM**

The Claimant Assistance Program is designed to reduce the duration of joblessness for Unemployment Compensation claimants. This is accomplished through quick intervention by local offices with UI 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 most recent year, more than 60,000 claimants were helped to find jobs, thus creating a significant savings to the Unemployment Trust Fund.

## **EMPLOYER RELATIONS**

Almost thirteen thousand personal contacts were made by Career Center staff with Alabama employers last year while countless other contacts were made by fax, mail, or e-mail. Employers were apprised of assistance available through the Career Center System to help them in meeting their workforce needs. In turn, employers provided valuable feedback on how they could be better served. The most recent survey conducted to determine employer satisfaction, as mandated in the Workforce Investment Act, yielded an employer satisfaction score of 91.0 percent.

## **DISLOCATED WORKER**

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 the past year the Rapid Response team assisted workers at 63 major closings and layoffs which affected more than 9,700 dislocated workers.

## **FOOD STAMP PROGRAM**

During the most recent year, 24,466 registrants were referred to the Food Stamp Employment and Training Program. Of the total number of Food Stamp applicants referred to the program 16,194 were placed in job search and were provided with training in job seeking skills. 2,042 Food Stamp clients were either placed on jobs by the Employment Service or obtained employment after being referred to the program.

## **TAX CREDITS FOR EMPLOYERS**

The Work Opportunity Tax Credits (WOTC) program reduces an employer's cost of doing business and requires little paperwork. Success of this federal income tax credit for private-sector employers depends on a strong public and private sector partnership. Helping those most in need find and

retain jobs and gain on-the-job experience benefits all employers and increases America's economic growth and productivity.

Approximately 30,000 new applications were received this year representing 30,000 new individuals working, earning wages and paying taxes, and contributing to Alabama's economy. These tax credits provided Alabama employers a tax credit of almost \$12,000,000 in 2008.

Alabama became one of two states nationally and the only state in the Southern region to provide electronic filing of WOTC applications. The automated system allows employers to electronically import or manually enter applications, review status of applications and download determinations. Additional information on the WOTC is available at <http://doleta.gov/businessIncentives/opptax/>

## SERVICES TO RURAL RESIDENTS

In addition to the base offices located in the more densely-populated metropolitan areas of the state, the Employment Service also operates 7 base offices and 8 branch and itinerant offices to facilitate access to workforce delivery services through the Career Center System in the state's rural areas serving the needs of rural customers.

As a part of this service, ES coordinates the activities of the Agricultural Placement Program, Agricultural Clearance Program, and H-2A Program for non-immigrant Aliens. ES is also responsible for conducting agricultural crew leader registration, overseeing the Migrant and Seasonal Farm worker Outreach Program as well as performing pre-occupancy housing inspections for 95 H-2A dwellings last year. These dwellings represented 35 different H-2A certifications.

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.

## FOREIGN LABOR CERTIFICATION

The Foreign Labor Certification Unit 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 and U.S. Department of Labor and Employment Service guidelines. During the first six months of FY2008, 78 temporary nonagricultural applications for 4,138 openings were received. Fifty-one applications for temporary agricultural foreign workers were processed for 598 openings.

In addition, 429 prevailing wage determinations for certifications were issued to employers in the first half of FY2008.





## VETERANS

### Alabama Program to Assist Seriously Disabled Veterans Goes Nationwide

The U.S. Department of Veterans Affairs, Vocational Rehabilitation and Employment (VR&E) Division and the Department's Employment Service launched a pilot program last year that teams up Alabama's Local Veterans Employment Representatives (LVERs) and Disabled Veterans Outreach Program (DVOP) Specialists with VR&E's counselors to share resources and the case management of seriously disabled veterans who are participating in vocational training for employment. The program places mutual accountability on the teams for the progress of participating veterans, from enrollment to employment. Due to the success of the Alabama project, the U.S. Department of Labor and the U.S. Department of Veterans Affairs established the project as a nationwide program. ES veterans' specialists and counselor teams are now working very closely in the rehabilitation of 426 veterans from service-connected disabilities into new jobs and careers.

### Alabama Prioritizes Services to Veterans

One of every 15 individuals using Alabama's automated Alabama Job Link is a U.S. Armed Forces veteran. Over 24,000 veterans were provided job and career help from the Alabama Career Center system, and many registered by Internet while still serving on active duty or during transition or demobilization at bases or posts across the country. Veterans receive priority emphasis in Alabama and U.S. Department of Labor performance reports show that over two-thirds of veterans using the Alabama Job Link in the Career Center system had entered employment into new civilian jobs or careers within 90 days of receiving services.



Newly separated military veterans are priority in Alabama for employment services and training with an entered employment rate at 85 percent. Special activities to assist returning troops and veterans include partnerships with veterans' service organizations and employers to sponsor several large job fairs for demobilizing troops and returning veterans and special jobs fairs like the Tennessee Valley Military & Civilian Job Fair at Calhoun College featuring employers looking for veterans.

Last year, veterans' employment representatives working from Alabama Career Centers in local communities provided 48 Transition Assistance Program (TAP) workshops at military installations in Alabama. These served to assist over 1,200 separating military service members and their spouses to prepare for the shift from military to civilian jobs.

Alabama currently has TAP sites at Maxwell Air Force Base hosted by the 42<sup>nd</sup> Air Wing Family Services Program, the Redstone Arsenal (U.S. Army), hosted by the Army Career Alumni Program (ACAP), and at the U.S. Army Aviation Center at Fort Rucker, hosted by ACAP.

Other community partnerships this year included Homeless Veterans Stand Down events held in Mobile, Birmingham, Dothan, Huntsville, Opelika-Auburn, and several rural areas.

# UNEMPLOYMENT INSURANCE

## Benefit Increase

The Alabama Legislature voted in May to increase the weekly unemployment compensation benefit amount by \$20, bringing the maximum weekly benefit amount to \$255. The legislature also scheduled another increase for July 2009, which will bring the maximum weekly benefit amount to \$265.

## EUC 2008 Enacted

Due to a worsening economy and the beginning signs of a worldwide recession, President Bush extended unemployment compensation benefits by an additional 13 weeks, bringing the total number of eligible weeks to 39. The President signed HR 2642 on June 30, 2008.

## Waiting Week Becomes Effective

A waiting week was established by the Legislature between the thirteenth compensable week of unemployment benefits and before payment of the fourteenth compensable week.

## Enhancement Fund Extended

The Enhancement Program was extended until September 30, 2010 to continue to allow a set-off of .06% of UC contributions into a special account to assist unemployed workers in finding jobs.

## Second EUC Extension Enacted

As the economy continued to deteriorate, Congress once again extended unemployment compensation eligible weeks. Another seven weeks were added to the previous extension of 13, bringing the total number of eligible weeks to 47. DIR estimated that up to 12,000 Alabamians would be eligible for these extended benefits. In a press release, Director Tom Surtees said, "While Alabama has fared better than most other states, today's job market is challenging for many in the state's workforce. Our career centers are working diligently to help unemployed workers find good-paying jobs and these benefits provide an economic bridge until they do."

## 1099-G Forms Available Online

Beginning January 9, claimants were able to view and print their 1099-G tax forms from the DIR website. This created a faster, more efficient way for claimants to receive the necessary information for filing their income tax returns.



### Bulk Filing Available

During 2009, UC Tax developed an online bulk filing system which provides payroll services which represent multiple employers a way to file state unemployment quarterly taxes (SUI) for all their clients at one time. This was implemented with no cost to the employer. Later in the year, the development of IVR (phone filing) for small employers without access to a computer was begun. An administrative rule was created requiring paid tax preparers and employers with five or more employees to file using the internet.

### Last Digit SSN Filing

In an effort to improve customer service and decrease wait time on the phone for claimants calling in to file a claim, the Department implemented a new procedure to reduce the number of phone calls coming in to the Call Centers each day. Claimants whose social security numbers ended in 0-4 were to call in on Mondays, and those with social security numbers ending in 5-9 would file on Tuesdays.



## UNEMPLOYMENT COMPENSATION

	Fiscal Year		Net Change	Percent Change
	2008	2007		
<b>State Unemployment Compensation</b>				
<b>Initial Claims</b>				
New	188,236	164,939	23,297	14.1
Additional	87,137	81,895	5,242	6.4
Weeks Claimed *	1,572,113	1,339,634	232,479	17.4
Weeks Compensated	1,432,256	1,228,287	203,969	16.6
Gross Benefits Paid	\$273,078,324	\$226,556,704	\$46,521,620	20.5
<b>Federal Employees</b>				
<b>Initial Claims</b>				
New	747	728	19	2.6
Additional	194	178	16	9.0
Weeks Claimed *	5,727	4,301	1,426	33.2
Weeks Compensated	5,371	3,946	1,425	36.1
Gross Benefits Paid	\$1,168,992	\$800,769	\$368,223	46.0
<b>Ex Servicemen</b>				
<b>Initial Claims</b>				
New	1,189	1,266	(77)	-6.1
Additional	141	151	(10)	-6.6
Weeks Claimed *	11,001	12,076	(1,075)	-8.9
Weeks Compensated	10,529	11,512	(983)	-8.5
Gross Benefits Paid	\$2,466,565	\$2,618,362	(\$151,797)	-5.8
<b>Emergency Unemployment Compensation (Commenced July 2008)</b>				
Initial Claims	21,228	N/A		
Weeks Claimed *	164,345	N/A		
Weeks Compensated	162,203	N/A		
Gross Benefits Paid	\$30,639,326	N/A		
<b>Trade Readjustment Allowance</b>				
Initial Claims	2,877	2,258	619	27.4
Weeks Claimed	31,827	36,408	(4,581)	-12.6
Weeks Compensated	31,567	36,089	(4,522)	-12.5
Gross Benefits Paid	\$6,787,073	\$7,533,668	(\$746,595)	-9.9

**Alternative Trade Adjustment Assistance Program**

Initial Claims	173	138	35	25.4
Weeks Claimed	5,444	4,644	800	17.2
Weeks Compensated	5,444	4,644	800	17.2
Gross Benefits Paid	\$763,163	\$536,943	(\$531,499)	42.1

**Disaster Unemployment Assistance**

Initial Claims	0	26	(26)	-100.0
Weeks Claimed	0	109	(109)	-100.0
Weeks Compensated	0	107	(107)	-100.0
Gross Benefits Paid	\$0	\$14,732	(\$14,732)	-100.0

\* Excludes interstate claims data received through Internet System.

## WORKERS' COMPENSATION

The Workers' Compensation Division's main function is to ensure that necessary medical attention and compensation benefits are provided to employees injured on the job, or, in case of death, that their dependents receive the benefits. 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. The fraud hotline number is 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.

Effective May 29, 2008, the State of Alabama's average weekly wage was determined to be \$705.68 for the calendar year 2007. This resulted in the following changes, effective July 1, 2008:

- ▶ The minimum weekly compensation payable increased from \$188 to \$194.
- ▶ The maximum benefits payable on fatalities increased from \$341,000 to \$353,000.

During fiscal year 2008 there were:

Group Fund Certificates Issued	4,068
Group Fund Certificates canceled	4,998
Self-Insurance certificates issued	14
Self-Insurance certificates canceled	21
Self-Insurers audited	383
Compliance inspections	26,166
Employers in Non-compliance	1,439
Continuing Education Seminars	3
Seminar Attendees	634
Continuing Education Certificates	625

Voluntary Mediations	1,914
Voluntary Mediations Resolved	1,632
Court Ordered Mediations	206
Court Ordered Mediations Resolved	117
Utilization Management/Bill Screening Certificates issued	21
Drug-Free Workplace Certificates issued	219
Medical Disputes	489
Medical Dispute Resolutions	26
Third Party Administrators Certified	10
Professional Employer Organizations Certificates issued	185

## Self-Insurance Section

The Workers' Compensation Division also administers the rules and regulations for both the Individual Self-Insurers and Group Self-Insurers. During FY2008, the following activity took place within the Self-Insurance Section:

### INDIVIDUAL SELF-INSURANCE

	<u>FY2008</u>	<u>FY2007</u>
Certificates Issued	21	3
Certificates Canceled	14	30
Total Individual Self-Insurers	338	331

### GROUP SELF-INSURANCE

	<u>FY2008</u>	<u>FY2007</u>
Certificates Issued	4,068	5,725
Certificates Canceled	4,998	4,423
Total Employers	28,034	28,964
Total Number of Group Funds	17	17

The next graph represents the total dollar amount actually paid for Workers' Compensation claims for Calendar Years 1991 through 2007, 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 71% in 1991, to 51% in 2006; but this market has regained since 1997. The Self-Insurance sector increased its market share from 29% to 51% an increase over the eleven-year period of approximately 76%.





Ranked by # of Injuries

	<b><u>FY2008</u></b>	<b><u>FY2007</u></b>	<b><u>% Change</u></b>
Unclassified	2,924	2,458	19%
Jefferson	2,039	2,379	-14%
Mobile	1,024	1,178	-13%
Madison	858	827	4%
Montgomery	839	912	-8%
Tuscaloosa	733	868	-16%
Baldwin	411	512	-20%
Etowah	373	355	5%
Talladega	369	325	14%
Shelby	364	388	-6%
Morgan	346	349	-1%
Calhoun	310	371	-16%
Houston	309	333	-7%
Lee	293	277	6%
Marshall	288	320	-10%
Lauderdale	205	219	-6%
Limestone	178	152	17%
Cullman	172	180	-4%
St. Clair	163	177	-8%
Jackson	161	150	7%
Walker	161	255	-37%
Dekalb	152	206	-26%
Elmore	137	150	-9%
Coffee	134	154	-13%
Russell	132	152	-13%
Colbert	117	135	-13%
Dale	113	123	-8%
Dallas	111	146	-24%
Covington	107	121	-12%
Autauga	106	109	-3%
Blount	102	95	7%
Chilton	101	90	12%
Tallapoosa	101	114	-11%
Marion	94	90	4%
Franklin	87	105	-17%
Escambia	85	116	-27%
Clarke	72	109	-34%
Butler	69	94	-27%

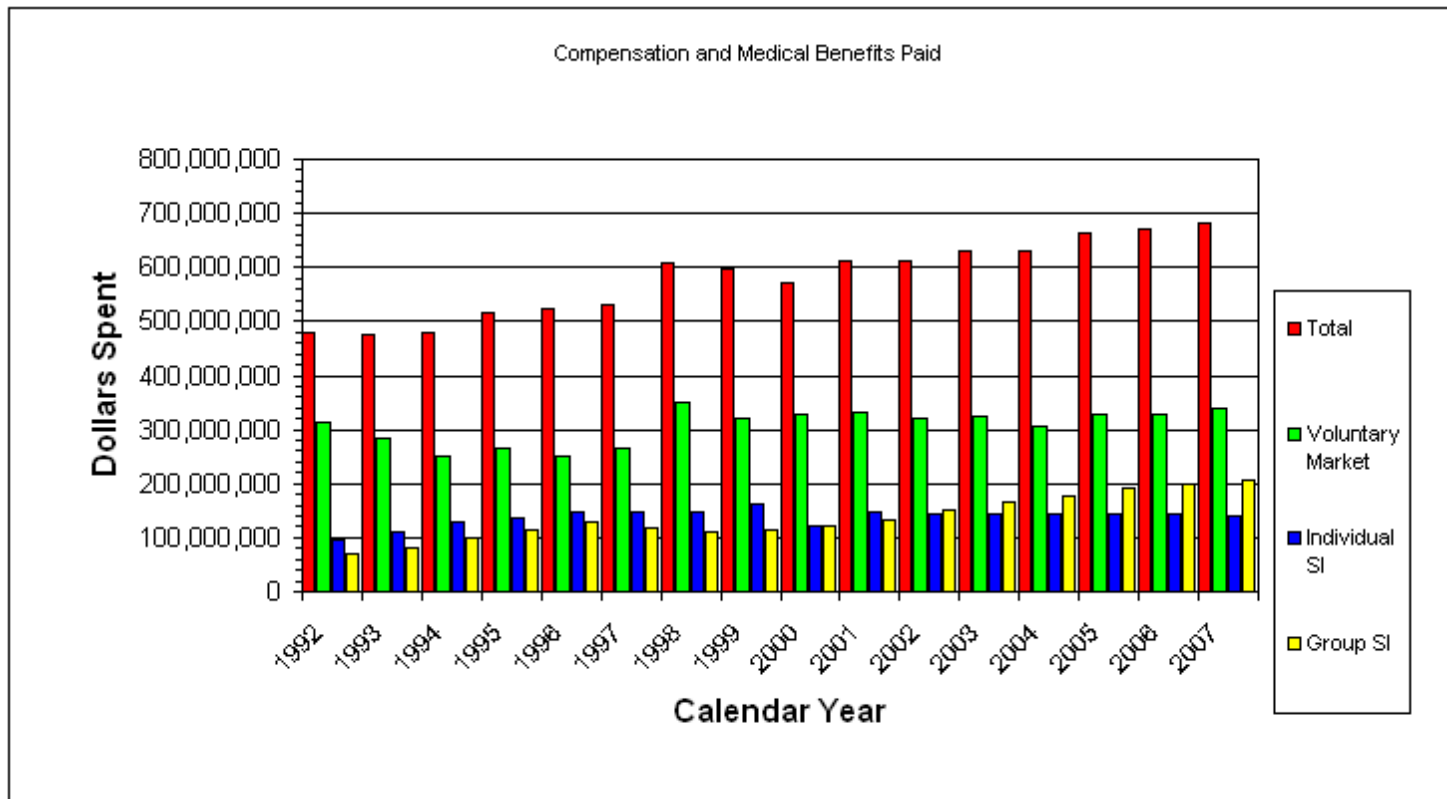
Winston	68	127	-46%
Monroe	65	58	12%
Barbour	64	61	5%
Chambers	64	81	-21%
Pike	59	85	-31%
Marengo	57	73	-22%
Geneva	55	75	-27%
Crenshaw	54	68	-21%
Cherokee	45	53	-15%
Fayette	45	55	-18%
Choctaw	41	32	28%
Clay	41	55	-25%
Lawrence	41	81	-49%
Conecuh	37	41	-10%
Washington	36	36	0%
Bibb	34	32	6%
Macon	33	63	-48%
Hale	30	48	-38%
Sumter	30	33	-9%
Pickens	29	40	-28%
Randolph	28	38	-26%
Lamar	26	42	-38%
Lowndes	26	25	4%
Greene	25	20	25%
Perry	25	17	47%
Cleburne	23	26	-12%
Henry	18	29	-38%
Wilcox	18	25	-28%
Coosa	12	12	0%
Bullock	11	12	-8%
<b>TOTAL</b>	<b>15,480</b>	<b>16,537</b>	<b>-6%</b>

	<u>2007</u>
Total Comp	\$214,551,416
Total Med	\$370,392,137
Total Admn	\$36,881,188
Total Legal	\$18,075,010
Total Court	\$42,103,740
Vol Comp	\$116,182,106
Vol Med	\$171,699,774
Vol Admin	\$27,360,479
Vol Legal	\$8,467,103
Vol Court	\$14,656,794
Indiv Comp	\$41,208,051
Indiv Med	\$70,664,510
Indiv Admn	\$6,134,396
Indiv Legal	\$6,106,723
Indiv Court	\$14,619,557
Group Comp	\$57,161,259
Group Med	\$128,027,853
Group Admn	\$3,386,313
Group Legal	\$3,501,184
Group Court	\$12,827,389
<b>Grand Total</b>	<b>\$682,003,491</b>

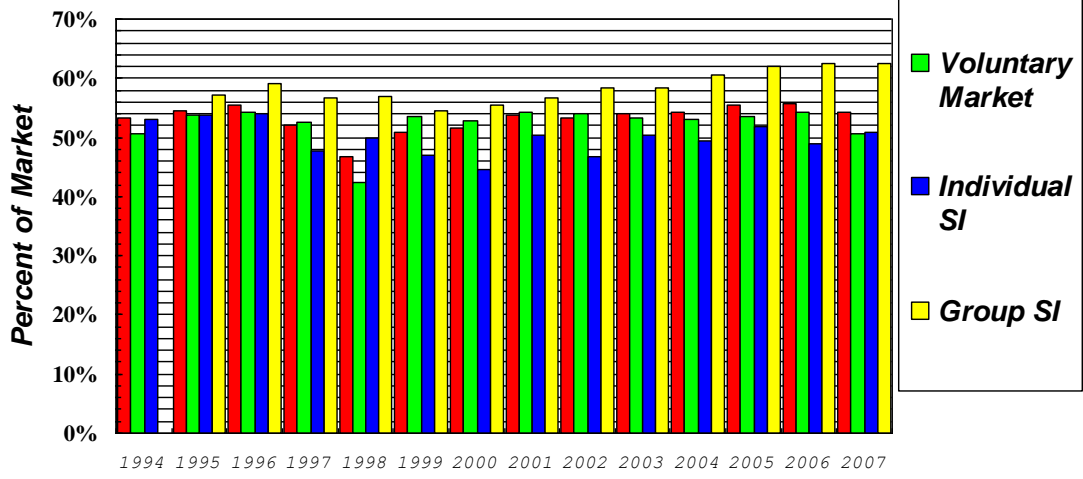
## Compensation and Medical Benefits Paid

The first graph below represents the total dollar amounts actually paid for Workers' Compensation claims for Calendar Years 1992 through 2007, 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 benefits paid.

The second graph represents the medical percentage trend from 1992.



Medical Percentage



# MINING & 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.

## **A. Abandoned Mine Land Reclamation**

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 31½¢ per ton for surface-mined coal and 13½¢ 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 earthmoving, construction material, revegetation supplies, and contractors utilizing local manpower to carry out the work. During FY 2008:

- 9 abandoned mine land reclamation projects were successfully completed,
- 55 acres of mine spoil and coal refuse material (considered wastelands) were returned to productive use,
- 4 portals and 1 vertical opening were permanently sealed by AML contractors,
- 8 incidents of mine subsidence beneath urban areas were corrected by AML's emergency program.

Work continued on the Mulga gob fire throughout FY2008. In December of 2006 the Department was alerted to a gob fire problem in Jefferson County. The Mulga gob fire had surfaced for the fourth time since 1997. The fire abatement was started as an emergency project but by April 2007 all emergency funding (\$500,000) had been spent. Mulga gob fire is now funded with project construction funds. The Walker County Soil and Water Conservation District Board (WCB) is still working on the fire.

Alabama's reforestation of abandoned mines is nationally recognized. During FY2008, 90 acres were machine and hand planted with loblolly pines and sawtooth oaks. In the past 31 years, ADIR has planted over 7 million trees.

A cost sharing partnership between ADIR and ADEM 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. Work on this Cane Creek IV AMD Project continued throughout FY2008.

The Alabama AML Program completed its 164th emergency project on September 29, 2008 in Walker County. The emergency provision of Alabama's program allows DIR to respond to sudden, life-threatening abandoned mine land problems within 24 hours.

Alabama attended the National Association of Abandoned Mine Land Programs meetings in Bloomington, Indiana (10/7 - 10/07) and Chandler, Arizona (2/27 - 29/08). The Association is comprised of twenty-eight

(28) states and three (3) 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).

August 3, 2008, marked the 31<sup>st</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 associates, the daunting goal of SMCRA was and is being achieved. Alabama has had primacy for its coal regulatory and abandoned mine land programs since 1982.

#### **B. Mine Safety and Inspection**

The Mine Safety and Inspection Program inspects all mines ( $\pm$  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 FY2008, 4,077 miners were employed in the coal industry, producing 20.5 million tons of coal. An additional 2,534 miners were employed in open pits and quarries producing approximately 70 million tons of non-fuel minerals. A total of 2,603 inspections were completed at coal and non-coal mines statewide. During this fiscal year, our office investigated three fatalities and 18 non-fatal 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 50 underground mine foreman certificates. Also, 62 surface foreman certificates, 40 electrical and 77 hoist certificates were issued. Mine rescue training continued to be provided by Beville State Community College under contract with the Department.

Our two (2) State mine rescue teams, which includes seven (7) DIR employees, along with much of our safety staff continue to train and prepare for mine rescue and recovery 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.

Our Division was fortunate during the year to maintain stable funding of approximately \$2 million providing continued sufficient staffing and equipment.

#### **C. 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 FY2008, 398 permits (35 new permits, 360 renewals and 3 amendments) were issued to operators for the surface mining of non-fuel minerals. Meanwhile, efforts continued to bring all unpermitted surface mining operations into compliance.

One inspector stationed in the Montgomery Central Office made 126 site inspections. Of that total, 30 inspections were made to verify locations of new permit areas, 50 inspections were made of active operations, 20 inspections were made of unpermitted sites, 11 inspections were made to investigate citizen complaints, and 15 inspections were made of operations with expired permits.

30 permits were amended to add acreage, 29 bonds were released for satisfactory reclamation, and 6 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 200 permitted sites, with 220 sites being idle, abandoned, or in the process of being reclaimed.

A decrease in mining of aggregates (limestone, marble, sand, gravel, and crushed stone) occurred in FY 2008. 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

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://dir.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)
- Mass Layoff Statistics (MLS),
- 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 17,500 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 Alabama CES program provides the representative for eight southern states on the BLS National CES Policy Council.

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, along with explanations concerning the methodology involved in computation.

The MLS Program is a weekly survey of nonfarm businesses experiencing layoffs including information from establishments about total separations, reasons for separations, recall expectations, and the movement of work. MLS data is published monthly.

The OES program surveys nonfarm establishments collecting occupational employment data on workers by industry. Data collected produces estimates of total employment by occupation for the state and selected areas. Two survey panels were conducted in 2008; Alabama's response rates from businesses participating in the survey were 86.22% and 85.73% which placed Alabama's OES unit among the top 10 in the United States.

The QCEW is a quarterly report which summarizes employment and wage data for workers covered by state unemployment insurance (UI) laws. QCEW provides the number of establishments, monthly employment, and quarterly wages, by NAICS industry groups, for the state and counties. New tools were incorporated into the QCEW enhancing the ability to track predecessor and successor accounts. Deborah Conner, senior statistician and QCEW supervisor, was selected to serve as a state representative on the Bureau of Labor Statistics State Systems Redesign Team. She is serving on the Processing Team and will be instrumental in the development of an enhanced PC based system to be used by all states. In August 2008, a subcommittee meeting for the Processing team was held here in our local office.

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 the analysis of workforce trends, providing data updates to the Workforce Information Database and publishing reports to deliver quality workforce information to our customers. The 2008 accomplishments include:

- Developed and published State & Workforce Development Region Long Term Occupational Projections 2006-2016.
- Developed & published State Short Term Occupational Projections 2007-2009.
- Updated and published 2008-2009 Licensed Occupation Guide, providing counselors and students with information on occupations that require a license to practice.
- Continued to update the Census Local Employment Dynamics (LED) with most recent data available. Activated the "On The Map" module of the LED program which provides detailed maps showing where people work and workers live with companion reports on worker ages, earnings, industry distribution, and local workforce indicators.
- Produced Commuting Pattern reports for the state & 10 workforce development regions.
- Presented Labor Market Information at the following venues:
  - Annual Career Technical Conference
  - Mobile Workforce Summit
  - City of Birmingham Quarterly Economic Development Meeting
  - Partner with Workforce Development & CBER to present the State of the Workforce in all ten workforce development regions
  - State of Alabama Workforce Development Conference
  - 2008 Engineering Summit
  - Annual Vocational Rehabilitation Conference
- Participated in the following Strategic Meetings
  - Southeast Regional ETA WIA Planning Meeting
  - Alabama Engineering & Industrial Construction Consortium
  - SAWDC Region 9 Workforce Development Planning
  - Region 5 Workforce Development Planning
  - Annual Workforce Development Conference Planning

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. This data is provided in historical summaries as well as on a weekly, monthly, quarterly, fiscal year and annual basis. The Reports Unit tracks and submits data on claims, payments, industry breakouts of unemployment, trends, weekly insured unemployment rate, and unemployment activity by county. Special requests to State requests and private agencies are also provided.

The unit compiles narratives and publishes the Monthly Statistical Bulletin on the internet which reveal claimant totals and trends of the State UI and federal/ex-military unemployment programs.

The Department administers a variety of unemployment benefit programs to assist the unemployed. The submission of workload counts under these programs are the primary functions of the Reports Unit. These programs are:

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

In addition, the Trade Act Participant Report (labeled TAPR) is a Federal mandated quarterly report that tracks participant characteristics and outcomes from training, etc, and reemployment success of the Trade Act Program.

This section also conducts 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 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 17 administrative hearing officers conducts these hearings and issues 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 18,833 of these hearings were scheduled in 2008.

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 2008, all cases selected and evaluated for 2008 have received a passing score.

### ---2008 Hearings and Appeals Highlights ---

- Consistently exceeded U.S. Department of Labor standards for quality in conducting appeals hearings and writing decisions.
- Hired new administrative hearing officers to accommodate increased workload created by declining economy.
- Thirteen hearing officers are working from home reducing the cost of leasing office space.
- Tested voice recognition software for dictating decisions, thus eliminating the need for cassette tapes and recording devices.
- Began implementation of digital recording of testimony.



## EQUAL OPPORTUNITY AND GRIEVANCE

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

The Equal Employment Opportunity and Grievance Unit is responsible for ensuring that the department 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.

### 2008 Highlights:

Conducted seven local office compliance reviews of departmental programs, services and activities throughout the state and provided technical assistance as needed.

Reviewed and provided assistance as needed to proposed job interview questions.

Revised and updated appropriate DIR Memorandums as needed and distributed them to all local offices.

Provided mandatory poster update regarding FMLA, ADA, and other information as required by law.

## Equal Employment Opportunity is

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## HUMAN RESOURCES

The Human Resources Division provides personnel administration support to all Division Directors, sections, units and individuals of the Department of Industrial Relations. Administrative Duties include processing and monitoring of employee hiring, transfers, separations, disciplinary procedures, Family and Medical Leave Act enforcement, donated leave program, military leave actions, leave management, performance appraisal process and several other areas to include the development of departmental policies. HR also serves as the liaison with the State Personnel Department for information, updates, changes and information that is to be disseminated throughout the Department of Industrial Relations. Training activity is a very important and active section within HR. The coordination and approval for all training activity is handled through HR. HR is responsible for overseeing and managing the use of the main training room and training equipment. The focus for the training section this year has been to encourage more DIR employees to attend training courses offered by the State Personnel Department. The overall goal of HR is to assist employees, the public, applicants and callers by providing needed information while fostering a professional image.

## 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 Department's continuing record of favorable audit reports confirmed DIR's responsible performance as a custodian of the taxpayers' dollars.

Further consolidation of facilities during FY2008 resulted in yet more cost savings for the taxpayers. Separate district offices for Unemployment Tax operations were eliminated in various locations by moving these functions into the department's Career Centers in those cities. The number of Call Centers, which handle the toll-free telephone claims for Unemployment Compensation, was cut in half from those initially leased when the system was first implemented. Technological and Staffing upgrades were accomplished in the remaining call centers to maintain the capacity needed for timely processing of claims.

Division objectives include looking for ways to enhance the Department's accounting process, while maintaining the appropriate accounting controls to ensure that expenditures are in compliance with all applicable regulations, as well as fiscal responsibility.



## GOVERNMENTAL AFFAIRS

The Governmental Affairs Division prepared and passed the following legislation in 2008:

- HB 427 increasing the WBA to \$255 effective on or after July 6, 2008
- HB 428 extending the expiration date of the Enhancement Fund assessment to September 30, 2010 And established a one week waiting period effective for NBY's that begin on or after July 6, 2008.

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 the hearings are held are: Montgomery, Trussville, Gadsden, Mobile, Decatur, Tuscaloosa, and Dothan. In 2008, there were 3,188 new appeals filed. The Board held 637 hearings.

## LEGAL DIVISION

The Legal Division serves as legal counsel for the Department. In that regard, the division renders legal opinions and interpretations of the various laws administered by the agency to the Director or other divisions of the Department. The General Counsel and Assistant General Counsels represented the Department in the Court of Civil Appeals and the Alabama Supreme Court as well as in all Circuit Courts throughout the State in cases involving Unemployment Compensation benefit appeals, Unemployment Tax, Rules to Show Cause relating to records from employers, motions to quash subpoenas seeking confidential records of the Department, Unemployment Compensation overpayments, child support withholding, Surface Mining violations as well as matters before the Board of Adjustment.

Additionally, court appearances were made in various federal courts concerning bankruptcies. No cases were filed against the Department in 2007 claiming violations of federal statutes. Counsel for the Department made over 300 court appearances last year. A total of \$296,944.00 was recovered in cash from overpaid claimants and placed into the Unemployment Compensation Trust Fund in 2008.



## ALABAMA CAREER CENTER SYSTEM

<u>City</u>	<u>Address</u>	<u>Phone</u>
<b>Alabaster</b>	109 Plaza Circle / 35007	205-663-2542
<b>Albertville</b>	5920 U.S. Hwy. 431 North / 35950	256-878-3031
<b>Anniston</b>	1731 Coleman Road / 36207	256-832-0147
<b>Bay Minette</b>	201 Faulkner Drive / 36507	251-937-4161
<b>Birmingham</b>	3440 Third Avenue South / 35222	205-254-1300
	2601 Carson Road / 35215 (JSCC Campus)	205-856-7954
<b>Blountsville</b>	68626-A Main Street, Suite 5 / 35031	205-429-4311
<b>Brewton</b>	1023 Douglas Avenue, #314 / 36426	251-867-4376
<b>Hanceville</b>	801 Main Street / 35056	256-734-4911
<b>Decatur</b>	1819 Bassett Avenue, SE / 35601	256-355-0142
<b>Demopolis</b>	1074 Bailey Drive / 36732	334-289-0202
<b>Dothan</b>	787 Ross Clark Circle / 36303	334-792-2121
<b>Enterprise</b>	2021 Boll Weevil Circle / 36330	334-347-0044
<b>Eufaula</b>	511 State Docks Road / 36072	334-687-8251
<b>Foley</b>	200 West Michigan Avenue / 36535	251-943-1575
<b>Fort Payne</b>	2100 Jordan Road, SW / 35967	256-845-2900
<b>Gadsden</b>	216 North 5th Street / 35901	256-546-4667
<b>Greenville</b>	117 West Commerce Street / 36037	334-382-3128
<b>Hamilton</b>	1481 Military Street / 35570	205-921-7657
<b>Huntsville</b>	2535 Sparkman Drive / 35810	256-851-0537
<b>Jackson</b>	3090 Highway 43 / 36545	251-246-2453
<b>Jasper</b>	2604 Viking Drive / 35501	205-221-2576
<b>Mobile</b>	515 Springhill Plaza Court / 36608	251-461-4146
<b>Monroeville</b>	33 Outlet Drive / 36460	251-575-3894
<b>Montgomery</b>	1060 East South Blvd. / 36116	334-286-1746
<b>Opelika</b>	2300 Frederick Road / 36801	334-749-5065
<b>Pell City</b>	500 College Circle, Room 318 (JSCC) / 35125	205-338-5440
<b>Roanoke</b>	3862 Hwy. 431 / 36274	334-863-8114
<b>Scottsboro</b>	706 East Laurel Street / 35768	256-574-1720
<b>Selma</b>	1112 Water Avenue / 36703	334-872-0471
<b>Sheffield</b>	500 S. Montgomery Avenue, Suite 102 / 35660	256-383-5610
<b>Talladega</b>	2535 Haynes Street / 35160	256-480-2109
<b>Troy</b>	1023 South Brundidge Street / 36081	334-566-3920
<b>Tuscaloosa</b>	202 Skyland Blvd. / 35405	205-758-7591

## **INDUSTRIAL RELATIONS CENTRAL OFFICE DIRECTORY**

**Information**  
**334-242-8055**

**Director**  
**334-242-8990**

**Employment Service Director**  
**Director**  
**334-242-8005**

**Unemployment Compensation**  
  
**334-242-8030**

**Workers' Compensation Director**  
**334-353-0990**

**Mining & Reclamation Director**  
**334-242-8265**

**Governmental Affairs Director**  
**Director**  
**334-242-8274**

**Labor Market Information**  
  
**334-242-8859**

**Industrial Relations Web Site**  
**[www.dir.alabama.gov](http://www.dir.alabama.gov)**