

DIR Annual Report 2002

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Industrial Relations is an umbrella organization of state government which administers: the State Employment Service, Unemployment Insurance, Workers' Compensation, and Labor Market Information. Smaller programs also regulated include Abandoned Mine Reclamation, Mine Safety and Inspection, and Surface Mining of Non-Fuel Minerals.

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

DIR 2002 HIGHLIGHTS

The Alabama Department of Industrial Relations provided a broad range of services to meet the needs of the state's workforce and employers over the past year. Those services included increased unemployment benefits, recruitment of employees for major automobile manufacturers, the continued development of the career center system, and informational outreach seminars for employers.

UC Benefit Increase Bill Passes

Alabama's unemployed received a maximum weekly unemployment compensation benefit increase from \$190 to \$210 in 2002. The funding for the hike was due to a \$111 million allotment received through the federal Economic Stimulus package passed by Congress. The money also helped employers by keeping Alabama businesses in the same tax schedule for at least two more years.

ASES Assists Automotive Industry Recruitment

The Alabama State Employment Service and the Alabama Industrial Development Training agency again played pivotal roles in the recruitment and training of workers for the state's growing automotive industry. The Employment Service has worked with every automobile manufacturing plant in the state in their initial recruitment efforts and in expansion recruitment activities. During the past year, Mercedes-Benz U.S. International in Tuscaloosa County announced plans to hire an additional 2,100 employees by late 2003 or early 2004, in a move to double its production capacity; Hyundai Motor Company announced plans to build a \$1 billion auto plant in the Montgomery area that will create at least 2,000 jobs, with production scheduled to begin in 2005; and Honda Manufacturing in Lincoln announced plans to add an additional 2,000 jobs for production of a new automobile line scheduled to begin in 2004.

Career Center System Development Continues

Several cities with career center systems in close proximity to, or with linkages to, Workforce Investment Act (WIA) partners, were collocated with those partners. The policy of the statewide WIA Board calls for collocation of all career centers. As building leases expire, the process of having career center partners working together from a single site will continue. The career center system provides job seekers and employers a full range of employment and training services from a single location.

UC Checks Direct Deposit Increases Efficiency

Claimants were offered the option of direct deposit of unemployment compensation checks. It improves the turnaround time for claimants to receive payment. The program is also a money saver for DIR, due to fewer lost checks, stolen checks, and checks returned for a wrong mailing address.

Another plus is that the electronic transfer of funds is a more efficient method that dramatically reduces the approximately 1.7 million checks mailed out each year.

Pilot Program Precedes Opening of Call Centers

A pilot program tested in various Employment Security Offices was used to prepare for the full implementation of telephone-filed unemployment compensation claims to four call centers across the state beginning on October 1. With the controlled-testing environment, local office personnel dialed the call center numbers for customers, who followed the phone menu instructions to file their claims by phone. The pilot program was conducted between June and September.

Employer Seminars Cover a Variety Of Topics

A total of over 1,000 employers participated in DIR Employer Training Seminars held in eight cities across the state between August and October. The two sessions conducted in each city covered such topics as unemployment insurance tax; unemployment compensation appeals hearings; using the Employment Service; electronic filing of partial claims; and employer tax credits. The seminars are traditionally held every two years.

Eufaula ESO Included in One-Stop Video

Eufaula ESO was the Alabama local office featured in a one-stop video produced by the U.S. Department of Labor Region III Office in Atlanta. The Eufaula office was selected as an example of one of the best one-stops in the Southeastern Region. The video was distributed by the Labor Department to showcase the best practices in one-stop operations. The taping at Eufaula ESO took place in April.



Eufaula ESO is an integral part of the Lake Area Career Center. Carl White (shown above) is manager of Eufaula ESO.

ALABAMA STATE EMPLOYMENT SERVICE

Transformation of Alabama's workforce delivery system to a "One-Stop Workforce Investment System" was virtually completed in 2002. Opening of new one-stop centers in Gadsden, Cullman, and Anniston expanded Alabama's Career Center System to its planned 30 comprehensive one-stop locations. In addition, 31 other satellite offices now operate as affiliate one-stops linked electronically to the Career Center System, offering core services and information on accessing other partner agency services.

A "virtual one-stop" on the Web was also established this year to serve areas of the state having limited access to a physical one-stop center. Customers can conduct job searches and access information on services available through one-stop partner agencies, as well as other state agencies.

As the foundation of the one-stop delivery system, the Alabama State Employment Service (ASES), along with its workforce partners, delivers seamless one-stop workforce-related services to Alabama's workers and employers. Adaptation to change serves to further support and strengthen the mission of ASES to achieve a customer-focused, technologically-advanced, outcome-driven, workforce-delivery system, providing high standards of customer service and satisfaction.

ES AS A ONE-STOP PARTNER

The Alabama State Employment Service (ES) is one of the four one-stop operators in the Alabama Career Center System. During the past six years, ES has worked with our partners to build a customer-friendly system to provide job seekers and employers with a full range of employment and training activities in collocated facilities. This provides seamless service at a total of 30 comprehensive centers, where all partners are located, and at all other ES points of service located throughout the state.

All centers have resource areas that have transformed waiting rooms into resource rooms equipped with computers featuring high-speed Internet access for self-service job seekers. These computers also have resume-preparation software and tutorials for a number of job-related subjects. On-line assistance and information are available 24 hours-a-day, seven days-a-week through the ES Web site at: www.dir.state.al.us/es.

Personal service continues to be of utmost importance for both our applicant and employer customers. Renewed emphasis has been placed on employer contacts and reaching out to all areas including retail and the service industry. The Alabama Employer Services Committee continues to be very helpful in informing ES regarding what employers, both large and small, require in the way of workforce services. Customer service and satisfaction remain the benchmarks of success for today's Employment Service.

GATEWAY TO LABOR AND JOB MARKETS

ASES, serving as the "gateway" to Alabama's job and labor markets, served more than 400,000 job seekers last year. Through its 63 locations providing convenient access to the state's labor force that exceeds two million, ES staff assisted one of every five (20.8 percent) of these workers in seeking first jobs, new jobs, or better jobs. These job-seeking services included over 535,000 referrals of qualified applicants to jobs, resulting in 128,000 hires by employers. Slightly less than half (44 percent) of these were female, one in five (18 percent) were youth, 43 percent were minority, and more than one-third (38 percent) were unemployment insurance claimants. Employers, likewise, made extensive use of the state's largest and most active labor exchange during the year, in seeking ES recruitment, screening, and referral services to fill more than 93,000 job openings.

AUTOMATED LABOR EXCHANGE

The Automated Labor Exchange System (ALEX) is ES's customer-oriented, computerized, job-search service, providing easy access and review of job listings and resumes locally, statewide, and nationally to both job seekers and employers. Public access to ALEX is available through ES at One-Stop Career Centers and satellite one-stops located throughout the state. An Internet version of ALEX, available on America's Job Bank (AJB), can be accessed through the ES Internet Web site at: www.dir.state.al.us/es. This electronic expansion of service allows access and search capability from anywhere in the world at the customers' convenience, 24 hours-a-day, seven days-a-week. ES, a partner in AJB, had more than 21 million hits over a six-month period in the last year, while AJB had over 1.1 billion total hits during the same time period. There are more than 890,000 job openings and over 470,000 resumes on the AJB Web site. Inclusion into AJB of job openings placed with local offices by employers provides universal exposure, enhancing the recruitment effort beyond the local labor market.

Employers may also enter job orders directly into AJB. Job seekers entering an electronic resume into the AJB system gain universal exposure to employers, as well. Special AJB features include Job Scout and Talent Scout. Job Scout allows a job seeker to create a job search which will run automatically, notifying the job seeker by Internet e-mail if a suitable job is posted to AJB. Talent Scout allows an employer to create a resume search which will run automatically, notifying the employer by Internet e-mail if a suitable resume is entered on AJB.

Locally, ES staff continue to provide labor exchange services aimed at bringing jobs and people together by utilizing a full-text searching capability that supports skills-based labor-exchange matching from within the America's Workforce System job seeker and job order system.

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 claimants to assess their needs and offer services designed to return them to work as soon as possible. Services include employability development plans, job search plans, job search workshops, and intensified job development and placement services provided by ES. During the past year, more than 40,000 claimants were assisted in finding jobs, creating a significant savings to the Unemployment Trust Fund.

EMPLOYER RELATIONS

Local offices made almost 14,000 personal contacts with local employers last year, while many other contacts were made by FAX, mail, or e-mail. Employers were informed of assistance available to them in meeting their workforce needs. Employers, in turn, provided valuable feedback on how they could be better served. Preliminary results from surveys conducted to determine employer satisfaction, as mandated in the Workforce Investment Act, yielded an employer satisfaction score of 87.1. Ninety-three percent of the employers surveyed rated service with an 8, 9 or 10 score on a scale of 1 to 10.

A vital part of ES's Customer Satisfaction Program is the Alabama Employer Services Committee (AESC). The committee consists of business owners and leaders throughout the state who voluntarily serve in an advisory capacity to make recommendations to enhance Department of Industrial Relations services. The organization consists of 38 local community committees, representing approximately 2,500 employers, that work with local ES offices throughout the state. AESC members are actively involved in implementation of the Workforce Investment Act (WIA) and Alabama's Career Center System.

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. This includes, when feasible, on-site Job Search Workshops. During the past year the Rapid Response team assisted workers at 88 major plant closing and layoffs, which affected more than 13,500 dislocated workers.

WORKFORCE INVESTMENT ACT (WIA)

The Employment Service provides core employment services through Alabama's One-Stop Career Centers as a partner in the Workforce Investment System. In addition to the provision of core services, WIA eligibility determination certifications were completed for 14,241 applicants by the ES staff. Through these certifications, many youth of Alabama are served by WIA-funded programs, Out-of-School Work Experience, and In-School Remediation.

WIA program services continue to focus on meeting businesses' needs for skilled workers and meeting the training, education and employment needs of the individual.

JOB CORPS PROGRAM

The Employment Service, during the 2002 program year, enrolled 745 economically-disadvantaged youth at Job Corps Centers. Job Corps is America's leading employment and training program for at-risk young adults, ages 16 to 24, and operates under a cost-reimbursable contract. The program, funded by Congress and administered by the U.S. Department of Labor, offers a comprehensive array of career development services to prepare participants for successful careers.

The most recent program emphasis has been upon career development facilitation to improve overall student retention rates at the centers. ES has also actively participated in the Hispanic Initiative with the Gadsden and Montgomery Job Corps Centers. Those locations were chosen by the regional Labor Department office as pilot centers for the initiative. The multi-cultural aspect of the centers will further the social skills students need to succeed as they become more productive citizens through Job Corps.

FOOD STAMP PROGRAM

During the most recent program year, 19,929 clients were referred to the Food Stamp Employment and Training Program. Of those clients, 12,200 were placed in job search; 1,088 Able-Bodied Adults Without Dependents (ABAWD) clients were placed in community work slots; and 142 ABAWD clients were placed in training and education slots. Approximately 2,500 Food Stamp clients were either placed on jobs by ES or obtained employment after being referred to the program.

TAX CREDITS FOR EMPLOYERS

The Work Opportunity Tax Credit (WOTC) and the Welfare-to-Work (WtW) Tax Credits are two employer-friendly benefits for hiring job seekers 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.

Employer-friendly benefits: Work Opportunity Tax Credit and Welfare-to-Work Tax Credits.

ES is responsible for administration of the eligibility determination and certification process of WOTC and WtW. During Fiscal Year 2002, ES certified 5,629 WOTC-eligible individuals and 634 WtW-eligible individuals. These tax credits provided Alabama employers a maximum potential tax credit of more than \$18,800,000.

TESTING

The Employment Service administers the Clerical Skills Program in local offices. This program is designed to quantify and qualify applicant skills in order to better match applicant skills and employer job requirements. Nearly 11,000 tests were administered during the past year.

SERVICES TO RURAL RESIDENTS

In addition to 38 base offices located in the more densely-populated areas of the state, the Employment Service also operates 25 branch and itinerant offices in the state's rural areas to facilitate access to workforce delivery services through the Career Center System.

As a part of this service, ES coordinated the activities of the Agricultural Placement Program, Agricultural Clearance Program, and H-2A Program for Nonimmigrant Aliens. ES was also responsible for conducting agricultural crew leader registration, overseeing the Migrant and Seasonal Farm Worker Outreach Program, and joining the State Health Department in the pre-seasonal joint migrant housing inspection.

During program year 2001, two local offices received full on-site monitoring reviews and all local offices received monthly reports and data analysis reviews concerning farm workers. Migrant and seasonal farm workers were offered services and referred to community agencies.

FOREIGN LABOR CERTIFICATION

ES provides technical assistance to employers seeking to employ foreign workers in temporary agricultural, temporary nonagricultural, and permanent jobs. ES, through its Foreign Labor Certification Unit (FLCU), works directly with the employer and/or their 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.



Among DIR employees that played roles in the 2002 Employer Training Seminars were (from left): Jackie Atkins and Bonnie Lashley of UC Benefits, Special Programs Section; Richard Crawford, Tuscaloosa ESO manager; Kelli Lee, Experience Rating Unit supervisor; and Martha Sanders, WOTC coordinator.

During fiscal year 2002, FLCU had a total workload of 1,503 labor certification applications for employment authorization. There were 348 applications processed. At the close of the fiscal year, 996 nonagricultural applications were pending processing.

In addition to determining the prevailing wage for all permanent and temporary nonagricultural applications, ES provides prevailing wage determinations for temporary Speciality Occupations Visas (H-1B). The H-1B visa occupations are those which require highly-specialized knowledge and attainment of a bachelor's degree or higher. A total of 738 prevailing wage requests was received for H-1B visas during fiscal year 2002. There were 721 prevailing wage determinations issued.

SERVICES TO VETERANS

Veterans are provided maximum employment and training opportunities. 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. When available, the Alabama Career Center System offers specialized employment services to disabled veterans by Disabled Veterans' Outreach Program representatives.

Through a special Workforce Investment Act grant from the U.S. Department of Labor, Veterans Employment and Training Service, veterans in designated areas of the state experiencing serious employment barriers may be eligible for referral into special programs. The programs may include up to one year of intensive job development activities, individually-structured workforce preparation, skills training, or postsecondary education.

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. Each year, the Transition Assistance Program assists hundreds of service members and their families' transition into the civilian work force.

During the last program year, the Veterans' Services Program in Alabama provided priority employment services to more than 38,000 veterans and eligible family members. Over 11,000 veterans were placed into jobs, or located work with ES assistance. Veterans made up 10 percent of all registered Alabama job seekers.

UNEMPLOYMENT INSURANCE

CLAIMS AND PAYMENTS

The nationwide trend of economic sluggishness was evidenced by job instability in Alabama in fiscal year 2001, which continued throughout fiscal year 2002. Although applicants eligible to file a claim for benefits under the State Unemployment Compensation Act experienced a mild seven percent decline from last year, the initial claims total this year remained the second highest level since fiscal year 1996.

The enactment by Congress of the federally funded Temporary Extended Unemployment Compensation (TEUC) program in March 2002, and its adoption by the Alabama Governor, revealed more accurately the true economic climate of joblessness across the state and nation. The last episode of high unemployment levels that triggered federal government initiation of emergency funding occurred 11 years ago with the passage of the EUC Act of 1991.

The totals processed under the TEUC program, when added to the state unemployment insurance (UI) totals, portrayed a more realistic picture of workers unemployed in Alabama during the fiscal year. Initial claims under the UI program reflected new spells of unemployment or layoffs across the state and the TEUC program totals represented the chronic unemployed who had exhausted their entitlement and were eligible to apply for these extended benefits.

While UI initial claims turned downward slightly, weeks claimed for benefits rose 16 percent this fiscal year. This culminated in a 15 percent increase in weeks that compensation was mailed or directly deposited to recipients. The fiscal year levels registered in these two workloads respectively, reached the highest totals since fiscal years 1991 and 1988.

INITIAL CLAIMS

Initial claims filed under the regular UI program numbered 340,284 for the year and 366,323 for the fiscal year. The seven percent drop from last year represented a mild dip of 26,039 filers.

Also, an increase of approximately 50,000 more claims were processed this year compared to the low posted in fiscal year 2000. New applicants for benefits this year lagged only two percent from last year's total. Filers who had at least one week of employment before reapplying for an additional check dropped significantly, down 23,496 this year.

The new system of electronic filing of partial applications directly by the employer into UI computer operations experienced its second year of operation. These claims, which were processed in the central office and labeled "state partials," totaled 40,887 and represented 29 percent of the 146,154 employer-filed claims.

The textile mill, electrical machinery, and apparel manufacturing industries participated in fewer work stoppages, representing the largest percent of the claims downturn this year. The textile mill sector, with lower employment than the previous year, recorded 19,584 fewer laid-off employees, followed by the second steepest drop of 15,522 in the electrical machinery sector. The apparel sector reported a five-digit decline of 10,713.

The services and wholesale/retail trade industries recorded the leading increases that offset the overall downturn. The opening of the new call-center operations in fiscal year 2002 negated a true comparison of local office workloads over the year. The call center in Montgomery was partially activated in June, while the Birmingham center was opened for business a few weeks later. The Decatur and Mobile call centers were receiving claims by the end of the fiscal year.

AMOUNT OF BENEFITS

In contrast to the claims decrease this year, outlays of checks to insured unemployed workers totaled the highest fiscal year total ever recorded in UI payments: \$315,422,826. The total was slightly impacted by the increase in the weekly benefit amount from \$190 to \$210, enacted in July 2002. The average weekly check stood at \$165.74 and the number of beneficiaries totaled 209,963.

WEEKS COMPENSATED

The number of weeks of compensation to job seekers in fiscal year 2002 reached an all time high of 1,929,897, the highest level in 20 years. The count of weeks claimed by filers this fiscal year reached 2,060,276, which also surpassed the previous high of 2,000,000 experienced 11 years ago in fiscal year 1991. The services, wholesale trade (non-durable goods), and the construction industry recorded the significant upsurges in weeks paid to the unemployed. The manufacturing industry experienced the sharpest downturn in payments overall this year, 58,282 less than last year. Factory payouts experienced unusual downturns: lumber payments dropped 36,345, electric and electronic machinery fell by 26,651, primary metals dropped by 20,719, and transportation equipment outlays declined 19,005.

FIRST AND FINAL PAYMENTS

First payments at 149,570 declined six percent from the high of 159,454 in fiscal year 2001. Of the approximately 10,000 fewer payments, a down surge in the manufacturing industry negated leading gains in the services and retail/wholesale trade industry. Using first payments as an indicator of the trend of new layoffs, plant shutdowns and closings, the payments fell to lower levels in almost all of the factory industries. Textile mill products, transportation equipment, apparel, and lumber and wood products sectors, quoted significant drops in first check recipients from last year.

Final payouts to claimants escalated to record levels for the second consecutive fiscal year. This workload is a major indicator of chronic or long-term unemployment, as claimants exhausted the weeks of benefits available to them under the state program. Final payments totaled 45,842 in fiscal year 2002, up 34 percent compared to the fiscal year 2001 total of 34,279, and a 74 percent jump compared to two years ago. The services and wholesale/retail trade industries led the gains in final pays.

ELIGIBILITY

Those qualifying for the base period wages necessary for eligibility for unemployment benefits stood at 322,356 this year. Determinations denying at least one week of unemployment benefits to jobseekers due to reasons other than sufficient monetary benefits totaled 68,260. The usual significant count of disqualifying or deductible nonmonetary determinations dropped sharply this year by the inclusion of any company with vacation and holiday issues over two as multi-claimant test cases and resultant denials.

FEDERAL UC PROGRAM

Ex-federal/civilian layoffs took decisive downturns from the previous fiscal year. New claims from ex-federal employees dropped to less than one-third the fiscal year 2001 level and those filing for additional benefits dropped 17 percent. Weeks claimed and compensated under the UC Federal Employees program each dropped 44 percent. Total benefits under the program fell nearly \$1 million dollars to \$1,381,999.

Ex-servicemen new filers dropped 28 percent, while additional initial claims eased five percent. The weeks claimed and weeks compensated to ex-military edged up slightly to seven percent and six percent, respectively. Gross benefits under this program rose mildly by eight percent to \$1,921,697.

TEMPORARY EXTENDED UC

Effective March 2002 of this fiscal year, the Congress of the United States enacted Title II of Public Law 107-147, which was short-titled the "Temporary Extended Unemployment Compensation Act of 2002." The Act created a federally-funded benefit extension, called TEUC, which provides up to 13 weeks of benefits to exhaustees who otherwise meet the defined requirements and the state did not trigger on because of the redefined EB program.

The primary definitional requirements for individuals seeking TEUC payments were: 1) individuals who have exhausted all rights to regular compensation under state law or under federal law with respect to a benefit year (excluding any benefit year that ended before March 15, 2001); and 2) applicants must have no rights to regular compensation under the state or federal law with respect to a week under such law or any other state unemployment law or to compensation under any other federal law; 3) individuals are not receiving compensation with respect to such week under the unemployment law of Canada, and 4) individuals have filed an initial claim for regular compensation on or after March 15, 2001.

Alabama began participation in this program effective the week ending March 23, 2002, and under the Act, all benefits will end effective January 1, 2003.

At fiscal year end, the TEUC program had disbursed benefits for six and one-half months of operation. The totals of the unemployment activities as of September 30, 2002 under the program stood at: 1) initial claims - 42,171; 2) weeks claimed - 385,281; 3) weeks compensated - 374,317; and 4) gross benefits paid - \$60,587,899. These totals reflect exhausted filers under the state, federal and TRA programs.

TRADE ADJUSTMENT ASSISTANCE

The Special Programs Section of the Unemployment Compensation Division reviews, determines eligibility, and issues payments on the Trade Adjustment Assistance (TAA) program. This program is available to workers who lose their jobs or whose hours of work or wages are reduced as a result of increased imports. TAA includes a variety of benefits and reemployment services to unemployed workers such as training, job search allowances, relocation allowances, and weekly trade readjustment allowances when their unemployment benefits are exhausted.

There are 80 active TAA/TRA petitions with 573 participants in TAA-funded training. During October 1, 2001, thru September 30, 2002, there were \$3,075,465.33 in TAA benefits paid to training institutions for students in training. Some of the courses of study are: business administration, licensed practical nurse, registered nurse, computer science, criminal justice, medical assistant, and truck driving.

TRA benefits in the amount of \$8,222,793 were paid to participants during October 1, 2001, thru September 30, 2002. Claimants determined eligible for TRA are given a maximum benefit entitlement and a two-year eligibility period in which to receive the entitlement. Claimants in approved training may receive up to an additional 26 weeks of TRA benefits.

NAFTA-TAA

The North American Free Trade Agreement (NAFTA) Implementation Act provides for a new transitional adjustment assistance program targeted to workers who are displaced because of open and free trade with Canada or Mexico. TAA benefits such as job placement, training, and other reemployment services, as well as TRA benefits, are available. In order to receive TRA benefits, which are weekly allowances, participants must be enrolled in an approved training program within six weeks following certification or 16 weeks, beginning with the week following their most recent qualifying separation.

There were 19 certifications issued due to NAFTA between October 1, 2001, thru September 30, 2002. Presently, there are 34 active TAA/TRA petitions with 209 participants in NAFTA-TAA funded training. During October 1, 2001, through September 30, 2002, there were \$672,481.13 in Trade Adjustment Assistance benefits paid to training institutions for students in training.

NAFTA Trade Readjustment Allowance (TRA) benefits in the amount of \$53,297 were paid to participants during October 1, 2001, through September 30, 2002.

DISASTER UNEMPLOYMENT ASSISTANCE

The UC Division administers the Disaster Unemployment Assistance (DUA) program. 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.

There was one major disaster declared during October 1, 2001, thru September 30, 2002. A federal disaster was declared in Alabama as a result of severe storms and tornados which occurred during November 24-25, 2001. On December 7, 2001, President Bush declared 19 Alabama counties to be major disaster areas for the purpose of paying DUA benefits. The affected counties included: Autauga, Blount, Butler, Calhoun, Cherokee, Clay, Dale, Dekalb, Etowah, Fayette, Jefferson, Lamar, Lawrence, Madison, Marion, Marshall, St. Clair, Talladega, and Winston. Benefits under this program are only available if the disaster is "declared" by the President. The total amount of DUA benefits paid in fiscal year 2002 was \$5,840.

TRADE READJUSTMENT ASSISTANCE

The Special Programs Unit reviews, determines eligibility, and issues payments on the TRA program. The program is offered to workers who lose their jobs or have a reduction in the workweek due to increased imports.

The program provides a variety of re-employment services such as training, job search, relocation and weekly compensation allowance. Some of the courses of study are: business administration, licensed practical nurse, computer science, criminal justice, medical assistance, and accounting. As of September 30, 2002, there were 2,208 participants in TAA training in 56 institutions of learning statewide. In addition, training waivers were issued to 181 TRA claimants who did not participate in training.

TRA workload activities accelerated over the year as 34 new Alabama petitions were certified in fiscal year 2002. Initial claims climbed 37 percent to 5,152. The weeks claimed, however, dropped 46 percent to 49,366, while weeks compensated were down 53 percent.

The Temporary Extended Unemployment Compensation (TEUC) Act of 2002, enacted because of the 911 disasters and lagging economy, required all TRA benefits to cease while claimants were paid under the TEUC program. This caused the considerable decrease from the previous fiscal year.

Benefits paid, totaling \$7,382,391, also were reflected in the passage of TEUC. As of September 30, 2002, there were 137 petitions continuing to report activity in Alabama.

NORTH AMERICAN FREE TRADE AGREEMENT

The North American Free Trade Agreement Implementation Act (NAFTA) provides for a transitional adjustment assistance program targeted to workers who are displaced because of open and free trade with Canada or Mexico. The program has now been in operation for eight fiscal years.

One main criterion of the program is that participants must be enrolled in an approved training program within 16 weeks following their most recent separation from the job. Trade adjustment assistance such as job placement, training, re-employment services, and benefit payments are provided.

NAFTA workloads in FY 2002 experienced increases over the past year. Thirteen new Alabama firms were certified and 24 petitions continued to report activity during October 1, 2001 through September 30, 2002. Initial claims numbered 11 and weeks claimed totaled 255 and weeks compensated totaled 129, with benefits paid equaled \$24,022.

TAX OPERATIONS

The remittance processing and wage reporting phases of the Tax Operations Processing System (TOPS) were tested and installed in fiscal year 2002. TOPS is a stand-alone processing system which updates DIR's mainframe computer. TOPS scans and reads quarterly UC contribution reports, checks, and wage reports, thereby reducing time required for data entry and promoting accuracy. Images of scanned documents are archived in the TOPS imaging system. That system was installed in the Central Office and Montgomery District Tax Office during fiscal year 2002. Plans are in place to install the imaging system in offices throughout the state during fiscal year 2003.



DIR recognized State Representative Sue Schmitz of Huntsville for her sponsorship of the unemployment compensation legislation that increased maximum weekly benefits from \$190 to \$210. Left to right: Craig Donley, Governmental Affairs director; DIR Director Alice McKinney; Billy Tindle, Alabama AFL-CIO treasurer; Representative Schmitz; Stewart Burkhalter, Alabama AFL-CIO president; and James A. Webb, UC Division director.

	Fiscal Year 2002	Fiscal Year 2001	Net Change	Percent Change
<u>State Unemployment Compensation Initial Claims</u>				
New	204477	207433	-2956	-1.42
Additional	135807	158890	-23083	-14.52
Weeks Claimed *	2060276	1783848	276428	15.50
Weeks Compensated	1929897	1685511	244386	14.50
Gross Benefits Paid	\$315,422,826	\$270,710,304	44712522	16.52
<u>Federal Employees Initial Claims</u>				
New	353	939	-586	-62.41
Additional	251	302	-51	-16.89
Weeks Claimed *	5594	9907	-4313	-43.53
Weeks Compensated	5313	9509	-4196	-44.13
Gross Benefits Paid	\$1,381,999	\$2,372,731	-990732	-41.75
<u>Ex Servicemen Initial Claims</u>				
New	506	704	-198	-28.12
Additional	146	153	-7	-4.58
Weeks Claimed *	9380	8745	635	7.26
Weeks Compensated	9005	8513	492	5.78
Gross Benefits Paid	\$1,921,697	\$1,777,831	143866	8.09
<u>Extended Benefits</u>				
Initial Claims 362	3	359	****	
Weeks Claimed *	0	0	0	***
Weeks Compensated	0	0	0	***
Gross Benefits Paid	0	0	0	***
<u>Trade Readjustment Allowance **</u>				
Initial Claims 5152	4355	797	18.30	
Weeks Claimed	49366	92154	-42788	-46.43
Weeks Compensated	43079	92154	-49075	-53.25
Gross Benefits Paid	\$7,382,391	\$15,466,715	-8084324	-52.27
<u>North American Free Trade Agreement</u>				
Initial Claims 11	75	-64	-85.33	
Weeks Claimed	255	182	73	40.11
Weeks Compensated	129	182	-53	-29.12
Gross Benefits Paid	\$24,022	\$29,082	-5060	-17.40
<u>Disaster Unemployment Assistance</u>				
Initial Claims 6	33	-27	-81.82	
Weeks Claimed	37	179	-142	-79.33
Weeks Compensated	37	175	-138	-78.86
Gross Benefits Paid	\$5,840	\$27,307	-21467	-78.61

* Excludes interstate claims data received through Internet System.

** Includes retroactive payment activity.

*** Less than 0.1 percent change or no activity in prior fiscal year

**** Extended benefits Initial Claims increase was influenced by TEUC.

LABOR MARKET INFORMATION

Significant accomplishments within the Labor Market Information (LMI) Division in 2002 included the following:

Alabama's Comprehensive Labor Market Information System (ACLMIS). Progress continued on the ACLMIS database, with additional customers trained throughout the state on the use of the system. Increased emphasis was placed on evaluating customer satisfaction with both the ACLMIS site and with the training provided.

Labor Market Information Division Web Site. The LMI Division Web Site continued to expand with the addition of the *Statistical Bulletin*, as well as regular updates of on-line products and publications.

Alabama's Regional Virtual One-Stop. This on-line product and resource enhances access to Employment Services functions, which are not easily achieved in 11 primarily-rural counties in Central Alabama, where a bricks-and-mortar approach was not feasible. This product augments existing services and provides an additional avenue for customers to access services and information.

Alabama's Statistical System. The Labor Market Information Division continued to build Alabama's Statistical System through the provision of eight core products required by the LMI One-Stop Grant. The LMI Division focused on the responsibilities assigned under Section 309 of the Workforce Investment Act.

Cost Estimates for Unemployment Compensation Legislation. Comprehensive estimates were provided during the last legislative session in a timely manner.



(Left to right) LMI's Tammy Jenkins, Denise Norris, and Michele Tatum demonstrate Alabama's Regional Virtual One-Stop at the Montgomery Call Center.

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 State Programs 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 at career center locations throughout the state.

A staff of 13 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 16,000 of these hearings were scheduled in fiscal year 2002.

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. All cases selected and evaluated for fiscal year 2002 have received a passing score.

Highlights of 2002 include the following:

Once again, receiving national recognition by the U.S. Department of Labor as being among the nation's best in providing quality due-process hearings to workers and employers of our state.

Implementing procedures whereby lower authority appeals can be taken by telephone at unemployment compensation call centers.

Consistently exceeded the U.S. Department of Labor standards for quality and timeliness in processing and deciding appeal cases.

Continuing to provide a high quality service during a period of increasing workload in a cost efficient manner.

WORKERS' COMPENSATION

The Workers' Compensation Division's main function is to insure that necessary medical attention and compensation benefits are provided to employees injured on the job, or, in case of death, 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. In addition, the division is 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 or 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 30, 2002, the State of Alabama's average weekly wage was determined to be \$569.51 for the calendar year 2001. The resulting changes, effective July 1, 2002, were:

The minimum weekly compensation payable increased from \$151 to \$156.

The maximum benefits payable on fatalities increased from \$274,000 to \$284,500.

2001 Compensation & Medical Benefits Paid

TOTAL:	\$607,317,355
Voluntary Market:	\$332,965,564
Individual Self-Insured:	\$142,254,677
Group Self-insured:	\$132,097,114

Fiscal Year 2002 Workers' Compensation Totals

Group Fund Certificates Issued	5,467
Group Fund Certificates Canceled	2,821
Self-Insurance Certificates Issued	23
Self-Insurance Certificates Canceled	35
Self-Insurers Audited	440
Compliance Inspections	6,157
Employers in Non-compliance	385
Continuing Education Seminars	4
Seminar Attendees	1,141
Continuing Education Certificates	1,072
Voluntary Mediations	1,980
Court Ordered Mediations	444
Mediations Resolved	1,857
Utilization Management/Bill	
Screening Certificates	13
Drug-Free Workplace Certificates	193
Medical Disputes	569
Medical Dispute Resolutions	24
Third Party Administrators Certified	20

Approximately 24 percent of the 21,972 injuries reported occurred in the Manufacturing industry, followed by Retail Trade at 23 percent. The majority of these injuries can be broken down as follows:

Manufacturing:

731	Lumber & Wood Products, except Furn
538	Food and Kindred Products
455	Fabricated Metal Products
417	Primary Metal Products
408	Textile Mill Products

Retail Trade:

2,330	General Merchandise Stores
1,032	Eating & Drinking Places
629	Food Stores
459	Automotive Dealers & Gasoline Service Stations
245	Building Materials, Hardware, & Garden Supply

The Services industry accounted for 17 percent of the reported injuries, which includes 1,437 injuries in Health Services, 1,195 in Business Services, and 230 in Social Services. As a result, 65 percent of the total injuries reported fell within these three industries: Manufacturing, Retail Trade, and Services.

The fraud hotline number is 1-800-WC FAKED, or 1-800-923-2533.

Standard Industrial Classification (SIC) Code Divisions which showed the most significant percentage changes are as follows:

<u>SIC</u>	<u>Percentage</u>
Unclassified	750
Finance, Insurance, Real Estate	-24
Retail Trade	31
Transportation, Communications, Utilities	-20
Mining	-31
Manufacturing	-14

During fiscal year 2002 there were 99 fatalities reported. Of those deaths, 36 occurred in Manufacturing, including 17 in Primary Metal Industries and seven in Lumber & Wood Products, except Furniture; and two each in Food & Kindred Products, Rubber & Miscellaneous Plastics, Fabricated Metal Products, and Industrial Commercial & Computer Machinery.

Twenty-one fatalities occurred in Construction, including 13 in Construction-Special Trade Contractors, five in Heavy Construction other than Building Contractors, and three in Building Construction-General Contractors.

Of the 99 fatalities, 92 were males. Approximately 61 percent were married. The average age was 44, the average time employed was 30 months, and the average weekly wage was \$525.10.

Of the 99 deaths, approximately 55 percent were employed six months or less. Six fatalities were 60 years of age or older and two were 19 years old or younger.

The Workers' Compensation Division also administers the rules and regulations for both the Individual Self-Insurers and Group Self-Insurers. During fiscal year 2002, the following activity took place within the Self-Insurance Section:

Individual Self-Insurance

	<u>FY 2002</u>	<u>FY 2001</u>	<u>Percent Change</u>
Certificates Issued	23	25	-8.00
Certificates Canceled	35	37	-5.41
Total Individual Self Insurers	411	423	-2.84

Group Self-Insurance

Certificates Issued	5,467	4,437	23.21
Certificates Canceled	2,281	3,464	-18.56
Total Employers	16	16	0.00

During fiscal year 2002 there were 99 fatalities reported. Of those deaths, 36 occurred in Manufacturing.

Fatalities Reported in FY2002

	<u>FY 2002</u>	<u>% of Total</u>	<u>FY 2001</u>	<u>% Change</u>
Agriculture/Fishing	3	3	5	-40
Mining	0	0	1	-100
Construction	21	21	21	0
Manufacturing	36	36	20	80
Transportation	10	10	22	-55
Wholesale Trade	4	4	12	-67
Retail Trade	9	9	6	50
Finance, Ins. & Real Estate	1	1	2	-50
Services	12	12	13	-8
Government	3	3	5	-40
Nonclassifiable Establishments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	99	100%	107	-7%

STATE PROGRAMS

The State Programs Division is responsible for administering programs in Abandoned Mine Land Reclamation, Mine Safety and Inspection, and Surface Mining of Non-Fuel Minerals.

ABANDONED MINE LAND RECLAMATION

The mission of the Abandoned Mine Land (AML) 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 (OSM), 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 earthmoving, construction materials, revegetation supplies, and contractors utilizing local manpower to carry out the work. During fiscal year 2002:

17 abandoned mine land reclamation projects were successfully completed.

168 acres of mine spoils and coal refuse material (considered wastelands) were returned to productive use.

10 mine shafts, portals, and other mine-related openings were permanently sealed.

Five dangerous highwalls (totaling 11,450 linear feet) along roads and near residential areas were eliminated.

Five incidents of mine subsidence beneath urban areas were corrected.

Two garbage dumps on abandoned mines were cleared.

47,000 tree seedlings were planted on abandoned mine lands.

Work continued under an innovative “no-cost” contract to eliminate a hazardous mine refuse impoundment overlooking the Black Warrior River. By conclusion of this five-year project, over 500,000 tons of coal sludge will be safely removed from the impoundment and processed through Alabama Power Company’s Wilsonville Steam Plant, protecting the environment and saving the state over \$1 million in reclamation costs.

Alabama hosted the winter meeting of the National Association of Abandoned Mine Land Programs at Perdido Beach Resort in Orange Beach in March. The association

consists of 27 states and three Indian tribes which administer abandoned mine land reclamation programs funded through the U.S. Department of the Interior, Office of Surface Mining.

Final touches were put on the Lawsontown II Project in Jefferson County, where the property owner, USX Corporation, had agreed to split the cost of reclamation with DIR. As a result, DIR was able to successfully complete a \$459,256 reclamation project using only \$229,628 in AML funds.

DIR joined the U.S. Army Corps of Engineers and U.S. Department of the Interior, Office of Surface Mining, to discuss partnership opportunities through the Corps’ Section 206 Aquatic Ecosystem Restoration Program. That section of the 1996 Water resources Development Act authorizes the Corps to fund projects that restore degraded aquatic ecosystems.

Cooperating with the Corps as a non-federal sponsor, DIR will contribute 35 percent of the cost to reclaim the “Edgewater” abandoned coal refuse area in Jefferson County through in-kind support (planning, design, project monitoring, maintenance) and AML grant funds. The Corps will cover the balance of the cost. By leveraging Alabama’s AML funds in such a way, DIR will be able to accomplish three times as much reclamation.

DIR representatives gave a presentation on Alabama’s successful reforestation of abandoned coal mined lands at a May symposium entitled, “Market-Based Approaches to Reforestation of Abandoned Mine Lands,” in Ft. Mitchell, Kentucky. Alabama’s reforestation of abandoned mines is nationally recognized.

During fiscal year 2002, tree-planting operations were carried out by the Walker County Soil and Water Conservation District Board, under a cooperative agreement with DIR, on nine abandoned mine land reclamation projects covering 140 acres. Over seven million trees have been planted by DIR during its 25 years in the reclamation business.

Work was completed to treat acid-mine drainage being discharged from a 240-acre abandoned surface mine into Hurricane Creek in Tuscaloosa County. 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 cost of this \$77,470 project was shared by the Alabama Rivers Alliance, the City of Tuscaloosa, and DIR.

The Alabama AML Program completed its 100th emergency project in May in the city of Carbon Hill. The emergency provision of Alabama’s program allows DIR to respond to sudden, life-threatening abandoned mine land problems within 24 hours.

DIR was represented at a dedication ceremony for the “Watershed Approach to Environmental Responsibility” bus in Jasper in July. The bus contains interactive models of AML reclamation, forestry management, farming, and hydrology, to teach students why it is important to protect the environment. As one of its sponsors, DIR contributed \$15,000 to the project.

The Blue Creek Gob Abandoned Mine Land Project in Jefferson County was nominated for a national reclamation award. The project successfully met the challenge of correcting an assortment of nightmarish public safety hazards and environmental problems stemming from 40 acres of abandoned coal refuse, or “gob,” at a remarkably low cost. This was accomplished under the AML Enhancement Rule, which allowed the contractor, R&S Resources of Jasper, Alabama, to extract and sell marketable coal from the refuse in return for grading the site at no cost to the state.

Management reform of the Executive Branch became a major initiative of the Bush Administration. One of the key points under that initiative was the integration of performance measures with the budget, referred to as “performance-based budgeting.” As a part of implementing the President’s management agenda, the Department of the Interior invited program managers from seven states, including Alabama, to participate in a workshop to help identify appropriate performance measures that will become part of the Interior Department’s revised strategic plan.

MINE SAFETY AND INSPECTION

The Mine Safety and Inspection Section checks all working places in 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 2002, a total of 767 inspections were completed, with 286 at coal mines and 481 at open pit and quarry operations.

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, 32 underground blasting certificates, and one fire boss certificate. Mine rescue training was provided by Beville State Community College under contract with the DIR.

A statewide recognition program for safety accomplishments continued to produce favorable results. Based on the premise that good safety practices not only protect the state’s workforce but also reduce operating costs (i.e., worker compensation rates) for employers, the Alabama Workplace Safety Awards Program

recognizes those employers who, together with their employees, exemplify a high level of safety consciousness in their everyday operations. Sixty-five such awards were presented to deserving employers in fiscal year 2002.

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 assures 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 2002, 372 permits, 25 new and 347 renewals, were issued to operators for the surface mining of non-fuel minerals. This was a 20 percent increase from the previous year. Meanwhile, a large number of unpermitted surface mining operations exist in the state, so efforts continued to gain compliance in as many of those situations as possible.

An inspector stationed in the Central Office made 441 site inspections. Of that total, 25 inspections were made to verify locations of new permit areas; 235 inspections were made of active operations; 95 inspections were made of operations with expired permits; 39 inspections were made of unpermitted sites; and 47 inspections were made to investigate citizen complaints.

Eleven permits were amended to add acreage, 43 bonds were released for satisfactory reclamation, and 24 bonds were forfeited for failure to reclaim. While the increased reclamation bond from \$150 per acre to \$2,500 per acre, effective in October 1997, encouraged more reclamation, it also had the effect, coupled with long-term liability on other (coal) bonds, of causing some surety companies to stop issuing reclamation bonds.

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 40 sites were abandoned and not reclaimed at year’s end, with insufficient funds to complete any meaningful reclamation. Mining continues at approximately 300 permitted sites, with 128 sites idle, abandoned, or in process of being reclaimed.

FINANCE

During fiscal year 2002, this division coordinated all fiscal activities and provided guidance to ensure compliance with state laws and federal regulations.

The Budget and Allocation Control Section prepared and managed administrative budgets, prepared the annual Indirect Cost Rate Proposal and the Tax Allocation Plan for tax collection and assessment, and prepared Budget Analysis Reports. This section is also responsible for monitoring fund status. The Accounting and Reporting Section managed the department's automated accounting system, recorded all accounting transactions to include the time reporting systems for both state and federally funded employees. These systems provide input concerning personnel benefit cost for the department's automated accounting system, and administered the Cash Management System. This section was responsible for collecting the Workers' Compensation assessment.

The Accounts Payable and Payroll Section examined and vouchered for payment all invoices for goods and services rendered to the department, as well as all claims submitted for travel expenses by employees. The Payroll Unit utilized the Government Human Resources System to process all departmental payroll checks and longevity checks. Payroll also processed direct deposit requests, reconciled miscellaneous billings for employee deductions, and maintained detailed information relating to each employee's compensation and withholdings.

The Real Estate Management Section provided suitable buildings for the Industrial Relations' operations by leasing new or newly-renovated facilities for several offices across the state. The Real Estate Section is responsible for providing nightly building custodial services at the Central Office, as well as day and night security services for the Central Office and the Montgomery complex.

The General Services Section managed the procurement of supplies, support services, and equipment for the department to include local offices all over the state. They were also responsible for maintaining the warehousing and supply facilities. During fiscal year 2002, this section was responsible for the relocation of offices and the transfer of equipment, data, and telephone lines, for local office moves within the state.

Activities of the Mail Center included receiving and processing a large volume of incoming mail daily, as well as bar coding, sorting and handling the department's outgoing mail. The Building and Maintenance Unit performed all Central Office repairs and maintenance and provided custodial services for the Birmingham and Montgomery complexes. The Reproduction Unit completed printing jobs for various departmental divisions. These jobs included printed reports, manuals, envelopes, and forms.

AUDIT, COMPLIANCE & FRAUD

Contacts were further developed with legal counsel, investigators, and staff of the Public Corruption and White Collar Crime Division of the Alabama Attorney General's Office and a number of local district attorneys. This working relationship facilitated the investigation and prosecution of both workers' compensation and unemployment compensation fraud and related cases. The following information highlights the investigation and prosecution measures taken by the division to combat workers' compensation and unemployment compensation fraud during 2002:

Workers' Compensation Complaints

Total complaints received	112
Complaints verified to have active claims & the carrier was notified of the allegation	48
Complaints in which the claim was settled or no claim history was found	45
Complaints presently being reviewed for referral for prosecution	7
Case complaints referred to the Attorney General's Office	9
Cases now in court for criminal prosecution in conjunction with the Attorney General's Office	4

Unemployment Compensation Complaints

Total complaints received	74
Total complaints verified to have active claims and referred to Benefit Payment Control	57
Total complaints referred to Tax Operations	13
Case complaints referred to district attorney's office for prosecution	48
Case complaints referred to the Attorney General's Office	5
Cases now in court for criminal prosecution in conjunction with the Attorney General's Office	2

HUMAN RESOURCES

Human Resources provides personnel administration support to all DIR offices. This includes permanent and temporary staffing, leave management, performance appraisal, and personnel file management.

The Training Section provides employees with various kinds of job-related training, as well as motivational speakers and administrative support for DIR-hosted conferences.

The Public Information Section produces DIR publications such as newsletters and press releases and responds to media and general public inquiries. The section conducted statewide Employer Training Seminars attended by over 1,000 employers.

PLANNING & SYSTEMS ANALYSIS

A summary of the Planning and Systems Analysis Division's significant accomplishments for 2002 are the following:

The Information Disclosure Program benefitted Alabama citizens in many ways by providing employment, wage, and unemployment benefit information to individuals, researchers, law enforcement agencies, and government agencies.

A Records Management Program to increase efficiency of the department by ensuring that records concerning various support services and programs are preserved and made readily available.

Operated the Forms Management Program to facilitate approval of development, revision, and deletion of all forms used in the department.

Produced source document and computer output microfilmed records to facilitate low cost archiving and easy retrieval of essential records.

Performed Benefit Timeliness and Quality Non-Monetary Determinations Review of the unemployment insurance program to demonstrate the quality of non-monetary determination processing.

Participated in training of call center personnel regarding proper claims-taking and fact-finding needed for claims adjudicators to make quality decisions on separation and non-separation issues.

LEGAL

This division serves as legal counsel for DIR. In addition to actual courtroom trial work, the division renders legal opinions and interpretations of the various laws administered by DIR.

The division represented DIR 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, bankruptcies, and motions to quash subpoenas. The division represented the agency in various circuit courts throughout the state, in cases involving unemployment compensation benefit appeals, unemployment compensation tax, unemployment compensation overpayments, rules to show cause, motions to quash, child support withholding, and surface mining violations.

DIR was successfully defended in U.S. District Court in a case concerning a current employee who claimed he was discriminated against in violation of Title VII of the Civil Rights Law.

GOVERNMENTAL AFFAIRS

The Governmental Affairs Division was involved in passing HB 341, Act 02-432, which increased weekly maximum unemployment compensation from \$190 to \$210 per week, effective July 1, 2002. The Act also included language to allow a small percentage of the excess federal funds to be returned to Alabama to be used for DIR administrative purposes.

The excess federal funds, or Reed Act distribution, was part of the federal stimulus package passed by Congress and signed by President Bush in March 2002. The State of Alabama deposited \$94 million of the distribution into the state's Unemployment Compensation Trust Fund to pay for the benefit increase and to stabilize employer tax rates. The legislation also extended unemployment compensation benefits for up to 13 weeks.

The Board of Appeals hears contested unemployment compensation cases at the highest administrative level possible. The board meets in seven Alabama cities on a rotating system each month. There were approximately 2,760 cases filed with the board in 2002. The board disposed of over 2,900 cases and held 740 hearings.

INFORMATION SYSTEMS

The Information Systems Division provides state-of-the-art mainframe and distributed system processing to support all DIR departmental functions. The Data Systems Management Section develops, maintains, and implements all application computer systems, mainframe system programming, and data exchanges. The Computer Operations Section keeps the DIR computer systems running, insuring adequate processing requirements.

Upgrades implemented in 2002 involved the following: the Call Center System; the Unemployment Compensation Optical Scanning System; the DIR Help Desk; the Temporary Emergency Unemployment Compensation System; and a major improvement to the on-line processing system.

EQUAL OPPORTUNITY & GRIEVANCE

This division ensures that DIR complies with federal nondiscrimination and equal opportunity laws and regulations. The division also conducts local office compliance reviews; receives, investigates, and mediates complaints and grievances filed by departmental employees and customers served by the department; and makes recommendations for corrective action, where appropriate.

Industrial Relations Directory

Central Office:

Information

334-242-8055

Employment Service Director

334-242-8003

Workers' Compensation Director

334-353-0990

Governmental Affairs Director

334-242-8274

Director

334-242-8990

Unemployment Insurance Director

334-242-8025

State Programs Director

334-242-8265

Labor Market Information Director

334-242-8859

Public Information Manager

334-242-8609

EMPLOYMENT SECURITY LOCAL OFFICES

COUNTY	LOCATION	PHONE
Autauga	235 S. Court St./Prattville	334-365-7889
Baldwin	201 Faulkner Dr./Bay Minette	251-937-4161
	202 West Michigan Ave./Foley	251-943-1575
Barbour	122 Paul Lee Pkwy./Eufaula	334-687-3551
Bibb	220 14th St./Tuscaloosa*	205-758-7591
Blount	68626-A Main St./Blountsville	205-429-4311
	313 Second Ave. W./Oneonta	205-274-0342
Bullock	1060-A East South Blvd./Montgomery*	334-286-1746
Butler	117 W. Commerce St./Greenville	334-382-3128
Calhoun	1731 Coleman Rd./Anniston	256-832-0147
Chambers	403-B North Gilmer Ave./Lanett	334-644-1851
Cherokee	1524 Chestnut Bypass/Centre	256-927-5002
Chilton	504 Enterprise Road/Clanton	205-755-0643
Choctaw	117 S. Mulberry Ave., Ste. 14/Butler	205-459-3227
Clarke	3090 Highway 43/Jackson	334-246-2453
Clay	113 2nd Ave. N./Ashland	256-354-3860
Cleburne	1731 Coleman Rd./Anniston*	256-832-0147
Coffee	2021 Boll Weevil Cir./Enterprise	334-347-0044
Colbert	500 S Montgomery Ave., #102/Sheffield	256-383-5610
Conecuh	1023 Douglas Ave., #314/Brewton*	334-867-4376
Coosa	260 Church St./Alexander City*	256-234-5066
Covington	312 W. Bypass/Andalusia	334-222-1115
Crenshaw	20 Henderson Hwy./Troy*	334-566-3920
Cullman	1201 Katherine St. NE/Cullman	256-734-4911
Dale	600 E. Andrews Ave., Ste. D/Ozark	334-774-9386
Dallas	1013 Broad St./Selma	334-872-0471
DeKalb	112 Gault Ave., S./Fort Payne	256-845-2900
Elmore	1 Twin Creeks Dr., Unit 6/Montgomery	334-286-1746
Escambia	1023 Douglas Ave., #314/Brewton	334-867-4376
Etowah	216 N. 5th St./Gadsden	256-546-4667
Fayette	1620 Temple Ave., N./Fayette	205-932-5999
Franklin	101 Washington Ave., SW/Russellville	256-332-2625
Geneva	2021 Boll Weevil Cir./Enterprise	334-347-0044
Greene	220 14th St./Tuscaloosa*	205-758-7591
Hale	220 14th St./Tuscaloosa*	205-758-7591

*On-site recruitment for various programs (i.e. WIA, Job Corps, Employer Job Orders) are conducted on an as-needed basis.

COUNTY	LOCATION	PHONE
Henry	122 Paul Lee Pkwy./Eufaula*	334-687-3551
Houston	1950 Reeves St., Ste. 2/Dothan	334-792-2121
Jackson	3509 S. Broad St., Ste. 23/Scottsboro	256-574-1720
	206 Main St./Stevenson	256-437-2113
Jefferson	589 Bessemer Super Hwy./Midfield	205-424-0800
	3440 Third Ave.S./Birmingham	205-254-1300
	1721 Oxmoor Rd./Homewood	205-870-3275
	206 9th St. SE/Leeds	205-699-2526
	219 Roebuck Plaza Dr. -Roebuck	205-836-1100
Lamar	Room 111, Federal Bldg./Vernon	205-695-9249
Lauderdale	500 S. Montgomery Ave., #102/Sheffield	256-383-5610
Lawrence	1819 Bassett Ave. SE/Decatur*	256-355-0142
Lee	2300 Frederick Rd./Opelika	334-749-5065
Limestone	409 S. Marion St./Athens	256-232-4703
Lowndes	1060-A East South Blvd./Montgomery*	334-286-1746
Macon	302 South Main St./Tuskegee	334-727-5855
Madison	2535 Sparkman Dr./Huntsville	256-851-0537
Marengo	1074 Bailey Dr./Demopolis	334-289-0202
Marion	1481 Military St. S./Hamilton	205-921-7657
Marshall	5920 U. S. Hwy. 431 N./Albertville	256-878-3031
	201 N. Main St./Boaz	256-593-0475
	157 South Main St./Arab	256-586-7589
Mobile	4559 St. Stephens Rd./Eight Mile	251-452-8245
	4130-C Government Blvd./Mobile	334-660-6507
Monroe	1075 Drewry Rd./Monroeville	334-575-3894
Montgomery	1060-A East South Blvd./Montgomery	334-286-1746
Morgan	1819 Bassett Ave. SE/Decatur	256-355-0142
Perry	208 West Green St./Marion	334-683-9848
Pickens	Health Department Annex, 80 Hospital Dr./Carrollton	205-367-8282
Pike	20 Henderson Highway/Troy	334-566-3920
Randolph	3862 Hwy.431/Roanoke	334-863-8114
Russell	1104-B Hwy.280 Bypass/Phenix City	334-297-1551
St. Clair	1310 Comer Ave./Pell City	205-338-3117
Shelby	109 Plaza Cir./Alabaster	205-663-2542
Sumter	6 Franklin St./Livingston	205-652-2777
Talladega	303 N. Main Ave./Sylacauga	256-249-8522
	100 Johnson Ave., N., Unit 105/Talladega	256-362-8770
Tallapoosa	260 Church St./Alexander City	256-234-5066
Tuscaloosa	220 14th St./Tuscaloosa	205-758-7591
Walker	2604 Viking Dr./Jasper	205-221-2576
Washington	3090 Hwy.43 N./Jackson*	334-246-2453
Wilcox	1013 Broad St./Selma	334-872-0471
Winston	Rm.5, Neighborhood Facilities Bldg., 1205 10th Ave./Haleyville	205-486-9245

*On-site recruitment for various programs (i.e. WIA, Job Corps, Employer Job Orders) are conducted on an as-needed basis.