

# Celebrating Alabama's Workers and Employers.



Alabama Department of Industrial Relations  
2003 Annual Report



**Letter to the Governor**

**The Honorable Bob Riley  
Governor of Alabama**



An amusing quote from baseball's Yogi Berra may lack eloquence, but it still hits a home run: *"If you don't know where you are going, you might wind up some place else."*

During 2003, the Alabama Department of Industrial Relations (DIR) Executive Staff painstakingly developed specific goals, providing a clearly-marked road map to successfully serving the people who need us most: Alabama workers and employers, which, of course, constitutes almost everyone. And, it was a banner year for solidifying DIR partnerships with Alabama's workers and employers, whom we salute on the cover of this annual report.

Among DIR achievements in 2003 are the kind that our department has become well-accustomed to handling in a highly professional and efficient manner. Those achievements include assisting in the hiring process for a major automobile manufacturer locating in the state, and administering longtime federal programs that provide additional unemployment compensation benefits in extenuating circumstances.

Over the past year, DIR was very proactive in taking steps to spread the word about the myriad of operations associated with our department. We didn't wait to be contacted, but presented information and addressed questions in meetings with governmental officials, individuals, and organizations in the private sector across Alabama.

In an effort to assure that we are providing the best service, in the most efficient way, in an atmosphere that offers challenge and affirmation to every employee, we embarked on a study conducted by Auburn University at Montgomery's Center for Government and Public Affairs. The study's final report will include a thorough organizational analysis, as well as subsequent recommendations to promote effectiveness, efficiency, and economy at DIR.

We also worked on developing a guide on *"Principles of Business Conduct"* to reinforce each employees's understanding of DIR's position in regard to ethical, moral, and legal standards, and how to carry out their responsibilities in accordance with these standards.

The unemployment compensation call centers in four cities are a strong testament to sweeping changes in the delivery of workforce investment services well underway in Alabama. Those centers marked their one-year anniversary in 2003.

It was a landmark year for me also, my first as director of what I was told coming in was the "best department in the whole state." It has not taken me long to confirm this, as evidenced by information contained in the 2003 Alabama Department of Industrial Relations Annual Report, *"Celebrating Alabama's Workers and Employers,"* and I am truly pleased to submit it to you.

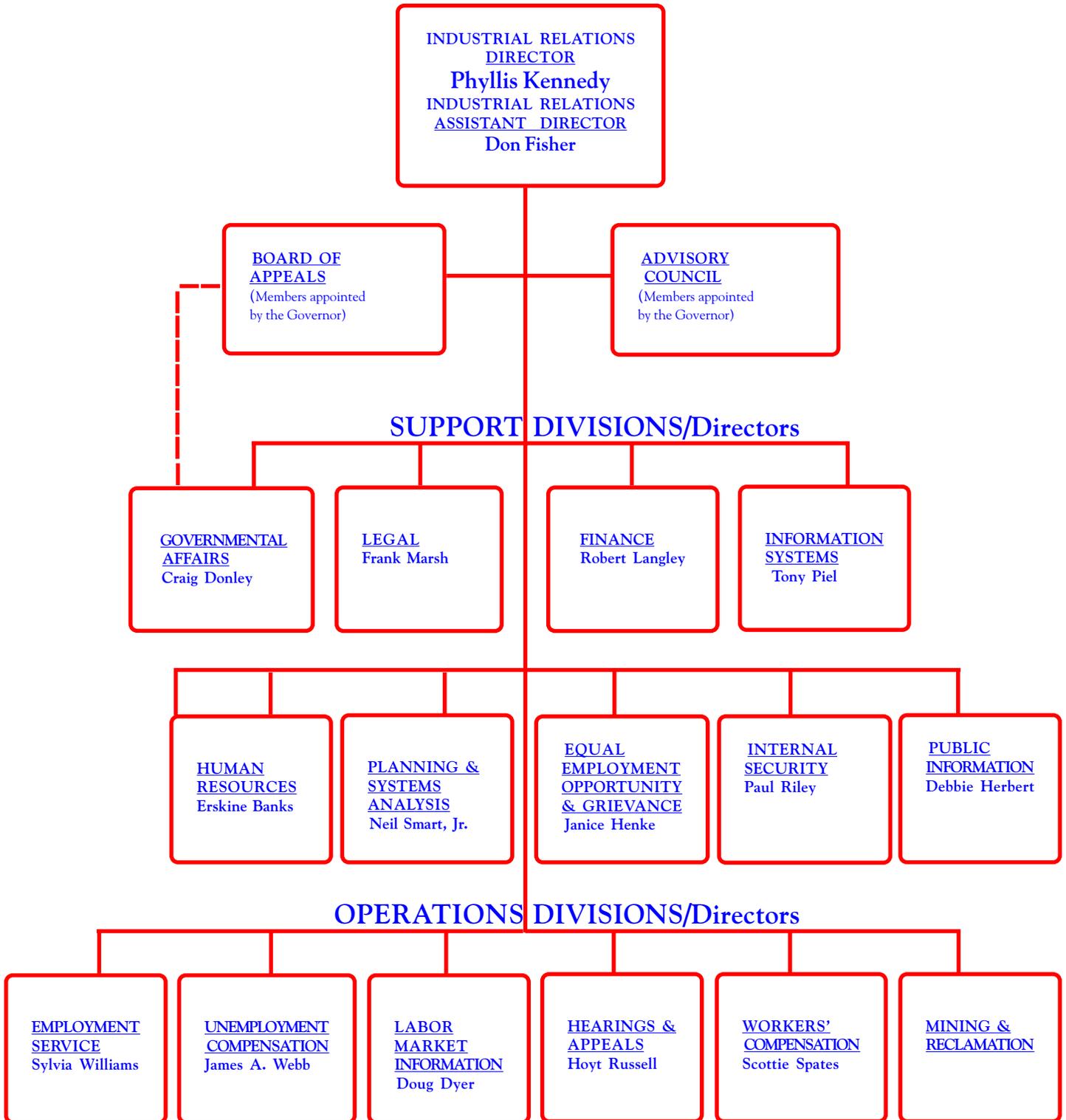


Sincerely,

A handwritten signature in black ink that reads "Phyllis Kennedy". The signature is written in a cursive, flowing style.

Phyllis Kennedy,  
Industrial Relations Director

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



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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 mission of the Department of Industrial Relations is to effectively use tax dollars to provide workforce development and protection services for a more positive economic environment for Alabama employers and workers.”***

## Board of Appeals

Public-At-Large:	Vacant
Employers:	Don Jones
Labor:	Charlotte G. Flowers

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

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

# INDUSTRIAL RELATIONS 2003 HIGHLIGHTS

The Alabama Department of Industrial Relations welcomed new leadership in 2003, as Phyllis Kennedy took over as director. Among the accomplishments of the new administration were the following: goals were established; seminars were conducted all across Alabama to address topics of vital interest to employers; various outreach events were held for lawmakers and the private sector; and Unemployment Compensation (UC) call centers marked their one-year anniversary.

Here is a closer look at those highlights, along with others from the past year.

## **KENNEDY NAMED DIR DIRECTOR**

Phyllis Kennedy was sworn into office as the new director of Industrial Relations on the day following the inauguration of Governor Bob Riley. Kennedy was no stranger to DIR, since she had previously served as state director of the National Federation of Independent Business for nine years, and was a former member of the advisory committee for the Office of Business Advocacy. "I see myself as an encourager, a cheerleader, and a facilitator," says Kennedy. Governor Riley also appointed Don Fisher as assistant director of DIR. Fisher had 28 years of experience in the insurance field.

## **DIR EXECUTIVE STAFF SETS GOALS**

The DIR Executive Staff established the priorities and direction of the department through the development of clearly-defined goals. The top five goals were:

- Ensure that all UI claimants are actively seeking employment, while continuing to assist individuals in either finding a job, keeping a job, or getting a better job.
- Increase efforts to identify and prosecute UC fraud.
- Utilize the Internet to provide services to employers and claimants.
- Challenge all paperwork to improve efficiency.
- Continuously improve coordination and collaboration with workforce development stakeholders in order to contribute to the economic well-being of the state and nation.

## **ES ASSISTS IN HYUNDAI APPLICATIONS**

The Montgomery Employment Service met the challenge of processing over 50,000 job applications for the Hyundai Motor Manufacturing plant under construction in Hope Hull, south of Montgomery. A total of 2,000 production and maintenance workers are to be hired from that large pool of applicants. The plant will manufacture 300,000 vehicles annually.

## **EMPLOYER TRAINING SEMINARS CONDUCTED**

DIR conducted Employer Training Seminars in consecutive years for the first time, with a total of 15 sessions in nine cities during August. Over 1,000 employers attended the seminars, which were expanded from three to four hours each, with employment law, and wage & hour regulations added as new topics. The following comments were typical of the positive feedback from seminar attendees:

- "Great location, knowledgeable speakers, and a fast-paced format . . . thanks DIR!"
- "The training was excellent and relevant, and the topics covered were vital."

## **SPECIAL UC BENEFIT PROGRAMS**

The Temporary Extended Unemployment Compensation (TEUC) received two Congressional extensions in January and May 2003. Each extension provided up to an additional 13 weeks of UC benefits for those who have exhausted their regular unemployment benefits. By the end of the year, the program assisted nearly 87,000 Alabamians, with total benefits paid of approximately \$147 million. In order to centralize the activities of the TEUC program, the UC Division established a new unit to administer TEUC.

Meanwhile, unemployed workers in 38 Alabama counties declared disaster areas due to severe storms, tornados, and flooding in May were able to file for benefits under the Disaster Unemployment Assistance program. Those benefits are available to persons who work or live in affected counties who became unemployed, or could not engage in their customary self-employment, as a result of weather devastation.

## **DIR HOSTS OUTREACH EVENTS**

April was a busy outreach month for DIR. A legislative luncheon was held for freshman legislators, with a third of them taking advantage of the opportunity to meet DIR personnel and learn more about the services of the department.

Governor Riley visited Alabaster ES to observe firsthand how a One-Stop Career Center operates. Governor Riley again visited DIR, where he attended a cabinet meeting hosted in the Central Office. About 30 cabinet members and staff attended.

The Labor Market Information Division conducted a workshop on the new North American Industry Classification System, with government employees, economic planners, and representatives of private industry among those participating.

## **DIR ADMINISTERS SENIORS TRADE ACT PROGRAM**

DIR administered a federal program for unemployed workers 50 years of age and older, who may qualify for Alternative Trade Adjustment Assistance (ATAA), a program established by the Trade Act of 2002. ATAA helps persons who do find re-employment by providing supplemental payments if there is a salary gap between their old job and new job.

## **ES RECEIVES CAREER CENTER GRANT**

The Employment Service received a U.S. Department of Labor grant to market One-Stop Career Center business services. The \$1.8 million grant funds 28 positions, with select employees across Alabama receiving specific training in marketing, and also participating in the DIR public speaking class. Upon the completion of training, these representatives began to make personal visits to employers to explain the myriad of services available to them.

### **CALL CENTERS MARK ONE-YEAR ANNIVERSARY**

During the first year of operation, between October 1, 2002 and September 30, 2003, Alabama's four UC call centers fielded a total of 676,536 calls. A total of 186,666 eligible claims were processed. The call centers in Decatur, Birmingham, Montgomery, and Mobile, with a combined staff that fluctuates between 170 and 190, average a total of approximately 15,000 calls per week.

### **STUDY ANALYZES DIR OPERATIONS**

Auburn University at Montgomery launched a comprehensive study of DIR, focusing on the following: organizational structure; division work processes; job specifications for 18 job classifications; and recommendations, based on results, that promote effectiveness, efficiency, and economy at DIR.

A strategic planning process will be undertaken in 2004 to implement goals and work plans developed from the study.

# EMPLOYMENT SERVICE

***“Change is inevitable. Change is constant.”***

**---Benjamin Disraeli**

For the Alabama State Employment Service (ES), 2003 was a landmark year for two main reasons: the divestiture of unemployment compensation (UC) services from local offices to UC Call Centers, and a financial crunch. Due to limited funding, the Employment Service refocused its primary mission as a labor exchange and took steps to streamline its delivery system to provide core employment services to employers and job seekers.

## STATISTICALLY SPEAKING

As a “gateway” to Alabama’s job and labor markets, the State Employment Service served more than 400,000 job seekers, which represents one in five (20 percent) of the state’s two-million workers. Through its 56 points of service, ES provided convenient access to the state’s labor force, assisting these workers in seeking first jobs, new jobs, or better jobs. The job-seeking services included over 550,000 referrals of qualified applicants to jobs, with 126,000 hires made by employers. Slightly less than half (43 percent) of these were female, almost half (48 percent) were a minority, one in 10 (13 percent) were youth, and four in 10 (43 percent) were UC claimants. Likewise, employers made extensive use of the State’s largest and most active labor exchange in seeking ES recruitment, screening, and referral services to fill more than 93,000 job openings.

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***The job-seeking services included over 550,000 referrals of qualified applicants to jobs, with 126,000 hires made by employers.***

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While those served remained near record levels, funding cuts and rising budgetary costs resulted in the elimination of 10 percent of local offices and a staff reduction of seven percent. Streamlining, however, was also accompanied by enhancements in Alabama’s Career Center System. As a partner in this system, a new facility was built in Mobile to house collocated partners providing One-Stop workforce services. Albertville and Montgomery offices were renovated for the collocation of one-stop partners, while the Troy office was relocated in order to provide One-Stop services with other partners. Satellite offices were also relocated in Trussville and Centre.

Adaptation to change serves to further support and strengthen the mission of the Alabama State Employment Service to achieve a customer-focused, technologically-advanced, outcome-driven workforce delivery system, providing high standards of customer service and satisfaction.

## ONE-STOP PARTNERSHIPS

The State Employment Service is one of the four One-Stop operators in the Alabama Career Center System. ES has worked with partners to build a customer-friendly system providing job seekers and employers with a full range of employment and training activities in collocated facilities.

This “One-Stop” system provides seamless service 30 comprehensive centers, in which all partners are located. There are also 28 satellite offices that operate as affiliate one-stops, linked electronically to the Career Center System, offering core services and information on accessing other partner agency services. All centers have resource centers with computers containing 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. Online assistance and information are available through the ES Web site: [www.es.dir.alabama.gov/](http://www.es.dir.alabama.gov/).

Business Services and Rapid Response Job Search Workshop initiatives were implemented in 2003 through contract with ADECA, to further assist employers and dislocated workers in accessing all available workforce-related services from partners in the Career Center System. Customer service and satisfaction remain the benchmarks of success for today’s Employment Service.

## AUTOMATED LABOR EXCHANGE

The Automated Labor Exchange System (ALEX) is the ES customer-oriented, computerized job search service providing job seekers easy access and review of job listings. 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, the America’s Job Bank (AJB), can be also accessed at: [www.es.dir.alabama.gov/](http://www.es.dir.alabama.gov/). This electronic expansion of service allows job search capability from anywhere in the world, around the clock. AJB also allows registered employers to review job seekers’ resumes. There are more than 1,000,000 job openings and over 625,000 resumes on the AJB Web site. The inclusion of job openings placed with local offices by employers into AJB gains universal exposure, thus greatly enhancing the recruitment effort beyond the local labor market. Employers may also elect to 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. Job opening information is also provided to the Alabama Career Information Network and to Alabama’s Regional Virtual One-Stop at: [www.adeca.alabama.gov/content/wdd/acins/](http://www.adeca.alabama.gov/content/wdd/acins/) and to Alabama’s Regional Virtual One-Stop at: [www.alabamavos.org/](http://www.alabamavos.org/).

### **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 UC 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. More than 35,000 claimants were helped in finding jobs, creating a significant savings to the Unemployment Trust Fund.

### **EMPLOYER RELATIONS**

Over 11,000 personal contacts were made with employers by local offices, while countless other contacts were made by fax, mail, or e-mail. Employers were notified of assistance available to help them in meeting their workforce needs and they, in turn, provided valuable feedback on how they may be better served. Surveys conducted to determine employer satisfaction, as mandated in the Workforce Investment Act (WIA), yielded an employer satisfaction score of 84.0 for the past year.

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

### **DISLOCATED WORKER**

The Dislocated Worker Program, funded under a contract with ADECA, 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, scheduling on-site Job Search Workshops. The Rapid Response team assisted workers at 79 major plant closings and layoffs, which affected more than 13,000 dislocated workers.

### **WORKFORCE INVESTMENT SYSTEM**

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 7,892 applicants by the Employment Service staff. Through these certifications, many youth of Alabama are served by WIA-funded programs, such as Out-of-School Work Experience. The services provided through the WIA Program continue to focus on meeting the needs of businesses for skilled workers, as well as meeting the training, education and employment needs of the individual.

### **JOB CORPS PROGRAM**

The Employment Service last year enrolled 648 economically disadvantaged youth at Job Corps Centers. Job Corps is America's leading employment and training program for at-risk young adults and operates under a cost-reimbursable contract. The program is funded by Congress and administered by the U.S. Department of Labor and offers a comprehensive array of career development services to at-risk young women and men, ages 16 to 24, to prepare them for successful careers.

The most recent program emphasis has been upon career development facilitation to improve overall student retention rates at the centers. The Employment Service has also actively participated in the Hispanic Initiative with the Gadsden and Montgomery Job Corps Centers because these centers have been chosen by the Regional 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, 22,075 clients were referred to the Food Stamp Employment and Training Program. Of the clients referred, 13,412 were placed in job search. There were 1,944 Able-Bodied Adults Without Dependents (ABAWD) clients placed in community work slots and 203 ABAWD clients placed in training and education slots. Approximately 2,942 Food Stamp clients were either placed on jobs by the Employment Service or obtained employment after being referred to the program.



Employment Service employees from left: Deloris Sharp, Food Stamps coordinator; David White, Information Systems coordinator; Marsha McCarter, WOTC assistant coordinator; Kay DeMent, administrative assistant; John Rawls, Alabama State Job Corps coordinator; and Margaret Cloud, Labor Certification specialist.

### **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.

The Employment Service is responsible for administration of the eligibility determination and certification process of WOTC and WtW. During 2003, ES certified 6,890 WOTC-eligible individuals and 760 WtW-eligible individuals. These tax credits provided Alabama employers a maximum potential tax credit of more than \$23,000,000.

### **TESTING**

The Employment Service administers the computerized Clerical Skills Program in local offices. This program is designed to quantify and qualify applicant skills in order to better match jobseeker skills and employer job requirements. Local offices administered over 10,500 tests during 2003.

### **SERVICES TO RURAL RESIDENTS**

In addition to 36 base offices located in the more densely populated areas of the state, ES also operates 20 branch and itinerant offices to facilitate access to workforce delivery services through the Career Center System in the state's rural areas. As part of this service, ES coordinated the activities of the Agricultural Placement Program, Agricultural Clearance Program, and H-2A Program for non-immigrant aliens. ES was 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 all H-2A dwellings, using both GTA and OSHA guidelines.

### **MONITOR ADVOCATE SYSTEM**

During 2003, two local offices received full on-site monitoring reviews, and all local offices received monthly reports and data analysis reviews concerning agricultural workers. Migrant and seasonal farm workers (MSFW) 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 Employment Service 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, 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 fiscal 2003, FLCU had a total workload of 1,549 labor certification applications for employment authorization, with 568 applications processed. At the close of the fiscal year, 690 nonagricultural applications were pending processing. The majority of the workload backlog is the result of the 2001 Act that allowed illegal aliens in this country to apply for employment authorization.

In addition to processing labor certification applications, ES provides prevailing wage determinations for temporary Speciality Occupations Visas (H-1B). The H-1B visa occupations are occupations that require highly-specialized knowledge and attainment of a bachelor's degree or higher. A total of 645 prevailing wage requests were received for H-1B visas, with 636 prevailing wage determinations were issued.

### **SERVICES TO VETERANS**

Veterans are provided maximum employment and training opportunities and eligible veterans receive priority in all employment services, including referrals to job listings, job development contacts with employers, and referrals to all supportive services.

All local Employment Service locations assign a Local Veterans' Employment Representative to assist veterans with their job search, and offer special assistance with work-search related problems or barriers to employment.

The Alabama Career Center System offers specialized employment services to disabled veterans by Disabled Veterans' Outreach Program representatives, when available.

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. The Transition Assistance Program each year 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 12,000 veterans were placed into jobs or located work with ES assistance. Veterans made up nine percent of all registered state job seekers.

# UNEMPLOYMENT INSURANCE

***“Individual commitment to a group effort-- that is what makes a team work, a company work, a society work, and civilization work.”***

**---Vince Lombardi**

## CLAIMS AND PAYMENTS

An assessment of Alabama’s economy relative to the unemployed in the workforce, revealed the high claims trend of the past two years continued into the fiscal year 2003. The initial claims count, which reflected those workers who have been laid off from a job and applied for benefits under the Unemployment Compensation Act, for fiscal years 2001 through 2003, registered the highest levels since fiscal year 1996. The latest figure represents only about 800 less than the high of 340,284, reported the previous year.

The true labor market conditions in Alabama are more accurately disclosed by the high number of unemployed totals from the federally-funded Temporary Extended Unemployment Compensation (TEUC) program, which was extended for the first time in January 2003.

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### Temporary Extended UC

Initial Claims	40,525
Weeks Claimed	411,044
Weeks Compensated	423,401
Gross Benefits Paid	\$71,572,649

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The TEUC program, enacted by Congress in March of fiscal year 2002, specifically addressed the long-term or chronic unemployed across the nation. Although the expiration date for filing claims under the program was originally December 31, 2002, Congress extended the program in January to expire May 31, 2003. This was a clear indication of the lingering plight of workers seeking jobs nationwide. The total filers for benefits in fiscal year 2003 under the TEUC programs numbered 40,525 Alabama workers with long-term unemployment.

In May 2003, TEUC was extended again (until December 31) for only new initial claimants to get an additional 13 weeks. The hardships of the airline industry and associated industry workers were also addressed by Congress, which added an additional 13 weeks, beyond the 13 weeks of TEUC, for those laid-off workers. In Alabama, there were 86 TEUC claims redetermined eligible for airline add-ons, with only 13 new airline claims filed.

During the fiscal year, unemployment workloads were: 40,025 initial claims; 411,044 weeks of compensation claimed; 423,401 weeks paid; and \$71,572,649 gross benefits. These totals reflect persons who had exhausted their benefits under the state, federal, and Trade Readjustment Assistance programs.

## INITIAL CLAIMS

The change in initial filers for benefits was negligible from the last fiscal year, down less than one percent. Those seeking benefits under the state Unemployment Insurance (UI) program numbered 339,403, and reflected the third highest total in the last eight years. In fiscal year 1996, claims peaked at a high of 377,096, and for the next four years, registered a steady decline.

However in fiscal year 2001, the level rose to 366,323 and remained over the 300,000 mark through the latest fiscal year. New applicants for benefits in 2003 totaled 204,477, up three percent. A total of 128,860 filers who had at least one week of employment before reapplying for an additional check, lagged five percent from the previous year. Job losses in the apparel and textile industries where many additional claims were filed have negatively impacted the additional numbers.

The construction segment produced 33,675 claims and recorded the greatest total by industry in the fiscal year. Under the newly-implemented NAICS (North American Industry Classification System), the administrative/support/waste management/remediation services sector had the most layoffs with 28,694, followed by retail trade with 23,650. Textile mills manufacturing recorded the third highest, with workers laid off largely due to temporary shutdowns. The full implementation of four call centers across the state on October 1, 2002 for telephone-filed unemployment claims, resulted in claim counts being reported by county of residence rather than the previous local office totals. Covington County recorded the largest increase in unemployed workers, while Lauderdale County and Marshall County experienced the sharpest declines.

## AMOUNT OF BENEFITS

Payments to eligible recipients for unemployment benefits registered in the \$315 million bracket for the second consecutive year. The \$315,265,175 paid lagged less than one percent from the total the previous year. The weekly benefit amount increased to \$210 in July 2002, and impacted the payout during fiscal year 2003. When compared to two years ago in fiscal year 2001, payments were up by \$45 million; and compared to the high of fiscal year 1996, the payout was \$102 million more.

## WEEKS COMPENSATED

Weeks of compensation paid to unemployed workers rose only two percent over the fiscal year 2001 high. The 1,827,313 weeks paid in fiscal year 2003 represented 141,802 more than the high quoted two years earlier. However, the number of weeks claimed for benefits was down five percent from the previous year at 1,959,325. Using the NAICS coding system, total weeks paid totalled over 100,000 in manufacturing, construction, and the administrative/support/waste/management industries. The larger breakout totals in the manufacturing or factory industries were in the textile mill, apparel, transportation equipment, fabricated metals, food processing, and wood product sectors.

### FIRST AND FINAL PAYMENTS

The first payments of 144,368 dropped by 5,102 from the previous year's 149,570, and by 15,086 from the total of 159,454 two years ago. Those totals were the three highest posted in the last seven years. Final payment total of benefit checks to recipients in fiscal year 2003 was 46,620, the highest in 20 years.

### FEDERAL UC PROGRAM

The Department of Industrial Relations administers unemployment compensation for federal employees and ex-service men and women, according to provisions of state law, through an agreement with the Secretary of Labor. Claims for benefits under the program jumped by 57 percent over the previous year, while there were 947 ex-federal employee claims. Ex-service men and women filers more than doubled over the previous year's total with 1,334. New filers under the program accounted for all of the increase, while those filing for additional benefits after working for at least a week eased slightly.

The weeks claimed and weeks compensated workloads were elevated by 36 percent and 32 percent, respectively. Gross benefits paid increased by five percent, up from \$3.3 million to \$3.4 million.



Unemployment Compensation technicians (front row, from left): Mary Billups, Ashley Gatlin, Mattie Ford, and Sabrina Staton. (Back row, from left): Fanchon Hardin, Effie Dowdell, Andrew Gladney, Jr., and Melissa Smith.

### TRADE READJUSTMENT ASSISTANCE

The Trade Readjustment Assistance (TRA) program enacted in 1974 was amended during fiscal year 2003 by the passage of the Trade Act of 2002, signed into law on August 6, 2002. The 2002 legislation reauthorized and extended Trade Adjustment Assistance (TAA) through September 30, 2007, and made several amendments to the Trade Act of 1974.

Among the amendments, workers now may be eligible for up to 52 additional weeks of TRA benefits if they are still attending approved training and have exhausted unemployment insurance and TRA benefits. Other stipulations were instituted regarding application and enrollment in training, time limits, and remedial training requirements.

Between October 1, 2002 and September 30, 2003, 29 companies were certified for Trade Adjustment Assistance. By the end of the fiscal year, 634 participants were enrolled in TAA-funded training. TAA benefits paid to training institutions totaled \$1,930,936 for the year. Among the courses of study are: business administration, computer science, industrial electronics, LPN, medical assistant, and truck driving.

The initial claims workload decelerated sharply from the previous year, down 51 percent to 2,445. The downturn was attributed mostly to the rollover of eligible applicants into the TEUC program after they exhausted unemployment insurance, rather than previously applying for TRA after exhausting state benefits. The other workloads under the program reported substantial increases over fiscal year 2002. Weeks claimed rose 29 percent to 63,872; weeks compensated reported an upturn of 47 percent to 63,412; and benefits paid jumped 51 percent to \$11,145,765.

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***During fiscal year 2003, there was only one petition certified under NAFTA, due to the passage of the Trade Act of 2002, which repealed the NAFTA program.***

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### NORTH AMERICAN FREE TRADE AGREEMENT

The North American Free Trade Agreement (NAFTA) Implementation Act provided for a new transitional adjustment program targeted to workers who are displaced because of open and free trade with Canada or Mexico. Benefits such as job placement, training, and other reemployment services, as well as monetary relief, are available. During fiscal year 2003, there was only one petition certified under NAFTA, due to the passage of the Trade Act of 2002, which repealed the NAFTA program. Training and benefits under the ceased program will continue to be paid on certifications already issued prior to the repeal under the TRA program.

Fiscal year 2003 final year ending totals under the program reflected no initial claims; 238 weeks claimed; 242 weeks compensated; and benefits amounting to \$45,404.

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***DIR Fact: The Alabama Department of Industrial Relations was created by the Industrial Relations Act of 1939 and signed by Governor Bibb Graves.***

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### **DISASTER UNEMPLOYMENT ASSISTANCE**

The major objective of the Disaster Unemployment Assistance (DUA) program is to provide assistance to individuals whose employment has been lost or interrupted as a result of a major disaster.

There were two major disasters declared in Alabama during fiscal year 2003. Due to severe storms and tornados that occurred between November 5-12, 2002, President Bush declared 29 Alabama counties to be eligible for DUA assistance relief. There were 52 applicants seeking benefits, with the number of weeks claimed and weeks compensated at 384 each. The amount of benefits paid under this disaster was \$40,341.

The second disaster occurred May 5, 2003 as a result of severe storms, flooding, and tornados that affected 38 Alabama counties. Workloads under this disaster registered 21 filers, 77 weeks of unemployment claimed, and 77 weeks paid. Total payment activities administered through the DUA program in Alabama during fiscal year 2003 stood at 73 initial claims, 461 weeks claimed and compensated, and \$48,817 paid in benefits.

#### **Disaster Unemployment Assistance**

	<b>Fiscal Year 2003</b>	<b>Fiscal Year 2002</b>
Initial Claims	73	6
Weeks Claimed	461	37
Weeks Compensated	461	37
Gross Benefits Paid	\$48,817	\$5,840

### **HEALTH COVERAGE TAX CREDIT**

The Trade Act of 2002 created a federal tax credit that covers 65 percent of the premium amount that eligible individuals pay for qualified health insurance coverage. This health coverage tax credit package was implemented in Alabama in August 2003. Displaced workers certified to receive certain trade adjustment assistance (TAA) benefits, and individuals receiving benefits from the Pension Benefit Guaranty Corporation, may be eligible to claim the credit.

***The Trade Act of 2002 created a federal tax credit that covers 65 percent of the premium amount that eligible individuals pay for qualified health insurance coverage.***

This credit is known as the Health Coverage Tax Credit (HCTC). The Internal Revenue is responsible for administering the HCTC program. Industrial Relations transmits daily files to the HCTC office in Washington, D.C.

The Trade Act provides two options to receive the benefit. Eligible individuals may choose to either pay 100 percent of their premiums throughout the year and claim the credit when they file their federal tax return; or to have the 65 percent credit paid monthly on their behalf to their health plan administrator. Eligible individuals must pay 35 percent of their premium monthly to the HCTC program if they choose the second option.

***The Trade Act established the Alternative Trade Adjustment Assistance (ATAA) program as an alternative assistance program for older workers certified eligible to apply for TAA.***

### **ALTERNATIVE TRADE ADJUSTMENT ASSISTANCE**

The Trade Act established the Alternative Trade Adjustment Assistance (ATAA) program as an alternative assistance program for older workers certified eligible to apply for TAA. This program is effective for petitions filed on or after August 6, 2003. The Act requires that petitioners who request that workers be certified for the ATAA program must do so at the time the petition is filed.

ATAA is designed to allow TAA- eligible workers, for whom retraining may not be appropriate and who find reemployment, to receive a wage subsidy to help bridge the salary gap between their old and new employment. To receive the ATAA benefits, workers must be certified for both TAA and ATAA.

Under the ATAA program, workers in an eligible worker group who are at least 50 years of age, and who obtain different, full-time employment within 26 weeks of separation from adversely-affected employment, at wages less than those earned in the adversely-affected employment, may receive up to half of the difference between the worker's old wage and the new wage.

The wage subsidy may be paid up to a maximum of \$10,000 during a two-year eligibility period. To be eligible for the ATAA program, workers may not earn more than \$50,000 per year in the new employment. In addition, the worker group must be certified as eligible to apply for TAA benefits and meet other ATAA criteria. Workers who begin receiving payments under the ATAA program cannot receive other TAA benefits and services except for relocation allowances and the HCTC.

During fiscal year 2003, there was one company certified for the ATAA program, but no benefits were paid.



	<b>Fiscal Year 2003</b>	<b>Fiscal Year 2002</b>	<b>Net Change</b>	<b>Percent Change</b>
<u>State Unemployment Compensation Initial Claims</u>				
New	210,543	204,477	6,066	3.0
Additional	128,860	135,807	-6,947	-5.1
Weeks Claimed *	1,959,325	2,060,276	-100,951	-4.9
Weeks Compensated	1,827,313	1,929,897	-102,584	-5.3
Gross Benefits Paid	\$315,265,175	\$315,422,826	-\$157,651	***
<u>Federal Employees Initial Claims</u>				
New	740	353	387	109.6
Additional	207	251	-44	-17.5
Weeks Claimed *	6,216	5,594	622	11.1
Weeks Compensated	6,110	5,313	797	15.0
Gross Benefits Paid	\$841,966	\$1,381,999	-\$540,033	-39.1
<u>Ex-Servicemen Initial Claims</u>				
New	1,234	506	728	143.9
Additional	100	146	-46	-31.5
Weeks Claimed *	11,853	9,380	2,473	26.4
Weeks Compensated	11,398	9,005	2,393	26.6
Gross Benefits Paid	\$1,570,458	\$1,921,697	-\$351,239	-18.3
<u>Extended Benefits</u>				
Initial Claims	214	362	-148	-40.9
Weeks Claimed *	0	0	0	***
Weeks Compensated	0	0	0	***
Gross Benefits Paid	\$0	\$0	\$0	***
<u>Trade Readjustment Allowance **</u>				
Initial Claims	2,445	4,947	25.02	-50.6
Weeks Claimed	63,872	49,366	14,506	29.4
Weeks Compensated	63,412	43,079	20,333	47.2
Gross Benefits Paid	\$11,145,765	\$7,382,391	\$3,763,374	51.0
<u>North American Free Trade Agreement</u>				
Initial Claims	0	10	-10	-100
Weeks Claimed	238	255	-17	-6.7
Weeks Compensated	242	129	113	87.6
Gross Benefits Paid	\$45,404	\$24,022	\$21,382	89.0

\* 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.

# WORKERS' COMPENSATION

***"The more one works, the more willing one is to work." ---Lord Chesterfield***

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

## **OTHER WORKERS' COMPENSATION FUNCTIONS**

This 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, Workers' Compensation is responsible for gathering information on fraudulent claims or employers, which includes reacting to tips received on the fraud hotline: 1-800-WC FAKED or 1-800-923-2533.

***Workers' Compensation ombudsmen mediate disputes through the benefit review conference process.***

## **OMBUDSMEN MEDIATIONS**

Workers' Compensation 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.

## **EMPLOYER COMPLIANCE INSPECTIONS**

This division conducts employer inspections for compliance with the Workers' Compensation Law. The Workers' Compensation Division also offers 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.

## **COMPENSATION PAYMENTS**

As of June 5, 2003, the State of Alabama average weekly wage was determined to be \$587.06 for the calendar year 2002. This resulted in two key changes, effective July 1, 2003:

- The minimum weekly compensation payable increased from \$156 to \$161.
- The maximum benefits payable on fatalities increased from \$284,500 to \$293,500.



Workers' Compensation employees from left: Al Pelham, supervisor, Ombudsmen Program; Sandy Hallmark, supervisor, Compliance Section; Sally Thames, supervisor, Medical Dispute Resolution; and Charles DeLamar, supervisor, Self-Insurance Section.

## **Fiscal Year 2003 Workers' Compensation Totals**

Group Fund Certificates Issued	6,882
Group Fund Certificates Canceled	3,372
Self-Insurance Certificates Issued	21
Self-Insurance Certificates Canceled	13
Self-Insurers Audited	658
Compliance Inspections	15,151
Employers in Non-compliance	927
Continuing Education Seminars	3
Seminar Attendees	902
Continuing Education Certificates	857
Voluntary Mediations	2,170
Court Ordered Mediations	385
Mediations Resolved	2,036
Utilization Management/Bill	
Screening Certificates	41
Drug-Free Workplace Certificates	199
Medical Disputes	909
Medical Dispute Resolutions	0
Third Party Administrators Certified	16

## **2002 Compensation & Medical Benefits Paid**

<b>TOTAL:</b>	<b>\$613,758,825</b>
Voluntary Market:	\$319,576,511
Individual Self-Insured:	\$143,874,676
Group Self-insured:	\$150,307,638

**INJURIES REPORTED**

Approximately 24 percent of the 19,739 injuries reported occurred in the Retail Trade category, followed by Manufacturing at 23 percent. The majority of these injuries can be broken down as follows:

**Manufacturing:**

- 652 Lumber & Wood Products, Except Furniture
- 603 Rubber & Miscellaneous Plastics
- 528 Food and Kindred Products
- 364 Textile Mill Products
- 352 Fabricated Metal Products

**Retail Trade:**

- 2,276 General Merchandise Stores
- 884 Eating & Drinking Places
- 424 Food Stores
- 393 Automotive Dealers & Gasoline Service Stations
- 203 Building Materials, Hardware, & Garden Supply

The Services industry accounted for 18 percent of the reported injuries, which includes 1,236 injuries in Health Services, 1,052 in Business Services, and 213 in Social Services.

**FATALITIES REPORTED**

There were 83 fatalities reported in fiscal year 2003, with 25 percent occurring in the Services industry, 19 percent in Transportation, Communications & Utilities, 16 percent in Construction, and 14 percent in Manufacturing. Of the fatalities, 90 percent were males. The average age of the fatalities was 44.

**SELF-INSURANCE**

The Worker’s Compensation Division als administers the rules and regulations for both the Individual Self-insurers and Group Self-Insurers. During fiscal year 2003, the following activity took place within the Self-Insurance Section:

	<u>FY 2003</u>	<u>FY 2002</u>	<u>Percent Change</u>
<b>Individual Self-Insurance</b>			
Certificates Issued	21	23	-8.70
Certificates Canceled	13	35	-62.86
Total Individual Self Insurers	411	423	-2.68
<b>Group Self-Insurance</b>			
Certificates Issued	6,885	5,467	25.94
Certificates Canceled	3,375	2,821	19.64
Total Employers	17	16	6.25

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***DIR Fact: The Alabama Workers’ Compensation Act went into effect in 1920, with major legislative reforms occurring in 1986 and 1992.***

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# MINING & RECLAMATION

***WHEREAS, in honor and memory of the thirteen brave men who lost their lives, it has been seen fit to name Highway 216, from I-59/20 in Bucksville, Alabama to Highway 215 (University Boulevard) in Tuscaloosa, Alabama as "The Miners' Memorial Parkway."---From Governor Bob Riley's proclamation (11-17-03) honoring victims of the 2001 explosion at Jim Walter Resources Blue Creek #5 Mine in Brookwood.***

The Mining and Reclamation Division is responsible for administering the following programs: 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, which collects production fees from active coal operators at a rate of 354 per ton for surface-mined coal and 154 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. Accomplishments during fiscal year 2003 were:

- 18 abandoned mine land reclamation projects completed.
- 128 acres of mine spoils and coal refuse material (considered wastelands) returned to productive use.
- Eight mine shafts, portals, and other mine-related openings permanently sealed.
- Seven dangerous highwalls (totaling 8,500 linear feet) along roads and near residential areas eliminated.
- 13 incidents of mine subsidence beneath urban areas corrected.
- Three garbage dumps on abandoned mines cleared up.
- 73,000 tree seedlings planted on abandoned mine lands.

## **COAL SLUDGE REMOVAL**

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.

## **ABANDONED MINE LAND MEETING**

Alabama was represented at the winter meeting of the National Association of Abandoned Mine Land Programs (NAAML) in South Padre Island, Texas, in February. The Association is comprised of 27 states and three Indian tribes, all of which administer abandoned mine land reclamation programs funded through the U.S. Department of the Interior, Office of Surface Mining. Walter Cartwright, acting division director, was elected to serve as secretary/treasurer for fiscal year 2004.

## **LAWSONTOWN PROJECT**

Final touches were put on the Lawstontown 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 a minimal amount of available AML funds. USX Corporation also reimbursed 50 percent of tree-planting costs.

By cooperating with the U.S. Army Corps of Engineers 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, and maintenance) and AML grant funds. The Corps will cover the balance of the cost. Through careful leveraging of Alabama's AML funds, DIR will be able to accomplish three times as much reclamation.

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***Alabama's reforestation of abandoned mines is nationally recognized.***

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## **REFORESTATION SUCCESS**

DIR representatives gave a presentation highlighting Alabama's successful reforestation of abandoned coal mined lands, at several civic events and the 2003 NAAML Annual Meeting in Louisville, Kentucky, in September. Alabama's reforestation of abandoned mines is nationally recognized. During fiscal year 2003, tree planting operations were carried out by the Walker County Soil and Water Conservation District Board, under cooperative agreement with DIR, on four abandoned mine land reclamation projects covering 143 acres. Over seven million trees have been planted by DIR during its 26 years in the reclamation business.

## **ACID MINE DRAINAGE**

Work continues 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. Sampling will be continued by the Alabama Rivers Alliance to determine the effectiveness of current and future treatments at the site. The cost of this project was shared by the

## RECLAMATION ACT ANNIVERSARY

August 3, 2003, marked the 26<sup>th</sup> anniversary of the enactment of the Surface Mining Control and Reclamation Act (SMCRA). When Congress passed SMCRA, it presented a challenge to strike a balance between the 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 associations, the daunting goal of SMCRA was, and is, being achieved.

## SEVERANCE TAX COLLECTIONS

The fee collection for severance taxes on current coal production is set to expire on September 30, 2004, unless extended by legislation prior to that date. All entities involved agree that the date must be extended for 12-16 years, but differ on proposed reallocation formulas. Extension of fee collections is essential to the continuation of AML programs nationwide, even if the existing allocation formulas remain unchanged.



Mining & Reclamation employees from left: John Braswell, supervisor, Abandoned Mine Land Field Office; John "Wes" Sandlin, chief, Mine Safety & inspection; Walter Cartwright, acting division director; Brian Wittwer, chief, Non-Fuel Surface Mining Section; and Michael Skates, acting deputy division director.

## 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 2003, 3,230 miners were employed in the coal industry, producing 19.5 million tons of coal. An additional 1,650 miners were employed in open pits and quarries (non-coal). A total of 741 inspections (281 at coal mines, 459 at open pit and quarry operations) were completed.

## CONTINUING EDUCATION

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 34 underground mine foreman certificates, 34 underground blasting certificates, and 19 surface foreman certificates. 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 employer operating costs, such as workers' compensation rates, the Alabama Workplace Safety Awards Program recognizes employers who, together with their employees, exemplify a high level of safety consciousness in their daily operations. Fifty such awards were presented to deserving employers in fiscal year 2003.

## SURFACE MINING OF NON-FUEL MINERALS

Non-fuel minerals, such as granite, clay, and bauxite, are mined in all 67 Alabama counties and contribute greatly to the state's economy. The Non-Fuel Surface Mining Section makes certain that lands mined for non-fuel 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 2003, 366 permits (27 new permits, 332 renewals and seven amendments) were issued to operators for the surface mining of non-fuel minerals. This was a two percent decrease from fiscal year 2002. Meanwhile, a large number of unpermitted surface mining operations are known to exist in the state and efforts continued, with 40 percent less staff to gain compliance in as many of those cases as possible.

## INSPECTIONS AND PERMITS

One inspector stationed in the Central Office made 226 site inspections. Of that total, 27 inspections were made to verify locations of new permit areas; 72 inspections were made of active operations; 80 inspections were made of unpermitted sites; 47 inspections were made to investigate citizen complaints; and 43 inspections were made of operations with expired permits.

Seven permits were amended to add acreage, 16 bonds were released for satisfactory reclamation, and 12 bonds were forfeited for failure to reclaim. While the increased reclamation bond (from \$150 per acre to \$2,500 per acre), encouraged more reclamation, it also had the effect, coupled with long-term liability on coal bonds, to cause most surety companies to stop issuing bonds. Eighty percent of the surety reclamation bonds on file were cancelled in 2003.

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 25 sites were abandoned and left unreclaimed at year's end, with insufficient funds to complete any meaningful reclamation. Mining continues at approximately 325 permitted sites, with 80 sites idle, abandoned, or in the process of being reclaimed.

# HEARINGS & APPEALS

***“One who cares is one who listens.”  
---J. Richard Clarke***

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 & Reclamation Division. Hearings and Appeals is also responsible for conducting hearings concerning departmental personnel matters.



Hearings & Appeals employees seated, from left: Kim Boswell, administrative assistant, and Susanne Gatlin, UC supervisor. Standing, from left: Les Morris, attorney, and Hoyt Russell, division director.

## UC HEARINGS

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 and by teleconference. A staff of 12 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 18,000 of these hearings were scheduled in fiscal year 2003.

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***The Hearings and Appeals Division has consistently received passing scores on all appeal cases randomly selected for each quarterly study.***

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## APPEALS QUALITY AND HIGHLIGHTS

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. So far, all cases selected and evaluated for fiscal year 2003 have received a passing score. Highlights of 2003 include the following:

- National recognition by the U.S. Department of Labor for being among the nation's best in providing quality due-process hearings to workers and employers of our state.
- Consistently exceeded the U.S. Department of Labor standards for quality in processing and deciding appeal cases.
- Continued to provide a high quality service during a period of increasing workload in a cost efficient manner, by implementing the use of modern day technology in the appeals process.

# LABOR MARKET INFORMATION

***“The world is moving so fast now-a-days that the man who says it can’t be done is generally interrupted by someone doing it.”***

**---Elbert Hubbard**

The Labor Market Information (LMI) Division operates five cooperative programs through the United States Department of Labor, Bureau of Labor Statistics (BLS). These include the following: Occupational Employment Statistics Program, the Current Employment Statistics Program (CES), the ES-202 (Covered Employment and Wages), the Local Area Unemployment Statistics Program (LAUS), and Mass Layoff Statistics.

## WIA RESPONSIBILITIES

In addition to these five cooperative BLS programs, LMI has responsibilities as the State of Alabama’s official statistical data collection and analysis manager for the Workforce Investment Act of 1998 (WIA) activities and partners, which makes up the Workforce Information System.

## 2003 LMI HIGHLIGHTS

- Development and maintenance of cost estimates for Unemployment Compensation legislation.
- Federal reporting related to Unemployment Compensation program and procedures, including the production of the *Employment Service Statistical Bulletin* on a monthly basis and available via Internet.
- Update of the Alabama Comprehensive Labor Market Information System’s interactive Web site to a more user-friendly format—Alabama’s Virtual LMI.
- Develop, provide, and maintain user-friendly public access to America’s Labor Market Information System (ALMIS) employer database.
- Production of long-term industry and occupational projections, using base year 2000 and projected through 2010, and published in June 2003.
- Production of short-term industry and occupational projections published in April 2003.
- Consolidation and complete format revision of two previous LMI unit newsletters (LAUS and CES) into one monthly division publication, the *Labor Market Information News*.
- Development and publication of the following: *Career Exploration Guide* (2003 Edition); *Alabama Wage Survey* (2003 Edition); update of the *LMI User’s Guide* (2003 Edition); and 1<sup>st</sup> edition of the *Participant’s Training Guide*, a step-by-step curriculum for classroom, or self-guided instruction for advanced users, in Internet-based LMI tools for state workforce investment partners and other customers.

- Statewide in-person training/presentations to the following customer groups: 1,200 individuals representing businesses and employers statewide; 240 Employment Service and Career Link Staff; 150 library staff and administrators; and four sessions of an intensive two-day O\*Net training for over 85 WIA partners, including CareerLink staff, Employment Services staff, Rehabilitation Services staff, and Veterans Service staff.
- Implementation of Customer Satisfaction Surveys, with good to excellent ratings by customers for layout, content, and overall usefulness.
- Continued data transition to the North American Industry Classification System from the previous Standard Industrial Classification System.
- Preparation for transition to the newly- defined Metropolitan Statistical Areas identified by the Census Bureau.
- Membership and representation in the following national consortia: Career One Stop Consortium, Benefits Consortium, ALMIS Consortium, and Job Vacancy Consortium.



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**Visit the Alabama Department of Industrial Relations Web site at: <http://dir.alabama.gov>, for more Labor Market Information, as well as information about other departmental operations.**

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## **EQUAL OPPORTUNITY & GRIEVANCE**

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

## **LEGAL**

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

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

### **2003 LEGAL HIGHLIGHTS**

- Successfully defended DIR in the U.S. District Court, concerning an individual who claimed he was discriminated against by the department in not being hired for a vacancy.
- Through the end of November 2003, the Legal Division has collected over one million dollars in overpaid unemployment compensation, which was placed back into the UI trust fund.

## **INFORMATION SYSTEMS**

The Information Systems Division provides state-of-the-art mainframe and distributed system processing to support all DIR functions.

The Data Systems Management Section develops, maintains, and implements all application computers systems, mainframe system programming, and data exchanges. The Computer Operations Section keeps the DIR computer systems running, insuring adequate processing requirements.

The Distributed Systems Section installs, maintains, and supports personal computers, peripheral equipment, servers operating systems and application software, call center telephony systems, and e-mail system and networks. This section also develops and maintains the DIR Web site applications and operates a DIR Help Desk.

## **GOVERNMENTAL AFFAIRS**

The Governmental Affairs Division was instrumental in the passage of administrative rules critical for DIR, and with steering contracts through the Legislative Contract Review Committee.

The division also prepared and introduced the enhancement legislation, and legislation to regulate employee leasing companies. The Governmental Affairs Division wrote several opinions for the Attorney General's Office that affected DIR. This division's director is a member of the National Association of State Workforce Agencies Legislative Committee and a special national task force on UI reform. In addition, the Governmental Affairs Division closely monitors federal legislation affecting DIR.

### **BOARD OF APPEALS**

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 2,775 cases filed with the board in 2003. The board disposed of over 2,900 cases and held 706 hearings.

The Governmental Affairs Division answers numerous letters from U.S. senators, congressmen, the governor, and state legislators. The division continues to resolve many internal issues within DIR.

## **FINANCE**

During fiscal year 2003, the Finance Division coordinated all fiscal activities and provided guidance to ensure compliance with state laws and regulations.

An Owner-Engineer Agreement was executed to design the necessary upgrades of electrical and mechanical systems in the department's central office building in Montgomery. The contract was the result of advertisement through the Building Commission, interviews by a selection committee, and negotiations for the most favorable terms possible. Engineering work was begun on the project, to ensure safe and efficient operation of these building systems for the foreseeable future.

Concurrent with the beginning of "Operation Iraqi Freedom," emergency security measures were instituted in cooperation with the State Capitol Police. The real estate manager and security supervisor also participated in the "Governor's Homeland Security Exercise" to facilitate better interaction between federal, state, and local agencies in emergency situations.

## **HUMAN RESOURCES**

The Human Resources Division 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.

## PLANNING & SYSTEMS ANALYSIS

The Planning and Systems Analysis Division played a key role in department-wide planning focusing on operations, safety, and homeland security.

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

### CONTRACTS AND RECORDS

Contracts were maintained, with government agencies, researchers and educators, requiring compliance with confidentiality and cost reimbursement policies covering the disclosure of information.

Operation of the Records Management System increased the efficiency of DIR by ensuring that records concerning various programs and support services are preserved and made readily available, using storage methods that meet archival needs and ensure accuracy and availability to users. The system also provided proper, timely disposal of records as soon as retention periods have expired, made more storage space available, and avoided liability issues resulting from improper disposal of confidential records. Numerous departmental documents were recorded using scanning, source document microfilming, and computer output microfilm technology. Computer output microfilming services were provided for other state departments on a cost-reimbursement basis. This saved funds for those departments by consolidating the provision of such services within one department.

### FORMS MANAGEMENT

The Planning and Systems Analysis Division administered the departmental Forms Management Program, in which forms were designed, revised, and deleted to meet the needs of users. The Benefit Timeliness and Quality Non-Monetary Determinations Review of the UI program, conducted by the division's Standardization Section, demonstrated the quality of nonmonetary determination performance of the UI Division.

The Section also participated in the training of the UI Call Center personnel, regarding the proper claims-taking and fact-finding needed for claims adjudicators to make quality decisions on separation and non-separation issues.

The division maintains the "*Policies and Procedures Manual*" for DIR. Steps were taken to include within the manual, the "*Principles of Business Conduct*," which outlines appropriate work conduct by DIR employees. This division was responsible for developing the publication which reinforces each employee's understanding of DIR's position in regard to ethical, moral, and legal standards, and how to handle their responsibilities in accordance with these standards.

Departmental organizational charts, floor plans, and space allocations were updated as changes occurred. Special projects were conducted as directed by the DIR director and by supervisors in other divisions.

## INTERNAL SECURITY

Although the Internal Security Division has authority to review operations in all DIR Divisions, the main thrust of Internal Security activity focuses on UI operations, where the potential for loss due to fraud and abuse is the greatest. To accomplish its objectives in regard to the prevention of abuse, the division performs the following:

- Provides a high level of security to automated UI information systems by controlling/maintaining a special password system, which includes automated audit trails.
- Conducts daily review of UI transaction registers to identify potential inappropriate activity.
- Conducts compliance-related audits, reviews, and investigations.
- Conducts pre-employment background checks for all prospective department employees.
- Provides all DIR divisions with a mandatory system for reporting of security-related incidents.
- Evaluates the physical security of department property and assets.
- Makes recommendations to management for improvements.

### PREVENTIVE ACTIVITY

Preventive activity included the following:

- Four major reviews of UI technology projects were completed.
- 6,129 multiple-week UI payments reviewed in regard to adherence to procedure, potential inappropriate payments, potential erroneous payments, and potential fraud.
- 99 background checks of prospective employees conducted and submitted to management.
- 2,334 responses made to requests for information from various federal, state, and local law enforcement agencies.
- 62 fraud hotline complaints taken, with appropriate action initiated with each complaint.

The results of the continuous course of audits/reviews/ investigations are used to keep executive and/or program management informed on the integrity of various department operations and to provide for secure, efficiently-operated DIR programs.

## PUBLIC INFORMATION

The Public Information Office produces DIR publications, such as press releases, newsletters, pamphlets, and annual reports; responds to media and general public inquiries; and develops and produces radio and television public service announcements, as well as other DIR video projects. In August 2003, this office coordinated Employer Training Seminars in nine Alabama cities.

# 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**

### Mining & Reclamation

**334-242-8265**

### Labor Market Information Director

**334-242-8859**

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## EMPLOYMENT SECURITY LOCAL OFFICES

COUNTY	LOCATION	PHONE
<b>Autauga</b>	235 S. Court St./Prattville	334-365-7889
<b>Baldwin</b>	201 Faulkner Dr./Bay Minette	251-937-4161
	200 West Michigan Ave./Foley	251-943-1575
<b>Barbour</b>	122 Paul Lee Pkwy./Eufaula	334-687-3551
<b>Blount</b>	68626-A Main St./Blountsville	205-429-4311
	313 Second Ave. W./Oneonta	205-274-0342
<b>Butler</b>	117 W. Commerce St./Greenville	334-382-3128
<b>Calhoun</b>	1731 Coleman Rd./Anniston	256-832-0147
<b>Chambers</b>	403-B North Gilmer Ave./Lanett	334-644-1851
<b>Cherokee</b>	1524 Chestnut Bypass/Centre	256-927-5002
<b>Chilton</b>	504 Enterprise Road/Clanton	205-755-0643
<b>Choctaw</b>	117 S. Mulberry Ave., Ste. 14/Butler	205-459-3227
<b>Clarke</b>	3090 Highway 43/Jackson	334-246-2453
<b>Clay</b>	113 2nd Ave. N./Ashland	256-354-3860
<b>Coffee</b>	2021 Boll Weevil Cir./Enterprise	334-347-0044
<b>Colbert</b>	500 S Montgomery Ave., #102/Sheffield	256-383-5610
<b>Conecuh</b>	1023 Douglas Ave., #314/Brewton	334-867-4376
<b>Covington</b>	312 West Gate Plaza/Andalusia	334-222-1115
<b>Cullman</b>	1201 Katherine St. NW/Cullman	256-734-4911
<b>Dale</b>	618 Andrews Ave., Ste. E/Ozark	334-774-9386
<b>Dallas</b>	1013 Broad St./Selma	334-872-0471
<b>DeKalb</b>	112 Gault Ave., S./Fort Payne	256-845-2900
<b>Etowah</b>	216 N. 5th St./Gadsden	256-546-4667
<b>Fayette</b>	1620 Temple Ave., N./Fayette	205-932-5999
<b>Franklin</b>	101 Washington Ave., SW/Russellville	256-332-2625
<b>Houston</b>	1950 Reeves St./Dothan	334-792-2121
<b>Jackson</b>	3509 S. Broad St., Ste. 23/Scottsboro	256-574-1720
<b>Jefferson</b>	3440 Third Ave. S./Birmingham	205-254-1300
	1721 Oxmoor Rd./Homewood	205-870-3275

COUNTY	LOCATION	PHONE
<b>Lee</b>	2300 Frederick Rd./Opelika	334-749-5065
<b>Limestone</b>	409 S. Marion St./Athens	256-232-4703
<b>Macon</b>	302 South Main St./Tuskegee	334-727-5855
<b>Madison</b>	2535 Sparkman Dr./Huntsville	256-851-0537
<b>Marengo</b>	1074 Bailey Dr./Demopolis	334-289-0202
<b>Marion</b>	1481 Military St. S./Hamilton	205-921-7657
<b>Marshall</b>	5920 U. S. Hwy. 431 N./Albertville	256-878-3031
	201 N. Main St., Ste. H/Boaz	256-593-0475
	157 South Main St./Arab	256-586-7589
<b>Mobile</b>	515 Springhill Plaza Ct./Mobile	251-461-4146
<b>Monroe</b>	1075 Drewry Rd./Monroeville	334-575-3894
<b>Montgomery</b>	1060 East South Blvd./Montgomery	334-286-1746
<b>Morgan</b>	1819 Bassett Ave. SE/Decatur	256-355-0142
<b>Pike</b>	20 Henderson Highway/Troy	334-566-3920
<b>Randolph</b>	3862 Hwy. 431/Roanoke	334-863-8114
<b>Russell</b>	1104-B Hwy. 280 Bypass/Phenix City	334-297-1551
<b>St. Clair</b>	1310 Comer Ave./Pell City	205-338-3117
<b>Shelby</b>	109 Plaza Cir./Alabaster	205-663-2542
<b>Talladega</b>	100 Johnson Ave., N., Unit 105/Talladega	256-362-8770
<b>Tallapoosa</b>	260 Church St./Alexander City	256-234-5066
<b>Tuscaloosa</b>	220 14th St./Tuscaloosa	205-758-7591
<b>Walker</b>	2604 Viking Dr./Jasper	205-221-2576
<b>Winston</b>	827 20th St., Haleyville	205-486-9245