

2013 Annual Report



Letter to the Governor The Honorable Robert Bentley Governor of Alabama

Dear Governor Bentley,

In 2013, the Alabama Department of Labor saw numerous changes, many of them for the better, as we continue to emerge from the Great Recession. Our Employment Services and Unemployment Compensation Divisions experienced successes at pre-recession levels.

The Employment Services Division, which serves as a liaison between employers and the workforce via the Alabama Career Center System, had a successful year. A record breaking 120,000+ new job orders representing more than 184,000 job openings were posted this year on the state's free online jobs database, www.joblink.alabama.gov. This is more than has ever been recorded in the site's history and surpasses previous highs that were associated with temporary clean up jobs which were available in the aftermath of the Gulf Oil Spill and the 2011 tornadoes.

Of the nearly half million people who utilized Career Center services this year, more than 57 percent of jobseekers entered employment, and an overwhelming majority were still employed six months after exiting the system.

Also this year, Career Centers throughout the state began a social media push to better inform employers and jobseekers of services offered. Career Centers started and continue to maintain local pages informing jobseekers of available jobs in the area, job fairs that are being held at the Centers, and other important information. To date, the combined Career Center pages have garnered more than 10,000 "likes" and the number continues to grow.

Unemployed veterans in Alabama were also successful in re-entering the workforce. This year, 60 percent of registered veterans who received staff-assisted services were employed into new jobs, including more than 70 percent of newly-released from active duty veterans. Our veterans specialists working in the Career Centers were credited with nearly 8,000 veterans entering employment, including nearly 2,000 veterans with serious employment barriers.

Additionally, more than 20,000 contacts were made with Alabama employers this year, representing the most business contacts made in more than a decade and up nearly 1,000 from

last year. This increase is attributed to staff reaching out to both new employers and those not already utilizing Career Center services.

The Unemployment Compensation Division also experienced many changes this year. In April, we lost another tier of federally funded Emergency Unemployment Compensation (EUC) benefits, dropping our total weeks of eligibility from 67 to 54. Alabama became ineligible for the additional weeks due to our decreasing unemployment rate. In December, the EUC program disappeared altogether when Congress failed to renew it. At the end of 2013, Alabamians were eligible for 26 weeks of regular, state-funded unemployment compensation benefits.

We also increased investigative staff to detect fraud in the unemployment compensation program, which resulted in more than 600 warrants being issued. Alabama also participated in the Treasury Offset Program, which recovers overpayments from federal tax refunds, and intercepted \$9.5 million.

Unemployment insurance (UI) taxes have also gone down, providing much needed relief to Alabama's employers, who have been paying the highest taxes in state UI tax history. Shared costs, which are the aggregate costs that all employers must pay to absorb defunct businesses, have dropped by 1.3 percentage points from 2011's high rate of 1.6% to 0.30%, which is a direct result of lower unemployment in Alabama.

ADOL will continue to provide services to those Alabamians who need us the most. Our staff is dedicated to upholding our efficient and professional service standards.

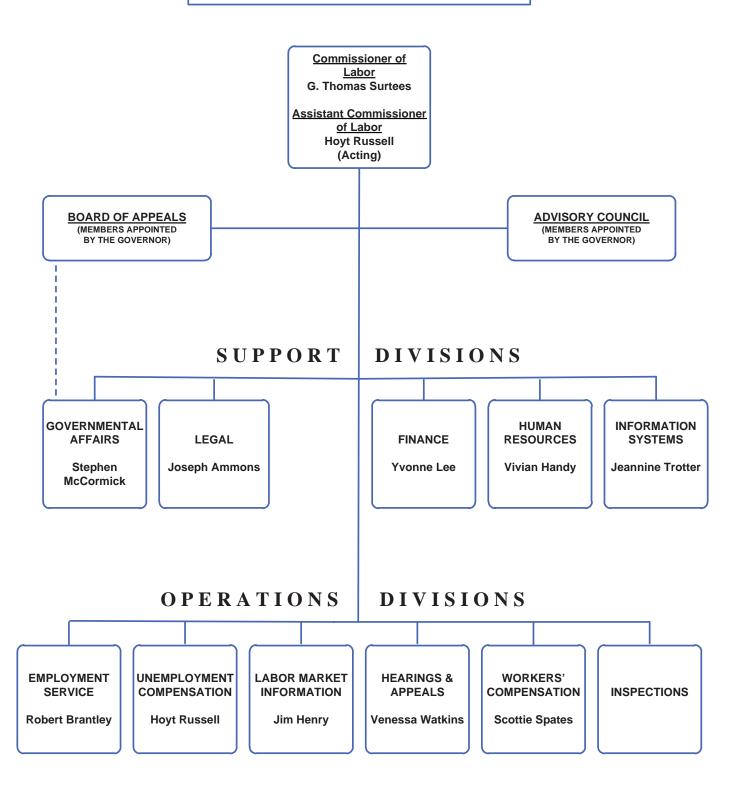
I present the 2013 Alabama Department of Labor Annual Report, which reflects a high level of commitment to positive, proactive, and ongoing efforts to adapt to ever-changing times and to position Alabama for the future.

Sincerely,

G. Thomas Surtees, Commissioner

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STATE OF ALABAMA DEPARTMENT OF LABOR ORGANIZATION CHART



EMPLOYMENT SERVICES

The Employment Service Division of the Alabama Department of Labor (ADOL) delivers labor exchange services for both job seekers and employers through the Alabama Career Center System. Alabama is also a proud partner in the newly created American Job Center Network, http://jobcenter.usa.gov/, designed to unify and brand workforce services as part of a single national network.

As a partner in the American Job Center Network, ADOL works with partner agencies to build a customer-friendly system providing job seekers and employers with a full range of seamless employment and training services in 48 "One-Stop Career Centers" located throughout the state. Three new itinerant locations were opened in Athens and on community college campuses in Clanton and North Shelby County. Access to service is available 24/7 by internet at JobLink.Alabama.gov, or through "Resource Areas" in Career Centers where customers have access to high speed internet computers, software designed to aid job seekers, and a vast array of resource materials, including the latest labor market information to assist career and job searches. Computers are equipped to offer registration assistance, résumé preparation, labor market / career / information / exploration, as well as a wide range of online resource material and tutorials for job-related subjects. Service may be either self-directed by the customer, or provided by professional staff available in the Job Center.

Introduction of social media to reach a wider audience was accomplished this year by Career Centers establishing Facebook pages. More than 10,000 "likes" have been recorded to date and the number continues to grow.

Slow employment growth continued to exert pressure on job seeker rolls in Alabama's Career Centers in 2013 with 300,000 new registrants contributing to more than 700,000 customer visits to Career Centers, and more than 400,000 individuals being served. Unemployment improved for the fourth consecutive year,



declining from 2009's high rate of 10%+ to October 2013's rate of 6.5%. Approximately 70 percent of registrants self-register for service while the remaining 30 percent visit Career Center locations throughout the state seeking registration assistance and service from professional staff. However, almost 20 percent of self-registrants eventually sought staff assistance at a Career

Center. Sixty percent of those seeking help were unemployment compensation claimants.

Driving Alabama's workforce development system is Alabama JobLink (AJL), an internet-based, customer-driven service delivery system (www.joblink.alabama.gov) featuring self-service options for job seekers and employers. AJL attracted millions of hits to the website in 2013 and generated more than 286,000 automatic email job match notifications to job seekers, and more than 33,000 automatic email notifications to employers of résumé matches.

For job seekers, AJL offers around-the-clock access for registration, job search, online résumé creation, automatic skills match email notification, and direct employer contact.

For employers, AJL is available 24/7 to post and manage job openings, search for qualified workers, and receive automatic email notification when job requirements match job seeker skills.



AJL not only advertises jobs listed by employers with the Alabama Career Center System, but also includes jobs from the Job Central National Labor Exchange. Job Central represents the job openings available through an array of leading global employers. Jobs from Job Central also include jobs in Alabama from USAJOBS, the Federal Government's official one-stop source for federal jobs and employment information.

AJL offers the ability to upload a résumé to the system, display job openings on a map for ease of location, and "job speeding" / "job spidering," which expands access to millions of jobs from sources such as Monster, Hotjobs, and Careerbuilder, along with thousands of other sources, including small industry specific job boards, local newspapers, and trade associations.

The ability of the users of Alabama's Labor Exchange system to self-direct job and worker searches has opened access to the public labor exchange system, making it truly a "customer demand–driven" system. Success in this shift in service delivery is borne out in the numbers of job seekers and employers served by the system with 175,000 new job seeker accounts and 3,800 new employer accounts established this year. More than 120,000 new job orders representing more than 184,000 job openings were listed on AJL this year. Automation and stream-lining of the delivery of workforce development services continues to position the Alabama Career Center System as the gateway to Alabama's job and labor markets.

For the most recently completed year, more than 151,000 job seekers entered employment after receiving employment services through the Career Center System, representing more than half (57.4%) of the job seekers exiting the labor exchange system during this period. An overwhelming majority (81.6%) were found to still be employed six months after exiting the system. Average earnings were \$24,478 a year or \$11.77 per hour.

Responsive adaptation to change serves to support and strengthen the mission of the Employment Service Division to achieve a customer-focused, technologically advanced, outcome-driven workforce delivery system, providing high standards of customer service and satisfaction delivered efficiently and effectively.

CLAIMANT ASSISTANCE PROGRAM

The Claimant Assistance Enhancement Program is designed to reduce the duration of joblessness for unemployment compensation (UC) claimants. This is accomplished through quick intervention by Career Center staff with UC claimants to assess their needs and offer services designed to return them to work as quickly as possible. These services include: review of job search efforts, orientation to Career Center services, provision of labor market/ career information, skills assessment, employability development plans, job search plans, job search workshops, and intensified job development and placement services including skills assessment/transferability tools provided online to claimants by the Career Center.

This year, more than 105,000 eligible claimants were helped to find jobs, thus creating a significant savings to Alabama's Unemployment Trust Fund.



Customers participating in a job fair in a local Career Center

BUSINESS CONTACTS

More than 20,400 promotional business contacts were made by Career Center staff with Alabama employers last year, representing the most business contacts made in more than a decade. Driving the yearly increase of 900 contacts was expansion in the Business Services Program with trained Business Service Representatives focusing outreach to both new employers and those not previously using Career Center services to help solve workforce problems. The agricultural sector continued to be targeted as part of Governor Robert Bentley's "Work Alabama" initiative to assist farmers with more than 300 contacts made.



Employers are apprised of services, programs, and assistance available through the Career Center System including on-the-job training and incumbent worker training program opportunities to help meet their workforce needs. The goal of the Business Services Initiative is to help employers take advantage of programs in order to grow and create jobs. In turn, employers' feedback is used to adjust services or develop new services to better serve employers.

RAPID RESPONSE

Rapid Response activities provided by Career Center staff, funded under contract with the Alabama Department of Economic and Community Affairs, support the State's Rapid Response Team in providing assistance to the business community and workers affected by layoffs or plant closings in the state. Career Center staff participate in group employee meetings as key members of the state's Rapid Response Team to provide information and direction to dislocated workers relative to Career Center services, including: Unemployment Insurance (UI) registration, job registration, resume preparation, online job search, job placement, veterans' services, labor market information, and when necessary and appropriate, conduct dedicated on-

During the past year, the Rapid Response Team assisted workers at 52 major closing and layoffs which affected more than 8,200 dislocated workers.

FOOD STAMP PROGRAM

During FY 2013, 29,400 food stamp registrants were referred to the Food Stamp Employment and Training Program from the Department of Human Resources. This is a 4% increase over FY 2012, after dropping 26 percent from FY 2010's record level of 38,000 referrals. Of the 29,400 referred, 24,800 clients were placed in job search programs and were provided with training in job seeking skills. One thousand three hundred and forty-one food stamp clients were either placed in jobs via the Career Centers or obtained employment after participating in the program.

TAX CREDITS FOR EMPLOYERS

The Work Opportunity Tax Credit (WOTC) program is a federally funded program that provides incentives to businesses to hire individuals who have historically faced barriers to employment. The benefits of WOTC are twofold: it is an aid in helping targeted job seekers find and retain employment, and it saves employers money by reducing their tax liability. Private-sector employers can reduce their tax costs by employing individuals from any of nine targeted WOTC designated groups. These include: TANF recipients, food stamp recipients, youth, ex-felons, SSI recipients, veterans, and those with disabilities, among others. Alabama WOTC issued 49,502 certifications during FY13. This represents 49,502 individuals who found employment and a tax savings of \$118,880,480 for Alabama employers.

The American Taxpayer Relief Act of 2012 was signed into law on Jan. 2, 2013. This act extended the veteran target groups through Dec. 31, 2013, and retroactively reauthorized all WOTC non-veteran target groups from Dec. 31, 2011 through Dec. 31, 2013. On Jan. 5, 2013, Alabama WOTC released 36,128 decisions, including 19,625 certifications which were submitted retroactively for the reauthorized target groups. In an action unprecedented in the history of the WOTC, the IRS allowed transition relief for the filing of certification requests for retroactively reauthorized target groups that were not initially filed within the allowed 28 day time frame.

WOTC automation efforts were completed this year, enabling access to records of UI receipt and wage data for use in determining eligibility for veteran target groups. Automation of the Supplemental Nutrition Assistance Program (SNAP) requirement for the veteran food stamp target group was also completed. Steps were taken to eliminate the need for "hard-copy" applications received electronically and decisions were determined through automated processes. This resulted in a 78 percent decrease of "hard-copy" applications. Alabama WOTC continues to

encourage employers to utilize the automated database. Those who take advantage of the database can file applications electronically and/or monitor their applications and download decisions when they are rendered.

Additional information regarding the WOTC is available at http://www.doleta.gov/business/incentives/opptax/ and http://wotc.alabama.gov/WOTC.html.

SERVICES TO RURAL RESIDENTS

In addition to comprehensive Career Centers located in the state's more densely-populated metropolitan areas, the Career Center System also operates 15 satellite centers and five itinerant centers to facilitate access to workforce delivery services through the Career Center System in the state's rural areas serving the needs of rural customers.

As a part of this service, the Career Center System coordinates the activities of the Agricultural Placement Program, Agricultural Clearance Program, and the H-2A Program for non-immigrant aliens. Staff members based in Career Centers along with members of the ADOL Central Office staff are also responsible for conducting registrations for farm labor contractors and agricultural crew leaders, overseeing the Migrant and Seasonal Farm Worker Outreach Program as well as performing pre-occupancy housing inspections for 138 H-2A dwellings last year. These dwellings represented 44 separate H-2A certifications.

Migrant and seasonal farm workers were offered all services provided to other applicants and referred to other community agencies as needed. A bilingual staff member is available in each local office to help coordinate the process if the applicant is not proficient in English.

FOREIGN LABOR CERTIFICATION

The Foreign Labor Certification Unit works directly with the employer to ensure that labor certification applications meet regulations mandated by federal and state laws and U.S. Department of Labor and Employment Service guidelines.

Effective in 2010, the labor certification process for H-2B (temporary nonagricultural workers) was centralized at the US Department of Labor's Chicago Regional Office. The Foreign Labor Certification H-2B Unit now serves a customer service role by responding to employer inquiries and disseminating comprehensive information concerning the program and guidance in the filing process. Certifications from the national office last year resulted in 39 job orders for temporary nonagricultural positions being posted to the state's electronic labor exchange (AJL), representing 857 job openings.

VETERANS

The number of veterans in Alabama's labor force increased from 180,000 in 2012 to 212,000 in 2013, but the unemployment rate of veterans in Alabama declined from 6 percent last year to 5.6 percent. In comparing veterans of the Post-9/11 era, both the U.S. and Alabama saw increases in the number of Post-9/11 veterans in the labor force; however, the unemployment rate for Post-9/11 veterans and the number of unemployed Post-9/11 veterans in both the U.S. and Alabama was lower than the year before. Data provided by the U.S. Department of Labor shows that the number of Post-9/11 veterans in Alabama's labor force surged from 35,000 last year to 52,000 during this reporting period; however, the number of unemployed Post-9/11 Alabama veterans actually declined from 4,000 to 3,000.

At the close of 2013, nearly 20,000 veterans and Military Transitioning Service Members (TSMs), including military spouses, were registered in the Alabama Job Link (AJL) for job search assistance, résumé assistance, and employment and training services. In a continuing trend, female veterans now represent nearly one in six veterans who are registered in AJL.

Alabama Job Link offers self-service features and the convenience of internet access to provide job matching and many other services. Veterans are given priority in all services and training provided by the Alabama Career Center System. Moreover, more than 60 percent of registered veterans also took advantage of personal assistance offered by Career Specialists, Local Veterans Employment Representatives (LVERs), and partnership agencies located at local Career Centers. Veterans' Employment Representatives and Career Center Specialists provide career coaching, local and national job search assistance, intensive services to locate and apply for supportive services and resources, and personal assistance in navigating today's complex and challenging job market.

LVERs are well-acquainted with the needs of local employers and how to assess military skills to determine a service member's transferable skills in relation to occupations in civilian careers. The LVERs are assigned to the Business Services Teams at Alabama Career Centers as veterans' employment advocates to locate potential employment opportunities and encourage employers to offer veterans priority consideration for their job openings.

Many veterans and military service members preparing for separation from active duty are provided career counseling and assistance to enroll into state and federally-funded workforce training or into vocational or four-year degree programs under the GI Bill.

At the close of 2013, 60 percent of registered veterans who received staff-assisted services were employed into new jobs. U.S. Department of Labor reporting shows that of 1,606 newly-released from active duty veterans who received staff-assisted services, more than 70

percent entered employment, and all Alabama Career Centers met or exceeded the state's performance measure for Veterans Entered Employment.

Services to Military

Veterans' employment representatives participate in military Yellow Ribbon events and military family functions for deploying and deactivating units of the Alabama National Guard and the Military Reserve components to extend job search services to soldiers in transition from active duty and, if necessary, assist military spouses in finding jobs during the service member's active duty deployment.



Lisa Owen (DVOP), right, with two veterans at a Yellow Ribbon event in Mobile

Extensive Outreach to Disabled Veterans and Veterans Facing Special Challenges

To assist veterans and separating service members with service-connected disabilities in finding civilian jobs, the State of Alabama operates a Disabled Veterans Outreach Program (DVOP), funded under a federal Job for Veterans State Grant, using specialists to provide intensive services and to guide disabled veterans into vocational training or to develop employment opportunities. The DVOP also provides statewide outreach programs and events to assist economically or educationally disadvantaged veterans to connect with resources and services to overcome barriers to employment. Last year, DVOP specialists counseled more than 5,000 veterans with significant barriers to employment due to military service-connected disabilities, and provided them with employment services, career counseling, guidance on applying for veterans' benefits, referrals to supportive services, job training, and information about their employment and reemployment rights.

In partnership with the U.S. Department of Veterans Affairs, Vocational Rehabilitation and Employment (VR&E) Division, DVOP specialists and LVERs in the Alabama Career

Centers work with VR&E's counselors to develop job opportunities for disabled veterans participating in vocational training for employment. The Alabama program was adopted by the U.S. Department of Labor and the U.S. Department of Veterans Affairs as a nationwide program. At the close of 2013, DVOPs in Alabama were credited with nearly 2,000 veterans entering employment.

Partnerships to Serve Veterans

Alabama Career Centers collaborate with colleges, universities, and trade schools to coordinate job fairs and career expositions, including events held at military installations and National Guard armories. These intensive efforts make an important difference for recently separated military veterans. Other community partnerships developed by the Alabama Career Center System and the Alabama Department of Labor include homeless veteran Stand-Down events in Mobile, Birmingham, Dothan, Huntsville, Opelika-Auburn, and various rural areas.

LVERs and DVOP specialists served 337 homeless veterans in Alabama last year, including 33 female homeless veterans, by providing job search services and intensive services under a strategy of case management. Through innovative partnerships with local agencies and community organizations, staff assisted in finding employment for 105 homeless veterans.

Alabama is in partnership with the Direct Employers Association, through an initiative supported by the National Association of State Workforce Agencies (NASWA) that automates the posting of federal contractor job and career openings into Alabama's JobLink data system. Jobs are posted directly to the Career Center located at the site of the contract. Veterans have 24-hour priority access to employment openings posted by member companies holding federal contracts in Alabama.

Alabama Initiatives to Encourage Hiring of Veterans

The Alabama legislature passed and Governor Robert Bentley signed into law House Bill 338, which facilitates the ability of discharged military service members to acquire licensure and academic credit for military education, training, and experience. ADOL is currently working with licensing and credentialing agencies in Alabama to further expand accelerated credentialing for veterans into additional occupations. ADOL is also in

partnership with a number of federal, state, and business-oriented organizations to develop an effective Veterans' Entrepreneurship

Program. Right, ES Manager Greg Niel and Commissioner Tom Surtees join Governor Robert Bentley as he signs the bill into law.



UNEMPLOYMENT COMPENSATION

QUALITY ASSURANCE

Quality Assurance met federal requirements for both the number of cases selected for review and for case completion time lapse in all cases, both paid and denied. The federally mandated time lapse for paid cases is 70 percent in 60 days. Alabama completed 99.38 percent of paid cases within 60 days. The mean completion time was 34 days. The mandated time lapse for denied claims is 60 percent in 60 days. Alabama completed 100 percent of denied cases within 60 days. The mean completion time was 29 days. Alabama continues to have one of the lowest coding error rates in our eight state region.

One auditor attended Peer to Peer Case Review at the Atlanta Regional Office in March 2013. Two representatives attended BAM Investigator Training in Washington, D.C. at the U.S. Department of Labor in August 2013. Two auditors attended Peer to Peer Case Review at the Department of Labor regional office in August 2013.

BENEFIT OPERATIONS

Alabama participated in UC Treasury Offset Program in 2013 and intercepted \$9.5 million dollars in federal income tax refunds that were used to offset fraudulent UC overpayments.

The division continues to utilize retired state employees to assist in the establishment of overpayments and working on the backlog of audit notices and the manual establishment of the 52-week fraud determinations.

Increased investigative staff has enabled the division to prosecute more individuals and to publicize those prosecutions which serves as a deterrent to committing UC fraud. The division continues to work closely with the Office of Inspector General in successfully prosecuting those individuals with egregious overpayments in Federal Court by imposing stricter penalties and swifter restitution recovery (600 warrants).

Internet Response Module for Employers (IRME) and Electronic Wage Audit Notice (EWAN) software was installed, which will allow employers to respond electronically to Unemployment Insurance benefit payment audits. AWARE, which allows for data mining and other tools to be utilized in the detection of fraudulent unemployment claims, was also installed.

The division is in the process of implementing procedures to deny "relief of charging" for those employers who do not respond adequately and timely to requested claimant information, resulting in needless overpayments.

The New Hire Compliance Program has been implemented to ensure that employers are complying with the law requiring employers to report newly-hired employees within the time frames mandated by law.

Unemployed workers continued to file for Emergency Unemployment Compensation (EUC) during 2013 as the program remained in effect until Dec. 28, 2013. Sequestration reductions were implemented as required by law.

During FY 2013, 15 companies were certified for Trade Adjustment Assistance (TAA).

At the end of 2013, there were 202 participants in the Alternative Trade Adjustment Assistance/Reemployment Trade Adjustment Assistance (ATAA/RTAA) Programs.

At the end of 2013, there were 519 participants in TAA-funded training.

Health Coverage Tax Credit (HCTC) remains in effect until Dec. 24, 2013. As of Oct. 1, 2013, the HCTC Program stopped accepting new registrations.

Alabama developed a web claims filing application for federal civilian employees as a result of the large number of claims being filed due to the partial government shutdown. This application proved successful and is being implemented as a permanent application. This web application, in addition to the former military service members web application, will allow the Federal Programs Unit to act independently from the call centers as a claims-taking and adjudication center.



Federal Programs Unit staff members in the Central Office are assisting UCFE claimants to file by telephone to provide better customer service and to expedite the federal claims-taking process.

CALL CENTER OPERATIONS

Call Center Operations is a section in the Unemployment Compensation Division. This section consists of an administrative unit and two call centers. Through the call centers, unemployed individuals can file unemployment compensation claims by calling a toll-free telephone number and receiving assistance from a customer service representative (CSR) or by accessing the web application and completing their claim without CSR assistance.

- Approximately 370,114 claims and inquiry calls were handled through DOL's unemployment compensation call centers in 2013. This is a 5 percent reduction from 2012.
- 212,369 claims were processed through our Remote Initial Claims (RIC) System, which is 9 percent less than in 2012.
 - 1. 84,202 claims were filed through the call centers by CSRs.
 - 2. 105,750 claims were filed and completed via the web application.
 - 3. 22,417 claims were initiated on the web, but were not completed and claimants had to be referred to the call centers for completion by CSRs.
- 50.2 percent of claims processed were completed by a CSR and 49.8 percent of claims processed were completed via the web. The division continues to experience an increase in web initiated claims with 60.4 percent of all claims initiated via the web application.
- Approximately 154,042 issues were adjudicated by the adjudication staff. This amounts to an 8 percent workload reduction from 2012.
 - 1. 94,503 separation issues
 - 2. 59,539 non-separation issues

In October, the call centers were slightly impacted by the federal government shutdown. Approximately 1,900 federal claims were filed as a direct result of this shutdown.

TAX OPERATIONS

In 2013, Tax Operations accomplished and maintained many goals. The division continues to operate in the black since collections of UI taxes and deposits into the Trust Fund have exceeded benefit payments for the past year. Efforts continue to replenish the Trust Fund and additional money has not been borrowed to cover costs.

Electronic filing and remittance percentages continue to make Alabama one of the most efficient states in payment processing. Electronic receipts of tax returns averaged 99 percent and electronic remittances averaged 92 percent or greater during the year. The computer systems are being enhanced in order to eliminate paper processes which are listed below:

- Tax Rate notices will once again be available for download from the website for calendar/tax year 2014. The majority of taxpayers utilize the electronic version and therefore only 457 paper documents will be mailed this year. This method continues to save the Department the postage and labor costs associated with mailing notices.
- Electronic registration for employer accounts continues to increase. Of all employer applications received this year, 74 percent were filed electronically, thus further reducing the amount of paper forms processed.

Other items of note are as follows:

- A total of 10 State Unemployment Tax Act (SUTA) dumping investigations were completed in 2013.
- Tax Operations successfully passed all Tax Performance studies in 2013 and met or exceeded all minimum requirements mandated by the U.S. Department of Labor.
- Tax Performance System passed the federal audit this year.
- Two Tax personnel attended the 2013 National Tax Conference in Washington, D.C.

Field Services has also experienced a major year in 2013. Some accomplishments are as follows:

- Field Services collected \$8,195,438.34 of delinquent monies.
- Completed 1,465 Employer Wage Audits.
- Discovered 2,138 misclassified workers and \$11,379,291.69 misclassified wage dollars.
- Hosted the Field Tax Conference in November, with all tax field personnel in attendance.



2013 Field Tax Conference

CHILD LABOR ENFORCEMENT

Alabama Child Labor laws, which arose out of abuses in coal mines and cotton mills, date back to 1886 and limit the hours and places children may work. The first act remained on the books until 1894 when it was repealed through the efforts of the cotton industry. A second law was passed in 1903 placing the age limit for working children at 12 but exempting orphans and children of dependent families. The law was improved in 1907 by applying the age limit of 12 to all children and limiting night work to children 16 and above. For the first time child labor inspectors were employed. Most of our current laws came after the Great Depression. These laws have been updated numerous times since then.

State law currently allows children age 14 and 15 to work until 7 p.m. during a school year and 10 p.m. for those 16 and up who are still enrolled in high school.

Minors under the age of 18 are prohibited from working in many hazardous occupations. However, seven Alabama teenagers have died in prohibited work-related activities since 2000. Fortunately, none of those have occurred in the last six years, although several serious injuries have been reported.



Children aged 8 and 9 working on a construction site in Huntsville.

What Does Child Labor Enforcement Do?

- Follows up on eight to 10 complaints per month. These complaints involve multiple issues, including record keeping, hour violations, prohibited occupations, and alcohol.
- Randomly inspects businesses for compliance.
- Conducts training for new employers and those who have first offenses.
- Issues civil monetary penalties that are returned to the General Fund.
- Trains 175+ Career Technical Teachers, in three separate sessions each year (as required by the Department of Education).
- Participates in the Annual Fire Explorer Junior Cadet training at the Alabama Fire College.
- Writes, designs, and updates posters, brochures, forms and other publications regarding Child Labor laws. These are provided to every school system in the State.
- Answers calls and emails from the public, businesses and school officials.

Fiscal Year 2013

- 1,611 business inspections were conducted.
- 629 violations were identified.
- \$67,475.00 in civil penalties was collected.
- \$88,710.00 in fees was collected for Child Labor Certificates.
- Lost one inspector, bringing the total number to two.



Example of a child labor violation in Oneonta.

UNEMPLOYMENT COMPENSATION						
	Fiscal	l Year	Net	Percent		
	2013	2012	Change	Change		
State Unemployment Compensation						
Initial Claims						
New	187,633	201,851	(14,218)	-7.0		
Additional	68,824	80,770	(11,946)	-14.8		
Weeks Claimed *	1,650,285	1,788,439	(138,154)	-7.7		
Weeks Compensated	1,371,401	1,604,100	(232,699)	-14.5		
Gross Benefits Paid	\$279,446,716	\$322,366,232	(\$42,919,516)	-13.3		
Federal Employees						
Initial Claims						
New	1,217	1,077	140	13.0		
Additional	276	314	(38)	-12.1		
Weeks Claimed *	13,484	10,617	2,867	27.0		
Weeks Compensated	12,235	9,695	2,540	26.2		
Gross Benefits Paid	\$2,947,135	\$2,174,749	\$772,386	35.5		
Ex Servicemen						
Initial Claims						
New	1,823	1,901	(78)	-4.1		
Additional	156	168	(12)	-7.1		
Weeks Claimed *	21,074	19,407	1,667	8.6		
Weeks Compensated	18,858	17,880	978	5.5		
Gross Benefits Paid	\$4,945,845	\$4,671,858	\$273,987	5.9		
High Extended Benefit Unemployme						
Initial Claims	98	9,376	(9,278)	-99.0		
Weeks Claimed *	111	197,705	(197,594)	-99.9		
Weeks Compensated	111	197,695	(197,584)	-99.9		
Gross Benefits Paid	\$8,756	39,981,258	(39,972,502)	-100.0		
* Excludes interstate claims data recei		ernet System.				
** Includes retroactive payment activity.						
*** Less than 0.1 percent change or no activity in prior fiscal year.						

UNEMPLOYMENT COMPENSATION							
	Fiscal Year			Net	Percent		
	2013		2012	Change	Change		
Trade Readjustment Allowance **							
Initial Claims	4	.06	394	12	3.0		
Weeks Claimed	9,6	85	12,002	(2,317)	-19.3		
Weeks Compensated	9,5	30	11,888	(2,358)	-19.8		
Gross Benefits Paid	\$2,345,1	.05	\$2,866,619	(\$521,514)	-18.2		
Emergency Unemployment Compensa	tion						
Initial Claims	36,7	'10	42,974	(6,264)	-14.6		
Weeks Claimed	853,6	83	1,564,568	(710,885)	-45.4		
Weeks Compensated (ALL TIERS)	853,6	83	1,564,165	(710,482)	-45.4		
Gross Benefits Paid (ALL TIERS)	\$156,408,351 305,613,281		(\$149,204,930)	-48.8			
Disaster Unemployment Assistance							
Initial Claims	0		4	(4)	-100.0		
Weeks Claimed	0		376	(376)	-100.0		
Weeks Compensated	0		300	(300)	-100.0		
Gross Benefits Paid	0		\$37,249	(\$37,249)	-100.0		
Alternative Trade Adjustment Assistan		1					
Initial Claims	95		144	(49)	-34.0		
Weeks Claimed	4,539		7,198	(2,659)	-36.9		
Weeks Compensated	3,611		7,198	(3,587)	-49.8		
Gross Benefits Paid	\$792,367		\$1,600,178	(\$807,811)	-50.5		
* Excludes interstate claims data receive	ed through In	tern	et System.				
	** Includes retroactive payment activity. *** Less than 0.1 percent change or no activity in prior fiscal year.						

WORKERS' COMPENSATION

The main function of the Workers' Compensation Division is to ensure that necessary medical attention and compensation benefits are provided to employees injured on the job, or, in the case of death, provided to their dependents. The division also provides information and services to claimants, employers, insurance companies, attorneys, judges, legislators, labor and management groups, government agencies and other parties. Other functions include gathering statistics on accidents, enforcing reporting requirements, monitoring claim payments, auditing all claim settlements, and taking corrective action on incorrect settlements or improper reporting procedures. The division is also responsible for gathering information on fraudulent claims of employees.

Ombudsmen mediate disputes through the benefit review conference process. The most frequent issue involves requests for information/assistance concerning the law or specific medical topics. The ombudsmen also provide assistance to employees, employers, attorneys, insurance carriers, and third party administrators via telephone, seminars, and speaking engagements.

The division conducts employer inspections to ensure 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 24, 2013, the State of Alabama's average weekly wage was determined to be \$787.59 for the calendar year 2012. This resulted in the following changes, effective July 1, 2013:

- The minimum weekly compensation payable increased from \$212 to \$217.
- The maximum benefits payable on fatalities increased from \$385,500 to \$394,000.

During fiscal year 2013 there were:

Group Fund Certificates Issued	3,052
Group Fund Certificates canceled	2,716
Self-Insurance certificates issued	6
Self-Insurance certificates canceled	22
Self-Insurers audited	424
Compliance inspections	18,279
Employers in Non-compliance	3,640
Continuing Education Seminars	5
Seminar Attendees	1,222
Continuing Education Certificates	1,211
Voluntary Mediations	1,690
Voluntary Mediations Resolved	1,465
Court Ordered Mediations	107
Court Ordered Mediations Resolved	65
Utilization Management/Bill Screening Certificates issued	38
Drug-Free Workplace Certificates issued	351
Medical Disputes	272
Third Party Administrators Certified	14
Professional Employer Organizations Certificates issued	21

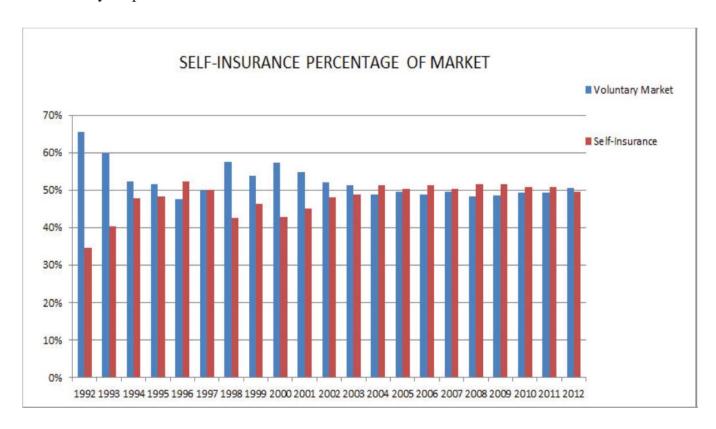
Self-Insurance Section

The Workers' Compensation Division also administers the rules and regulations for both the Individual Self-Insurers and Group Self-Insurers. During FY2013, the following activity took place within the Self-Insurance Section:

INDIVIDUAL SELF-INSURANCE						
FY2013 FY2012 Percent Change						
Certificates Issued	6	20	-70.00%			
Certificates Canceled	22	14	266.67%			
Total Individual Self-Insurers	276	292	-5.48%			

GROUP SELF-INSURANCE					
FY2013 FY2012 Percent Change					
Certificates Issued	3,052	3,014	-1.26%		
Certificates Canceled	2,716	3,399	-20.09%		
Total Employers	25,614	25,327	1.13%		
Total Number of Group Funds	17	17	0.00%		

The graph below represents the total dollar amount actually paid for Workers' Compensation claims for Calendar Years 1992 through 2012, according to the Workers' Compensation Annual Assessment Report for Insurance Companies & Self-Insured Employers. As demonstrated by the graph, the trend for the voluntary market (private insurance) shows a steady decrease in market size of 65% in 1992, to 50% in 1997; but this market has remained steady since 1997. The Self-Insurance sector increased its market share from 29% to 49% over the last 20 year period.



FIRST REPORTS OF INJURY TOTALS BY COUNTY

	FY 2013	FY2012	% Change	FY 2013 % of Total
Autauga	91	112	-19%	0.68%
Baldwin	495	508	-3%	3.68%
Barbour	52	64	-19%	0.39%
Bibb	31	26	19%	0.23%
Blount	55	102	-46%	0.41%
Bullock	12	9	33%	0.09%
Butler	71	76	-7%	0.53%
Calhoun	198	244	-19%	1.47%
Chambers	57	77	-26%	0.42%
Cherokee	49	26	88%	0.36%
Chilton	69	98	-30%	0.51%
Choctaw	14	18	-22%	0.10%
Clarke	78	82	-5%	0.58%
Clay	33	39	-15%	0.25%
Cleburne	5	16	-69%	0.04%
Coffee	120	134	-10%	0.89%
Colbert	147	193	-24%	1.09%
Conecuh	44	26	69%	0.33%
Coosa	16	24	-33%	0.12%
Coosa	16	24	-33%	0.12%
Covington	98	82	20%	0.73%
Crenshaw	50	58	-14%	0.37%
Cullman	130	186	-30%	0.97%
Dale	113	107	6%	0.84%
Dallas	128	135	-5%	0.95%
Dekalb	100	137	-27%	0.74%
Elmore	125	147	-15%	0.93%
Escambia	74	70	6%	0.55%
Etowah	304	304	0%	2.26%
Fayette	28	42	-33%	0.21%
Franklin	103	79	30%	0.77%
Geneva	59	55	7%	0.44%
Greene	35	9	289%	0.26%
Hale	20	20	0%	0.15%
Henry	22	31	-29%	0.16%
Houston	319	292	9%	2.37%

FIRST REPORTS OF INJURY TOTALS BY COUNTY (Continued)

	FY 2013 FY2012		% Change	FY 2013 % of
				Total
Jackson	124	131	-5%	0.92%
Jefferson	2,158	2,408	-10%	16.04%
Lamar	28	30	-7%	0.21%
Lauderdale	212	254	-17%	1.58%
Lawrence	36	52	-31%	0.27%
Lee	288	385	-25%	2.14%
Limestone	155	129	20%	1.15%
Lowndes	21	35	-40%	0.16%
Macon	30	78	-62%	0.22%
Madison	782	948	-18%	5.81%
Marengo	45	49	-8%	0.33%
Marion	71	78	-9%	0.53%
Marshall	266	353	-25%	1.98%
Mobile	1,106	1,173	-6%	8.22%
Monroe	60	48	25%	0.45%
Montgomery	918	1,089	-16%	6.82%
Morgan	285	321	-11%	2.12%
Perry	14	22	-36%	0.10%
Pickens	28	26	8%	0.21%
Pike	81	109	-26%	0.60%
Randolph	27	25	8%	0.20%
Russell	100	121	-17%	0.74%
Shelby	345	319	8%	2.56%
St. Clair	120	176	-32%	0.89%
Sumter	14	32	-56%	0.10%
Talladega	380	372	2%	2.82%
Tallapoosa	139	151	-8%	1.03%
Tuscaloosa	700	646	8%	5.20%
Unclassified	1,316	1,281	3%	9.78%
Walker	155	140	11%	1.15%
Washington	38	80	-53%	0.28%
Wilcox	17	17	0%	0.13%
Winston	51	71	-28%	0.38%
TOTAL	13,455	14,777	-9%	100%

FIRST REPORT OF INJURY TOTALS RANKED BY NUM OF INJURIES

		FY 2013	FY2012	% Change	FY 2013 % of Total
1	Jefferson	2,158	2408	-10%	16.04%
2	Unclassified	1,316	1281	3%	9.78%
3	Mobile	1,106	1173	-6%	8.22%
4	Montgomery	918	1089	-16%	6.82%
5	Madison	782	948	-18%	5.81%
6	Tuscaloosa	700	646	8%	5.20%
7	Baldwin	495	508	-3%	3.68%
8	Talladega	380	372	2%	2.82%
9	Shelby	345	319	8%	2.56%
10	Houston	319	292	9%	2.37%
11	Etowah	304	304	0%	2.26%
12	Lee	288	385	-25%	2.14%
13	Morgan	285	321	-11%	2.12%
14	Marshall	266	353	-25%	1.98%
15	Lauderdale	212	254	-17%	1.58%
16	Calhoun	198	244	-19%	1.47%
17	Limestone	155	129	20%	1.15%
18	Walker	155	140	11%	1.15%
19	Colbert	147	193	-24%	1.09%
20	Tallapoosa	139	151	-8%	1.03%
21	Cullman	130	186	-30%	0.97%
22	Dallas	128	135	-5%	0.95%
23	Elmore	125	147	-15%	0.93%
24	Jackson	124	131	-5%	0.92%
25	Coffee	120	134	-10%	0.89%
26	St. Clair	120	176	-32%	0.89%
27	Dale	113	107	6%	0.84%
28	Franklin	103	79	30%	0.77%
29	Dekalb	100	137	-27%	0.74%
30	Russell	100	121	-17%	0.74%
31	Covington	98	82	20%	0.73%
32	Autauga	91	112	-19%	0.68%
33	Pike	81	109	-26%	0.60%
34	Clarke	78	82	-5%	0.58%
35	Escambia	74	70	6%	0.55%

FIRST REPORT OF INJURY TOTALS RANKED BY NUM OF INJURIES(Continued)

		FY 2013	FY2012	% Change	FY 2013 % of Total
36	Butler	71	76	-7%	0.53%
37	Marion	71	78	-9%	0.53%
38	Chilton	69	98	-30%	0.51%
39	Monroe	60	48	25%	0.45%
40	Geneva	59	55	7%	0.44%
41	Chambers	57	77	-26%	0.42%
42	Blount	55	102	-46%	0.41%
43	Barbour	52	64	-19%	0.39%
44	Winston	51	71	-28%	0.38%
45	Crenshaw	50	58	-14%	0.37%
46	Cherokee	49	26	88%	0.36%
47	Marengo	45	49	-8%	0.33%
48	Conecuh	44	26	69%	0.33%
49	Washington	38	80	-53%	0.28%
50	Lawrence	36	52	-31%	0.27%
51	Greene	35	9	289%	0.26%
52	Clay	33	39	-15%	0.25%
53	Bibb	31	26	19%	0.23%
54	Macon	30	78	-62%	0.22%
55	Fayette	28	42	-33%	0.21%
56	Lamar	28	30	-7%	0.21%
57	Pickens	28	26	8%	0.21%
58	Randolph	27	25	8%	0.20%
59	Henry	22	31	-29%	0.16%
60	Lowndes	21	35	-40%	0.16%
61	Hale	20	20	0%	0.15%
62	Wilcox	17	17	0%	0.13%
63	Coosa	16	24	-33%	0.12%
64	Choctaw	14	18	-22%	0.10%
65	Perry	14	22	-36%	0.10%
66	Sumter	14	32	-56%	0.10%
67	Bullock	12	9	33%	0.09%
68	Cleburne	5	16	-69%	0.04%
	TOTAL	12 455	14 888	00/	1000/
	TOTAL	13,455	14,777	-9%	100%

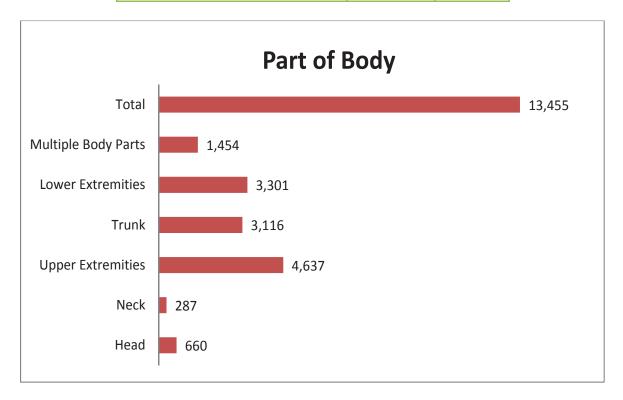
First Reports of Injury (continued)

During FY 2013, 16 fatalities were reported. Of the 16 fatalities, approximately 94% were males with an average weekly wage of \$603.24.

The average age was 50 with the average time employed being 21 years.

Of the 16 deaths, approximately 25% were employed six months or less. Three fatalities were 60 years of age or older and three were 27 years of age or younger.

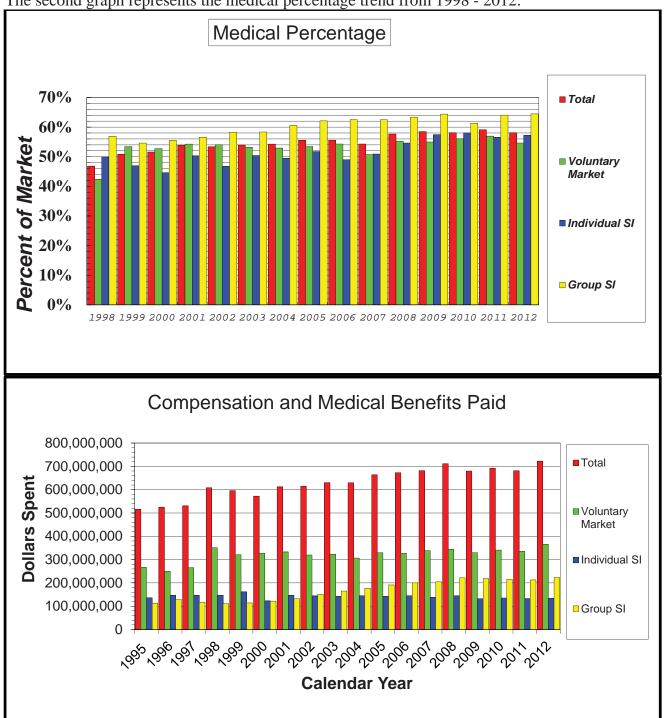
Type of Injuries					
Body Part Injured	Number	Percent			
Head	660	5%			
Neck	287	2%			
Upper Extremities	4,637	34%			
Trunk	3,116	23%			
Lower Extremities	3,301	25%			
Multiple Body Parts	1,454	11%			
Total	13,455	100%			



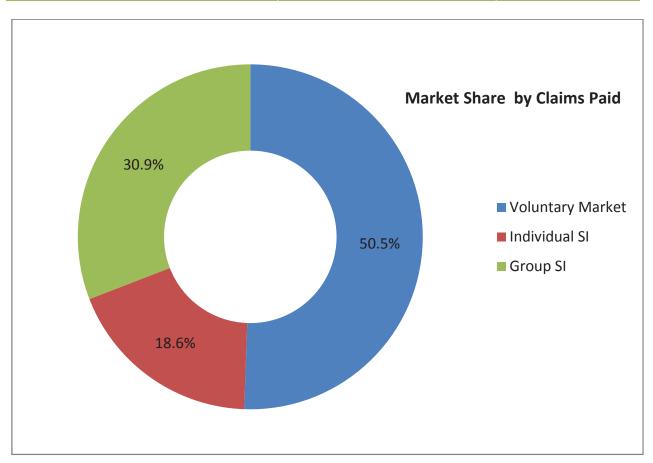
Compensation and Medical Benefits Paid

The first graph represents the total dollar amounts actually paid for Workers' Compensation claims for calendar years 1995-2012, according to the Workers' Compensation Annual Assessment Report for Insurance Companies & Self-Insured Employers. These amounts were paid in the calendar year as specified below, regardless of date of original injury, and the totals represent both compensation and medical benefits paid.



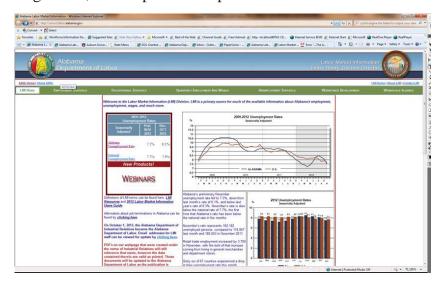


Total Compensation by Market For 2013					
Compensation % Medical					
Voluntary Market	\$365,462,529	55%			
Individual Self-Insured	\$134,228,782	57%			
Group Self-Insured	\$223,165,987	64%			
Total	\$722,857,298	58%			



LABOR MARKET INFORMATION

The Labor Market Information (LMI) Division is responsible for collecting, analyzing and disseminating data essential for evaluating the condition of Alabama's economy. What is the latest unemployment rate? What wages can be expected from a certain occupation? Which industries employ the most people? What occupations are in high demand? These are just a few examples of questions answered with labor market information. The LMI website, http://labor.alabama.gov/lmi, allows public and professional users access to the LMI data.



The LMI division operates five Federal-State cooperative programs in agreement with the Bureau of Labor Statistics (BLS), a statistical branch of the United States Department of Labor. These core programs include:

- Current Employment Statistics (CES)
- Local Area Unemployment Statistics (LAUS)
- Occupational Employment Statistics (OES)
- Quarterly Census of Employment and Wages (QCEW)

The CES program is a monthly count of jobs, earnings and work hours among the state's nonfarm businesses using survey data from more than 19,000 businesses. CES publishes data on more than 70 detailed industries at the state level as well as industry detail for 11 metropolitan areas each month. These sample-based estimates are revised annually to re-anchor them back to the near universe counts of employment (QCEW).

The LAUS program calculates and publishes civilian labor force, employment, unemployment, and an unemployment rate for the state, metropolitan areas, and counties each month. The LAUS unit is responsible not only for publishing the rates, but providing insight to the rates from an historical standpoint. Michele Tatum, assistant LMI director, continues to serve as state representative for the Atlanta Region on the LAUS Policy Council.

BUREAU OF LABOR STATISTICS

U.S. DEPARTMENT OF LABOR

The MLS Program, a weekly survey of nonfarm businesses experiencing layoffs, was discontinued effective June 30, 2013.

The OES program surveys nonfarm establishments by collecting occupational employment data on workers by industry. Data collected produces estimated total employment by occupation for the state and selected areas. Two survey panels were conducted in 2013; November 2012 – June 2013 (80.14% response) and May – December 2013 (75.96% response).

The QCEW program collects quarterly employment and wage data for workers covered by state unemployment insurance (UI) laws. This program is responsible for assigning North American Industry Classification System (NAICS) and county codes to new employers and surveying established employers to ensure accuracy. The QCEW provides the number of establishments, monthly employment, and quarterly wages by NAICS industry groups for the state and counties. In 2013, numerous requests involving both current and historical data were fulfilled using system reports and staff-created progress queries. Deborah Conner, unit supervisor, serves as a state representative on the BLS State Systems Redesign Team and will be instrumental in the development of an enhanced PC based system to be used by all states.

In addition to the five cooperative BLS programs, the LMI Division also maintains the responsibility as the official statistical data collection and analysis manager for the Workforce Information System. This responsibility includes analyzing workforce trends, providing data updates to the Workforce Information Database, and publishing reports to deliver quality workforce information to our customers. In 2013, LMI:

- Developed and published State Short Term Occupational Projections 2012-2014.
- Produced commuting pattern reports for all counties, metropolitan areas, and workforce development regions.
- Began producing monthly Help Wanted Online Reports for State, Metropolitan Areas, and Workforce Development Regions.
- Updated the Career Exploration Guide and the Licensed Occupations Guide.
- Continued quarterly updates to Alabama Business Employment Dynamics (BED) data reports.
- Provided users with additional LMI training via webinar.
- From September–December, Alabama Skills Survey data was collected in the Manufacturing, Construction, and Utilities sectors.
- Published Alabama Underemployment and Alabama Underemployment Forecast Reports.
- Produced and published Accelerate Alabama Reports on the website.
- Visited five Career Centers across the state to provide them with labor market information tools and resources.

- Participated in approximately 10 career fairs, including the Worlds of Opportunity Fair in Mobile, which hosted more than 10,000 8th graders.
- Presented Labor Market Information to the following groups:
 - o The Governor's Taskforce on College and Career Readiness (inaugural meeting)
 - o Resource Meeting for the newly required high school course entitled Career and Financial Preparedness
 - o Opelika Society for Human Resource Managers (SHRM) Chapter Meeting
 - o Alabama Association of Regional Councils (AARC) annual conference
 - o Workforce Development Regional Board Meetings.

As part of ADOL's mission to foster and promote the welfare of job seekers and provide benefits to those who have lost jobs due to no fault of their own, the Reports Unit of LMI compiles ongoing data on unemployment activity levels across the state. In FY 2013, unemployment activities continued to recover from the recession of the previous years. New initial claims dropped 7 percent from the previous fiscal year.

The Reports Unit continues to track and submit data on claims and payment levels for the various unemployment compensation programs along with providing special requests to government and private agencies. The unit also compiles narratives and publishes the monthly Statistical Bulletin on the internet which reveals claimant totals and trends of the State UI and federal/ex-military unemployment programs.

The following programs were supported in FY2013:

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

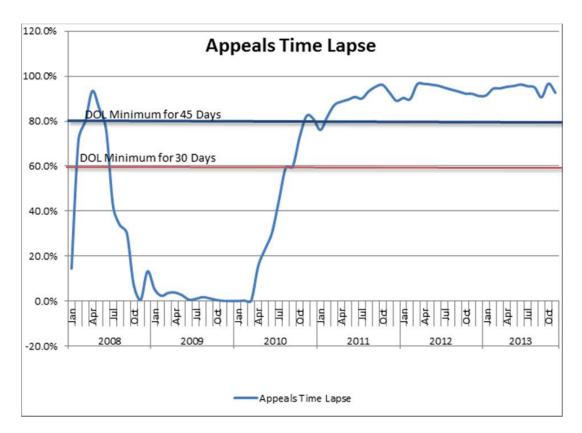
In addition, the Trade Act Participant Report (TAPR) was submitted and data obtained in conjunction with other federal and state agencies. This federally-mandated quarterly report tracks participant characteristics and outcomes from training, etc. and reemployment success of the Trade Act Program.

This section also conducted economic research to provide estimates for unemployment compensation legislation, including the analysis of the benefit costs, tax revenues, and trust fund adequacy.

HEARINGS AND APPEALS

The Hearings and Appeals Division processes appeals and schedules and conducts quasi-judicial hearings for the Alabama Department of Labor. Although the majority of cases appealed involve contested determinations on unemployment compensation claims, the division also decides cases related to departmental personnel matters and other due-process hearings relative to the operations of the Department. Currently, the division is staffed with 17 administrative hearing officers and 31 other administrative support employees. Hearings are scheduled five days a week. Unless special accommodations are requested or required, the hearings are conducted via teleconference. Appeal hearings regarding unemployment compensation claims are processed and hearings are conducted in accordance with prescribed federal and state laws, statues, guidelines and formal administrative hearing procedures to meet the acceptable performance levels established by the U.S. Department of Labor.

The division had finalized 16,006 appeal cases on contested determinations for unemployment compensation claims for calendar year 2013 by the end of November. For the past three years, the division has continually placed in the top 10 among the States in exceeding the minimum time lapse requirements for finalizing lower authority appeal cases in 30 days or less from the date the appeal is filed. The U.S. Department of Labor's 2012 annual review of the lower authority appeal cases finalized during calendar year 2011 netted the division a 93 percent rating for sampled cases meeting the minimum quality score of 85 percent or higher.



HUMAN RESOURCES DIVISION

The Human Resources (HR) Division provides administrative support to all Division Directors, sections, units and individuals employed by the Alabama Department of Labor. Administrative duties include processing and monitoring all newly hired employees, transfers, and separations, along with disciplinary procedures, Family and Medical Leave Act enforcement, donated leave program, military leave actions, leave management, performance appraisal process, policy development, and other HR related matters. HR serves as the liaison with the State Personnel Department for information, updates, changes, and information that is to be disseminated throughout ADOL. HR is responsible for ensuring that all federal and state laws are followed.

Training activity is a very important and active section within HR. The coordination and approval for all training activity is handled through HR. HR provides training to ADOL employees on various subject matters. HR is responsible for overseeing and managing the use of the main training room and training equipment in the central office building. The focus of the training section is to continuously encourage more ADOL employees to attend training courses offered by the State Personnel Department and other approved private vendors. The overall goal of HR is to assist employees, the public, applicants, and callers by providing needed information while fostering a professional image. Training records are maintained on each ADOL employee for all classes taken when properly approved.

This year, Active Shooter training was conducted for all employees in the Central Office, and was recorded and distributed to all other employees across the state. This training was conducted in cooperation with the Alabama Department of Homeland Security.



DHS's Arnaldo Mercado conducts Active Shooter Training for ADOL employees

The Office of Equal Employment Opportunity and Compliance

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

The Equal Employment Opportunity and Grievance Unit is responsible for ensuring that the Alabama Department of Labor complies with federal equal opportunity and nondiscrimination laws and regulations. The unit conducts compliance reviews of departmental programs, activities, and services, and provides technical assistance as needed. They receive,



investigate, and/or mediate complaints and grievances filed by departmental employees or customers served by the Department and make recommendations for corrective action when appropriate. During the 2013

calendar year, numerous grievances or complaints were made by ADOL employees. Most complaints were mediated or settled by the EEO Section resulting in only five grievances actually being filed; all five have been resolved. Employees in the EEO section counsel employees on various confidential subjects including: problems encountered in the workplace with supervisors, co-workers, discrimination based on race, sex, harassment complaints, fairness in promotions, etc.

It is the intent of the Alabama Department of Labor to assure compliance with Title VII of the Civil Rights Act of 1964, as amended, and related codes, statutes, and regulations. It is also the intent that applicants and employees are treated equally during employment without regard to their race, religion, sex, color, national origin, age, or disability in accordance with all federal and state laws. Action covered by this statement shall include employment, promotions, demotions, transfers, recruitment, training, setting rates of pay, and other terms of employment.

Other duties performed by EEO include:

- Conduct local office compliance reviews of departmental programs, services, and activities throughout the state and provide technical assistance as needed.
- Review and provide assistance as needed to proposed job interview questions.
- Revise and update appropriate ADOL memoranda, and provide distribution to all local offices.
- Provide mandatory poster updates on the subject of FMLA, ADA, and ADOL posters as required by the federal government.

FINANCE

The Finance Division works with the entire department to ensure that all funds are used in accordance with applicable laws and regulations, and to maximize the efficient use of resources in providing needed services to the public. The department's continuing record of favorable audit reports confirms ADOL's responsible performance as a custodian of the taxpayers' dollars.

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

GOVERNMENTAL AFFAIRS

The Governmental Affairs Division is responsible for serving as the governmental and legislative liaison for the Department and other entities of local, state, and federal government, and business and labor groups. The division is also responsible for drafting departmental legislation. The Governmental Affairs Division works closely with the legislature to pass legislation beneficial to the Department and to the people of Alabama.

During 2013, the Governmental Affairs Division prepared and passed House Bill 90. This bill made the special assessment that is deposited into the Employment Security Enhancement Fund permanent. The fund provides career oriented services to all taxpayers including: services provided at statewide Career Centers, the Alabama JobLink database, and special assistance to all job seekers.

The Governmental Affairs Division also prepared and passed federal conformity legislation required by the U.S. Department of Labor regarding unemployment compensation overpayments. This bill clarified when an employer's account should be charged due to an overpayment created by a lack of timely response from the employer.

Furthermore, the Governmental Affairs Division helped pass the removal of a \$2 annual fee when filing union certification forms.

The Governmental Affairs Division also acts as a liaison for the Board of Appeals. The Board of Appeals is a statutorily created board that reviews and conducts unemployment compensation case hearings at the highest administrative level. The Board holds hearings at seven cities around the state on a rotating basis. The hearings are held in: Birmingham, Decatur, Dothan, Gadsden, Mobile, Montgomery, and Tuscaloosa. In 2013, the Board reviewed 4,076 appeals and held 1,217 in-person hearings.

LEGAL

The Legal Division serves as legal counsel for the Department. In that regard, the division renders legal opinions and interpretations of the laws pertaining to the Department, and represents the Department in all court matters.

The General Counsel and Assistant General Counsels have represented the Department before all Circuit Courts throughout the state, the Alabama Court of Civil Appeals, the Alabama Supreme Court, the United States Bankruptcy Courts, the United States District Courts, and the United States Supreme Court. These cases involve the following:

- Unemployment compensation benefit appeals
- Unemployment compensation overpayment cases
- Unemployment tax cases
- Workers' compensation compliance cases
- Objections to subpoenas for confidential records
- Child support withholding cases
- Surface Mining violation cases
- Board of Adjustment matters
- Bankruptcy matters

In addition, our division represents the Department in all employment related litigation, including, but not limited to, pre-termination/pre-suspension hearings and State Personnel Board matters.

During 2013, one case was tried in Federal District Court. Counsel for the Department made more than 450 court appearances during the past year, and has collected a total of \$213,086.77 from overpaid claimants through November. It is estimated that during the month of December, an additional \$10,000+ could be added to the overpayment collection figure.

INSPECTIONS DIVISION MINING AND RECLAMATION

The Mining and Reclamation Division is responsible for administering programs in:

- Abandoned Mine Land Reclamation
- Mine Safety and Inspection
- Surface Mining of Non-Fuel Minerals

Abandoned Mine Land Reclamation

The mission of the Abandoned Mine Land (AML) 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 28 cents per ton for surface-mined coal and 12 cents per ton for underground-mined coal, 50% of which is granted back to Alabama. High priority projects are those that remove extreme dangers and safety hazards to the public, but also correct a multitude of significant adverse environmental impacts throughout the 21 coal producing counties in northern Alabama. The program also impacts positively on local economies as reclamation dollars are expended on earthmoving, construction materials, revegetation supplies, and fund contractors utilizing local manpower to carry out the work.

During FY 2013:

- Eight abandoned mine land reclamation projects were completed with four others under contract and/or under construction.
- 14 different public hazards were eliminated.
- Four dangerous highwalls totaling 6,750 linear feet were reclaimed.
- 103 acres of abandoned mine spoil and coal refuse material were stabilized and returned to productive use.
- One hazardous vertical opening (airshaft) was permanently sealed.
- Engineering and design was completed on 10 upcoming AML reclamation projects, and five projects are still under design for a total of 15 projects.
- Maintenance was performed on 15 reclaimed AML project sites.
- 79 acres on four previously reclaimed sites were planted in trees under Alabama's AML reforestation program. In the past 36 years, ADOL has planted over seven million trees on its reclaimed sites.





Wildcat Hollow, Arkadelphia, AL. Before and after reclamation.

Also during FY 2013, the Alabama AML Program completed its 191st Emergency Project in Winston County. The emergency provisions in Alabama's AML Program allow ADOL to respond to sudden, life-threatening abandoned mine related problems within 24 hours. Emergency Projects completed include:

- One area of surface burning material in Labuco, Ala. totaling 7.4 acres, was extinguished, stabilized and successfully revegetated.
- Two incidents of mine subsidence located in urban areas were successfully corrected.

One project located in Cullman County eliminated a dangerous highwall and dangerous embankment alongside a well-traveled county road, and reclaimed 23 acres of mine spoil. It included purchasing 10,000 linear feet of 6" waterline main to replace damaged waterline traversing the abandoned mine area which serviced hundreds of residents, associated businesses, farms, and churches in the Arkadelphia community.

Due to the potential for two proposed AML reclamation projects impacting threatened or endangered (T/E) fish and wildlife species in the Turkey Creek and Locust Fork Watersheds, the U. S. Fish and Wildlife Service required T/E studies be conducted for each prior to project approval. Both studies were conducted and concluded that there would either be no adverse impacts to any federally listed T/E species located in the watersheds, or the projects as designed would not cause adverse impacts on any T/E species or their associated habitats.

For the past 21 years, states and tribes have been annually recognized for the nation's highest achievement in abandoned mine land reclamation. The National Association of Abandoned Mine Land Programs (NAAMLP) Reclamation Awards publicly recognize outstanding AML reclamation and publicize exemplary reclamation techniques. All 31 states and tribes with approved AML Reclamation Programs are eligible to nominate worthy projects, which are then voted on and selected by the Association and the U.S. Office of Surface Mining.



Mulga Gob Fire before

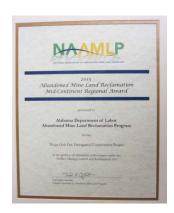


Mulga Gob Fire involved



Mulga Gob Fire after reclamation

This year, the Alabama AML Reclamation Program nominated its Mulga Gob Fire Project, which successfully extinguished an extremely hazardous surface coal refuse fire covering 32 acres of burning material (involving 52 total reclaimed acres). The abandoned refuse/gob pile initially contained approximately 2.9 million cubic yards of coal refuse which was 80 to 100 feet deep in places. The Department's AML Program, through a Cooperative Agreement with the Walker County Soil and Water Conservation District's reclamation office, performed this reclamation work at a cost of \$2.731 million. The work began as an AML Emergency on Jan. 2,



2007, and was completed 39 months later on March 22, 2010. The AML Program has closely monitored the site for three years and in the spring of 2013, planted trees on adjacent disposal and borrow areas utilized during the reclamation.

The Mulga AML Gob Fire Project was presented the Outstanding Reclamation Achievement Award for the Mid Continent Region at the NAAMLP's Annual Conference held in Daniels, W. Va., Sept. 22-25, 2013.

Alabama attended the NAAMLP Winter Business Meeting in Annapolis, Md. on March 11-14, 2013, and the Annual Conference in Daniels, W. Va. on Sept. 22-26, 2013. The Association consists of 28 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, pursuant to Title IV of Public Law 95-87, the "Surface Mining Control and Reclamation Act of 1977" (SMCRA).

August 3, 2013, marked the 39th anniversary of the enactment of the *Surface Mining Control and Reclamation Act*. When Congress passed SMCRA, it presented a challenge – strike a balance between our country's need for the energy produced by coal and the protection of our environment. Through vital partnerships between the Office of Surface Mining, state governments, tribal governments, the coal mining industry, and environmental communities, the daunting goal of SMCRA is being achieved. Alabama has had primacy for its coal regulatory and abandoned mine land programs since 1982.

Mine Safety and Inspection

The Mine Safety and Inspection Program inspects all mines (more than 600 mines statewide) to ensure compliance with state laws which protect the safety of persons working in the mining industry. This section also coordinates rescue efforts in the event of a mine disaster and investigates mine accidents.

During FY 2013, 3,988 miners were employed in the coal industry, producing 18.6 million tons of coal. An additional 2,000 miners were employed in open pits and quarries producing approximately 40 million tons of non-fuel minerals. A total of 409 underground and surface inspections were completed at coal mines statewide. During this fiscal year, there were two mining fatalities.

A continuing program provided education and training for mine foremen and underground blasting certification. Two underground certification examinations were administered, resulting in the issuance of 107 underground mine foreman certificates and 11 fireboss certificates. Also, 40 surface foreman certifications and 30 hoist certificates were issued. Mine rescue training continued to be provided by Bevill State Community College under contract with the Department.

The two State mine rescue teams continued to train and prepare for mine rescue and recovery in extreme and potentially lethal environments. Their efforts, along with those of the entire Mine Safety staff, help to provide safe working conditions for all miners.

The division was negatively impacted during the year due to General Fund proration and the FY 2013 and 2014 funding cuts that took effect. Safety staffing was reduced to six employees.

Surface Mining of Non-Fuel Minerals

Non-fuel minerals are mined in all 67 Alabama counties and contribute greatly to the state's economy. Examples of non-fuel minerals mined in Alabama are: sand, gravel, granite, clay, bauxite, and shale. This section makes certain that lands mined for those minerals are reclaimed in accordance with the *Alabama Surface Mining Act of 1969*. In addition, this section issues mining permits, ensures that mine sites are properly bonded for reclamation purposes, makes periodic inspections, and releases bonds once sites have been satisfactorily reclaimed.

In FY 2013, 301 permits (21 new permits, 280 renewals) were issued to operators for the surface mining of non-fuel minerals - a 40% reduction in permit renewals from last year. Meanwhile, efforts continued to bring all unpermitted surface mining operations into compliance.

One inspector stationed in the Montgomery Central Office and one inspector stationed in the Foley Career Center made 194 site inspections. Of that total, 42 inspections were made to verify locations of new permit areas, 60 inspections were made of active operations, 60 inspections were made of unpermitted sites, 20 inspections were made to investigate citizen complaints, and 12 inspections were made of operations with expired permits. During FY 2013,

30 bonds were released for satisfactory reclamation, and four bonds were forfeited for failure to reclaim. A total of 458 acres were reclaimed – a 70% reduction from last year.

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 78 sites were abandoned and left unreclaimed at year's end, with insufficient funds to complete any meaningful reclamation. Mining continues at approximately 150 permitted sites, with 280 sites being idle, abandoned, or in the process of being reclaimed.

A large decrease in mining of aggregates (limestone, marble, sand, gravel, and crushed stone) was experienced in FY 2013. Road contractors have reacted to new hardness specifications for paving materials by opening new granite and sandstone quarries. As residential areas encroach on the sources of those minerals, increased citizen complaints will need to be addressed.

INSPECTIONS DIVISION BOILERS AND ELEVATORS

When the Alabama Legislature charged the State Labor Department with administering new state elevator and boiler safety inspection codes, it also created two professional advisory boards to enact rules and regulations and provide program oversight. Members are appointed for staggered terms.

BOARD OF BOILERS AND PRESSURE VESSELS

- ➤ Dr. David F. Dyer, Chairman (Auburn University, former Mechanical Engineering Department Chairman) (public/engineering schools)
- ➤ G. Thomas Surtees (Commissioner, Alabama Dept. of Labor) (government)
- ➤ Jerry Rhodes, Vice Chairman, Southside (Westinghouse/Anniston) (owners and users of pressure vessels)
- ➤ Joe Pledger, Satsuma (IBEW international representative) (*owners and users*, *power boilers*)
- Gene Canaan, Prattville (International Paper) (owners and users of heating boilers)
- R. Barry Latham, Tuscaloosa (McAbee Construction) (boilers and pressure vessels manufacturers)
- > Steve Speed, Jasper (Boilermakers, international representative) (labor)
- ➤ Jeffery Lambert, Montgomery appointed June 24, 2010 to fill the vacant seat of Ed Sullivan (Mechanical Contractors) (heating contractors)
- > Jerry W. Godwin, Atmore (Travelers Insurance Co.) (insurance companies)

ELEVATOR SAFETY REVIEW BOARD

- Arthur Steber, Chairman (Elevator Maintenance & Repair Co.), Prattville (*elevator manufacturers*)
- ➤ G. Thomas Surtees (Commissioner, Alabama Dept. of Labor) (government)
- ➤ Jeff McNorton, Birmingham appointed to replace the vacant seat of Ray Meadows (deceased), Millbrook (*elevator service and repair companies*)
- ➤ Jay Jenkins, Jenkins, and Monroe, Anniston (architects)
- ➤ Betty Swan (Building Owners & Managers Assn.), Birmingham (public)
- ➤ James H. Wyatt, Planning and Engineering, City of Birmingham (*municipalities*)
- ➤ Linda Burkette (*Public*)
- > Jerry W. Bragwell (retired), Russellville (physically disabled community)
- ➤ D. Stanley Borden, Montgomery (professional licensed engineers)
- Ricky J. Guthrie, Business Agent, IUEC Local 24, Birmingham, (labor)

Program History Boilers and Pressure Vessels

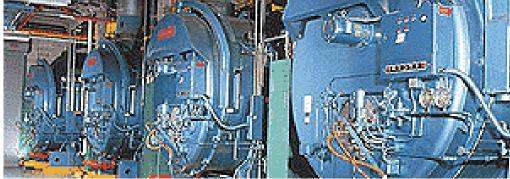
When the boiler and pressure vessel safety inspection program was established by the State Legislature in 2000, Alabama became the 49th state in the nation to begin conducting boiler and pressure vessel safety inspections. The Alabama Department of Labor estimates Alabama has about 15,900 boilers and pressure vessels. During FY 12-13, a total of 8,842 inspections were performed by state and insurance inspectors. 5,761 violations were found, and 2,227 were corrected. There were 772 new boiler permits received during the reporting period.

From the 1840s through the 1920s, about 50,000 people a year were killed in boiler explosions and thousands more injured giving rise to boiler safety inspection programs. Modern day pre-emptive safety checks by state governments and insurance companies have reduced boiler explosions fatalities nationwide.

Most common Alabama boiler violations:

- Safety valve removed or not working
- Low water safety device missing or not working
- Stack missing or damaged (carbon monoxide danger)
- Unqualified welded repairs

Boilers and pressure vessels with serious violations, such as safety circuit overridden or not working, are shut down immediately. Minor violations require a 30-day completion schedule.



Alabama has an estimated 44,000 boilers and pressure vessels.

Program History Elevators and Escalators

When the Legislature adopted an elevator safety inspection code in 2003, Alabama became the 44th state to institute a safety inspection program for passenger lift devices. The program became fully functional in June of 2004. Before passage of a statewide bill, only Birmingham inspected elevators.

Elevator accidents are much more frequent than boiler malfunctions. Across the country about 30 people lose their lives each year in elevator accidents and another 17,000 are injured. The incident rate is probably not that surprising given the fact that more people use elevators each day than all other forms of transportation put together including planes, trains, and automobiles. In Alabama, one elevator fatality was recorded in 2013.

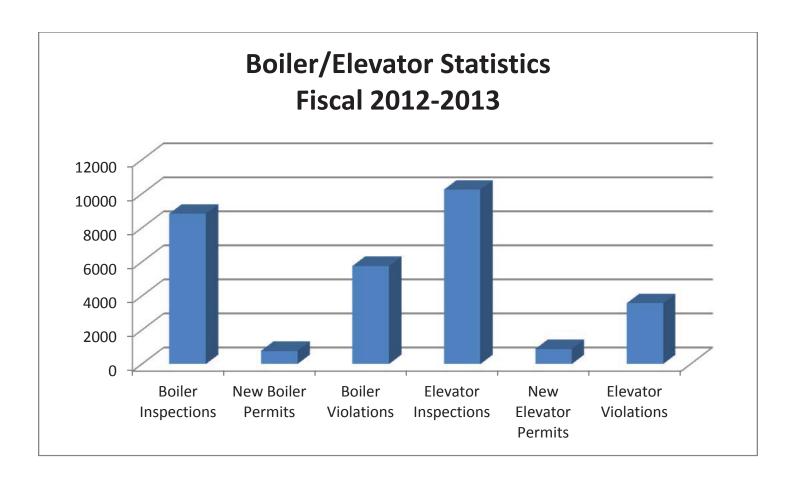
Escalators also cause injuries, especially for children. According to the U.S. Consumer Product Safety Commission, escalator accidents result in more than 10,000 reported injuries a year.

The Alabama Department of Labor estimates Alabama has about 11,000 elevators and related conveyances. During FY 12-13, state and private inspectors conducted 10,244 safety checks on elevators and escalators in Alabama. In the process, 3,570 violations were uncovered and 4,098 were corrected. New code violations are found each day. There were 889 new elevator permits received during the reporting period.

Most common Alabama elevator violations:

- Annual and five-year safety checks past due, some by more than several years
- Missing or inoperative/disabled door restrictors
- No communication device in elevator
- Alarm bell not working
- Door safety circuits jumped out (runs with doors open)

A combination of these and other violations could require an immediate shutdown. Owners are required to fix most violations within 30 days.



INFORMATION SYSTEMS

ADOL's Information Systems Division must support the Department in all aspects. This support ranges from the routine, day-to-day functions of maintaining PCs and printers all across the state to implementing new, cutting-edge projects. In 2013, as in years past, many of these projects were federally and state mandated.

Among the state mandates was the Career Center conversion project. In order to maintain an appropriate level of security, both in our Career Centers and in the Central Office, the division had to ensure all devices attached to the state network were compliant with state guidelines. To accomplish this, hundreds of PCs and other devices were upgraded or replaced across the state.

The division also felt the effects of the federal government shutdown. Programming that expedites processing of claims filed by federal employees furloughed during the shutdown was developed and implemented.

Another federal government mandate was the sequestration project, which was implemented in May and continued into the 2013 fiscal year. In order to offset budget cuts, all federally funded unemployment payments were reduced by 12.8%.

ALABAMA CAREER CENTER SYSTEM

Alabaster Career Center 109 Plaza Circle Alabaster, Alabama 35007 Phone: (205) 663-2542

Albertville Career Center 5920 U.S. Hwy. 431 North Albertville, Alabama 35950 Phone: (256) 878-3031

Alex City Career Center Central AL Community College 1375 Jr. College Drive Alexander City, Alabama 35010 Phone: (256) 215-4494

Andalusia Career Center L B Wallace Community College 1000 Dannelly Boulevard Andalusia, Alabama 36420 Phone: (334) 881-2304

Anniston Career Center Gadsden State Community College 1731 Coleman Road Anniston, Alabama 36207 Phone: (256) 832-0147

Bay Minette Career Center 201 Faulkner Drive Bay Minette, Alabama 36507 Phone: (251) 937-4161

Birmingham Career Center 3440 3rd Avenue South Birmingham, Alabama 35222 Phone: (205) 254-1300

Birmingham/Jeff State Community College Career Center 2601 Carson Road Birmingham, Alabama 35215 Phone: (205) 856-8538

Blountsville Career Center 68644 Main Street, Suite 5 Blountsville, Alabama 35031 Phone: (205) 429-4311 Brewton Career Center 1023 Douglas Avenue, Suite 314 Brewton, Alabama 36426 Phone: (251) 867-4376

Camden Career Center Camden City Hall 223-A Claiborne Street Camden, Alabama 36726 Phone: (334) 682-4603

Decatur Career Center 1819 Bassett Avenue, SE Decatur, Alabama 35601 Phone: (256) 355-0142

Demopolis Career Center 1074 Bailey Drive Demopolis, Alabama 36732 Phone: (334) 289-0202

Dothan Career Center 787 Ross Clark Circle Dothan, Alabama 36303 Phone: (334) 792-2121

Enterprise Career Center 2021 Boll Weevil Circle Enterprise, Alabama 36330 Phone: (334) 347-0044

Eufaula Career Center 511 State Docks Road Eufaula, Alabama 36027 Phone: (334) 687-3551

Fayette Career Center Bevill State Community College 2631 Temple Avenue North Tom Bevill Center Room B-37 Fayette, Alabama 35555 Phone: (205) 932-3221

Foley Career Center 200 West Michigan Avenue Foley, Alabama 36535 Phone: (251) 943-1575

Fort Payne Career Center 2100 Jordan Road, SW Fort Payne, Alabama 35968 Phone: (256) 845-2900 Gadsden Career Center 216 N 5th Street Gadsden, Alabama 35901 Phone: (256) 546-4667

Greenville Career Center 117 W. Commerce Street Greenville, Alabama 36037 Phone: (334) 382-3128

Haleyville Career Center 2010 9th Avenue North Haleyville, Alabama 35565 Phone: (205) 486-4154

Hamilton Career Center Bevill State Community College 1481 Military Street South Hamilton, Alabama 35570 Phone: (205) 921-7657

Hanceville Career Center Wallace State Community College Ctr Economic Workforce Development 801 Main Street NW Hanceville, Alabama 35077 Phone: (256) 352-5538

Huntsville Career Center 2535 Sparkman Drive NW Huntsville, Alabama 35810 Phone: (256) 851-0537

Jackson Career Center 3090 Highway 43 Jackson, Alabama 36545 Phone: (251) 246-2453

Jasper Career Center 2604 Viking Drive Jasper, Alabama 35501 Phone: (205) 221-2576

Luverne Career Center 886 Glenwood Road Luverne, Alabama 36049 Phone: (334) 335-2300 Mobile Career Center 515 Springhill Plaza Court Mobile, Alabama 36608 Phone: (251) 461-4146

Monroeville Career Center 33 Outlet Drive Monroeville, Alabama 36460

Phone: (251) 575-3894

Montgomery Career Center 1060 East South Blvd. Montgomery, Alabama 36116 Phone: (334) 286-1746

Opelika Career Center 2300 Frederick Road Opelika, Alabama 36801 Phone: (334) 749-5065

Pell City Career Center 311 Miles Parkway Pell City, Alabama 35125 Phone: (205) 338-5440

Phenix City Career Center Chattahoochee Valley Community College Brassell Hall, C Building, Room 132 2602 College Drive Phenix City, Alabama 36869 Phone: (334) 214-4828

Phil Campbell Career Center Northwest Shoals Community College 2080 College Rd Phil Campbell, Alabama 35581 Phone: (256) 331-6285

Rainsville Career Center Northeast Alabama Community College 138 Alabama Highway 35 Rainsville, Alabama 35986 Phone: (256) 638-2239

Roanoke Career Center 3928 Hwy. 431 Roanoke, Alabama 36274 Phone: (334) 863-8114

Scottsboro Career Center 23123 John T. Reid Parkway Scottsboro, Alabama 35769 Phone: (256) 574-1720

Selma Career Center 1112 Water Avenue Selma, Alabama 36703 Phone: (334) 872-0471 Sheffield Career Center 500 S. Montgomery Avenue, Suite 102 Sheffield, Alabama 35660 Phone: (256) 383-5610

Talladega Career Center Central Alabama Community College 1005 South Street East Talladega, Alabama 35160 Phone: (256) 480-2109

Troy Career Center 1023 South Brundidge Street Troy, Alabama 36081 Phone: (334) 566-3920

Tuscaloosa Career Center 202 Skyland Drive Tuscaloosa, Alabama 35405 Phone: (205) 758-7591

Valley Career Center Southern Union Community College 321 Fob James Drive Valley, Alabama 36854 Phone: (334) 756-0024

Vernon Career Center Vernon Career Tech School 43880 Hwy 17 S Vernon, Alabama 35592 Phone: (205) 695-8224