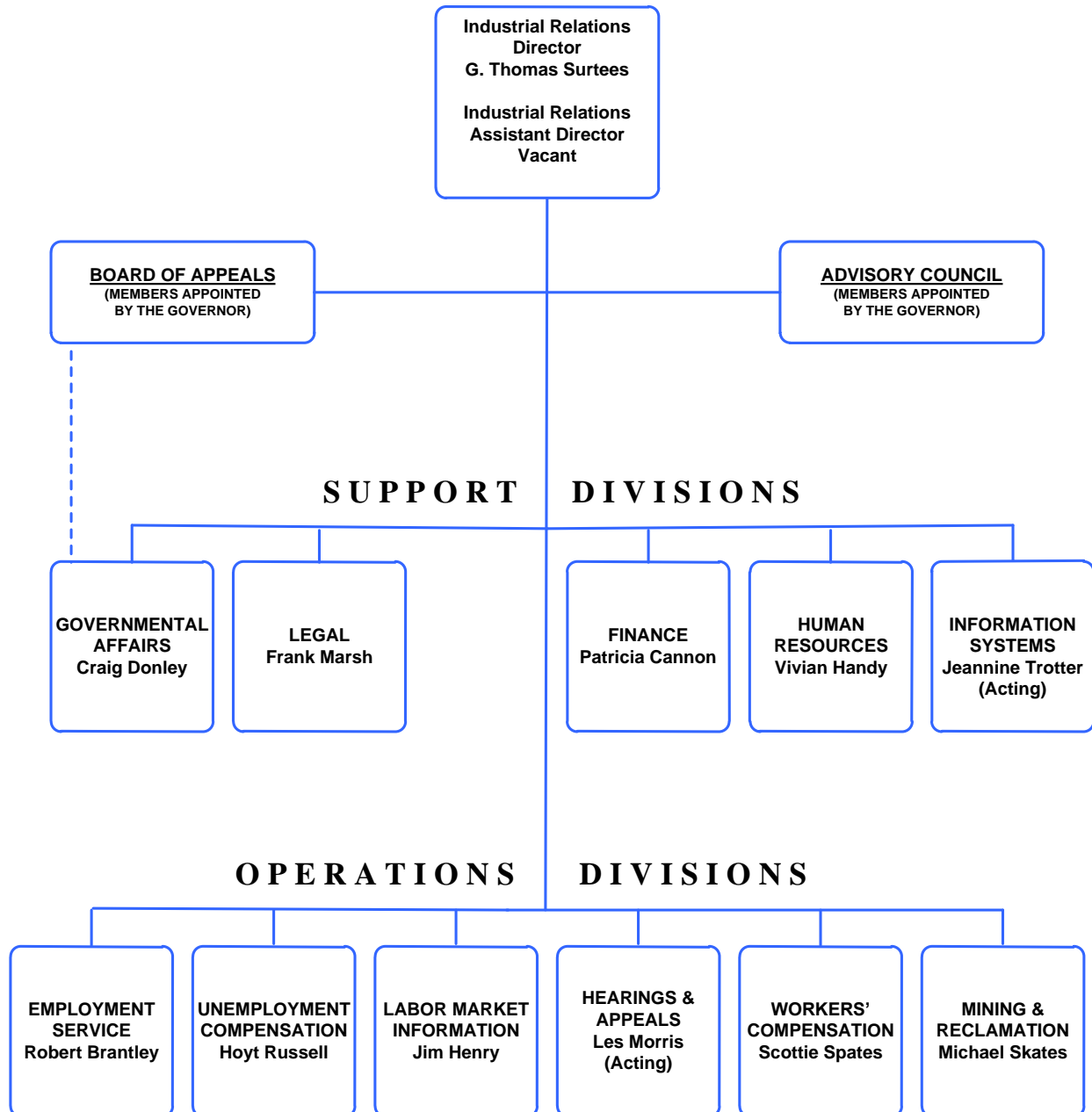


2009 Annual Report



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

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



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



Dear Governor Riley,

This year has been full of changes for the Department of Industrial Relations. We have experienced record high unemployment numbers and have paid over one billion dollars in Unemployment Compensation benefits. After many years of record low unemployment rates, Alabama finally surpassed the nation's unemployment rate in January of 2009. Our average annual rate was 10.1%, compared to the national annual average of 9.3%.

Due to the rise in unemployment, our Career Centers have been more active than ever. Over half a million individuals sought job seeking assistance through the Alabama Career Center System in 2009. Almost two-thirds of this number were Unemployment Insurance claimants. The trained staff in our Career Centers provide job seeking assistance to the unemployed or underemployed. They can assist in filling out and distributing job applications, help individuals receive specialized job training, or assist in obtaining educational assistance. The Alabama Career Center System expanded its services by opening new offices in Rainsville, Valley, and Phenix City.

Alabama's online jobs database, Alabama JobLink (www.joblink.alabama.gov), attracted 120,000,000 hits in 2009. An average of 5,000 jobs were available to Alabama's jobseekers during the year.

Our Department administered a weekly Unemployment Compensation benefit increase in July. This increase brought the maximum benefits amount up to \$265 a week. We also administered a federally funded additional compensation program that provides for an additional \$25 a week to all claimants.

Three additional tiers of federally funded unemployment compensation benefits were passed over the year, bringing the total number of weeks eligible for compensation to 99.

During this current climate of economic instability, we at the Department of Industrial Relations will continue to monitor the economy and remain committed to providing the citizens of Alabama with prompt and professional service.

I present the 2009 Alabama Department of Industrial Relations Annual Report, which reflects a high level of commitment to positive, proactive, and ongoing efforts to adapt to ever changing times and to position Alabama for the future.

Sincerely,

A handwritten signature in black ink that reads "G. Thomas Surtees". The signature is written in a cursive style with a large initial "G" and "S".

G. Thomas Surtees, Director



Robert Brantley, Division Director

EMPLOYMENT SERVICE

Alabama's Public Labor Exchange served record numbers of job seekers in 2009, with some 380,000 new job seeker registrations flooding Career Centers as recession gripped the nation's economy. Unemployment climbed sharply during the year reaching 10.2 % in November as slowing economic growth blunted job creation, and layoffs trimmed employment rolls by almost 200,000. Nationally, unemployment trended similarly, reaching 10.0% in November.

Over half a million (504,000) individuals sought job seeking assistance through the Alabama Career Center System in 2009. Almost two-thirds (62.0%) seeking help were Unemployment Insurance claimants. Driving Alabama's labor exchange is Alabama JobLink (AJL), an Internet-based, customer-driven workforce service delivery system, featuring self-service options for job seekers and employers. AJL continued to expand service in 2009, attracting 120,000,000 hits to the web-site resulting in almost 2,600,000 automatic e-mail job match notifications to job seekers, and 230,000 automatic notifications to employers of job matches.

For job seekers, AJL offers around-the-clock access for registration, employment services, the opportunity to create a resume online, receipt of automatic e-mail notification when skills match employer openings, and, in some instances, direct employer contact. For employers, AJL is available 24/7 to post and manage their own job openings, search for qualified workers, and receive automatic e-mail notification when job requirements match job seeker skills.

"I enjoy working within the Alabama JobLinks website. Very user-friendly and lots of information."

"This program really made it easy for me to try to find a job that's just right for me!"

Success of this paradigm shift in service delivery is borne out in the numbers of job seekers and employers served by the system with over 232,000,000 new job seeker accounts and 3,300 new employer accounts established this year. Automation and stream-lining of the delivery of labor exchange services continues to position the Career Center System as the “Gateway” to Alabama’s job and labor markets.

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

Staff-assisted employment services along with many other workforce services are available through the Alabama Career Center System with forty-three (43) points of service strategically located throughout the state. Resource rooms with internet capability are available in all Career Centers for either self or staff-assisted service.

For the most recently completed year, almost 134,000 unemployed job seekers entered employment after receiving employment services representing almost more than half (57.3%) of the unemployed job seekers exiting the labor exchange system during this period. An overwhelming majority (79.6%) were found to still be employed six (6) months after exiting the system with a job. Average earnings for the six-month period were \$11,438 or \$11.00 per hour.

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

CAREER CENTER PARTNERSHIP

Employment services are delivered through the Alabama Career Center System. Workforce development partners have worked diligently to build a customer friendly system providing job seekers and employers with a full range of seamless employment and training services in collocated “One-Stop Career Centers” located throughout the state. All centers have “Resource Rooms” equipped with computers and high speed internet access for self-service and staff-assisted job seekers. These computers have resume preparation software and tutorials for a

number of job related subjects. Staff-assisted personal service continues to be available for applicants and employers needing assistance in accessing available workforce related services from partners in the Career Center System.

The American Recovery and Reinvestment Act (ARRA), passed in February 2009, to promote economic recovery also offered an opportunity to transform the workforce system. As a partner in the Career Center System, ES continues to pursue opportunities for workforce changes leading to more effective and efficient service through leveraging and sharing of resources, integration of activities, commitment to implementation of the Workforce Strategic Plan, leading to achievement of goals set by the Governor's Office of Workforce Development. ARRA stimulus funding was invested in numerous ways this year including opening of new offices located on community college campuses in Rainsville, Valley, and Phenix City to better serve job seekers in these high unemployment areas. In addition, temporary staff was hired throughout the system to help handle the unprecedented numbers of job seekers seeking assistance. Recovery Act funding has also been invested in the enhancement of capacity and capability of the AJL system, and in customer service resource rooms where installation of new equipment, including internet PCs, promises improved service delivery.

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

CLAIMANT ASSISTANCE PROGRAM

The Claimant Assistance Program is designed to reduce the duration of joblessness for Unemployment Compensation claimants. This is accomplished through quick intervention by Career Centers with UI claimants to assess their needs and offer services designed to return them to work as quickly as possible. Among these services are Employability Development Plans, Job Search Plans, Job Search Workshops, and intensified job development and placement services provided by the Employment Service.

During the most recent year, more than 80,000 claimants were helped to find jobs, thus creating a significant savings to the Unemployment Trust Fund.

EMPLOYER RELATIONS

Almost 13,000 personal contacts were made by Career Center staff with Alabama employers last year while countless other contacts were made by fax, mail, or e-mail. Employers were apprised of assistance available through the Career Center System to help them in meeting their workforce needs. In turn, employers provided valuable feedback on how they could be better served. The most recent survey conducted to determine employer satisfaction, as mandated in the Workforce Investment Act, yielded an employer satisfaction score of 91.0 percent.

DISLOCATED WORKER

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

During the past year the Rapid Response team assisted workers at 113 major closings and layoffs which affected more than 15,800 dislocated workers.

FOOD STAMP PROGRAM

During the most recent year, 30,504 registrants were referred to the Food Stamp Employment and Training Program. From the total number of Food Stamp applicants referred to the program, 16,484 were placed in job search and were provided with training in job seeking skills. 1,989 Food Stamp clients were either placed on jobs by the Employment Service or obtained employment after participating in the program.

TAX CREDITS FOR EMPLOYERS

The Work Opportunity Tax Credits (WOTC), a federally- funded program, provides incentives for businesses to hire individuals that have historically had barriers to finding and obtaining jobs. Private-sector employers can reduce their tax costs by employing individuals from WOTC designated groups. The benefits of WOTC are twofold: WOTC helps those most in need find and retain jobs and it saves private-sector employers money by reducing their tax liability.

On February 17, 2009, the President signed into law the American Recovery and Reinvestment Act (ARRA) of 2009. ARRA added two new targeted groups to the WOTC Program – Unemployed Veterans and Disconnected Youth. The two new targeted groups became effective for individuals beginning work for the employer after December 31, 2008 and before January 1, 2011. ARRA increased the number of WOTC targeted groups to 12, which resulted in more opportunities for employers and applicants to qualify for the program.

During FY2009, approximately 34,000 new applications were received by the WOTC Unit. This represents 34,000 new individuals working.

In October 2008, Alabama became one of two states nationally and the only state in the Southern region to provide electronic filing of WOTC applications. The automated system allows employers to electronically import or manually enter applications, review status of applications and download determinations. During FY2009, Alabama worked to further automate WOTC to include automating the certification process.

The amount of tax credit an employer receives is based on the particular category for which the applicant qualifies. Targeted group members can provide an employer tax credits for as much as: \$2,400 for each new adult hire; \$1,200 for each new summer youth hire; \$7,800 for each new disabled veteran; and \$9,000 over a two-year period for each new long-term family assistance recipient hired.

WOTC certifications issued during 2009 saved Alabama employers approximately \$25,599,600. Additional information on the WOTC is available at

<http://www.doleta.gov/business/incentives/opptax/> or <http://wotc.alabama.gov/>

SERVICES TO RURAL RESIDENTS

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

As a part of this service, ES coordinates the activities of the Agricultural Placement Program, Agricultural Clearance Program, and H-2A Program for non-immigrant aliens. ES is also responsible for conducting agricultural crew leader registration, overseeing the Migrant and

Seasonal Farm Worker Outreach Program as well as performing pre-occupancy housing inspections for 123 H-2A dwellings last year. These dwellings represented 42 different H-2A certifications.

Migrant and seasonal farm workers were offered all services provided to other applicants and referred to other community agencies as needed. A bilingual staff member is available for 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, his agent or attorney to ensure that labor certification applications meet regulations and guidelines mandated by federal and state laws, U.S. Department of Labor and Employment Service guidelines. During FY 2009 (October 2008 - September 2009), 66 temporary nonagricultural applications for 3,412 openings were received. Sixty-six applications for temporary agricultural foreign workers were processed for 702 openings. There were 87 housing inspections completed to determine adequate living facilities for alien workers. In addition, 951 prevailing wage determinations for certifications were issued to employers.

VETERANS

Nearly 25,000 veterans used Alabama's on-line Job Link to access job and career assistance from the Alabama Career Center System, and many registered by Internet while still serving on active duty or during their transition or demobilization at bases or posts across the country. Veterans receive priority emphasis in Alabama and U.S. Department of Labor performance reports show that over two-thirds of veterans using the Alabama Job Link in the Career Center system had entered employment into new civilian jobs or careers within 90 days of receiving services.

The U.S. Department of Veterans Affairs, Vocational Rehabilitation and Employment (VR&E) Division, and the Department's Employment Service Division are working cooperatively to team up Alabama's Local Veterans Employment Representatives (LVERs) and Disabled Veterans Outreach Program (DVOP) Specialists with VR&E's counselors to share resources and the case management of seriously disabled veterans who are participating in

vocational training for employment. The program places mutual accountability of the teams for the progress of participating veterans, from enrollment to employment. Due to the success of the Alabama project, the U.S. Department of Labor and the U.S. Department of Veterans Affairs established the project as a nationwide program. ES veterans' specialists and counselor teams are providing services in occupational rehabilitation of over 400 disabled veterans a year.

Alabama Career Center managers assign Local Veterans Employment Representatives and staff specialists to promote returning service members, veterans, and transitioning Alabama National Guard and Reservists to local employers. Employers appear as guest speakers for Transition Assistance Program (TAP) workshops held at the state's military installations. Alabama currently has TAP sites at Maxwell Air Force Base hosted by the 42nd Air Wing Family Services Program, the Redstone Arsenal (U.S. Army), hosted by the Army Career Alumni Program (ACAP), and at the U.S. Army Aviation Center at Fort Rucker, hosted by ACAP.

Recently released military personnel and returning Alabama National Guard and Reservists are provided priority emphasis in this effort, particularly those on medical hold and awaiting medical discharge. Alabama has a partnership with the US Department of Veterans Affairs, Vocational Rehabilitation and Employment Division, to ensure military personnel at Warrior Transition Units are afforded job search assistance offered by Alabama Career Centers and special services available from Disabled Veterans Outreach Program representatives in the Career Centers.

Veterans' employment representatives working from Alabama Career Centers in local communities provided 48 Transition Assistance Program (TAP) workshops at military installations in Alabama last year that provided transition services and job placement services to over 1,200 separating military service members and their spouses. Alabama Career Centers collaborate with colleges, universities and trade schools to coordinate job fairs and career expositions, including events held at military installations or National Guard armories statewide and special job fairs like the Tennessee Valley Military & Civilian Job Fair at Calhoun College featuring employers looking for veterans. These intensive efforts make an important difference and newly-separated military veterans in Alabama receiving employment services and training in the Alabama Career Center systems have an 80 percent entered employment rate. Other

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

Alabama is in partnership with the Direct Employers Association through an initiative supported by the National Association of State Workforce Agencies (NASWA). Federal contractor job and career openings are directly posted into Alabama's automated job seeker services data system. Jobs are posted 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.



This year Alabama presented a total of \$21,870 in cash awards to 15 Workforce Development professionals for commendable actions in support of Alabama's employment and training services to United States military veterans. All recipients provide services through the Alabama Career Center System. The awards are based on performance, examples of team building and motivation, program improvement and positive feedback from job seeking or business customers. Pictured are the winners with Director Tom Surtees and GOWD Deputy Director Don Fisher.



Hoyt Russell, Division Director

UNEMPLOYMENT INSURANCE

BENEFITS

- Tier 2 Emergency Unemployment Compensation extension was effective 2/15/09.
- UC Call Centers began to work on state holidays beginning with President's Day.
- FAC payments of \$25 stimulus funds began being paid on the week ending February 28, 2009 on March 10, 2009.
- DUA disaster designation for Autauga, Elmore and Montgomery Counties by the President on June 3, 2009.
- Weekly benefit amount increased to \$265 per week effective for claims filed on or after July 5, 2009.
- TRA petitions under the Trade and Globalization Adjustment Assistance Act of 2009 began to be certified with the application for Russell Brands.
- Alabama requested interest-free money to enhance the UC Trust Fund to continue to pay benefits in August.
- In August 2009, a bill to pay 100 percent federally-funded state extended unemployment benefits was passed providing up to an additional 20 weeks of benefits.

- Tier 3 Emergency Unemployment Compensation benefits were signed into law on November 6, 2009 and became available for Alabama claimants on the week ending November 14, 2009.
- Alabama triggered into a state extended benefit program effective March 29, 2009. This program, known as the High Extended Benefits Program or HEB, ended in December 2009 with the last week payable being the week ending December 26, 2009.
- Alabama paid out over one billion dollars in unemployment compensation during 2009.
- Approval was granted by the State Personnel Board for selected unemployment compensation staff to work overtime and receive overtime pay instead of compensatory time. This was needed due to the increase in workload caused by the downturn in the economy.
- A third call center was established to assist in processing the tremendous increase in unemployment claims and telephone calls generated by the Emergency Unemployment Compensation Program.

TAX

- The most significant UC tax event in 2009 was the passing of new administrative rules requiring all employers to file their state unemployment insurance (SUI) tax electronically either online or by internet voice response (IVR; phone), resulting in an increase from 75.4 percent in third quarter 2008 to 90.2 percent in third quarter 2009. The rule also required payment of taxes electronically which increased deposits from 59 percent to 99 percent. We also enhanced our bulk filing to allow employers with more than one company to use bulk filing rather than just third party filers. We also made tax rate notices available online for employers who use the internet. Thanks to our Information Systems Division and our own UC Tax staff, all the above was accomplished in-house.
- Internally, we converted our old IFO Imaging System into PaperVision, thus simplifying our record keeping. We also realigned duties in Audits and Cashiering, due to the increased efficiency from electronic filing and payments, to establish a phone interstate collections group.

QUALITY ASSURANCE

- Attached is a copy of the reports for all cases assigned and due by December 14, 2009. We met federal standards in all cases. For the regional peer to peer reviews for both paid and denied cases, Alabama Quality Assurance had no coding exceptions.

- In November 2009, for the first time, Alabama Quality Assurance hosted the peer to peer review with representatives from all eight states in the region and from the regional office.

UNEMPLOYMENT COMPENSATION

| | Fiscal Year | | Net Change | Percent Change |
|--|---------------|---------------|---------------|----------------|
| | 2009 | 2008 | | |
| State Unemployment Compensation | | | | |
| Initial Claims | | | | |
| New | 296,035 | 188,236 | 107,799 | 57.3 |
| Additional | 191,558 | 87,137 | 104,421 | 119.8 |
| Weeks Claimed * | 3,320,456 | 1,572,113 | 1,748,343 | 111.2 |
| Weeks Compensated | 3,046,616 | 1,432,256 | 1,614,360 | 112.7 |
| Gross Benefits Paid | \$623,167,192 | \$273,078,324 | \$350,088,868 | 128.2 |
| Federal Employees | | | | |
| Initial Claims | | | | |
| New | 1,312 | 747 | 565 | 75.6 |
| Additional | 265 | 194 | 71 | 36.6 |
| Weeks Claimed * | 7,511 | 5,727 | 1,784 | 31.2 |
| Weeks Compensated | 6,713 | 5,371 | 1,342 | 25.0 |
| Gross Benefits Paid | \$1,492,044 | \$1,168,992 | \$323,052 | 27.6 |
| Ex Servicemen | | | | |
| Initial Claims | | | | |
| New | 1,428 | 1,189 | 239 | 20.1 |
| Additional | 206 | 141 | 65 | 46.1 |
| Weeks Claimed * | 13,966 | 11,001 | 2,965 | 27.0 |
| Weeks Compensated | 13,005 | 10,529 | 2,476 | 23.5 |
| Gross Benefits Paid | \$3,279,048 | \$2,466,565 | \$812,483 | 32.9 |
| Emergency Unemployment Compensation | | | | |
| Initial Claims | 101,729 | 21,228 | 80,501 | 379.2 |
| Weeks Claimed | 1,180,353 | 164,345 | 1,016,008 | 618.2 |
| Weeks Compensated**** | 1,180,353 | 162,203 | 1,018,150 | 627.7 |
| Gross Benefits Paid | \$231,326,441 | \$30,639,326 | 200,687,115 | 655.0 |
| Trade Readjustment Allowance ** | | | | |
| Initial Claims | 2,614 | 2,877 | (263) | -9.1 |
| Weeks Claimed | 11,574 | 31,827 | (20,253) | -63.6 |
| Weeks Compensated | 11,491 | 31,567 | (20,076) | -63.6 |
| Gross Benefits Paid | \$2,562,865 | \$6,787,073 | (\$4,224,208) | -62.2 |
| Alternative Trade Adjustment Assistance Program | | | | |
| Initial Claims | 37 | 173 | (136) | -78.6 |
| Weeks Claimed | 4,123 | 5,444 | (1,321) | -24.3 |
| Weeks Compensated | 4,123 | 5,444 | (1,321) | -24.3 |
| Gross Benefits Paid | \$559,050 | \$763,163 | (\$759,040) | -26.7 |
| Disaster Unemployment Assistance | | | | |
| Initial Claims | 3 | 0 | 3 | *** |
| Weeks Claimed | 8 | 0 | 8 | *** |
| Weeks Compensated | 15 | 0 | 15 | *** |
| Gross Benefits Paid | \$1,485 | \$0 | \$1,485 | *** |
| High Extended Benefit Unemployment | | | | |
| Initial Claims | 11,304 | 0 | 11,304 | *** |
| Weeks Claimed | 151,336 | 0 | 151,336 | *** |
| Weeks Compensated | 137,487 | 0 | 137,487 | *** |

| | | | | |
|--------------------|--------------|---|------------|-----|
| Gross Benefit Paid | \$26,120,460 | 0 | 26,120,460 | *** |
|--------------------|--------------|---|------------|-----|

* 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.

*** Estimated due to programming concerns. To be updated.



Scottie Spates, Division Director

WORKERS' COMPENSATION

The Workers' Compensation Division's main function is to ensure that necessary medical attention and compensation benefits are provided to employees injured on the job, or, in case of death, their dependents. The Division also provides information and services to claimants, employers, insurance companies, attorneys, judges, legislators, labor and management groups, government agencies and other parties. Other functions include gathering statistics on accidents, enforcing reporting requirements, monitoring claim payments, auditing all claim settlements and taking corrective action on incorrect settlements or improper reporting procedures. The Division is also responsible for gathering information on fraudulent claims or employers, which includes reacting to tips received on the fraud hotline. The fraud hotline number is 1-800-WC FAKED, or 1-800-923-2533.

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

The Division conducts employer inspections for compliance with the Workers' Compensation Law. The Division offers both a formal and informal medical dispute resolution process for any party that may dispute a medical service that has been conducted or that is requested.

Effective May 21, 2009, the State of Alabama's average weekly wage was determined to be \$729.04 for the calendar year 2008. This resulted in the following changes, effective July 1, 2009:

- ▶ The minimum weekly compensation payable increased from \$194 to \$200.
- ▶ The maximum benefits payable on fatalities increased from \$353,000 to \$364,500.

During fiscal year 2009 there were:

| | |
|---|--------|
| Group Fund Certificates Issued | 3,597 |
| Group Fund Certificates canceled | 4,847 |
| Self-Insurance certificates issued | 7 |
| Self-Insurance certificates canceled | 42 |
| Self-Insurers audited | 335 |
| Compliance inspections | 19,155 |
| Employers in Non-compliance | 1,335 |
| Continuing Education Seminars | 3 |
| Seminar Attendees | 824 |
| Continuing Education Certificates | 551 |
| Voluntary Mediations | 1,933 |
| Voluntary Mediations Resolved | 1,598 |
| Court Ordered Mediations | 155 |
| Court Ordered Mediations Resolved | 105 |
| Utilization Management/Bill Screening Certificates issued | 42 |
| Drug-Free Workplace Certificates issued | 215 |
| Medical Disputes | 469 |
| Medical Dispute Resolutions | 29 |
| Third Party Administrators Certified | 8 |
| Professional Employer Organizations Certificates issued | 140 |

Self-Insurance Section

The Workers' Compensation Division also administers the rules and regulations for both the Individual Self-Insurers, and Group Self-Insurers. During FY2009, the following activity took place within the Self-Insurance Section:

INDIVIDUAL SELF-INSURANCE

| | <u>FY2009</u> | <u>FY2008</u> | <u>Percent Change</u> |
|--------------------------------|---------------|---------------|-----------------------|
| Certificates Issued | 7 | 21 | -66.67% |
| Certificates Canceled | 42 | 14 | 200.00% |
| Total Individual Self-Insurers | 302 | 338 | -10.65% |

GROUP SELF-INSURANCE

| | <u>FY2009</u> | <u>FY2008</u> | <u>Percent Change</u> |
|-----------------------------|---------------|---------------|-----------------------|
| Certificates Issued | 3,597 | 4,068 | -11.58% |
| Certificates Canceled | 4,847 | 4,998 | -3.02% |
| Total Employers | 26,784 | 28,034 | -4.46% |
| 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 1991 through 2008, according to the Workers' Compensation Annual Assessment Report for Insurance Companies & Self-Insured Employers. As demonstrated by the graph, the trend for the voluntary market (private insurance) shows a steady decrease in market size of 71% in 1991 to 48% in 2008. The Self-Insurance sector increased its market share from 29% to 52% an increase over the eleven-year period of approximately 79%.

FIRST REPORT OF INJURY

| | <u>FY2009</u> | <u>FY2008</u> | <u>% Change</u> | <u>FY2009%</u> <u>of Total</u> | Ranked by # of Injuries | <u>FY2009</u> | <u>FY2008</u> |
|--------------|---------------|---------------|-----------------|-----------------------------------|-------------------------|---------------|---------------|
| 1 Jefferson | 2,251 | 2,039 | 10% | 16% | 1 Jefferson | 2,251 | 2,039 |
| 2 Mobile | 1,118 | 1,024 | 9% | 8% | 2 Unclassified | 1,834 | 1,834 |
| 3 Montgomery | 874 | 839 | 4% | 6% | 3 Mobile | 1,118 | 839 |

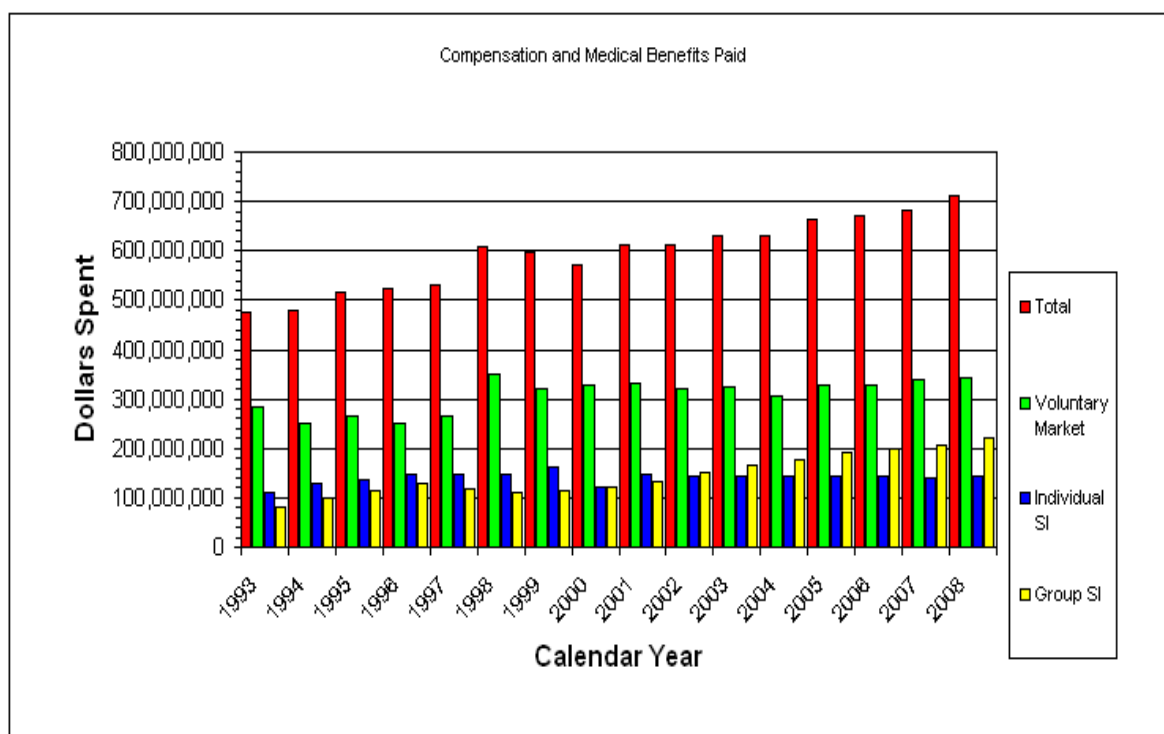
| | | | | | | | | |
|----|------------|-----|-----|------|----|----|------------|-----|
| 4 | Autauga | 89 | 106 | -16% | 1% | 4 | Montgomery | 874 |
| 5 | Baldwin | 425 | 411 | 3% | 3% | 5 | Madison | 799 |
| 6 | Barbour | 62 | 64 | -3% | 0% | 6 | Tuscaloosa | 648 |
| 7 | Bibb | 27 | 34 | -21% | 0% | 7 | Baldwin | 425 |
| 8 | Blount | 55 | 102 | -46% | 0% | 8 | Talladega | 386 |
| 9 | Bullock | 18 | 11 | 64% | 0% | 9 | Houston | 339 |
| 10 | Butler | 53 | 69 | -23% | 0% | 10 | Etowah | 336 |
| 11 | Calhoun | 330 | 310 | 6% | 2% | 11 | Morgan | 330 |
| 12 | Chambers | 56 | 64 | -13% | 0% | 12 | Calhoun | 330 |
| 13 | Cherokee | 50 | 45 | 11% | 0% | 13 | Shelby | 319 |
| 14 | Chilton | 94 | 101 | -7% | 1% | 14 | Lauderdale | 257 |
| 15 | Choctaw | 26 | 41 | -37% | 0% | 15 | Lee | 254 |
| 16 | Clarke | 86 | 72 | 19% | 1% | 16 | Marshall | 236 |
| 17 | Clay | 39 | 41 | -5% | 0% | 17 | Walker | 176 |
| 18 | Cleburne | 16 | 23 | -30% | 0% | 18 | Cullman | 161 |
| 19 | Coffee | 124 | 134 | -7% | 1% | 19 | Dallas | 148 |
| 20 | Colbert | 130 | 117 | 11% | 1% | 20 | Jackson | 140 |
| 21 | Conecuh | 44 | 37 | 19% | 0% | 21 | St. Clair | 135 |
| 22 | Coosa | 11 | 12 | -8% | 0% | 22 | Dekalb | 135 |
| 23 | Covington | 91 | 107 | -15% | 1% | 23 | Colbert | 130 |
| 24 | Crenshaw | 51 | 54 | -6% | 0% | 24 | Coffee | 124 |
| 25 | Cullman | 161 | 172 | -6% | 1% | 25 | Elmore | 119 |
| 26 | Dale | 101 | 113 | -11% | 1% | 26 | Russell | 115 |
| 27 | Dallas | 148 | 111 | 33% | 1% | 27 | Dale | 101 |
| 28 | Dekalb | 135 | 152 | -11% | 1% | 28 | Limestone | 99 |
| 29 | Elmore | 119 | 137 | -13% | 1% | 29 | Tallapoosa | 96 |
| 30 | Escambia | 78 | 85 | -8% | 1% | 30 | Chilton | 94 |
| 31 | Etowah | 336 | 373 | -10% | 2% | 31 | Franklin | 92 |
| 32 | Fayette | 56 | 45 | 24% | 0% | 32 | Covington | 91 |
| 33 | Franklin | 92 | 87 | 6% | 1% | 33 | Autauga | 89 |
| 34 | Geneva | 49 | 55 | -11% | 0% | 34 | Clarke | 86 |
| 35 | Greene | 19 | 25 | -24% | 0% | 35 | Escambia | 78 |
| 36 | Hale | 39 | 30 | 30% | 0% | 36 | Pike | 78 |
| 37 | Henry | 25 | 18 | 39% | 0% | 37 | Marengo | 76 |
| 38 | Houston | 339 | 309 | 10% | 2% | 38 | Marion | 68 |
| 39 | Jackson | 140 | 161 | -13% | 1% | 39 | Barbour | 62 |
| 40 | Lamar | 34 | 26 | 31% | 0% | 40 | Monroe | 60 |
| 41 | Lauderdale | 257 | 205 | 25% | 2% | 41 | Lawrence | 59 |
| 42 | Lawrence | 59 | 41 | 44% | 0% | 42 | Winston | 56 |
| 43 | Lee | 254 | 293 | -13% | 2% | 43 | Chambers | 56 |

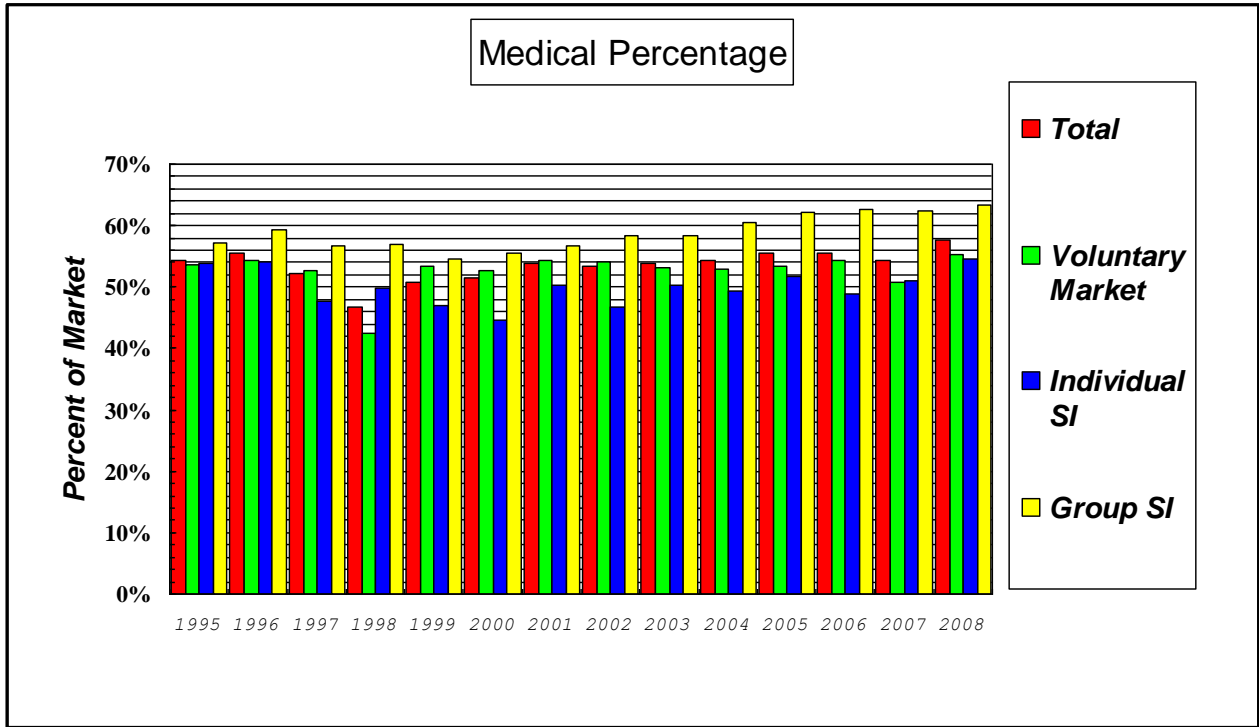
| | | | | | | | | | |
|----|--------------|---------------|---------------|------------|-------------|----|--------------|---------------|---------------|
| 44 | Limestone | 99 | 178 | -44% | 1% | 44 | Fayette | 56 | |
| 45 | Lowndes | 36 | 26 | 38% | 0% | 45 | Blount | 55 | |
| 46 | Macon | 36 | 33 | 9% | 0% | 46 | Butler | 53 | |
| 47 | Madison | 799 | 858 | -7% | 6% | 47 | Crenshaw | 51 | |
| 48 | Marengo | 76 | 57 | 33% | 1% | 48 | Washington | 51 | |
| 49 | Marion | 68 | 94 | -28% | 0% | 49 | Cherokee | 50 | |
| 50 | Marshall | 236 | 288 | -18% | 2% | 50 | Geneva | 49 | |
| 51 | Monroe | 60 | 65 | -8% | 0% | 51 | Conecuh | 44 | |
| 52 | Morgan | 330 | 346 | -5% | 2% | 52 | Clay | 39 | |
| 53 | Perry | 20 | 25 | -20% | 0% | 53 | Hale | 39 | |
| 54 | Pickens | 33 | 29 | 14% | 0% | 54 | Macon | 36 | |
| 55 | Pike | 78 | 59 | 32% | 1% | 55 | Lowndes | 36 | |
| 56 | Randolph | 31 | 28 | 11% | 0% | 56 | Lamar | 34 | |
| 57 | Russell | 115 | 132 | -13% | 1% | 57 | Pickens | 33 | |
| 58 | Shelby | 319 | 364 | -12% | 2% | 58 | Randolph | 31 | |
| 59 | St. Clair | 135 | 163 | -17% | 1% | 59 | Bibb | 27 | |
| 60 | Sumter | 26 | 30 | -13% | 0% | 60 | Choctaw | 26 | |
| 61 | Talladega | 386 | 369 | 5% | 3% | 61 | Sumter | 26 | |
| 62 | Tallapoosa | 96 | 101 | -5% | 1% | 62 | Henry | 25 | |
| 63 | Tuscaloosa | 648 | 733 | -12% | 5% | 63 | Wilcox | 23 | |
| 64 | Walker | 176 | 161 | 9% | 1% | 64 | Perry | 20 | |
| 65 | Washington | 51 | 36 | 42% | 0% | 65 | Greene | 19 | |
| 66 | Wilcox | 23 | 18 | 28% | 0% | 66 | Bullock | 18 | |
| 67 | Winston | 56 | 68 | -18% | 0% | 67 | Cleburne | 16 | |
| 68 | Unclassified | 1,834 | 2,924 | -37% | 13% | 68 | Coosa | 11 | |
| | TOTAL | 14,328 | 15,480 | -7% | 100% | | TOTAL | 14,328 | 15,480 |

Compensation and Medical Benefits Paid

The first graph below represents the total dollar amounts actually paid for Workers' Compensation claims for Calendar Years 1992 through 2008, according to the Workers' Compensation Annual Assessment Report for Insurance Companies & Self-Insured Employers. These amounts were paid in the calendar year as specified below, regardless of date of original injury, and the totals represent both compensation and medical benefits paid.

The second graph represents the medical percentage trend from 1992.





2008

| | |
|-------------|---------------|
| Total Comp | \$197,158,630 |
| Total Med | \$410,071,541 |
| Total Admn | \$44,914,845 |
| Total Legal | \$18,159,920 |
| Total Court | \$40,863,685 |
| Vol Comp | \$100,418,173 |
| Vol Med | \$190,124,540 |
| Vol Admin | \$30,120,490 |
| Vol Legal | \$8,866,936 |
| Vol Court | \$14,486,392 |
| Indiv Comp | \$36,023,275 |
| Indiv Med | \$79,429,661 |
| Indiv Admn | \$7,744,721 |
| Indiv Legal | \$6,838,542 |
| Indiv Court | \$15,330,330 |
| Group Comp | \$60,717,182 |

| | |
|--------------------|----------------------|
| Group Med | \$140,517,340 |
| Group Admn | \$7,049,634 |
| Group Legal | \$2,454,442 |
| Group Court | \$11,046,963 |
| Grand Total | \$711,168,621 |

| | |
|------------------|-----------------------|
| | <u>2008</u> |
| Total | \$ 711,168,621 |
| Voluntary Market | \$344,016,531 |
| Individual SI | \$145,366,529 |
| Group SI | \$221,785,561 |

| | |
|------------------|-------------|
| Voluntary Market | 48.4% |
| Individual SI | 20.4% |
| Group SI | 31.2% |
| Total | 100% |

| | |
|--------------------------|--------------------|
| <u>Medical</u> | |
| <u>Percentage</u> | <u>2008</u> |
| Total | <u>58%</u> |
| Voluntary Market | <u>55%</u> |
| Individual SI | <u>55%</u> |
| Group SI | <u>63%</u> |



Michael Skates, Division Director

MINING AND RECLAMATION

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

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

A. Abandoned Mine Land Reclamation

The mission of the Abandoned Mine Land (AML) Reclamation Program is to restore land and water resources which have been adversely affected by past coal mining and for which there is no continuing reclamation responsibility under state or federal law. The work is funded by annual grants from the U.S. Department of the Interior, Office of Surface Mining, which collects production fees from active coal operators at a rate of 31½¢ per ton for surface-mined coal and 13½¢ per ton for underground-mined coal. In addition to benefitting Alabama through removing mine-related safety hazards and improving the environment, the program impacts positively on local economies as reclamation dollars are expended on earthmoving, construction material, revegetation supplies, and contractors utilizing local manpower to carry out the work. During FY 2009:

- 14 abandoned mine land reclamation projects were completed,
- 32 acres of mine spoil and coal refuse material (considered wastelands) were returned to productive use,
- 55 portals and 6 vertical openings were permanently sealed,
- 1 dangerous highwall (1200 feet in length) was reclaimed,
- Maintenance was performed on 12 reclaimed sites,
- Engineering and design was completed on 14 potential AML projects,

- 8 incidents on mine subsidence beneath urban areas were corrected by AML's emergency program.

Work continued on the Mulga gob fire throughout FY2009. In December of 2006, the Department was alerted to a gob fire problem in Jefferson County. The Mulga gob fire had surfaced for the fourth time since 1997. The fire abatement was started as an emergency project but by April 2007 all emergency funding (\$500,000) had been spent. Mulga gob fire is now funded with project construction funds. The Walker County Soil and Water Conservation District Board (WCB) has graded and plated the 32 acre site with topsoil in preparation for revegetating the former burning gob pile.

Alabama's reforestation of abandoned mines is nationally recognized. However, during FY 2009, as per landowner's requests, no tree planting operations occurred. In the past 32 years, ADIR has planted over 7 million trees.

A cost sharing partnership between ADIR and ADEM began to treat acid mine drainage being discharged from a 20 acre gob pile and 12 small underground mine portals into Cane Creek, a tributary of the Black Warrior River. Problems associated with acid mine drainage include toxicity to fish and other aquatic communities; corrosion to pipes, culverts and bridges; and undrinkable water supplies requiring expensive treatment. Work on the Cane Creek AMD Project continued throughout FY2009.

The Alabama AML Program completed its 172nd emergency project on August 27, 2009 in Jefferson County. The emergency provision of Alabama's program allows DIR to respond to sudden, life-threatening abandoned mine land problems within 24 hours.

Alabama attended the National Association of Abandoned Mine Land Programs meetings in Durango, Colorado (10/27 - 29/2008); Oklahoma City, Oklahoma (3/17 - 18/2009) and Rogers, Arkansas (9/26 - 30/2009). The Association is comprised of twenty-eight (28) states and three (3) Indian tribes, all of which administer abandoned mine land reclamation programs funded through the U.S. Department of the Interior, Office of Surface Mining, pursuant to Title IV of Public Law 95-87, the "Surface Mining Control and Reclamation Act of 1977" (SMCRA).

August 3, 2009, marked the 32nd anniversary of the enactment of the *Surface Mining Control and Reclamation Act*. When Congress passed SMCRA, it presented a challenge - strike a balance between our country's need for the energy produced by coal and the protection of our environment. Through vital partnerships between the Office of Surface Mining, state governments, tribal governments, the coal mining industry, and environmental associates, the daunting goal of SMCRA was and is being achieved. Alabama has had primacy for its coal regulatory and abandoned mine land programs since 1982.

B. Mine Safety and Inspection

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

During FY2009, 3,877 miners were employed in the coal industry, producing 19.8 million tons of coal. An additional 1,950 miners were employed in open pits and quarries producing approximately 50.5 million tons of non-fuel minerals. A total of 2,894 inspections were completed at coal and non-coal mines statewide. During this fiscal year, our office investigated two fatalities and 25 non-fatal accidents.

A continuing program provided education and training for mine foreman and underground blasting certification. Two underground certification examinations were administered, resulting in the issuance of 58 underground mine foreman certificates. Also, 71 surface foreman certificates, 85 electrical and 70 hoist certificates were issued. Mine rescue training continued to be provided by Beville State Community College under contract with the Department.

Our two State mine rescue teams, which includes seven DIR employees, and much of our safety staff continue to train and prepare for mine rescue and recovery in extreme and potentially lethal environments. Their efforts along with those of the entire Mine Safety staff help to provide safe working conditions for all miners.

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

C. Surface Mining of Non-Fuel Minerals

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

In FY 2009, 395 permits (20 new permits, 372 renewals and 3 amendments) were issued to operators for the surface mining of non-fuel minerals. Meanwhile, efforts continued to bring all unpermitted surface mining operations into compliance.

One inspector stationed in the Montgomery Central Office made 155 site inspections. Of that total, 17 inspections were made to verify locations of new permit areas, 53 inspections were made of active operations, 45 inspections were made of unpermitted sites, 12 inspections were made to investigate citizen complaints, and 28 inspections were made of operations with expired permits.

17 permits were renewed, 27 bonds were released for satisfactory reclamation, and six bonds were forfeited for failure to reclaim.

Other activities included telephone contacts with operators, surety companies, citizens, other agencies, and landowners. Letters were written to mining operators regarding results of site inspections and action needed to remain in compliance with the *Alabama Surface Mining Act of 1969*. Citizen complaints involving blasting at quarries, highwalls situated too close to property lines, sediment discharge from uncontrolled runoff, and lack of reclamation were promptly investigated. An estimated five 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 298 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 FY2009. 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.



Alabama's Mining and Reclamation Team during a competition in 2009.



Jim Henry, Division Director

Labor Market Information

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



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

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



The CES program is a monthly count of jobs, earnings and work hours among the state's nonfarm businesses using survey data from over 19,000 businesses. CES publishes data on over 70 detailed industries at the state level as well as industry detail for 11 metropolitan areas each month.

These sample-based estimates are revised annually to re-anchor them back to the near universe counts of employment (QCEW).

The 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.

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

The OES program surveys nonfarm establishments collecting occupational employment data on workers by industry. Data collected produces estimations of total employment by occupation for the state and selected areas. Two survey panels were conducted in 2008; Alabama's response rates from businesses participating in the survey were 86.22% and 85.73% which placed Alabama's OES unit among the top 10 in the United States. For 2009 we are completing the May panel and currently have a response rate of 82.63%. Our final report for the May 2009 panel will be submitted to Bureau of Labor Statistics on January 13, 2010. In addition, the OES Unit is involved in a statewide effort to educate employers on the importance of responding to the OES surveys and the reporting methods available to decrease the time burden on employers and to aid in increasing our response rate.

The QCEW program collects quarterly employment and wage data for workers covered by state unemployment insurance (UI) laws. This program is responsible for assigning NAICS (North American Industry Classification System) 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 2009, numerous requests involving both current and historical data were fulfilled using system reports and staff created Progress queries. Deborah Conner, Senior Statistician and QCEW Supervisor, serves as a state representative on the Bureau of Labor Statistics 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 the analysis of workforce trends, providing data updates to the Workforce Information Database and publishing reports to deliver quality workforce information to our customers. The biggest accomplishment in 2009 was being granted a State Labor Market Improvement Grant from the American Recovery and Reinvestment Act of 2009. The Labor Market Information Division was awarded \$1.14 million to invest through the middle of 2011 in research and development of green jobs in the state. Furthermore, the Labor Market Information Division initiated a statewide green survey during the year to portray the state's present focus on renewable energy and energy efficiency.

Additional 2009 accomplishments include:

- Developed and published State Short Term Occupational Projections 2008-2010
- Continued to update the Census Local Employment Dynamics (LED) with the most recent data available. Activated the "On The Map" module of the LED program which provides detailed maps showing where people work and where workers live with companion reports on worker ages, earnings, industry distribution, and local workforce indicators
- Produced Commuting Pattern reports for the state and 10 workforce development regions.
- Presented Labor Market Information on the following stages:
 - Annual Career Technical Conference
 - Mobile Workforce Summit
 - Partner with Workforce Development and CBER to present the State of the Workforce in all ten workforce development regions.
 - State of Alabama Workforce Development Conference
 - LERA Annual Conference
 - Alabama Regional Annual Energy Conference

- Alabama Shared Youth Consortium
- Life After High School Conference
- Participated in the following Strategic Meetings
 - Southeast Regional ETA WIA Planning Meeting
 - Alabama Engineering and Industrial Construction Consortium
 - SAWDC Region 9 Workforce Development Planning
 - Tuskegee University Department of Architecture and Engineering Planning Meeting
 - City of Birmingham Annual Economic Development Conference
 - Phenix City Industrial Recruitment Meeting
 - Alabama Energy Sector Partnership

FY2009 unemployment compensation workloads reached peak levels as claims under the State UI program tallied some 200,000 more than FY2008.

Due to the high influx of laid off workers seeking unemployment benefits this year, an additional federal emergency unemployment program was extended (Tier 1 and Tier 2) as well as a state legislated program was enacted. The Reports Unit compiled and submitted reports on the regular program payouts and these additional program outlays in FY2009.

The Department of Industrial Relations continued to foster and promote the welfare of job seekers and paid out some three million weeks of compensation this fiscal year totaling approximately \$623 million from the UI trust fund. The Reports Unit statistical analysis of unemployment workloads showed initial claims increased fifty-six percent over the year and new claims or new unemployment comprised sixty percent of these applicants. The federal enacted emergency unemployment program labeled EUC 08 continued in FY2009 extending into tier 2. As Alabama's unemployment rate reached 10.0 percent, the State legislature passed the HEB Extended Benefits Program. This State funded High Unemployment Benefits Program triggered on March 31, 2009 and benefits continued at fiscal year end. Subsequently, a third tier of federal emergency unemployment funds have been instituted with effective date commencing November 14, 2009.

The Reports Unit tracks and submits data on claims and payment levels for the UI program and these additional programs on a weekly, monthly, quarterly, fiscal and annual year basis. Special requests to State and private agencies are constantly provided. Narratives relating to the trends of unemployment and the monthly Statistical Bulletin are published on the internet. The program reports available in 2009 were:

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

In addition, the Trade Act Participant Report (labeled 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.



Les Morris, Division Director

HEARINGS AND APPEALS

The Hearings and Appeals Division is responsible for conducting all due-process hearings for the department, including those related to the Unemployment Compensation Division, the Employment Service Division, the Workers Compensation Division, and the Mining and Reclamation Division. This division is also responsible for conducting hearings concerning departmental personnel matters. The majority of the hearings conducted involve unemployment compensation benefits. Hearings concerning unemployment compensation benefit eligibility are promptly scheduled and generally conducted on a weekly basis by teleconference. A staff of 20 administrative hearing officers conducts these hearings and issues decisions. These hearings conform with the legal requirements of due-process of law, but without the strict adherence to legal rules of evidence. Approximately 20,000 of these hearings were scheduled in 2009.

---2009 Hearings and Appeals Highlights ---

- Hired new administrative hearing officers to accommodate increased workload created by declining economy.
- Eleven hearing officers are working from home, reducing the cost of leasing office space.
- Hired new decision typists and proofers to accommodate increased workload.
- All hearing officers began digital recording of testimony, thus eliminating the need for cassette tapes and recorders except as a backup.
- Tested and began hearing officers typing their own decisions to eliminate the need of cassette tapes and recorders.
- Working with Information Systems to produce electronic case files, eliminating the need for paper files.

EQUAL OPPORTUNITY AND GREIEVANCE

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 department complies with federal equal opportunity and nondiscrimination laws and regulations. The unit conducts compliance reviews of departmental programs, activities, and services and provides technical assistance as needed. They receive, investigate and/or mediate complaints and grievances filed by departmental employees or customers served by the department; and makes recommendations for corrective action when appropriate.

Highlights in 2009 include the following activity:

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

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

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

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



Vivian Handy, Division Director

HUMAN RESOURCES

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



Patricia Cannon, Division Director

FINANCE

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

Fiscal Year 2009 saw yet more streamlining and elimination of duplication within the state's Workforce Development program, by bringing more functions under the control of DIR. The department is assuming responsibility for managing the building leases on local Career Centers, as well as technical assistance to these offices and their supply and equipment procurement process.

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.

The department's accounts payable section began allowing vendors to email invoices for payment. This has served to streamline the payment process. Also, the section began processing certain types of payments on list vouchers. This has reduced the amount of paper required as well as other printing costs involved.



Craig Donley, Division Director

GOVERNMENTAL AFFAIRS

The Governmental Affairs Division is responsible for serving as governmental and legislative liason for the Department with other entities of local, state, and federal government as well as business and labor groups. This division is also responsible for drafting departmental legislation.

The legislative branch of State Government consists of the Alabama House of Representatives and the Alabama Senate. The Department of Industrial Relations works closely with the legislature to pass legislation beneficial to the Department and the people of Alabama.

During 2009, the Governmental Affairs Division prepared and passed HB3, which established the state's Emergency Benefits program, providing an additional 20 weeks of unemployment benefits to qualifying individuals.

The Division also hosted numerous workshops throughout the state in order to educate the business community about the statutory increase in Unemployment Insurance that is scheduled to go into effect in January 2010.

The Board of Appeals reviews and hears UC cases at the highest administrative level. The Board holds hearings at seven cities on a rotating basis. The cities in which the hearings are held are: Montgomery, Trussville, Gadsden, Mobile, Decatur, Tuscaloosa, and Dothan. In 2009, the Board held 949 hearings.



Frank Marsh, Division Director

LEGAL DIVISION

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

Additionally, court appearances were made in various federal courts concerning bankruptcies. No cases were filed against the Department in 2009 claiming violations of federal statutes. Counsel for the Department made over 300 court appearances during the year. A total of \$268,435.37 was recovered in cash from overpaid claimants and placed into the Unemployment Compensation Trust Fund in 2009.

ALABAMA CAREER CENTER SYSTEM

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

INDUSTRIAL RELATIONS CENTRAL OFFICE DIRECTORY

Information
334-242-8055

Employment Service Director
334-242-8005

Workers' Compensation Director
334-353-0990

Governmental Affairs Director
334-242-8274

Director
334-242-8990

Unemployment Compensation Director
334-242-8030

Mining & Reclamation Director
334-242-8265

Labor Market Information Director
334-242-8859

Industrial Relations Web Site
www.dir.alabama.gov