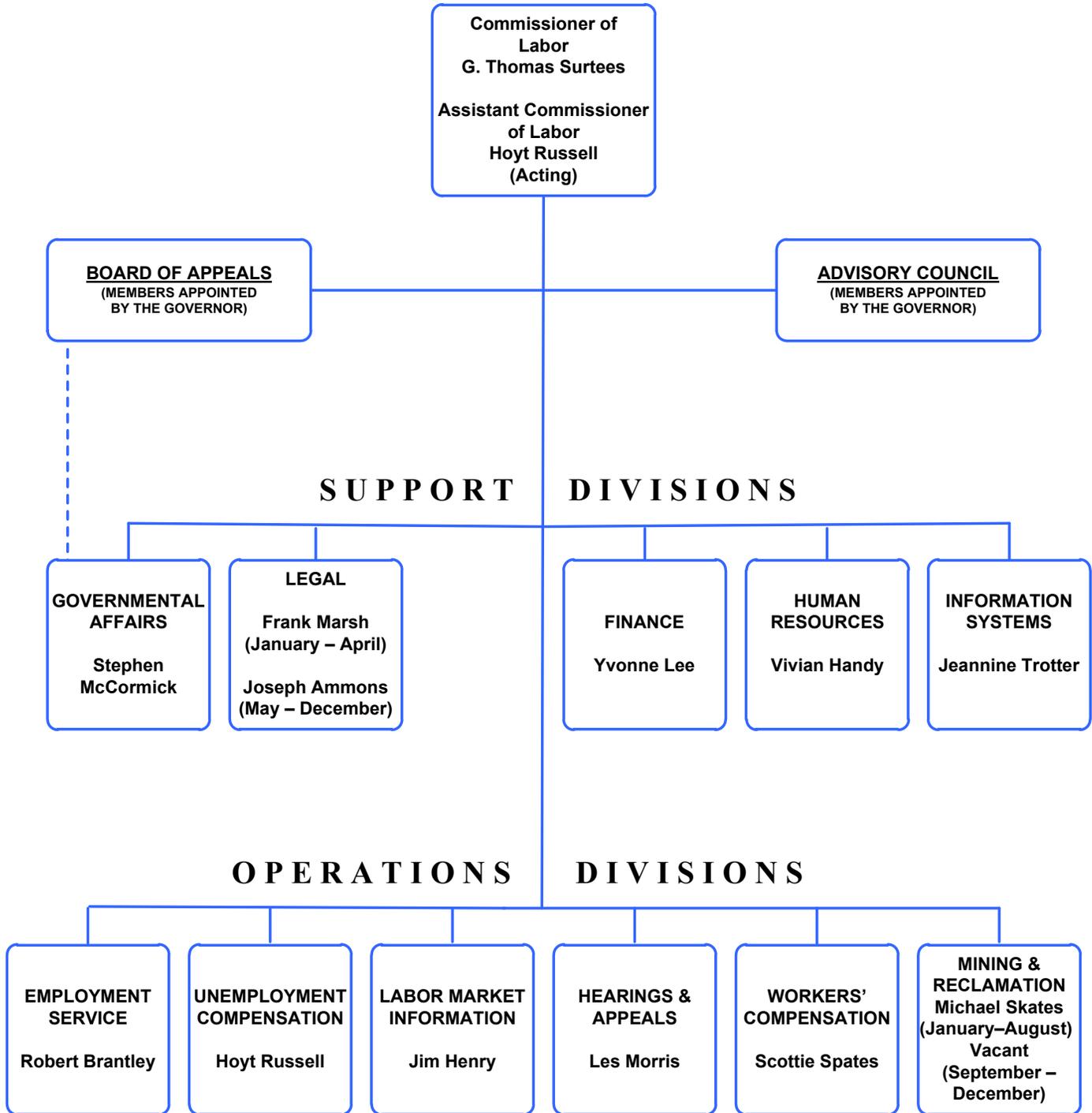


ALABAMA DEPARTMENT OF LABOR 2012 ANNUAL REPORT



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**STATE OF ALABAMA
DEPARTMENT OF LABOR
ORGANIZATION CHART**





**Letter to the Governor
The Honorable Robert Bentley
Governor of Alabama**

Dear Governor Bentley,

The year 2012 brought many changes to this Department, which we met head on. The most important change was the merger between the existing Alabama Department of Labor and the Alabama Department of Industrial Relations. Following this successful merger, our new Department is known as the Alabama Department of Labor (ADOL), and employs 1,011 people across the state.

The newly formed ADOL does everything it always did in the past under the DIR umbrella; including administering Alabama's unemployment and workers' compensation laws, providing employment services through the Alabama Career Center System, accumulating and distributing labor market information, and providing mine safety for Alabama's mines. With the merger complete, we now also perform boiler and elevator inspections, enforce Alabama's child labor laws, and provide additional reporting for the Occupational Safety and Health Administration (OSHA).

Our Employer Services Division had a successful year. More than 111,000 active new job orders were placed on JobLink, Alabama's online jobs database. This represents the most active job orders in the database's history! More than 160,000 Alabamians utilized the services at Alabama's Career Centers throughout the state, and nearly half (49%) of the job seekers found employment after receiving services. A whopping 79% were still employed six months later, with average earnings of \$24,616.

Career Center staff made more than 19,000 contacts with Alabama employers in 2012, representing the most employer contacts in over a decade. These contacts are to inform employers of the free services we offer.

The Unemployment Compensation Division weathered many changes to the federal Emergency Unemployment Compensation program this year. Due to Alabama's declining unemployment rate, the number of weeks that unemployed Alabamians could receive benefits was reduced from 99 to 63.

Additionally, due to legislation passed in the 2012 legislative session, we moved the so-called "waiting week", a period during which a claimant must wait before receiving benefits, from the 14th week to the first eligible week. This move provides for uninterrupted benefits and allows

claimants to better budget their finances while saving the Alabama Unemployment Trust Fund approximately \$14 million.

Another important piece of legislation that impacted the Department this year was a bill that increased the penalties for unemployment compensation fraud. The bill also included a provision that offenders would be responsible for paying interest on the money stolen. We estimated that in 2011, more than \$15 million was obtained fraudulently.

In other good news, Alabama continued to hold the number one ranking in our region for the entire year of 2012 for making prompt payments of unemployment benefits to unemployed citizens.

We were also able to collect enough in Unemployment Insurance taxes this year to pay all of our federal and state loans that were necessary during the recession to continue paying unemployment compensation claims. Because we were able to re-pay the debt, Alabama's employers will not lose an import Federal Unemployment Tax Act (FUTA) credit.

Due to budget cutbacks, our Mine Safety Division was forced to lay off more Mine Inspectors, bringing the total to five. We continue to focus on keeping underground mines safe.

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

I present the 2012 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,

A handwritten signature in black ink, appearing to read "G. Thomas Surtees". The signature is written in a cursive, flowing style.

G. Thomas Surtees, Commissioner

EMPLOYMENT SERVICES

The Alabama Department of Labor's (ADOL) Employment Service Division delivers labor exchange services for job seekers and employers through the Alabama Career Center System, which serves as the state's One-Stop Workforce Development system. This year, Alabama also became a proud partner in the newly-created American Job Center Network <http://jobcenter.usa.gov/>, which is 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 all partners to build a customer friendly system providing job seekers and employers with a full range of seamless employment and training services in 45 "One-Stop Career/Job Centers" located throughout the state. Access to service is available 24/7 by Internet or through "Resource Rooms" located in local Job Centers where customers have access to high-speed Internet, software designed to aid job seekers, and a vast array of resource materials, including the latest labor market information, to assist career and job search. 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 a professional staff member in the Job Center.

Slow employment growth and lingering high unemployment continued to exert pressure on job seeker rolls in Alabama's Job Centers in 2012 with more than 300,000 new registrants contributing to more than 700,000 customer visits to Centers, and more than 400,000 individuals being served. Unemployment continued to improve for the third consecutive year - declining two percentage points from 2009's 9.9% to 7.9%. Modest employment growth of the past two years softened in 2012, stalling jobless rate improvement during the last half of the year. Approximately two-thirds of registrants self-register for service while the remaining one-third visit Career Center locations throughout the state seeking registration assistance and service from professional staff. Twenty percent of self-registrants, however, eventually sought staff assistance at a Job Center, reflecting the continuing difficulty of finding employment in a slow growing job market. More than sixty percent of those seeking help were Unemployment Insurance 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 more than 115 million hits to the website in 2012; generated more than 9.4 million automatic e-mail job match notifications to job seekers and more than 1.5 million automatic e-mail notifications to employers of résumé matches.



For job seekers, AJL offers around-the-clock access for registration, job search, creation of a résumé online, 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 job openings, search for qualified workers, and receive automatic e-mail notification when job requirements match job seeker skills.

In addition to jobs listed by employers with the Alabama Career Center System, AJL 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 JobCentral 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, Careerbuilder, Craigslist, the *New York Times* and Fortune 500 corporate websites, as well as from thousands of other sources including small industry specific job boards, local newspapers and associations.

User empowerment of Alabama’s Labor Exchange system to self-direct job and worker searches has opened access to the public labor exchange system to the public, 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 187,000 new job seeker accounts and 5,100 new employer accounts established this year. More than 111,000 new job orders were listed on AJL this year. Automation and streamlining 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 160,000 job seekers entered employment after receiving employment services through the Career/Job Center System, representing almost half (49.0%) of the job seekers exiting the labor exchange system during this period. An over whelming majority (79.2%) were found to still be employed six months after exiting the system with a job. Average earnings were \$24,616 a year or \$11.83 per hour.

Responsive adaptation to change serves to support and strengthen the mission of the Employment Service Division to achieve, as a partner in Alabama’s Career Center System and America’s Job Center Network, a customer-focused, technologically advanced, outcome-driven workforce delivery system, providing high standards of customer service and satisfaction delivered efficiently and effectively.

A customer gathers information at a veterans’ job fair at the Birmingham Career Center.



CLAIMANT ASSISTANCE PROGRAM

The Claimant Assistance Enhancement Program is designed to reduce the duration of joblessness for Unemployment Compensation claimants. This is accomplished through quick intervention by Career Center staff with UI claimants early on 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 including skills assessment/transferability tools provided on-line to claimants by the Career Center.

During the most recent year, more than 128,000 eligible claimants were helped to find jobs, thus creating a significant savings to the Unemployment Trust Fund.

EMPLOYER RELATIONS

More than 19,000 promotional workforce contacts were made by Career Center staff with Alabama employers last year, representing the most employer contacts made in more than a decade. Spurring the yearly increase of 3,900 contacts was expansion in the new 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 was targeted as part of the Governor's "Work Alabama" initiative to assist farmers with almost 900 contacts made.

Employers are apprised of services, programs and assistance available through the Career Center System to include on-the-job training and incumbent worker training program opportunities to help in meeting their workforce needs. The end result of the Business Services program 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: UI registration, job registration, résumé preparation, online job searches, job placement, veteran's services, labor market information, and where necessary and appropriate, conduct dedicated on-site Job Search Workshops.

During the past year, the Rapid Response team assisted workers at 40 major closing and layoffs which affected more than 4,600 dislocated workers.

FOOD STAMP PROGRAM

During FY 2012, almost 29,000 Food Stamp registrants were referred to the Food Stamp Employment and Training Program from the Department of Human Resources. This is a 5% increase over FY 2011, after dropping 28% from FY 2010's record level of 38,000 referrals. Of the 29,000 referred, 23,000 clients were placed in job search and were provided with training in job seeking skills. One thousand three hundred and seventy-six Food Stamp clients were either placed on jobs by 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 had barriers to employment. Private-sector employers can reduce their tax costs by employing individuals from any of nine targeted WOTC designated groups. These may include TANF recipients, food stamp recipients, youth, ex-felons, SSI recipients, veterans, and those with disabilities. The benefits of WOTC are twofold: it is an aid in helping targeted job seekers find and retain employment and it saves private-sector employers money by reducing their tax liability.

Passage of The Vow to Hire Heroes Act of 2011, effective Nov 2011, brought major changes to WOTC. This Act extended existing WOTC Veteran target groups through December 31, 2012 and increased the tax credit for one of these categories from \$4,000 to \$9,600. The Act also created two new WOTC Veteran target groups slated to expire December 31, 2012. Automation efforts are underway to obtain records of UI receipt and wage data for use in determining eligibility for these target groups as set forth by the Act and USDOL- ETA.

The WOTC for all non-veteran target groups expired December 31, 2011. Determinations continue to be issued for the expired target groups, if the employee's start date

was prior to January 1, 2012. Per instructions from USDOL ETA, Alabama continues to accept applications for the expired target groups, although determinations cannot be issued unless the target groups are reauthorized beyond December 31, 2011. Alabama WOTC issued 20,488 certifications during FY 12. This represents 20,488 individuals who found employment as well as a tax saving of approximately \$49.2 million for Alabama employers.

The procedure for the automated processing of TANF related target groups has been completed and implemented. The SNAP target group is now fully automated following the completion of the merger of two SNAP databases. WOTC also processes the ex-felon target group through an automated procedure. (Each of these automated target groups has expired; decisions can be issued only if these target groups are reauthorized by Congress.)

Alabama WOTC continues to encourage employers or their representatives to utilize the automated database. Employers who take advantage of this 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 Alabama Career Centers as well as members of the Alabama Department of Labor central office staff are also responsible for conducting registrations for Farm Labor Contractors overseeing the Migrant and Seasonal Farm Worker Outreach Program as well as performing pre-occupancy housing inspections for 182 H-2A dwellings last year. These dwellings represented 42 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 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 of ADOL works directly with employers 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.

Effective in 2010, the labor certification process for H-2B (temporary nonagricultural workers) was centralized at the U.S. Department of Labor's Chicago office. The Foreign Labor Certification H-2B Unit now serves a customer service role responding to employer inquiries and dissemination of comprehensive information concerning the program and guidance in the filing process. Certifications from the national office last year resulted in 27 job orders for temporary nonagricultural positions being posted to the state's electronic labor exchange (AJL) representing 757 job openings.

VETERANS

Alabama Career Centers Provide Veterans with Priority in Services and Training

During this reporting period 19,995 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. AJL offers self-service features and the convenience of access by Internet to provide job matching and many other services. Veterans are provided priority in all services and training provided by the Alabama Career Center System. However, 61 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.

Career Center Specialists and LVERs are well-acquainted with the needs of local employers and how to assess military skills to determine comparable civilian jobs and identify skill sets related to occupations in civilian careers. LVERs work only with veterans and nearly one in five clients is a recently separated veteran or a military service member preparing for

separation from active duty. Although many are provided services leading to enrollment into state or federal workforce training or school under the GI Bill, this year nearly 60 percent of the veterans provided staff-assisted services were employed into new jobs. U.S. Department of Labor reporting shows that of 9,097 Veterans/Eligible Persons and Transitioning Service Members who received staff-assisted services and exited the system, nearly 60 percent entered employment, and the entered employment rate for Transitioning Service Members provided staff assistance is 86 percent.

Services to Military

As part of a Transition Assistance Program (TAP) for the military, Alabama Career Centers provide for LVERs to facilitate workshops to prepare military service members who are separating from active duty for civilian employment and to provide employment services. Monthly TAP workshops are conducted at the U.S. Army Aviation Center on Fort Rucker, Anniston Army Depot, and Maxwell Air Force Base. Last year more than 800 separating military and their spouses attended three-day workshops designed to teach veterans job search and interviewing skills, develop effective résumés, find job and apprenticeship training, and locate resources and supportive services in their transition into the civilian workplace. Veterans' employment representatives also attend all Military Yellow Ribbon events and military family functions for deactivating units of the Alabama National Guard and Reserve components, to extend transition assistance services and job search services to soldiers in transition from active duty and their families.

Extensive Outreach to Disabled Veterans and Veterans Facing Special Challenges

To assist veterans and separating military with severe service-connected disabilities, Alabama operates a Disabled Veterans Outreach Program (DVOP), using specialists to guide disabled veterans in finding work or accessing services and vocational rehabilitation training. These specialized representatives counsel veterans who face significant barriers to employment due to military service-connected disabilities, and provide them with assistance in making career choices, guidance on applying for veterans' benefits and job training, and assistance with 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 who are 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. DVOPs in Alabama served 5,000 veterans, 3,000 entered 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 newly-separated military veterans.

Other community partnerships developed by Alabama Career Centers and the Alabama Department of Labor resulted in Homeless Veterans Stand- Down events in Mobile, Birmingham, Dothan, Huntsville, Opelika-Auburn, and several rural areas. LVERs and DVOPs served 300 homeless veterans in Alabama last year, including 28 homeless female veterans, by providing job search services, intensive services, and developed innovative partnerships to leverage resources, training, and community assistance, resulting in more than 100 homeless veterans entering employment.

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 Job Link 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.

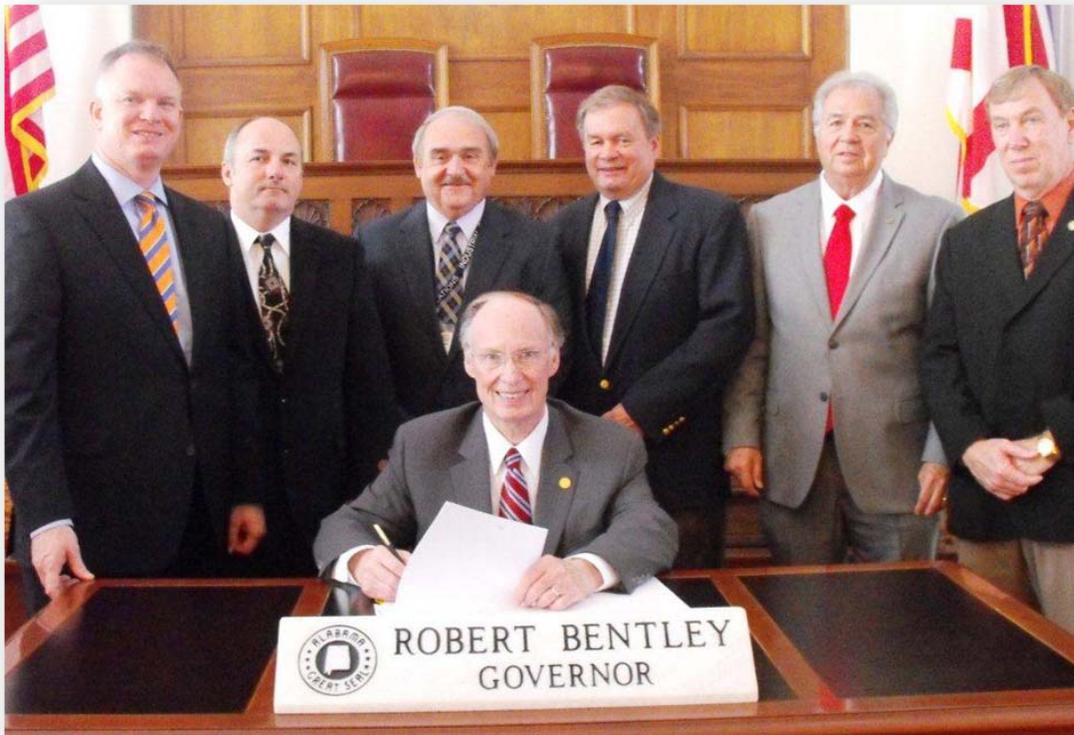
Veterans Retraining Assistance Program

Alabama Career Centers continue to promote the Veterans Retraining and Assistance Program (VRAP) to unemployed eligible veterans age 35 to 60, many of whom need new skills to compete for jobs in new careers. As of the start of application on May 15, 2012, a total of 3,144 veterans filed for unemployment compensation, with many potentially eligible for VRAP. During the application period from May until September 2012, the U.S. Department of Veterans Affairs (DVA) reported that 960 VRAP applications were approved in Alabama and 266 veterans are enrolled in training in the Alabama Community College and technical training

system. The Veteran Retraining Assistance Program allows qualifying veterans to receive up to 12 months of assistance equal to the full-time Montgomery GI Bill at the Active Duty Rate, currently \$1,564 per month (as of Oct 2012).. VRAP is promoted by LVERs and Career Center business service teams at business and employer forums. VRAP is promoted at National Guard and Reserve components' Yellow Ribbon events, and other events, such as job fairs. VRAP information and VRAP links have been provided for veterans who use the Alabama Job Link (AJL), our Internet-based self-service job matching service. Additionally, all Alabama Career Centers provide information and application assistance to veterans utilizing any point of service in the network of Alabama Career Centers.

Alabama Initiatives to Encourage Veterans Hiring

The Alabama legislature passed and Governor Robert Bentley signed into law the Heroes for Hire Act that provides a state tax credit for employers who hire unemployed veterans and a credit to veterans who start their own business.



Governor Robert Bentley signs the Heroes for Hire Act.

UNEMPLOYMENT COMPENSATION

QUALITY ASSURANCE

Quality Assurance met federal requirements 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 and 95 percent in 90 days. The mean completion time for paid cases was 30 days. The mandated time lapse for denied cases is 60 percent in 60 days and 85 percent in 90 days. The mean completion time was 27 days for monetary denials; 22 days for separation denials; 22 days for non-separation denials. Alabama continues to have the lowest exception rate in our region of eight states. One auditor attended training in Washington, D.C. in August 2012. Two representatives were sent to peer to peer reviews in Orlando, Fla. in June, 2012 and in Atlanta, Ga. in September 2012.

BENEFIT OPERATIONS

Unemployed workers continued to file for Emergency Unemployment Compensation (EUC) during 2012 as the program remained in effect until December 25, 2012.

The Reemployment Assistance Program for EUC recipients was instituted as mandated by the Middle Class Tax Relief and Job Creation Act of 2012. To date, 21,048 long-term unemployed individuals have received intensive reemployment assistance under this program.

During FY2012, there were 12 companies certified for Trade Adjustment Assistance (TAA).

As a result of severe storms, flooding, tornadoes, and straight-line winds that occurred on Jan 22-23, 2012, President Obama declared a federal disaster in Alabama on Feb 1, 2012. Three Alabama counties were declared to be major disaster areas for the purpose of paying Disaster Unemployment Assistance (DUA) benefits. The counties declared to be major disaster areas were: Chilton, Jefferson, and Perry. There were eight DUA claims filed and three claims approved. The last week payable was August 4, 2012. The total amount expended for DUA benefits was \$1,348.00.

At the end of 2012, there were 172 participants in the Alternative Trade Adjustment Assistance/Reemployment Trade Adjustment Assistance (ATAA/RTAA) programs.

At the end of 2012, there were 1,026 participants in TAA-funded training.

Alabama began taking telephone Combined Wage/Interstate claims in the Central Office. This, in addition to the Combined Wage Web Unit, allows claimants with wages in multiple states to be given filing options quickly for improved customer service.

Effective August 1, 2012, the changes to the Alabama Unemployment Compensation Law calls for a 52-week disqualification and a mandatory cash repayment of overpayments determined to be fraudulent for first time offenders. Second time offenders will receive a 104-week disqualification with a mandatory cash repayment. In addition, there is a two percent per month interest imposed on all outstanding fraudulent balances which can be used to help fund the efforts to prevent fraudulent overpayments. Moreover, the federal government has mandated a 15 percent administrative penalty on all fraudulent overpayments; proceeds will be deposited into the Trust Fund.

We are in the process of installing the Internet Response Module for Employers (IRME) and Electronic Wage Audit Notices (eWan) software from On-Point Technology which will allow employers to respond electronically to Unemployment Insurance Benefit Payment Audits.

Increasing the investigative staff allowed for more prosecutions and the publication of those prosecutions, which serves as a deterrent to unemployment fraud. We have also partnered with the Office of Inspector General and successfully prosecuted those individuals with egregious overpayments in federal court, imposing stricter penalties and swifter restitution recovery.

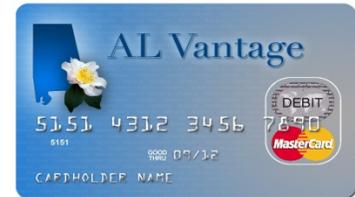
We have been able to utilize Retired State Employees to assist in the establishment of overpayments and working on the backlog of audit notices.

Alabama participated in the UC Treasury Offset Program for the first time in 2012 and intercepted \$3.2 million dollars in federal income tax refunds that were used to offset fraudulent UC overpayments.

Legislation was enacted to allow military spouses to be awarded UC benefits when job separations were caused by relocation due to military reassignments.

Alabama's waiting week for unemployment compensation was changed for claims filed after August 1, 2012 to the first week. Claims filed prior to that date will still be subject to the waiting week at the 14th compensable week.

A smooth transition was made in February 2012 to a new debit card service provider for UC recipients following the contract expiration for the original vendor and the subsequent bid process. The state is saving money by using this new provider, and we are able to offer more services to our customers that make it easier and more convenient to keep track of transactions and payments to the card. Some of these services include more ATM locations and new deposit and low balance notifications. Approximately 40,000 UC claimants use the debit cards.



CALL CENTER OPERATIONS

- 389,005 claims and inquiry calls were handled through the call centers in 2012, which represents a 16 percent reduction in calls from 2011.
- 233,795 claims were processed through our Remote Initial Claims (RIC) System, which represents a 15 percent reduction from 2011.
 1. 88,343 claims were processed by Customer Service Representative (CSRs).
 2. 107,681 claims were completed via the web application.
 3. 37,771 claims were initiated on the web, but were completed by CSRs

54 percent of claims processed were completed by a CSR and 46 percent of claims processed were completed via the web.

- 166,845 issues were adjudicated by our adjudication staff, which represents a 14 percent reduction from 2011.
 1. 98,808 separation issues
 2. 70,037 non-separation issues

The Unemployment Compensation Division of the Alabama Department of Labor consistently ranks in the top ten nationally by the U.S. Department of Labor in the category of prompt payment of unemployment benefits to unemployed citizens. In our region, Region 3, we maintained a number one ranking the entire year of 2012.

TAX OPERATIONS

Tax Operations accomplished many goals in 2012. The most significant accomplishment being that we collected enough funds to pay all our federal and state loans that were necessary during the recession to continue paying unemployment claims. We began operating in the black in April 2012. By re-paying the debt, the Department protected Alabama employers' Federal Unemployment Tax Act (FUTA) credit.

Electronic filing and remittance percentages continue to make Alabama one of the most efficient states in payment processing. Electronic receipts of tax returns averaged 98 percent and electronic remittances averaged 92 percent or greater during the year. We continue to enhance our computer systems to eliminate paper processes which are listed below:

- We processed approximately 7,678 batches through our online automated adjustments.
- Tax Rate notices can be securely downloaded from our website and 2013 notices were available for download after Nov 14, 2012. This method continues to save the Department the postage and labor costs associated with mailing notices.
- Status Report (SR-2), an upgraded and enhanced employer application, was implemented and available on our website in December 2011. This new application has proved to be more robust and provided more needed data used to establish employer accounts.
- The upgraded address change request was implemented in December 2011. This is user-friendly and enables employers to submit address changes electronically via our website.

Other items of note include:

- Total of 14 State Unemployment Tax Act (SUTA) Dumping investigations were completed in 2012.
- Tax Operations successfully passed all Tax Performance studies in 2012. Tax met or exceeded all minimum requirements mandated by the U.S. Department of Labor.

Field Services has also experienced a major year in 2012. Some accomplishments are as follows:

- Collections for fiscal year totaled \$11,027,757.02, representing a Return on Investment of \$13.22.
- Field services audit quota for 2012 was 1,750. The total number of audits completed by field personnel totaled 1,762.

CHILD LABOR ENFORCEMENT

Alabama Child Labor laws, which arose because of abuses in coal mines and cotton mills, date back to 1886, and limit the hours and places where 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 exempted orphans and children of dependent families. The law was improved in 1907 with the age limit of 12 applied to all children and night work was limited to children only 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 only until 7:00 p.m. during a school year and 10:00 p.m. for those 16, 17 and 18 year-olds 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 five years, although several serious injuries have been reported.

Effective October 1, 2012, the Department of Labor merged with the Department of Industrial Relations, now known as the Department of Labor. This resulted in a rebranding of the “The Child Labor Division” to “Child Labor Enforcement”. Child Labor Enforcement was placed under the Unemployment Compensation Division.

Fiscal Year 2012

- 1,459 inspections of businesses were conducted.
- 501 violations were identified.
- \$82,150.00 in civil money penalties were collected.

- \$98,725.50 in fees were collected for were Child Labor Certificates.

Training sessions were conducted for businesses and teachers involved in Cooperative Education. Inspectors made themselves available to the general public for questions via telephone, email, or personal interaction. Child Labor publications such as brochures, posters, and various forms were created and distributed to businesses, schools, and private citizens both physically and electronically.

New Legislation effective August 1, 2012:

- Added “Warehouse” as a prohibited location for minors under 16.
- Modified and clarified record keeping and posting requirements.
- Added flexibility for penalties that involve prohibited occupations.
- Defined “Production” under the Child Actors and Performers statute.
- Prohibited minors under the age of 18 from working in “Adult Establishments”, and those establishments were defined.



An underage worker is standing on a four story concrete wall with no safety gear.

UNEMPLOYMENT COMPENSATION				
	Fiscal Year			
	2012	2011	Net Change	Percent Change
State Unemployment Compensation				
Initial Claims				
New	201,851	238,081	(36,230)	-15.2
Additional	80,770	104,883	(24,113)	-23.0
Weeks Claimed *	1,788,439	2,194,068	(405,629)	-18.5
Weeks Compensated	1,604,100	1,998,412	(394,312)	-19.7
Gross Benefits Paid	\$322,366,232	\$401,898,407	(\$79,532,175)	-19.8
Federal Employees				
Initial Claims				
New	1,077	1,688	(611)	-36.2
Additional	314	262	52	19.8
Weeks Claimed *	10,617	15,177	(4,560)	-30.0
Weeks Compensated	9,695	13,887	(4,192)	-30.2
Gross Benefits Paid	\$2,174,749	\$2,669,664	(\$494,915)	-18.5
Ex Servicemen				
Initial Claims				
New	1,901	1,833	68	3.7
Additional	168	247	(79)	-32.0
Weeks Claimed *	19,407	20,824	(1,417)	-6.8
Weeks Compensated	17,880	19,045	(1,165)	-6.1
Gross Benefits Paid	\$4,671,858	\$4,977,067	(\$305,209)	-6.1
High Extended Benefit Unemployment				
Initial Claims	9,376	24,294	(14,918)	-61.4
Weeks Claimed *	197,705	458,132	(260,427)	-56.8
Weeks Compensated	197,695	458,142	(260,447)	-56.8
Gross Benefits Paid	39,981,258	\$91,507,032	(51,525,774)	-56.3
* 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.				

UNEMPLOYMENT COMPENSATION				
	Fiscal Year			
	2012	2011	Net Change	Percent Change
Trade Readjustment Allowance **				
Initial Claims	394	1,533	(1,139)	-74.3
Weeks Claimed	12,002	5,517	6,485	117.5
Weeks Compensated	11,888	5,458	6,430	117.8
Gross Benefits Paid	\$2,866,619	\$1,285,214	\$1,581,405	123.0
Emergency Unemployment Compensation				
Initial Claims	42,974	53,941	(10,967)	-20.3
Weeks Claimed	1,564,568	2,250,863	(686,295)	-30.5
Weeks Compensated (ALL TIERS)	1,564,165	2,250,734	(686,569)	-30.5
Gross Benefits Paid (ALL TIERS)	305,613,281	\$446,343,981	(\$140,730,700)	-31.5
Disaster Unemployment Assistance				
Initial Claims	4	1,061	(1,057)	-99.6
Weeks Claimed	376	2,441	(2,065)	-84.6
Weeks Compensated	300	2,376	(2,076)	-87.4
Gross Benefits Paid	\$37,249	\$301,864	(\$264,615)	-87.7
Alternative Trade Adjustment Assistance Program				
Initial Claims	144	224	(80)	-35.7
Weeks Claimed	7,198	7,803	(605)	-7.8
Weeks Compensated	7,198	7,803	(605)	-7.8
Gross Benefits Paid	\$1,600,178	\$1,924,986	(\$324,808)	-16.9
* Excludes interstate claims data received through Internet System.				
** Includes retroactive payment activity.				
*** Less than 0.1 percent change or no activity in prior fiscal year.				

WORKERS' COMPENSATION

The Workers' Compensation Division's main function is to insure that necessary medical attention and compensation benefits are provided to employees injured on the job, or in case of death, 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, 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 involved 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 31, 2012, the State of Alabama's average weekly wage was determined to be \$770.80 for the calendar year 2011. This resulted in the following changes, effective July 1, 2012:

- The minimum weekly compensation payable increased from \$208 to \$212.
- The maximum benefits payable on fatalities increased from \$377,500 to \$385,500.

During fiscal year 2012 there were:

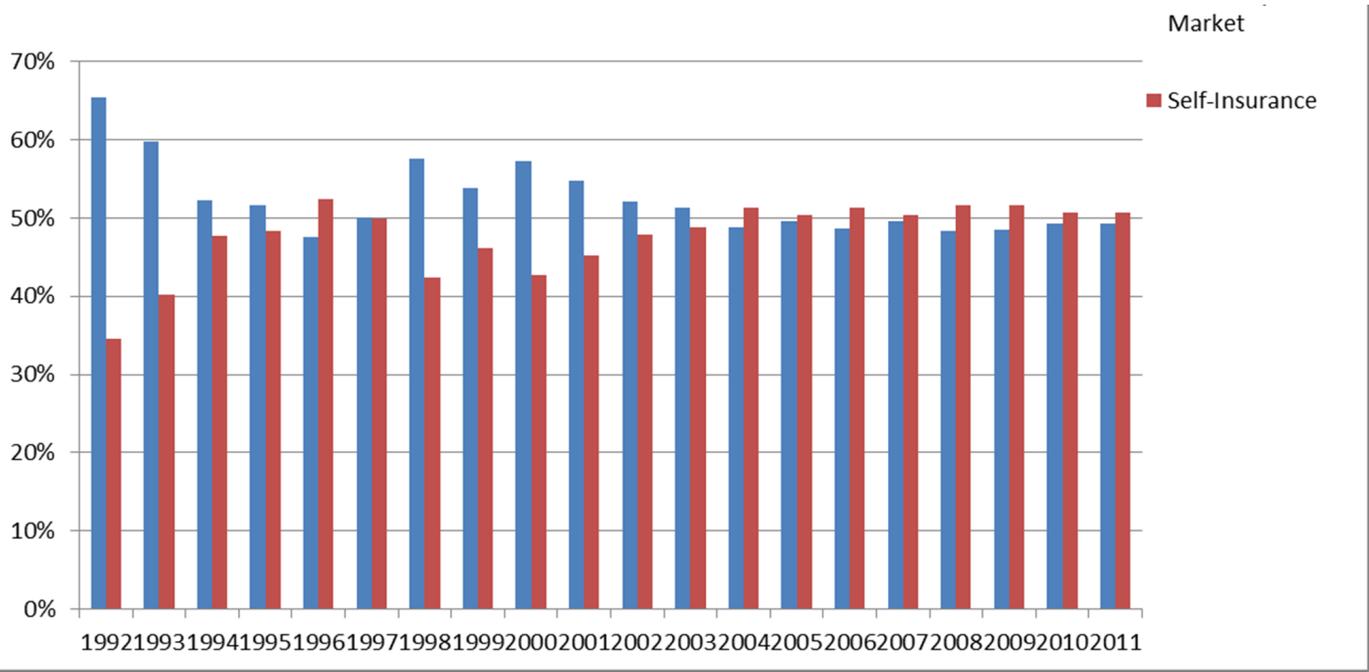
Group Fund Certificates Issued	3,014
Group Fund Certificates canceled	3,399
Self-Insurance certificates issued	20
Self-Insurance certificates canceled	6
Self-Insurers audited	316
Compliance inspections	16,982
Employers in Non-compliance	1,640
Continuing Education Seminars	5
Seminar Attendees	1235
Continuing Education Certificates	1227
Voluntary Mediations	1,594
Voluntary Mediations Resolved	1,369
Court Ordered Mediations	129
Court Ordered Mediations Resolved	70
Utilization Management/Bill Screening Certificates issued	28
Drug-Free Workplace Certificates issued	304
Medical Disputes	407
Third Party Administrators Certified	313
Professional Employer Organizations Certificates issued	6

Self-Insurance Section

The Workers' Compensation Division also administers the rules and regulations for both the Individual Self-Insurers, and Group Self-Insurers. During FY2012, the following activity took place within the Self-Insurance Section:

INDIVIDUAL SELF-INSURANCE				
		FY2012	FY2011	Percent Change
Certificates Issued		20	12	66.67%
Certificates Canceled		6	14	-57.17%
Total Individual Self-Insurers		292	279	4.66%
GROUP SELF-INSURANCE				
		FY2012	FY2011	Percent Change
Certificates Issued		3,014	3,135	-3.86%
Certificates Canceled		3,399	3,951	-13.97%
Total Employers		25,237	25,130	0.43%
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 2011, 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 49% in 2010; but this market has remained steady since 1997. The Self-Insurance sector increased its market share from 29% to 51% an increase over the twenty-year period of approximately 76%.



FIRST REPORTS OF INJURY TOTALS BY COUNTY

	FY2012	FY2011	% Change	FY2012 % of Total
Autauga	112	108	4%	1%
Baldwin	508	490	4%	3%
Barbour	64	113	-43%	0%
Bibb	26	42	-38%	0%
Blount	102	85	20%	1%
Bullock	9	15	-40%	0%
Butler	76	85	-11%	1%
Calhoun	244	227	7%	2%
Chambers	77	65	18%	1%
Cherokee	26	32	-19%	0%
Chilton	98	83	18%	1%
Choctaw	18	28	-36%	0%
Clarke	82	103	-20%	1%
Clay	39	41	-5%	0%
Cleburne	16	14	14%	0%
Coffee	134	103	30%	1%
Colbert	193	179	8%	1%
Conecuh	26	37	-30%	0%
Coosa	24	14	71%	0%
Covington	82	105	-22%	1%
Crenshaw	58	54	7%	0%
Cullman	186	180	3%	1%
Dale	107	106	1%	1%
Dallas	135	131	3%	1%
Dekalb	137	165	-17%	1%
Elmore	147	224	-34%	1%
Escambia	70	96	-27%	0%
Etowah	304	322	-6%	2%
Fayette	42	47	-11%	0%
Franklin	79	98	-19%	1%
Geneva	55	26	112%	0%
Greene	9	14	-36%	0%
Hale	20	23	-13%	0%
Henry	31	14	121%	0%
Houston	292	334	-13%	2%

FIRST REPORTS OF INJURY TOTALS BY COUNTY

	FY2012	FY2011	% Change	FY2012 % of Total
Jackson	131	169	-22%	1%
Jefferson	2,408	2,451	-2%	16%
Lamar	30	27	11%	0%
Lauderdale	254	264	-4%	2%
Lawrence	52	59	-12%	0%
Lee	385	274	41%	3%
Limestone	129	134	-4%	1%
Lowndes	35	25	40%	0%
Macon	78	31	152%	1%
Madison	948	918	3%	6%
Marengo	49	41	20%	0%
Marion	78	70	11%	1%
Marshall	353	333	6%	2%
Mobile	1,173	1,211	-3%	8%
Monroe	48	60	-20%	0%
Montgomery	1,089	1,110	-2%	7%
Morgan	321	291	10%	2%
Perry	22	19	16%	0%
Pickens	26	38	-32%	0%
Pike	109	110	-1%	1%
Randolph	25	25	0%	0%
Russell	121	84	44%	1%
Shelby	319	305	5%	2%
St. Clair	176	145	21%	1%
Sumter	32	36	-11%	0%
Talladega	372	373	-0%	2%
Tallapoosa	151	89	70%	1%
Tuscaloosa	646	683	-5%	4%
Unclassified	1,281	1,488	-14%	9%
Walker	140	184	-24%	1%
Washington	80	73	10%	1%
Wilcox	17	16	6%	0%
Winston	71	59	20%	0%
TOTAL	14,998	15,489	-3%	100%

FIRST REPORT OF INJURY TOTALS RANKED BY NUM OF INJURIES

		FY2012	FY2011	% Change	FY2012 % of Total	Cumm. Total
1	Jefferson	2,408	2,451	-2%	16%	16%
2	Unclassified	1,281	1,488	-6%	9%	25%
3	Mobile	1,173	1,211	6%	8%	32%
4	Montgomery	1,089	1,110	-6%	7%	40%
5	Madison	948	918	-10%	6%	46%
6	Tuscaloosa	646	683	5%	4%	50%
7	Baldwin	508	490	3%	3%	54%
8	Lee	385	274	-11%	3%	56%
9	Talladega	372	373	-1%	2%	59%
10	Marshall	353	333	17%	2%	61%
11	Morgan	321	291	-3%	2%	63%
12	Shelby	319	305	-17%	2%	65%
13	Etowah	304	322	-7%	2%	67%
14	Houston	292	334	-1%	2%	69%
15	Lauderdale	254	264	7%	2%	71%
16	Calhoun	244	227	-37%	2%	73%
17	Colbert	193	179	45%	1%	74%
18	Cullman	186	180	2%	1%	75%
19	St. Clair	176	145	-4%	1%	76%
20	Tallapoosa	151	89	5%	1%	77%
21	Elmore	147	224	28%	1%	78%
22	Walker	140	184	12%	1%	79%
23	Dekalb	137	165	0%	1%	80%
24	Dallas	135	131	51%	1%	81%
25	Coffee	134	103	-20%	1%	82%
26	Jackson	131	169	43%	1%	83%
27	Limestone	129	134	-17%	1%	84%
28	Russell	121	84	2%	1%	84%
29	Autauga	112	108	3%	1%	85%
30	Pike	109	110	-3%	1%	86%
31	Dale	107	106	54%	1%	87%
32	Blount	102	85	-24%	1%	87%
33	Chilton	98	83	7%	1%	88%
34	Clarke	82	103	20%	1%	89%

FIRST REPORT OF INJURY TOTALS RANKED BY NUM OF INJURIES

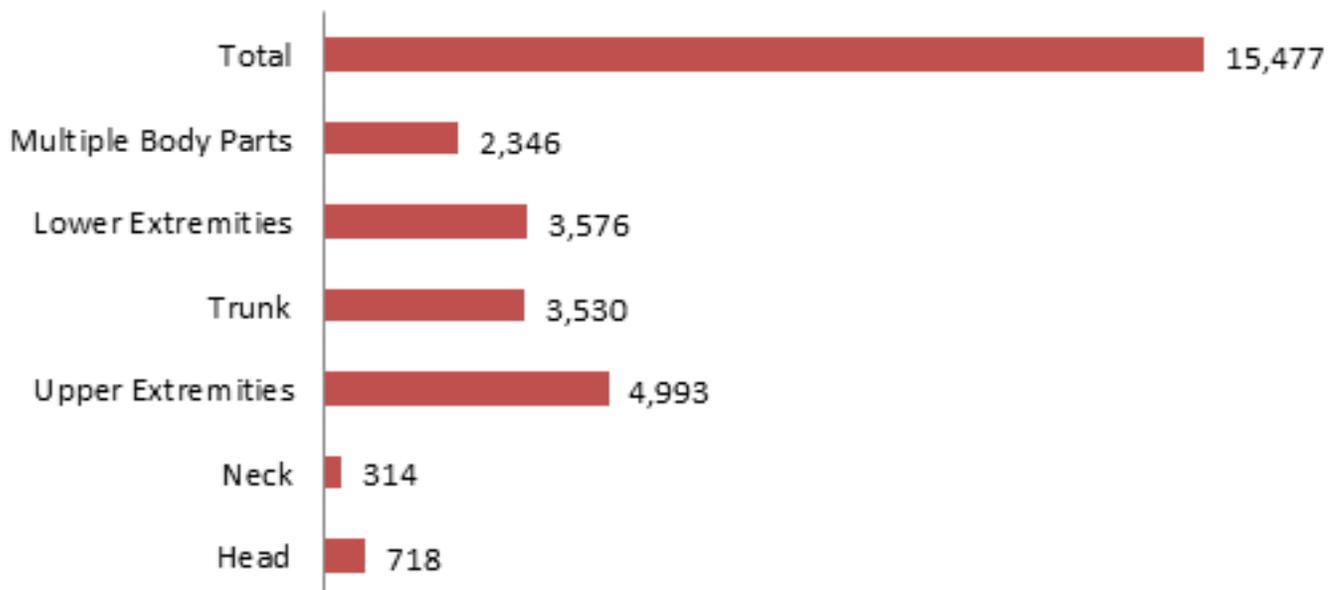
		FY2012	FY2011	% Change	FY2012 % of Total	Cumm. Total
35	Covington	82	105	-35%	1%	89%
36	Washington	80	73	33%	1%	90%
37	Franklin	79	98	5%	1%	90%
38	Macon	78	31	-33%	1%	91%
39	Marion	78	70	-15%	1%	91%
40	Chambers	77	65	-43%	1%	92%
41	Butler	76	85	-7%	1%	92%
42	Winston	71	59	-33%	0%	93%
43	Escambia	70	96	9%	0%	93%
44	Barbour	64	113	-20%	0%	94%
45	Crenshaw	58	54	2%	0%	94%
46	Geneva	55	26	4%	0%	94%
47	Lawrence	52	59	2%	0%	95%
48	Marengo	49	41	-5%	0%	95%
49	Monroe	48	60	3%	0%	95%
50	Fayette	42	47	-38%	0%	96%
51	Clay	39	41	9%	0%	96%
52	Lowndes	35	25	-18%	0%	96%
53	Sumter	32	36	140%	0%	96%
54	Henry	31	14	-27%	0%	97%
55	Lamar	30	27	-40%	0%	97%
56	Bibb	26	42	-20%	0%	97%
57	Cherokee	26	32	23%	0%	97%
58	Conecuh	26	37	-42%	0%	97%
59	Pickens	26	38	-73%	0%	97%
60	Randolph	25	25	-31%	0%	98%
61	Coosa	24	14	-21%	0%	98%
62	Perry	22	19	-10%	0%	98%
63	Hale	20	23	-33%	0%	98%
64	Choctaw	18	28	-32%	0%	98%
65	Wilcox	17	16	-42%	0%	98%
66	Cleburne	16	14	100%	0%	98%
67	Bullock	9	15	-13%	0%	98%
68	Greene	9	14	-56%	0%	98%
	TOTAL	14,998	15,489	-3%	100%	

First Reports of Injury (continued)

- During FY2012 there were 32 fatalities reported.
- Of the 32 fatalities all were males with an average weekly wage of \$738.41.
- The average age was 46 with the average time employed being 2.7 years.
- Of the 32 deaths, approximately 44% were employed six months or less.
- Four fatalities were 60 years of age or older and two were 25 years of age or younger.

Types of Injuries		
Body Part Injured	Number	Percent
Head	718	5%
Neck	314	2%
Upper Extremities	4,993	32%
Trunk	3,530	23%
Lower Extremities	3,576	23%
Multiple Body Parts	2,346	15%
Total	15,477	100%

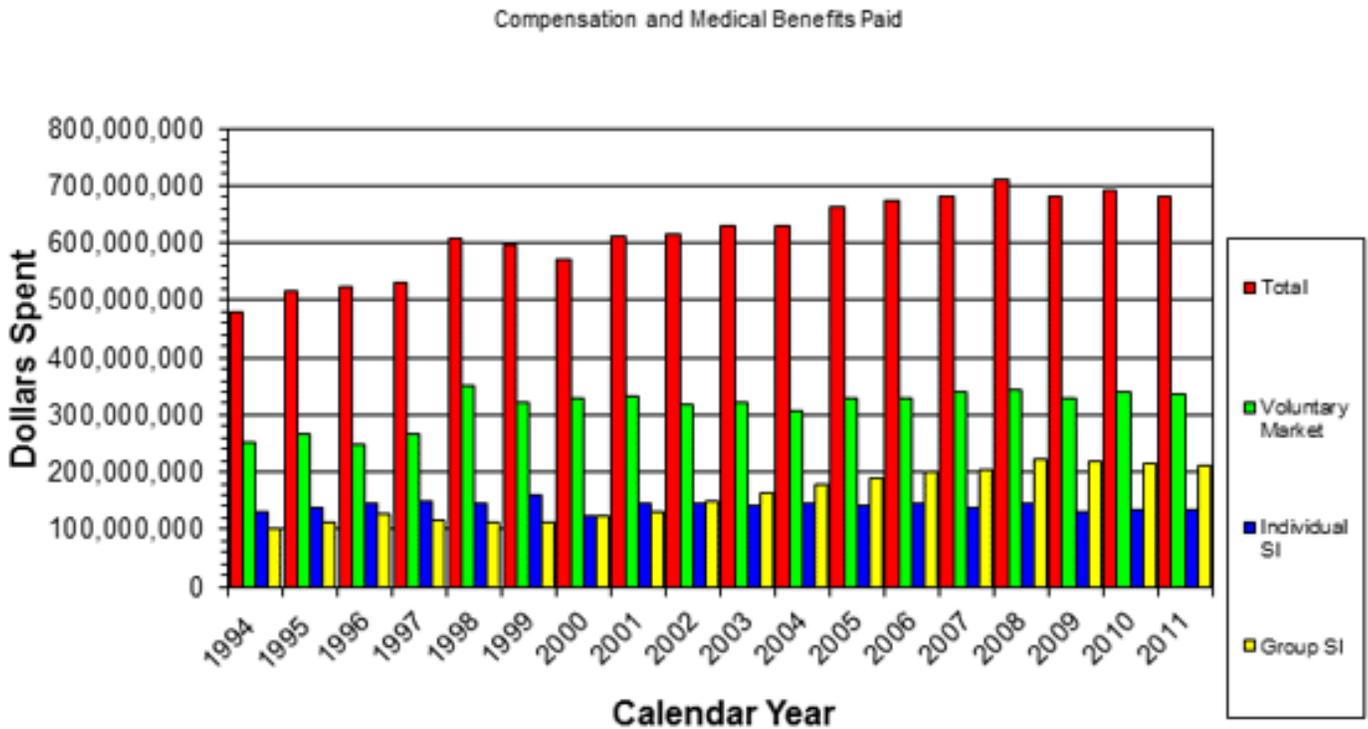
Part of Body



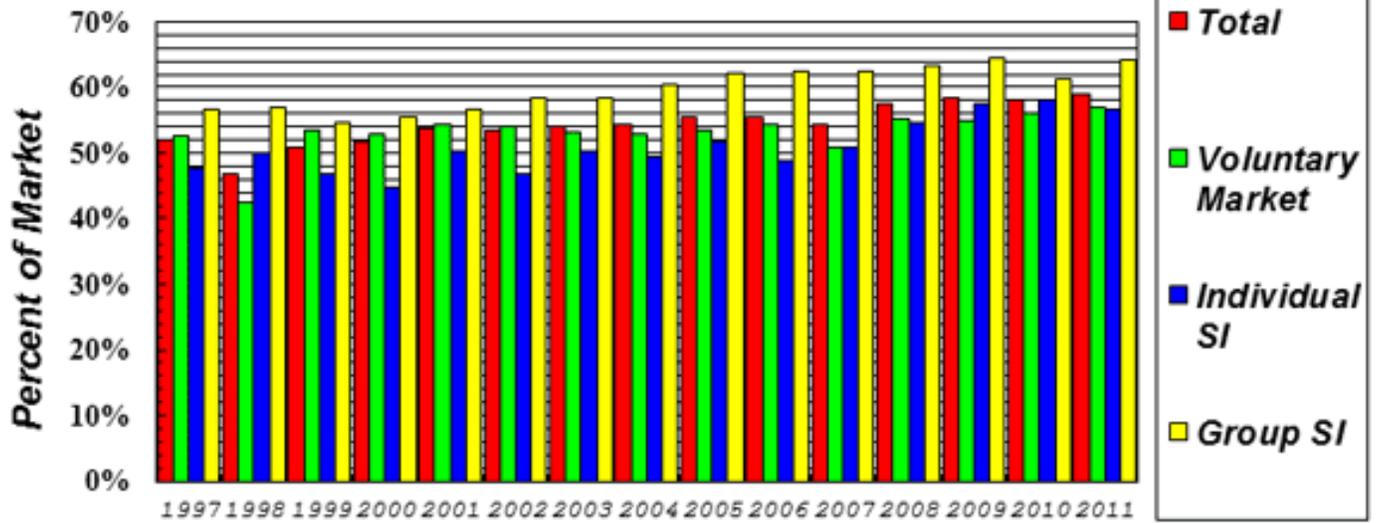
Compensation and Medical Benefits Paid

The first graph below represents the total dollar amounts actually paid for Workers' Compensation claims for Calendar Years 1994 through 2011, 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 1997 - 2011.



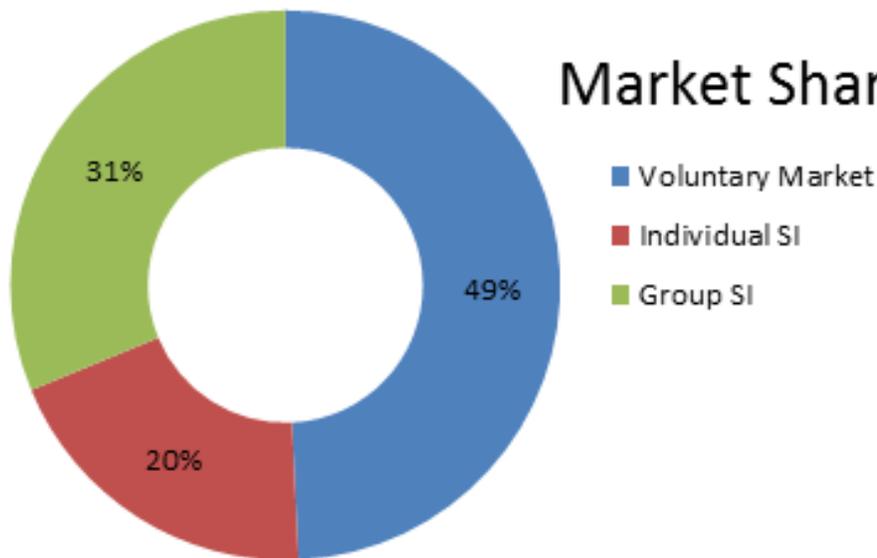
Medical Percentage



Total Compensation by Market For 2011

	<u>Compensation</u>	<u>% Medical</u>
Voluntary Market	\$335,256,980	57%
Individual Self-Insured	\$132,900,724	57%
Group Self-Insured	\$212,543,862	64%
Total	\$680,701,566	59%

Market Share



HUMAN RESOURCES

The Human Resources Division provides personnel administration support to all division directors, sections, units and individuals of the Department of Labor. Administrative duties include processing and monitoring of employees, including newly hired employees, 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 Labor. HR is responsible for ensuring that all federal and state laws are followed with the above actions.

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 in the central office building. The focus for the training section is to continuously encourage more ADOL employees to attend training courses offered by the State Personnel Department and 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.

THE OFFICE OF EQUAL 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 ADOL 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. The Unit receives, investigates and/or mediates complaints and grievances filed by departmental employees or customers served by the department; and makes recommendations for corrective action when appropriate. During the

2012 calendar year numerous grievances or complaints were made by ADOL employees. Most complaints were mediated or settled by the EEO Section which resulted in only five grievances actually being filed; four have been resolved; one is pending as of this report date.

It is the intent of the Department of Labor to ensure 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 Memorandums and provide distribution to all local offices.
- Provide mandatory poster update regarding FMLA, ADA, and other information as required by law.

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 21,700 of these hearings were scheduled in 2012.

---2012 Hearings and Appeals Highlights ---

- Working with Information Technologies to produce electronic case files, eliminating the need for paper files.
- Implemented “hosted conferencing” to connect with parties for hearings. This eliminated delays in starting hearings and eliminates the need for parties to provide a telephone number prior to the hearing. This gives the parties more flexibility and control concerning their participation in hearings.
- All hearing officers type their own decisions or dictate them electronically thus eliminating the need for recorders and cassette tapes.

LEGAL DIVISION

The Legal Division serves as legal counsel for the Department. In that regard, the Division renders legal opinions and interpretations of the Department's various laws, 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; and
- 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 2012, we have one active case in Federal Court concerning an employment discrimination matter. Counsel for the Department has made more than 500 court appearances during the past year, and has collected a total of \$110,849.39 from overpaid claimants as of Nov. 2012. It is estimated that during the month of Dec. 2012 an additional \$10,000 or more could be added to the overpayment collection figure.

LABOR MARKET INFORMATION

The Labor Market Information (LMI) Division is responsible for the collecting, analyzing and disseminating of 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://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)
- 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 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, and unemployment data, as well as 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,

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 estimated total employment by occupation for the state and selected areas. Two survey panels were conducted in 2012; November 2011 – June 2012 (82.62% response) and May 2012 – December 2012 (81.19% response). In addition in May 2012, the OES program continued to conduct a green survey to determine occupational information for green jobs.

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 2012, 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 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.

Labor Market Information took over responsibility Occupational Safety and Health Statistics Unit on October 1, 2012. This unit is responsible for three programs relating to work place injuries. Two BLS funded programs funded:

- Survey Occupational Injuries and illnesses (SOII) - responsible for developing comprehensive statistics concerning work-related injuries, illnesses, and fatalities in private industry.

- Census of Fatal Occupational Injuries (CFOI) - covers activity relating to all fatalities occurring in the workplace.

The third program is funded by Occupational Safety and Health Administration Injuries (OSHA) Survey, covers activity relating to injuries and illnesses occurring in the workplace.

In addition to the 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 2012, LMI:

- Developed and Published State Short Term Occupational Projections 2011-2013
- Developed and published statewide and workforce development region industry and occupational projections for 2010-2020
- Updated commuting pattern reports with 2010 data for all counties, metropolitan areas, and workforce development regions.
- Continued quarterly updates to Alabama Business Employment Dynamics (BED) data reports.
- Produced Quarterly Workforce Indicator Concentration Maps for four major industry sectors
- Conducted statewide LMI training
- Provided users with Webinar LMI training
- Served on the Youth Services Career Tech Education Advisory Council
- Presented Labor Market Information to the following groups:
 - Annual Alabama Community College Association (ACCA) Annual Conference
 - SHRM Chapter Meeting
 - Libraries and High Schools
 - Annual Career Technical Conference
 - Annual Alabama Counseling Association (ACA) Conference
 - Alabama Assoc. of Rehabilitation Facilities Annual Training Conference
 - Alabama Regional Workforce Development Planning Councils

As part of the Department of Labor's (DOL) mission to foster and promote the welfare of job seekers and provide insured benefits to those who have lost jobs due to no fault of their own, the Reports Unit of LMI compiles ongoing data on unemployment activity levels across the State. In FY 2012 unemployment activities continue to recover from the recession of the previous years. New initial claims dropped 15.2 percent over the previous fiscal year.

The Reports Unit continues to track and submit data on claims and payment levels for 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 FY2012:

- State Unemployment Insurance
- Unemployment Compensation for Federal Employees
- Unemployment Compensation for Ex-service members
- Emergency Unemployment Compensation 08 -Tier 1 and 2
- HEB Compensation
- 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 re-employment 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.

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.

The Finance Division was also responsible for coordinating a large part of the merger between DIR and the existing Alabama Department of Labor, including changing all the signage at the Central Office in downtown Montgomery.



New signage at the Central Office.

GOVERNMENTAL AFFAIRS

The Governmental Affairs Division is responsible for serving as the governmental and legislative liaison for the Department with other entities of local, state, and federal government and business and labor groups.

During 2012, the Governmental Affairs Division prepared and passed House Bill 72, commonly referred to as the Unemployment Compensation Fraud Bill. This bill covered several different aspects of unemployment fraud. First, a 15% minimum penalty will be assessed to all overpayments that were fraudulent. Next, these overpayments will now incur 2% interest per month until the balance is paid in full. Lastly, criminal penalties related to unemployment fraud have been strengthened. An offense that exceeds \$2,500.00 in fraudulently obtained benefits will result in a Class B felony. An offense that exceeds to \$500.00, but does not exceed \$2,500.00, will constitute a Class C felony. And those who fraudulently obtain unemployment benefits in amounts of less than \$500.00 shall be charged with Class A misdemeanor.

The Governmental Affairs Division also prepared and passed Senate Bill 300, which resulted in a change to the mandatory waiting week period for unemployment compensation benefits. This legislation changed the waiting week, a week in which claimants serve a mandatory waiting period, from after the 13th week to the 1st week they are unemployed. This change will provide uninterrupted benefits for 26 weeks. This legislation has also provided for an immediate impact on the balance of the Unemployment Compensation Trust Fund, with savings expected to reach \$14.5 million per year.

Furthermore, the Governmental Affairs Division helped pass the Department of Industrial Relations/Department of Labor merger bill. This bill combined two state agencies that will produce cost savings of more than \$250,000.00 per year. The combined department will now be referred to as the Alabama Department of Labor, to align with most other states and our federal counterparts.

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 hears Unemployment Compensation cases at the highest administrative level. The Board holds hearings at seven cities around the state on a rotating basis. In 2012, the Board reviewed 4,205 appeals and held 1,113 in-person hearings.

INSPECTIONS

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, Mechanical Contractors (*heating contractors*)

Jerry W. Godwin, Atmore, Travelers Insurance Co. (*insurance companies*)

ELEVATOR SAFETY REVIEW BOARD

Arthur Steber, Prattville, Chairman, Elevator Maintenance & Repair Co. (*elevator manufacturers*)

G. Thomas Surtees, Commissioner, Alabama Dept. of Labor (*government*)

Jeff McNorton, Birmingham, (*elevator service and repair companies*)

Jay Jenkins, Anniston, Jenkins, Jenkins, and Monroe (*architects*)

Betty Swan, Birmingham Building Owners & Managers Assn (*public*)

James H. Wyatt, Planning and Engineering, City of Birmingham (*municipalities*)

Linda Burkette (*Public*)

Jerry W. Bragwell, Russellville, retired (*physically disabled community*)

D. Stanley Borden, Montgomery (*professional licensed engineers*)

Ricky J. Guthrie, Birmingham, Business Agent, IUEC Local 24 (*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 11-12, a total of 9,018 inspections were performed by state and insurance inspectors. 2,280 violations were found, and 2,431 were corrected. There were 657 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.

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.

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 11-12, state and private inspectors conducted 10,173 safety checks on elevators and escalators in Alabama. In the process, 3,602 violations were uncovered and 3,781 were corrected. New code violations are found each day. There were 825 new elevator permits received during the reporting period.

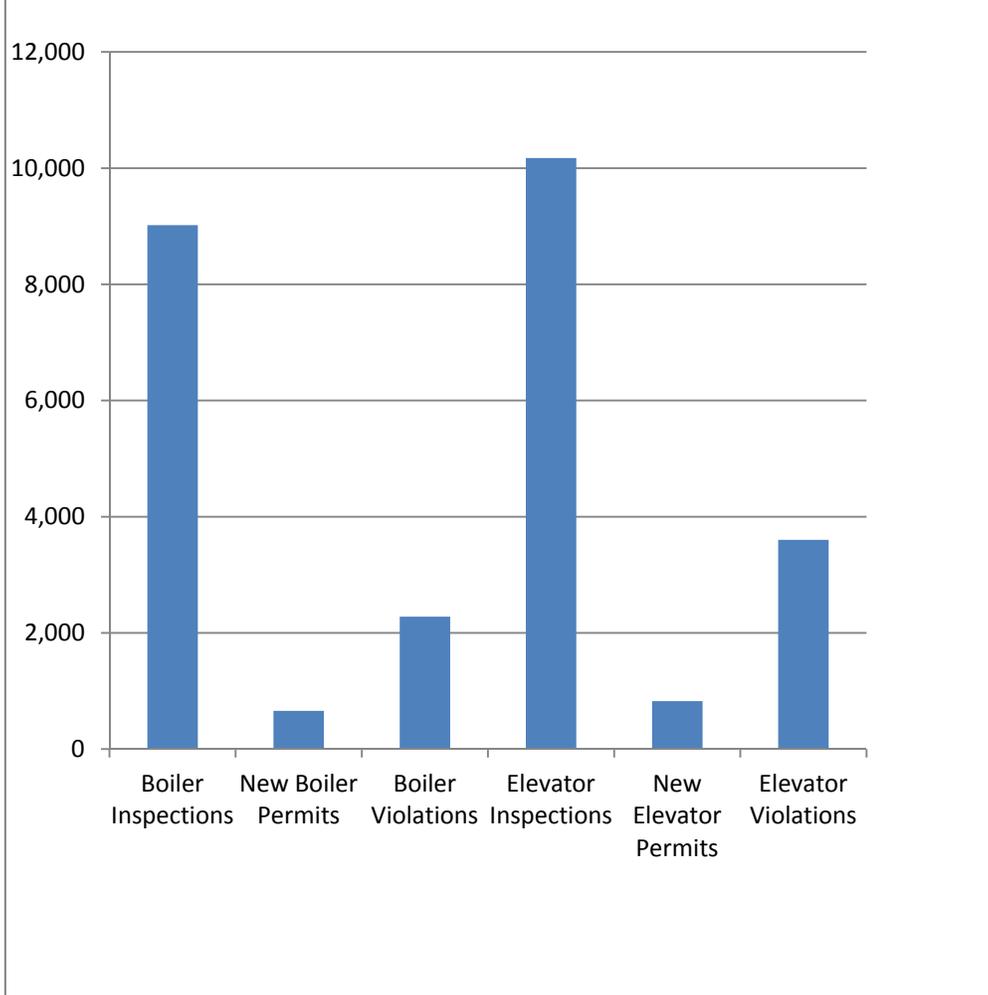
Most common Alabama elevator violations:

- 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.

Boiler/Elevator Statistics

Fiscal 2011-2012



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 3124 per ton for surface-mined coal and 1324 per ton for underground-mined coal. In addition to benefitting Alabama through removing mine-related safety hazards and improving the environment, the program positively impacts local economies as reclamation dollars are expended on earthmoving, construction material, re-vegetation supplies, and contractors utilizing local manpower to carry out the work. During FY 2012:

- Five abandoned mine land reclamation projects were completed,
- 68 acres of mine spoil and coal refuse material (considered wastelands) were returned to productive use,
- Three portals and one vertical opening were permanently sealed,
- Three dangerous high-walls totaling 4,900 feet in length were reclaimed,
- One Gob fire in Marvel, Alabama (five acres) was extinguished and reclaimed,
- Maintenance was performed on 13 reclaimed sites,
- Engineering and design was completed on seven potential AML projects,
- Four incidents of mine subsidence beneath urban areas were corrected by AML's emergency program.

Alabama's reforestation of abandoned mines is nationally recognized. During FY 2012, as per landowner's requests, 14 acres of trees were planted. In the past 35 years, ADOL has planted more than seven million trees.

A cost-sharing partnership between ADOL 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 FY2012.



The Alabama AML Program completed its 188th emergency project in Jan. 2012 in Walker County. The emergency provision of Alabama's program allows ADOL to respond to sudden, life-threatening abandoned mine land problems within 24 hours.

Alabama attended the National Association of Abandoned Mine Land Programs annual meeting in Des Moines, Iowa on Sept. 23 – 27, 2012 and the winter business meeting in St. George, Utah Feb. 28 – March 1, 2012. The Association is comprised 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, 2012, marked the 38th 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 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 (∇ 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 2012, 4,783 miners were employed in the coal industry, producing 19.5 million tons of coal. An additional 2,316 miners were employed in open pits and quarries producing approximately 52 million tons of non-fuel minerals. A total of 2,194 inspections were completed at coal and non-coal mines statewide. During this fiscal year, there were 2 mining fatalities.

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 56 underground mine foreman certificates and 55 fire-boss certificates. Also, 76 surface foreman certificates, nine electrical and eight 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 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 FY 2012 and 2013 funding cuts that took effect in August/September, 2012. Safety staffing was reduced by 33% from nine 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 2012, 380 permits (22 new permits, 358 renewals) 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 180 site inspections. Of that total, 22 inspections were made to verify locations of new permit areas, 80 inspections were made of active operations, 40 inspections were made of unpermitted sites, 20 inspections were made to investigate citizen complaints, and 18 inspections were made of operations with expired permits. During FY 2012, 35 bonds were released for satisfactory reclamation, and 10 bonds were forfeited for failure to reclaim. A total of 981 acres were reclaimed.

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, high-walls situated too close to property lines, sediment discharge from uncontrolled runoff, and lack of reclamation were promptly investigated. An estimated 15 sites were abandoned and left un-reclaimed at year's end, with insufficient funds to complete any meaningful reclamation. Mining continues at approximately 150 permitted sites, with 262 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 2012. 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.

INFORMATION SYSTEMS

ADOL's Information Systems Division supports the Department in all aspects. This support ranges from the routine, day-to-day functions of maintaining PC's and printers all across the state to implementing new, cutting-edge projects. In 2012, many of these projects were federal and state mandates.

The main project we undertook was the state mandated ADOL/DIR merger. Working closely with personnel from both ADOL and DIR over the course of several months, we changed hundreds of documents, reports, and screens to reflect our new identity. At the same time, we



also revamped our existing website so that it reflects our new duties in an appealing and user-friendly manner.

Another state mandate was the military relocation project which allows spouses of military personnel to receive unemployment benefits if they had to quit their job in order to relocate due to military orders.

State Information Data

Exchange System (SIDES) is a federal initiative that we undertook in 2012. This project allows employers using third party administrators to share data with the Department electronically reducing the risk of improper payments to claimants.

We also implemented Capture, a system that captures incoming faxes and preps them for processing, reducing the need for human intervention.

We participated in the IRS's Treasury Offset Program for the first time in 2012. By offsetting claimant's overpayments with their federal income tax refund, millions of dollars went back into the UI Trust Fund.

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

**Bessemer/Lawson State Community
College Career Center**
1100 9th Ave SW
Bessemer, Alabama 35022
Phone: (205) 929-3501

**Birmingham/Lawson State
Community College**
3060 Wilson Road
Birmingham, Alabama 35221
Phone: (205) 929-6473

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, #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 / P.O. Box
1087
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
P.O. Box 1045
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