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“There is Created

the Department of Economic Security with broad responsibility for income and employment policies and for linking its benefit payments and job training and placement programs with veterans' programs, workers' compensation, vocational and post-secondary training, federal income insurance programs and economic development programs.”

Minnesota Department of Economic Security Annual Report 1978



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STATE OF MINNESOTA

The Minnesota Department of Economic Security, which became operative as of December 1, 1977, was created by combining the Minnesota Department of Employment Services, the Department of Vocational Rehabilitation and the Governor's Manpower Office.

The new Department has four main divisions—Employment and Training, Unemployment Insurance, Vocational Rehabilitation and Management Support.

This report covers the period from January 1, 1978 to December 31, 1978, the first calendar year of operation for the new department.

Minnesota Department of Economic Security
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September 15, 1979

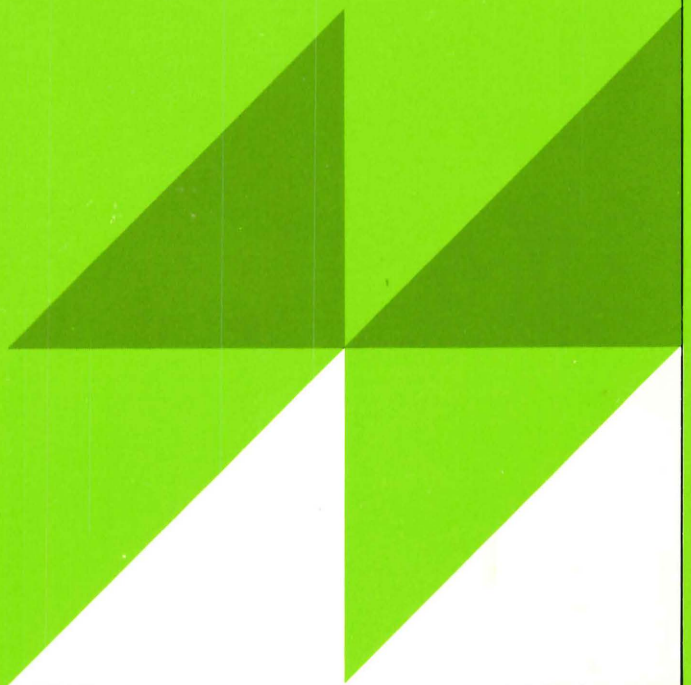


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EMPLOYMENT AND TRAINING DIVISION

The Employment and Training Division includes Job Service, the Balance of State Comprehensive Employment and Training Act program, the Work Incentive program, and the Work Equity project.

Job Service Program Grows

Job Service (JS) played an important rôle in the economic well-being of the community by helping job seekers find employment as quickly as possible and by helping employers find the workers they needed. More than 80 JS offices throughout the state provided the largest single resource for matching jobs and workers in Minnesota. Job openings filled by these offices in 1978 totaled 159,537, an increase of more than 28.0 percent over the 124,670 placements made in 1977. Placement services were provided free to both applicants and employers.

To help make its services more readily available to the public, JS established new offices in Detroit Lakes, Forest Lake, Lake City and the Moorhead Area Vocational Technical Institute.

Job Bank Updated Daily

The heart of the placement operation was the statewide Job Bank. Job Bank is a computer-assisted system that lists all jobs placed with JS offices throughout the state. The list was updated daily and placed on microfiche (film negatives) which were distributed to every office. The microfiche was read on viewing machines. The Job Bank gave job seekers visiting any JS office access to job orders placed with all offices. Referrals to openings were made according to the applicant's qualifications and requirements. Job Bank also served employers. They listed their job openings by placing a single phone call to JS offices. This information was then made available to qualified applicants throughout the state.

Job Testing Expands

During the 1978 fiscal year, Job Service administered 26,783 aptitude, proficiency and interest

tests to job seekers, an increase of 3,349 over the previous year.

The tests provided information about a person which was valuable to job seekers making career decisions and to employers considering applicants for a job.

In addition to general aptitude tests, Job Service administered tests for specific occupations. These tests were developed and validated by the U.S. Employment Service with the assistance of testing units of the various states.

During the past year, Minnesota's test research staff worked on revalidation of Specific Aptitude Test Batteries (SATB), a boilermaker aptitude battery and a transcribing machine operator proficiency test. A computer operator SATB feasibility study was



undertaken and samples of about 100 persons each were contributed to two national studies: revision of the Non-reading Aptitude Test Battery and a new Interest Inventory.

The Testing Unit also provided Department staff and others with training in the administration, scoring and interpretation of tests and provided job analysis to employers to ensure the selection of appropriate test batteries.

Other users, in addition to Job Service, were Comprehensive Employment and Training Act (CETA) centers, Work Incentive program and Vocational Rehabilitation offices, schools and other non-profit organizations, all of whom used the tests on their own premises.

Counseling Emphasizes Special Groups

During 1978, the number of employment counseling interviews conducted at Job Service and Work Incentive (WIN) program offices increased by 542 to a total of 29,037. (WIN helps find jobs for people receiving public assistance. It will be discussed later in this section.)

Counseling helped individuals assess their work skills and potentials in order to find a satisfying field of work. With each person who was counseled, a plan was developed for overcoming employment barriers. People who were unemployed due to layoffs, health impairments or other factors were given assistance in redirecting their skills and past experience to new areas of work. Special emphasis was on counseling of veterans, migrants, handicapped applicants and youth.

Standardized tests often were used to help people evaluate their aptitudes, interests and vocational needs. Counselors also used community agencies, training resources and special programs such as Job Corps to help applicants improve their job chances. The successful conclusion of counseling was placement in a suitable job.

Twelve Employer Committees Begin

In 1978, Job Service strengthened its working relationship with the employer community by developing Employer Committees in 12 strategically located areas of the state. The primary objective of the Employer Committee program was to enable Job Service offices to best serve the employer community.

The program set up a dialogue between employers and Job Service staff. This led to an increased understanding of mutual problems and resulted in improved services to both employers and applicants. Efforts were made to expand the program to other Job Service locations.

In several cities, employers and area office staff worked out exclusive hiring agreements. The employer advertised all current job openings through Job Service. Signs at the employer's point of entry directed job seekers to the area office. Job Service staff, in turn, screened all potential workers against the job requirements and referred only those applicants who met the employer's minimal requirements.

As a result, employers saved time in the initial screening process.

AIC Boosts Access to Trades

Apprenticeship Information Centers (AICs) operating in Minneapolis, St. Paul and Duluth provided information about the opportunities available and the necessary qualifications for enrollment in the apprenticeship programs of various crafts and trades.

During 1978, 1,500 individuals visited the AICs. In addition to providing information, the AICs helped people apply for apprenticeship programs. The AICs responded to 5,250 telephone inquiries and 1,500



mail requests for information. AIC specialists also visited a number of schools to give information about career opportunities.

In addition to serving the general public, AIC personnel also provided information to job placement and counseling staff within Mn/DES and to guidance counselors in schools. A number of community agencies which provide vocational planning, counseling

and employment assistance to specific groups also called on the AIC staffs for information.

AIC personnel worked closely with staff of the federal Bureau of Apprenticeship and Training and with the Division of Voluntary Apprenticeship at the Minnesota Department of Labor and Industry which approved and monitored apprenticeship programs in the state. In addition, AIC staff served on committees and councils concerned with the interests and problems of employment and training for special groups of people.

An Advisory Committee serving the metro area AICs consisted of representatives from education, labor, governmental agencies and industry. The committee met monthly to cover areas such as vocational education, apprenticeship program coordination with formalized work/training, occupational and economic forecasts having to do with work force, anticipated needs in crafts and trades and general occupational trends.

Rural Services Adjusts to Change

In 1978 Mn/DES was again heavily involved in meeting the employment needs of sugarbeet growers along the Red River Valley and in west central Minnesota. For several decades the labor supply in Minnesota has been insufficient to meet the intensive demand for hand labor for thinning and weeding sugarbeets. Consequently, growers have used migrant workers from Texas. Until 1977, these workers were recruited through the labor agency of the American Crystal Sugar Company. When that agency was disbanded, the Job Service became directly involved in the recruitment process and will continue to be as long as a need exists to help migrants who come to Minnesota.

For the second year in a row, Minnesota agriculture generally experienced an outstanding year. Labor demands were fairly typical in most crop and animal activity with one notable exception. In sugarbeets, the extensive technological research of recent years by grower cooperatives in Minnesota and North Dakota led to a rather sudden reduction in the use of hand labor.

The Southern Minnesota Sugarbeet Grower Cooperative at Renville indicated a one-third

decrease in the use of hand labor between 1977 and 1978. A survey conducted by University of Minnesota and North Dakota State University specialists revealed that the number of sugarbeet producers who grew all or part of their crop without hand thinning or weeding (usually done by migrant workers) increased from 15 percent in 1977 to 64 percent in 1978. The study showed that while the number of acres without any form of hand labor totaled only 14 percent in 1978, growers expected to increase that acreage to about 30 percent in 1979.

This rapid decline in labor needs will pose serious economic and social problems for the workers involved. Migrant agencies in all concerned states are gearing to assist dislocated workers to retrain and relocate as rapidly as time, funds and facilities allow. The Job Service will work intensively with rehabilitative organizations in arranging for suitable jobs for the large numbers involved.

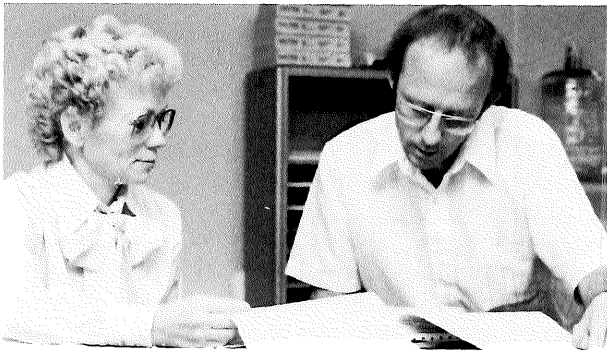
Daily Job Bank listings were rushed to approximately 150 separate locations in the state where they were available, along with Job Service staff assistance, to inform unemployed and underemployed job seekers of job opportunities throughout the state and region.

Seasonally, many additional outreach locations were established, quite often staffed with youth and others on summer vacation, to assist in organizing a vast movement of job seekers to summer employment. Area offices of the Job Service were continually evaluating the presence and geographical availability of services of this type. In late 1977 and early 1978, consideration was given to possible use of a radio network or mobile-telephones for referral of workers during peak periods of agricultural activity. The idea was abandoned for two reasons: (1) the apparent rapid decline in the use of migrant workers in sugarbeets; and (2) the development of Centrex II conference-call telephone capability, which vastly improved communications.

In January, Minnesota seed corn growers discovered recent interpretation of the Farm Labor Contractor Registration Act (FLCRA) required all staff having involvement with youth to register with the federal Employment Standards Administration.

This resulted in an enormous amount of confusion and activity for the Job Service.

The Department's nominal responsibility was only to provide registration forms. However, the Department's experience with FLCRA and migrant crew leaders made it the only experienced source of information in the state. A meeting of seed corn producers was called in Willmar at which federal and state personnel discussed the program with the employers. The employers registered under the Act and, working through the Job Service, accounted for almost all of the 11,405 short-term (3 days or less) agricultural placements.



Veteran Efforts Intensify

Increasing levels of counseling, job development and placement services to veterans in 1978 reflected Job Service's emphasis on providing services to veterans.

Nonagricultural placements of veterans increased from 19,936 in 1977 to 22,987 in 1978, despite a decline in the number of veterans seeking employment. Counseling cases increased dramatically, from 1,567 in 1977 to 4,705 in 1978.

Job Service provided special attention to veterans through 50 Veterans Employment Representatives (VERs) stationed in offices throughout the state. These VERs provided functional supervision of placement, counseling and testing services provided to veterans by office staff.

In 1977, under the Disabled Veterans' Outreach Program (DVOP), 37 disabled Vietnam era veterans were hired to seek out and help other disabled veterans. The Veterans Administration provided a

list of disabled veterans living in Minnesota. Most of those listed were contacted, either in person or by mail, and offered assistance. In addition to help in finding jobs, they were provided with information concerning other federal benefits for which they might be eligible. Although a temporary program, DVOP was extended through 1978 because of its success.

During the second half of 1978, VERs and DVOP staff were involved in a revised Help Through Industry Retraining and Employment (HIRE) program, dubbed HIRE II. Under this program, eight (of 10) Comprehensive Employment and Training Act (CETA) prime sponsors developed job opportunities with private employers for veterans, particularly those who were disabled and/or of the Vietnam era. Job Service staff was responsible for recruiting and certifying eligible veterans for referral to the HIRE II jobs. Placements under the program totaled 269. The federal government reimbursed employers for 50 percent of the costs of the first six months of training. HIRE II ended March 31, 1979, except for training periods which must be completed by September 30, 1979.

Department liaison with the United States Veterans Employment Service was maintained through a state director who monitored the Job Service efforts for veterans and provided direction and assistance. As the coordinator of the employment services to veterans in the state, he and his staff served as liaison between Job Service area offices, state staff and the federal regional office.

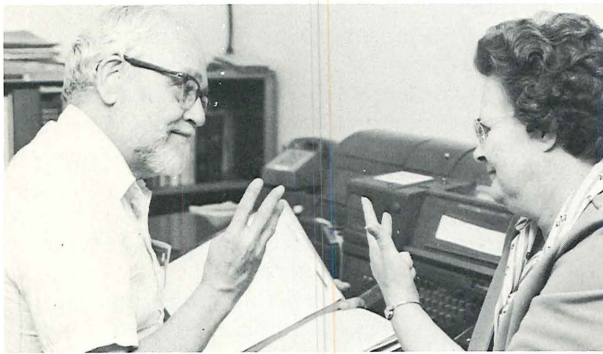
Job Service also maintained close relationships with veterans' organizations through the VERs. In 1978, the Veterans of Foreign Wars recognized the Brainerd area office as the "Outstanding State Employment Service Office" for the previous year. Manager Ralph Collette and VER Bob Jones accepted the award at the VFW state convention.

The American Legion selected the Inland Steel Company and the Northern Electric Cooperative Association for its "Employer of the Year" awards. The firms were nominated by the Virginia Job Service office. Manager Stuart Murray and VER John Norlander attended the award ceremony at the Legion's state convention.

Older Worker Placements Up

Job seekers 45 years of age or older, defined as older workers, benefitted from the improved economic picture in 1978. The number of placements of older workers by the Job Service reached 12,979 compared to the 11,921 placed in 1977, an increase of 8.8 percent.

Older workers are protected from discrimination by state and federal legislation. The Minnesota Human Rights Act prohibits discrimination in employment on the basis of age, the federal Age Discrimination in Employment Act prohibits discrimina-



tion in employment against persons between the ages 40 and 70 years.

As an agency subject to both federal and state laws, Job Service actively supported programs for the employment of older workers. Each area office designated a person to represent the interests of older workers.

To call attention to the older worker as a valuable resource to employers and to inform older job seekers how to do their best when applying for jobs, an annual National Employ the Older Worker week was held in March.

Hiring of Handicapped Bolstered

During 1978, placements of handicapped persons by Job Service offices numbered 7,839, an increase of 20.6 percent over the 6,502 placements in 1977.

Through counseling, testing, job development and referral, either to employers or to supportive agencies, handicapped job seekers were helped to prepare themselves for employment and to secure jobs.

Department offices were made more accessible to persons with disabilities during 1978. Office leases coming up for renewal were reviewed from the standpoint of accessibility to the handicapped. By 1980, all buildings housing state units are to meet state standards for accessibility as mandated by the state Human Rights Act and the federal Rehabilitation Act of 1973 which required that physical facilities and employment and training programs be accessible to persons with disabilities.

During the week of October 1-7, Job Service offices participated in National Employ the Handicapped Week.

Over 73,000 Youth Find Jobs

The Minnesota Youth Employment program coordinated by the Minnesota Department of Economic Security (Mn/DES) made 73,416 youth placements in 1978, surpassing the 1977 total by nearly 20,000. During the months from April through September, 85,495 young people registered for assistance in finding jobs.

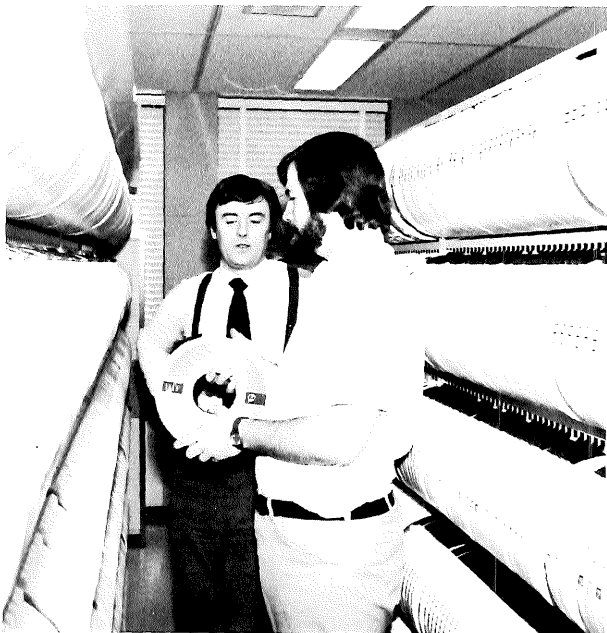
The Minnesota Youth Employment program was a united effort by the Governor's office, the National Alliance of Business, the Federal Executive Board of the Twin Cities, Chambers of Commerce and Comprehensive Employment and Training Act (CETA) prime sponsors.

An important part of the youth employment program was the Minnesota Youth Employment Act which has provided more than 28,000 summer jobs for young people since it first was enacted in 1973. In 1978, the allocation under the Act was \$3,150,000, which provided jobs for more than 4,400 youngsters. The young people were employed by local and county units of government, school districts, community action agencies, Indian reservations and CETA prime sponsors. Mn/DES administered the Act and recruited and referred young people to the jobs developed by the various participating agencies. A unique feature of the Act was that all of the allocated dollars were used for wages or wage-related costs such as workers' compensation and social security.

Now in their seventh year, Mn/DES Mini-offices continued to make a substantial contribution to youth employment, especially in rural areas. During

the summer of 1978, 125 Mn/DES Mini-offices made nearly 20,000 youth placements. Mini-offices were one-or two-staff person employment offices usually located in a rural community for the purpose of finding youth jobs. Mini-offices were staffed by responsible youth from the community they serve.

The Youth Conservation Corps (YCC) and the Young Adult Conservation Corps (YACC) were two federally-administered youth employment programs. The YCC was a summer jobs program which provided summer employment for 15- through 18-year olds in ecology and conservation. The YACC program was for unemployed out-of-school young adults ages 16 through 23. Both the YCC and the YACC had residential and non-residential components. In residential components, youth lived at the worksite and were provided board and room. In both programs, virtually all of the residential camps were located in northern Minnesota. Youth from across the state were eligible and were recruited. In the non-residential components, youth lived at home and commuted to the worksite daily. Recruitment for non-residential YCC and YACC components was restricted to people within commuting distance of the



worksite. In 1978, Mn/DES recruited and placed nearly 1,000 youth in the YCC program and recruited and placed more than 200 youth for the YACC program.

In addition to the above special programs, Mn/DES maintained close contact with private industry. In 1978, Mn/DES made 58,818 summer job youth placements in the private sector.

Job Corps Places 120 Minnesotans

During 1978, the Department recruited more than 120 young Minnesotans for the Job Corps program. Ninety-three percent of those completing training were placed in jobs, received further training or entered military service. Those placed in jobs earned starting wages that averaged more than \$4 an hour.

Job Corps is a federally-funded residential training program which offers basic education and vocational training to economically disadvantaged men and women 16 through 21 years of age. Mn/DES recruited young people for the program and assisted them in finding jobs after training.

Job Corps offered a variety of vocational training opportunities, including union-sponsored programs for selected apprenticeable trades. Some Corps members also completed their high school educational requirements by acquiring a General Equivalency Certificate. Another educational component helped develop good work habits and attitudes and provided insight into budgeting, job interviewing and taxes.

During 1978, Job Corps began a threefold national expansion to increase opportunities for its members. One development was several new Job Corps centers throughout the nation. Another was the initiation of the Advanced Career Training Act which provides Corps members with college and post-secondary vocational school training opportunities in para-professional and technical occupations. The third development was the Industry Work Experience program which involves private industry, labor unions and all levels of government.

Mn/DES Helps Those Hurt by Imports

During 1978, Job Service placed 32 persons in jobs and re-located two others under the provisions of the Trade Act of 1974, a program to help American

workers who become unemployed or partially unemployed as a result of competition from imported foreign products.

The primary goal was to find new jobs for workers where they live. If this wasn't possible, workers could be given on-the-job training or skills training to prepare them for new careers. Financial aid was available for job searching in other geographic areas, and re-location.

The program provided eligible workers with trade readjustment allowances—income to meet expenses while looking for a new job. The income maintenance portion of the program was administered by the Department's Unemployment Insurance Division.

Trade Act assistance was initiated through a petition filed by groups of three or more workers, a union or the employer, when any of that group felt increased foreign competition had contributed significantly to the workers' unemployment or under-employment. If the petition was approved after an investigation, the workers involved were entitled to Trade Act benefits.

In 1978, 41 petitions were filed; 15 were approved. Judging from experience in other states, Trade Act activities can be expected to expand in Minnesota.

Alien Employment Certification Up

Alien employment certification applications increased to the highest level since the program's inception in 1965. The 355 cases processed in 1978 were 22 percent over the 1977 level of 291. More than 1,800 inquiries were received regarding federal code requirements for labor certification.

The record number of applications reflected a heavy demand for skilled professional and technical workers in Minnesota. The stringent recruitment requirements enacted in 1977 created an exceptional number of inquiries about the four-step recruitment sequence requiring:

1. Documented news media advertising for non-alien;
2. Placing job orders with Job Service for 30 days;
3. Documented news media advertising for non-alien over Job Service name;

4. Evidence of posting on employer's bulletin board.

Applicants with permanent residence visas and with skilled or unskilled abilities made up 95 percent of the caseload.

A 60 percent approval rate indicated a decreased supply of resident workers in certain professional and technical occupations, especially the engineering and electronic data processing fields.

WIN Celebrates 10th Birthday

During 1978, the tenth year of operation, 6,295 recipients of Aid to Families with Dependent Children (AFDC) entered jobs in business and industry through the Work Incentive (WIN) program. This represents an increase of 19 percent over the previous year. WIN registrants entering employment earned an average starting wage of \$3.62 an hour. Ninety-seven percent of those entering employment were still on the job at the end of the program's 30-day verification period.

WIN activity resulted in welfare grant reductions estimated at \$13,730,000 in 1978, compared to the \$8,026,000 cost of the program. These welfare savings were in addition to reductions in Medicaid and food stamp costs.

WIN was designed to help move employable AFDC recipients from welfare to work and economic independence. All applicants for AFDC and recipients of it who were at least 16 years of age were required to register with WIN as a condition of eligibility for AFDC benefits, unless legally exempt.

Services provided to WIN registrants by the Department included: orientation to the world of work, counseling, testing, training in improving job skills, basic education, and vocational skill training. Special emphasis was on job development, on-the-job training (OJT), public service employment (PSE) and immediate placement of qualified persons in permanent employment. At least 37 percent of WIN's federally-funded expenditures must be used for WIN, OJT and PSE. In addition to the 6,295 WIN registrants who entered unsubsidized employment in 1978, 164 were involved with PSE and 546 with OJT. Those who received basic education or vocational classroom training numbered 1,376. WIN-funded

supportive services, such as child care, medical care and other social services, were provided by county welfare agencies to enable registrants to participate in WIN.

Of those receiving WIN services during 1978, 80 percent were women and 20 percent were men. Minority group members made up 16 percent of the registrants and veterans constituted eight percent of the total. Fourteen percent of WIN registrants were legally required to register and would jeopardize their AFDC grants unless they could show good cause for not participating.

Since July 1, 1972, when federal legislation changed WIN's emphasis to one primarily of job placement, 28,947 registrants entered unsubsidized employment in Minnesota. This fact is significant since the WIN population generally differed in important aspects from the general population. WIN registrants were less likely to have completed high school, to have been recently employed or to have means to tide themselves over in periods of unemployment. They were more likely to have health, child care, transportation and other employment-blocking problems.

In addition to its own resources, WIN uses those of CETA prime sponsors, Title XX of the Social Security Act and Vocational Rehabilitation to provide training, education and other assistance needed to help WIN registrants move into employment. During 1978, 946 WIN registrants were in non-WIN funded training programs. An additional 1,022 were in non-WIN subsidized employment, primarily CETA.

A variety of incentives was offered to both registrants and employers. WIN registrants were eligible for an "income disregard" which allowed a working registrant more money than one who was not employed. The income disregard was calculated by means of a formula which reduced the grant of an employed registrant by a part of the wages earned, not on a dollar-for-dollar basis. In addition, WIN registrants might have received a combined expense and incentive allowance based on the registrant's level of participation in WIN-authorized activity. This payment was designed to increase participation and to cover expenses incurred.



From September through November, 1978, Minnesota participated in a nationwide tax credit campaign conducted by the national WIN office. Radio and television public service announcements, news releases and direct mail were employed to acquaint more employers with the WIN tax credit. In addition, WIN registrants were encouraged to provide tax credit literature to employers during job interviews. In the three months of the campaign, a 78 percent increase in the use of tax credits occurred, creating many additional job opportunities for WIN registrants. Employers may claim a tax credit of 50 percent of the first \$6,000 in wages paid to each WIN worker during the first year of employment. Twenty-five percent of the first \$6,000 of wages paid during the second year may be claimed as a credit.

Employers meeting certain criteria were also eligible to hire WIN registrants for on-the-job training. An OJT contract between WIN and the employer required the employer to teach the trainee a specific job. To cover the extra costs of the training, the employer was reimbursed at a rate based on the employee's wages during the training period. The contracting employer was eligible for the WIN tax credit.

On-the-job training also served as an incentive for the WIN registrant who earned a wage, learned job skills and became eligible for the income disregard.

At the national level, WIN was administered jointly by the Department of Labor and the Department of Health, Education and Welfare. In Minnesota, responsibility for the program was shared by the Department of Economic Security and the Department of Public Welfare. WIN operated in 53 of Minnesota's 87 counties; over 90 percent of the state's AFDC population live in WIN areas. During 1978, five additional counties were served through the Work Equity Project.

Food Stamp Recipients Find Jobs

In 1978, 3,856 food stamp recipients who registered for employment with the Department were placed in jobs. In 1977, 3,359 were placed. The average starting wage received by food stamp recipients placed in employment during 1978 was \$3.55 per hour.

Food stamps are coupons that can be purchased at a discount by qualifying persons and used to purchase food. The role of Mn/DES in the Food Stamp program was to make employment programs and services available to those food stamp recipients who were required to register for work as a condition of their eligibility for food stamps. Through employment, the costs of the Food Stamp program were reduced with consequent savings to taxpayers.

Food stamp registrants who refused employment or job referrals without good cause were, by requirement, reported to the county welfare department so that their continued eligibility for food stamps could be re-examined.

The Food Stamp program is a joint effort of the U.S. Departments of Labor and Agriculture, the Minnesota Department of Public Welfare and the county welfare departments.

Job Service and CETA Cooperate

During 1978, Job Service contracted to provide services to nine Comprehensive Employment and Training Act (CETA) prime sponsors.

Contracts provided outreach, counseling, testing, referral to training, contract negotiations for on-the-job training and public service employment and no-

fee placement services. For some sponsors, training allowances were paid through the Department's Unemployment Insurance Division.

Job Service participated in the CETA planning process to assure CETA clients equity of access to services and to avoid duplication of effort. The goals of CETA and the Job Service were to provide the full range of services Minnesotans need to find and hold jobs.

BOS-CETA Helps Rural Areas

The Comprehensive Employment and Training Act (CETA) was administered in 54 mostly rural Minnesota counties by the Balance of State CETA. In 1978, Balance of State (BOS) administered 11 programs, with a budget of \$42 million, serving 19,000 people in the state's Economic Development Regions 1, 6, 7, 8, 9 and 10.

CETA's goals were to provide job training and employment for the unemployed and working poor with the purpose of moving them into permanent, unsubsidized jobs.

Eight regional Employment and Training Advisory Councils, acting as committees of Regional Development Commissions in the BOS area, handled most of CETA's planning in BOS.

Members represented local business, labor, agriculture, community agencies, schools, employment and training programs, veterans and clients. The planning councils recommended priority client groups and programs to prime sponsors, oversaw them and assessed their progress. Recommendations conformed with statewide employment and training goals.

CETA Titles Offer Many Services

The CETA law breaks funding into several categories or titles. BOS delivered CETA titles I, II, III and VI.

Title I provided intensive training to help more economically disadvantaged and structurally unemployed people into employment. Services included vocational guidance and counseling, work experience and formal vocational/educational training through contracted on-the-job training or classroom training at area vocational technical institutes, private

business schools, colleges and universities. In 1978, 7,537 people were served through various components of BOS Title I.

Title II offered economically disadvantaged, unemployed individuals temporary public service employment. In BOS, county governments and CETA centers had their own programs of entry-level job creation. In 1978, BOS employed 1,028 individuals in this facet of CETA.

Title III funded employment and training services for economically disadvantaged, unemployed youth, 16 to 21 years old. Some were in school, others had dropped out or had completed their high school education but were unable to find work.

Broad participation by local education agencies, community organizations, CETA centers and local governments helped insure grassroots coordination and experimentation in youth program design. Youth jobs became more than simple work experience, and some youths received academic credit. In 1978, 4,582 youth participated.

Title VI was a public service employment program operating during periods of high unemployment. Some Title VI programs were created on an individual basis. Others involved entry-level jobs in multi-job projects. All Title VI positions were in public non-profit organizations and government. In 1978, Title VI in BOS employed 5,041 individuals.

Special Projects Help Many

BOS also designed and delivered selective employment and training programs. Some are listed below.

1. *Comprehensive Offender Program Efforts (COPE)*. This demonstration program, designed to provide employment and training services for offenders, helped 73 people in 1978. Participants were men and women at least 21 years old and convicted of a felony. Clients received a combination of classroom training, work experience, on-the-job training and public service employment. Over 70 percent eventually were placed in permanent jobs as store managers, auto mechanics, sales people, etc. In COPE, CETA's resources were delivered in cooperation with the criminal justice system. COPE served Economic Development Regions 1 and 8.

2. *Displaced Homemaker program*. This program of

counseling, skill workshops and CETA employment and training helped find work for homemakers suddenly thrust into the labor market due to divorce, death of spouse or other loss of family income. In Economic Development Region 9, BOS served 50 people in 1978 (start-up was in August, 1978).

3. *Helping Industry Through Retraining and Employment (HIRE II)*. BOS offered \$47,591 in additional on-the-job training monies to businesses and industries that hired veterans. Salaries were \$3.50 an hour or more. Job Service handled recruitment and referral. As a result of this cooperative effort, 36 veterans in the BOS region began job training in 1978.

4. *Chemical Dependency Program*. CETA centers in Mankato, Crookston and St. Cloud began an intensive effort to integrate employment opportunities with chemical dependency treatment. The centers hired trained chemical dependency counselors to act as advocates for recovering persons who were using CETA and to inform treatment centers of CETA resources. Other CETA staff attended chemical dependency training that enabled them to identify chemically dependent clients and refer them to treatment.

The project ran from March to November, 1978. During this time 97 BOS CETA enrollees (85 of whom were referred to CETA by chemical dependency professionals) saw CETA chemical dependency counselors. Of them, 15 entered treatment and 37 joined Alcoholics Anonymous or a similar support group. Of those participants who terminated from the program, 55 percent entered permanent jobs.

The CETA chemical dependency counselors were hired with CETA public service employment funds.

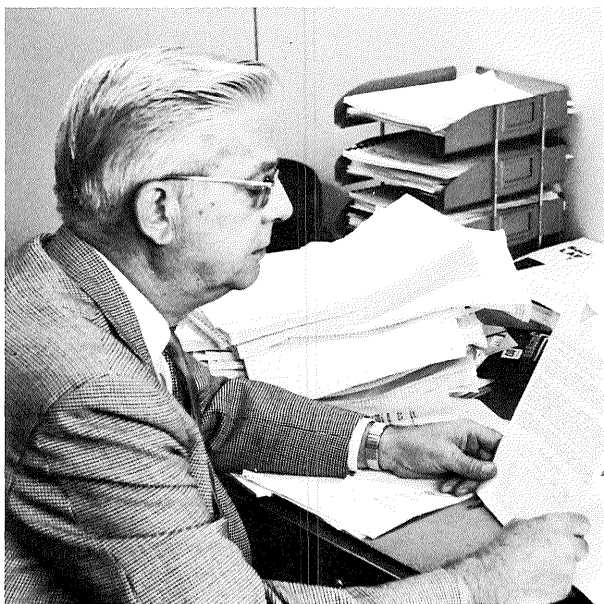
5. *Special Public Service Employment (PSE) Projects*. During 1978, BOS funded 352 local projects costing \$17,467,274 by providing public service employment funds to hire staff. The projects were approved by local employment and training planning councils on the basis of community need. Projects were reviewed by BOS for regulations compliance. All workers hired over the year met CETA eligibility requirements. The projects were varied. In Annandale, PSE workers helped start a chapter of the Minnesota Youth Association for Retarded Citizens — a

group of youth volunteers who act as big sisters or brothers to people who are retarded.

Work Equity Gets Underway

Helping welfare clients become employed and self-supporting was the primary objective of the Work Equity Project (WEP), a work and training demonstration project which became operational, in stages, between July 25 and September 18, 1978. On January 31, 1979, after six full months of operation, the number of registrants totaled 1,205.

WEP was designed to serve eligible participants in the General Assistance (GA), Aid to Families with



Dependent Children (AFDC) and Food Stamp (FS) programs. The project was being conducted in both urban and rural areas to determine whether the WEP concept would be workable on a national scale.

Funded by a \$6.8 million grant from the U.S. Department of Labor, the project also sought: (1) to increase understanding of the employment needs of the recipients; (2) to assess the relative effectiveness of employment and training programs; and (3) to demonstrate how the coordination of services to clients can be improved.

Projects were approved by the boards of Chippewa, Chisago, Isanti, Mille Lac, Sherburne, Wright and Yellow Medicine counties and the City of St. Paul. The Comprehensive Employment and Training Act (CETA) program from the City of St. Paul and the Minnesota Department of Economic Security's Balance of State Division contracted to deliver the program. The State Department of Public Welfare participated in the drafting of WEP operational rules and waived certain welfare regulations which were in conflict with WEP operational plans. The U.S. Departments of Labor and Health, Education and Welfare supported the project because the results could be useful in developing national welfare reform proposals.

The WEP demonstration project became operational in St. Cloud on July 25, 1978; Mora on August 14, 1978; Montevideo on September 11, 1978; and the City of St. Paul on September 18, 1978. As of January 31, 1979, the project had registered a total of 667 participants in the BOS rural areas and 538 in St. Paul. Of these, approximately 24 percent were in subsidized work/wage components which may include job training, community work projects or public service employment. Approximately 7 percent had entered unsubsidized employment. The remaining registrants were participating in job preparation components which provide Intensive Manpower Services (IMS), counseling, classroom training and other employability development services. St. Paul WEP served AFDC clients only, while the Balance of State WEP staff at St. Cloud, Mora and Montevideo worked with referrals from AFDC, GA and FS programs.

Potential WEP participants were jointly screened by a social worker and a WEP intake interviewer to determine program eligibility and the participant's level of job readiness. The social worker determined the supportive services a participant needed. Those services included child care, medical care, transportation, housing and/or other services that would enable a participant to work. The participant was involved in developing an individualized Employability Development Plan (EDP) which set a personal job goal, outlined the steps leading to employment and set a timetable to reach that goal.

Participants classified as “job ready” were referred by placement specialists to unsubsidized jobs in the public and private sector. Some of the participants were referred to On-the-Job Training (OJT) jobs. Under OJT, the employer provided training and paid a salary to the WEP participant. In return, the employer was reimbursed a percentage of the trainee’s wages. The employer also agreed to hire the WEP participant upon completion of the training period.

Other participants were referred to CETA Title VI jobs, which is employment with a non-profit employer through which the participant will gain experience and/or training. The WEP participant was paid the prevailing community wage for that type of work.

Some WEP participants were referred to a Community Work Project (CWP). A CWP was an individual or group project that ordinarily would not have been undertaken by that community. It also had some tangible benefit to the community. While in a CWP, participants were paid the prevailing wage for the type of work in that community. CWP’s were intended to fulfill a public service, provide individual opportunity to develop skills and to enhance basic work habits.

People who were “not job ready” were referred to counseling for an in-depth employment assessment including aptitude testing. One result could have been remedial education, high school equivalency training or vocational training. A person also might have needed the services of another agency — for example, Division of Vocational Rehabilitation (DVR) — prior to referral for employment. A participant could also have defined his job goal and then been referred to an OJT, PSE, CWP, or an unsubsidized job. While in counseling, job search, or other non-wage WEP components, the participant was paid for each day of active participation.

UNEMPLOYMENT INSURANCE DIVISION

Rate Down, Claimants Decrease

For the second straight year, Minnesota's unemployment rate dropped and unemployment insurance claims decreased while employer contributions to the Unemployment Insurance Fund increased. As a result, the state has sharply reduced its federal unemployment insurance deficit.

During 1978, the unemployment rate in Minnesota averaged 3.8 percent compared to 5.1 percent in 1977. Jobless Minnesotans received \$147,860,000 in unemployment compensation under all programs in 1978, 34.8 percent less than the \$226,939,000 paid in 1977. Payments made under the regular state program only were \$136,972,000, down 16.8 percent from \$164,609,000 in 1977. The number of claimants under the regular state program decreased from 187,222 in 1977 to 151,302, a decline of 19 percent.

The decrease in benefits paid under all programs can be attributed, in part, to the fact that the federal-state Extended Benefit (EB) program ended early in 1978 when the state's unemployment rate fell below 4 percent. EB provides up to 26 additional weeks of benefits during periods of high unemployment.

The drop in the unemployment rate also made necessary a reduction in the state's unemployment insurance staff which was accomplished, as much as possible, through attrition and transfers, keeping layoffs at a minimum.

Another result of less unemployment was improvement in the status of the Unemployment Insurance Fund. Employer contributions, interest earned and penalties paid during 1978 totaled \$212,257,000, an increase of \$28,222,000 over 1977. The fund balance on December 31, 1978, was \$161,225,000 as compared with only \$83,460,000 on the same date in 1977. (Interest and penalties do not go into the trust fund.) However, the state owed the federal government \$172 million borrowed during periods of high unemployment in 1975 and 1976 so the effective fund level was a deficit of \$10,775,000.

Timely first payments of claims (payments made within 14 days of the end of the first payable week) continued to improve in 1978. Timely payments averaged 87 percent in 1978 compared with 81 percent in 1977. This pattern of improvement resulted from continued efforts toward improvement of overall services to the public.

In another effort to improve service, two additional field advisors were added to the staff. Each of four state districts now has a field advisor who provides technical and training assistance to offices, coordinated special programs and acted as a liaison between outstate offices and the central office.

On December 8, 1978, the St. Paul Unemployment Insurance office and the Interstate Unit of the Benefits Section moved from 390 North Robert Street to the Metro Square Building, Seventh and Jackson Streets, in downtown St. Paul. The move was made because of a need for additional space for the Appellate Section and the new Department of Economic Security. Two Employment Service (ES) interviewers were stationed at the St. Paul office to serve the UI claimants.



Benefits Based on Earnings

How much a claimant received in unemployment insurance benefits was determined by the number of weeks worked and the amount of money earned during the 52-week period immediately preceding the filing of a claim.

A claimant was given credit for each week worked in which \$50 or more was earned. To qualify for benefits, a claimant needed at least 15 credit weeks.

The weekly benefit amount a claimant received was between 50 and 60 percent of the average weekly pay earned up to a maximum of \$133 a week. The minimum benefit was \$30.

The weekly benefit was paid for a number of weeks equal to 70 percent of the credit weeks up to a maximum of 26 weeks.

The weekly benefit was reduced by the amount of earnings from employment during the week. Other deductions were severance pay and payments for social security, pensions, holidays and vacations.

In order to remain eligible for benefits, a claimant had to be able to work, be available for work and be actively searching for work.

Eligibility Reviewed Constantly

Unemployed persons who file claims were scheduled to report to their area offices on a regular basis either by mail or, if a problem had been indicated or a benefit eligibility review interview was scheduled, in person. Each time they reported, their eligibility to receive unemployment insurance was reviewed. Areas of possible disqualification that might require investigation included: refusal to accept a job offer; failure to be available for and able to work or to actively seek work; receipt of earnings during weeks for which benefits were claimed.

The Department investigated 60,791 job separation issues in 1978 resulting in 28,072 disqualifications. Investigations of 86,258 cases of eligibility caused the denial of 29,544 benefit weeks.

In September 1977, the Eligibility Review Program (ERP) was implemented in Minnesota. This was a program developed and funded by the federal government to improve the quality of the unemployment insurance claims process and to strengthen the Employment Services' re-employment assistance



practices for unemployment insurance claimants.

Under the program, claimants were classified by their attachment to the labor market and their prospect for re-employment. Those who were not attached and needed re-employment assistance were interviewed and completed a written agreement outlining the requirements that must be satisfied to maintain eligibility insofar as work search and availability were concerned. Additional interviews could be scheduled to determine compliance with the agreement. In 1978, nearly 39% of all UI claimants participated in this program

Error, Fraud Detected

The Department operated a continuous, statewide investigation program to prevent and detect administrative errors, benefit overpayments and claimant or employer fraud in Unemployment Insurance and other income maintenance programs.

During 1978, the Department issued 14,326 overpayment determinations amounting to \$2,568,971. Of these, 1,917 cases involving \$532,424. were determined to be fraudulent. Most overpayment cases were the result of unintentional errors or misun-

derstanding. Overpayment recoveries during 1978 totaled \$1,490,091, including cash refunds and benefits withheld from payments due.

Various methods were used to detect benefit overpayments. Benefit payment auditors checked payments made to a claimant in a previous benefit year against wages-used to establish a new claim and verify earnings shown on the claimant's report.

Return-to-work dates were verified by computer-generated letters to employers. The benefit payment auditors also investigated employers' protests concerning benefit charges and followed up on tips from the public. Periodic industry surveys also were performed. Contact with other states provided a continuous means for exploring new detection techniques and exchanging information. The Department also had field investigators examine records and documents, gather evidence and prepare reports to be used if either criminal or administrative action was taken.

The Department maintained accounting records of benefit overpayment cases. Action was taken to adjust employer experience rating accounts where an overpayment had occurred. Matters relating to check irregularities also were processed, including lost or stolen checks and forgeries. During 1978 this activity

involved processing 688 stop payments and issuing 496 replacement checks.

More flagrant cases of fraud were considered for criminal action. Cases were referred to the office of the State Assistant Attorney General for his review and referral to the local courts for prosecution. During 1978, 48 cases were recommended for prosecution. Obtaining benefits fraudulently is a gross misdemeanor. Fraud cases not handled by court action were dealt with administratively through disqualification penalties.

Planning was begun in 1978 for an automated system to manage and control overpayments more accurately and effectively. This new system, scheduled to become operational in 1979, will improve efficiency by freeing staff to focus on the important areas of overpayment detection and prevention.

Trade Act Activity Grows

Activity under the Trade Act of 1974 was significant in Minnesota for the first time during 1978 when benefits totaling \$2,524,420 were paid to the 2,189 persons found eligible from among 2,440 applicants.

The Act provided weekly trade adjustment allowances and other benefits be paid to persons who lost their jobs because of competition from foreign products.

The bulk of the Trade Act activities stemmed from six firms: U.S. Steel, Duluth, producing coke; Gleneagles, Division of Hart, Schaffner and Marx, Chisholm, producing clothing; E.F. Johnson Co., Waseca, producing C.B. radios; Buckbee-Mears, St. Paul, producing electronic products; and Erie Mining Co., Hoyt Lakes and Taconite Harbor, producing iron ore:

Disaster Aid Offered

Heavy rains, flooding and tornados in June and July, 1978, caused 16 Minnesota counties to be declared major disaster areas.

The Disaster Relief Act of 1974 authorizes the President to provide assistance to persons unemployed as a result of a major disaster.

The Department issued payments of \$61,616 during 1978 to self-employed farmers and business peo-

Unemployment Compensation			
	1978	1977	Change
Initial Claims	189,074	230,825	-41,751
New	133,426	156,262	-22,836
Additional	46,703	62,545	-15,842
Interstate	8,945	12,018	-3,073
Continued			
Claims	858,586	1,148,652	-290,066
Interstate	34,501	56,941	-22,440
Weeks Paid	1,439,172	1,913,003	-473,831
Net Benefits			
Paid	\$136,971,589	\$160,751,130	-\$26,341,142
Average Weekly			
Amount	\$95.50	\$84.03	\$9.36
First Payments	105,103	127,276	-22,173
Benefit			
Exhaustees	33,422	57,249	-23,827

ple, farm workers and migrant workers who became unemployed due to disasters.

Unemployment Compensation Benefit Claims And Payment Activity

	Initial Claims	Number of Weeks Paid	Gross Amount of Benefits Payments	Number of First Payments Made	Number of Beneficiaries Who Exhausted Benefits
1978	189,074	1,439,172	\$137,440,877	105,103	33,422
1977	230,825	1,913,003	164,726,882	127,276	57,249
1976	250,501	2,181,399	174,496,504	147,836	64,937
1975	292,522	2,630,365	180,601,042	166,257	70,261
1974	229,791	1,624,632	106,232,798	117,285	39,688

Interstate Payments Made

The interstate benefit payment plan provided for payment of unemployment compensation benefits to individuals who might otherwise be deprived of benefits because of their absence from a state in which they were employed. During 1978, such emigrating Minnesota workers filed 11,926 initial claims and claimed 72,691 associated weeks of unemployment, a continuation of the 1977 decline in interstate claims activity.

Numerous procedural innovations which reduced clerical activities were introduced during 1978 to facilitate claim processing and to compensate for the relocation of the Interstate Unit in the Metro Square Building.

The interstate benefit payment plan also provided for the establishment of claims based upon the combination of wages earned in two or more states. In 1978, Minnesota wages were used to establish 4,020 combined-wage claims.

Payments Unit Helps Other Programs

During 1978, the Payment Unit paid out \$13,819,330 to more than 3,300 persons involved in the Comprehensive Employment and Training Act (CETA), Work Equity and Work Incentive programs.

Training and transportation allowances of \$3,013,208 were paid to 2,700 persons involved in CETA programs, including \$274,846 paid to 427 welfare recipients who were entitled to \$30 a week as an incentive allowance while in training.

Under the Work Incentive (WIN) program, registrants were paid semi-monthly incentive and training-related expenses totaling \$510,166.

Payments under the Work Equity Demonstration project (WED) began in September, 1978. Accounts were established for 196 persons and \$21,110 in benefits were paid.

Employers Fund Program

Funds for regular unemployment benefits are provided through a systematic tax imposed on most employers doing business in Minnesota. The Accounting Section determined which employers were liable, enforced compliance and collected the taxes. In 1978, 13,869 new employers were registered, increasing the total number of liable employers to approximately 83,500, including about 2,440 local government units.



Most liable employers paid taxes quarterly based on an assigned annual tax rate. There were several methods of determining the rate. For newly liable employers, the rate was determined by the state's three-year benefit cost rate. (This was a percentage comparison of the statewide total dollar amount of unemployment benefits paid and the wages subject to taxes for the 36-month period ending June 30 of the preceding year.) The rate must be at least 1.0 percent but no greater than 2.7.

For 1978, the benefit cost rate was higher than 2.7 percent and so the legal maximum was limited to 2.7. New employers received this special rate assignment if they did not qualify for an experience rate. When eligible, an employer was assigned an experience rate based on employment experience and the current minimum rate. The employment experience record was based on benefit charges for benefits paid to former employees and the taxable payroll on which all taxes due had been timely paid. If any employer's account had minimal or no benefit charges during the experience period, the minimum rate was assigned.

The employer's experience record was used to establish an experience ratio. An employer's ratio each year was limited to an increase of .015 (1.5 percent) over the previous year. The experience ratio was added to the minimum rate to establish the employer's tax rate. The minimum rate for 1978 was 1.0 percent; the maximum, 7.5 percent. Once an employer's experience rate was established, it was used to calculate tax amounts.

In 1978, employers paid tax on the first \$7,500 (or portion thereof) in wages paid to each employee. The tax was determined by multiplying the taxable wages by the tax rate.

Each quarter, the employer was required to file an "employer's Quarterly Unemployment Tax Report" which included the gross and taxable wages paid and determined the amount of contributions (tax payment) due.

Certain non-profit organizations (including private schools), which had elected not to be taxed as regular employers, were required to reimburse the fund for benefits paid to their former employees. The State of Minnesota, instrumentalities of the state and political subdivisions could choose either the reimbursing or

the tax-paying method. Unemployment benefit payments made to federal employees and ex-military personnel were reimbursed by congressional appropriations.

1978 Extended Benefit and Supplementary Benefit Activity

	Extended Benefits	Federal Supplemental Benefits	Special Unemployment Assistance
Initial Claims Filed	4,002	18	237
Weeks Paid	39,958	62	21,566
Amount Paid	\$3,334,279	\$5,499	\$1,767,242
Average Weekly Amount	\$83.44	\$88.69	\$81.95
First Payments	5341	0	640
Benefit Exhaustees	2493	5	540

During the year, employer status and rate assignment issues generated approximately 150,000 items of written correspondence and 18,000 telephone calls from employers, accountants, attorneys, claimants and their representatives. A total of 398 cases were referred for hearings on liability issues and 127 were referred for benefit-charging and rate-assignment hearings.

During 1978, approximately 311,000 quarterly tax reports were processed generating \$197,742,000 in tax revenue (excluding penalties and interest); 38,300 notices of delinquent tax reports were sent to employers including 23,000 first notices and 15,300 follow-up notices; and 10,200 tax reports were estimated and assessed against employers for failure to file reports.

In addition to dealing with problems concerning failure to file tax reports, the section also processed 43,041 discrepancy statements advising employers of additional tax, penalty and interest due, plus 15,947 statements advising employers of tax overpayments. The collection efforts resulted in 16,730 delinquent tax payments totaling \$1,549,622.00. In addition, \$635,203.21 in uncollectible tax, interest, and penalty was approved for write-off.

The problems involved in dealing with employer collection and delinquency matters, requests for information and other miscellaneous matters resulted in 57,975 items of correspondence and 12,400 telephone calls.

To handle this varied workload, the automated Tax Accounting System made use of on-line computer inquiry terminals with visual display. These terminals handled approximately 810,000 inquiries in 1978. The computer files contained approximately 1,865,000 separate items of information relating to employer accounts. As a further indication of the size of these computerized files, more than 430,000 transactions were processed into the tax ledger file alone.

In 1978, UC Tax Examiners conducted 6,163 audits which produced a tax yield of \$1,033,631; collected UC taxes totaling \$2,004,525; conducted 12,266 employer liability investigations; and obtained 17,127 tax reports.

UC Tax Examiners also conducted field investigations to secure from employers any additional information needed in the processing of claims for benefits. They conducted 4,400 such investigations in 1978.

Decisions May Be Appealed

An employer or claimant who disagreed with a benefit or tax-related determination made by the

1978 UCFE* and UCX** Activity

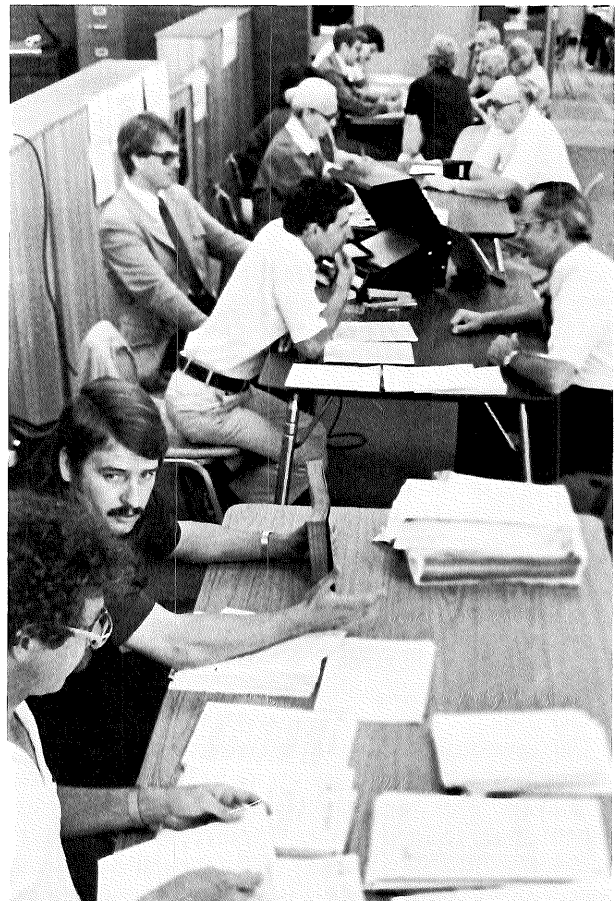
	UCFE* only	Joint UCFE- UC	UCX** only
Initial Claims Filed	1,449		3,853
Weeks Paid	10,419	10,063	44,059
Amount Paid	\$986,105	\$469,288	\$4,174,957
Average Weekly Amount	\$94.64	\$46.63	\$94.76
First Payments	691		2,957
Benefit Exhaustees	311		904

* Unemployment Compensation for Federal Employees

** Unemployment Compensation for Ex-Servicemen

Field Audits Made

Unemployment Compensation (UC) Tax Examiners (field auditors) were located in 16 cities throughout the state. They helped employers comply with the Minnesota Employment Services Law and provided them with advice and assistance with their UC tax and benefit problems. Examiners also conducted investigations to determine if employers were subject to the state unemployment tax; secured delinquent tax reports and collected delinquent taxes; and audited employers' books and records to verify the accuracy of tax reports.



Department could appeal the decision. The Appellate Branch conducted more than 14,000 hearings in 1978. When a benefit or tax-related appeal was made, the Department scheduled a quasi-judicial hearing, usually at a Department area office. The hearings were conducted by a hearing officer and were tape-recorded so that a record was preserved.

The Department conducted a wide variety of lower-level hearings. Common benefit-related issues were: claimants' voluntary quits or misconduct; the employer's experience rating account; whether a claimant was able to work, available for work and actively seeking work. Interstate appeal hearings were held for people claiming benefits against one state

Representative. A party dissatisfied with a decision of the Commissioner's Representative could appeal that decision to the Minnesota Supreme Court.

During 1978, the Office of the Commissioner's Representatives issued 2,611 decisions, a 58 percent increase over the previous year, and the number of appeals increased 81 percent.

To handle this dramatic increase in workload, three additional Commissioner Representatives were appointed, two of them on a temporary basis, and a staff attorney was added to assist the representatives. Support staff also increased by one permanent position and a number of temporary positions which were filled by persons on lay-off from other Department units.

As a result of these actions, the waiting time between the filing of an appeal and its review by a Commissioner's Representative was, for a time, the lowest in this decade. The changes also began to assist the office in reaching its projected goal—60 percent of all cases decided within 75 days of date of appeal—by mid-1980

Status Of Unemployment Compensation Fund

	Contributions Received Net	Interest on Trust Fund	Benefits Paid Net	Balance Available For Benefits
1974	88,856,524	4,545,272	105,548,677	75,063,050
1975	99,229,015	2,213,072	180,237,890	12,303,405
1976	117,088,564	27,368	173,794,460	19,396,109
1977	165,191,270	45,677	160,751,130	83,460,020
1978	198,611,718	0	136,971,589	161,225,598*

* Includes Funds Earmarked for Repayment of Federal Loan and Other Sources of Income.

while residing in another, when Minnesota is one of the states involved.

Hearings became increasingly complex. The number and variety of issues, as well as dollar amounts involved, increased substantially. Legal counsel was permitted but not required at hearings. Whether or not any party was represented by legal counsel, all hearings conformed to constitutional due process of law requirements.

If either party was dissatisfied with the hearing officer's decision, an appeal could be made to the Commissioner. A Representative of the Commissioner reviewed the testimony and exhibits from the first hearing. A transcript of the first hearing was given to the parties involved. Each then presented written or in-person arguments to the Commissioner's

DIVISION OF VOCATIONAL REHABILITATION

Last year 44,464 vocationally disabled Minnesotans had contact with the Division of Vocational Rehabilitation (DVR). In many cases, this contact was the first step toward a new life of vocational and personal independence. Basic support for DVR was provided by 80 percent federal funds matched with 20 percent state and local funds. Long-term sheltered employment and work activity programs were funded separately by the state. In addition, the agency was reimbursed for services provided under Social Security programs.

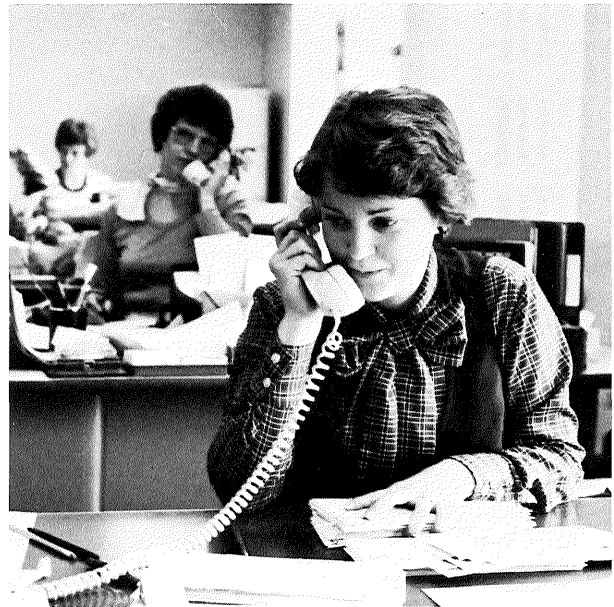
A Wide Range of Services Offered

Vocational rehabilitation services were available to Minnesotans of working age who are physically or mentally disabled. Persons with more severe disabilities were given priority. In fiscal 1978, 50.8 percent of DVR's clients were severely disabled.

To qualify for rehabilitation, a person's disability had to be such that it was a barrier to obtaining and keeping employment. There also had to be a reasonable expectation that the person would benefit from vocational rehabilitation services and become gainfully employed in the general labor market, in sheltered employment or as a homemaker or family worker.

DVR Expenditures	
Fiscal Year 1978	
Basic DVR Program (20% State, 80% Federal)	\$15,351,800
Long-Term Sheltered Employment/ Work Activity	\$ 3,629,200
Special Projects	\$ 364,100
Social Security Disability Determination (Totally funded by the U.S. Social Security Administration)	\$ 2,895,000
Total DVR Expenditures	\$22,240,100

Individuals, organizations and agencies referred disabled persons to DVR. Many persons referred themselves. Disabled persons came to DVR through community field offices and through the more than 30 cooperative vocational rehabilitation programs the agency operated with public school districts, state hospitals and other agencies.



Counseling and guidance, medical and vocational evaluations and job placement were provided without cost to the client.

Due to the limited resources of DVR, the counselor and client worked together to draw on supplemental financial resources to cover costs for long-term college or vocational training and for medical treatment. Scholarships, public assistance funds and similar sources were used for these purposes.

Maintenance and transportation could also be provided to clients while they were in rehabilitation programs. DVR helped with the purchase of tools and equipment required of a person in training or on the job.

Successful vocational rehabilitation was the primary goal. This goal, which was achieved in many

instances, held rewards for everyone — the individual involved, the community and all of us.

Some persons who applied for DVR services proved to be so severely disabled that they were unable to become employed—either competitively or in a sheltered work situation. Others encountered personal problems which prevented them from continuing a vocational program once they began. DVR counselors helped solve many of the social and personal problems which interfered with one's employment potential. Some they could not solve.

In other cases, individuals were referred to DVR and probably could have benefitted from rehabilitation services but they themselves decided not to participate.

About 20 percent of the people served during 1978 dropped out of the rehabilitation program.

DVR Services Provided	
Persons completed vocational rehabilitation and became employed	5,224
Persons were in process of a vocational rehabilitation plan at year's end.	18,611
Persons were in evaluation at year's end	5,158
Persons were in registration and intake at year's end	1,127
Persons were in a vocational rehabilitation plan during the year but had to discontinue for health or personal reasons	4,143
Persons received evaluation and were found to have no reasonable chance of becoming employable and therefore left the program	4,243
Persons received on orientation to vocational rehabilitation but decided not to participate beyond that	5,958
Total Persons Contacted	44,464

Referral Sources		
Educational institutions	1,432	27.4%
Person other than client	901	17.2
Hospitals, sanitoriums	663	12.7
Self-referred	527	10.1
Welfare agencies	375	7.2
Other health-related agencies	274	5.2
Correctional institutions	240	4.6
Social Security Administration	193	3.7
Worker's Compensation	180	3.5
State employment agency	136	2.6
Other sources	303	5.8
Total	5,224	100.0%



Employment is DVR's Goal

Helping physically or mentally disabled persons who have vocational handicaps to prepare for and obtain employment is the primary objective of DVR.

During fiscal year 1978, 5,224 clients completed rehabilitation and became employed. Together, they're earning incomes totaling more than \$36 million.

DVR Cooperates, Promotes

In addition to providing services through its own offices, DVR actively promoted rehabilitation services through cooperative arrangements. Vocational rehabilitation services were offered in cooperative vocational rehabilitation programs with public schools, correctional institutions and state hospitals for the retarded and the mentally ill. The resources of the DVR and these agencies are utilized to provide services as early as possible.

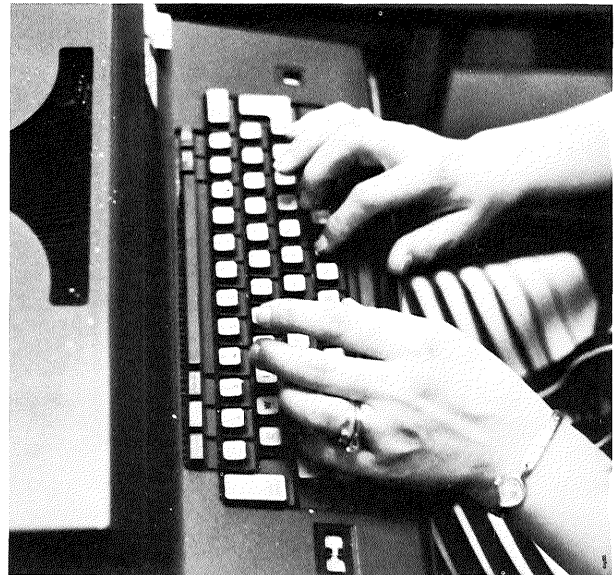
DVR also provided funding, information and technical aid to private non-profit rehabilitation facilities, sheltered workshops and work activity centers. This activity provided funds to establish new programs, upgrade existing programs and to assure that sheltered employment and work activity programs met state standards.

Disability Determinations Made

The Disability Determination Section of DVR, under a contract with the Social Security Administration, determined the medical portion of eligibility for benefits of Social Security disability programs. Determination was made according to standards set by the Social Security Administration which funds the operating cost of this section.

During fiscal year 1978, determinations were made on 25,758 claims referred primarily from local Social Security offices. Of the 10,139 claims determined medically eligible for Social Security benefits, 2,556 were considered to have rehabilitation potential and were referred to DVR. Another 13,833 claims were determined ineligible for Social Security benefits but were considered to have rehabilitation potential and were informed of DVR services. All of the costs of rehabilitation services provided to persons eligible for

Industrial trades	1,560	29.9%
-Skilled 578		
-Semi-skilled 205		
-Unskilled 777		
Service occupations	925	17.7
Professional, technical, managerial	987	18.9
Clerical and sales	892	17.0
Sheltered workshops	516	9.9
Homemakers, unpaid family workers	177	3.4
Farming, forestry, fishery	152	2.9
Other	15	0.3
Total	5,224	100.0%



Social Security disability benefits were paid with Social Security funds.

In many cases, vocational rehabilitation services resulted in employment, making continued Social Security benefits unnecessary.

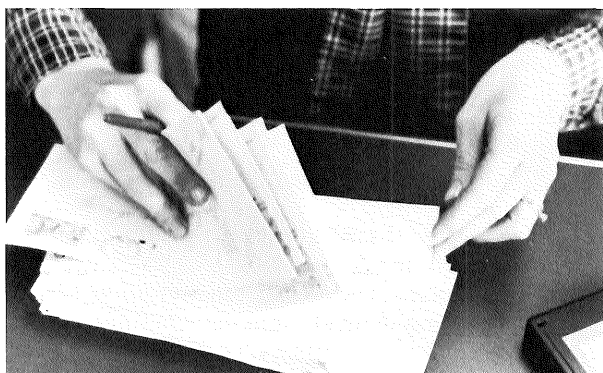
Two Special Studies Released

In a continuing effort to improve services, DVR completed two important studies this year. They were "The Assessment of Disability in Minnesota: A Household Survey," and a "Cost-Benefit Study" of the vocational rehabilitation program in Minnesota.

The first study indicated that one in seven non-institutionalized persons are "perceived" as being unable to perform one or more of the everyday functions. The study used a functional definition of disability as perceived by survey respondents rather than basing disability solely on medical considerations.

The study indicated that approximately 552,000 Minnesotans were "functionally disabled." Major needs of these disabled were special transportation (beyond that presently available), special education, cultural/recreational facilities and vocational training. Other needs were job development assistance, job training and assistance with housekeeping and home maintenance.

The cost-benefit study compared the cost of the rehabilitation of 5,231 DVR clients with financial benefits resulting from their increased earnings as a result of that rehabilitation. During fiscal year 1977, the year considered by the study, DVR spent \$16,082,817 on rehabilitation activities. By 1981, those 5,231 rehabilitated clients—by paying taxes on increased earnings and reducing the need for welfare or Social Security funding—will generate an economic benefit of \$21,526,000, or \$5,443,183 more than it cost to operate the entire vocational rehabilitation program in 1977.



New Program Aids Job Applicants

The "700 Hour Program" provided on-the-job testing procedures for disabled job applicants who were at a disadvantage in the standard competitive examination process for state employment. This program resulted from legislation signed into law in March, 1978, and was carried out in cooperation with the Minnesota Department of Personnel. The objective was to remove artificial testing barriers for persons with physical disabilities and bring them into the mainstream of employment.



Long-Term Sheltered Employment/Work Activity Programs

Sheltered employment programs	34
Development achievement center based work activity programs	66
Long-term sheltered employees	2,334
Work activity participants (full-time)	479
Work activity participants (part-time)	1,168

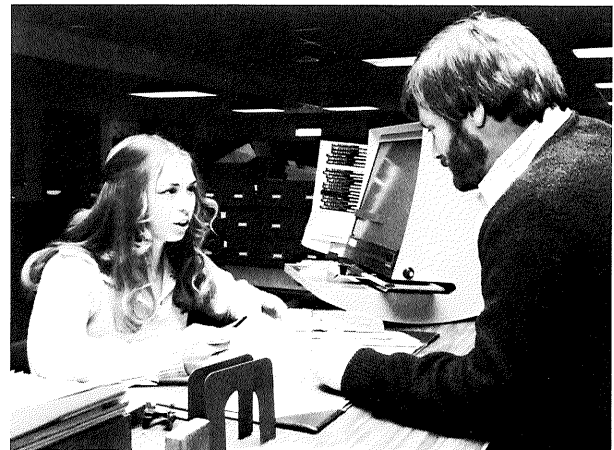
Co-Location Improves Access

Local offices of DVR and other Department divisions were combined at three sites, Hutchinson, Brainerd and Moorhead, in 1978. These co-locations provided the public with more convenient access to DVR, Job Service, Unemployment Insurance and Comprehensive Employment and Training Act (CETA) services and facilities.

Co-location also saved tax dollars by increasing managerial efficiency and by reducing rent, maintenance and other operating costs.

A more extensive description of DVR's performance during 1978, along with detailed statistics, is included in the publication "Rehabilitation is Working." Copies are available at local DVR offices.

Disabilities of Clients		
Personality, emotional disorders	1,667	31.9%
Orthopedic impairments, except amputations	1,512	28.9
Mental retardation	855	16.4
Allergic, endocrine, metabolic, nutritional diseases	293	5.6
Epilepsy, nervous disorders	241	4.6
Hearing impairments	230	4.4
Cardiac, circulatory diseases	105	2.0
Absence or amputation of members	89	1.7
Respiratory diseases	43	0.8
Speech impediments	37	0.7
Genito-urinary disorders	17	0.3
Digestive system disorders	12	0.2
Blood disease	12	0.2
Malignant neoplasms, cancer	12	0.2
Other	99	1.9
TOTAL	5,224	100.0%



MANAGEMENT SUPPORT DIVISION

Business and Financial Reorganizes

Business and Financial Services underwent a reorganization to integrate the administrative and financial support units of the agency. The goal of the reorganization was to achieve economies by combining similar functions into organizational units while attempting to retain a high level of responsiveness to the programs operated by the agency.

The reorganization resulted in the consolidation of the budget, financial analysis, and general accounting functions of the agency.

Program support accounting units retained their identity and level of specialization within the Financial Management Services Unit.

Administrative services were split into a Central and Field Support Unit in order to give further emphasis to field support activities, such as leasing services, equipment ordering and supply support.

An Internal Audit Unit was moved to report to the Assistant Commissioner. It developed audit guides and independent audits for CETA and OEO sub-contracts.



RSS Develops Variety of Information

Research and Statistical Services (RSS) is organized into five functional units: Labor Market Studies; Regional Labor Market Information; Economic Conditions and Industry Studies; UI Research; and, Management Information and Operations Analysis. It was the largest information and research unit of Mn/DES. It also received direction from the Employment & Training Administration and the Bureau of Labor Statistics of the U.S. Dept. of Labor (DOL).

In liaison with the DOL, RSS operated a number of programs to develop information on unemployment, hours worked, earnings, wages, labor turnover and occupational and industrial trends. From this vast array of data, reports and publications were prepared covering a broad spectrum of economic and labor market information. RSS met all federal reporting requirements for the various programs and delivered a diversity of information to persons needing it.

It also conducted research into special economic problems for legislators, labor organizations, public agencies and various organizations planning for short- and long-range manpower needs. Many of the on-going program statistics and specially-funded research findings influenced legislative and administrative policies in the areas of employment, unemployment and the allocation of state and federal monies.

The Labor Market Studies and Regional Labor Market Information units are similar in that they maintain a data base relative to population, wages, income, labor force, industry and occupational employment. The Labor Market Studies Unit primarily developed information for the state and Twin Cities, collecting data on and preparing estimates of wages by occupation and industry, employment by industry, labor turnover and the unmet demand for workers in the form of job openings and new hires. The Regional Labor Market Information Unit coordinated the operations of six LMI Centers located in St. Paul, Duluth, St. Cloud, Rochester, New Ulm and Moorhead. The centers disseminated local labor market information through bulletins and by responding to queries.

The Economic Conditions and Industry Studies Unit primarily prepared labor force estimates for the state, Twin Cities and counties; developed employment projections; and furnished Affirmative Action program statistics.

The UI Research Unit studied unemployment benefit coverage, benefit adequacy, benefit financing and other items in addressing key issues or problems for administrative and legislative action at both the state and national level.

The Management Information and Operations Analysis Unit collected employment and UI data that was the basis for preparing labor force, employment and unemployment estimates. About 90,000 employing units, accounting for more than 95 percent of the wage and salary workers covered by the State Unemployment Compensation Law, reported on employment and wages. UI data also was developed from records of those filing for and receiving unemployment compensation benefits. The unit validated the area office placement and referral activities and operated the Employment Service Automatic Reporting System (ESARS) which generated records of all area office activities throughout the state.

Data Processing Automates More

In 1978, work in the Electronic Data Processing (EDP) Unit continued on the Employment Security Automation Plan (ESAP). This was a major plan, prepared during 1977, which called for further automation of Job Service and Unemployment Insurance functions in response to the U.S. Department of Labor's emphasis on automation for all State Employment Security Agencies.

As the first step in the overall ESAP process, plans were made to upgrade the Computer System during 1979. Plans included the delivery and installation of a new computer in early 1979 to be followed by the upgrading of the operating system, replacement of on-line storage equipment with new technologies and, finally, the start of the expansion of the on-line terminal network with installation of equipment in field locations beyond the administrative headquarters.

During 1978, the on-line network consisted of 18 installed Cathode Ray Tube (CRT) type display terminals located in offices within the state headquar-

ters. These local display terminals provided access to information stored in 13 separate Unemployment Insurance Claims, Benefits and Tax files and Job Service Application and Job Order files. On peak load days, an average of more than 6,500 inquiries were made through the network. To provide for better efficiency and user satisfaction, several changes and additions were made to the displays available within the system.

In the area of System Application Design activities, major emphasis was on the streamlining of existing systems in preparation for the more massive ESAP changes to be required later. A decision was made by the Unemployment Insurance Division to change Benefit Charge notification to employers from a twice-a-year to a quarterly cycle. Design work for this was started to enable the change to occur by mid 1979.

Much emphasis in new systems design was directed toward a new Overpayment Accounting System scheduled for conversion in 1979. The system will enable an automated procedure for the recording of transactions relating to Benefit Overpayment cases. As a by-product of the system, a series of both federally-required reports and management-type reports will be produced.

OFFICE OF THE COMMISSIONER

OEO: A Voice for the Poor

The Office of Economic Opportunity (OEO) serves as an advocate for low-income people within state government by advising the Governor and legislature on matters concerning the poor. In addition, OEO operates statewide programs which help the poor save energy, acquire better housing, secure jobs through local economic development projects and become more involved in decisions that affect their lives. In short, the goal of OEO is to insure that the state is responsive to the needs of the poor.

OEO also provides training and assistance to community organizations. This activity and advocacy functions, funded primarily by the Community Services Administration, are attempts to focus all available state, federal and local resources on problems where they will have the greatest effect. OEO's continued involvement with local organizations like community action agencies, neighborhood groups, and various coalitions provides a unique voice in state government for low income Minnesotans.

Local Agencies Help Serve the Poor

OEO operated two projects that increased the capacity of local agencies to better serve the poor. These projects were the Poverty Research Library and the Minnesota Community Action Data System.

The Poverty Research Library's purpose was to provide timely information to the Governor, OEO staff, local agencies, legislature, congressional delegation and other state departments. This was done by maintaining a collection of reference materials, tracking and reviewing state legislation, performing computer searches for reference requests not available in the library and printing and distributing a monthly technical assistance publication for community based organizations.

The Minnesota Community Action Data System is a statewide management information system developed by OEO and the state's community action agencies (CAAs). It provides detailed program par-



ticipation and demographic information about 100,000 low income persons served by CAAs. This system will greatly increase the ability of the CAAs to manage and evaluate their programs. It also will provide OEO with information to better advise the Governor and the legislature on the status of poverty in the state. Upon completion of this project, Minnesota will be one of only two states in the nation with a statewide CAA management information system.

OEO also helped local agencies by administering federal grants for housing, energy conservation and economic development. These programs, explained in detail later, were granted to OEO who, in turn, allocated the money to local agencies for delivery to low income Minnesotans. These local agencies also received training and technical assistance from OEO staff who were specialists in the areas of the specific grants.

Services and Advocacy Are Integrated

People in poverty have multiple problems which are addressed by service providers who have limited resources and varied roles. The function of OEO was to integrate the various services offered by public and private agencies.

Service Integration was addressed through: **forums**, such as the Governor's Conference on Food and Nutrition, and the Governor's Conference on Children and Families; **formation** of coalitions such as the Minnesota Food Coalition; **coordination** of



programs such as the promotion of greater access to jobs and services for the handicapped through the State Council for the Handicapped, the State Department of Administration and the Minnesota Community Action Program Association; **technical assistance** to recipient groups such as the Minnesota Recipients Alliance and other community-based organizations; the **integration** of three early childhood screening programs in Minnesota. OEO promoted this by involvement with the Department of Welfare, Education and Health through the Interagency Advisory Committee on Child Health Screening.

Economic Development Projects Begun

During 1978, OEO played a role in a number of local economic development projects. Perhaps the most significant of these was a project designed to use Minnesota's abundance of wood residue and forest waste as a cheap source of alternative energy. One example is the Wood Residue Densification project located at the Stillwater State Prison. OEO staff identified the various densification processes, identified a qualified operator, secured organic heating specialists and served on a special task force that led to realization of the \$1.2 million project.

This facility served as a model and was visited by people from many states. Plans were to replicate this

type of facility in other parts of the state and to make processed fuel available to lower income people.

Other projects begun in 1978 included:

■ **Wind Energy Demonstration.** An activity to test the operation, usefulness, economics and possible construction of wind driven generators as a source of alternative energy for low income households.

■ **Panelized, Energy Efficient Homes.** Consultation and liaison to help gain acceptance of a factory constructed series of panels used to build a complete home. This system would reduce housing costs at least 25 percent, use native materials and would be easy to construct by the home purchaser.

■ **Community Development Corporation Coordinators.** A network of staff people to help develop local industries, new jobs, and local natural resources.

Emergency Energy Conservation Provided

In 1977 and 1978, OEO received state and federal funds for Emergency Conservation programs. The funds prevented hardship and danger to health due to utility shut-off, lack of fuel or emergency furnace repair. The funds relieved part of the energy cost burden on the poor and elderly as a result of severe weather and escalating energy prices.

Twenty-seven local community action agencies, as well as American Indian reservations and the Minnesota Migrant Council, assumed responsibility for local implementation of the program. They identified all utility and fuel vendors within the state and asked for their cooperation in the program. They also developed a system of community outreach to locate those in need.

The maximum allowable amount of assistance under this program was \$250 per household. Approximately 36,000 eligible families were given assistance. Because of lack of funds, more than 10,000 applications were denied and many others, learning funds were depleted, did not apply. Of those receiving assistance 50 percent were elderly; 8 percent minority.

Weatherization Cuts Fuel Bills

OEO administered the U.S. Department of Energy Weatherization program. It supplied materials to in-

OEO Activities and Expenditures					
OEO Activity	Sources of Funds	EXPENDITURES			
		Salaries	Other Expenses*	Grants to Local Agencies	Fuel Payments on Behalf of Clients
Local Capacity Building	CSA, HUD, DOE, and State	\$200,738	\$ 97,478		
Service Integration & Advocacy	CSA and State	76,709	43,353		
OEO Administration	CSA, HUD, DOE, and State	74,702	42,963		
Emergency Energy Conservation I	CSA				\$8,488,746**
Emergency Energy Conservation II	CSA				74,220
Wind Energy Demonstration Project	CSA			\$ 91,078	
Alternative Wood Energy Project	CSA	12,275	4,194		
Weatherization Program	DOE			1,418,569	
Innovative Rural Housing Project	HUD			186,908	
Housing Expeditor Program	CSA			157,292	
Allocations to CAAs to Match Federal Funds	State			903,737	
TOTALS		\$364,424	\$187,988	\$1,509,647	\$8,562,966

* Other Expenses include travel, consultant services, purchases of equipment and supplies, administrative support, space rental and miscellaneous expenditures

** Some expenditures took place during calendar year 1977.

sulate and weatherize 3,535 housing units occupied by low income people. This weatherizing helped those households cope with higher energy costs by reducing consumption.

A properly weatherized home, using the Department of Energy process, will reduce fuel consumption by a minimum of 20 percent. By the end of 1980, about 21,000 homes are expected to be weatherized.

OEO spent approximately \$1.4 million for this program in 1978. The funds were subgranted to 27 community action agencies which delivered the program in all 87 counties. OEO contracted with the state tribal councils to provide services to American Indian reservations.

Allowable costs for this program included purchase of weatherization materials, tools and equipment, transportation and limited administrative costs. Grant funds were used to employ supervisory personnel. For other labor, this program employed CETA workers.

Housing Assistance Programs Start

OEO received a two-year grant from the Department of Housing and Urban Development (HUD) in 1977 establishing local systems to improve delivery of housing assistance programs and to provide technical assistance in the housing area. The funds were allocated to ten consortia of community action agen-

Characteristics of Households Receiving Fuel Payment Assistance

	Race & Age of Head of Household						Number of Households:		
	White	Black	Hispanic	Indian	Asian	Under 65	Over 65	Re-requesting Asst.	Receiving Asst.
Emergency Energy Conservation I (administered locally by CAAs, Intertribal Board and Minnesota Immigrant Council)	32,668	1,312	219	1,079	71	17,835	17,514	47,181	35,349
Emergency Energy Conservation II (administered locally by Intertribal Board)	0	0	0	340	0	194	146	340	340
TOTALS	32,668	1,312	219	1,419	71	18,029	17,660	47,521	35,689

cies, local housing authorities and regional development commissions (RDCs) in rural Minnesota.

This project allowed rural program deliverers closest to the housing problem to develop their own solutions. Some of the approaches taken to improve rural delivery included development of brochures describing all available programs and the involvement of local bankers who administer the loans.

One unique approach was developed by the Arrowhead Economic Opportunity Agency. It became the first CAA in the nation to succeed in obtaining certification from HUD to perform the functions of a lending institution in distributing Minnesota Housing Finance Agency home repair loan funds in isolated rural areas. The Arrowhead Agency received an initial commitment of \$50,000 and made its first home improvement loan in February, 1979.

Housing Expeditors Are Hired

In 1977, OEO received a grant from the Community Services Administration to hire housing expeditors in each of Minnesota's regional development areas. The funds were allocated to community action agencies to conduct a one-year project.

The expeditors provided assistance and coor-

inated activities among rural home repair grant deliverers. Their object was to improve access to housing programs for the rural poor. The expeditors, working with CAAs and RDCs, assisted households in accessing assistance programs of the Minnesota Housing and Finance Agency, Farmers' Home Administration, Department of Housing and Urban Development and local housing and redevelopment authorities. They performed inspections of homes being repaired and took applications for state-funded home repair and home purchase loans.

OSCC Coordinates CETA

The Office of Statewide Comprehensive Employment and Training Act (CETA) Coordination (OSCC) coordinated Minnesota programs, other employment and training programs and related human resource and economic development programs. This mission was carried out through Mn/DES staff activities, programs funded under several grants administered by OSCC and the work of a number of councils.

Specifically, OSCC handled a Labor Market Information program, prepared CETA and other employment and training program activity reports and analyzed state and federal legislation.

OSCC also monitored the Governor's Statewide Youth program, a Special Vocational Education program, the Governor's Discretionary Grants, Senior Employment programs and the Displaced Homemaker program. OSCC also assisted CETA prime sponsors and other employment and training program operators with technical assistance and training.

Finally, OSCC provided staff support to the Governor's Council on Employment and Training and its various committees, the CETA Prime Sponsor Directors Work Group and the Job Service/Unemployment Insurance Advisory Council to the Department of Economic Security.

Governor Is Allocated Special Grant

The Governor was given a special grant of CETA money to finance: the staffing of the Governor's Council on Employment and Training; a number of the Governor's coordination responsibilities; model employment and training programs; vocational education services; and statewide youth projects. Projects funded by the Governor's special grant were:

1. Labor Market Information (LMI)

During fiscal year 1978, nearly \$150,000 was designated for LMI projects which include: the Moorhead LMI Center, part of a network of centers that are a decentralized source of LMI; a "new hires" study, testing a way to measure, by occupation, people newly hired in Minnesota; and the Dun and



Housing Expeditor Activities	
Total Number of Contacts Made	4,065
Total Number of Households Receiving Funds	649
Single	647
Multiple	2
	649
Total Number of Individuals Living in Households	
Average Income Per Household	\$ 4,228
Range:	
Low	\$ 2,100
High	11,421
Average Funds Per Household	\$ 3,503
Range:	
Low	\$ 1,244
High	8,261
Total Amount of Grants/Loans Mobilized	\$2,378,212
MHFA	\$1,958,391
CSA-DOE	115,402

Bradstreet employers file, an updated automated file of nearly 80,000 Minnesota businesses.

2. Technical Assistance and Training

Technical Assistance and Training(TAT) activities were developed cooperatively between OSCC and locally designated representatives appointed by the CETA director from each jurisdiction. They identified training needs, reviewed and approved training plans and assisted in scheduling training events.

Approximately 13 percent of available special grant funds for fiscal year 1978 were spent for Technical Assistance and Training. Thirty seminars covered such topics as CETA orientation for new employees, personnel supervision and management, proposal writing and review techniques, subgrant management and monitoring techniques. A long-range project was initiated to increase the capability of local prime sponsors to plan and conduct training to meet needs identified in local programs.

3. Other Projects

“Chemical Dependency Coordination Project”

In a shared program funded by OSCC and the state's chemical dependency programs coordination division in the Department of Public Welfare, job placement and counseling services specifically designed for chemically dependent persons were integrated into CETA service delivery. The three prime sponsors who conducted demonstrations were the cities of Minneapolis and St. Paul and the Balance of State.

Services were provided to 589 chemically-troubled persons including 366 CETA applicants referred to CETA chemical dependency counselors by CETA staff. Of these, 72 subsequently received some form of treatment and 145 ultimately entered Alcoholics Anonymous or similar support groups. In addition, 223 recovering chemically dependent persons were referred to CETA by primary treatment centers and halfway houses. During fiscal year 1979, two prime sponsors, Minneapolis and St. Paul, are receiving funds for this program.

“Job Change Services for Unemployed Educators”

The impetus for this project was the growing problem of teacher lay-offs due to declining school enrollments. The purpose was to test the effectiveness of various services designed to help displaced educators define their job objectives and develop the necessary skills to make a profitable job change in a minimum period of time. As of September 30, 1978, a total of 128 teachers had been served with 228 more expected to be served through the spring of 1979 at the three pilot sites: Minneapolis public schools, Rochester public schools and a northwestern area which serves small, isolated, declining-enrollment school districts.

The project was guided by an advisory council consisting of representatives from private industry, teacher organizations, the Job Service and the State Planning Agency.

“Employer Relations Research Project”

Begun in 1977 and concluded in June, 1978, the Employer Relations Research project represented a joint effort between rural Minnesota Concentrated Employment Program (CEP) and local Job Service offices. Over a 14-month period, three staff persons contacted 3,949 employers to gather information to

be used by CETA center and Job Service offices. As a result of these contacts, 325 job orders were generated resulting in nearly 200 placements. In addition, the survey revealed hundreds of employers as potential contractors for on-the-job training programs.

4. Vocational Education

Vocational education funds totaling \$1,323,183 were expended in fiscal year 1978 providing services to 2,062 participants.

Prime sponsors used the vocational education program funds to provide institutional training which was geographically accessible to unemployed, underemployed and economically disadvantaged persons. Eight of the ten prime sponsors referred participants to training on an individual basis. Participants were enrolled in public and private trade schools or community colleges which offered the training specifically needed by the individual. Prime sponsors provided tuition, allowances, books and supplies and supportive services.



CETA Youth Program Innovative

The purpose of the Governor's Statewide CETA Youth program was to test new approaches for improving employment opportunities for youth, especially disadvantaged youth. Five programs were established. They were:

1. The Newgate Program

The Newgate Youthful Offender Employment and Community Service program provided older delinquent youth, under the jurisdiction of the state, with supervised community work experience. Related counseling services identified and resolved attitudinal problems and habits which contributed to a person's inability to obtain, retain or progress satisfactorily in a job.

2. Youth Employment Education Unit

Statewide coordination of job programs with education was the goal of a jointly funded Youth Employment Education Unit within the State Department of Education. The unit helped CETA prime sponsors and local education agencies coordinate planning, funding and program operations so as to optimize services to youth by maximizing efficiency and minimizing duplication.

3. The Mini-Office/Job Squad Program

The Mini-Office/Job Squad program found jobs for youth, using youth as job developers. Temporary employment offices were established in rural areas and in some urban neighborhoods. The goal was to find temporary full- or part-time positions for youth.

This year 160 Mini-offices were established with approximately two youth staffing each office. The staff registered and referred applicants, took job orders and did job development in the same manner as regular Job Service office staff. More than 19,000 youth were placed. Special emphasis was given to minorities, economically disadvantaged, women and youth needing jobs to stay in school or to pursue a post-secondary education program.

Local communities and/or businesses contributed office space. Newspapers generated the publicity. One Job Service supervisor oversaw the operation of three Mini-offices.

4. Solo Parents Program Initiated

Solo Parents was an experimental program serving economically disadvantaged, single mothers — a

group with particularly complex employment problems.

A group of 20 unmarried high school drop-outs were provided with child care, personal counseling, basic and career education, work experience in a protective setting and referrals to jobs with potential for advancement. The objective was to determine whether assistance of this type will enable the participants to overcome their difficult circumstances.

5. Youth Safety Project Starts

The Model Safety project, under the direction of staff at the University of Minnesota, was an experimental technical assistance tool for youth employment programs. The project had two major thrusts: the development of written and audio visual safety materials for use by prime sponsor staff and program supervisors; and the development of a safety program which relates to career orientation and the development of job skills. Participating youth learned job safety skills which are becoming an important aspect of work.

Displaced Homemaker Program Begins

Authorized by the 1977 State Legislature, the Displaced Homemaker program is for women who suddenly, because of the spouse's death, divorce or other loss of family income, are forced into the labor market without the experience or skills needed to get a job. Administration was delegated to the Department of Economic Security, which subcontracted program operation to Working Opportunities for Women (WOW), a private, non-profit organization, and Balance of State CETA.

Funding was provided by a state allocation of \$100,000; a CETA grant of \$170,768; and approximately \$80,000 in public service jobs funds through local CETA prime sponsors.

The WOW project began in the Twin Cities metropolitan area in February, 1978. During the first eight months of operation, 251 people participated including 171 economically disadvantaged. Of the 148 who completed the program, 69 were placed in jobs and 47 returned to school.

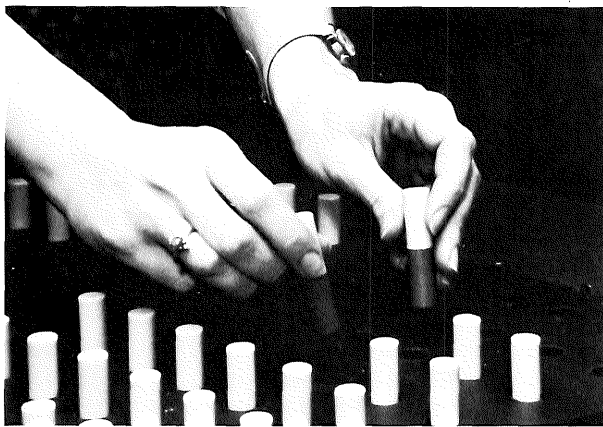
The BOS project in south central Minnesota served Blue Earth, Brown, Faribault, LeSueur, Martin, Nicollet, Rice, Sibley, Waseca and Watonwan coun-

ties. The first clients were enrolled in August. After four months of operation, 46 people, 32 of whom were economically disadvantaged, had participated,

Senior Employment Program Authorized

The Senior Community Service Employment program was authorized by the Older Americans Act amendments of 1978 "to foster and promote useful part-time opportunities in community service activities for unemployed low-income persons who are 55 years old and who have poor employment prospects."

The Department of Economic Security, designated by the Governor to administer the program,



allocated operation of the program to nine host agencies. Participants were placed in subsidized, part-time community service jobs in or near the communities in which they live. Efforts were made to engage participants in activities which serve other seniors. In addition to subsidized employment, other services were provided to program participants. Each enrollee received an annual physical exam. Additional supportive services, such as transportation, were provided as needed.

In the year ending June 30, 1978, the programs used \$486,000 in funds to employ 209 persons. Beginning July 1, 1978, \$667,000 was available for 211 people. In addition to the state-administered programs, others were conducted under sponsorship of nationally-funded agencies.

Client-Employee Advocacy Formed

In October 1978, the Office of Client and Employee Advocacy was formed bringing together Affirmative Action, Monitor/Advocate, Equal Employment Opportunity and consumer complaint and evaluation activities.

Priorities of the unit have been: redrafting the Department's Affirmative Action Plan; developing confidence in affirmative action procedures for employees; developing a cohesive external affirmative action component; achieving full compliance with court-ordered Monitor/Advocate activities; increasing the availability of training and career development opportunities for members of protected classes; working with community organizations to improve service delivery; and aiding in recruitment of people in protected classes.

The office has advised employees, supervisors, managers, and consumers on discrimination issues (including race, sex, age and disability) related to wages, promotions, service delivery, CETA employment, personnel classification, architectural barriers, job adaptations, contracts, placements and performance.

Legal Section Assists Department

Activities of the Legal Section included advising the Commissioner, Deputy Commissioner, Assistant Commissioners, directors and section chiefs of the Department; assisting in the preparation of leases to premises occupied by the Department throughout the state; assisting in the drafting of legislation, amendment of Department regulations and certifications to the Secretary of Labor of various documents such as Supreme Court decisions, Attorney General's opinions and laws enacted by the State Legislature; and the drafting and approval of contracts and grants involving the numerous activities in which the Department is engaged.

The significant collection activities of the Legal Section during 1978 are summarized as follows: \$296,696 was collected on 600 items of delinquent accounts; 462 suits were commenced in District Court; 273 judgements were docketed; 156 proofs of claim were filed in bankruptcy, probate, receivership and

corporate dissolution proceedings; and 15 contested District Court cases were disposed.

During 1978, 48 overpayment prosecutions were prepared and forwarded to Department offices for presentation to city and county attorneys. In 1978, 36 claimants were convicted of fraudulently obtaining benefits. In most cases, repayment and fines, jail sentences or probationary periods were ordered. Other fraud cases were handled by administrative actions with disqualification penalties imposed on claimants.

The following cases decided by the Supreme Court during the year affected the Department:

Monson v. Department of Employment Services, affirmed the Commissioner holding that a claimant with a master's degree in library science who researched a data bank for employment opportunities, regularly consulted professional journals and newspaper employment notices, made two or three unsuccessful applications for library positions and failed to explore certain other possible positions in his field because the offered salary was less than he thought necessary, did not make an adequate work search, and training as an auto mechanic was properly disapproved so as not to entitle him to unemployment compensation benefits;

Pyeatt v. State of Minnesota, Department of Employment Services, affirmed the Commissioner holding that a welder who, during an eight-month period of unemployment, made only seven or eight applications for work when approximately 25 positions were available, apparently imposed geographic restrictions on his work search and failed to demonstrate that reasonable and suitable work opportunities did not exist, was in training as an auto body repairman so as not to entitle him to unemployment compensation benefits;

Christensen v. Fiberite Corp., reversed the Commissioner holding that a claimant who changed his address during a four-month layoff negligently failed to inform his employer of the change, was deemed to have voluntarily terminated his employment without good cause where the employer's attempts to recall him through the old address and through relatives were futile;

Bix v. Allied Parking, Inc., reversed the Commissioner and was remanded for retrial to determine

whether the relationship of the parties was that of master and servant or partners;

Zoet, et al, v. Benson Hotel Corp., reversed the Commissioner holding that relator's experience rating for unemployment compensation benefits of part-time banquet waitresses was incorrectly charged;

Heilman, et al, v. United Dressed Beef Company, reversed the Commissioner holding that beef boners who failed to remove the ninth rib from the front quarter of a cow in violation of the employer's work plan but took full financial credit when they had not completed work on them were guilty of misconduct and should have been disqualified from unemployment compensation benefits; and



Zepp v. Arthur Treacher Fish & Chips, Inc., reversed the Commissioner holding that a superintendent of maintenance whose work more than doubled during a two-year period quit his employment with good cause attributable to the employer and was entitled to unemployment compensation benefits.

Cantu, et al, v. Owatonna Canning Company, Inc., et al, pending in Federal District Court is a purported class action brought in United States District Court, District of Minnesota, Third Division, by migrant and seasonal farm workers. The defendants are an agricultural employer, officials of the Minnesota and Texas Employment Services, officials of the United States Department of Labor and farm labor contractors (crew leaders). The plaintiffs allege violations of provisions of the Wagner-Peyser Act, Federal and

State Fair Labor Standards Legislation, the Farm Labor Contractor Registration Act and Civil Rights Statutes. The plaintiffs seek compensatory and punitive damages, attorneys' fees, mandamus, and declaratory and injunctive relief. The Office of the Attorney General has submitted a responsive pleading raising defenses to the claims of the plaintiffs and anticipates that there will be extensive investigation and discovery prior to trial of the case.

At the end of the year, 25 cases were pending in the Supreme Court.

Public Information and Education Active

Mn/DES's Public Information and Education (PIE) Office handled a variety of communications responsibilities in areas of internal communications, conferences, program support materials, media relations and special campaigns.

In 1978, PIE proposed a departmental public information plan, wrote and distributed news releases, published a bi-weekly staff newsletter, sponsored a weekly Twin Cities television show, completed an annual report and produced special public information packages for the Work Equity program, Affirmative Action and the newly-formed Mn/DES.

PIE served as a central point for public inquiries of agency services, distribution of public information materials, and staff requests for printing. Specific services included needs assessments, planning, writing, graphic arts, photography and printing liaison.



Minnesota Department of Economic Security
Calendar Year 1978 Expenditures (In Thousands)

EMPLOYMENT AND TRAINING ACTIVITIES:

CETA BALANCE OF STATE

Salaries and Expenses	\$ 5,559.0	
Grants and Client Services	26,638.0	
Total Activity		\$ 32,197.0

JOB SERVICE

Salaries and Expenses	\$ 14,567.0	\$ 14,567.0
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WORK INCENTIVE PROGRAM

Salaries and Expenses	\$ 3,866.1	
Grants and Client Services	765.3	
Total Activity		\$ 4,631.4

WORK EQUITY PROGRAM

Salaries and Expenses	\$ 601.0	
Grants and Client Services	2,112.0	
Total Activity		\$ 2,713.0

MANAGEMENT AND PROGRAM SUPPORT

Salaries and Expenses	\$ 289.1	\$ 289.1
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Total Employment and Training

\$ 54,397.5

UNEMPLOYMENT INSURANCE ACTIVITIES:

APPEALS

Salaries and Expenses	\$ 1,216.1	\$ 1,216.1
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PAYMENTS ADMINISTRATION

Salaries and Expenses	\$ 6,055.2	\$ 6,055.2
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REVENUE ADMINISTRATION

Salaries and Expenses	\$ 2,685.0	\$ 2,685.0
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MANAGEMENT AND PROGRAM SUPPORT

Salaries and Expenses	\$ 270.7	\$ 270.7
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BENEFIT PAYMENTS

Regular	\$136,971.6	
Federal	5,630.4	
Extended Benefits - Regular	3,331.1	
Extended Benefits - Federal	154.5	
Special UI	1,767.2	
Total Activity		\$147,854.8

Total Unemployment Insurance

\$158,081.0

VOCATIONAL REHABILITATION ACTIVITIES:

BASIC CLIENT REHABILITATION SERVICES

Salaries and Expenses	\$ 4,238.8	
Grants and Client Services	3,590.1	
Total Activity		\$ 7,828.9

INTER-AGENCY REHABILITATION SERVICES

Salaries and Expenses	\$ 1,912.8	
Grants and Client Services	2,329.1	
Total Activity		\$ 4,241.9

Minnesota Department of Economic Security
 Calendar Year 1978 Expenditures (In Thousands)

REHABILITATION SERVICES FOR SS RECIPIENTS		
Salaries and Expenses	\$ 819.4	
Grants and Client Services	923.7	
Total Activity		\$ 1,743.1
REHABILITATION SERVICE FOR INSURED INDIVIDUALS		
Salaries and Expenses	\$ 662.6	
Grants and Client Services	681.1	
Total Activity		\$ 1,343.7
SPECIAL PROJECT IN DELIVERY OF REHABILITATION SERVICES		
Salaries and Expenses	\$ 19.0	
Grants and Client Services	661.1	
Total Activity		\$ 680.1
LONG-TERM SHELTERED EMPLOYMENT/WORK ACTIVITY		
Salaries and Expenses	\$ 115.5	
Grants and Client Services	3,960.8	
Total Activity		\$ 4,076.3
DISABILITY DETERMINATION SERVICES		
Salaries and Expenses	\$ 2,247.9	
Grants and Client Services	935.3	
Total Activity		\$ 3,183.2
CLIENT ADVOCACY AND CONSUMER SERVICES		
Salaries and Expenses	\$ 13.1	
Grants and Client Services	58.0	
Total Activity		\$ 71.1
Total Vocational Rehabilitation Activities		\$ 23,168.3
MANAGEMENT AND COORDINATION ACTIVITIES:		
STATEWIDE CETA COORDINATION		
Salaries and Expenses	\$ 609.3	
Grants and Client Services	2,177.0	
Total Activity		\$ 2,786.3
STATEWIDE ECONOMIC OPPORTUNITY		
Salaries and Expenses	\$ 643.5	
Grants and Client Services	7,873.8	
Total Activity		\$ 8,517.3
LABOR MARKET INFORMATION		
Salaries and Expenses	\$ 1,216.6	
Grants and Client Services	.1	
Total Activity		\$ 1,216.7
MANAGEMENT AND DEPARTMENTAL SUPPORT		
Salaries and Expenses	\$ 6,212.9	\$ 6,212.9
Total Program		\$ 18,733.2
TOTAL DEPARTMENT		\$254,380.8

ADVISORY COUNCIL MEMBERS

CETA Balance of State Employment and Training Advisory Board

Don Cavalier (Region 1)
University of Minnesota
Crookston

Barb Fluegel (Region 7E)
Homemaker
Stanchfield

Eugene Hanauska (Region 7W)
U.S. International Revenue Service
Albany

Meryl Ostwald (Region 8)
Farmer-Mayor
Lakefield

Sylvester Priem (Region 9)
Priem's Service
Janesville

Larry Schiller (Region 6E)
Self-employed
Willmar

Fred Swenson (Region 10)
Rochester Chamber of Commerce
Rochester

Dale Szyska (Region 6W)
Family Service Center
Ortonville

James Tierney (Region 9)
Minnesota Valley Action Council
Mankato

Governor's Council on Employment and Training

Margaret Bieber
General Public
Redwood Falls

Edward Bolstad
Minnesota Federation of Teachers
St. Paul

William Brumfield
Department of CETA Services
Hennepin County
Minneapolis

Larry Buboltz
Rural Minnesota CEP
Detroit Lakes

Robert Dronen
City of Minneapolis CETA
Minneapolis

Carolyn Emerson
Vocational Rehabilitation
Consumer Advisory Council
Minneapolis

Michael Erickson
Ramsey County CETA
Maplewood

Marion Fogarty
Agri-Business
Belle Plaine



Vincent Gentilini
Arrowhead Economic Opportunity Agency
Virginia

Phyllis Harrison
Minnesota Valley Action Council
Mankato

Robert Hoch
City of Duluth CETA
Duluth

Clyde Ingle
Higher Education Coordinating Board
St. Paul

Larry Kitto
Minnesota Chippewa Tribe
Cass Lake

Harold Koeck
Human Resources Development Institute
Minneapolis

Ricardo Nevilles
Central Cultural Chicano Group
Minneapolis

Roy Nordos
National Alliance of Business
Minneapolis

James Pengra
Minnesota State Advisory Council
for Vocational Education
Jackson

James Robinson
Summit-University Teen Center, Inc.
St. Paul

Nina Rothchild
Council on the Economic Status of Women
St. Paul

George Seltzer
Job Service Advisory Council
Minneapolis

James Shipman
Quad Counties CETA Consortium
St. Paul

Larry Simmons
Balance of State CETA
St. Paul

Addenda

Louis Smerling
State Board of Vocational Education
Minneapolis

Austin Sullivan (Chairperson)
General Mills
Minneapolis

Richard Thorpe
City of St. Paul CETA
St. Paul

Dennis Wain
Region III CETA Consortium
Virginia

Cynthia Whiteford
Department of Public Welfare
St. Paul

Tom Wincek
Veterans Programs
University of Minnesota
Minneapolis

Percy Zachary
Dakota County CETA
Mendota Heights

State Job Service Advisory Council

Leonard Bienias
Minneapolis Building and
Construction Trades Council
Minneapolis

Lawrence Binger
St. Paul Chamber of Commerce
St. Paul

Mario Bognanno
University of Minnesota
Minneapolis

Charles Brown
Honeywell, Inc.
Minneapolis

Lawrence Caven
International Brotherhood of
Electrical Workers, Local 242
Duluth

Dan Gustafson
Minnesota AFL-CIO
St. Paul

Nellie Stone Johnson
General Public
Minneapolis

Frank Jungas
Cottonwood County Board
Mountain Lake

Otto Kraemer
Minnesota Teamsters
Minneapolis

Harry Peterson
Minnesota Association of
Commerce and Industry
St. Paul

Sue Rockne
General Public
Zumbrota

David Roe
Minnesota AFL-CIO
St. Paul



George Seltzer (Chairman)
University of Minnesota
Minneapolis

John Turnbull
University of Minnesota
Minneapolis

Veterans Task Force

Ray Duffina
Veterans Employment Representative
Hopkins

Manuel Garcia
Veterans Employment Representative
Mankato

Mike Graham
Veterans Employment Representative
St. Paul

Mike Griffin
Disabled Veterans Outreach Program
Moorhead

Harlan Hanson
Veterans Employment Representative
St. Paul

Darrell Johnson
Veterans Employment Representative
Grand Rapids

Jim McConnell
Disabled Veterans Outreach Program
Rochester

John Millar
Disabled Veterans Outreach Program
Stillwater

Vince Nordstrom
Veterans Employment Representative
Willmar

Tom Taus
Disabled Veterans Outreach Program
Bemidji

John Warren
Disabled Veterans Outreach Program
Minneapolis

Work Equity Demonstration Project Client Sector Task Force

Linda Berglin
Council on Economic Status of Women
St. Paul

Lisa Boehlke
Minnesota Women's Political Caucus
St. Paul

Frank Guzman
Migrants in action
St. Paul

Elizabeth Kalisch
Minnesota CAP Association
St. Paul

Dianne Olson
St. Cloud

Earl Sargent
Minnesota Indian Affairs
Intertribal Board
Bemidji

James Tierney
Business, Labor and Agency
Task Force
Mankato

Willie Mae Wilson
St. Paul Urban League
St. Paul

Thomas Wincek
Veterans Programs
University of Minnesota
Minneapolis

Iva Wright (Acting Chairperson)
Recipients
Duluth

Work Equity Demonstration Project Business, Labor and Agency Task Force

Judson Bemis
Minnesota Business Partnership
Minneapolis

Lawrence Binger
Small Business Council Programs
St. Paul

Frank Delaney, Jr.
National Alliance of Business
St. Paul

Gene Dulski
Minnesota Teamsters
Joint Council No. 32
Minneapolis

Carol Flynn
American Federation of State, County
and Municipal Employees, AFL-CIO
St. Paul

Dan Gustafson
Minnesota AFL-CIO
St. Paul

Glenn Ireland
St. Cloud Building and Trades Council
St. Cloud

Ron Laycock
Association of Minnesota Counties
Benson

Darryle Lee
Minnesota Association of
Commerce and Industry
St. Paul

Victoria Moore
Office of Economic Opportunity
St. Paul

James Tierney (Chairperson)
Minnesota Valley Action Council
Mankato

Jose Trejo
St. Paul CETA Planning Council
St. Paul

Richard Wambeke
Minnesota Welfare Directors Association
Granite Falls

Iva Wright
Client Sector Task Force
Duluth

Tony de Ziel
St. Paul AFL-CIO Trades and Labor Assembly
St. Paul

Vocational Rehabilitation Consumer Advisory Council

Carolyn Emerson
Consumer
Minneapolis

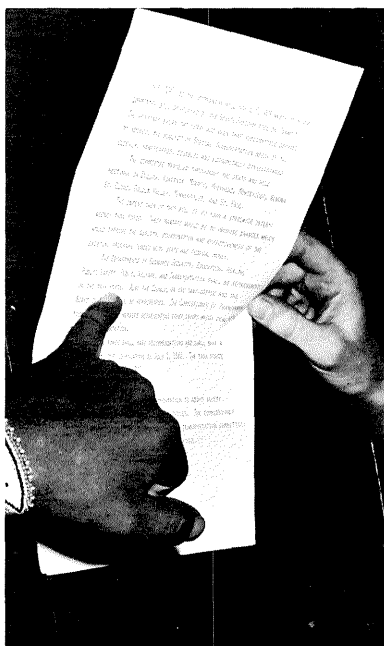
Jerry Froehlig
Labor
Minneapolis

Alden Lind
Consumer
Duluth

Max Rheinberger
Consumer
Duluth

Neal Rogat
Rehabilitation Facilities
Minneapolis

Marilyn Schroeder
Consumer Organizations
Lake Elmo



Ann Schutt
Medical
Rochester

Percy Tornow
Education
Harmony

Curt Warnke
Business
Woodlake

Vocational Rehabilitation Consumer Advisory Task Force

Kay Brown
Consumer
Minneapolis

Sharron Hardy
Speak Out
Golden Valley

Robert Lundell
Consumer Organizations
New Hope

Ruth Moore
Handicapped Employee
Faribault

Clifford Poetz
Consumer
Minneapolis

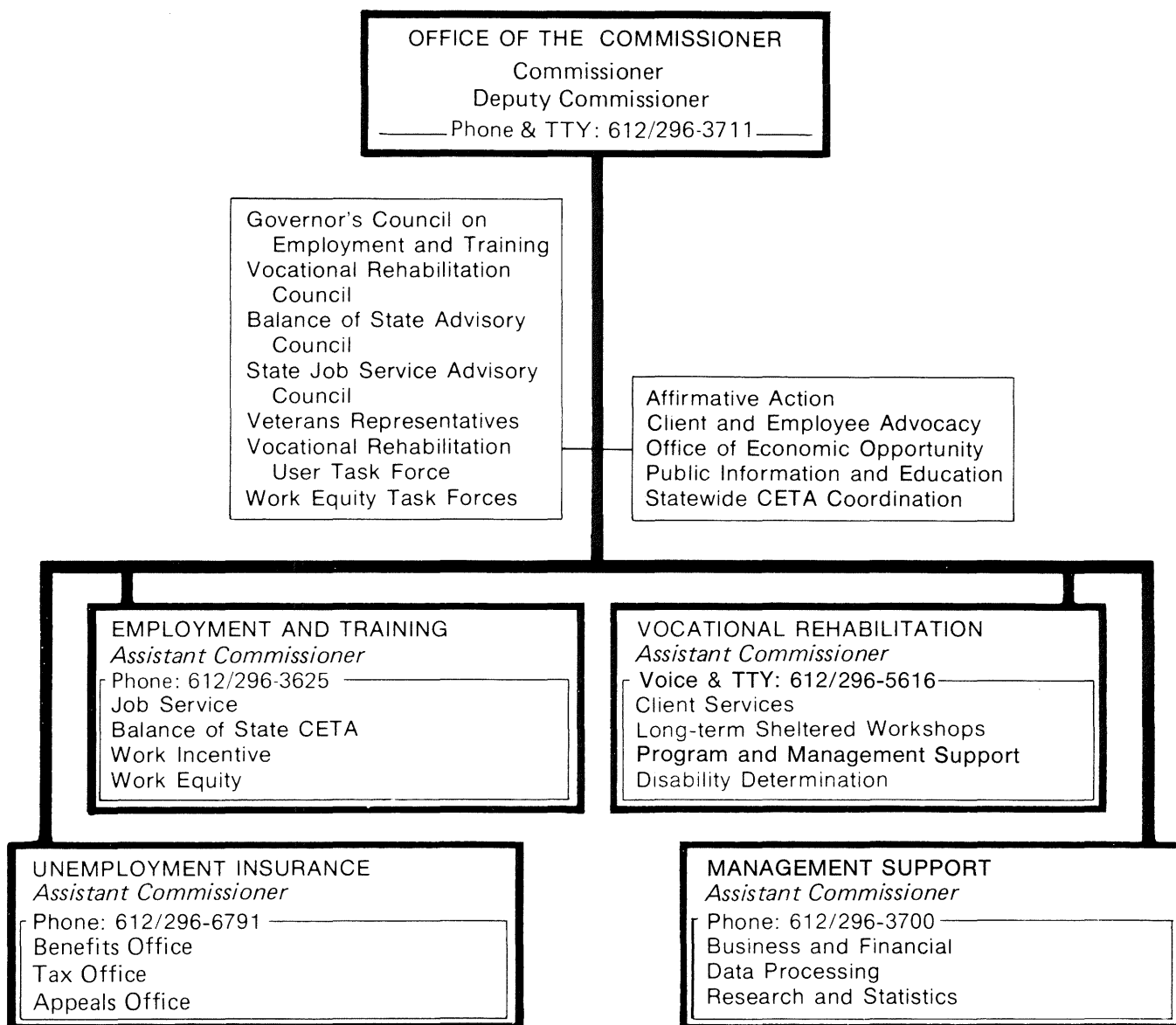
Richard Ramberg
State Council for the Handicapped
St. Paul

James Steiner
Rehabilitation Facilities
St. Cloud

Lois Weber
Handicapped Employee
Mankato



Minnesota Department of Economic Security



Affirmative Action Policy

It is the policy of the Minnesota Department of Economic Security to provide equal employment opportunities without regard to race, color, creed, religion, age, sex, physical or mental disability, marital status, arrest or conviction records (whenever appropriate), public assistance status, national origin or political affiliation. This policy applies to all phases of employment including but not limited to recruitment, selection, placement, advancement, demotion, downgrading, transfer, layoff, recall, termination, disciplinary action, rates of pay or other forms of compensation, agency-sponsored training and tuition assistance, use of all facilities and participation in all agency-sponsored employee activities.

The Department fully supports the non-discriminatory provision of all state and federal laws, rules and regulations which form the legal basis for affirmative action. These documents include, but are not limited to:

1. Titles VI and VII of the Civil Rights Act of 1972.
2. The Minnesota Human Rights Act, as amended.
3. Federal Executive Order No. 11246 as amended by Executive Order No. 11375.
4. Governor's Executive Order pertaining to a State Affirmative Action Plan.
5. The Governor's Code of Fair Practices.
6. The Age Discrimination in Employment Act of 1968, as amended in 1974.
7. The Equal Pay Act of 1963, as amended in 1972.
8. The Rehabilitation Act of 1973, as amended.

The principles embodied in these documents will apply in all the Department's personnel actions and it will comply with all nondiscriminatory policies of the U.S. Department of Labor; Health, Education and Welfare; the Community Services Administration; and other relevant federal agencies.