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MINNESOTA DEPARTMENT OF ECONOMIC SECURITY

1977 Annual Report

*Divisions of
Employment Service
Unemployment Insurance*

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Annual Report

MINNESOTA DEPARTMENT OF ECONOMIC SECURITY

390 NORTH ROBERT STREET • SAINT PAUL, MINNESOTA 55101

1977

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Minnesota Department of Economic Security

Rudy Perpich, Governor

Michael C. O'Donnell
Commissioner

Donald M. Buckner
Deputy Commissioner

Barbara S. Beerhalter
Assistant Commissioner
Unemployment Insurance

James L. Haynes
Assistant Commissioner
Employment and Training

Marijo A. Olson
Assistant Commissioner
Vocational Rehabilitation

Ronald E. O'Neal
Assistant Commissioner
Management Support

Sharon L. Wemlinger
Director
Staff Services

“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.”

—1977 Minnesota Statutes

As of December 1, 1977, the former Minnesota Department of Employment Services was combined with the Department of Vocational Rehabilitation and the Governor's Manpower Office to form the Minnesota Department of Economic Security.

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

The Employment and Training Division includes the State Employment Service which, with the Unemployment Insurance Division and portions of Management Support, constituted the Department of Employment Services.

This report concerns itself primarily with those components of the new Department which comprised the Minnesota Department of Employment Services.

Advisory Council

Members of the Employment Services Advisory Council are appointed by the Commissioner to represent employers, employees and the public. The Council meets with the Commissioner and his staff to study proposals to amend the Minnesota Employment Services Law and to make recommendations to the Commissioner as to the administration of the Department.

Representing The Public

George Seltzer, Minneapolis
College of Business Administration
University of Minnesota
(Advisory Council Chairman)

Mario F. Bognanno, Minneapolis
Industrial Relations Department
University of Minnesota

Sue Rockne, Zumbrota

John Turnbull, Minneapolis
Economics Department
University of Minnesota

Nellie Stone Johnson, Minneapolis

Representing Labor

David Roe, St. Paul
President
Minnesota AFL-CIO

Leonard C. Bienias, Minneapolis
Business Representative
Minneapolis Building Trade

Lawrence Caven, Duluth
Business Manager
Electrical Workers Union Number 242

Neil Sherburne, St. Paul
Secretary-Treasurer
Minnesota AFL-CIO

Otto (Bud) Kraemer, Minneapolis
Editor, Minnesota Teamster

Representing Employers

Lawrence Binger, St. Paul
St. Paul Chamber of Commerce

Charles E. Brown, Minneapolis
Vice President, Employee Relations
Honeywell, Inc.

Harry D. Peterson, St. Paul
Director of Employment Relations
Minnesota Association of Commerce and Industry

Roger Hanson, Vergas
Proprietor, Hanson Hardware

John B. Kline, Chaska
Community Relations Manager
Green Giant Corporation

Members of the Advisory Council were on hand when Governor Rudy Perpich (seated) signed the 1977 Unemployment Insurance bill which made substantial changes in the unemployment insurance law. One significant change denies benefits to persons who quit their jobs until they requalify through additional earnings (see page 19). Advisory Council members present for the signing were (left to right, standing): Charles E. Brown, Lawrence Binger, Sue Rockne, Harry D. Peterson, Neil Sherburne, Leonard C. Bienias and George Seltzer.



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 or 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 non-discriminatory policies of the U.S. Department of Labor; Health, Education and Welfare; the Community Services Administration; and other relevant federal agencies.

Highlights Of 1977

Employment Services

New Jobseekers Registered	211,865
Counseling Interviews	28,495
Jobseekers Tested	24,212
Nonfarm Job Openings Received	227,922
Total Job Openings Filled	123,944
Nonfarm Placements	109,891
Disadvantaged	22,173
Veterans	19,934
Farm Placements	14,432
Nonfarm Employers Served	26,341
Nonfarm Employers Visited	35,032

Unemployment Compensation

Weeks Compensated	1,913,003
Amount Paid	\$169,751,130
Unemployment Compensation Fund	
Balance December 31, 1977	\$83,460,020
Balance December 31, 1976	\$19,396,109

Declaration of Public Policy

As a guide to the interpretation and application of sections 268.03 to 268.24, the public policy of this state is declared to be as follows: Economic insecurity due to unemployment is a serious menace to health, morals, and welfare of the people of this state. Involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the legislature to prevent its spread and to lighten its burdens. This can be provided by encouraging employers to provide more stable employment and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment, thus maintaining purchasing power and limiting the serious social consequences of poor relief assistance. The legislature, therefore, declares that in its considered judgment the public good and the general welfare of the citizens of this state will be promoted by providing, under the police powers of the state for the compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own. —*Minnesota Employment Services Law*

Job Placements Up 23.5 Percent

The total number of job openings filled by the State Employment Service (SES) in 1977 totaled 123,944, an increase of more than 23.5 percent over the 100,210 placements made in 1976.

Total number of nonagricultural placements in 1977 was 109,891, up almost 19,000 over 1976. Placements in farm jobs totaled 14,432, up almost 5,300 over 1976.

Although marked improvement in the state's economy helped bring about the increases in placement, substantially increased productivity by placement staff was a significant factor.

Another factor was greater emphasis on developing job openings as reflected in the number of employers contacted. The total number of employer contacts during 1977 was 61,373, an increase of more than 5,000 over 1976. Combined with the economic upswing, this effort resulted in 227,922 job openings being listed with SES in 1977, up about 16,900 from the 1976 total.

The continuing effort to make SES services more readily available to the public resulted in the establishment of one new full service office in Crystal, and the opening of 20 satellite offices which provided limited or specialized services. Five of these satellites were in the form of job placement offices in technical-vocational institutes.

Among the offices opened during 1977 by the Department were Coon Rapids (top), which moved from Fridley and White Bear (below), a new office.





The new Moorhead office, opened July 1, 1977, was the first to be established in a former school building which is being converted into an office building for government and non-profit agencies.

This mobile office has a number of uses. It was the temporary office when a branch of the Mora office was established in Cambridge. It also is used for special projects such as the summer youth program, the apple harvest or other programs which require temporary office sites.



The new Wadena office is the only one which combines the operations of the State Employment Service and the Rural Minnesota Concentrated Employment Program.

Jobs For Youth Program Grows

During the summer of 1977, the Department of Economic Security (DES) made 53,946 youth job placements through the Governor's Youth Employment program, surpassing the 1976 total by nearly 13,000.

From April through September, the number of young persons 16 to 22 who registered for the program totaled 75,909, over 8,000 more than in 1976. During the summer of 1977 more than one out of every two youth registered was placed on a job.

The program, coordinated by DES, is a united effort by the Governor's Office, state agencies, the National Alliance of Businessmen, the Federal Executive Board of the Twin Cities, Chambers of Commerce and Comprehensive Employment and Training Act (CETA) prime sponsors to develop summer jobs for youth.

Act Provides Jobs

In 1973, the state legislature passed the Youth Employment Act. The Act, administered by DES, was designed to provide summer jobs for youth in state, county and municipal government agencies. Reenacted in 1977, it has provided summer jobs for over 24,000 youth since its inception.

In administering the Act, DES allocated \$3,500,000 in 1977 to CETA prime sponsors, local political subdivisions and Indian reservations. The number of youth employed was 5,600.

The Department of Economic Security also recruited and referred youth to the jobs and set up a special billing and invoicing system that enabled the agencies to employ the young people

without a substantial drain on regular budgets.

The Act enabled young people to work in a variety of jobs ranging from clerk to research aid, providing them with money to purchase clothing and to meet school expenses and it allowed local governments to complete projects which otherwise would have had to wait until local funds became available.

Planning Leads To Self-Sufficiency

A divorcee with two young children has found a job she likes and has become totally self-sufficient as the result of the efforts of the Duluth WIN (Work Incentive Program) office and the St. Louis County Welfare department.

A WIN counselor and a social worker worked with Ms. S. to develop an employability plan based on her interest in and aptitude for drafting. She took an 18-month course in drafting at an area vocational-technical school and made excellent progress. For instance, for one school project she drew plans for a tap wrench and used the plans to make a wrench in the machine shop. Her drawings were so good, other class members used them in their shop projects.

In April 1977, through the efforts of the WIN job developer, she was placed in an on-the-job training situation as an electrical draftsman. Although such work traditionally had been done by men, Ms. S. was sure she could handle the challenge.

Apparently she did because, at last report, she was still working and was enjoying her job.

Youth Staff Offices

For the sixth consecutive year, DES operated a mini-office program. Mini-offices are one-or-two person offices staffed by youth under DES supervision. The youth staffing these offices find summer jobs for other youth. In operation during the summer months, mini-offices were located in small rural towns. In terms of cost to the public and service to unemployed youth, mini-offices represent perhaps the most effective summer placement system in the country. In 1977, mini-offices made over 11,000 youth placements.

Federal Programs Serve Youth

In conjunction with the Minnesota Department of Natural Resources, the U.S. Department of Agriculture and the U.S. Department of Interior, DES recruited youth for the Youth Conservation Corps (YCC).

The YCC is a summer jobs program which operates in conservation/ecology area. Young people selected are employed in national parks, forests or wildlife refuges during the summer months. In 1977, over 750 young people were employed on this program.

Federal agencies in Minnesota continued the President's Summer Youth Employment program. DES assisted federal agencies in recruiting and placed 352 young persons on jobs through the program.

In the fall of 1977, DES was given the responsibility to recruit for the Young Adult Conservation Corps programs (YACC).

The YACC is an employment program for unemployed young

adults through age 23. While similar to the Youth Conservation Corps (YCC), YACC is year around and designed for out-of-school youth. At year's end, 150 youth referred by DES were working on YACC.

In addition to the special programs, DES maintained close contact with private employers. The private sector has provided the largest number of summer jobs for youth. During the summer of 1977, DES made over 41,000 youth job placements in the private sector.

Work Incentive Puts 5,289 in Jobs

During 1977, 5,289 persons receiving Aid to Families with Dependent Children (AFDC) benefits who were registered with the Work Incentive Program (WIN) entered employment.

WIN is a comprehensive employment and training program that provides a variety of services, as well as financial incentives, to em-

ployable members of families receiving Aid to Families with Dependent Children (AFDC).

WIN is a joint effort of the U.S. Departments of Labor and Health, Education and Welfare through the Minnesota Departments of Economic Security and Public Welfare. Its purpose is to encourage and enable AFDC recipients to leave welfare and become self-sufficient, wage-earning members of society.

The Department of Public Welfare, acting through the county welfare agencies, refers AFDC recipients to WIN for registration, employability development and placement services. Supportive services such as child care, medical care and other social services are arranged to enable the registrants to participate in and benefit from the services provided by WIN.

Services provided to WIN registrants by the Minnesota Department of Economic Security include: orientation to the world of work; counseling; testing; training to improve job seeking skills; basic education; and short-term vocational skill training. Special

emphasis is on job development, on-the-job training (OJT), Public Service Employment (PSE) and the immediate placement of qualified persons in permanent employment.

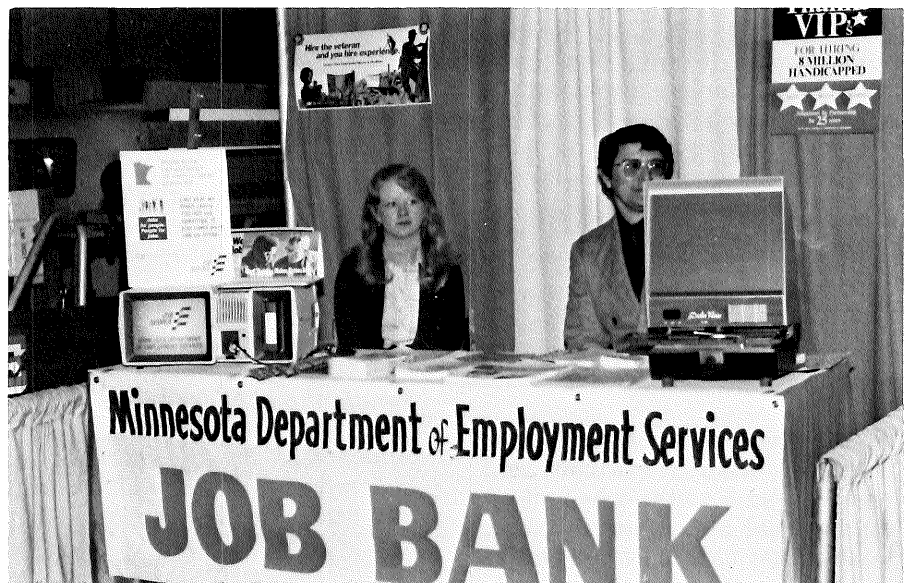
In addition to the 5,289 WIN registrants who entered unsubsidized employment in 1977, 288 were involved with PSE and 633 with OJT. Those who receive basic education or vocational classroom training numbered 1,158.

Of those receiving WIN services, 78 percent were women and 22 percent were men. Minority group members made up 18 percent of the registrants and veterans were 8 percent of the total.

Of the WIN registrants, 17 percent were volunteers for whom participation was not mandatory. The remainder were legally required to participate and could have had their AFDC grants reduced unless they could show good cause for not participating.

With WIN's primary emphasis of placing AFDC recipients into meaningful jobs, at least 37 percent of WIN's federally funded expenditures must be used for WIN OJT and PSE. Other WIN ac-

The Brainerd office participated in the Brainerd area manufacturers' show which was attended by more than 7,000 people.



tivities, except placement, have lower priorities.

Incentives Given

WIN registrants are eligible for an income disregard which allows a working registrant more money than one who is not employed. The income disregard is calculated by means of a formula which reduces the grant of an employed registrant by a part of the wages earned, not on a dollar-for-dollar basis.

Another incentive is a combined expense and incentive payment based on the registrant's level of participation in WIN authorized activity. This payment is designed to increase participation and to cover expenses incurred.

Employers also are offered incentives. Employers of WIN registrants are eligible for a tax credit of 20 percent of the wages paid to employees hired through WIN during their first year of employment. Employers meeting certain criteria also are eligible to hire an employee to receive on-the-job training. An on-the-job training contract between WIN and the employer requires the employer to teach the trainee a specific job. The employer then will be reimbursed at a rate based on the employee's wages during the training period to cover the extra costs of the training. The contracting employer also is eligible for the WIN tax credit.

On-the-job training also is an incentive for the WIN registrant. The registrant is earning wages as well as learning a job and is eligible for the income disregard.

During 1977, 53 of Minnesota's 87 counties were active in WIN. This made WIN services available to more than 90 percent of Minnesota's AFDC caseload.

Handicapped, Old Workers Get Aid

The U.S. Age Discrimination in Employment Act prohibits arbitrary job discrimination on the basis of age against persons 40 to 65 years old. Nevertheless, when out of work, older workers have longer periods of unemployment than workers in other age groups.

During 1977, 11,192 persons 45 and over found jobs through the Department. Persons in this age group, who make up about 50 percent of the state's work force, often have trouble finding suitable work when they become unemployed.

Helping persons 45 and over is an important responsibility of the Department. Specialists, whose job is to assist older workers with employment problems, are stationed in each DES area office. They see that counseling, testing, job development and placement help is provided.

National Employ the Older Worker Week was observed March 14-18. Each DES area office adapted the statewide promotion to local economic conditions and labor supply. The promotions included staff awareness training, special job development for older workers, coordinating concerned community agencies and involving employers.

Department staff receive continuous training and current information to insure compliance with national, state and local legislation regarding older workers. Also, a close working relationship is maintained with the Governor's Citizens Council on Aging.

More than 11,251 persons with handicaps received special help through the Department in 1977. This special help included job

development and placement, counseling, testing, teaching job-seeking skills and referral to other community agencies.

Each year the handicap specialists coordinate locally "National Employ the Handicapped" week. This year it was observed the week of October 2-8. It was conducted in conjunction with the President's Committee on Employment of the Handicapped, the Minnesota State Council for the Handicapped and locally with Veterans of Foreign Wars and American Legion Posts, newspapers, radio and television stations, employers and other concerned agencies and persons.

A great deal of emphasis is being placed on removal of Architectural Barriers. This will be an ongoing priority for DES. In May of 1977, Governor Rudy Perpich issued Executive Order No. 148 aimed at providing a barrier-free environment for elderly and disabled citizens.

The Executive Order states that:

1. All new state-owned buildings shall meet the state building code requirements on accessibility when constructed. In addition, all existing buildings will be brought to handicapped code as they are remodeled.
2. Space in buildings leased for state operations shall be free of mobility barriers.
3. All meetings and conferences when sponsored by state agencies in nonstate facilities shall be held in hotels, motels, restaurants, and other locations that are free of mobility barriers.

The Department continues to help employers with their Affirmative Action programs by recruiting qualified people with disabilities and by helping companies modify jobs to accommodate these persons.

Disabled veterans receive top priority. Handicap specialists work closely with Veterans Employment Representatives in DES offices and with community veterans groups. In 1977, 1,338 disabled veterans were placed in jobs.

Rural Service Aids Migrants

After the floods of '75 and the droughts of '76, the 1977 weather picture changed for the better and producers experienced an all-time, record-setting year.

In 1977, seed corn companies dispersed acreages across the state. This meant that area employment offices never before involved with seed corn detasseling operations found it necessary to develop recruiting programs involving thousands of youth.

Area offices in the Red River Valley and west central Minnesota developed large programs for older youth in thinning and weeding sugarbeets, accounting for a substantial number of youth placements.

The mini-office program has grown significantly since its inception in southwestern Minnesota in the early '70's. Usually staffed by seasonally-employed people and school-age youth, these offices were located in store fronts, schools, church basements, city halls. While originated to meet the employment needs for youth, they have served all comers.

Involvement Increases

Public attention in recent years has been drawn to the plight of the migrant worker by the news media, legislature, advocacy groups, legal services and target area programs. The Department has increased its involvement

through the addition of extra seasonal outreach staff and also through assuming additional responsibilities in meeting the employment and related needs of migrant workers.

Through intensified training and use of a procedures manual, outreach workers have developed a closer understanding of the farmers' situation. Most outreach workers (and all newly-hired) are fluent in Spanish and English. All outreach workers are expected to be aware of the impact of variables on the workers' performance.

In 1977, the Department was funded for two additional outreach workers, a total of 18. More attention was paid to workers' situa-

Going To Work Can Be Frightening

After raising a family and being out of the job market for more than 20 years, a woman decided to try to get back into the business world.

Although she had taken refresher courses at a vocational-technical school, she lacked confidence and the thought of a job interview frightened her.

Then she came to the Fridley Employment Service office. An interviewer gave her an overall picture of the job market, job locations and salary ranges. But more importantly, he helped her develop confidence in herself.

She landed a job which she called "challenging and exciting" in a letter of thanks in which she also wrote: "I know I still have to prove myself but the State Employment Service helped me find my opportunity."

tions and their relationships to their employers, an approach which coincided with the increasing concern by the Department of Labor for a viable complaint mechanism.

Throughout the season, workers were referred to other agencies when special needs for food stamps, legal assistance, health services, etc., were identified. They were also referred to short-term jobs when temporarily idled by lags in crop development; and to subsequent employment at the end of the beet season, in Minnesota or in neighboring states. In addition, workers showing any inclination to "settle out" of the migrant stream were given every assistance in seeking counseling, permanent employment or referral to preparatory training.

As in 1976, the outreach program participated in two one-stop, multi-service centers, at Breckenridge and at Moorhead. These centers also included staff from welfare, health, charitable, legal and educational programs.

Recruitment Expands

A number of developments during the year had a significant impact on the outreach program and on planning for 1978. Of special benefit in determining and pursuing migrants' rights was the establishment of legal aid services for workers. The Employment Service found its interstate recruitment system the object of considerable attention by the beet growers. Consequently, three of the seasonal outreach workers were retained for the fall and early winter to advise employers on the interstate recruiting system and to assist them in understanding and meeting housing and employment standards.

Interstate recruitment of sugar-

beet workers by the Employment Service is new and has resulted in increased emphasis on planning for the 1978 season. Still more outreach staff is expected to be added, some of them year-round, in order to handle all of the responsibilities related to clearance, in-season inspections and services and off-season assessment and planning.

Two clearance orders were accepted for large canners in the state — one for 750 asparagus snappers, the other for 625 food processing workers in the sweet corn pack. These will probably be taken again for 1978.

3,359 Food Stamp Recipients Placed

In 1977, 3,359 food stamp recipients who were registered for employment with the Minnesota Department of Economic Security (MDES) were placed in jobs. In 1976, 2,533 were placed.

Food stamps are coupons that can be purchased at a discount by qualifying persons and used as money to purchase food. The role of MDES in the Food Stamp program is to make its employment programs and services available to those food stamp recipients who are required to register for work as a condition of their eligibility for food stamps.

Food stamp registrants who refuse employment or job referrals without good cause must be reported to the county welfare department so that their continued eligibility for food stamps may be re-examined.

During 1977, MDES also participated in outreach programs conducted by the Department of Public Welfare and the Minnesota Nutrition Campaign to encourage those who might be eligible for

food stamps to apply. As part of the outreach effort, MDES distributed informational flyers to some 54,614 Unemployment Insurance claimants.

The food stamp program is a joint effort of the U.S. Departments of Labor and Agriculture, the Minnesota Department of Economic Security (MDES), the Minnesota Department of Public Welfare and the county welfare departments.

Job Corps Training Available To Youth

During 1977, 97 young Minnesotans entered the Job Corps, a federally-funded residential training program that provides basic education and vocational training to disadvantaged youth 16 through 21 years of age.

The Minnesota Department of Economic Security (DES) has been associated with the Job Corps program since the start of the program in 1965. DES recruits young persons for the program and assists them in finding jobs after training.

In Minnesota and throughout the nation, more young people applied for Job Corps training than could be accommodated. Furthermore, a higher percentage of corps members completed the program than ever before.

The program is divided into several components which are designed to help corps members complete the training program and maximize their employment opportunities.

The general education components, geared to the individual needs of the corps members, enables the corps members to complete their education. All enrollees are encouraged to work toward the general equivalency

certificate (GED) if they are not high school graduates.

The vocational component offers a wide variety of training opportunities — welding, nursing, carpentry, clerical, masonry and painting. Several labor unions have contracted to conduct training at Job Corps Centers for selected apprenticeable trades. The concept of co-ed centers continued to be expanded resulting in increased opportunities for all corps members to receive training in nontraditional occupations.

The World of Work component is designed to teach responsibility on the job, to develop good work habits and attitudes and to provide insight into practical matters such as budgeting, job interviewing and taxes.

Recreational and avocational programs supplement job training. These programs provide opportunities for creative expression of ideas and feelings, encourage physical fitness and provide constructive outlets for relaxation during leisure hours.

Periodic evaluations of vocational, educational and social adjustments are conducted to help corps members maximize their progress while at the Centers. As a result of these evaluations, schedules may be changed, personal counseling may be provided and promotions or other actions may be recommended.

During 1977, over 90 percent of all returnees were placed in jobs, returned to high school, entered military training or took further training.

An economic stimulus program was announced in March 1977 which included the doubling of the Job Corps program by the end of 1979, adding a proposed 60 to 70 additional centers nationally.

Plans are underway to reestablish

Job Corps in Minnesota after an absence of nearly nine years when the then Job Corps Centers were closed. An all-Minnesota enrollee center with a 400 corps members capacity is planned for a late 1978 opening.

Apprenticeship Activities Expand

The Apprenticeship Information Centers (AICs) work within the Department of Economic Security (DES) as a clearing-house for information about training programs with special emphasis on the systematic, organized operations that are registered with the state as bona-fide apprenticeship programs. Department employees, especially placement interviewers and guidance counselors, counselors from schools, rehabilitative agencies and other outside organizations, plus the general public consult AIC staff for answers to questions about apprenticeship programs, specific requirements and the potential for work.

During 1977 this work was expanded throughout the Department, a move made possible by a special grant from the Department of Labor, which earmarked funds for more Apprenticeship Information Centers staff. As a result, Minneapolis, St. Paul and Duluth area offices provide full-time AIC specialist service; Mankato and Rochester area offices provide half-time AIC services. Through respective district assignments, AIC services are available statewide.

During the year, staff of the Apprenticeship Information Centers held training sessions for persons newly assigned to this work, took part in 11 information-sharing sessions held by the advisory committee of the centers and participated in about 20 career days or career nights at various high schools.

Members of the staff also participated in the First Annual Conference on Apprenticeship, a mid-October event which was sponsored by the Association of Apprenticeship Coordinators with assistance from both the state and federal apprenticeship agencies.

Of significance to the public was the general level of services rendered by the centers including responses to a combined total of about 2,000 phoned inquiries, written responses to several hundred letters or phoned requests for information and advice and information extended to people in other agencies and organizations. Special emphasis was placed on cooperative efforts with the area vocational-technical institutes as well as other educational institutions.

Over 350 individuals were interviewed by AIC staff. Many were referred for appropriate aptitude testing or provided assistance and guidance in making application for entry into various apprenticeship programs. Almost double that number were referred to agencies having specific connections with particular apprenticeship sponsors or programs so that these clients could use the avenue of approach which would be most helpful in securing them an opportunity to start into an apprenticeship situation. Close working relationships were maintained with outreach agencies, with returnees from Job Corps training and with those who are working to help women enter the "non-traditional" kinds of jobs.

Almost 20 school visits were arranged and participated in by AIC staff during the first half of the 1977-78 school year.

The Apprenticeship Information Centers distributed about 700 copies of each of 15 different announcements of specific apprenticeship program openings, sending these announcements to

schools, agencies and to DES area offices.

The increased complexity of jobs and the growing demand for highly-skilled workers in most industries also contributed to increased activity by the Apprenticeship Information Centers. Forecasts of growing activity in construction work, the development of a larger spread of skilled job opportunities and related indicators of economic revival should result in added traffic within the centers.

Counseling Helps Job Problems

During 1977, 28,495 employment counseling interviews were conducted at State Employment Service and Work Incentive Program offices and through contracts with several Comprehensive Employment and Training Act (CETA) prime sponsors.

The goal of counseling is to help applicants resolve the problems that keep them from obtaining employment. The problems usually are in the areas of vocational choice, vocational change, and job adjustment. People who are unemployed due to layoffs, physical difficulties or other factors are given assistance in redirecting their skills and past experience to new areas of work. There is special emphasis on counseling of veterans, migrants, handicapped applicants and youth.

An important part of the counseling process is assessment of aptitudes and interests through testing. Counselors also use community agencies, training resources and special programs, such as Job Corps, to help applicants improve their employability. The successful conclusion of counseling is placement in an appropriate job.

Job Bank Joins People With Jobs

The statewide Job Bank system has proven to be an effective means of bringing together people and jobs. The computer-assisted system lists all jobs placed with the Employment Service throughout the state of Minnesota. This is achieved by means of a daily updated statewide Job Bank microfiche. This system allows job seekers, visiting any Employment Service office in the state, access to all job orders placed with the Department. Referrals are then made to openings according to the applicants' qualifications and requirements.

The Job Bank System provides an excellent service to employers because they can make their needs known to qualified applicants throughout the state by simply placing one phone call to any State Employment Service office.

To provide greater services, the Employment Service has initiated the Job Information Service (JIS). This is a self-service computer-assisted system which permits applicants to pre-select jobs of their choice by viewing the job listings made available for their use in the Employment Service offices throughout the state. This service has been expanded throughout the agency and all offices now have viewers to provide this service.

During the past year, the Employment Service has continued to expand its job information and placement service to even a greater number of locations. As an example of this, over the past year, the Job Bank System and the JIS System have been installed in several of the Area Vocational-Technical schools. Not only are the students of that school served, but the community and area residents are also encouraged to use the service in the school.

The next improvement expected in the Employment Service placement program is a fully-automated system called the Job Match System. It is anticipated that within the next few years employment interviewers will have access to CRT terminals directly linked to the computer to further speed the process of bringing together jobs and people.

More Job Seekers Use Test Facilities

Approximately 24,500 aptitude, clerical, achievement and interest tests were administered to job seekers at Minnesota Department of Economic Security (MDES) area offices during 1977. This was an increase of approximately 3,500 tests over last year.

In addition, Comprehensive Employment and Training Centers, Work Incentive Program offices, Vocational Rehabilitation offices, schools and various non-profit organizations throughout the state used Department tests on their own premises.

The tests, developed by the U.S. Employment Service, are used in applicant selection and in counseling.

For the applicant, tests provide information on aptitudes, interests and education levels and can be used in counseling situations to help make career and/or training decisions.

For the employer, tests provide additional information upon which to base decisions when considering applicants for jobs.

The MDES Testing Unit is one of 38 state units that conduct research to provide new and refined tests and test methodologies for counseling and selecting job applicants. To ac-

complish this task, the unit works closely with private employers and other organizations throughout the state in order to secure their cooperation in various test research projects. During 1977, the unit participated in 40 different studies, contacted 45 employers and 10 organizations, and tested approximately 250 individuals for research purposes.

The Testing Unit's efforts were concentrated in three major areas: the revalidation of various Specific Aptitude Test Batteries (SATB's); the development of a new transcribing machine operator proficiency test; and the comparability of adjacent levels and alternate forms of the Basic Occupational Literacy Test. Concerning the revalidation of various SATB's, the unit primarily concentrated on studies dealing with occupations found in the insurance, electronics, clerical, airlines, and welding fields. During 1977, six batteries were revalidated on a nationwide level: Central Office Repairer; Accessories Assembler; Encoder; Electrician; Automobile Assembler; and General Merchandise Salesperson. All revalidated batteries are researched in strict accordance with EEO standards and are, therefore, applicable for use with minorities as well as non-minorities.

In addition to the 45 employers contacted for research purposes, the Testing Unit also met with employers from 30 other companies, at the companies' request, in order to explain the various United States Employment Service (USES) tests and to determine their applicability for employee selection into various jobs. Many such meetings also were conducted by staff in the various area offices. To assist in the promotion of USES tests, the Testing Unit also developed a promotional brochure which has been utilized extensively by the MDES area offices.

Employer Visits, Services Increase

Increased emphasis was placed on employer visiting during 1977 to ensure that Minnesota employers were aware of available programs and services.

Information was provided on affirmative action, selection-referral, positive recruitment, occupational analysis, testing and tax credit.

A staff of 15 fulltime Twin City area employer service representatives and 30 part-time outstate representatives made 35,032 personal visits to employers.

Personal visits to employers increased by 2,200.

Three area offices began participation in a voluntary improvement program which involved internal task forces and external employer committees. These projects received coordination and technical assistance from the state office staff services branch.

Approximately 1,700 Minnesota employers held federal government contracts of \$10,000 or more in 1977. These employers who are mandated to list their job openings with Job Service offices, placed 21,556 job openings with area offices throughout the state under the Mandatory Job Listing program (MJL).

Procedural changes were initiated in the outstate Job Bank system to permit more flexibility of job order input. Statewide listings or job openings ranged from 6,000 to 8,000 daily. Total placements were 109,891 exceeding the 1976 total by 9,000.

The Employer Services section participated as part of a team that conducted onsite reviews in 14 area offices. The reviews were conducted to determine that federal

service standards for applicants and employers were maintained.

Training Resumes

After an interruption of two years, the Employment Service Basic Training program was re-initiated in September.

Approximately 40 employees received the training during calendar year 1977 with the Employer Services section being responsible for giving basic instruction in job order writing and coding, application taking and coding, and job

Fire Hazards Spur Emergency Action

When unusually hot and dry weather created extreme forest fire hazards in Minnesota during the spring of 1977, the Department realized there might be need for firefighters on extremely short notice.

In anticipation of that need, Department offices in critical areas recruited potential firefighters and pre-registered them so they would be available when needed.

As a result of this pre-registration, the Hibbing area office was able to provide approximately 150 firefighters quickly when major fires broke out in the Hibbing area over Easter weekend. Recruiting began Saturday evening and continued into Sunday.

About a week later, the Hastings office was called upon to supply firefighters on short notice. A local radio station was contacted, a plea for workers was aired and 38 persons had been referred and were working as firefighters by early afternoon.

development using telephone techniques.

A basic training unit was developed to insure the planning aspect of the employer relations program in Minnesota. Pilot training sessions were conducted on a selective basis.

AMPS Places Medically Skilled

During 1977, the Allied Medical Placement Service (AMPS) placed 102 applicants in medically related employment, 68 of which were professional jobs. AMPS generated 538 job orders and received 717 new applications.

AMPS provides referral and placement assistance to those people seeking health-related employment and promotes their qualifications through the use of a bi-monthly register which is sent to hospitals, nursing homes, clinics and related medical facilities throughout Minnesota.

During 1977, AMPS placed Physical Therapists, Medical Technologists, Licensed Practical Nurses, Registered Nurses, Operating Room Technicians, Radiologic Technicians, Respiratory Therapists and many more.

Equal Service Monitor's Goal

The Monitor/Advocate position was established by a court order and was assigned responsibility for (1) ensuring that migrants and seasonal farm workers received the same employment services as other workers and (2) implementing and coordinating a procedure through which the public may register employment-related complaints.

All of the Department's area offices cooperate in the complaint procedure which, in 1977, resulted in 21 complaints about Department services and several hundred other employment-related complaints. All of the complaints relating to the Department have been resolved.

Services to migrant and seasonal farm workers increased in 1977 from 1976. Service was provided to 1,348 migrants in 1977 compared to 1,069 in 1976. The number of applicants available for service also increased from 1,729 in 1976 to 1,979 in 1977.

Services to migrant and seasonal farm workers in 1977 were as follows: referrals to jobs, 1,267; referrals to supportive services, 168; placed in jobs, 1,115; job development efforts, 477; placed in jobs with an hourly wage of \$3 and more, 127.

Bonding Available

The Federal Bonding Program administered by the Department has provided a valuable resource to jobseekers who were unable to secure jobs because they could not be bonded by commercial bonding firms.

Financed by the Department of Labor, the program provides bonding where it would otherwise be unavailable. People who have been in prisons, have been through bankruptcy or adjudged spendthrifts find bonding is difficult, if not impossible, to secure.

The bonding provided is fidelity bonding with coverage in units of \$500 to a maximum of \$10,000. Performance or surety bonds are not provided.

There are three basic requirements:

1. That a fidelity bond is required as a condition of employment,

2. That the jobseeker cannot secure bonding from a commercial fidelity bond carrier and
3. That the jobseeker must not have previously defaulted on a bond issued under the Federal Bonding Program.

Each of the Department's full-time offices has designated a staff member to serve as local bonding coordinator. The state administrative office has assigned a staff member to act as the state coordinator.

Department Offers Services to CETA

The Department continued its involvement in the Comprehensive Employment and Training Act by contracting with each of the ten prime sponsors in the State and providing such services as outreach, counseling, testing, referral to training, contract negotiations for on-the-job training and public service employment jobs, and free placement services. Training allowances also were paid through the Department's Unemployment Insurance Division for a number of prime sponsors.

The Department worked to develop and improve cooperative and participatory relationships with CETA prime sponsors. Department staff actively participated in the CETA planning process at the state, economic development region, and local prime sponsor levels for the purpose of avoiding duplication of effort, assuring CETA clients equality of access to regular services, and apprising prime sponsors of services available through the Department.

The goals of the Department and CETA prime sponsors are much the same, i.e., to help Minnesotans find suitable employment, complimenting each other in that

CETA has the resources to help those persons who need extra services to become employable while the Employment Service has the experience of working with persons who have completed CETA training and are ready for employment.

The relationship between CETA prime sponsors and the Employment Service has proved to be beneficial to both. The Employment Service is funded on the basis of placements. CETA prime sponsors, on the other hand, gain by entrusting the placement function to the Employment Service thereby freeing more CETA dollars for employability development programs. The two agencies, working closely together, bring more federal dollars into the State and achieve optimum use of those dollars.

Career Information Provides Guidance

The Career Information program provides Department staff and the public with information needed to assist individuals in obtaining

Just Like The Show, Work Must Go On

A tornado devastated parts of Crow Wing County last September requiring emergency action by the Department's Brainerd office.

Even though his own home was badly damaged, Manager Ralph Collette worked with his staff to help coordinate teams of volunteer workers.

Collette worked through the night and the following day, assisting the Crow Wing Division of Emergency Services whose director commended him and his office for their aid and support.

suitable employment or training.

During 1977, over 500 requests for career information were received and answered. Half the requests came directly from the public and the remainder came from Department staff for use in assisting job applicants.

To facilitate the organization and retrieval of data, a career information reference file is maintained at the DES State office, and area offices are offered assistance in establishing and maintaining local

reference files. In addition to occupational information, the reference files contain publications covering related topics such as: labor market information; legislation affecting employment; job-seekers with special needs (for example, youth, older workers, the handicapped and others); vocational education directories and school catalogs; civil service opportunities; and career information bibliographies and directories.

Career-related guides published

by the Department are designated as handout material and cover a variety of topics. Guides available to the public during 1977 were:

Job Interviews, Application Forms and Employer Expectations
Job Search and Preparing Employment Letters
Preparing a Resume
Minnesota Licensed Occupations
Overseas Employment
Selecting a Career Education Program
Women Returning to Work

Cooperation Makes Youth Project Go

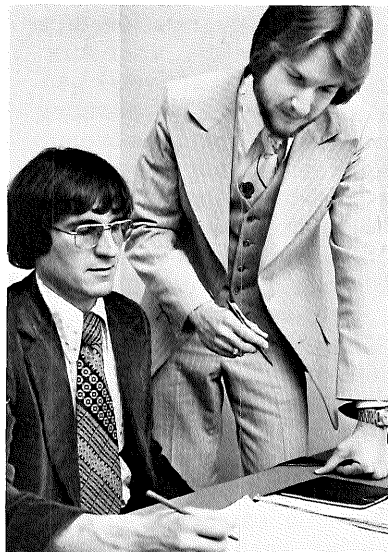
Community-wide cooperation in the summer youth employment program led to a record number of placements, nearly 2,000, by the Duluth area office during 1977.

Area schools, local governments, business and community groups and CETA (Comprehensive Employment and Training Act) prime sponsors cooperated with the Duluth office in carrying out the program.

Public-spirited business firms cooperated by sponsoring advertising which included billboards, mailers, door-to-door canvassing as well as radio, television and newspaper advertising.

The Duluth office established two outreach offices in Duluth and five others in nearby communities. Expenses for these offices were underwritten by business and community groups and local governments. School activities included special assemblies.

Mowing lawns was a typical job in the Duluth youth employment program which was implemented by Jerry Zanko (left) and Chuck Davies.



Significant Law Changes Made

As a result of various social and financial pressures, the 1977 Minnesota Legislature made significant changes in the Minnesota Employment Services Law.

The most significant change in the benefit portion of the law was the imposition of an indefinite disqualification for benefit payments for: a) voluntary separation without good cause attributable to the employer; b) discharges due to ordinary misconduct; c) refusal of referral to or offer of suitable work; and d) refusal of reemployment.

The disqualification was changed from specified weeks to a disqualification which remains in effect until the individual has earned wages of at least four times the weekly benefit amount and has been separated under nondisqualifying circumstances.

The provisions relating to gross misconduct were amended to delete immoral acts and to add arson, embezzlement or sabotage as

acts constituting gross misconduct.

Additionally, the number of base period credit weeks necessary to establish a claim was reduced from 18 to 15. The limit of \$116 was removed from the formula for determining the weekly benefit amount. For claims effective as of July 3, 1977 and prior to July 1, 1978, the maximum weekly benefit amount will be 62 percent of the statewide average weekly wage in insured employment (\$122); for claims establishing a benefit year subsequent to June 30, 1978 and prior to July 1, 1979, the percentage shall be $66\frac{2}{3}$ percent of the statewide average weekly wage. This will allow benefits to increase with inflation. The earnings necessary for a week to qualify as a credit week in a benefit year established after July 2, 1977 was raised from \$30 to \$50 weekly.

Other changes made by the 1977 Minnesota Legislature concerned student eligibility, social security deductions, extension of the base period for persons who have

received Workers' Compensation and a new definition of insured work.

Another significant event in 1977 was the fact that timely first payments on Minnesota claims (payment made within 14 days of the end of the first compensable week) averaged 80 percent for the fiscal year ending September 30, 1977 and will exceed 80 percent for calendar year 1977. Several procedural changes attributed to reaching this goal although the most important factor was the dedicated effort on the part of Unemployment Insurance (UI) claims personnel throughout the state to improve the overall quality of service to the public.

New Offices Open

In April 1977, a new Unemployment Insurance office was opened in White Bear Lake, Minnesota. The office is located in the Wildwood Shopping Center at the intersections of state highways #244 and #120 and serves approx-

imately 225,000 individuals in the northern and eastern suburbs of St. Paul as well as Washington, southern Chisago and eastern Anoka counties. The office is primarily a claims office although there are two Employment Service (ES) interviewers stationed at the location to service the UI claimants.

In October 1977, the Coon Rapids UI office and the Fridley Employment Services office moved into new, permanent facilities at 80 Coon Rapids Boulevard, Coon Rapids, Minnesota. This new office, containing 10,200 square feet, is one of the most modern Employment Services facilities in the country and services an area in North Hennepin and Anoka counties containing approximately 600,000 individuals.

Initial Claims Decrease

In continuation of the trend established in 1976, a total of 230,825 initial claims were filed during 1977, a decrease of 19,676 and 61,697 from the total number filed in 1976 and 1975, respectively. In addition, the Federal-State Extended Benefits (EB) program, the Federal Supplemental Benefits (FSB) and the Federal Supplemental Benefits-Extended (FSB-E) programs, each of which supplied up to 13 weeks of additional benefits beyond the regular program, were in effect during part of 1977 and a total of 77,036 initial claims were filed under the three programs.

Congressional action ended the FSB-E program on May 1, 1977, reducing the maximum duration of benefits from 65 to 52 weeks and ended the FSB program on October 31, 1977, reducing the maximum duration of benefits to 39 weeks. Reduced national unemployment rates, however, resulted in an earlier end for FSB in Minnesota, August 27, 1977. The EB program also was suspended for one month this past summer

because of reduced national unemployment rates.

The Special Unemployment Assistance program (SUA), created in 1974 to provide benefits based upon employment not covered by state unemployment insurance laws, terminated December 31, 1977 for initial claim filing activities. Federal legislation required the states to extend

regular unemployment insurance coverage on January 1, 1978, to much of the employment previously covered only by SUA. The effects of this law change in Minnesota will be minimal because of the extensiveness of prior Minnesota employment coverages which resulted in only 3,677 initial SUA claims being filed during 1977.

Unemployment Compensation

	1977	1976	Change
Initial Claims	230,825	250,501	-19,676
New	156,262	171,352	-15,090
Additional	62,545	66,135	-3,590
Interstate	12,018	13,014	-996
Continued Claims	1,148,652	1,331,102	-182,450
Interstate	56,941	64,670	-7,729
Weeks Paid	1,913,003	2,181,399	-268,396
Net Benefits Paid	160,751,130	173,794,460	-13,043,330
Average Weekly Amount	\$84.03	\$79.67	\$6.44
First Payments	127,276	147,836	-20,560
Benefit Exhaustions	57,249	64,937	-7,688

1977 UCFE and UCX Activity

	UCFE Only	UCX Only
Initial Claims Filed	1,745	5,333
Weeks Paid	20,102	75,728
Amount Paid	1,753,409	6,596,230
Average Weekly Amount	\$87.27	\$87.10
First Payments	1,215	4,149
Benefit Exhaustees	693	1,971

1977 Extended Benefit And Supplementary Benefit Activity

	Extended Benefits	Federal Supplemental Benefits	Federal Supplemental Benefits- Extended	Special Unemployment Assistance
Initial Claims Filed .	52,115	21,165	3,756	3,677
Weeks Paid	417,146	159,363	25,921	48,318
Amount Paid	\$33,207,667	\$12,233,687	\$1,847,681	\$3,664,700
Average Weekly				
Amount	\$79.60	\$76.76	\$71.28	\$75.84
First Payments	48,149	INA	INA	2,624
Benefit Exhaustees .	28,440	9,612	1,354	777

Interstate Claims Speeded

The interstate benefits program promotes claimant mobility and an expanded labor market by providing unemployment insurance to persons employed in one state who relocate to another state. During 1977, such emigrating Minnesota workers filed 12,018 initial claims and claimed 103,595 associated weeks of unemployment which constituted a significant decrease from the two preceding years.

Extensive improvements were implemented during 1977 to facilitate the processing of interstate benefit payments and to promote statistical gathering and reporting accuracy. Interstate agreements also enable the establishment of unemployment insurance claims based upon wages earned in more than one state. Such combined-wage claim activity has significantly increased in recent years and, in 1977, Minnesota wage credits were used to establish 4,594 combined-wage claims.

TRA Takes Effect

Payments of the first Trade Readjustment allowances in Minnesota, totaling \$32,109, were made in 1977 to 27 workers producing metallurgical coke at the Duluth works of U.S. Steel.

The Federal Trade Act of 1974 provides that workers who believe they have been or will become unemployed due to increased imports may petition the Secretary of Labor for certification of eligibility for adjustment assistance. Three additional petitions for adjustment assistance are pending in Minnesota.

Training Costs Paid

Training allowances of \$2,300,292 and transportation and subsistence expenses totaling \$192,833 were paid during 1977 through the Department to approximately 2,000 persons referred to classroom

training under Title I of the Comprehensive Employment and Training Act (CETA). Persons who are receiving assistance from Welfare are entitled to \$30 per week incentive allowance from CETA. Incentive payments of \$195,600 were paid to 359 welfare recipients during the year. Trainees who are not welfare recipients are entitled to receive the basic allowance of \$2.30 for each hour they attend or are excused from training. Basic allowances totaling \$1,874,987 were paid during 1977 to 9,994 persons. Under the Work Incentive (WIN) program, registrants were paid semi-monthly incentives and training-related expenses totaling \$473,376.

Benefit Eligibility Review Initiated

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

The Department investigated 91,457 job separation and work refusal issues in 1977, resulting in 54,106 disqualifications for various periods of time. Investigations of 91,730 cases of eligibility caused 36,479 denials of payment or waiting week credit.

In September 1977, the Eligibility Review Program (ERP) was implemented in Minnesota. This is 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' reemployment assistance practices for unemployment insurance claimants. Under the program, claimants are classified by their attachment to the labor market and their prospect for reemployment. Those who are not attached and need reemployment assistance are interviewed and complete a written agreement outlining the requirements that must be satisfied to maintain eligibility insofar as work search and availability are concerned. Additional interviews may be scheduled to determine compliance with the agreement. It has been estimated that up to 40 percent of all UI claimants will participate in this program.

Employer Taxes Exceed Benefits

Employer contributions and interest earned during 1977 totaled \$165,236,947, an increase of \$48,121,015 over 1976. A net total of \$160,751,130 was paid out in unemployment insurance benefits during 1977, with an additional \$16,530,596 paid out as the state's share of the Extended Benefits program.

The Unemployment Compensation Fund balance on December 31, 1977, was \$83,460,020, but because of outstanding loans from the federal government of \$172 million the effective fund level was a deficit of \$88,539,910.

Funds for regular unemployment benefits are provided through a systematic tax imposed on most employers doing business in Minnesota. The Department determines which employers are liable, enforces compliance and collects the taxes.

In 1977, the Department registered 14,226 new employer accounts, increasing the total number of liable employers who reimburse the fund to 83,102. In compliance with federal law, the 1977 legislature

extended unemployment coverage in 1978 to domestic workers and private school employees. Provisions for coverage of agricultural employees was also modified. Special procedures were initiated to control benefit charging and claim processing for these employees during the transitional period. Initial contact was made with approximately 6,000 employers of domestic workers and 800 private schools.

Tax Rate Assigned

Most liable employers pay quarterly taxes based on an assigned annual tax rate. There are several methods of determining the rate. For newly liable employers, the rate is determined by the state's three-year benefit cost rate. (This is the 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 percent. For 1977 the benefit cost rate was higher than 2.7 percent and so the legal maximum was limited to 2.7. New employers receive this special rate assignment until they qualify for an experience rate.

When eligible, an employer is assigned an experience rate based on employment experience and the current minimum rate. The employment experience record is based on charges for benefits paid to former employees and the taxable payroll on which all taxes due have been timely paid. If an employer's account had minimal or no benefit charges during the experience period, the minimum rate is assigned. The employer's experience record is used to establish an experience ratio. An employer's ratio each year is limited to an increase of .015 (1.5 percent) over the previous year's experience ratio. The experience ratio is added to the minimum rate to establish the employer's tax rate. The minimum rate for 1977 was

1.00 percent. The maximum rate was increased to 7.50 percent.

Once an employer's experience rate is established, that rate is used to calculate tax amounts. In 1977, due to a law change, employers paid tax on the first \$7,000 (or portion thereof) in wages paid to each employee. The tax is determined by multiplying the taxable wages by the tax rate. Each quarter, the employer must file an "Employer's Quarterly Unemployment Tax Report" which includes the gross and taxable wages paid and determines the amount of contributions (tax) payment due.

Certain nonprofit organizations (including private schools), which have elected not to be taxed as regular employers, are required to reimburse the fund for benefits paid to their former employees. In 1978, the state of Minnesota, instrumentalities of the state and political subdivisions (which have been limited to the reimbursing method) will become eligible for the tax-paying option. Unemployment benefit payments made to federal employees and ex-military personnel are reimbursed by congressional appropriations.

Computer Speeds Tax Accounting

The computerized benefit-charging and experience-rating programs have been refined and enlarged to provide more current and accurate data for rate assignments and employer inquiries. Installation and maintenance of employer accounts have been handled on a more current basis because of special efforts which reduce a backlog. More improvements are expected to provide better service to employers in the future.

During 1977, the Department processed approximately 301,000 quarterly tax reports, generating \$162,102,825 in tax revenue. Continual modifications and improve-

ments were made to the various computerized tax processing systems to ensure more accurate and timely determinations of employer tax report delinquency. During the year, 36,270 delinquent tax report notices were sent to employers, including approximately 21,000 initial notices and 15,000 follow-up notices. As a result of these delinquent report notices, 10,029 quarterly tax reports were estimated and assessed against employers.

The computerization of the billing system also played a major role in the tax workload of the Department. A record high 59,122 account discrepancy statements were processed, advising employers of either a debit or credit balance in their tax account. Of these, 26,000 were referred to the Field Audit staff for individual collection action. As a result of these collection efforts, either correspondence or personal action, 24,107 delinquent tax payments were received with a total revenue of \$3,756,222.

During the year, 41,463 items of written correspondence were received and processed. The correspondence covered such topics as delinquent tax reports, underpaid or overpaid taxes, requests for adjustment to previously reported taxes, notices of change in account status and requests for information. These same problem areas also generated 6,644 telephone calls from employers, accountants, attorneys, claimants and their representatives.

Department field auditors are located in 16 cities throughout the state to help employers comply with the Minnesota Employment Services Law. They conduct investigations to determine if employing units are subject to the tax, secure delinquent tax reports, collect delinquent taxes and audit employers to verify the accuracy of tax reports on file. In 1977, they

conducted 6,597 audits that produced a tax yield of \$924,858. They also collected \$1,922,640 in taxes due.

An equally important function of the auditors is to assist employers with their UI tax problems and complete reports. The auditors also conduct field investigations to secure from employers missing or incomplete information needed in the processing of a claim for unemployment insurance benefits. During 1977, field auditors conducted over 5,000 such investigations.

Benefit Appeals Hearings Increase

An employer or claimant who disagrees with a benefit determination made by the Department may appeal the decision. Employer liability hearings are referred to the special liability referees. Benefits and tax-related appeals are processed by the Appellate branch.

When a benefits or tax-related appeal is made, the Department schedules a quasi-judicial hearing, usually at a Department area office. The hearings are conducted by a hearing officer and are tape recorded so that a record may be preserved.

If either party is dissatisfied with the hearing officer's decision, an appeal may be made to the Commissioner. These hearings, usually conducted by a representative of the Commissioner, are a review of the testimony and exhibits from the first hearing. A transcription of the first hearing is given to the parties involved. Each then presents his side in person to the Commissioner's representative. A party dissatisfied with a decision of the Commissioner's representative may appeal that decision to the Minnesota Supreme Court.

The Department conducts a wide

variety of lower-level hearings. Common benefit-related issues are: claimants' voluntary quits or misconduct; the employer's experience rating account; whether a claimant was able, available and actively seeking work. Interstate appeal hearings are held for people claiming benefits against one state while residing in another, when Minnesota is one of the states involved.

During 1977, the Department conducted over 14,000 hearings, an increase of 1,000 from 1976 and 4,000 more than in 1975. The appeals staff was increased in 1977 from 15 to 22 hearing officers and from 24 to 27 support employees. A new procedure for routing appeals from the area offices was begun in 1977 and has greatly reduced the average time between the receipt of the appeal and the appeal date.

Hearings have become increasingly complex. The number and variety of issues, as well as dollar amounts involved, have in-

creased substantially. Legal counsel is permitted but not required at hearings. Whether or not any party is represented by legal counsel, all hearings conform to constitutional due process of law requirements.

New Unit Operational

The office of the Commissioner's Representatives was established as a separate operational unit during 1977. The three representatives of the Commissioner are assisted by a senior clerk stenographer and an intermediate clerk typist.

During the year, the six transcribers who prepare transcripts of the testimony taken at tribunal hearings were transferred from the Appellate section to the office of the Commissioner's Representatives. The transcripts are used by the representatives in considering appeals of tribunal decisions to the Commissioner.

1977 Administrative Expense		
	1976	1977
Personal Services	\$20,424,365	\$20,909,443
Personal Benefits	3,334,927	3,927,437
Total Personal Services & Benefits	\$23,759,292	\$24,836,880
Occupancy	\$ 1,206,484	\$ 1,418,683
Travel	377,680	421,810
Supplies	527,152	497,178
Communications	338,939	344,690
Equipment Rentals	375,480	419,999
Equipment Maintenance	166,979	223,483
Out-service Training	9,592	12,989
Advertising	23,670	34,514
Services	455,311	630,957
Other Administrative Expenses	64,763	98,371
Total Non-personal Services & Expenses	\$ 3,546,050	\$ 4,102,674
Registration & Training —		
Work Incentive Enrollees	\$ 2,323,065	\$ 2,135,659
On-the-Job Training — Comprehensive		
Employment & Training Act	211,918	262,163
Applicant Support	40,977	460
Total Program Expenditures	\$ 2,575,960	\$ 2,398,282
Capital Purchases	\$ 325,298	\$ 260,778
Amortization of State Building Bonds	253,180	244,435
Amortization of Reed Bill Building Funds	109,270	109,270
Total Non-current Expenditures	\$ 687,748	\$ 614,483
TOTAL EXPENDITURES	\$30,569,050	\$31,952,319

Special efforts and changed procedures have reduced the time period between filing for a review and the resulting decision. In 1977, the representatives of the Commissioner acted upon 1,400 appeals to the Commissioner.

Investigators Detect Fraud

The Department operates a continuous, statewide investigation program to prevent and detect administrative errors, benefit overpayments and claimant or employer fraud. These programs protect the Unemployment Compensation Fund by ensuring that benefits are paid only to eligible claimants.

Various methods are used to detect benefit overpayments to claimants. Benefit payment auditors check benefit-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 are verified by a computer-generated letter to the reported employer.

The benefit payment auditors also investigate employers' protests concerning benefit charges and follow up on tips from the public. Periodic industry surveys also are used as well as Job Bank and CETA lists. Contact with other states provides a continuous means for exploring new detection techniques.

The Department also has field investigators who work throughout the state, as necessary. They investigate cases of suspected fraud or other violations of the Minnesota Employment Services Law by either claimants or employers. They examine records and documents, gather evidence and prepare reports to be used when criminal or administrative action is taken.

The Department is responsible for the maintenance of accounting records for benefit overpayments. Documents are prepared to adjust employer experience rating accounts where overpayment has occurred. Matters relating to benefit check irregularities are also processed, including lost or stolen checks and forgeries. During 1977,

this activity involved processing 1,203 stop payments and issuing 836 replacement checks.

During 1977, the Department discovered 12,991 overpayments amounting to \$2,251,158. Of these, 1,187 cases, involving payments totaling \$311,000, were determined to be fraudulent. Most overpayment cases are the result of unintentional errors or misunderstanding. Overpayment recoveries during 1977 totaled \$1,318,181, including cash refunds and benefits withheld from payments due. The Department has placed a greater emphasis on collection activity and has substantially increased the collection correspondence.

The more flagrant cases of fraud, which warrant prosecution, are referred to the State Assistant Attorney General for his review. During 1977, 22 cases were referred to the office of the State Assistant Attorney General. Obtaining benefits fraudulently is a gross misdemeanor. Fraud cases not handled through court action are dealt with administratively through disqualification penalties.

Disabled Vietnam-era veterans were hired to seek out and find jobs for other Vietnam veterans, particularly the disabled. They also were to assist veterans with the problems of readjusting to civilian life, as they learned at a training session (below and right).



Automation Aids Operations

During 1977, the Electronic Data Processing (EDP) management branch performed a major role in the development and implementation of the Employment Security Automated Plan (ESAP)

The plan provides for further automation of Employment Service (ES) (Job Match System) and Unemployment Insurance (UI) functions in response to the U.S. Department of Labor's emphasis on automation for all state employment security agencies as part of a national system.

The U.S. Department of Labor approved the plan and granted the required funding enabling the agency to commence implementation including the acquisition of additional computer hardware and software and the installation of display terminals (cathode ray tubes, CRTs) in Department area offices throughout the state.

Information stored in 13 computer on-line files was made available for use by the State Office staff through display (CRT) terminals. An average of 130,000 inquiries are made each month. Additional CRTs and on-line hard copy print-

ers were acquired, enhancing the UI and ES system processing methods through the use of the State Office CRT on-line network.

Several new automated systems and/or enhancements to current operating computer systems were implemented including:

Modifications of the Insured Employment Statistics System to conform with the nationwide data base improvement project conducted by the Bureau of Labor Statistics.

Modifications that will provide increased statistical data from the Wage and Employment Statistics System.

During 1977, both Accounting and EDP staff continued their efforts to better the efficiency of the Tax Accounting Computer Sub-systems. A more efficient means of controlling and recording UI employer separation notices was developed enabling the area offices to initiate appropriate actions.

A reporting system which enables the EDP branch to monitor all design application projects under

development was introduced this year and a number of job applications were changed from card processing methods to the Department's key-processing (Key-Disk) systems. Approximately 6,380,000 transactions were keyed into the system.

Personnel Focuses On Basic Training

The Personnel and Training Branch is responsible for filling authorized positions within the Department with qualified employees and regulating various activities that affect persons during their employment.

During 1977, training emphasis was given to a return to centrally conducted ES Basic Training. Newly hired ES Interviewers, counselors, and VER's are called in to the State office for a week and one-half of job skill and programs training.

Training emphasis was also given to implementation of the unemployment insurance eligibility review program. District training

sessions were conducted to introduce this new program.

Also initiated in 1977 was a Claims Examiner training program for unemployment compensation representatives who make determinations on claimant eligibility.

Emphasis continues to be placed on the Department's Affirmative Action Program to ensure that equal employment opportunities are made available to all current and prospective employees. In addition, special emphasis was placed on drawing employment opportunities to the attention of females, handicapped persons and minorities.

A program to review the classification of positions in area offices and sections was initiated to determine that positions are properly allocated; to review the organizational structure of each location studied; to assess the possibilities of job restructuring to better utilize the talents of employees; and to increase the efficiency and effectiveness of the operation.

Data Valuable Aid To Planning

The Research and Planning branch gathers, interprets and disseminates information on labor market conditions, other economic activities and program operations of the Department.

It also conducts specially funded research studies that have a bearing on legislative or administrative policies in the area of employment or unemployment.

In order to better meet the needs for local information, five Regional Labor Market Information (LMI) Centers have been established to develop and disseminate data having a bearing on local or regional labor markets. These centers are located in St. Paul, Duluth, St. Cloud, Rochester and New Ulm.

Business Branch Manages Resources

The Business Management Branch is concerned primarily with Department financial administration, purchasing, budget preparation, building management and office services to increase efficiency in management and provide economy in use of resources.

Informed Public Department Goal

Keeping the public supplied with up-to-date information on the Department's many programs and services is the responsibility of the Communications and Publications section.

This is accomplished through a wide variety of news releases, announcements, audio visual presentations, handouts and other informational materials.

Staff are kept aware of developments within the Department through internal publications.

Testing Boosts Quality Of Workers

A Hastings employer took advantage of the Department's testing program to pre-test applicants for jobs.

He told the Hastings Employment Service office manager that the quality of job applicants he interviews has increased 100 percent since testing began.

He added: "Now instead of having to interview as many as six applicants to fill one or two jobs I can interview two or three."

The firm's supervisor reports the workers who were selected by testing are of a high caliber and likely to be promotable.

"Jobs Now," a WCCO-TV public service show for the Department for more than nine years, features job opportunities. The hosts are John Gallos and Jackie Gilotte (second from top).



Veterans' Services Intensified

Increasing activity geared towards assisting veterans, particularly those who served during the Vietnam Era, was a prime function of the Department of Economic Security (DES) during 1977. While the number of veterans applying for job placement assistance dropped from 35,689 in 1976 to 30,737 during the year 1977, the number of veterans placed into employment during the same period increased from 16,229 in 1976 to 19,934 in 1977. Percentagewise, veteran job placements were up sharply compared to placement rates of all applicants, reflecting emphasis on veterans services.

Offices throughout the state have staff persons designated as Veterans Employment Representatives (VERs). VERs are responsible for seeing that all veterans seeking assistance in finding employment through DES are provided job referral and placement services on a priority basis. Veterans preference also includes employment counseling, testing and/or referral to other veteran-serving facilities, as appropriate, for educational or related benefits due veterans under federal laws and regulations.

Early in the year, through a special federal funding arrangement under President Carter's "Economic Stimulus Package," 37 disabled Vietnam Era veterans were hired by the Department and placed in larger offices throughout Minnesota. The mission of the Disabled Veterans Outreach

Special Efforts Bring 'Bouquet'

The St. Louis County highway department commended the staffs of the Duluth, Hibbing, Ely and Virginia area offices for doing an excellent job of screening and placing 1,200 temporary workers under a special county work program.

The purpose of the program was to improve the county's road system and to help offset the effects of a steelworkers' strike.

The offices screened and hired more than 1,200 workers, giving priority to unemployed persons without any income. The county highway superintendent indicated the program could not have been successful without the help of the offices.

Program (DVOP) staff has been to seek out Vietnam Era veterans, particularly those with disabilities; advise them of services available to them not only through DES but also through other service organizations, public and private; and in every way assist them where there are problems in readjusting to civilian life. Help in finding suitable employment opportunities for these veterans has been the DVOP staff's primary effort although they are also providing a wide variety of valuable services to veterans.

PSE Jobs Listed

Public Service Employment (PSE) job orders offered under the Comprehensive Employment and Training Act (CETA) have been listed with Department offices through the various prime sponsors in Minnesota. Over 2,000 veterans have been placed in jobs as a result of President Carter's mandate that 35 percent of the PSE jobs should be filled by veterans. Although this percentage has not been reached in certain areas, the program has offered opportunities for eligible veterans and further cooperative efforts

presently underway should assure that the 35 percent goal is reached during FY 1978.

Representatives of the United States Veterans Employment Service in Minnesota provide direction and assistance in the operation of veterans programs for which the Department is responsible. They also have monitoring responsibilities to assure that federal rules, regulations and performance standards are adhered to by the state agency. The DES veterans' programs coordinator works closely with the federal VES staff, coordinating activities and programs concerning veterans between federal and state officials and DES area offices.

Agencies Cooperate

VERs and DVOP staff assigned to offices throughout the state work closely with veteran organizations as well as public and private agencies and groups concerned with serving veterans. In addition, the staff coordinates and cooperates with the business communities in locating training and job opportunities for veterans.

In connection with the veterans organizations, certain awards are made each year to businesses, individuals and DES offices which have provided outstanding services to veterans. During 1977 the American Legion "Employer of the Year Award for Hiring Veterans" was presented to the Erie Mining Company, Hoyt Lakes, as the larger employer, and to the Staver Foundry, Virginia, as the small employer recipient. The American Legion award for "Hiring and Retaining Handicapped Persons" was given to the Superwood Corporation, Duluth.

The Veterans of Foreign Wars (VFW) honored the Faribault area office, DES, as the "Outstanding Office" in the state for its performance in serving veterans during the year. (The VFW "Special Award" to an individual, organiza-

tion, etc., for overall outstanding achievement in serving veterans during the year 1977 was presented to Patrick M. McGrady, Jobs for Veterans Manager, National Alliance of Businessmen, St. Paul, who also is Chairman of the Veterans Employment and Training Council of Minnesota and Vice Chairman of the Vietnam Veterans Civic Council.)

The Disabled American Veterans (DAV) "Outstanding Veterans' Employment Representative" award was presented to Dan Vranesh, VER in the Hibbing area DES office, for his veterans service activities during the year. The DAV also named the Eveleth Taconite Company as its choice for the "Employer Who Shows Exceptional Consideration to Disabled Veterans" award.

His Faith Helps Her To Succeed

Six years had gone by but the young lady still remembered!

She was about to graduate from Moorhead State University, the first Chicano ever to receive a baccalaureate degree at Moorhead.

So she wrote to the New Ulm State Employment Service office to thank the staff member who had been instrumental in arranging her admittance to the school.

She thanked him for having faith in her — faith which, she said, made her education possible.

Career Information centers which provide occupational information and placement services for students were initiated in five Dakota County high schools this year. The St. Paul office provided staffers such as Janet Bates (right), who is stationed at Rosemount High School.



Legal Section's Duties Varied

Many of the activities of the Legal Section of the Department involved the rendition of opinions to assist the implementation of the new Department of Economic Security.

The law continues to provide for the compulsory, systematic accumulation of a reserve fund to which employers contribute through a payroll tax and out of which unemployment compensation claims are paid.

To bring about effective and equitable administration, provision is made within the structure of the Department for investigations, appeals, collection of delinquent accounts and control of unemployment compensation benefit payments.

Other activities of the Legal Section include 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 1977 are summarized as follows: \$172,829.20 was collected on 402 items of delinquent accounts; 261 suits were commenced in District Court; 188 judgments were docketed; 147 proofs of claim were filed in bankruptcy, probate, receivership and corporate dissolution proceedings; and disposition was made of 23 contested District Court cases.

During 1977, 15 overpayment prosecutions were prepared and forwarded to MDES offices for presentation to city and county attorneys. In 1977, seven 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 Supreme Court dismissed the following cases: *Malcolm Bolton v. Emmet Cushing*, due to lack of prosecution by appellant; *Margaret E. Glennon v. Fairview Community Hospitals*, on motion of Department; *Wendy J. Melsness v. Department of Em-*

ployment Services, on stipulation; *Gaylord Hanson v. Episcopal Community Services and Commissioner of Employment Services*, on motion of Department; *Darrell Poffenberger v. County of Dodge and Department of Employment Services*, on motion of appellant.

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

Mickelson v. Bennett was remanded for the purpose of further fact finding by the Department to determine which of two entities was the claimant's employer within the meaning of the Employment Services Law;

Ykovchick v. Public Schools of Minneapolis affirmed the decision of the Commissioner holding that an employee seeking eligibility for unemployment compensation has the burden of proving such eligibility and that the services of a substitute teacher who had contracted for intermittent employment was not entitled to employment compensation benefits during the intervening summer months under Minn. Stat. 1974, § 268.08, subd. 5;

Goodman v. Minn. Dept. of Emp. Serv. was reversed and remanded for additional fact finding to determine whether or not a college stu-

dent claimant's attachment to the work force was genuine;

Marz v. Department of Employment Services reversed and remanded the matter to the Commissioner for retrial and also held that voluntary termination of employment by an employee on the basis of racial discrimination constitutes "good cause attributable to the employer" under Minn. Stat. § 268.09;

Kramer v. Minn. Dept. of Employment Services reversed the Commissioner and was remanded for additional fact finding to determine whether a student claimant's attachment to the work force was genuine;

Neeland v. Clearwater Memorial Hospital affirmed the Commissioner and held that a reimbursing political subdivision employer, on the record submitted, had no standing to challenge the constitutionality of a different statutory treatment between a public and private employer;

Booher v. Transport Clearings of Twin Cities reversed the Commissioner holding that the conduct of the claimant in not following the directions of her supervisor to cease actions which caused dissension among personnel in the office and her spreading of rumors about

alleged involvement of her supervisor with a former employee constituted "misconduct";

Plowman v. Copeland, Buhl & Co., Ltd. affirmed the Commissioner holding that the Court would not consider documents which were seen by an administrative hearing officer but which were neither formally offered into evidence nor transmitted as part of the record for review, and that the evidence, viewed in the light most favorable to the Department, sustained the finding that claimant was discharged for reasons other than misconduct.

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, the following cases were pending in the Supreme Court:

Pyeatt v. Dept. of Employment Services; Monson v. Dept. of Employment Services; Fiberite Corp. v. Christensen and Dept. of Employment Services; Legionville School Safety Patrol Training Center, Inc. v. Loftis and Comm'r of Employment Services; United Dressed Beef Company v. Heilman and Schultz and Dept. of Employment Services; Coester v. Dept. of Employment Services; Allied Parking, Inc. v. Bix and Dept. of Employment Services; DeLong v. Cushing; Benson Hotel Corp. v. Zoet, et al, and Dept. of Employment Services; Mattila v. Brandvold and Dept. of Employment Services; Larry's Super Market of Battle Lake, Inc. v. Noyes and Comm'r of Employment Services; Hetchler v. Dept. of Employment Services; Marcuson v. Minnesota State Prison and Comm'r of Economic Security.

Economy Continues To Improve

Minnesota's economy continued to improve throughout 1977 with near record employment gains and significant declines in unemployment. Even more progress would have taken place in providing the necessary employment opportunities except for the extended labor-management dispute in Iron Mining and the generally lower prices for farm products. These industries are very important to the overall state economy, much more so than to the nation's. Minnesota dominates domestic Iron Mining while farm employment makes up 6.9 percent of state employment and only 3.6 percent of national.

Unemployment in Minnesota, closely following the national pattern, declined appreciably in 1977. In the early part of the year, the seasonally adjusted unemployment rate declined in both the state and nation while in mid-year the rate became sticky before dropping again in the last quarter. In Minnesota unemployment declined 11.2 percent from 1976 and averaged 121,700 or 6.0 percent of the work force in 1977. For the nation, unemployment declined 9.4 percent from a year earlier and averaged 6,855,000 or 7.0 percent of the labor force in 1977. The most significant factor in limiting the decline in unemployment in both the state and nation was the record number of

Table I
Minnesota Work Force Statistics
(in thousands)

	Annual Average		Changes 1976 to 1977	
	1976	1977	Actual	Percent
Civilian Work Force	1951.0	2014.3	63.3	3.2
Employed	1812.8	1888.2	75.4	4.2
Nonagricultural	1673.2	1758.2	85.0	5.1
Wage and Salary	1520.8	1596.3	75.5	5.0
Agricultural	139.6	130.0	-9.6	-6.9
Persons Involved in Labor Disputes	1.1	4.5	3.4	309.1
Unemployment	137.0	121.7	-15.3	-11.2
Unemployment Rate	7.0	6.0		

Table II
**Minnesota Nonagricultural
Wage and Salary Employment**
(in thousands)

	Annual Average		Changes 1976 to 1977	
	1976	1977	Actual	Percent
Total	1520.8	1596.3	75.5	5.0
Manufacturing	321.7	338.4	16.7	5.2
Durable	185.7	198.9	13.2	7.1
Nondurable	136.0	139.5	3.5	2.6
Nonmanufacturing	1199.2	1257.9	58.7	4.9
Mining	14.9	12.0	-2.9	19.5
Construction	65.4	69.5	4.1	6.3
Trans. Comm. & P.U.	89.9	92.9	3.0	3.3
Trade	383.5	404.9	21.4	5.6
Fin., Ins. & Real Estate ..	77.9	82.5	4.6	5.9
Services	291.5	311.5	20.0	6.9
Government	276.0	284.7	8.7	3.2

youths and adult women entering the labor force.

Nonagricultural Employment Up

Annual average nonagricultural wage and salary employment increased by 75,500 or 5.0 percent from 1976 to 1977. This near record gain was spread across all industry groups, with the exception of mining where the extended labor-management dispute resulted in a large decline. Not surprisingly, during this period of continuous recovery, Construction and Durable Goods Manufacturing played key roles with 6.3 and 7.1 percent gains respectively. Other particularly strong gains took place in services (up 20,000 or 6.9 percent) and trade (up 21,400 or 5.6 percent). The Services increase was led by the ever-expanding Medical Services category while the Trade increase was paced by Eating and Drinking establishments.

Wages Outpace Inflation Increase

The inflation rate, after moderating during 1976, speeded up again in 1977 but was still well below that of 1974 and 1975. The annual average Consumer Price Index (CPI) for the Minneapolis-St. Paul SMSA was up 7.1 percent in 1977, compared with 6.2 percent in 1976 and 8.5 and 11.5 percent in 1975 and 1974 respectively. The

1977 increase was led by advances in fuel and utility costs.

Average weekly factory workers earnings in 1977 more than kept pace with increases in the CPI, rising by 8.5 percent or from \$220.09 to \$238.80. However, earnings for most production or nonsupervisory workers in nonmanufacturing industries did not fare as well. Earnings of workers in Wholesale Trade barely kept pace with inflation while those in other nonmanufac-

turing industries did not. Lagging farthest behind were construction workers, whose weekly earnings rose by only 0.6 percent; Mining, where earnings advanced only 1.1 percent; and Retail Trade, where a 2.1 percent increase occurred. In all of these industries, a shorter workweek was the primary factor in limiting weekly wage increases. It appears that the shorter workweek resulted partly from more widespread use of part-time help.

Table III

Minnesota Hours And Earnings Statistics For Production Workers In Manufacturing

Year	Weekly Hours	Hourly Earnings	Weekly Earnings	Percent Change From Previous Year In		
				Average Hourly Earnings	Average Weekly Earnings	Consumer Price Index ¹
1970	40.0	\$3.54	\$141.60	6.6	3.5	6.9
1971	39.8	3.80	151.24	7.3	6.8	3.6
1972	40.7	4.00	162.80	5.3	7.6	3.1
1973	41.1	4.21	173.03	5.3	6.3	6.0
1974	40.0	4.66	186.40	10.7	7.7	11.5
1975	39.4	5.10	200.94	9.4	7.8	8.5
1976	39.8	5.53	220.09	8.4	9.5	6.2
1977	40.0	5.97	238.80	8.0	8.5	7.1

¹CPI data for Minneapolis-St. Paul SMSA.

Table IV

Minnesota Hours And Earnings Statistics For Production Or Nonsupervisory Workers

Industry	Percent Change 1976 to 1977 in						Average Hourly Earnings	Average Weekly Earnings
	Average Weekly Hours		Average Hourly Earnings		Average Weekly Earnings			
	1976	1977	1976	1977	1976	1977		
Manufacturing	39.8	40.0	\$5.53	\$5.97	\$220.09	\$238.80	8.0	8.5
Mining	40.6	38.8	7.07	7.58	287.04	290.31	7.2	1.1
Construction	38.4	37.0	9.37	9.78	359.81	361.86	4.4	0.6
Transportation, Comm. & P.U.	39.0	38.4	6.71	7.27	261.69	279.17	8.3	6.7
Trade	31.9	31.2	4.51	4.81	143.87	150.07	6.7	4.3
Wholesale	39.4	38.9	5.53	6.04	217.88	234.96	9.2	7.8
Retail	29.4	28.6	4.05	4.25	119.07	121.55	4.9	2.1

A statistical supplement to the 1976 ANNUAL REPORT

can be obtained by writing Research and Statistics

Minnesota Department of Economic Security

390 North Robert Street
St. Paul, Minnesota 55101

Phone: (612) 296-6545

Employment Activities In The Offices Of The Department

	New Applications		Counseling		Openings Received		Nonagricultural Placements		Agricultural Placements	
	1977	1976	1977	1976	1977	1976	1977	1976	1977	1976
STATE TOTAL	189,714	215,790	7,130	11,509	227,922	160,105	107,786	89,589	14,422	7,893
TWIN CITIES AREA	70,622	94,736	3,669	6,427	123,541	92,786	48,481	36,447	1,857	256
Minneapolis Area	35,670	40,299	2,272	3,510	58,496	46,325	22,476	16,840	173	27
Minneapolis	17,488	25,465	1,814	3,111	35,349	42,591	11,031	12,193	60	27
Mpls. Satellite ¹	6,906	2,680	152	37	3,819	247	5,102	792	41	0
Bloomington	3,887	5,031	122	100	13,234	2,079	2,966	1,956	34	0
Coon Rapids	7,389	7,123	184	262	6,094	1,408	3,377	1,899	38	0
St. Paul Area	24,293	42,673	817	2,248	45,315	28,585	20,709	14,586	1,547	148
St. Paul	12,031		778				10,840		44	
Hopkins	10,659	11,764	580	669	19,730	17,876	5,296	5,021	137	81
NORTHEASTERN	29,810	26,365	1,808	2,322	22,192	17,648	16,802	16,071	88	44
Duluth	13,661	13,556	1,024	1,481	10,831	8,928	8,990	8,544	37	41
Ely	1,729	1,122	133	198	1,688	1,192	1,146	1,035	2	0
Grand Rapids	3,651	2,755	266	179	1,903	1,052	1,349	1,079	36	3
Hibbing	4,070	3,682	191	261	3,520	3,092	2,159	2,406	10	0
Int'l Falls	1,392	1,533	5	79	1,194	1,125	963	1,095	2	0
Virginia	5,307	3,717	189	124	3,056	2,259	2,195	1,912	1	0
NORTHWESTERN	26,447	27,791	402	564	21,604	13,311	11,764	9,895	1,266	765
Alexandria	3,118	3,380	28	87	3,641	2,325	2,096	1,678	170	75
Bemidji	4,711	5,519	122	123	3,020	1,846	1,700	1,518	71	4
Brainerd	5,080	5,908	49	70	3,185	2,651	2,035	2,091	51	47
Crookston	2,994	2,652	0	0	2,517	1,323	1,443	768	416	210
Fergus Falls	2,361	2,656	75	62	2,267	1,124	1,113	760	173	154
Little Falls	1,684	2,131	42	70	1,370	750	844	722	53	8
Moorhead	3,572	3,919	86	152	2,531	1,498	1,182	1,001	245	212
Thief River Falls	2,922	1,986	0	0	3,073	1,794	1,351	1,357	87	55
SOUTHWESTERN	28,387	29,484	697	965	30,849	19,918	15,703	15,462	8,976	4,544
Fairmont	2,379	2,170	80	78	2,004	1,513	1,251	1,028	994	818
Mankato	8,698	8,637	324	333	10,437	7,139	5,200	5,009	882	495
Marshall	2,815	3,159	4	20	1,334	1,175	680	987	991	243
Montevideo	2,421	3,120	51	100	2,979	1,474	1,503	1,156	542	157
New Ulm	2,225	2,845	54	132	3,427	2,248	1,725	1,741	1,284	611
Willmar	5,868	6,745	136	198	7,210	3,766	2,793	3,362	1,211	586
Worthington	3,981	2,808	48	104	3,458	2,603	2,551	2,179	3,072	1,634
SOUTHEASTERN	34,448	37,414	554	1,231	29,736	16,442	15,036	11,714	2,235	2,284
Albert Lea	1,713	2,780	70	181	1,569	1,230	913	748	1,153	1,471
Austin	1,248	1,811	113	151	1,286	950	966	775	94	41
Faribault	2,149	2,186	124	224	2,047	949	905	677	28	0
Mora	3,628	3,343	0	0	2,379	702	1,178	541	41	11
Owatonna	1,971	2,037	100	249	2,520	1,091	704	608	495	379
Red Wing	2,149	2,454	31	32	1,780	967	1,430	815	7	0
Rochester	6,079	5,225	29	91	4,729	2,243	2,462	1,553	45	14
St. Cloud	11,685	11,522	11	34	7,893	4,246	2,774	2,739	20	0
Winona	3,826	6,056	76	269	5,533	4,064	3,704	3,258	352	368

¹1977 data includes all satellite offices, whereas 1976 data includes only the Northeast, Northside and Southside offices.

Unemployment Compensation Benefit Claims And Payment Activity

	Received	NEW CLAIMS Determined		Number of Weeks Paid	Gross Amount of Benefit Payments	Number of First Payments Made	Number of Beneficiaries Who Exhausted Benefits
		Valid	Invalid				
1977	169,480	148,817	13,148	1,913,003	\$164,726,882	127,276	57,249
1976	180,720	169,382	14,571	2,181,399	174,496,504	147,836	64,937
1975	198,875	163,980	15,249	2,630,365	180,601,042	166,257	70,261
1974	165,911	139,327	14,548	1,624,632	106,232,798	117,285	39,688
1973	122,985	106,482	19,838	1,246,724	69,136,514	94,404	29,876
1972	131,133	113,529	16,854	1,331,513	70,700,501	92,632	34,171
1971	126,705	112,095	16,032	1,406,023	70,334,338	100,383	37,809
1970	128,076	110,902	11,305	1,085,000	53,085,116	90,624	23,035
1969	66,042	57,653	5,808	549,203	23,771,130	47,003	11,564
1968	69,736	63,971	7,983	641,426	26,825,181	53,650	13,613
1967	82,035	65,689	10,901	637,280	24,852,340	49,074	11,297
1966	72,701	63,202	8,312	673,325	20,341,080	52,023	8,422
1965	88,750	80,303	8,733	961,265	28,253,611	67,463	15,215
1964	105,495	94,732	11,392	1,258,845	37,046,131	84,565	22,010
1963	113,677	102,867	12,086	1,330,099	39,042,576	90,769	23,373
1962	115,128	100,892	13,461	1,277,326	36,852,706	88,042	23,848
1961	126,933	110,724	15,600	1,576,385	45,986,454	99,859	31,828
1960	117,333	104,300	12,697	1,277,092	36,264,304	89,954	21,626
1959	109,279	95,001	15,446	1,167,196	32,342,689	80,756	22,533
1958	130,613	114,709	16,192	1,662,689	47,462,166	103,947	33,919
1957	101,204	88,172	11,103	995,613	24,862,524	76,859	15,399
1956	91,129	79,795	11,574	876,189	20,686,559	68,584	13,925
1955	88,333	74,630	14,190	895,286	21,844,561	67,279	18,559

Status Of Unemployment Compensation Fund

Year	Contributions Received Net	Interest on Trust Fund	Benefits Paid Net	Balance Available For Benefits
1937-1960	\$352,118,198	\$44,111,823	\$333,382,672	\$ 63,227,801
1961	22,386,419	1,687,024	45,730,347	41,700,287
1962	30,923,483	1,166,291	36,650,252	37,166,812
1963	29,938,713	997,432	38,864,769	29,255,100
1964	28,932,847	817,033	36,763,503	22,825,052
1965	32,355,252	716,987	28,045,197	27,536,881
1966	42,829,327	1,098,647	20,234,080	51,285,977
1967	44,079,630	2,081,690	24,758,870	72,314,534
1968	43,455,716	3,013,308	26,760,332	92,169,603
1969	46,483,817	4,227,619	23,743,125	118,983,477
1970	46,562,871	5,643,617	53,059,456	117,680,265
1971	42,429,741	5,329,876	70,333,686	90,815,418
1972	60,395,359	3,934,240	70,585,104	81,122,122
1973	74,643,474	4,010,749	68,956,409	90,857,451
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

Directory of Offices

Office	Telephone No.	Counties Served
Albert Lea	(507) 373-3951	Freeborn
Alexandria	(612) 763-3188	Douglas, Pope, Stevens
Austin	(507) 433-3457	Mower
Bemidji	(218) 755-2936	Beltrami, Clearwater, Hubbard, Lake of the Woods, Mahnomen, N. Cass
Brainerd	(218) 829-2881	Crow Wing, South Cass
Staples*	(218) 894-3771	
Wadena*	(218) 631-3240	
Crookston**	(218) 281-3593	Norman, Polk
East Grand Forks*	(218) 773-9841	
Duluth	(218) 723-4730	Carlton, Cook, Lake, South St. Louis
Ely	(218) 365-3177	NE St. Louis, NW Lake
Fairmont	(507) 235-5518	Martin, Faribault
Faribault	(507) 344-5531	Rice, Part of Goodhue
Fergus Falls	(218) 739-2295	Otter Tail, Wilkin, Grant, Traverse
Grand Rapids	(218) 326-6669	Itasca, Aitkin
Hibbing	(218) 263-3644	West Central St. Louis, Itasca
International Falls**	(218) 283-2641	Koochiching
Little Falls	(612) 632-5427	Morrison, Todd, Wadena
Mankato	(507) 389-6723	Blue Earth, Le Sueur, Nicollet, Waseca
Marshall**	(507) 537-6236	Lincoln, Lyon, Pipestone, Redwood
Montevideo**	(612) 269-8819	Chippewa, Big Stone, Lac qui Parle, Yellow Medicine
Moorhead	(218) 236-2191	Clay, Becker
Mora**	(612) 679-3611	Chisago, Isanti, Kanabec, Mille Lacs, Pine
Cambridge*	(612) 689-1931	
New Ulm	(507) 354-3138	Brown, Sibley, Watonwan
Owatonna	(507) 451-5774	Steele
Red Wing	(612) 388-3526	Goodhue, Part of Wabasha
Rochester	(507) 285-7315	Dodge, Olmsted, Part of Fillmore
Apache Mall*	(507) 285-7334	
St. Cloud	(612) 255-3266	Benton, Stearns, Sherburne, Wright
West Side*	(612) 255-2016	
Thief River Falls**	(218) 681-1100	Kittson, Marshall, Red Lake, Roseau, Pennington
Virginia	(218) 741-6996	NW and East Central St. Louis
Willmar**	(612) 235-3222	Kandiyohi, McLeod, Meeker, Renville
Hutchinson*	(612) 879-8048	
Winona	(507) 457-2950	Houston, Wabasha, Winona, NE Fillmore
Worthington**	(507) 376-3116	Cottonwood, Jackson, Murray, Nobles

*Full-time Employment Service office only.

**Full-time Employment Service and Unemployment Insurance office only.

Above listing includes full-time Employment Service, Unemployment Insurance and Work Incentive (WIN) offices except where noted.

Twin Cities Metropolitan Area Offices

Office	Telephone No.	Counties Served
Bloomington		
Employment Service	(612) 884-7405	W. Dakota, S.E. Hennepin, E. Scott
Burnsville	(612) 890-8758	
Unemployment Insurance	(612) 884-8263	
Coon Rapids		
Employment Service	(612) 786-6000	Hennepin, Anoka
Anoka	(612) 427-5440	
Unemployment Insurance	(612) 786-6000	
Crystal	(612) 537-0563	
Hopkins		
Employment Service	(612) 935-5521	Part of Hennepin, Carver, Anoka, Scott
Shakopee	(612) 445-7330	
Unemployment Insurance	(612) 935-5521	
Minneapolis		
Employment Service		
Downtown Office	(612) 333-0192	Hennepin
Anoka WIN	(612) 427-5440	
Apprenticeship Information	(612) 333-0192	
Bloomington WIN	(612) 881-6844	
Concentrated Employment Manpower Training	(612) 827-6151	(Minneapolis, Model City Area)
Skills Center	(612) 348-4046	
Minneapolis Area WIN	(612) 348-6502	
Northeast	(612) 789-4324	
Northside	(612) 348-4777	
Southside	(612) 869-2429	
Unemployment Insurance	(612) 333-0192	
St. Paul		
Employment Service		
Downtown Office	(612) 296-8661	Ramsey, Dakota, Washington
Apprenticeship Information	(612) 296-8670	
Hastings	(612) 437-2032	Part of Dakota
Hillcrest	(612) 770-3896	
Martin Luther King Center	(612) 224-4601	(St. Paul, Model City Area)
Midway	(612) 645-0875	
Rosemount	(612) 423-3500	
Roseville	(612) 631-2566	(Village of Roseville and vicinity)
St. Paul Area WIN	(612) 298-5365	
Stillwater WIN	(612) 439-6886	
St. Paul		
Technical-Vocational Institute	(612) 227-9121	
South St. Paul	(612) 455-2271	
Stillwater	(612) 439-6886	
West Side	(612) 226-1035	
916 Vo-Tech	(612) 770-6115	
Unemployment Insurance	(612) 296-8221	