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**MINNESOTA
DEPARTMENT
OF ECONOMIC
SECURITY**

ANNUAL REPORT
1983

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Pursuant to 1977 Laws ch 430
sec 28 subd 2(g)



AFFIRMATIVE ACTION POLICY

It is the policy of the Minnesota Department of Economic Security to provide equal employment opportunities without regard to race, creed, color, sex, national origin, age, marital status, disability or handicap, reliance on public assistance, religion, or, in the state civil service, Vietnam-era veteran status, political opinions or affiliations.

The department is committed to the principles and policies of effective action and fully supports the statewide and department affirmative action efforts in all personnel and service activities relating to minorities, females, persons with disabilities, Vietnam-era veterans and others seeking to do business with the department; i.e., applicants, claimants, employers, contractors, sub-contractors, grantees, subgrantees and consultants.

The principles of equal employment opportunity and affirmative action (EEO/AA) apply in all agency activities, including (but not limited to) recruitment, selection, assignment, training, promotion, compensation, fringe benefits, leaves of absence, discipline, performance evaluations, layoffs, terminations and services to clientele.

The department fully supports the nondiscriminatory provisions of all state and federal legislation, rules, regulations, guidelines and executive orders which form the legal basis for EEO/AA. The policies embodied in said legislation, rules, regulations, guidelines and executive orders shall apply in all agency personnel and service transactions affecting employees and the public. The department's clientele and the department shall comply with all nondiscriminatory policies of the Department of Labor, Department of Health and Human Services, Department of Education, Community Services Administration and other relevant federal agencies.

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MINNESOTA DEPARTMENT OF ECONOMIC SECURITY

ANNUAL REPORT
1983

June 6, 1983, marked the 50th Anniversary of the signing of the Wagner-Peyser Act which created the nationwide network of public employment assistance offices, now called Job Service. Since its inception, the operation has been a responsibility shared by the U.S. Department of Labor and the states. This federal-state system was created in the worst year of the Great Depression—1933— and during the historic First Hundred Days of the Roosevelt Administration. In its first 50 years Minnesota's Job Service filled more than 6 million jobs.



Some of the figures included in this report represent the most accurate estimates available. Contact the Economic Security Research and Statistical Services Office for updated data.

Report covers from January 1
to December 31, 1983.



HIGHLIGHTS OF THE YEAR

In 1983, employees of the Minnesota Department of Economic Security made special efforts to put Minnesotans back to work and to help them manage their lives while unemployed.

Department employees continued to deliver our basic job training, placement, unemployment insurance, vocational rehabilitation and energy assistance programs. Additionally, employees launched several innovative programs and services. Among them:

- *A \$70 million emergency employment program designed to create 12,000 jobs*
 - *A special employment program to encourage people dependent on welfare to develop skills and find employment*
 - *Expanded use of advisory councils with leaders from business, labor and special needs groups who give direction to department programs*
 - *Broader funding of projects to help dislocated workers retrain and find new jobs*
-
- *A reorganization of field offices to consolidate and better coordinate Job Service, job training and unemployment insurance services to the public*
 - *Increased food, fuel and other emergency assistance to low-income people in our state*

This annual report pays tribute to the hard work and commitment of our employees in performing the day-to-day programs and services of the department. The report also outlines the progress and extra effort made by the people in this agency to provide economic assistance, training and employment services to the disadvantaged and out-of-work.

Barbara Beerhalter,
Commissioner

January 1983 marked the beginning of a new administration and a new direction for the Department of Economic Security.

Commissioner Barbara Beerhalter began her administration by calling for major organizational changes.

One: The centralization of analytical and technical functions under the deputy commissioner by creating the Office of Budget and Management. Two: Shifting of the Office of Personnel Services to the deputy commissioner's office to bring all human resource activities under one administrator. Three: Establishment of a department-wide study team to explore the ramifications of creating a Field Operations Division which would consolidate the majority of the department's service delivery into one division. That change took place October 1 and affected a number of other divisions as well.

OFFICE OF BUDGET AND MANAGEMENT

The Office of Budget and Management (OBM), new in 1983, consolidated management information, management analysis, public information, budget and program evaluation activities. Under OBM's direction, planning for the department reorganization was successfully completed. OBM employees worked with other department staff to plan and implement a major reorganization of the Training and Community Services Division.

During the year, the office implemented the single audit concept, enhanced the Minnesota Community Action Data System (MCADS) and developed an Unemployment Insurance Special Programs Unit.

The department initiated the single audit for all its programs in 1983. Working with the Department of Finance, the Legislative Auditor and the Office of the State Auditor, the department combined the auditing efforts of these groups with the result that programs were reviewed for many different items with just one audit of the program.

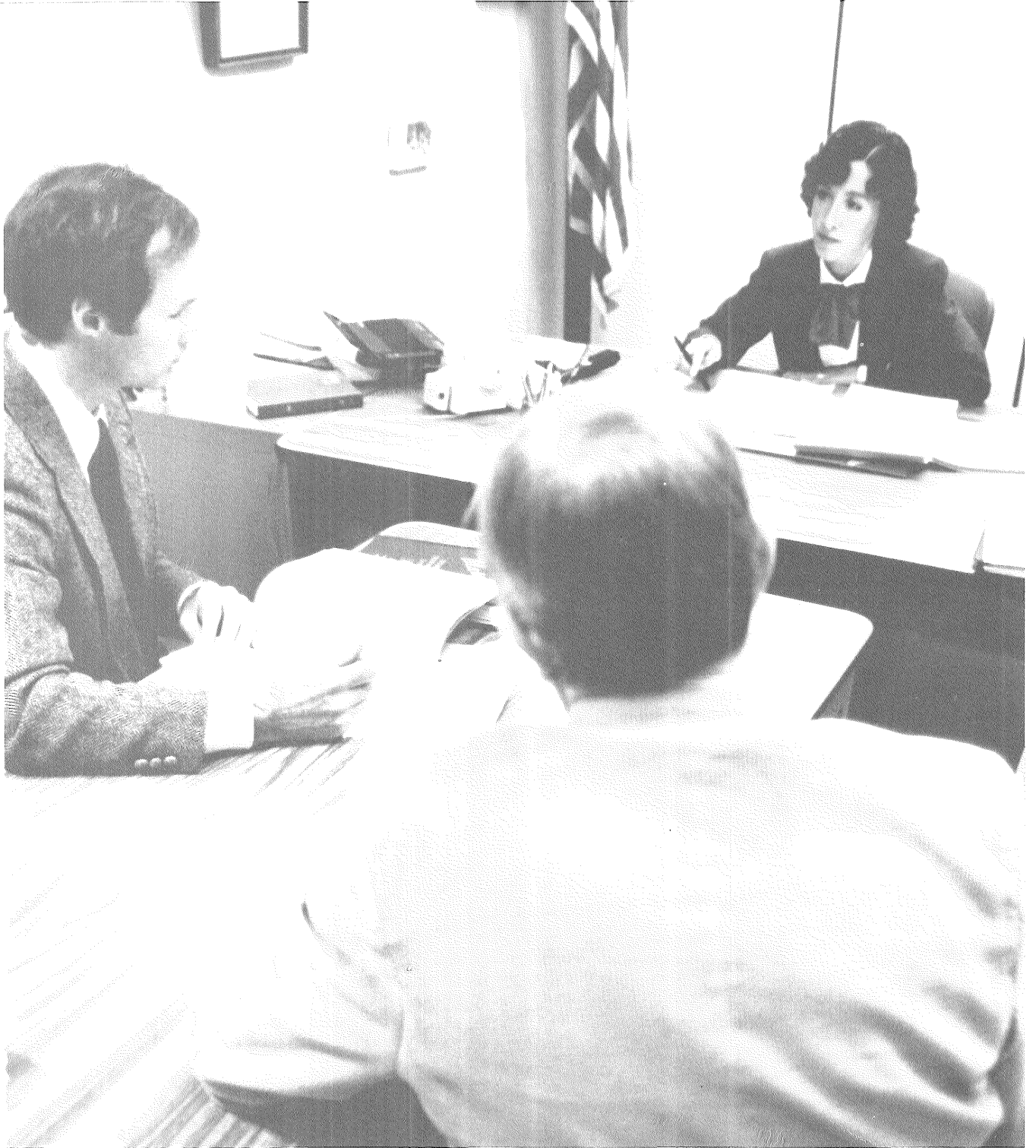
For a number of years, staff now in the Office of Budget and Management have been working with MCADS to provide management and financial information for all community action programs. During 1983, the system was greatly augmented when a number of current users went "on-line" and other community program operators gained access to MCADS.

One of the most active OBM units in 1983 was the Special Programs Unit. Internal Security personnel conducted a risk analysis of the department's computer operations to evaluate the exposure of assets and facilities to threats and identify the most cost-effective safeguards that will eliminate that exposure or reduce it to an acceptable level.

During one of Internal Security's investigations, a theft of 22 unemployment compensation checks amounting to \$5,620 was disclosed. The former department employee and her accomplice were charged and pleaded guilty to five felony counts.

Last year, 304 claims were selected for audit by the Random Audit Unit. The data was submitted to the federal government for statistical analysis to determine the nature, causes and rates of improper payments in the Unemployment Insurance system. Preliminary results are being used by state administrators to improve program operations. Statistically accurate estimates will be available by mid-1984 after completion of one year's sampling.

The Public Information and Education (PIE) Unit is responsible for departmental communications and media relations. In 1983, staff members prepared and distributed a variety of informational materials, including news releases, brochures, posters, newsletters and audiovisual materials about the department's services, for the various divisions and for the general public. The unit is responsible for the production of the department's annual report to the governor and also publishes a bi-weekly newsletter and a monthly publication to keep employees informed of departmental activities.



The Commissioner's Representative is the highest level authority within the department to hear unemployment insurance appeals in respect either to an employer tax liability or claimant benefits.

*Solving problems
by serving
people...*

INTERGOVERNMENTAL AND COMMUNITY RELATIONS

Also newly established in January 1983, the Office of Intergovernmental and Community Relations (IgCR) reviews and helps develop department-wide policies. It is responsible for coordinating DES legislative activities. The office helps prepare DES legislative proposals and communicates these concerns to the state Legislature and Congress. IgCR also acts as liaison with community-based organizations and organized labor, offering a forum for the exchange of ideas and issues of interest to the department.

One of this office's special projects was to monitor legislative action surrounding passage of the Minnesota Emergency Employment Development (MEED) Act, a law which is helping locate jobs for the long-term unemployed. This office also developed temporary rules for Article 8 which was passed as part of the MEED bill but provides a subsidy payment to eligible General Assistance recipients who are looking for jobs.

Another special project was to develop public landscaping programs which provided summer jobs for 307 unemployed Minnesotans. The program was funded by a \$791,800 grant from the U.S. Small Business Administration.

The office coordinated the Union Leadership Conference and informed the more than 150 union leaders who attended about the specifics of the Job Training Partnership Act (JTPA), the MEED Act and the Dislocated Worker Program.

In addition, the office staff worked with OBM and the Training and Community Services Division to evaluate organizational alternatives for that division. Their knowledge of and contacts with community organizations helped determine the impact the organizational restructuring of Training and Community Services would have on the communities it serves.

OFFICE OF LABOR RELATIONS

The Office of Labor Relations deals with broad personnel issues, including Affirmative Action and human resources planning, labor contract administration and the employee performance appraisal system.

In 1983, Labor Relations played a key role in negotiating three new collective bargaining agreements which established conditions of employment for a majority of the department's employees over the next two years.

Through the Employee Assistance Program employees are able to obtain confidential help for a variety of personal problems which interfere with their job performance.

Training programs are another responsibility of this office. The staff develops some and coordinates many other statewide programs for DES employees. Establishing a comprehensive program of sexual harassment training which will be available for all department employees was an important accomplishment in 1983.

OFFICE OF PERSONNEL SERVICES

The Office of Personnel Services (OPS) handles day-to-day personnel administration for the department and serves as a resource for managers and supervisors, providing technical assistance and interpretation of personnel policies and procedures.

During 1983, Personnel Services completed and implemented a department-wide study which resulted in equality classification for jobs having similar responsibilities. Many positions were upgraded to more accurately reflect the types of duties employees had been performing.

Another major role this office took over last year was that of the department's insurance representative. OPS staff is now responsible for all individual contacts and written communications regarding employee health and insurance benefits. ■



Along with the establishment of the Minnesota Emergency Employment Development (MEED) program, General Assistance recipients were referred to the department for job search assistance. This produced a large additional workload for the Job Service staff.

The Employment Programs Division was created in 1983 and merges the planning and policy-making functions for all employment, training and job-related activities delivered by the Field Operations Division (see next section).

Staff members of this division submit grant applications, develop program budgets, make resource allocations, set performance standards, monitor the delivery of services to clients and provide direction and training to the Field Operations staff who see clients.

JOB TRAINING PARTNERSHIP ACT

A major accomplishment for the division in 1983 was implementing the Job Training Partnership Act (JTPA) in October. JTPA emphasizes local control of job training programs and establishes service delivery areas (SDAs) guided by private industry councils (PICs) which determine the kinds of programs needed in their areas. The SDAs then contract to have those services delivered. The division staff worked for the entire year to develop strategies and plans for continuing department involvement in job training activities in 51 Minnesota counties when the Comprehensive Employment and Training Act (CETA) was replaced by JTPA.

This activity focused on working with local elected officials and PICs to determine the kinds of job training programs needed and then preparing a proposal detailing how the department's staff and resources would be used to deliver those programs. The contracts which resulted from successful proposals mean that the department's field offices will deliver job training services to approximately 4,000 persons before July 1, 1984. Services provided include counseling, job search, skill training, work experience, on-the-job training, employment and career exploration.

Services delivered by community action agencies, area schools and other community-based organizations are combined with the efforts of the department's 14 job training offices to provide the customized training program the community has designed.

With JTPA now in place, the division staff will be working with field offices to promote closer working relationships between the private and public sectors. They will emphasize training more than subsidized

employment, establish performance standards and broaden the role of the state in administering programs designed and delivered at the local level. During 1983, the division began working with cities and counties to expand local planning to help provide as much continuity of service to clients as possible.

JOB SERVICE

Passage of JTPA not only altered the focus of job training programs but affected the federally funded Job Service efforts, as well. Continuing the trend toward local involvement in planning for government services, local offices delivering Job Service activities work with communities and PICs to plan a program of labor exchange, counseling, testing and other services which fill needs in individual communities.

A significant part of that effort is the continuation of the Job Service Employer Committees. Staff of the Employment Programs Division work with Field Operations managers and local employers to improve job services in that area. In addition, a statewide advisory committee meets to share the ideas of the local groups and recommend statewide improvements.

The division staff continued to administer youth employment programs, allocating funds to assist especially disadvantaged and special-need youth groups. They also provided direction and technical assistance to the field staff in programs the division administers such as Targeted Jobs Tax Credit (TJTC), Food Stamps, Migrant Services, Alien Certification, Veterans' Services, Older Workers, Handicapped Workers and Equal Opportunity.

Helping match unemployed Minnesotans with new jobs is a responsibility of the economic security interviewers and veteran's employment representatives.



WORK INCENTIVE

Each year the department receives a federal grant to operate a Work Incentive (WIN) program to help individuals receiving Aid for Families with Dependent Children (AFDC) to find work. Firms employing WIN participants often are eligible for financial incentives which include tax credits and reimbursement for on-the-job training costs. Staff of the division also work with the Department of Public Welfare which refers clients and provides 10 percent of the state funding for WIN.

NEW PROGRAMS

The division also was responsible for implementing the department's role in a new state-funded program which offers incentives to businesses that hire unemployed Minnesotans. In establishing the Minnesota Emergency Employment Development (MEED) program, the legislature created the only program in the nation offering such incentives.

For private employers, the MEED program provides subsidies of up to \$4 per hour for wages and up to \$1 per hour for fringe benefits. That subsidy lasts for six months after which an employer assumes the entire cost of employing the individual. A firm that employs the worker for an additional 12 months repays none of the subsidy amount.

If the job is not continued, the employer pays back a portion of the subsidy based upon how long the job lasted.

The program, authorized at \$70 million, is scheduled to operate through June 30, 1985. Economic Security currently administers the program in 54 of the state's 87 counties.

The Legislature significantly changed some of the traditional roles of state and local agencies in employment and welfare activities when it created the Employment Allowance Program in conjunction with the MEED program. Under this \$19 million program, General Assistance clients who are eligible for the MEED program are paid a special allowance during a period when they look for work and receive the department's help in the job search.

During 1983, staff members worked with the Iron Range Resources and Rehabilitation Board (IRRRB) to develop a program to lessen the impact of taconite mine and plant closings in Northeastern Minnesota. Beginning in 1982, money from the Northeastern Minnesota taconite trust fund was made available for an emergency jobs program. That program provided four weeks of work in a public service job at \$3.50 per hour to people unemployed because of closings or cutbacks in the iron mining industry. This program was delivered by the department's Field Operations offices. ■

Department reorganization in 1983 created the new Field Operations Division, putting into one administrative entity offices which deliver all clients' services of the Unemployment Insurance, Job Service, Job Training, Work Incentive (WIN) and Minnesota Emergency Employment Development (MEED) programs.

OFFICE DISTRIBUTION

Because of the large demand for services, metropolitan area offices specialize in program delivery. Six offices specialize in taking unemployment insurance claims, determining eligibility issues and paying benefits to clients. In these six offices job placement specialists also help unemployed persons look for work.

At other metropolitan area locations, job placement, counseling and testing activities are provided. Many of these offices also serve WIN clients. In addition, they work with clients of MEED and the accompanying Employment Allowance Program which subsidizes eligible General Assistance recipients looking for work.

In the remainder of the state, 47 offices combine unemployment insurance, work incentive and job service activities under one manager. Many provide job training services. In 51 rural counties another 14 offices specialize in job training services.

1983 RESULTS

Unemployment Insurance (UI) activity was high during 1983: more than 226,000 people filed claims and collected \$473.8 million in the regular UI program and several supplemental programs.

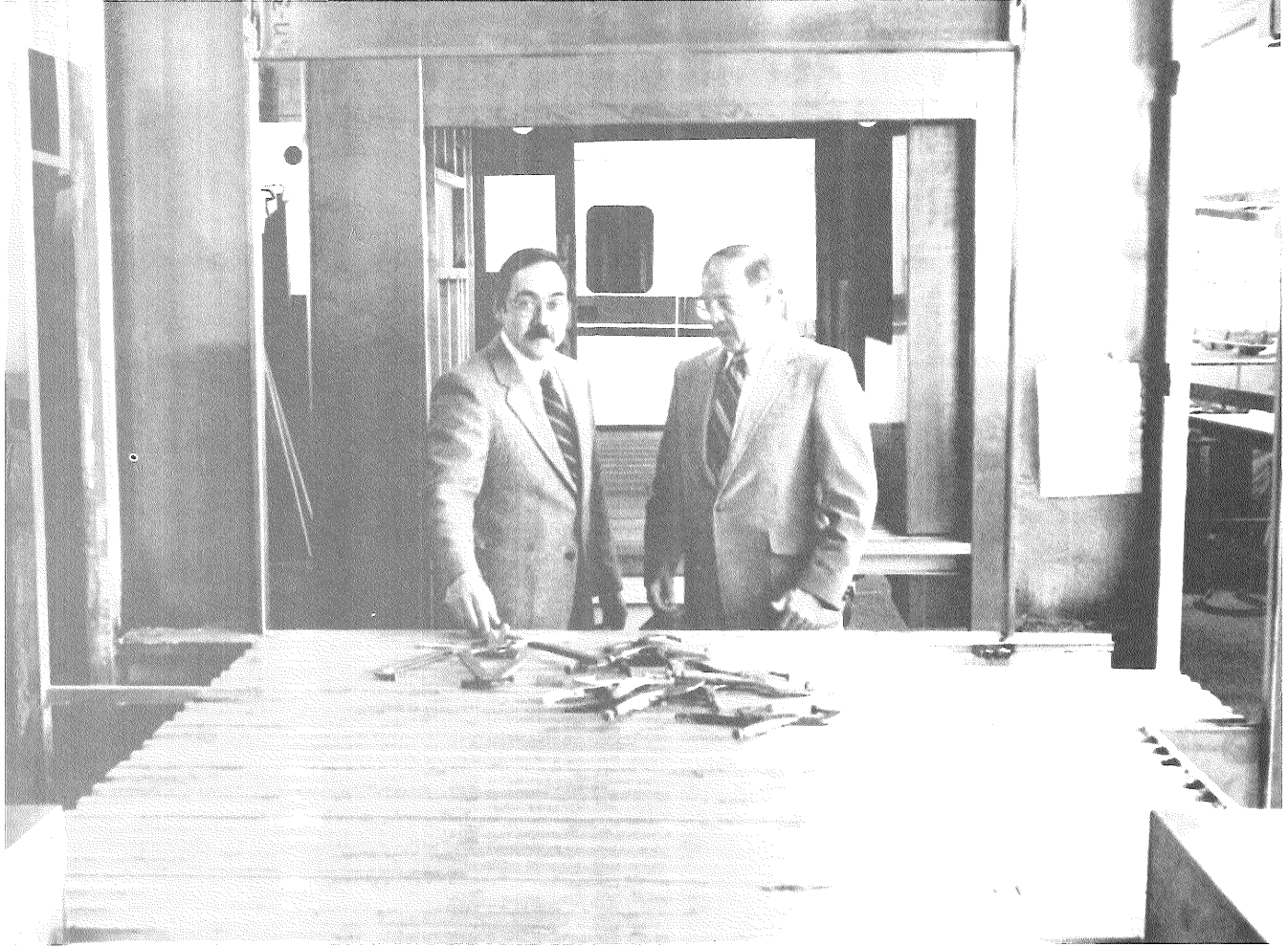
Although Minnesota's economy began to recover from the recent recession, available job opportunities showed little change from 1982. A total of 158,340 job openings were available during 1983, up from 134,892 in 1982. Of that number, 108,527 jobs were filled for a placement percentage of 68.2. A total of 446,127 job applicants used Job Service during 1983.

Field Operations staff worked with employers to develop job openings and obtain job listings. They made approximately 39,000 telephone contacts and 19,000 direct employer visits during 1983. Through the Targeted Jobs Tax Credit (TJTC) program staff members reviewed applications of nearly 13,500 people. TJTC offers reduced taxes to tax-paying businesses for hiring and retaining disadvantaged adult and youth workers. Tax credits were authorized on behalf of 8,365 persons in 1983 with a potential federal tax savings to employers of more than \$37 million.

Applicant testing serves both applicants and employees by identifying skill areas and matching job seekers with employers. Skill and achievement tests are used routinely in the placement process. During 1983, 13,212 applicants were tested by Field Operations staff.

By law, veterans receive priority services in referral to jobs. In 1983, Job Service efforts helped 6,272 veterans find jobs. Of that number, 314 were disabled and 2,660 were Vietnam-era veterans.

The 14 local job training offices increased clients services by more than 10 percent in 1983. They served more than 10,500 youths and adults and 9,700 of them either found a job, returned to school or entered military service. Individuals receiving Aid for Families with Dependent Child (AFDC) became employed while participating in the Work Incentive (WIN) program. Resulting reductions in their welfare grants saved approximately \$16 million for taxpayers.



Employer service representatives meet regularly with employers who use Job Service for most of their hiring. Pictured is the employer rep, right, with the manager of a firm that builds rescue vehicles.

INNOVATIONS

During 1983, Job Service offices in Silver Bay and Babbitt installed WATS lines to help job seekers in Northern Minnesota locate jobs in other parts of the state or other parts of the country. In Virginia, Hibbing and Winona, Field Operations staff developed programs with cable TV stations to broadcast job openings in their areas. This service reaches more job seekers and saves them costs of traveling to department offices to review job openings.

In Northeastern Minnesota, Field Operations placed more than 11,000 persons in jobs through an emergency jobs program run in conjunction with the Iron Range Resources and Rehabilitation Board (IRRRB). These workers had earned total wages of \$7.8 million when the program ended in August.

Since the MEED program began in July 1983, Field Operations staff placed 13,771 applicants in jobs, certified eligibility of applicants for the Employment Assistance Program and authorized payment of more than \$5.9 million.

MIGRANT SERVICES

Approximately 8,500 migrant farm workers who come to Minnesota each year are served by the division. Bilingual staff members assure that these people received the same services accorded other clients of the Job Service. In 1983, 2,621 migrants were served by the program; 71.2 percent were referred to jobs and 65 percent were hired.

YOUTH SERVICES

In 1983, the division placed 4,565 of Minnesota's youth in jobs funded through the state \$3.7 million Summer Youth Program. Through Mini-Employment Offices and Job Squads, Field Operations staff supervised youth workers who helped locate some 16,000 part-time and short-term jobs for other youth. ■

The Program and Management Support Division is composed of four offices which provide the administrative support needed to operate the department's various programs. A fifth office houses the staff director to the Minnesota Occupational Information Coordinating Committee.

OFFICE OF FINANCIAL SERVICES

The Office of Financial Services is responsible for developing the financial portion of both the state and federal budgets for the department and for preparing state and federal financial reports. This office also oversees the unemployment insurance trust fund control accounts, makes payments to clients, pays vendor invoices and processes contracts and the department's payroll.

Financial Services develops systems for processing the federal grants and state funds which flow through the department to administer the various programs. The Comprehensive Employment and Training Act (CETA) expired in 1983 and the Job Training Partnership Act (JTPA) was initiated. Both are federal programs. The intricate accounting tasks involved in the transition from CETA to JTPA fell to this office. In addition, passage by the Legislature of the Minnesota Emergency Employment Development (MEED) Act necessitated the development by Financial Services of a variety of payment systems for 16 MEED regions. This office also assumed responsibility for monitoring a portion of the MEED funds.

Effective October 1, 1983, the vocational rehabilitation programs began using the Federal/State Employment Security Agency (SESA) cost accounting system. The staffs of the Division of Vocational Rehabilitation and Financial Services are working now to train managers to use SESA reports and to explore ways the reporting system can better serve the needs of those who use the system. This changeover makes it possible for the commissioner to evaluate and plan the activities of the entire department from a common set of financial reports.

OFFICE OF INFORMATION SERVICES

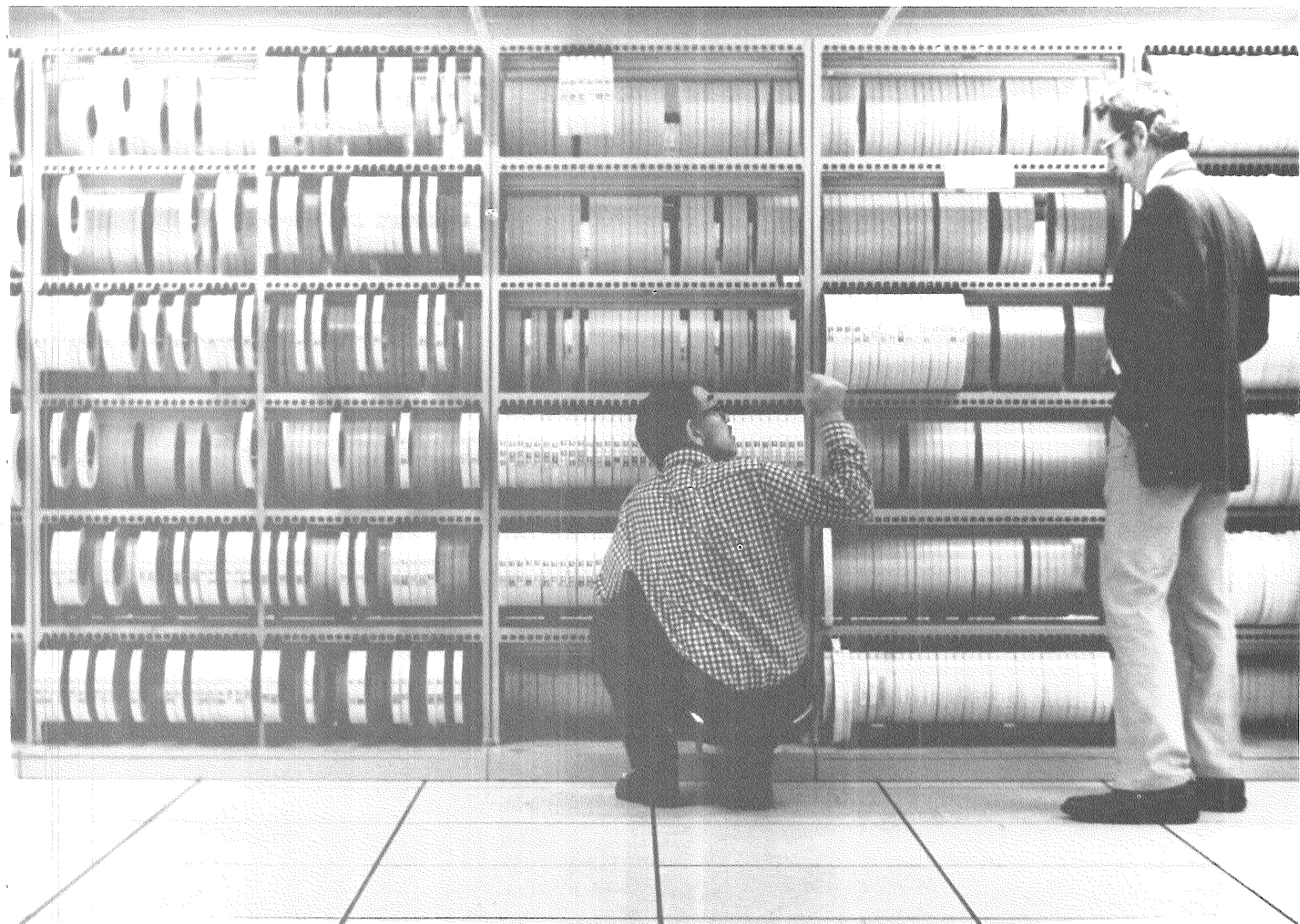
The Office of Information Services develops, operates and maintains the department's computer systems. In response to the continued growth of automated information processing, this office negotiated with the Department of Labor to obtain a larger and faster computer for the department. Installation was completed in May 1983.

A workshop to provide top management with the skills and knowledge needed to plan for future use of information systems was an important project for this office in 1983. In addition, a comprehensive department policy covering all aspects of data processing equipment and services was initiated. With publication of this policy, managers can see the interrelationship of various information processing systems. It also prevents the possible acquisition of equipment which will soon become obsolete or which does not fit into the department's long-range plans.

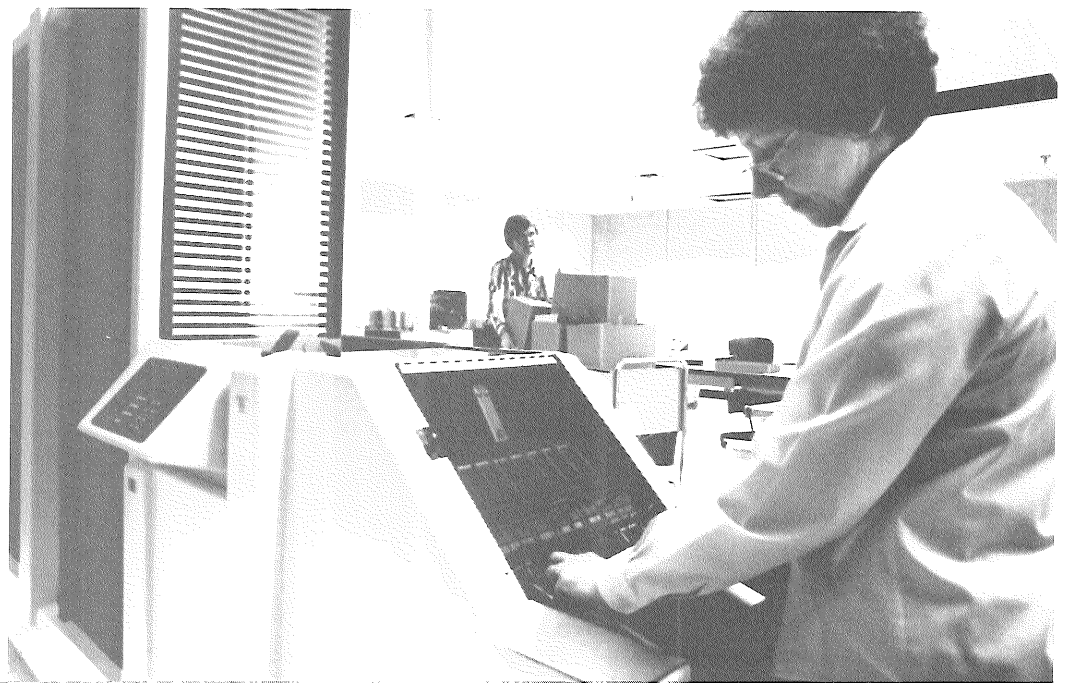
RESEARCH AND STATISTICAL SERVICES

The Research and Statistical Services Office (RASSO) administers statistical programs to produce current employment and unemployment estimates and to monitor the activity of various department programs. As the key producer of labor market information in Minnesota, RASSO conducts special studies, prepares economic and labor market forecasts and projections, develops information for planners and disseminates much of this information through periodicals and reports.

RASSO operates labor market information data collection centers in Duluth, New Ulm, St. Cloud and St. Paul. These offices collect and publish information specific to those areas. They also conduct special studies for businesses and organizations.



ABOVE: A larger and faster computer was installed in 1983 to handle the department's growing needs.
RIGHT: A Central Office Mail Unit employee operates the new automated sorter.



The passage of the Job Training Partnership Act (JTPA) brought new responsibilities to RASSO as the Department of Economic Security was selected as the organization to oversee and manage Minnesota's comprehensive labor market information (LMI) system. RASSO has been working with the many users of LMI in order to tailor the system to their needs.

OFFICE OF ADMINISTRATIVE SERVICES

In addition to having responsibility for the maintenance and operation of the headquarters building in St. Paul and the department's Minneapolis office, the Office of Administrative Services performs many functions needed to operate the department statewide. These include: security; space leasing; warehousing; property inventory; central purchasing; word processing equipment planning, installation and training; contract monitoring, remodeling; internal moving; forms management and supply; records management; mail services; duplicating and travel coordination.

Federal legislation required the department to begin using postage on its outgoing mail October 1. This replaced the franking system under which mail was sent in envelopes bearing special Department of Labor identification. Administrative Services gave this changeover top priority; necessary equipment and new procedures were installed statewide, and staff training was provided. Since then, the legislation has been rescinded and the department returned to indicia privileges February 1, 1984.

Administrative Services continued the expansion of word processing in 1983 and trained many members of the professional staff in word processing technology.

MINNESOTA OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

The Minnesota Occupational Information Coordinating Committee (MOICC) includes members from the Department of Economic Security and the Department of Education's Division of Vocational-Technical Education. MOICC's focus is making occupational information accessible and understandable to its users. It functions as a broker between information producers and user groups.

Newsnet, a bi-monthly occupational newsletter, is published by MOICC and distributed throughout Minnesota. It's feature, **Career Briefs**, informs readers of trends in occupational fields. MOICC and staff from the Research and Statistical Services Office (RASSO) provide current occupational information to the Minnesota Department of Education's Career Information System which serves education and employment programs.

With the start of the federal Job Training Partnership Act in 1983, MOICC began providing staff services to the Governor's Job Training Council. Together with RASSO staff, MOICC will train local planners in the use of labor market information using data specific to their service delivery areas. ■

Program and
Management Support
Division

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people...*



Unemployment Insurance offices throughout the state served more than 200,000 persons and provided financial help during their job search.



The Unemployment Insurance (UI) program has two basic components: benefit payments and tax collections. All UI activities support one or the other.

PURPOSE OF UI BENEFITS

Eligible people unemployed through no fault of their own receive unemployment benefit payments to stabilize their income and free them to look for work on a full-time basis.

To support this job-seeking effort, the Unemployment Insurance program, in conjunction with other divisions in the department, provides these individuals with job-seeking assistance. In addition, through federal funds supplied by the Trade Adjustment Act (TRA) and administered by UI, the division provides jobless workers with out-of-the-area job-seeking and relocation allowances to meet the department objective of returning people to work.

Benefits payments also help maintain stability in Minnesota's economy. As a result, in times of economic recession, Minnesota's workers are not left without financial resources, and Minnesota businesses are not faced with an immediate reduction in retail activity.

SOURCE OF BENEFIT PAYMENTS

Benefits are paid from a combination of taxes, reimbursements and voluntary contributions from state employers. Fiscal accountability is protected by an aggressive audit system which assures that employers pay the taxes they owe. In addition, the division acts as a watchdog so that only eligible persons receive benefit payments.

In stable economic times, payroll taxes support benefit payments and allow for the accumulation of a reserve for future benefits. In recessionary periods, when reserves can be exhausted, the program borrows from the Federal Trust Fund. Prior to April 1982 these loans were interest-free. More recent borrowing has resulted in interest accrual at the rate of 10 percent. Because of this change in federal law, the Minnesota Legislature passed a 10 percent surcharge on covered employers in order to pay the interest due on this loan. In addition, the unemployment tax payable to the federal government increased .3 percent this year and will increase by that amount each year until the federal loan has been repaid.

Minnesota's Trust Fund loan balance was \$352 million at the end of the year. This sum is a combination of a non-interest-bearing loan and an interest-bearing loan. Careful cash flow management has reduced the total interest owed on the loan by about \$2.1 million.

During the year, \$23.3 million was paid on the non-interest-bearing loan by Minnesota employers through a .3 percent reduction in credit on their federal unemployment tax. This left a balance of interest-free loans totaling \$168.6 million at the end of the year.

Nearly \$14.9 million in interest was paid during the year on the interest-bearing loan through funds received by the special surcharge passed by the 1983 Legislature. A balance of \$183.4 million remains on the interest-bearing loan.

OTHER SUPPORT SERVICES

UI programs also make efforts to help unemployed people find work. The Eligibility Review program selects people with skills in high demand and directs them in productive work-search activities. Participation in this program is mandatory if the persons selected are to continue receiving benefits.

Some claimants in Minnesota are experiencing the permanent loss of jobs in formerly stable areas of employment due to the prolonged recession. To meet their special needs, the UI division has developed pilot projects to provide them with job-seeking skills and career-change seminars through the Eligibility Review program.

BENEFIT PAYMENTS IN 1983

More than 200,000 regular program claimants received \$338.9 million in UI benefits. Approximately 39,000 Extended Benefit claimants received \$40 million and 81,000 Federal Supplemental Compensation claimants received \$94.8 million in unemployment benefits. Extended benefits are paid when regular benefits have been

Counselors in the department's Unemployment Insurance offices work closely with their job-seeking clients.



exhausted and are supported equally from federal and state taxes. Federal Supplemental Compensation is supported entirely from federal taxes and is available for claimants who have exhausted all other unemployment benefits.

SPECIAL PAYMENTS

Other department programs provide training for people without marketable skills. The Training Payments Unit processed \$11,581,619 in various types of payments for persons in department-approved training programs. These payments went to persons enrolled in Work Incentive (WIN), Trade Readjustment Act (TRA) and CETA programs. A new state program, Minnesota Emergency Employment Development (MEED), served 13,771 persons in 1983.

INTERSTATE AND COMBINED WAGE CLAIMS

Under the regular UI program, credits for claimants who worked in more than one state are combined to form their claim. The benefits paid in 1983 include interstate and combined wage claims processed in the Central Office.

DETERMINATION AND APPEALS

To be eligible for benefit payments, a worker must have worked at least 15 weeks and earned a minimum of \$87 each week immediately prior to the claim and the unemployment must not be due to any action of the claimant.

Eligibility is determined in local offices by claims adjudicators. This critical aspect of the UI program requires a high degree of quality, accuracy and consistency. The Central Office conducts a periodic, comprehensive evaluation of the local adjudicators' accuracy in making these decisions.

DISPUTED ELIGIBILITY

When a former employee or an employer is dissatisfied with a determination affecting benefit rights or charges, a decision may be appealed within the department. There are two levels of appeals within the department. The Appellate Unit, the first level of this appeal process, received and disposed of more than 16,000 appeals in 1983.

The Commissioner's Representatives, the second level of appeal authority within the department, received 3,516 and disposed of 3,815 appeals. The difference reflects a carry-over from appeals in 1982.

Employers or claimants can pursue their issues through the courts if they are not satisfied with the department appeals process. The newly created Intermediate Court of Appeals reviews decisions of the Commissioner's Representatives if either party to the claim files a further appeal. The Minnesota Supreme Court is the final appellate point for employers and claimants.

TAX, AUDIT AND INVESTIGATIONS

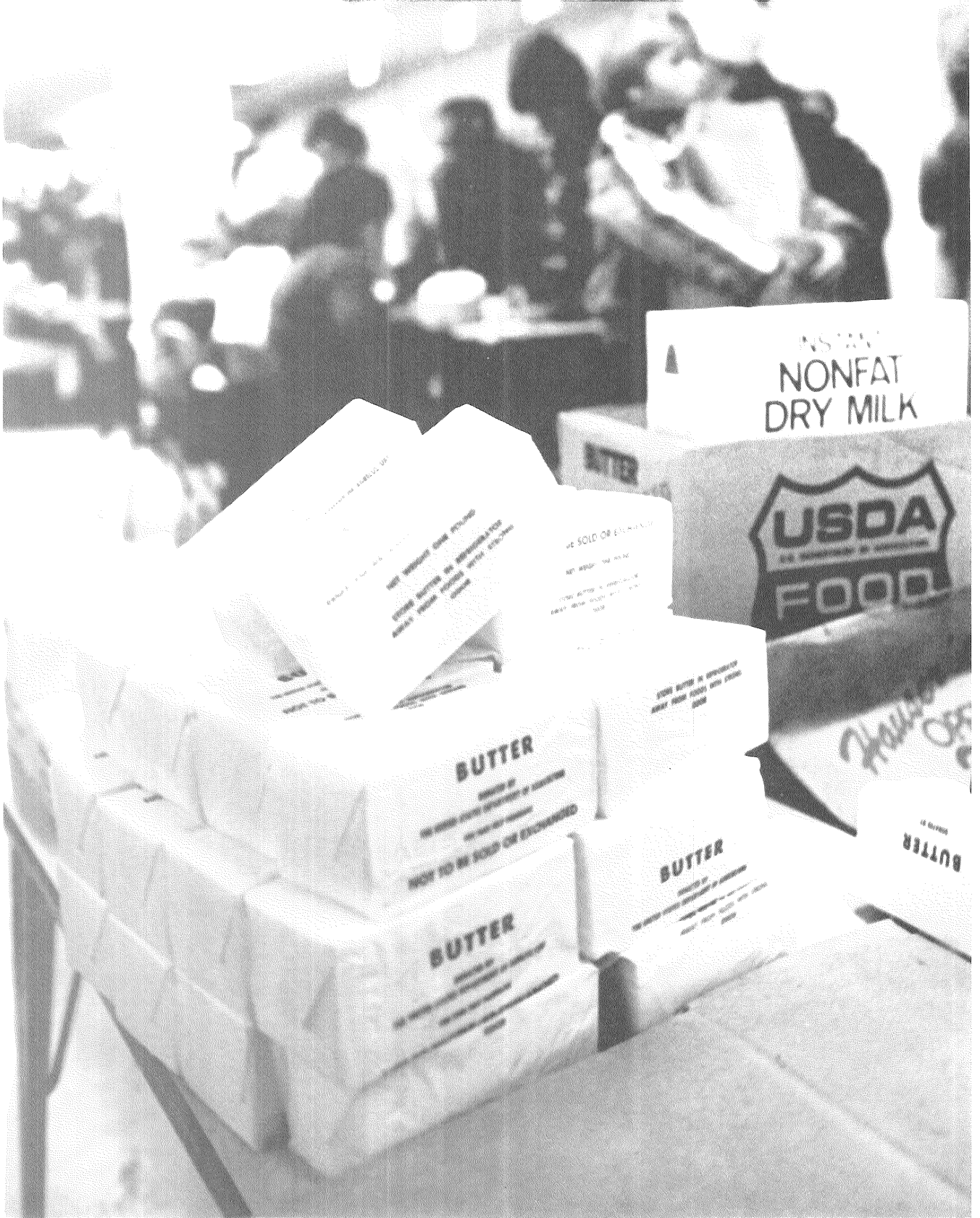
A total of 87,834 Minnesota employers were liable for UI payroll taxes in 1983. Together, employers paid \$245,903,514 into the UI Trust Fund during fiscal year 1983.

Field auditors assist employers with UI tax issues, determining liability for taxes, auditing employer records to verify tax reports and securing delinquent reports.

Computer-assisted audits were made of 21 large employers with computer payroll records. The automated audit selection system assessed \$15,739.

The Random Audit Unit collected six months' worth of data on about 200 cases for the last two quarters of the federal fiscal year 1983. In the random audit process, these selected cases are thoroughly reviewed for accuracy and appropriate documentation.

Overpayments to claimants and fraud by employers were uncovered by the Investigations unit and restitution to the fund was sought by the department. A total of 1,927 fraudulent claims amounting to approximately \$1 million were uncovered in 1983, and investigators recovered \$557,000. The balance is being pursued and 44 cases were referred to county attorneys for prosecution. ■



Surplus quantities of butter, cheese and milk—totaling 31 million pounds—were distributed to needy people across the state.

GOVERNOR'S JOB TRAINING OFFICE

The Governor's Job Training Office (GJTO) has been responsible for implementing the Job Training Partnership Act (JTPA), a program being provided by federal legislation.

The purpose of JTPA is to prepare youths and unskilled adults for entry into the labor force, and to afford job training to those facing serious barriers to employment.

JTPA is administered by the governor through a grant to the state. Seventy-eight percent of the funds go to the 12 service delivery areas (SDAs) covering the state for job training services at the local level. The balance of the funds are used to coordinate job training programs and serve special needs. Minnesota's \$28 million allocation for the nine-month period ending June 30, 1984, is expected to provide services to approximately 20,000 Minnesotans.

The GJTO has established and staffed the Governor's Job Training Council. The council assists the governor in coordinating state activities and monitoring local job training programs. The GJTO performs the work necessary to fulfill the governor's responsibility under JTPA. It also takes on the role previously performed by the Department of Labor under CETA — that of allocating funds to SDAs, monitoring their operations and evaluating performance against standards.

VOCATIONAL EDUCATION PROGRAM

Funds available for supplemental vocational education services in Minnesota amounted to \$1,363,000 for the period October 1, 1982, through September 30, 1983. More than 1,400 participants received training and other services provided by the 10 CETA Prime Sponsors throughout the state. This program, administered and monitored by GJTO, is coordinated by the Department of Education's Division of Vocational-Technical Education.

The basic thrust of the Vocational Education Program is to provide institutional training to the unemployed, underemployed and economically disadvantaged. Such training is available through public and private vocational/trade schools and through the community college system. Such services will continue to be provided by SDAs with funds made available through JTPA.

DISLOCATED WORKER PROGRAM

A new feature of JTPA is the recognition of the employment and training needs of a group identified as dislocated workers. These are persons, with a long attachment to the labor force, who find themselves without a job due to a plant closure, skill obsolescence, changes in technology or other economic disruptions.

Because of the great numbers of people who become dislocated workers nationally, Congress made funds available to the states to establish programs for dislocated workers. In 1983, Minnesota received \$1.1 million to address the needs of dislocated workers. It is estimated that from 1,500 to 2,000 individuals were served through projects funded during 1983. These dislocated workers come from a variety of industries: mining, auto, manufacturing, food, trucking, textile and small businesses.

Services made available to dislocated workers varied by project but included: vocational assessment, job-seeking skills training, basic education, training/retraining, job club, job placement, relocation assistance and supportive services such as day care, transportation and financial and legal counseling.

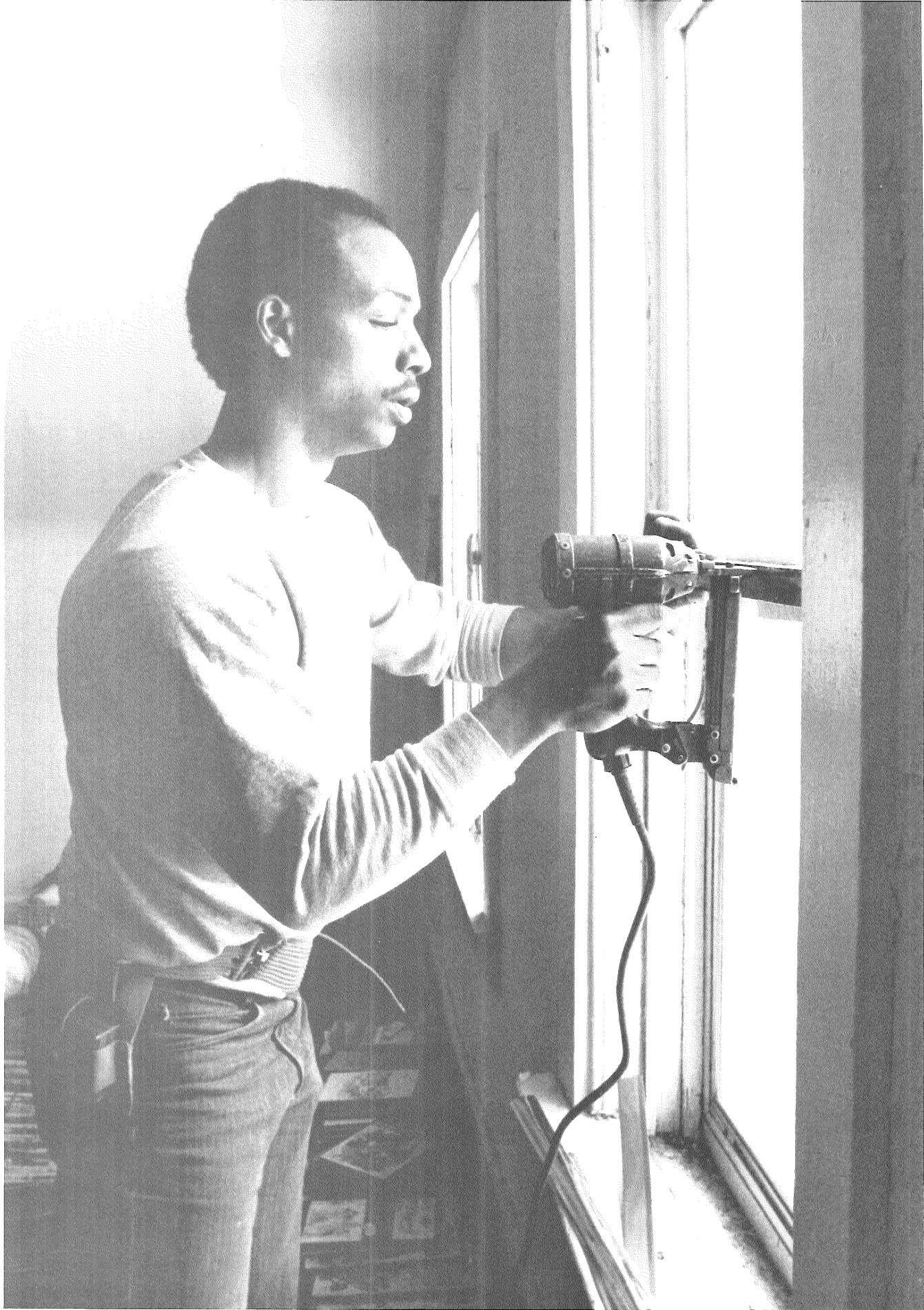
Minnesota also received a federal discretionary grant in the amount of \$600,000 to deal with the severe dislocation problem in the iron mining industry.

DISPLACED HOMEMAKER PROGRAM

Since 1978, the Minnesota Displaced Homemaker Programs have helped 2,900 people, primarily women, become emotionally and financially self-sufficient.

Displaced homemakers have spent a number of years caring for their families and being dependent on income other than their own wages. But, because of death, divorce or other loss of family income, they must find paid employment in order to survive economically.

Program services include personal and career counseling, assessment and testing, workshops on life skills and pre-employment preparation, support groups, emergency assistance and referrals, job development and placement.



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people...*

During 1983, the Minnesota Displaced Homemakers Programs were able to increase these services throughout the state, particularly to those in rural areas. The 1983 Minnesota Legislature authorized an increase in the marriage license fee especially for that purpose. Based on those funds, grants were awarded to establish six new displaced homemaker programs, to become operational in 1984, in Detroit Lakes, Virginia, St. Cloud, Thief River Falls, Brainerd and Morris.

Displaced homemaker services will continue to be provided through subcontracts with the Metropolitan Center for Displaced Homemakers sponsored by Working Opportunities for Women in the Twin Cities Metropolitan area, Project SOAR (Service, Opportunity, Action and Responsibility) of Northeastern Minnesota in Duluth; Homemakers in Transition in Mankato; and Mainstay in Marshall. These programs are funded by marriage license and dissolution filing fees authorized by the 1981 Legislature.

WEATHERIZATION PROGRAM

The department's Weatherization Program was created to reduce energy consumption — and lower heating bills — in low-income dwellings as one step toward the reduction of economic hardships in the households served.

Since it began in 1977, the program has weatherized 83,101 homes through the end of 1983.

Weatherization consists of caulking; weatherstripping; insulating attics, side walls and basements; glass repair; hot water tank insulation; furnace work; and storm window installation. During 1983, 17,084 homes were weatherized at a cost of \$24.5 million.

In all, 55,414 state residents have benefited from the Weatherization Program since it began including 5,576 elderly, 1,774 handicapped, 4,020 Blacks, 456 Hispanics, 1,794 Indians and 1,337 Asians.

Additionally, \$2.5 million was spent on the repair portion of the program, most on roof repair.

Weatherization crews insulated, caulked and weatherstripped the dwellings of low-income households to help reduce energy consumption—and their fuel bills.

ENERGY ASSISTANCE PROGRAM

The Energy Assistance Program administers the federal funds which help low-income households meet the rising cost of home energy. Fiscal 1983 was the second year under a three-year authorization for the Low Income Home Energy Assistance Program (LIHEAP) block grant. Block grant funding allows states broad flexibility to design programs to address the energy problems facing low-income households. In fiscal 1983, \$84.1 million was distributed for Energy Assistance Programs.

In 1983, more than 123,000 households received energy assistance in amounts which varied according to household size, income, fuel type and geographical zone. Minnesota's program is designed to provide the greatest amount of assistance to households which have the lowest income and highest fuel costs. The program pays only a portion of total heating costs, leaving some responsibility with each household.

States may reprogram up to 15 percent of their base allocation for conservation activities and may transfer up to 10 percent to other block grants. Minnesota exercised both options to their energy problems.

Up to \$500 in conservation and repair assistance was provided to households experiencing high energy consumption, an energy emergency affecting the heat of a dwelling or a potentially hazardous energy-related situation. Some 4,700 households were served by this special conservation program last year.

The oil burner retrofit project, piloted in 1982, was adopted as a priority activity funded by the LIHEAP block grant under the Weatherization Program administered by the department.

The federal block grant for energy assistance will continue for another year. During this time, low-income households will be assisted with their home-heating energy payments and conservation efforts will continue to address the goal of self-sufficiency.



Members of the support staff for the Job Training Partnership Act discuss program results.

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SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM

The Senior Community Service Employment Program (SCSEP), authorized by the Older Americans Act of 1978, has completed its sixth year of operation. The objective of the program is "to foster and promote useful part-time employment opportunities in community service for unemployed low-income persons who are 55 years or older."

The department has contracted with 16 agencies to operate the programs. Participants were placed in subsidized, part-time community service jobs. In addition to employment, each participant received a physical examination and necessary support services. In 1983, \$1,469,122 was spent to employ 375 persons.

THE OFFICE OF ECONOMIC OPPORTUNITY

The goal of the Office of Economic Opportunity (OEO) is to identify and help eliminate the causes of poverty in Minnesota communities.

The office focuses local, state, private and federal resources on the work of enabling low-income families and individuals to become self-sufficient. Among its objectives are to support programs and activities which have an impact on the causes of poverty; to promote the development and strengthening of community groups representing the interests of the poor; to develop and support local programs which test innovative solutions to the problems; to promote a voice of low-income people in the planning, implementation and evaluation of services provided to them; and to coordinate state activities relative to the problems of poverty.

Objectives are met by granting funds to carry out services and activities identified and given priority locally. Among the grantees are Minnesota's 27 community action agencies (CAAs) which serve 82 of Minnesota's 87 counties, 11 Indian reservation governments and the Minnesota Migrant Council.

RANGE OF ACTIVITIES

Examples of programs currently being operated by OEO grantees include: Summer Youth Employment, Retired Senior Volunteer Program (RSVP), Head Start, Foster Grandparents, Senior Companions, Day Care, Home Start, Early and Periodic Screening, Information and Referral, Emergency Food Shelves, Economic Farm and Business Development Programs, Transportation, Judicare, Legal Aid, Weatherization, Fuel Assistance, Crisis Intervention, Alternative Energy/Economic Development. Two programs designed to address food and shelter needs of poor Minnesotans in 1983 were the Emergency Food and Shelter Program and the Surplus Commodities Distribution Program.

A \$1 million emergency food and shelter program served 173,649 persons in need of emergency food; 28,391 persons in need of emergency shelter; 4,171 persons received other emergency assistance, including transportation, referrals, medical assistance and clothing.

Surplus commodities totaling 31 million pounds of cheese, dry milk and butter were distributed by 42 distributors at 614 sites across the state. Each month approximately 600,000 persons in 224,000 households received these staple products at the monthly distributions. Another 116,000 individuals in 80,000 households received them through food shelves.

FUNDING

OEO funding comes from a number of sources. The federal Community Services Block Grant (CSBG) is the primary funding source. In 1983, the office received \$4.3 million in CSBG funds. The office also received \$1 million for the Minnesota Economic Opportunity Grant Program, money appropriated by the Minnesota Legislature for community action activities. In addition, OEO receives other grants targeted at specific programs. ■



The Division of Vocational Rehabilitation (DVR), a joint state/federal program, has for more than 60 years provided services which increase employment opportunities and promote greater independence for people with physical or mental disabilities.

As a result of this successful partnership, more than 100,000 vocationally handicapped Minnesotans have become employed since the establishment of the program in 1919. Many others have increased their social and economic independence because of involvement in the DVR program.

REHABILITATION PAYS

Vocational rehabilitation is a successful, time-tested human services program for persons with disabilities. It also is a profitable investment of tax dollars.

Rehabilitation leads to employment for DVR's clients who usually have little or no earnings when they enter the program. Most must depend on benefits from various public assistance programs.

Employment as a result of DVR's services reduces or eliminates that dependency — and the vocationally rehabilitated clients become taxpayers.

In less than three years, the total annual costs of the vocational rehabilitation program are fully repaid as a result of the reduction of dollars spent on public assistance and increased payment of taxes by rehabilitated clients.

A comprehensive analysis of 4,934 persons rehabilitated by DVR in 1981 showed that the annual rate of return on the taxpayer's investment in the program was 34.8 percent. This analysis was based on conservative estimates of the rehabilitants' potential incomes.

SERVICES FOR CLIENTS

Basic rehabilitation services to clients, the core of the vocational rehabilitation program, include counseling, guidance, training and placement. Medical, psychological and vocational evaluations are provided to determine the extent of clients' handicaps as well as their physical, mental and vocational abilities and limitations. Clients are served

Large numbers of DVR clients with physical disabilities are helped through training and rehabilitation services to become more self-sufficient.

by approximately 150 rehabilitation counselors in the 47 DVR field offices in Minnesota. Most counselors have a master's degree in rehabilitation, education, psychology or other closely related fields.

Educational institutions, social agencies, physicians, attorneys and employers are the major referral sources. DVR counselors determine each applicant's eligibility for vocational rehabilitation services.

To be eligible, an applicant must have a medically documented disability which significantly interferes with the ability to obtain or continue employment. In addition, there must be a reasonable expectation that vocational rehabilitation services eventually will lead to employment. More than 50 percent of DVR's clients are severely handicapped and, therefore, given priority for services in accordance with a requirement of the Federal Rehabilitation Act of 1973, as amended.

Once accepted for services, each client works with a counselor to develop an individualized written plan which considers the client's aptitudes, abilities and interests.

DVR's Office of Client Services has formed effective partnerships with the Minnesota departments of Education, Public Welfare and Corrections to develop special vocational plans for clients who are served by these agencies. In addition, DVR counselors work with other job training or placement programs such as the AFL-CIO Human Resources Development Institute and Projects With Industry to fully use employment resources.



Highly trained DVR counselors provide the vocational and rehabilitation guidance needed by persons with physical and mental disabilities.

INDEPENDENT LIVING

In Minnesota, three Centers for Independent Living provide services designed to help severely disabled persons to live more independently in their homes or communities and to assist them in preparing for vocational rehabilitation services.

Passage by Congress in 1978 of amendments to the Rehabilitation Act of 1973 with provision to establish and maintain Independent Living Programs was the culmination of cooperative efforts by people with disabilities, their families, advocates and the rehabilitation community. The Minnesota centers, located in Marshall, Rochester and the Twin Cities Metropolitan area, are operated by consumer-directed, private nonprofit organizations which have contracts with DVR.

More than half the staff at each center is handicapped. Program and policy development is guided by recommendations from DVR's Independent Living Advisory Committee.

AVAILABLE SERVICES:

- Intake counseling
- Information and referral for:
 - a. legal and economic rights
 - b. housing
 - c. transportation
 - d. attendant care
 - e. vocational rehabilitation/employment services
- Advocacy
- Coordination with other state and local agencies
- Assistive equipment (referrals, repairs, maintenance)

In addition to a wide range of services to meet the needs of individuals, the centers provide leadership and serve as a resource to their communities.

INDEPENDENT LIVING SERVICES 1/1/83—11/30/83

Total Persons Served: 1,863 (unduplicated)
Attendant care services: 318
Peer counseling: 561
Information and referral: 2,392
Other services: 861

REGIONAL SERVICE CENTERS FOR HEARING IMPAIRED PEOPLE

The Regional Service Centers (RSC) for Hearing Impaired People were established by the Minnesota Legislature in 1980. The centers are administered by the Division of Vocational Rehabilitation in cooperation with the Deaf Services Division of the Minnesota Department of Public Welfare (DPW).

Regional Service Centers are co-located with DVR field offices in Duluth, Fergus Falls, Mankato, St. Cloud, Rochester and the Twin Cities Metropolitan area. The programs provide direct services to persons who are deaf or hard of hearing, as well as to business and community groups and other agencies.

REGIONAL SERVICE CENTER PROGRAM SUMMARY—1983 FISCAL 7/1/82—6/30/83

ACTIVITIES	PERSONS SERVED*
Services to individuals	6,148
Counseling and technical assistance	
Message relays	
Information and referral	
Interpreter services	2,930
Equipment and materials loans	1,929
Telecommunications devices	
Alarm/signal devices	
TV decoders	
Books	
Films/videotapes	
Services to agencies/employers	1,371
Outreach and community relations	12,243
Casefinding	
Newsletter	

*STATEWIDE TOTALS

DISABILITY DETERMINATION

DVR's office of Disability Determination Services (DDS), under an agreement with the Social Security Administration (SSA), makes determinations on a person's eligibility for disability benefits. DDS examiners make these decisions based on medical information, psychological, vocational and social evaluations according to standards established by the SSA for Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI).

In examining a person's claim, DDS seeks information from the person's physician or psychologist. If additional information is needed, DDS contracts with physicians, psychologists or medical facilities to obtain sufficient information to make an eligibility determination.

Persons receiving SSDI or SSI benefits receive a medical review at least once every three years unless the individual's disability is considered permanent. The interval for persons with permanent disabilities is longer.

In addition to determining eligibility for benefits, DDS refers persons who may benefit from vocational rehabilitation services to the proper agency.

DISABILITY DETERMINATION 10/1/82—9/30/83

Number of determinations: 31,721
Accuracy of initial claims decisions: 98.7%
Number of persons eligible for benefits: 11,956
Number of eligible persons referred to vocational rehabilitation: 1,449
Number of persons not eligible for benefits who were referred to vocational rehabilitation: 12,450

Vocational
Rehabilitation
Division

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WORKERS' COMPENSATION

DVR provides rehabilitation services to workers injured on the job through its Workers' Compensation Unit. If a work-related condition or injury results in the loss of at least 30 days of work time in Minnesota, the employee may be entitled to rehabilitation services.

Minnesota's laws on Workers' Compensation provide the criteria for determining who is eligible. Laws in other states may list different criteria. Eligibility in another state does not insure that an individual would be entitled to rehabilitation services in Minnesota.

Services are provided or coordinated by DVR's trained vocational rehabilitation counselors who are registered with the Minnesota Department of Labor and Industry as Qualified Rehabilitation Consultants (QRCs).

Costs of these services are paid by insurance carriers, employers or special state funds, not by the injured worker.

AVAILABLE SERVICES:

- Job analysis
- Labor market surveys
- Vocational counseling
- Job development
- Testing
- On-the-job training
- Placement
- Training in job-seeking skills
- Analysis of transferable skills
- Follow-up
- Referral to other agencies for related services
- Monitoring of other services

Injured workers have the right to select a QRC of their choosing; to take an active part in developing their own written rehabilitation plan; and to comment on or rate the services provided by DVR's Workers' Compensation Unit.

LONG-TERM SHELTERED EMPLOYMENT/WORK ACTIVITY

Twenty-eight Minnesota rehabilitation facilities provide long-term sheltered employment (LTSE) and work activity services to persons who are capable of working but, because of disabilities, are unable to meet the production demands of competitive employment.

DVR subsidizes private, nonprofit rehabilitation facilities from state appropriations to cover the costs of maintaining work stations where DVR clients are engaged in either sheltered employment or work activity. In addition, the facilities receive a substantial portion of their support from services to businesses within the communities they serve and from the United Way and county and local governments.

Vocational evaluation, work adjustment training, placement and other services are available to DVR clients on a "fee-for-service" basis.

DVR is responsible for ensuring that sheltered workers are treated fairly and that the programs serving them meet legal, ethical and professional standards. ■

LONG-TERM SHELTERED EMPLOYMENT/WORK ACTIVITY PROGRAM—7/1/82/—6/30/83

Sheltered employment programs: 28
Long-term sheltered employees/work activity participants: 5,590
Long-term sheltered employment—average wage: \$1.85
Work activity—average wage: \$.71
State funds expended: \$6,766,833