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JOB SERVICE



**MINNESOTA DEPARTMENT
OF EMPLOYMENT SERVICES**

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JOBS FOR PEOPLE • PEOPLE FOR JOBS

**1976
Annual
Report**

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Annual Report

MINNESOTA DEPARTMENT OF EMPLOYMENT SERVICES

390 NORTH ROBERT STREET • SAINT PAUL, MINNESOTA 55101

1976

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STATE OF MINNESOTA

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Highlights Of 1976

Employment Services

New Jobseekers Registered	235,743
Counseling Interviews	33,120
Jobseekers Tested	27,455
Nonfarm Job Openings Received	211,034
Total Job Openings Filled	100,210
Nonfarm Placements	90,920
Disadvantaged	21,150
Veterans	17,145
Farm Placements	9,189
Nonfarm Employers Served	25,765
Nonfarm Employers Visited	32,831

Unemployment Compensation

Weeks Compensated	2,181,399
Amount Paid	\$173,794,460
Unemployment Compensation Fund	
Balance December 31, 1976	\$19,396,109
Balance December 31, 1975	\$12,303,405



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 judgement 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*

Rudy Perpich, *Governor*

Emmet J. Cushing
Commissioner

Barbara S. Beerhalter
Assistant Commissioner
Unemployment Insurance

Donald M. Buckner
Assistant Commissioner
Employment Service

Ronald E. O'Neal
Assistant Commissioner
Administrative Services



MINNESOTA DEPARTMENT OF EMPLOYMENT SERVICES

The Minnesota Department of Employment Services (MDES) administers the state laws relating to unemployment compensation and operates a statewide, no-fee employment service. The Department is unique among the state departments in that its activities are financed from federal funds.

The Department is directed by a Commissioner appointed by the Governor with the advice and consent of the Senate for a four-year term coinciding with the term of the Governor. Serving directly under the Commissioner are three Assistant Commissioners who head the State Employment Service, Unemployment Insurance and Administrative Services divisions.

Offering a wide array of services leading to job placement has become a primary goal, leading to a broader fulfillment of the Department's function of matching

qualified applicants with available jobs.

As a participant in federal programs administered by the Employment and Training Administration, the Department provides special services for the mentally and physically handicapped, minority group members, veterans and persons on welfare and a variety of programs to bring the chronically unemployed into the labor market.

Under the Comprehensive Employment and Training Act of 1973 (CETA), the Department has contracted with nine prime sponsors and the Governor's Manpower Office to deliver selected manpower services.

The Department also provides employment counseling and testing to job seekers and technical assistance to employers, collects statistics relating to the labor

market and publishes data on employment trends.

Unemployment insurance is concerned with the payment of unemployment compensation benefits to eligible persons who become unemployed. Funds to make these payments are accumulated through a tax on the employers.

The Department serves both the worker and the employer. A network of 35 full-functioning offices, offering both employment service and unemployment insurance, and 35 satellite, reservation or suboffices, located in areas of special need, provide the largest single resource for matching jobs and workers in the state.

Department services are provided to an increasing number of small communities. Job services are provided in 10 Indian Reservations, three of them with full-time offices.

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

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

Herbert G. Heneman, Minneapolis
Industrial Relations Department
University of Minnesota

Mrs. Sue Rockne, Zumbrota

Dr. John Turnbull, Minneapolis
Economics Department
University of Minnesota

Mrs. Nellie Stone Johnson, Minneapolis

Representing Labor

Mr. David Roe, St. Paul
President
Minnesota AFL-CIO

Mr. Leonard C. Bienias, Minneapolis
Business Representative
Minneapolis Building Trade

Mr. Lawrence Caven, Duluth
Business Manager
Electrical Workers Union Number 242

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

Mr. Otto (Bud) Kraemer, Minneapolis
Editor, Minnesota Teamster

Representing Employers

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

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

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

Mr. Roger Hanson, Vergas
Proprietor, Hanson Hardware

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

The Minnesota Department of Employment Services, in all employment and employee relations and practices within the Department, shall conform to and promote Equal Opportunity. The adoption of this document reaffirms its established policy of nondiscrimination in employment and the establishment and maintenance of a progressive affirmative action program.

The Department fully supports the nondiscriminatory provisions of all state and federal laws, rules, and regulations. This includes, but is not limited to, the Civil Rights Act of 1964 as am-

ended, the Minnesota Human Rights Act, the Governor's Executive Order No. 76, as amended, the State of Minnesota Affirmative Action Policy, the Governor's Code of Fair Practices and the Federal Age Discrimination in Employment Act of 1967. It also applies to its own personnel actions all nondiscriminatory policies of the U.S. Department of Labor.

It is the policy of the Department to assure that applicants are employed and that employees are treated equally during their employment without regard to race, creed, religion, color,

national origin, age, sex, disability, public assistance or marital status. Pertinent areas shall include recruitment, selection, appointment, advancement, transfer, layoffs or downgrading, compensation, selection for training, benefits, return from layoff, equality of wages or any other personnel action within the Department.

Any Department employees whose responsibility involves any personal transactions shall, in exercising such responsibility, consider only the availability and qualifications of the individuals involved.

Affirmative Action Policy

All employees shall conduct themselves in accordance with the full provisions of this policy in all day-to-day relationships with their fellow employees and shall not, by word or action, deprecate another or interfere with the performance of job assignments because of race, creed, religion, color, national origin, sex, age, disability, public assistance or marital status.

The Department further recognizes that the effective application of a policy of equal opportunity in employment involves more than a policy statement. It will, therefore, undertake a pro-

gressive program of affirmative action to assure that equal employment opportunities are provided on the basis of individual qualifications and to encourage all persons to seek employment with the Department and to strive for advancement on this basis.

All levels of management are responsible for the implementation of the policy in their respective areas. Regular reviews of the Affirmative Action Plan and the Department's advancement in this area will be conducted by the Equal Opportunity Council and Equal Opportunity Officer

appointed by the commissioner.

This policy is published as a permanent part of the appropriate personnel and administrative manuals maintained in all offices and sections of the Department for implementation. Copies will be distributed to all employees following adoption and integrated into all orientation and appropriate specialized training afforded new employees. The subject of equal employment opportunity will be discussed at appropriate management meetings and periodically published in official Department publications.

Job Placements Up In 1976

Nonagricultural job placements made by the Minnesota Department of Employment Services (MDES) in 1976 totaled 90,920, an increase of nearly 13,000 or 13 percent over the 78,070 placements in 1975. Total job placements (agricultural and nonagricultural) for 1976 of 100,210 showed an increase of 11,468 over 1975.

Job placements increased despite a cutback in the number of placement staff as a result of budget reductions by the U.S. Department of Labor. A substantial increase in the productivity of placement staff was a significant factor in the job placement increases.

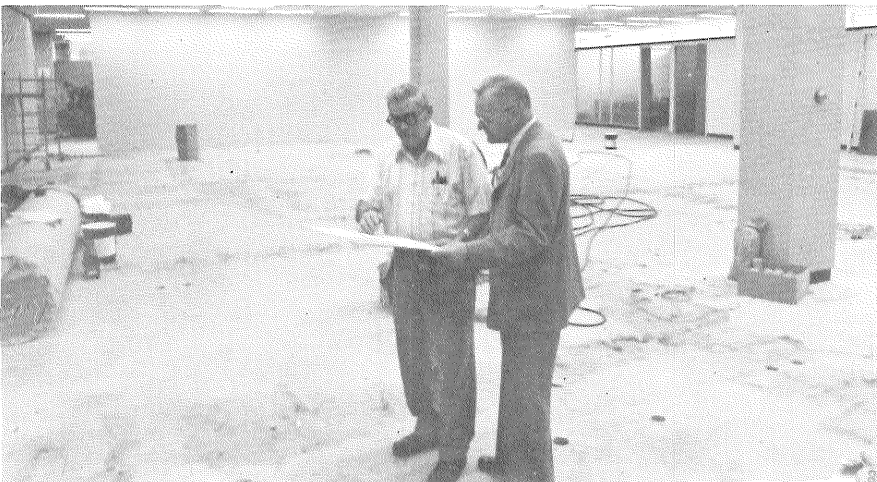
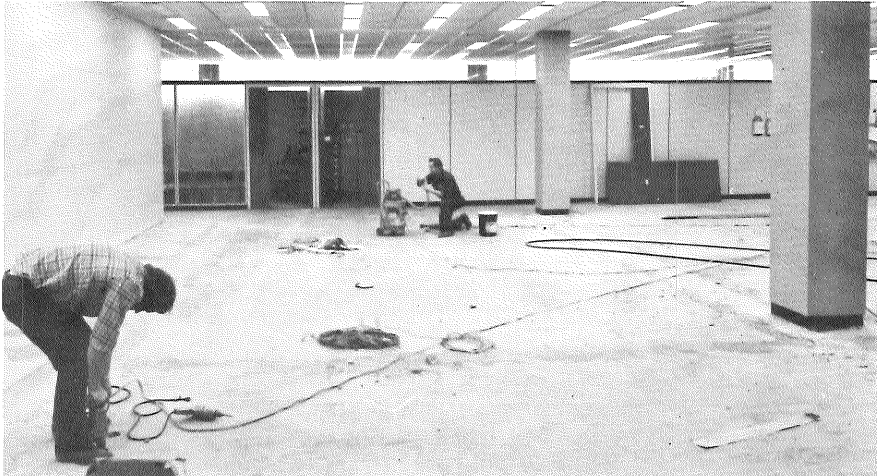
Additional emphasis was placed on developing job openings by contacting employers. The total number of employer contacts made during 1976 was 56,297, up nearly 11,000 for the 45,502 of 1975. Through the increased effort, nonagricultural job openings received by the Department increased significantly.

To help make Job Service more readily available to the public,

The Northeast Minneapolis office (below right), the St. Cloud Westside office (below left) and the Crystal office (bottom) are among the Employment Service satellite offices opened during 1976 to make the Department's services more accessible to the public.



Extensive changes were made to the St. Paul area office during 1976. Workers install telephone equipment (top) while applicants screen job openings (center). The St. Paul area office manager reviews the new floor plan (bottom).



MDES established new Employment Service Offices in Northeast and Southside Minneapolis, Crystal, 916 Vo-Tech School in St. Paul, the Apache Mall in Rochester and the Westside in St. Cloud.

Testing Aids Job, Training Choices

Approximately 27,500 aptitude, clerical, achievement and interest tests were administered to jobseekers at Minnesota Department of Employment Services (MDES) offices during 1976. This was an increase of approximately 2,000 over last year.

In addition, several high schools, vocational schools, Comprehensive Employment and Training Act (CETA) centers and various other organizations throughout the state used Department tests on their own premises.

The tests were developed by the U.S. Employment Service (USES) for use in the applicant selection and counseling processes.

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.

Testing and placement data collected during 1976 indicate that testing may have had a significant impact on the number of job

placements. During 1976, approximately 29 percent of all job applicants were placed. However, 33 percent of all applicants who took Specific Aptitude Test Batteries (SATB's) or clerical tests were placed.

The Testing Unit worked closely with private employers and other organizations throughout the state to secure their cooperation in various test research projects and to promote the use of USES tests in selecting qualified workers. During 1976, approximately 150 private employers and staff of non-profit organizations were contacted.

The MDES Testing Unit is one of 38 state units throughout the nation that conducts research to provide new and refined tests and test methodologies for counseling and selecting job applicants. During 1976, the Testing Unit participated in 50 different studies and tested over 500 individuals for research purposes.

Much of the unit's efforts were concentrated on revalidating many of the 466 existing SATB's. In order for the revalidation to be successful, employers throughout the nation were asked to cooperate in the research so that workers from all geographic areas were represented in the occupational samples. Emphasis is placed on researching the batteries to ensure compliance with Equal Employment Opportunity Commission standards. During 1976, 10 batteries were revalidated on a nationwide level. The MDES Testing Unit concentrated primarily on studies dealing with occupations in the insurance, electrical, printing, sales, and auto mechanic fields.

Both the job placement (top) and unemployment insurance offices (bottom) are now located on the first floor of the St. Paul area office, making it more convenient for the public.



In addition to revalidation of SATB's, the unit worked on a variety of projects to develop new occupational assessment tools and to increase the information concerning present Department tests and their uses. These projects included: the standardization of a new USES interest inventory; research on the Basic Occupational Literacy Test; analysis of various job performance appraisal techniques; and a study of job analysis techniques.

Counseling Helps Resolve Problems

During 1976, 33,120 employment counseling interviews were conducted at Minnesota Department of Employment Services 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 interfere with their efforts to obtain employment. The problems usually are in the areas of job choice, job change and job adjustment. Special emphasis is placed on assisting veterans, handicapped applicants and youth.

Assessment of aptitudes and interests through testing is an important part of the counseling process. Community agencies, training resources and special programs such as Job Corps are used to help counselors improve their employability. The success-

ful conclusion of counseling is placement in an appropriate job.

During 1976, the Department participated in the implementation of a Competency Based Counselor Training Model. Through the model, selected counselors will be trained to suitable levels of competency in several skill areas, including group counseling and guidance, career development and community relations. The model is being introduced on a nationwide basis by the Employment and Training Administration of the U.S. Department of Labor.

Career Information Provides Guidance

The Career Information Unit (CIU) provides Minnesota Department of Employment Services (MDES) staff and the public with information needed to assist individuals in obtaining suitable employment or training.

During 1976, the CIU received and answered over 500 requests for career information. Half the requests came directly from the public and the remainder came from the MDES placement staff for use in assisting job applicants.

To facilitate the organization and retrieval of data, the CIU maintains a career information reference file at the MDES State office and helps area offices establish and maintain local reference files. In addition to occupational information, the reference files contain publications covering related topics such as: labor market information; legislation affecting employment; jobseekers with special

needs (for example, youth, older workers, the handicapped and others); vocational education directories and school catalogs; apprenticeship programs; civil service opportunities; and career information bibliographies and directories.

Career Information Series guides published by the CIU are designed as handout material and cover a variety of topics. Career-related guides available to the public during 1976 were:

- GED TESTING PROGRAM AND HIGH SCHOOL COMPLETION PROGRAM
- JOB INTERVIEWS, APPLICATION FORMS AND EMPLOYER EXPECTATIONS
- JOB SEARCH AND PREPARING EMPLOYMENT LETTERS
- LABOR UNIONS
- MINNESOTA LICENSED OCCUPATIONS
- OVERSEAS EMPLOYMENT
- PREPARING A RESUME'
- SELECTING A CAREER EDUCATION PROGRAM
- WOMEN RETURNING TO WORK
- YOUNG PEOPLE MOVING TO THE CITY

Youths Benefit From Employment Program

During the summer of 1976, the Minnesota Department of Employment Services (MDES) made 41,036 youth job placements through the Governor's Youth Employment program, surpassing the 1975 total by nearly 5,000.

From April through September, the number of young persons 16 to 22 who registered for the program totaled 67,310. Nearly one out of every two youths registered was placed on a job.

The program, coordinated by MDES, is a united effort of the

Governor's office, state agencies, the National Alliance of Businessmen, the Federal Executive Board of the Twin Cities, Chambers of Commerce and CETA (Comprehensive Employment and Training Act) prime sponsors to develop summer jobs for youth.

In 1973, the State Legislature passed the Youth Employment Act. The Act, administered by MDES, was designed to provide summer jobs for youth in state, county and municipal government agencies. Re-enacted in 1975, it has provided summer jobs for over 19,000 youth since its inception.

In administering the Act, MDES: Allocated \$2,000,000 in 1976 to CETA prime sponsors, local political subdivisions, government agencies and Indian reservations which employed 4,600 youth.

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.

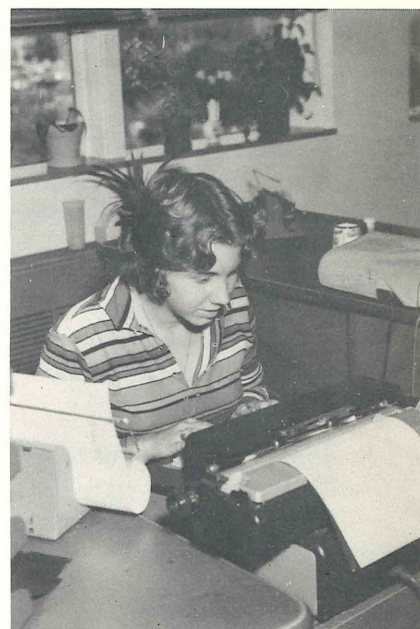
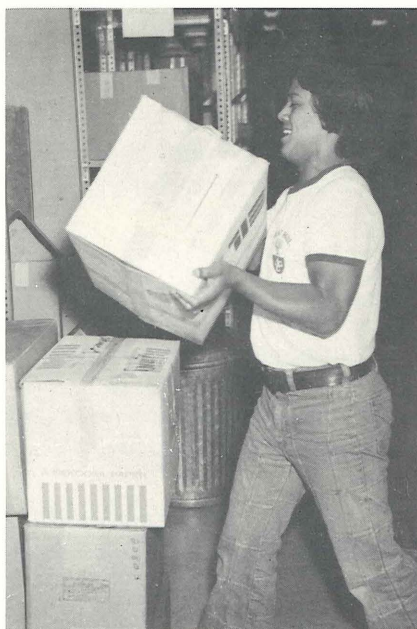
Enabled young people to work in a variety of jobs ranging from clerk to research aide, providing them with money to purchase clothing and to meet school expenses.

Allowed local governments to complete projects which would otherwise have had to wait until local funds became available.

For the sixth consecutive year, MDES operated the mini-office

Youths (top) work at a variety of jobs at a state agency through the Governor's Youth Employment Program. Four youths (bottom), who responded to a request by the Winona area office for volunteer help in a civic clean-up campaign, pick up litter in a city park.

WINONA DAILY NEWS



program. Mini-offices are one-or-two person offices staffed by youth under MDES supervision. The youth staffing these offices find summer jobs for other youth. In operation during the summer months, mini-offices are located

in small rural towns. In terms of cost to the public and service to unemployed youth, mini-offices are perhaps the most effective summer placement system in the country. In 1976, mini-offices made over 7,500 youth placements.

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

The YCC is a summer jobs program in the conservation/ecology area. Young people selected are employed in national parks, forests or wildlife refuges during the summer months. In 1976, over 400 young people were employed on this program.

Federal agencies in Minnesota continued the President's Summer Youth Employment program. MDES assisted federal agencies in recruiting and placed 276 young persons on jobs through the program.

In addition to the special programs, MDES maintains close contact with private employers. The private sector provides the largest number of summer jobs for youth. During the summer of 1976, MDES made over 30,950 youth job placements in the private sector.

Handicapped Given Special Help

More than 15,000 persons with handicaps received special help through the Minnesota Department of Employment Services (MDES) in 1976. This special help included job development and placement, counseling, testing, labor market information, teaching jobseeking skills and referral to other community agencies.

Each MDES office has a handicap specialist who is responsible for ensuring that

Virginia Office Helps Break Job Barrier

For several years, the Virginia area office of the Minnesota Department of Employment Services has been working to overcome the employment barrier that has kept handicapped persons from being employed by the Iron Range mining industry. This year the effort paid off.

In early 1976, after continual but gentle prodding by the Virginia office, one of the taconite plants voluntarily relaxed the rigid physical requirements which, in the past, had excluded handicapped workers. Job orders were listed with the Virginia office and as a

result, 18 handicapped persons were hired, including 13 veterans.

In October 1976, as part of the "National Hire the Handicapped Week" observance, the Virginia area manager arranged to have pictures and stories of two of the handicapped taconite workers featured in the local newspaper.

The publicity apparently had the desired effect. Shortly after the article ran, the office received notice from two other taconite plants of their intention and commitment to hire handicapped workers.

A handicapped veteran, one of the first hired by the taconite industry, stands by the 85 ton truck he drives.



handicapped persons receive individualized help. In addition, the specialist serves as a liaison with organizations such as the Division of Vocational Rehabilitation, local handicap councils, advocate groups and others.

Each year the handicap specialists coordinate locally "National Employ the Handicapped" week, this year observed October 3-9. This is done 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.

Continued emphasis is placed on giving assistance not only to people with visible disabilities, but also to people with other disabilities such as back, emotional or nerve problems.

The Department helps 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 MDES offices and with community veterans groups. In 1976, 2,688 disabled veterans were placed in jobs.

Youths Develop Skills Through Job Corps

During 1976, 122 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 Employment Services (MDES) has been associated with the Job Corps program since its inception in 1965. MDES 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 corpsmembers completed the program than ever before.

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

The general education component, geared to the individual needs of the corpsmembers, enables the corpsmembers 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. During 1976 the concept of co-ed centers continued to be expanded resulting in increased opportunities for all corpsmembers to receive training in nontraditional occupations.

The World of Work component is designed to teach responsibility on the job, to develop good work

An interviewer from the St. Cloud area office airs a weekly program listing area job openings on a Buffalo, Minnesota radio station.



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 corpsmembers 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 1976, over 90 percent of all returnees were placed in jobs, returned to high school, entered military training or took further training.

Federal Bonding Aids Employability

Jobseekers who cannot secure employment because they are unable to qualify for private fidelity bonding are helped by the Federal Bonding program administered by the Department. This program, which has been in effect in Minnesota since 1970, is limited to unemployed jobseekers who need fidelity bonds to secure employment. People who have been in prisons, those who have been through bankruptcy or have been adjudged spendthrifts are

helped by this program. Employers often require fidelity bonding for jobs in which an employee handles money or materials which belong to the employer or to a person or company for whom the employer is working.

Under this program, bond coverage is provided in units of \$500 up to a maximum of \$10,000. The only requirements are (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 member of its staff to serve as local bonding coordinator.

All He Needed Was A Chance

John, a victim of cerebral palsy since birth, must use crutches to walk--and he moves slowly at best. Nevertheless, he drives his own car, owns his home, is married and has a child.

For a long time he had to rely on welfare assistance and Social Security disability benefits. But today he is making it on his own thanks to the efforts of the Hastings office of the Minnesota Department of Employment Services.

In March 1976, John came in to the Hastings office and filled out an application for work. The manager and the handicap spe-

cialist both agreed that John was a sharp young man who could do a good job for an employer. They went right to work, making five job development contacts and two job referrals.

John was hired as an at-home solicitor for a charitable organization.

The story doesn't end there. In June, one of the job development contacts paid off and John started work in a higher paying job with an electrical manufacturer. The employer reports his work continues to improve each day and he has moved up through two job changes.

Equal Opportunity Training Stressed

During 1976, the Minnesota Department of Employment Services (MDES) made 10,467 job placements of minority group persons.

To ensure that minority group persons receive an equitable share of job opportunities, the Minority Groups Representative trained MDES staff in the federal laws concerning civil rights and equal employment opportunity. This training helped MDES employees discharge their duties in nondiscriminatory ways and clarified their relationships and responsibilities to employers regarding the referral of job applicants.

Helping Older Workers An Ongoing Concern

During 1976, 10,155 persons 45 and over found jobs through the Minnesota Department of Employment Services (MDES). Persons in this age group, who make up 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 MDES area office. They see that counseling, testing, job development and placement help is provided.

National Employ the Older Worker Week was observed March 8-12. Each MDES 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.

During 1976 the Department cooperated with the College of St. Thomas in sponsoring sessions on "Job Re-Entry For Older Minnesotans". The sessions described employment problems encountered by older workers and provided some solutions.

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.

AMPS Places Medically Trained

Through the Allied Medical Placement Service (AMPS) in 1976, 1,206 medically trained persons applied for jobs, 472 job orders were received and 78 applicants were placed in medically related employment.

AMPS is an extension and expansion of the former MEDIHC (Military Experience Directed Into Health Careers) program. While Operation MEDIHC served veterans seeking health related employment and/or education, AMPS provides referral and placement service to health train-

ed applicants, both veteran and non-veteran.

In the five and one-half years the MEDIHC program was in operation in Minnesota, a total of 959 veterans participated. Of these, 300 were placed in medically related employment, an average of 55 per year. The average active caseload was about 100 applicants. In the same period of time, 615 job orders were generated -- 112 per year.

During 1976, AMPS filled job orders for Physician Assistants, Radiologic Technicians, Clinical Psychologists, Registered Nurses, Occupational Therapists, Speech Pathologists, Physical Therapists, Pharmacists, Medical Doctors, Health Care Administrators and many more.

Inventive Interviewer Implements Inventory

Each year a large store in the Brainerd area has a recurring problem--finding 65-70 people to help with an overnight inventory.

Upon hearing of the situation, an interviewer in the Wadena Employment Service office came up with the idea of contacting auxiliary organizations of the American Legion, Veterans of Foreign Wars, Elks, etc. to see if they might be interested in a money-making project. The heads of the organizations thought it was an excellent idea so he picked up membership lists, went back to the office and began telephoning.

He found the members were receptive to the idea but this raised another problem. How was he going to get their applications and arrange interviews? He solved this by setting up a placement operation at one of the store's check-out counters. Applications were filled out and interviews by the store manager were held on the spot.

As a result, 101 applications were received; 101 people were hired; the store's annual inventory problem was solved; the workers earned extra money; and an enterprising interviewer had the satisfaction that comes from a job well done.

MDES Helps CETA Fulfill Mission

The Comprehensive Employment and Training Act of 1973 (CETA) made federal funds available to eligible prime sponsors. A prime sponsor is a unit of government with a population of 100,000 or more. At the time the CETA legislation was passed, there were eight prime sponsors in the state. At the beginning of fiscal year 1977, the number of Minnesota prime sponsors was increased to 10.

CETA is an attempt to localize planning and manpower program operations through which the prime sponsors operate employability development programs for the unemployed.

During 1976, the Minnesota Department of Employment Services contracted with each of the prime sponsors in Minnesota to provide employment-related services. The Department delivered such services as outreach, counseling, testing, referral to training, contract negotiations for on-the-job training and Public Service Employment. Training allowances were paid through the Department's Unemployment Insurance division for a number of prime sponsors.

In addition, the Department offered free placement services to the prime sponsors. The type and quantity of services contracted for varied with each prime sponsor in order to tailor the Department's services to the needs of each prime sponsor.

The goals of CETA and the Employment Services are much the same--to help Minnesotans find

employment. CETA's role is to work with those persons who need extra help in becoming employable. The Employment Services' role is to work with those persons who have completed CETA training and are ready for employment, plus, of course, those persons who are not in the need of CETA services.

Cooperation between CETA and the Employment Service provides two-fold benefits. CETA funds used for job placement can be channeled back into employability programs. For the Employment Service, which is funded by the federal government according to the number of job placements made, more placements are secured. These placements bring more federal dollars into the state through the Employment Service.

Employment Services Reach Rural Areas

Throughout 1976, the Rural Manpower Services section helped Department area offices provide employment services to persons in the agricultural areas of the state. Special emphasis was placed on ensuring that employment help was available to everyone, regardless of where they live.

Late in 1976, federal funds were made available to provide Job Bank facilities to approximately 60 rural Minnesota communities. The Job Bank, a computerized, statewide listing of all jobs filed with the State Employment Service, will help promote job opportunities and employment services for migrants and seasonal farm workers as well as for rural residents in many smaller communities.

Weather again had a depressing effect on employment in agricultural areas. In contrast to the rains and floods of the past two years, drought was the culprit in 1976. Minnesota crop losses exceeded a billion dollars, and consequent job losses were substantial.

West central Minnesota was the hardest hit, and even second plantings failed in some areas. As hope for jobs in this area faded, many migrant workers left for home unless they were able to find employment in other areas. Migrant Labor Counselors from several area offices helped workers who had lost their original jobs, due to the weather, find other work.

Only the asparagus crop in southern Minnesota escaped extreme damage from the dryness. With its deep root structure, the crop needed only minimal precipitation. The favorable weather for snapping made 1976 the earliest in history, starting April 24-26 and ending about June 20.

Continued lack of precipitation in most areas of the state at freeze-up time and predictions of a generally light winter caused gloomy predictions for the 1977 crop. Topsoils were bone dry five or six feet down and many ponds and streams dried up for the first time in memory. There is concern for the winter wheat crop and experts even expect severe winter-kill of trees and shrubs. The severity of these plant losses could drastically affect 1977 employment levels among both migrants and seasonal farm workers.

Contrary to the national trend, Minnesota's use of migrant workers increased moderately over the

past two years. This was due primarily to expansion of sugar beet acreage for new processing plants. This interrupted a gradual decline in the use of migrant workers in Minnesota because of persistent mechanization of field operations.

Extensive planning for expansion of sugar beet processing facilities in the Red River Valley took place in the early 1976. However, declines in sugar prices may cause a temporary (if not long-term) delay in plant expansion. This, along with continued refinements in automatic beet thinning equipment, may result in a steady decline in the demand for migrant workers in Minnesota over the next several years. Some grower groups are so confident that herbicides and automatic thinners can do a complete job that they are predicting little or no need for migrant workers within 10 years.

If this happens, perhaps local youth could do the minimal amount of weeding and thinning that may be required, as it would become increasingly unattractive for migrants to travel great distances to meet the declining need for labor.

Minnesota youth have often filled special and sudden demands for agricultural labor, usually in corn detasseling, sugar beet hoeing and general weeding. Over the years many thousands of Minnesota youth responded to growers needs for assistance.

Although declining birth rates may eventually effect this source of labor, the backlog of young people willing and able to do temporary summer jobs has never been fully utilized.

For Rural Manpower Services, emphasis in the coming year will be placed on maximizing employment of migrants and seasonal farm workers and on further extending employment services to residents of smaller communities and the more rural areas of Minnesota.

Equal Service Goal Of Monitor/Advocate

The Monitor/Advocate is responsible for ensuring that seasonal farmworkers and migrant

When hundreds of workers were needed during Farmfest '76, one of the first places planners turned was to the Department.



Department Passes Farmfest Test

The planners of Farmfest '76 realized that a lot of work would have to be done before three quarters of a million people descended upon the bicentennial agricultural exposition to be held near Crystal, Minnesota.

One of the places those planners were to turn to for help was the Minnesota Department of Employment Services. Hundreds of workers were going to be needed to

prepare space for exhibits, displays and entertainment features.

It was a challenge and the Department responded. Beginning the last week in August, MDES staff-members from the Mankato, New Ulm and Fairmont offices began screening and hiring workers from a mobile van set on the Farmfest site. More than 900 persons were placed in jobs before the operation was closed down two weeks following the event.

workers receive the same employment services provided non-farmworkers.

During 1976:

- Proportionately more migrants were referred to jobs than non-migrants
- Migrants registered with the Employment Service were more likely to be placed on jobs than non-migrants (over 50 percent of the migrant applicants were placed).
- Migrant applicants were more likely to receive the same service (job referral, job development, counseling, testing and referral to supportive services) as non-migrant job applicants.

The Court Order which established the Monitor/Advocate position also required each state employment service to implement a complaint procedure. This procedure is in operation in all Department area offices. Through this program, the public is assisted in registering their complaints regarding working conditions or the programs and services provided by the Department.

The Monitor/Advocate is responsible for implementing and coordinating the complaint system, as well as investigating unresolved complaints.

During 1976, 159 complaints were processed, 35 from migrants and seasonal farmworkers. The majority of complaints filed with the Department involved problems with private employers.

Most of the complaints involved discrimination charges or wage-hour disputes against employers. All but nine of the complaints have been resolved.

WIN Encourages Self Sufficiency

During 1976, 4,837 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 employable members of families receiving AFDC benefits.

WIN is a joint effort of the U.S. Departments of Labor and Health, Education and Welfare through the Minnesota Departments of Employment Services and Public Welfare. Its purpose is to encourage and enable AFDC recipients to leave welfare and to 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 Employment Services include: orientation to the world of work; counseling; testing; training in improving 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 4,837 WIN registrants who entered unsubsidized employment in 1976, 394 were involved with PSE and 1,075 with OJT. Those who received basic education or vocational classroom training numbered 1,104.

Of those receiving WIN services, 79 percent were women and 21 percent were men. Minority group members made up 17 percent of the registrants and veterans were 8 percent of the total.

Of the WIN registrants, 19 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.

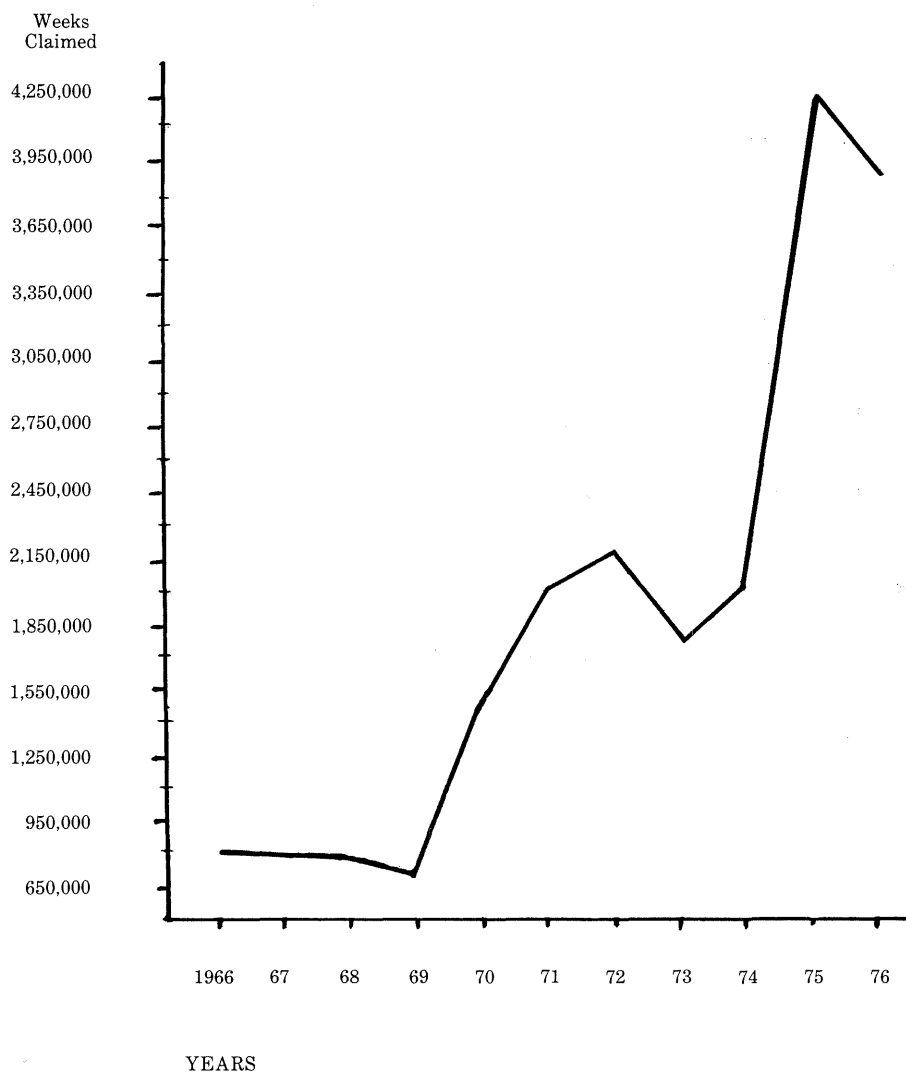
With WIN's primary emphasis of placing AFDC recipients into meaningful jobs, at least 37 percent of WIN's federally funded expenditures must be used for WIN, OJT and PSE. Other WIN activities, except placement, have lower priorities.

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

Unemployment Declines

Weeks Of Benefits Claimed
1966 - 1976



For the Minnesota Department of Employment Services, the year 1976 showed signs of a slowly improving economy as the number of claims for unemployment insurance benefits decreased.

After the widespread unemployment of 1975, the employment situation in Minnesota leveled off as the economy adjusted. Unemployment insurance benefit extension programs that had been in effect were terminated late in 1976 when Minnesota's insured unemployment rate (the rate among workers covered by unemployment insurance) decreased to less than 5 percent.

Unemployment benefits are paid to persons who have worked for a substantial period of time and who are out of work through no fault of their own. The amount an unemployed worker can collect is based on past earnings, not on a need formula. Only those who are able to work, available for work and actively seeking work are eligible.

Benefits paid to unemployed workers help them maintain their purchasing power. Unemployment insurance dollars return to the economy through

mortgage or rent payments and the purchase of food, clothing and other necessities. They also subsidize the unemployed worker's job search or help finance a return to work.

Unemployment insurance is not a welfare program. It is a form of insurance, like Social Security, for which "premiums" are paid in advance of claims by most employers. Exceptions are federal, state and local governments and some non-profit organizations. Instead of contributing to the trust fund in advance, they reimburse the trust fund after benefits are paid to their employees.

Through unemployment insurance a jobless worker can collect whether or not there is another income in the household. Secondary as well as primary wage earners are regarded as essential to the nation's work force. Through their skills, secondary workers enhance the economic and social well-being of the family and of the community.

Unemployment insurance protects both the employee and the employer. When an employer is forced to release a worker temporarily, unemployment insurance enables the worker to weather the layoff period without seeking other permanent work. When business picks up, the employer can recall a trained, experienced worker and the worker retains his job rights.

Without unemployment insurance, a worker would have to seek other work, perhaps permanent work at a lower skill level. Often a less-skilled worker would be displaced and job turnover rates would be increased.

In the case of employees who are laid off permanently, or for an ex-

tended period, unemployment benefits provide income while they look for new jobs. This keeps dollars flowing into the economy to protect the social and economic welfare of families. This not only helps to maintain community living standards, but also provides opportunities for workers to seek jobs at the highest skill and wage level possible and to maximize their individual contribution to productivity.

Without unemployment insurance, a laid-off worker's ability to purchase goods and services is diminished greatly and, in times of substantial unemployment, this decrease in demand could bring about additional layoffs among workers who supply the goods and services.

During 1976, the regular benefit program was successful in getting \$173,794,460 back into the economy.

Claims Filing Process Outlined

To file an initial claim for unemployment benefits, a person reports to one of the Department's 35 full-functioning area offices located throughout the state. The initial claim form, which is completed in the area office, requires the claimant to list all employers of the past 52 weeks and reasons for separation. Earnings during the 52-week "base period" are used in determining the validity of the claim and the benefit amount.

The claim is submitted to the State office for processing and is cross-checked for possible duplication of other claims filed in the same year. In addition, each base period employer is

asked to supply wage and separation information which is used to help determine the validity of the claim. Called a "monetary" determination, this indicates the amount of earnings used to establish the claim and the weekly and total amount of benefits that can be claimed.

The employer also is required to advise the Department of any conditions that may disqualify the claimant for benefits. Disqualifying conditions may include a voluntary quit without good cause attributable to the employer, a discharge for misconduct or unavailability for work. This information is used to make a "nonmonetary determination"--whether or not there will be a disqualification period before benefits can be collected or a reduction in the total amount of benefits available to be claimed.

Each claimant is assigned a date and time to return to the area office to file a "continued claim" report. Each week a continued claim is filed in which the claimant answers questions concerning his or her ability to work and availability and search for work. At the same time of the claimant's first continued claim report, any additional information needed to process the claim is obtained and statements may be taken regarding any job separation questions raised by former employers. Claimants also may be disqualified for a set period due to the nature of their separation from a job (a quit or a discharge).

Once a valid claim has been established the claimant receives checks by mail. The claimant also mails in reports although periodic in-person interviews are scheduled to check whether all requirements are being met.

Claimants may become ineligible if they fail to meet the requirements for collecting unemployment insurance benefits such as being able to work, available for work or conducting an active job search. Ineligibility is determined for each reporting period and benefits may be denied for that period. If the conditions resulting in ineligibility are corrected, benefit payment is resumed.

In some instances the Department has difficulty obtaining employers' records of claimants' wages. During 1976 the Department instituted new procedures to expedite the processing of those claims. Formerly, field auditors conducted most of those investigations by going to the employers' place of business. Now, the area offices contact employers directly and only in special instances are field auditors involved. This, along with direct transmittal of information to the State office and the use of a simplified form, reduces both administrative cost and the time required to investigate missing wages. As a result, delivery of first payments has been speeded to a large number of claimants.

In addition, on line computer terminals in the State office have increased the speed of record processing, data retrieval and problem solving, resulting in faster service.

Initial Claims Drop in 1976

During 1976, a total of 250,501 initial claims were filed for unemployment insurance

benefits, compared to 292,522 in 1975. In addition to the regular program, three extended benefit programs were in effect for much of 1976 which increased the potential life of a claim from 26 to as many as 65 weeks. Initial claims filed under the extended benefit programs total 108,118 in 1976, a decrease of 17,200 from the 125,318 of 1975.

When the rate of insured unemployment in Minnesota fell below 5 percent of the insured work force for 13 consecutive weeks, the second and third benefit extensions, which were federally funded, were terminated for Minnesota claimants with the week ending November 6, 1976. This reduced the total maximum potential entitlement on Minnesota claims to 39 weeks.

The Special Unemployment Assistance program (SUA), which was created in December of 1974 to provide benefits to persons not covered by employment insurance, was scheduled to end March 31, 1977. However, Congress extended the deadline for filing initial claims to December 31, 1977. SUA payments will be made through June 30, 1978.

Many states may be required by federal law to amend their unemployment insurance laws to provide regular coverage for many of the individuals now covered only by SUA. In Minnesota, changes will be minimal because state and local government employees and most farm workers already are covered. Nonetheless, 3,936 initial claims for SUA benefits were filed by Minnesota workers during 1976.

Interstate Pacts Aid Jobless

The interstate benefits program provides unemployment insurance to persons who worked in one state and then moved to another state. During 1976, Minnesota workers who had moved to other states filed 17,400 initial claims against Minnesota wages. They claimed a total of 148,519 weeks of unemployment benefits which resulted in interstate unemployment insurance payments of \$8,513,294. This is an increase of 12 percent from the \$7,581,101 paid in 1975.

The interstate benefits program underwent significant changes during 1976 which increased efficiency and speeded the processing of benefit payments. A major change was the conversion of all Minnesota interstate claims to the automated benefit payment system which eliminated much hand processing for routine claims and freed personnel to concentrate on reviews to disclose irregularities and to devote more time to difficult cases.

Interstate agreements enable a claimant to combine wages earned in any number of states to establish claims or increase benefit amounts. Claims filed under those agreements are termed combined-wage claims. Combined wage claims, which formally were paid by the state which was mainly liable, are now paid by the state in which they are filed. Benefits are prorated to the states in which the claimant earned base period wages.

Combined-wage claims activity has greatly increased in Minnesota. In 1976, Minnesota paid \$123,163 to other states

Unemployment Compensation

	1976	1975	Change
Initial Claims	250,501	292,522	-42,021
New	171,352	194,801	-23,449
Additional	66,135	83,206	-17,071
Interstate	13,014	14,515	-1,501
Continued Claims	1,331,102	1,635,923	-304,821
Interstate	64,670	69,843	-5,173
Weeks Paid	2,181,399	2,630,365	-448,966
Net Benefits Paid	\$173,794,460	\$180,237,890	-\$6,443,430
Average Weekly Amount	\$79.67	\$68.52	\$11.15
First Payments	147,836	166,257	-18,421
Benefit Exhaustions	64,937	70,261	-5,324

1976 UCFE And UCX Activity

	UCFE Only	Joint UCFE-UC ¹	UCX Only
Initial Claims Filed	1,996		6,621
Weeks Paid	24,371	5,253	101,703
Amount Paid	\$2,017,775	\$95,892	\$8,477,277
Average Weekly Amount	\$82.79	\$18.25	\$83.36
First Payments	1,579	349	5,627
Benefit Exhaustees	754	131	2,572

1976 Extended Benefit And Supplementary Benefit Activity

	Extended Benefits	Federal Supplemental Benefits	Federal Supplemental Benefits- Extended	Special Unemployment Assistance
Initial Claims Filed	61,269	30,140	16,709	3,936
Weeks Paid	548,600	313,134	180,264	49,824
Amount Paid	\$40,186,336	\$21,874,618	\$11,905,195	\$3,314,346
Average Weekly Amount	\$73.25	\$69.86	\$66.04	\$66.52
First Payments	58,929	7,723	4,812	2,568
Benefit Exhaustees .	39,251	23,359	16,925	932

¹Federal portion only.

²Federal funds only.

under the wage combining plan. Minnesota paid \$3,631,095 to claimants within the state, and received \$1,700,367 in reimbursement from other states.

Training Payments Made to 1,900

During 1976, the Minnesota Department of Employment Services paid weekly training allowances to approximately 1,900 persons receiving training through the Comprehensive Employment and Training Act (CETA). Training allowances, based primarily on the federal minimum wage of \$2.30 per hour, plus expenses, totaled \$3,014,795, an increase of \$237,166 over 1975.

In addition, unemployment insurance benefits were paid to 160 trainees in the amount of \$147,315 in lieu of or to supplement CETA allowances.

Under the Work Incentive (WIN) program, registrants were paid semi-monthly incentives and training-related expenses, totaling \$385,848 for the year.

Unemployment benefits paid during 1976 continued to exceed the funds available. This required additional loans of \$76,000,000 from the federal government, raising the total owed by Minnesota to \$123,000,000.

Benefit Payments Top Fund, Loan Needed

Employer contributions and interest earned during 1976 totaled \$117,115,932, an increase of

\$22,673,845 over 1975. A net total of \$173,794,460 was paid out in unemployment insurance benefits during 1976, with an additional \$20,034,021 paid out as the state's share of the Extended Benefits Program.

The Unemployment Compensation Fund balance on December 31, 1976, was \$19,396,109.

Eligibility For Benefits Reviewed

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 it is time for a periodic interview, in person. Each time they report, their eligibility to receive unemployment insurance is reviewed. Areas of possible disqualification that might require investigation include: the reason a claimant left any job held during the year before filing; 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 102,768 job separation and work refusal issues in 1976, resulting in 65,236 disqualifications for various periods of time. Investigations of 79,783 cases of eligibility caused 38,255 denials of payment or waiting week credit.

The procedure for processing non-monetary determinations was changed during 1976. Previously, most determinations regarding claimant job separations were made in the State office. Determinations now are made by personnel in each area office with

the exception of issues involving labor disputes and gross misconduct. This procedure has improved the timeliness of first payments and speeded up the decision-making process by eliminating the mailing of information back and forth between area offices and the State office.

Employer Tax Generates Funds

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 interpreting and applying the provisions of the Minnesota Employment Services (MES) Law that pertain to employers and employment, the Department takes into consideration the organizational structure of the business, the type of services performed by the workers, the amount of wages paid and the number of workers employed.

In 1976 the Department registered 12,262 new employers, increasing the total number of liable employers to approximately 77,045 which includes approximately 2,166 local government units.

Most liable employers pay quarterly contributions (taxes) based on an assigned annual contribution 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 con-

tributions 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 1976 the benefit cost rate was 2.5 percent. 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 consists of charges for benefits paid to former employees and the taxable payroll on which all contributions 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 minimum rate for 1976 was .9 percent. The maximum rate which was 5.0 percent has been increased to 6.0 percent for those employers whose experience ratio exceeds 5.0 percent for each of three consecutive years.

For employers who acquire a business from a liable predecessor, their experience plus the experience of the previous liable employer is used in computing the rate. Successors acquiring a distinct portion of the business have the option of applying only for the employment experience applicable to the portion of the business acquired.

Once an employer's experience rate is established, that rate is used to calculate contribution amounts. In 1976, employers paid tax on the first \$6,200 (or portion thereof) in wages paid to each employee. The tax is determined by multiplying the taxable portion of the wages by the experience rate. Each quarter the employer

Certain non-profit organizations which have elected not to be taxed as regular employers, along with the state of Minnesota, instrumentalities of the state and political subdivisions are required to reimburse the fund for benefits paid to their former employees. Unemployment benefit payments made to federal employees and ex-military personnel are reimbursed by Congressional appropriations.

Department field auditors are located in 15 cities throughout the state to help employers comply with the MES Law. They conduct investigations to determine if employing units are liable employers, secure delinquent tax reports, collect delinquent unemployment taxes and audit employers to verify the accuracy of tax reports on file. An equally important function of auditors is to supply employers with services such as helping them solve tax problems and complete reports. The auditors also conduct field investigations when area offices are unable to locate employers to verify missing wages.

During 1976, the Department began operating a computerized billing system that advises employers and field auditors of delinquent taxes or tax overpayments on a quarterly basis. The immediate results have been the reduction of a large number of small delinquent tax amounts that dated back several years and a shift of five clerical staff from manual preparation of debit and credit statements to handling employers' inquiries and adjustment requests, thus providing better service to employers.

In 1976, the Experience Rating and Benefit Charging systems were developed and imple-

mented. These were the final major components of the Employer Tax System, the largest automated system ever undertaken by the Department. Implementation of these systems eliminated massive punch card sorting and processing tasks. Several changes in the law enacted by the 1975 Legislature, having to do with an employer's benefit charge to wage ratio made it essential to develop a computerized file capable of sorting all facets of an employer's experience for a three-year period.

Benefit charging also was a punch card handling and processing system which had become unmanageable because of the increase in the number of charge adjustments generated during implementation of the automated Benefit Payment System. The Benefit Charge system takes all transactions generated by the Benefit Payment System and enters them onto a computer file for each employer on a daily basis. This prevents the confusion created by out-of-sequence entries, eliminates manual controls, increases accuracy and provides up-to-the-minute information.

Due to the substantial increase in the tax workload and the inability to reduce the heavy backlog, additional staff was hired and duties reassigned on a geographical basis. When all employees are trained and fully productive, the full impact of the reorganization will be realized and service to employers will improve appreciably.

Investigative Unit Monitors Payments

The Department operates a continuous, statewide invest-

igation program to prevent and detect administrative errors, benefit overpayments, tax irregularities or claimant and employer fraud. These programs protect the Unemployment Compensation Fund by ensuring that all employer taxes are collected and that benefits are paid only to eligible claimants.

In 1976, the investigation staff was increased substantially. Four additional claims auditors were added to handle increased auditing needs resulting from the high claims load. Three field investigators also were hired. These investigators work where needed throughout the state. 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 in any criminal or administrative action taken on the matter involved.

Various methods are used to detect benefit overpayments to claimants. Auditors check benefit payments made to a claimant in a previous benefit year against the wages reported in a new claim; verify return-to-work dates and wages reported by claimants; investigate employers' protests to benefit charges; and follow up on all tips from the public.

The Department maintains individual accounting records for all benefit overpayments and prepares adjustments to employer experience rating accounts for amounts determined to be overpaid. Matters relating to benefit check irregularities are also processed. This includes lost or stolen checks and forgeries.

During 1976, the Department discovered 13,310 overpayments amounting to \$2,192,647. Of these, 1,163 cases were determined to be fraudulent and amounted to \$304,681. Most overpayment cases are found to be the result of unintentional errors or misunderstanding. During 1976, overpayment recoveries totalled \$1,489,659, including cash refunds and benefits withheld from payments due.

The more flagrant cases of fraud are referred to the State Assistant Attorney General for his review. Criminal action is initiated in the courts on the cases that warrant prosecution. It is a misdemeanor to obtain benefits fraudulently. Fraud cases not handled in a court action are dealt with administratively by the imposition of disqualification penalties.

Department referees conduct first level appeal hearings when employers or employees disagree on unemployment insurance determinations.



Benefit Appeals Increase In 1976

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 in the Assistant Attorney General's office. 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 dec-

ision 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 1976, the Department conducted over 13,000 hearings, an increase of 3,000 from 1975 and 5,000 more than 1974. The hearings ranged from fifteen minutes to seven hours in length and from single-party cases to ones that affected more than 800 individuals. The amounts of money at issue in single hearings varied from as little as \$7 to more than \$250,000.

The appeals staff for benefit issues was increased in 1976 from 11 to 15 hearing officers and from 15 to 24 support employees.

New transcribing and recording equipment was installed in 1976 to save time and money and help speed the appeal process. Electric recording typewriters are now used which significantly re-

duce the time required for typing and duplicating decisions. Specialized recording equipment is now available which greatly reduces the number of hearings that have to be reconducted because of poor recordings.

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

Cost Model Study Aids Management

In 1976, the Department conducted a cost model restudy to update estimated costs for unemployment insurance processes. The restudy will help in the distribution and effective employment of unemployment insurance personnel.

Based upon established quality standards, cost studies determine the average time necessary to complete a given unemployment insurance task. The average times derived from the study are termed minutes-per-units, or MPU's. MPU's, combined with workload predictions, are then used to forecast the staffing needs and resources required for future years. Through the cost model, the Department is able to define needs and thereby limit its unemployment insurance funding requests to the essentials needed for administration of the programs. This approach to budget preparation and allocation of resources helps bring sufficient federal funds into Minnesota to

staff and support unemployment insurance functions. Quality standards included in the Cost Model Study insure that quality unemployment insurance services are provided to the public with maximum effectiveness and at minimum cost to the taxpayer.

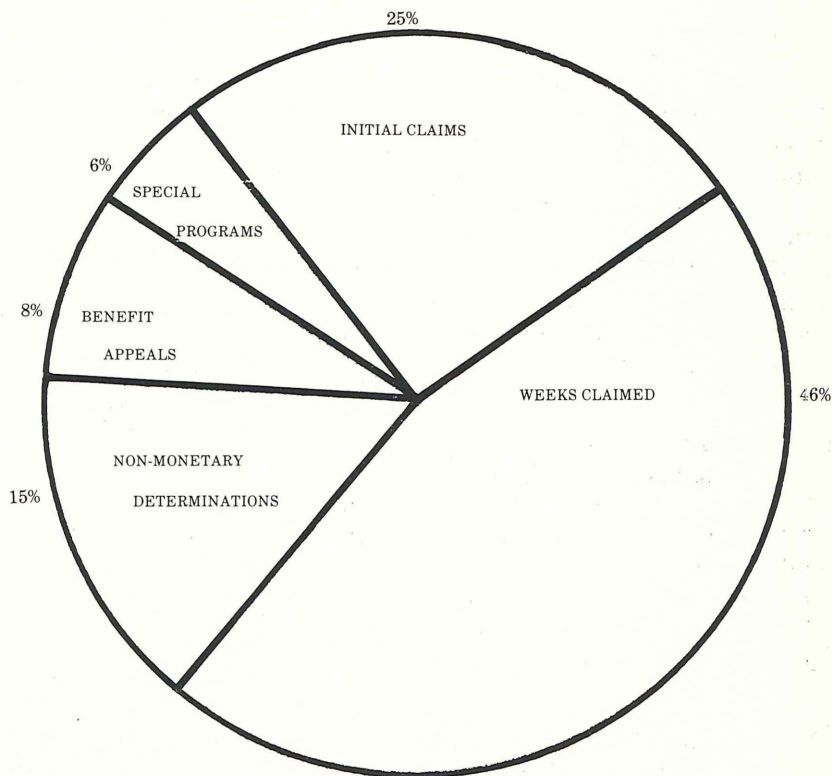
The 1976 cost model study was the first conducted since 1973. The study required four months and involved the collection of 7 million items of raw data through observation of the daily activities of more than 400 employees in the State office and in 7 representative area offices. As many as 24 employees were assigned to monitor activities and summarize data.

A programmable calculator ordered during 1976 will facilitate that work and substantially reduce the numbers of personnel required to conduct future studies.

The findings of the cost model study will be applied to the activities of as many as 900 employees at unemployment insurance workload peaks and will affect annual administrative expenditures of more than \$10,000,000.

The improved distribution and effectiveness of unemployment insurance personnel made possible by the cost model will help improve services to claimants and employers and promote the interests of the public.

Unemployment Insurance Division
Administrative Budget Earnings*
Fiscal Year 1976



*Administrative budget based on the unemployment insurance cost model. Funds are earned by minutes per unit of workload. This is a zero-base budget.

Computer To Cut Costs, Aid Service

During 1976, the Minnesota Department of Employment Services (MDES) laid the groundwork for an expanded automated system that is designed to cut costs and improve the quality of service provided to the public.

Called the Employment Security Automated Plan (ESAP), it will provide further automation of employment service and unemployment insurance functions. Proposals have been developed outlining personnel, equipment, training and funding requirements along with cost and cost recovery estimates for completion of the plan.

ESAP was developed in Minnesota in response to the U.S. Department of Labor's emphasis on automation for all state employment security agencies as part of a national employment system. ESAP is expected to be operational in Minnesota by 1980.

For the Employment Service, the most significant component of ESAP is the Job Match System. The system will use computer ter-

minals which will make it possible to match an applicant to a job opening while the applicant is seated at the interviewer's desk.

In addition, the system will include overnight batch match, through which job orders will be matched with available applicants each evening. In the morning, the applicants that are selected can be called before regular business hours and referred to jobs.

The Job Match System is expected to aid the placement process by providing more efficient matching of job openings to job applicants. Both employers and job-seekers will benefit from faster, more thorough service. Other benefits include reduction of paperwork and fewer errors.

The initial costs of Minnesota's Job Matching System are funded by the federal government. The system will operate initially in the Minneapolis-St. Paul metropolitan area where both large numbers of applicants and a ready job supply exist.

For the Unemployment Insurance division, ESAP calls for further computerization of the employer tax and benefit payment systems. Through ESAP, computer terminals will be installed in all MDES offices that provide unemployment insurance claims service. The terminals will provide direct access to computer files, speeding up delivery of services, improving accuracy and eliminating a substantial amount of paperwork.

To secure federal approval and initial funding, the portion of ESAP concerned with unemployment insurance activities must recover all initial costs by savings achieved in the first three years of operation. Savings will be realized through the elimination of some clerical tasks, a reduction in filing and file storage requirements, greater efficiency and a reduction of document handling. The greatest advantage of ESAP, however, will be improved quality of service that area offices will provide through faster and more accurate claims processing.

Jobs For Veterans A Priority

During 1976, a total of 35,689 veterans applied for employment assistance through the Minnesota Department of Employment Services (MDES) and 17,145 veteran job placements were made. Of those placed, 2,688 were identified as being disabled veterans. In addition, 2,849 veterans received employment counseling at MDES area offices.

Over 50 Veterans Employment Representatives (VERs) are stationed in MDES area offices throughout the state to help veterans find jobs. They seek to contact all veterans upon discharge from the Armed Forces to inform them of the services available to them through MDES. These services include job placement and development, employment counseling, interest and aptitude testing and referral to on-the-job training or other educational opportunities. When appropriate, referrals are made to the Veterans Administration or other public agencies which provide non-employment related services for veterans.

A representative of the Eveleth Taconite Company (center), the Virginia area office manager (left) and veterans employment representative display the American Legion's "Employer of the Year Award for Hiring Veterans." The Eveleth firm was nominated for the award by the Virginia office.
MESABI DAILY NEWS



Disabled veteran applicants receive first priority for referrals to job openings. Second priority is granted non-disabled veterans and certain other eligible persons. Special employment and training programs serve the needs of Vietnam-era and recently separated veterans.

MDES veterans programs also serve employers. Many veterans developed useful job skills in the military and make excellent employees. Employers can interview qualified veterans for their job openings by contacting an MDES area office.

Federal contractors are required by law to list their job openings with state employment service agencies and, in some cases, to give hiring priorities to veterans. MDES helped employers meet these requirements.

Participation and cooperation with veterans' organizations and other agencies and groups concerned with the welfare of vet-

erans is an important responsibility of the VER. MDES, through its VERs, cooperated with the National Alliance of Businessmen in conducting veterans employment information seminars in the Twin Cities and Duluth. Veterans received employment and training information and assistance from local employers and representatives of schools, the Veterans Administration and other agencies. Many smaller communities also conducted employment programs for veterans in which the local VER often played an important role. VERs also helped CETA (Comprehensive Employment and Training Act) prime sponsors develop and implement plans for services to veterans as required by federal law. Many VETS represented certain veterans groups on CETA advisory councils.

During 1976, several MDES area offices and employers were recognized by veterans organ-

izations for service and participation in veterans programs. The Virginia area office nominated the Eveleth Taconite Company, which won the Minnesota American Legion's "Employer of the Year Award for Hiring Veterans." The award was presented at the Legion's annual convention in Bloomington, Minnesota in July.

The Rochester area office's nominee, the Ability Building Center, Inc., won the Legion's "Award for Hiring Handicapped People" and the Crookston area office nominated the J.R. Simplot Company which won the Legion's "Older Worker Award."

The Hibbing MDES area office won the Veterans of Foreign Wars (VFW) award for the "Outstanding State Employment Service Office for Services Provided Veterans." The award was presented at the state VFW convention in June.

The Fergus Falls area office won the American Legion's 1976 "Outstanding Service to Veterans Office" award.

The Disabled American Veterans Department of Minnesota selected the Rochester area office VER as the "Outstanding Veterans Employment Representative" for 1976.

United States Veterans Employment Services representatives provide functional supervision and assistance to state veterans programs. The MDES Veterans Program Coordinator worked closely with the federal representatives and VERs throughout the state to ensure that qualified veterans receive priority service. He also served in an advisory capacity to various committees and organizations promoting jobs for veterans.

The Fergus Falls area office manager (right) and veterans employment representative (center) receive the American Legion's 1976 "Outstanding Service to Veterans Office" award.



Administrative Support Essential

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 1976, effort continued to be expended in the interpretation of the labor contract between the State of Minnesota and the State Employee's Union, American Federation of State, County and Municipal Employees, Council No. 6, AFL-CIO. A supplemental agreement to deal with specific internal problems was negotiated and preparation was made for negotiation of a new contract to be implemented in July of 1977.

The Employee Assistance Program gained momentum during 1976. This program helped employees with personal problems that affected work performance by providing confidential assessment and referral service.

Department employees are trained in the use of a newly-installed telephone system (top). A new computer and several disk drive units were installed in 1976 increasing the Department's on-line computer capability (bottom).



Training in the computerized unemployment insurance benefits payment system was conducted on a statewide basis in 1976. Once this training was completed, statewide decentralized nonmonetary determinations training began. Nonmonetary determinations--investigating job separations and determining whether or not benefits will be paid--are now made in area offices, requiring extensive training of area office staff to familiarize them with the new procedures.

Emphasis was placed on the Department's Affirmative Action Program to ensure equal employment opportunities to all current and prospective employees. In conjunction with this, an Affirmative Action Officer was hired in mid-1976 to monitor the De-

partment's Affirmative Action program and provide training for Department staff.

An employee performance appraisal system was implemented in the Department during 1976. This system consists of a position description and performance standards prepared by each employee and evaluation by the supervisor.

Economy, Efficiency Management Goals

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.

5-Year Automated Plan Developed

During 1976, the Electronic Data Processing (EDP) Management branch made significant progress in several areas.

One of the major projects was the development of a five-year plan for the Department's automated systems. Included in the five-year plan was the Employment Security Automated Plan (ESAP). The EDP Management branch played a major role in the development of this plan, which includes automation of additional unemployment insurance and employment service functions (see page 28).

The five-year plan calls for the acquisition of additional computer hardware and the installation of display terminals (cathode ray tubes, CRTs) in selected Department offices throughout the state.

At the present time, information stored in six computer files can be obtained through display terminals in the State office. An average of 83,000 inquiries are made each month.

During 1976, several new automated systems were implemented to help reduce errors and to improve the timeliness and quality of Department services.

These included:

An experience rating system which allows for periodic updates and reviews of employers' wage data and benefit charges, avoiding an end-of-the-year crunch. All necessary wage and benefit charge data is now stored in computer files and

1976 Administrative Expense

	1975	1976
Personal Services	18,623,864	20,424,365
Personal Benefits	2,768,418	3,334,927
Occupancy	1,110,023	1,206,484
Travel	433,078	377,680
Supplies	454,604	527,152
Communications	332,945	338,939
Equipment Rentals	321,331	375,480
Equipment Maintenance	217,265	166,979
Out-Service Training	13,888	9,592
Advertising	124,066	23,670
Services	352,321	455,311
Other Administrative Expenses	77,411	64,763
Registration and Training — Work Incentive Program Enrollees	1,273,102	2,323,065
On Job Training — Comprehensive Employment and Training Act	313,585	211,918
National Council on Aging Contract*	778,214	0
Applicant Support	26,825	40,977
Capital Purchases	327,503	325,298
Amortization of State Building Bonds	259,430	253,180
Amortization of Reed Bill Building Funds	109,270	109,270
Total Expenditures	27,917,143	30,569,050

*Special studies contract administered by the Department in behalf of National Council on Aging.

employers are assigned experience rates based on this operation. (Experience rates are a measure of the employer's experience with unemployment--the less unemployment the firm's workers have, the lower the unemployment insurance tax rate.)

A benefits chargeable system which provides a more efficient means of controlling and recording unemployment insurance benefits chargeable to liable employers.

A system which provides faster and more accurate verification of Minnesota unemployment insurance taxes paid by employers for federal unemployment tax credits.

A wage and employment statistics reporting system which enabled the Department to provide the U.S. Department of Labor with quarterly wage and employment reports at the earliest date since 1971.

Changes were made in the system which tracks the identification numbers given each employer by the federal government. The Department checks newly-issued identification numbers to find employers who are liable for unemployment insurance taxes. The changes to the system provide quicker identification and follow-up.

During 1976, the federal government changed the fiscal year so that it now begins October 1. This required major changes in the cost accounting reporting procedures which keep track of federal funds used by the Department. Despite the changes, the

reports were timely. Minnesota was the first state to submit its October reports to the U.S. Department of Labor.

A new programming package, Dylacor, was introduced in 1976. This software package utilizes special forms that enable non-technical persons to produce reports from computer files.

During 1976, both of the Department's key-processing systems, which translate information into computer readable form, were upgraded with additional processing features and increased disk storage capabilities. All processing activities--reading, writing, verifying and error correction--can be performed independently at any one of the 28 processing stations. Built-in validation capabilities reduce entry of incorrect data and help speed error correction.

During 1976, approximately 4,828,500 transactions were keyed into the system.

A new computer (central processing unit) was installed in May, replacing a smaller unit. The previous computer, despite operating 24 hours a day, seven days a week, was unable to handle the workload. With the new computer, the workload can be handled in a five-day (24-hour) week with one overtime weekend.

Seven disk drive units, which rotate the disk packs and read or write information stored on the disks, were installed late in 1976. This increased the on-line capability to one and a quarter billion bytes (a group of digits that a computer processes as a unit).

Data Valuable Planning Aid

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.

During 1976, in order to better meet the needs for local information, five Regional Labor Market Information (LMI) Centers were 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.

Informed Public Aids Department's Mission

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.

Two public information training sessions were held for selected employees during 1976. Participants were trained in the use of the news media and communication techniques.

Legal Staff Offers Vital Assistance

Activities of the Legal section include advising the Commissioner, Assistant Commissioners, and section heads 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; the defense of all civil actions against the Department; and the drafting of contracts involving numerous activities in which the Department is engaged.

The significant collection activities of the legal section during 1976 are summarized as follows: \$154,300.74 was collected on 391 items of delinquent accounts; 433 suits were commenced in District Court; 297 judgments were docketed; 116 proofs of claim were filed in bankruptcy, probate, receivership and corporate dissolution proceedings; and 32 contested District Court cases were disposed of.

During 1976, 13 overpayment prosecutions were prepared and forwarded to MDES offices for presentation to city and county

attorneys. In 1976, 13 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.

During 1976, 205 employer liability matters were referred for hearing; 242 notice of hearings were made and 242 hearings held; 230 matters were disposed of either through decision or dismissal.

The Supreme Court dismissed the following cases: *Goff v. J. L. Marsh, Inc.*, on motion of the Department; *Yanez v. Department of Employment Services* and *Cab Line, Inc. v. Raymond P. Nordin*, on motion of relator; and *Ind. School District 274 v. John A. Marble*, on stipulation.

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

The Department was reversed in *Ferguson v. Department of Employment Services* and the court held that an employee who was assigned to an area of work which was not his regular area was justified in refusing to work

in that area where one of the doors to that area had been nailed shut, the handles taken off the door and the employee regarded the area as a fire trap, provided that the matter was remanded for the purpose of adducing evidence as to the actual conditions which existed regarding that area and the employee's knowledge with regard thereto;

The Department was reversed in *Hanson v. I.D.S. Properties Management Co.* and the court held that an employee's termination of employment because of the employer's failure to withhold a union initiation fee pursuant to an authorization signed by the employee was with good cause attributable to the employer so that the employee was not disqualified from receiving unemployment compensation benefits;

The Department was reversed in *Speaks, Inc. v. Jensen* and the court held, after affirming the District Court which reversed the Department, that dealers engaged in house-to-house sales of vacuum cleaners were not employees;

The Department was reversed in *Swanson v. Columbia Transit Corp.* and the court held that a school bus driver's involvement in three accidents during a 47-

day period did not constitute "misconduct" so as to justify a partial disqualification for unemployment benefits;

The Department was affirmed in *Fingerhut Corp. v. Dept. of Employment Ser.* and the court held that the Commissioner did not have jurisdiction to redetermine the contribution rate of an employer where a timely appeal had not been filed from the commissioner's initial determination;

The Department was affirmed in *Pichler v. Alter Co.* and the court held that a welder who could have stayed on indefinitely doing full-time work as a welder supported the decision of the Commissioner that claimant, who was not available for work while a full-time vocational student, not enrolled in a training course approved by the Commissioner and for whom suitable work opportunities did exist, was not entitled to unemployment compensation benefits;

The Department was affirmed in *Hill v. Contract Beverages, Inc.* and the court held that a claimant who terminated his employment because he was unable to find transportation because he did not have an automobile and there was no public transportation between his residence and place of employment voluntarily terminated his employment thus disqualifying him for benefits;

The Department was affirmed in *Abramson v. Yellow Taxi Company of Minneapolis* and the court held that a taxicab driver who failed to report a flat-rate trip on his trip sheet justified the conclusion that claimant was not disqualified for unemployment compensation benefits for misconduct;

The Department was affirmed in *Feia v. St. Cloud State College* and the court held that an employee should be temporarily disqualified from receiving unemployment compensation benefits on the ground of misconduct where she disrupted the normal activities of the art department of a college because of her disapproval of the use of nude models;

In the combined appeals of *Semanko v. Department of Employment Services* the Department was affirmed and the court held that a claimant's voluntary reduction to part-time employment to accommodate his education and assumption of a full-time law school class schedule after his layoff established a factual basis from which the Commissioner could conclude that claimant's posture toward the labor market was other than a genuine attachment justifying a denial of unemployment compensation benefits, and further held that the statutory time limitation is absolute and unambiguous and cannot be modified by a showing of compelling good cause for the late filing of an appeal.

In *Kenzie v. Dalco Corp.* the Supreme Court issued an order discharging the writ of certiorari and also issued an opinion on the case stating that the decisions of the Commissioner of Employment Services will not be reviewed upon certiorari unless the writ is issued and served upon the adverse party or parties within 33 days after the date of mailing notice of decision as required by Minn. Stat. 268.10, subd. 8, read together with Rule 126.01, Rules of Civil Appellate Procedure.

In 1975 the Minnesota Supreme Court affirmed the Department in the case of *Johnsrud v. State, Dept. of Employment Services* holding that the Department's

determination refusing to approve the training of an unskilled worker who was enrolled in training designed to increase his employability and holding him ineligible for benefits because he was unavailable for work was not inconsistent with federal legislation and hence did not offend the Supremacy clause of the Constitution. Johnsrud, through his legal counsel, appealed to the United States Supreme Court. On April 19, 1976, that Court entered an order dismissing the appeal for want of a substantial federal question.

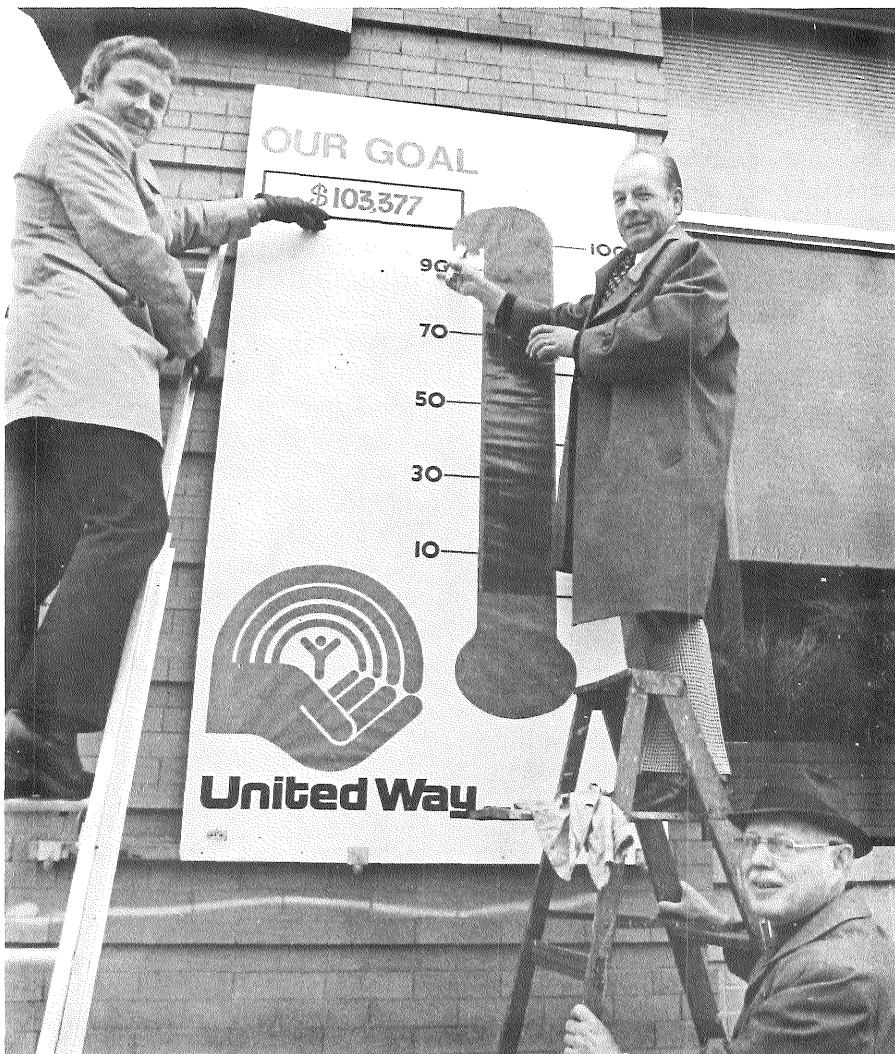
Cantu, et al v. Owatonna Canning Company, Inc., et al, 3-76-Civ. 374 (D.C. Minn.), pending in federal district court is a purported class action brought in United States District Court, District of Minnesota, Third Division, by migrant and seasonal farm workers. The defendants are an agricultural employer, 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, 10 cases were pending in the Supreme Court.

Community Activities Varied

The Red Wing area office manager (top right), who chaired the city's United Way campaign, marks the thermometer as it "boils over" the goal.

RED WING REPUBLICAN EAGLE



For many employees of the Minnesota Department of Employment Services, service to the public doesn't end at the close of the working day.

Involvement in community activities and organizations is often essential to the Department's mission of serving jobseekers and the unemployed. Membership in veterans groups and contact with employer associations is often thought of as "part of the job" — but involvement doesn't stop there. The following are examples of the types of activities by personnel in the Department's area offices:

The manager of the St. Cloud area office chairs the Industrial and Economic Development Committee and also serves on the Personnel Policy Committee for the United Way. Other staffmembers serve on evaluation and selection committees for the Area Vocational School, the St. Cloud Human Rights Commission, the hospital board of directors, the United Way, the St. Cloud Area Personnel

Association and an alcohol and chemical addiction committee of the area Mental Health Center.

In Red Wing, the area manager served as the chairman of the United Way drive which exceeded the established goal by \$1,200.

An interviewer from the Ely area office served as president of the area Kiwanis club and was active in a community bicentennial project.

In Mora, the manager is vice-president of the Jaycees and received an Outstanding Jaycee award. Other Mora staffmembers serve on the advisory council for the Pine City Area Vocational-Technical Institute, the Braham School Board, Rum River Co-op Vocational School Board and the East Central Regional Development Commission.

The manager of the Hastings area office has served as a board member of the United Way for the past three years and is on the Industrial Park Advisory Committee.

The Virginia area manager serves as chairman of the Eveleth Area Vocational Technical Institute Advisory Board, an advisory board member of the Mesabi State Community College Public Service section, the East Range Vocational Cooperative Center, the Community Work and Development Center and is a member of the Virginia Chamber of Commerce.

The mayor of Winona (left) is given an explanation of the operation of the Job Bank system by a Department interviewer (top). The mayors of International Falls (second from left) and Fort Frances (second from right) meet at the border to sign the proclamation for "Hire a Student Days." Looking on are staff from the International Falls area office and the Fort Frances Employment office (bottom).

WINONA DAILY NEWS
THE INTERNATIONAL FALLS DAILY JOURNAL



State's Economic Picture Brightens

Following the worst recession since World War II, Minnesota's economy improved slightly in 1976. The prevailing sluggishness of the nation's economy plus the prolonged draught were major factors in limiting the recovery in Minnesota. Fear of forest fires caused by the lack of rainfall forced a hunting and fishing ban in the northern half of the state which paralyzed the tourist industry.

Unemployment developments in Minnesota closely paralleled those of the nation in 1976. The year began with continued moderate declines in the seasonally adjusted unemployment rate, following a pattern established in late 1975. By mid-1976, however, unemployment rates were again rising in both the state and the nation--a trend that was not reversed until the last quarter of 1976. The performance of both the state and nation in reducing unemployment was inhibited somewhat by unusually large

numbers of women entering the labor force and remaining unemployed for a significant length of time.

Although the pattern of change in unemployment in Minnesota was essentially the same as that for the nation, the relative decline in unemployment in the state was somewhat less than in the nation. This was partly due to Minnesota's tendency to lag behind the nation in both recession and recovery. Minnesota also has a large agricultural base, making it much more susceptible to the effects of the draught.

Nonagricultural Employment Gains

Nonagricultural wage and salary employment increased by 40,000 or 2.7 percent from 1975 to 1976. Gains were heavily concentrated in Nonmanufacturing as Manufacturing employment failed to

contribute much toward recovery and was up only 4,600 or 1.5 percent. Most of the small increase in Manufacturing took place in Durable Goods (up 3,300 or 1.8 percent) led by Lumber and Furniture (up 1,400 or 11.5 percent) and Instruments (up 1,900 or 10.6 percent). The only significant gain in the Nondurable categories occurred in Rubber, Miscellaneous Plastics and Leather (up 1,500 or 14.8 percent).

The major gains in Nonmanufacturing took place in Trade (up 13,700 or 3.7 percent) and Services (up 13,700 or 4.9 percent). The Trade gain was led by increases in employment in Eating and Drinking Places (up 5,300 or 7.0 percent) while the increase in Service employment was paced by continued gains in the growing Medical Services industry (up 5,100 or 5.3 percent). All remaining major industry groups in Nonmanufacturing recorded modest gains in employment.

Inflation Moderates

The rate of inflation continued to moderate throughout 1976 as the annual average Consumer Price Index (CPI) advanced only 6.2 percent from 1975. A year earlier the advance was 8.5 percent while from 1973 to 1974 the CPI was up 11.5 percent.

During 1976, factory workers kept pace with the advancing CPI for the first time since 1973 as average weekly earnings were up 8.7 percent, from \$200.43 to \$217.95. The average workweek, although up slightly from 1975 (39.7 hours versus 39.3), was still the second lowest since the series was established in 1947. Average hours for the United States have not shown any long-term tendency to decline since 1946 but tend to fluctuate along with the business cycle.

Earnings of production or non-supervisory workers in some non-manufacturing industries were able to keep pace with the cost of living while others were not. Construction worker's average weekly earnings were up the most (12.1 percent), while the smallest gains were made by retail trade workers (up only 2.1 percent). The length of the average workweek was longer in all industries in 1976 with the exception of Mining and Trade.

Table I
Minnesota Work Force Statistics
(in thousands)

	Annual Average		Changes 1975 to 1976	
	1975	1976	Actual	Percent
Civilian Work Force	1898.4	1946.0	47.6	2.5
Employed	1756.5	1807.3	50.8	2.9
Nonagricultural	1625.5	1666.1	40.6	2.5
Wage and Salary	1474.2	1514.2	40.0	2.7
Agricultural	131.0	141.2	10.2	7.8
Persons Involved in Labor Disputes	2.2	1.1	-1.1	-50.0
Unemployment	139.7	137.6	-2.1	-1.5
Unemployment Rates	7.4	7.1		

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

	Annual Average		Changes 1975 to 1976	
	1975	1976	Actual	Percent
Total	1474.2	1514.2	40.0	2.7
Manufacturing	312.9	317.5	4.6	1.5
Durable	180.1	183.4	3.3	1.8
Nondurable	132.8	134.1	1.3	1.0
Nonmanufacturing	1161.2	1196.7	35.5	3.1
Mining	14.4	14.8	0.4	2.8
Construction	63.6	65.1	1.5	2.4
Transportation, Communications and Public Utilities	89.1	90.1	1.0	1.1
Trade	369.8	383.5	13.7	3.7
Finance, Insurance and Real Estate	75.4	77.7	2.3	3.1
Services	277.5	291.2	13.7	4.9
Government	271.6	274.3	2.7	1.0

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
1969	41.2	\$3.32	\$136.78	6.1	6.1	5.1
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	39.3	5.10	200.43	9.4	7.5	8.5
1976	39.7	5.49	217.95	7.6	8.7	6.2

¹CPI data for Minneapolis-St. Paul SMSA

Table IV
**Minnesota Hours And Earnings Statistics
 For Production Or Nonsupervisory Workers**

Industry	Percent Change 1975 to 1976 in							
	Average Weekly Hours		Average Hourly Earnings		Average Weekly Earnings		Average Hourly Earnings	Average Weekly Earnings
	1975	1976	1975	1976	1975	1976		
Manufacturing	39.3	39.7	\$5.10	\$5.49	\$200.43	\$217.95	7.6	8.7
Mining	42.5	40.8	6.42	7.08	272.85	288.86	10.3	5.9
Construction	36.9	38.2	8.65	9.37	319.19	357.93	8.3	12.1
Transportation, Communications and Public Utilities	38.2	39.0	6.36	6.73	242.95	262.47	5.8	8.0
Trade	32.3	31.9	4.21	4.44	135.98	141.64	5.5	4.2
Wholesale	39.4	39.4	5.20	5.54	204.88	218.28	6.5	6.5
Retail	30.2	29.6	3.83	3.99	115.67	118.10	4.2	2.1

A statistical supplement to the
 1976 ANNUAL REPORT
 can be obtained by writing the
 Research and Planning Branch

**Minnesota Department
 of Employment Services**

390 North Robert Street
 St. Paul, Minnesota 55101

Employment Activities In The Offices Of The Department

	New Applications		Counseling		Openings Received		Nonagricultural Placements		Agricultural Placements	
	1976	1975	1976	1975	1976	1975	1976	1975	1976	1975
STATE TOTAL	215,790	232,899	11,509	12,431	160,055	130,344	89,589	78,772	7,893	10,927
TWIN CITIES AREA	94,736	111,402	6,427	8,264	92,736	68,944	36,447	31,903	256	305
Minneapolis	25,465	30,121	3,111	4,954			12,193	11,370	27	114
Mpls. Satellite ¹	2,680	3,595	37	132			792	640	0	0
Bloomington	5,031	8,033	100	302			1,956	1,614	0	0
Fridley ²	7,123	7,992	262	220			1,899	1,720	0	5
St. Paul	42,673	45,852	2,248	1,557			14,586	13,110	148	55
Hopkins	11,764	15,809	669	1,099			5,021	3,449	81	131
NORTHEASTERN	26,365	28,235	2,322	2,062	17,648	16,864	16,071	14,316	44	13
Duluth	13,556	15,229	1,481	1,302	8,928	8,128	8,544	7,437	41	12
Ely	1,122	1,058	198	111	1,192	1,120	1,035	897	0	0
Grand Rapids	2,755	3,466	179	228	1,052	1,415	1,079	1,222	3	0
Hibbing	3,682	3,517	261	217	3,092	2,716	2,406	2,095	0	0
Int'l Falls	1,533	1,011	79	34	1,125	1,076	1,095	727	0	0
Virginia	3,717	3,954	124	170	2,259	2,409	1,912	1,938	0	1
NORTHWESTERN	27,791	25,201	564	515	13,311	11,337	9,895	8,277	765	1,003
Alexandria	3,380	3,143	87	63	2,325	2,424	1,678	1,864	75	239
Bemidji	5,159	4,801	123	102	1,846	1,393	1,518	1,273	4	7
Brainerd	5,908	4,259	70	59	2,651	1,322	2,091	1,064	47	6
Crookston	2,652	2,288	0	0	1,323	860	768	691	210	440
Fergus Falls	2,656	2,714	62	74	1,124	1,062	760	731	154	118
Little Falls	2,131	2,102	70	5	750	673	722	578	8	3
Moorhead	3,919	5,674	152	152	1,498	1,897	1,001	1,042	212	163
Thief River Falls	1,986	2,220	0	60	1,794	1,706	1,357	1,034	55	27
SOUTHWESTERN	29,484	29,948	965	566	19,918	18,534	15,462	14,028	4,544	7,039
Fairmont	2,170	2,331	78	30	1,513	1,607	1,028	1,012	818	921
Mankato	8,637	8,996	333	348	7,139	5,276	5,009	4,034	495	544
Marshall	3,159	2,582	20	6	1,175	885	987	772	243	537
Montivideo	3,120	2,173	100	4	1,474	1,034	1,156	728	157	266
New Ulm	2,845	3,608	132	38	2,248	2,663	1,741	1,660	611	891
Willmar	6,745	6,543	198	67	3,766	4,366	3,362	3,760	586	1,091
Worthington	2,808	3,715	104	73	2,603	2,703	2,179	2,062	1,634	2,789
SOUTHEASTERN	37,414	38,113	1,231	1,024	16,442	14,665	11,714	10,248	2,284	2,567
Albert Lea	2,780	2,586	181	123	1,230	926	748	706	1,471	2,165
Austin	1,811	2,557	151	48	950	1,218	775	950	41	36
Faribault	2,186	2,292	224	213	949	705	677	557	0	1
Mora	3,343	4,169	0	6	702	707	541	519	11	18
Owatonna	2,037	1,804	249	198	1,091	1,140	608	560	379	18
Red Wing	2,454	1,939	32	52	967	489	815	435	0	5
Rochester	5,225	6,095	91	103	2,243	2,320	1,553	1,562	14	12
St. Cloud	11,522	11,168	34	31	4,246	3,890	2,739	2,327	0	0
Winona	6,056	5,503	269	250	4,064	3,270	3,258	2,632	368	312

¹Mpls. Satellite includes Northeast, Northside and Southside offices.

²As of April 1976, the Anoka Area office activity is included in Fridley area offices.

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	92,229,015	2,213,072	180,237,890	12,303,405
1976	117,088,564	27,368	173,794,460	19,396,109

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				
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

Directory Of Offices

Office	Tel. No.	Counties Served
Albert Lea	(507) 373-3951	Freeborn
Alexandria	(612) 763-3188	Douglas, Pope, Stevens
WIN ¹	(612) 763-3188	Grant, Douglas, Pope, Stevens, Traverse
Austin	(507) 433-3457	Mower
Bemidji	(218) 755-2936	Beltrami, Clearwater, Hubbard, Lake of the Woods, Mahnomen, N. Cass
WIN	(218) 755-2936	Beltrami, Clearwater, Hubbard, Mahnomen, N. Cass
Brainerd	(218) 829-2881	Crow Wing, South Cass
Staples*	(218) 894-3771	
Wadena*	(218) 631-3240	
WIN	(218) 829-1735	
Crookston	(218) 281-3593	Norman, Polk
Duluth	(218) 723-4730	Carlton, Cook, Lake, South St. Louis
WIN	(218) 723-4608	Carlton, South St. Louis
Ely	(218) 365-3177	NE St. Louis, NW Lake
Fairmont	(507) 235-5518	Martin, Faribault
Faribault	(507) 334-5531	Rice, Part of Goodhue
WIN		
Fergus Falls	(218) 739-2295	Ottertail, Wilkin, Grant, Traverse
Grand Rapids	(218) 326-6669	Itasca, Aitkin
WIN		
Hibbing	(218) 263-3644	West Central St. Louis, Itasca
International Falls	(218) 283-2641	Koochiching
Little Falls	(612) 632-5427	Morrison, Todd, Wadena
WIN		
Mankato	(507) 389-6723	Blue Earth, Le Sueur, Nicollet, Waseca
WIN		
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
WIN		
Mora	(612) 679-3611	Chisago, Isanti, Kanabec, Mille Lacs, Pine
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	
WIN		
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
WIN		
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

¹Work Incentive program

Above listing includes full-time Employment Service and Unemployment Insurance offices except where noted.

*Full-time Employment Service office only



Twin Cities Metropolitan Area Offices

Office	Tel. 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	
Fridley		
Employment Service	(612) 786-9851	Hennepin, Anoka
Anoka	(612) 427-5440	
Unemployment Insurance	(612) 786-6040	
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	(612) 827-6151	(Minneapolis, Model City Area)
Crystal	(612) 537-0563	
Manpower Training 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	