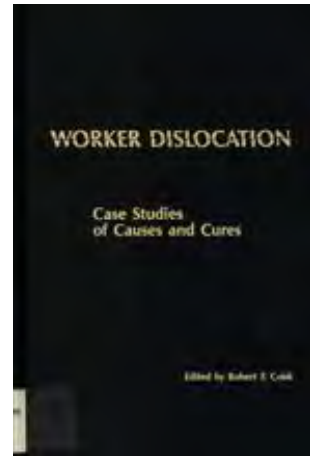




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The Minnesota Iron Range Dislocated Worker Project

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The Minnesota Iron Range Dislocated Worker Project

Introduction

The Iron Range dislocated worker project operates in a seven-county Service Delivery Area (SDA) in northeastern Minnesota, known as the Arrowhead Region, which surrounds, but does not include, the City of Duluth. The area includes the Mesabi Iron Range, a series of open pit taconite mines that supply iron ore to the domestic steel industry located in the Great Lakes region. The project, operated by the Northeast Minnesota Office of Job Training was designed to provide job search, OJT, classroom training, and relocation assistance to 900 individuals from the mines and related industries during the transition year.

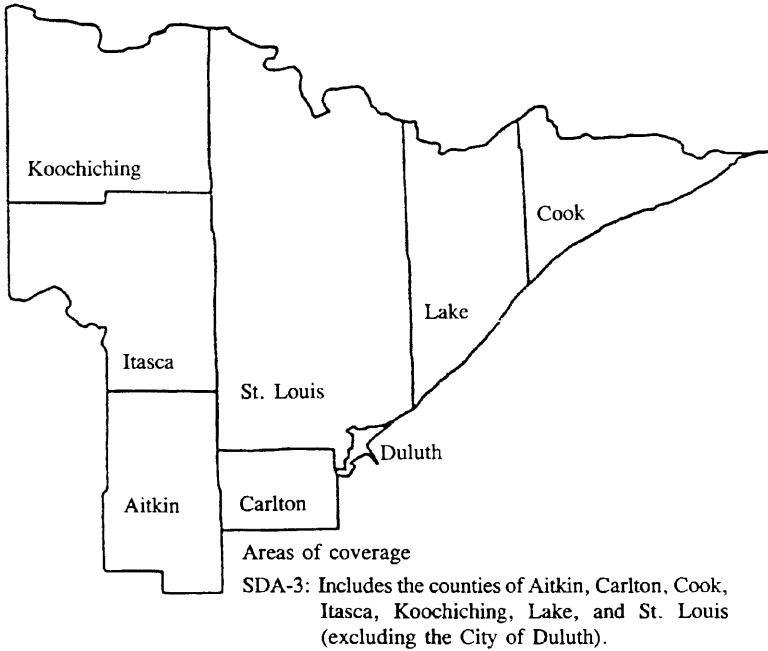
The Local Labor Market

Dislocated workers on the Iron Range are predominately miners who have been laid off as a result of reduced demand for steel, and consequently for taconite. However, given the severe economic conditions faced on the Range, the area's unemployed include many from mining-related industries, as well as from basic industries whose business has suffered over the past five years.

With the exception of excluding Duluth, the boundaries of SDA3 essentially define the northeast Minnesota labor market (see figure 4-1). The primary justification used to designate the City of Duluth as a separate SDA from the rest of the region is that it has a distinct labor market, linked more with Superior, Wisconsin than SDA3, although

overall conditions are not appreciably better in Duluth than in the rest of the region.

Figure 4-1
SDA Boundaries of Northeast Minnesota



As can be seen in table 4-1, the unemployment trend for the region is downward in 1984, reversing the patterns since 1979 (except during 1981). Still, the six-month average for the first half of 1984 was 14 percent, so the region remains depressed relative to the rest of the state and the nation. The June 1984 unemployment rate for the region was 11.3 percent compared to 7 percent nationally and 6.2 percent for all of Minnesota. While official statistics were not yet available at this writing, there have been some sizable recent layoffs that have undoubtedly increased unemployment, or at best, halted its decline. A significant part of the reduced unemployment has been the result of a declining labor force, a pattern which is likely to continue.

Table 4-1
Labor Force Statistics for Northeast Minnesota
1972-1983 (annual averages) and 1984 (monthly averages)

Year/month	Labor force			Unemployment rate
	Total	Employed	Unemployed	
1972	86,801	80,906	5,895	6.8
1973	87,074	80,945	6,220	7.2
1974	87,143	81,441	5,702	6.5
1975	90,566	83,370	7,196	7.9
1976	93,678	85,695	7,983	8.5
1977	95,670	87,078	8,592	9.0
1978	102,187	96,215	5,972	5.8
1979	105,800	98,768	7,032	6.6
1980	108,849	96,172	12,677	11.6
1981	106,732	96,560	10,172	9.5
1982	110,437	89,288	21,149	19.2
1983	106,830	85,780	21,050	19.7
1984				
January	102,915	83,934	18,891	18.4
February	98,611	83,884	14,727	14.9
March	98,610	84,880	13,730	13.9
April	100,800	86,928	13,872	13.8
May	102,332	90,212	12,120	11.8
June	104,208	92,473	11,735	11.3

SOURCE. Minnesota Department of Economic Security. Data pertains to SDA3.

The biggest single problem for the region has been the decline of the taconite industry, with both mining and related construction employment falling by over 50 percent from 1979 peak levels (see table 4-2). Because these industries provide the highest wages in the area, their decline has had significant effects on the overall economy of the region.

Mining on the Mesabi Iron Range began around the turn of the century. The quality of the ore, its easy accessibility, and a ready-made harbor in Duluth led to a rapid development along the entire Range. The major cities in the region (aside from Duluth), i.e., Hibbing, Chisholm, Virginia, Eveleth, Babbitt, and Ely, grew up on the edge of the mines. Many, in fact, have been loaded on railroad cars and moved

one or more times as the mines expanded. Related industries attracted by the iron ore, including a steel mill and several foundries (all since closed) moved in quickly, and development of the Duluth-Superior harbor turned it into the shipping center for grain from the northern Midwest. The economy of the region appears to have reached its peak in the early 1920s, as evidenced by the dates on major buildings in Duluth and throughout the Range and the architecture of the mansions of the iron and railroad barons along the north shore of Lake Superior.

Table 4-2
Covered Employment by Industry, 1978-1983
(annual averages) for SDA3

	1983	1982	1981	1980	1979	1978
Covered employment	59,580	61,367	69,533	70,785	75,174	72,990
Mining	7,120	8,903	13,706	13,962	15,545	13,694
Construction	2,053	2,361	2,681	3,342	5,318	5,368
Manufacturing	8,529	8,611	9,168	9,317	10,284	10,370
Transportation, common, public utility	2,245	2,193	2,334	2,237	2,288	2,174
Trade	13,929	14,184	15,078	15,416	15,658	14,909
Finance, insurance, real estate	1,807	1,956	2,006	1,981	1,949	1,825
Services & miscellaneous	10,980	10,303	11,279	10,875	10,778	10,402
Government	12,431	12,855	13,281	13,653	13,331	13,048

The mining industry has always been cyclical, and lifelong residents of the region ("Rangers," as they proudly call themselves) are used to the occasional bad times. All miners are members of the United Steelworkers of America, and in addition to the relatively high wages they have been able to negotiate (starting wages range from roughly \$10 per hour for laborers to \$18 for electricians), those with 20 or more years of seniority receive supplemental unemployment benefits paid by the companies during layoffs. When working, these senior workers make well in excess of \$20 per hour in wages and benefits, and often work overtime. The high wages, the supplemental benefits and the history of booms and busts have all contributed to a reduction in the mobility

of much of the labor force in the region. More recently, Trade Adjustment Assistance has also been available.

It would seem that now the problems faced by the mines are more structural than cyclical. The eight taconite mines in the area are all subsidiaries of American steel companies, and therefore subject to the health, or relative lack thereof, of the domestic steel industry. Compounding that problem is the gradual reduction in the quality of the ore. It currently takes 22 tons of taconite ore to produce a ton of 85 percent pure iron pellets. The reduction in ore quality combined with the high costs of extraction make other worldwide sources, such as those in Brazil, strong competitors for what markets are available.

Unionized wages in the mines have affected wage levels in other industries and this, in addition to high transportation and energy costs, places the region at a disadvantage in attracting new firms. The region is rich in water and timber, but at present the timber industry remains rather undeveloped compared to similar areas in the northeastern and northwestern parts of the country. The wood products industry is also cyclical. A paper company in Grand Rapids recently postponed plans for a significant expansion. In addition, the shutdown of another wood products firm laid off 650 workers. Tourism, which has been hurt in the last few years by the overall state of the economy both in and outside the region, can be expected to show continued growth. However, jobs in this industry are seasonal and low wage, and cannot be expected to replace the economic loss suffered from the reduction in mining and mining-related employment.

The overall picture in the area is bleak. Unemployment is often concentrated in specific mining communities following major layoffs, and the repercussions on local economies have been devastating. For example, Babbitt, a town of 3,000 population, had an unemployment rate in excess of 80 percent over much of the past winter, and still had a rate of 50 percent during the summer of 1984. Local residents of Babbitt reported that there is concern that the local grocery will soon close, in large part because many people on food stamps drive 15 miles to

Ely to shop to avoid being seen using them. There have been similar closings of clothing stores, lumber yards, etc., in other communities throughout the Range. In most communities, there are substantial numbers of homes up for sale at what, to an outsider, look like bargain-basement prices.

Recently, there has been another round of shutdowns and layoffs. Table 4-3 indicates the current status of the eight mines in the region. At the end of this round of layoffs, total employment in the mines will have declined to roughly 3,200 from a peak of roughly 14,000 in 1981.

Currently, none of the companies is willing to predict a reopening or rehiring date, though all will say that it will not be until early 1985 at best. Production from the mines has been less than 50 percent of capacity for several years so that recent layoffs are affecting workers with 20 or more years of seniority. Many of those still working are on reduced work weeks. Reopenings will depend upon new contracts for taconite. However, these will have to be negotiated at a time when Brazilian ore is arriving in Cleveland at \$12 to \$15 less than the normal \$52 per ton price for Iron Range pellets.

As the difficult times in the region continue, hope seems to be fading among many that there will soon be any significant recovery. People who had planned to leave only as a last resort are starting to pack. The outmigration that has occurred has been confined primarily to "non-Rangers," or outsiders attracted to the area by the wages in the mines. They are likely to have less seniority, so they have less chance of being recalled. They also have had less experience with the periodic bad times the region has endured in the past, are less attached to the area and, therefore, more willing to relocate. For some of the "Rangers," particularly the older ones with homes that are paid for and who can look forward to a vested retirement, leaving isn't even considered an option. These people "make out." Many have entered the tourism industry in varying ways as guides, outfitters, etc.; wood cutting is a common activity for many as well. It is not uncommon to see a yard almost filled with cut firewood to be sold or used to reduce fuel costs. Hunt-

Table 4-3
Status of Iron Range Taconite Companies

Company	Location	Employees at peak production in previous years*	Operating status	Approximate number of layoffs in latest round of shutdowns
Minorca	Virginia	510	Closed November 10	300
Butler Taconite	Nashwauk	600	Closed November 10	350
National Steel Pellet Co.	Keewath	1,000	Operating with about 600	—
Hibbing Taconite Co	Hibbing	1,200	Closed November 10	900
Eveleth Mines	Eveleth	1,450	Operating with about 900	—
Erie Mining Co.	Hoyt Lakes	2,400	Plans to close December 2	940
Reserve Mining	Silver Bay Plant; Babbitt Mine	2,850	Cut production in half September 20; 200 laid off, about 600 placed on 32-hour work weeks	200
Minntac	Mountain Iron	4,400	Closed for 7 weeks August 5, plans to close again Saturday	1,800

SOURCE: *Minneapolis Star and Tribune*, November 16, 1984.

*Some jobs were eliminated by long-term production cutbacks or economies introduced after taconite demand dropped dramatically in 1981.

ing and fishing have gone beyond being sporting activities to being a source of food, complemented by extensive gardening.

Those who seem to be in the worst position are the ones with more than 12 but less than 20 years of seniority. Having run out of unemployment insurance and Trade Adjustment Assistance, they still face poor prospects of being recalled to the mines. At the same time, many employers are reluctant to hire them knowing that if a recall ever did occur, the higher wages would draw most of them back to the mines. Trying to hang on under such circumstances is growing increasingly difficult.

State Organization of Title III

Formally, all decisions regarding program funding and administration of JTPA in the State of Minnesota are made by the Governor's Job Training Council. The council performs the bulk of its work through committees, including one strictly for the dislocated worker program. The Dislocated Worker Committee includes several public sector council members, along with representatives from business and labor. The committee relies heavily on the staff of the Governor's Job Training Office (GJTO). This quasi-independent unit within the state's Department of Economic Security oversees all JTPA programs on a day-to-day basis. The executive director of GJTO reports directly to the commissioner of Economic Security and to the State Council, both of which have direct access to the governor. For Title III, the GJTO staff member for the Dislocated Worker Committee prepares all of the materials for the committee, helps with committee presentations before the State Council, and is the contact person for SDAs and other grant recipients.

Presently, the state Title III program does not appear to have a single focus. Reference is made to economic development and cases in which Title III funds are combined with other money, but most of the money is used to respond to particular groups of dislocated workers. An RFP process is now used to allocate virtually all of the state's Title III money.

The state has not established any eligibility requirements for the Title III program other than those defined in Section 302 of the federal

legislation. There are no particular targeting requirements, although targeting occurs through the selection of proposals. The most heavily weighted criteria used in selecting proposals is the establishment of need. Typically, the screening committee has required that a survey of potential eligibles to identify needs and the services required be an integral part of these proposals. Thus, in a project like the Iron Range, there is relatively little targeting, even though a majority of the participants might have previously worked in the taconite mines.

The evaluation criteria used in selecting project proposals, and their respective weights, were as follows.

- (1) Severity of need as described in the proposal. Unemployment rates and other measures, if any, that describe the severity of local economic conditions. Is it a one-industry area? How will the project affect the local need? (30 percent)
- (2) The creativity, practicality, and probable effectiveness of the project as evidenced by the plan to implement the required components. (20 percent)
- (3) Cost per participant. (20 percent)
- (4) Plans for coordination with appropriate agencies, local elected officials, PICs or private employers, labor organizations and linkages with other employment-related programs. Utilization of a community task force with appropriate representation. (20 percent)
- (5) Adequacy of fiscal and program management capabilities to administer the proposed program based on the Fiscal Administrative Capabilities Check List (a six-page list encompassing records, procedures, disbursements, audits, personnel policies, etc.). (10 percent)

Through the RFP process, the Iron Range Project has received roughly 35 percent of the state's Title III money, whereas by population, they would have received only 10 to 11 percent. Such disparity reflects the severity of the economic conditions in the region compared to the rest of the state.

Project Funding

During the transition year, the Iron Range Project received Title III money from four different sources: a project grant of \$90,150 from the governor's 4 percent money under CETA; \$250,000 from the state's FY83 and Emergency Jobs Bill (EJB) allocations (the Duluth SDA also received \$250,000); \$700,000 from the state's transition year (TY) allocation through the RFP process; and \$600,000 from the Secretary of Labor's 25 percent discretionary fund.

The money from the governor's 4 percent grant was for a pilot project, consisting only of on-the-job and classroom training. From the FY83 and EJB allocations, the state designated both the Iron Range and Duluth for special allotments of \$250,000 before dividing the rest of the money among the other eight prime sponsors in the state. These special allocations were based on the severity of structural unemployment in the Iron Range and Duluth relative to the rest of the state. Original plans for TY money called for holding 25 percent at the state level to allow for response to unanticipated plant closings, layoffs, etc. However, these plans were based on a predicted state allocation of \$2.4 million. When only \$1.018 million was received, all funds were distributed through the RFP process. The RFPs are now being staggered throughout the year to retain at least limited flexibility in responding to unforeseen problems.

The state has identified priorities for services, with job clubs/job search assistance, resume writing, skills assessment, etc., receiving top priority. This is followed by on-the-job and customized training; long-term classroom training and relocation is used as a last resort. For the Iron Range, it is pretty well accepted that the last resort has been reached, so that there is a heavy emphasis on long-term classroom training. Relocation is also an important part of the Iron Range service mix, although it is not actively promoted for political reasons. There have been no pressures from the state to alter the mix of services.

Service requirements are not imposed by the governor's special services plan. The plan identified performance goals for the transition year

of 60 percent placement and cost per placement between \$700 and \$3,500, depending on the mix of services provided. No performance standards were adopted for Title III.

Indirectly, the state has discouraged the use of OJT in the service mix, though that influence comes from outside the JTPA system. Minnesota has had its own state jobs program (Minnesota Emergency Employment Development, or MEED) since May of 1983. The \$70 million program does not have a training component, but allows employers to receive a subsidy of up to \$4.00 per hour plus \$1.00 for fringe benefits for a six-month period. With JTPA-OJT slots requiring a training component and reimbursing employers just 50 percent (or less) of wages for their training costs, many employers have found MEED slots more attractive, and as a result, OJT has been used less under JTPA in Minnesota than in many other states. With MEED tentatively scheduled to run out of funds in early 1985, OJT will receive more emphasis under JTPA during the 1984 program year.

Performance is monitored by the state and is compared to the goals identified in project proposals in evaluating refunding of projects, or new projects proposed by the same organizations. While those goals do not typically end up in contracts, the recipients are aware that they are expected either to come close to meeting them or to have a good explanation of why they could not.

The Nature of the Project

The grant recipient and administrative entity for all JTPA programs in the region is the Northeast Minnesota Office of Job Training (SDA3). They were also the prime sponsor under CETA. Some programs are operated by the SDA, while others are run jointly or subcontracted out. The major subcontractors are the Arrowhead Economic Opportunity Agency (Arrowhead), regional offices of the Minnesota Department of Economic Security, regional vocational schools and the Arrowhead Community College System, which is composed of five community colleges. Other contractors are used for specific, generally short-term training, such as Control Data, in Duluth, for data processing, several private truck driving schools, a welding course at Reserve Mining, and so on.

Arrowhead operates 40 percent of the region's OJT program (in addition to administering the MEED program for the region), Adult Basic Education Programs, and job club activities. Since 1965, Arrowhead has been the major social service agency in the region (as well as a CETA subcontractor). In addition to JTPA funding, Arrowhead receives funding from CSA, CDBG Social Services, Title XX, Weatherization, Older Americans Act, Housing Assistance, and other federal and state sources. Recently, Arrowhead received a special Title III grant, from discretionary money, in coordination with Hennepin County to assist in relocating 100 local residents to the Twin Cities area. Arrowhead is also a major Title IIA subcontractor in the region.

The Department of Economic Security operates 60 percent of the region's OJT program, and does job development, counseling, and intake. Satellite offices were set up in Silver Bay and Babbitt to make job search assistance more accessible to those in the outlying areas. Those offices, funded with Title III dollars, closed on September 30, 1984.

With the emphasis on longer term retraining, the community colleges and vocational schools have been heavily utilized. During the transition year, over 1,000 participants were involved in classroom training in 52 different schools throughout the state, the majority being community colleges and area vocational technical institutions (Vo-Tech), accounting for over 38 percent of program expenditures. Before funding programs at the schools, placement rates for the schools over the past two years are checked, and programs with placement rates of less than 50 percent are not funded.

Many of the Title III participants need upgrading and/or certification of skills. For example, truck drivers who have worked only in the mines often need an over-the-road certification that requires a two-week course. Welders in the mines are often trained in acetylene welding, but not in heliarc. To meet such needs, a variety of programs has been set up involving a variety of people, from employers to unions to Vo-Tech instructors.

SDA3 has coordinated with Trade Adjustment Assistance (TAA), but there have been some problems in doing so. The general pattern was for JTPA funding of tuition, and TAA funding mileage, allowances, etc. However, due to poor communications with the regional office, the regional TAA program has gone \$250,000 in debt. SDA3 has 190 people originally funded under TAA halfway through training programs and no money available to allow them to complete the programs. The SDA is also strapped, because it did not receive a renewal of its discretionary grant and must therefore use its state funding to allow those enrolled under the TAA funds to complete their training before new participants can be enrolled.

An informal group has been set up to encourage coordination and avoid duplication of services in dealing with the problems of the region. The group has 17 members, including the SDA director, the regional Job Service director, the Arrowhead director, representatives from the community colleges and the Vo-Tech schools, the welfare agencies, local unions (primarily the steelworkers), and local chambers of commerce. To avoid competing with each other, they have agreed that the SDA should be the bidder on all RFPs, and they work with the PIC in selecting agencies, activities, funding levels, and so on. Unlike many other areas, state officials report that the coordination/partnerships are extremely good in SDA3. This supposition was supported during all conversations with those involved.

While not limited to miners, those unemployed from the mines are clearly the major target group for the project. Given their large numbers and the likelihood that unemployment for most will be long term, it is impossible to serve all of those who have lost jobs in the mines in the past three years. This raises a difficult question for program administrators. If there are insufficient funds to meet all the needs, should administrators focus on low-cost activities that maximize the number of people who can be served, or on higher cost long-term activities that will provide greater assistance to those who are served? In general, the latter strategy has been chosen. While low-cost activities like job search assistance are available, there are few jobs in the area that will satisfy

miners who are used to much higher wages. As a result, most job search efforts are concentrated outside the area and, if successful, require relocation assistance, which raises the cost per participant. While many “non-Rangers” select the job search-relocation strategy, many natives choose longer term training. In some cases, this may still be very cost efficient, as many merely need skill upgrading or certification. For others, it often means a two-year classroom training program at community college or vocational school to learn new skills. No particular skill areas/industries are being targeted for postprogram placements. Before funding a classroom project at a vocational school, the SDA requires that it have a placement rate of 50 percent or greater for graduates over the past two years. This limits the selection of training areas available, but does not force people into areas in which they have no interest. Enrollments have been fairly high in electronics, computers and data processing, and skilled trades.

Initially, the state took the lead in helping the SDAs develop proposals for Title III funding. As the local partnerships began to develop, the state began to ease itself out and to merely provide notification of funding availability and technical assistance. The entire state is well aware of the severe problems faced in the northeast region. In addition, the governor is a Hibbing native, so there is no lack of sensitivity within the State Council or the Governor’s Job Training Office to the problems in SDA3. This has not meant a rubber stamp approval for anything the region submits. The Dislocated Worker Committee will often send back proposals for further documentation of needs, such as a survey of the eligible population, or greater detail on how the proposed programs will be able to meet the identified needs. For this project, SDA3 conducted a survey of over 1,200 unemployed miners to identify their needs and what services would be necessary to meet their needs. As a consequence, the project was given the highest priority by the state because the needs were substantial and well established, and there was a comprehensive, well-designed plan to meet them.

From a programmatic point of view, there have been few changes from what was originally intended. The major change beginning to occur now is a somewhat greater emphasis on OJT in the service mix as

the state's MEED dollars start to run out, though OJT will still not be the major component of the service mix. The real changes have been in the participants' attitudes; they are growing increasingly aware of the structural nature of their problems and are, in essence, being forced into unavoidable decisions. This realization has led to an increase in the use of relocation as an ultimate service, with some increase in remedial education, skills assessment, and counseling.

A number of private firms have been involved in retraining programs. A favorite of the SDA staff was a welding program in which Reserve Mining supplied the space, the electricity, electricians to convert 440 volt wiring to 220, and the stainless steel to be welded. The local union took care of printing and mailing flyers to those eligible for the program, and all the SDA had to do was schedule the training and pay the instructor. Similarly, Control Data was contracted to provide data processing training. Customized training has not been used extensively in the region, although when opportunities arise, it is used.

Basically, the unions have taken a realistic attitude toward the problems they are facing. A president of a union local indicated that they realize that many of their members are unlikely to ever be recalled to their old jobs, and given the limited opportunities currently available in the region, it is probably in the best interests of many of these people to move. The union's position is to help their members even though that obviously means smaller union roles in the future. Union representatives are members of the PIC and the informal program development group.

The unions have been actively involved in several programs, sometimes acting as the communications link between the programs and their members who are eligible, as in the welding program noted above. At other times, they provide the training, as they did in a two-week course to certify pipefitters.

The Eligible Population

Although a majority of the enrollees in the project have come from the mines, there are no particular eligibility requirements for enroll-

ment beyond those established in the legislation. Most nonminers have probably become unemployed due to the problems in the mines, so there seems to be a justification for serving the general population, although nonminers may be more apt to be served under programs funded with state Title III dollars than with discretionary money.

Since a majority of participants come from the mines, they tend to be union members, to have higher than average prior wages, to have more years of work experience, and reasonably high levels of skill (although the skills may be largely industry-specific). Although education levels are fairly high, many have a need for adult basic education because they went directly from school to the mines and their basic skills have deteriorated over time.

Table 4-4 reports the characteristics of Title III program terminees during the transition year.

Program Services

There is no single service sequence for participants in this project; people go into different activities based on their needs, desires, and abilities. There are likewise no particular requirements for any program activities, although some screening takes place. Many participants go through vocational evaluation and assessment before selecting programs they will enter, and they are discouraged from entering an area in which they lack aptitude.

The numbers of participants by program activity during the transition year are shown below.

	Numbers of participants	Percent*
Classroom Training	304	23
Job Search	332	25
Relocation	122	9
OJT	74	6
Adult Basic Education	143	11
Vocational Evaluation & Assessment	101	8
Job Club	307	23
<u>Total Participants</u>	1,324	

*Percentages sum to more than 100 due to multiple services

Table 4-4
Enrollment and Participant Characteristics During the
Transition Year, Selected Characteristics
October 1983 through June 1984

Selected characteristics	Number	Percent
Total participants	1,324	
Total terminations	801	
Entered employment	498	62
Other positive terminations	—	—
Other terminations	303	38
Sex		
Male	733	92
Female	68	8
Age		
14-15	—	—
16-19	—	—
20-21	53	7
22-44	646	81
45-54	77	10
55 and over	25	3
Education		
School dropout	78	10
High school graduate or more	723	80
Race		
White	792	99
Black	—	—
Hispanic	1	*
Native American	7	1
Asian	1	*
Employment barriers		
Limited English	2	*
Handicapped	7	1
Veteran	245	31
Substance abuse	3	*
Displaced homemaker	84	10
Benefit reciprocity		
U.I. claimant	60	7

*Less than .5 percent.

Classroom training encompasses a wide variety of courses for participants. The majority are one-year and two-year programs, although many shorter term training classes have been developed for specific groups, as has been described previously. A listing of approved classroom training programs follows on table 4-5.

Table 4-5
Vocational/Occupational Programs
Arrowhead Community College Region

Approved One-Year Vocational Certificate Programs

- Accounting Technician
- Clerical
- Forestry Technician
- Practical Nursing
- Secretarial
- Small Engine Mechanic
- Welding

Approved Associate in Applied Science Programs

- Accounting Technician
- Clerical
- Drafting and Design Technology
- Environmental Analysis Technician
- Field Naturalist
- Human Services
- Law Enforcement
- Marketing
- Medical Secretary
- Natural Resources Technician
- Real Estate (Continuing Education)
- Nursing, A.D.
- Parks and Recreation Technician
- Physical Therapy Assistant
- Secretarial
- Option: Legal, Medical
- Water and Wastewater Technician

Approved Joint Occupational Programs

Program	Degree	Institutions
Medical Laboratory Technician	Associate in Applied Science	Hibbing Campus/ Hibbing AVTI
Law Enforcement	Associate in Applied Science	Arrowhead Colleges Hibbing AVTI

Certificate of Attendance

Program	Campus
Nurses Aides Geriatric	Itasca

Job clubs have been increased under JTPA relative to CETA. Operated by Arrowhead, there are currently clubs in 11 communities, operated by nine counselors. The structure seems to vary by area, with some being far more formal and structured than others. In the formal programs, the average duration is about two weeks, while it is generally a month in the others. In every case, there is a strong attempt to create a true club atmosphere so that there is a social environment with strong group support. The clubs provide job leads, as well as training in finding additional job leads, typing service, telephone, photocopying, newspapers containing help-wanted ads, assistance in preparing a job resume, training in interview skills, and a place where job seekers can concentrate on obtaining employment without distractions.

Job search assistance includes a number of the same activities as job clubs, including providing telephones (WATS lines, both in-state and out-of-state), newspapers, Employment Service Job Bank microfiche, and other sources of job openings, assistance with resume writing, and so on. A major part of job search assistance, however, is financial assistance for those unable to pay the costs of searching for employment. Given the experience and skills of most participants, many are employable immediately. However, having been unemployed for a long time, many have exhausted their resources, gone into debt and cannot afford, for example, to drive to Minneapolis for a job interview. In these cases, the SDA will pay for the transportation, meals, and lodging as necessary, with the only requirements being that interviews be set up in advance, be for an occupation the person is interested in, and can be documented. They have not had any problems with abuse of the program; the only person to miss a scheduled interview on a subsidized trip missed because of car trouble.

Vocational evaluation and assistance is also provided by Arrowhead. They have a fairly structured program, but it can be tailored to suit individual needs. The standard format is to undergo a two-day evaluation consisting of a battery of tests and hands-on experiences to determine aptitudes, academic achievement, vocational interests, vocational skills and abilities, intellectual functioning, work habits, and dexter-

ty. Results are then evaluated jointly by a counselor and the participant in developing a vocational plan. Vocational research then identifies what programs are available to meet the individual's needs/desires, including examination of such things as financial aid programs and admission requirements for colleges. Most people are in the system for two to three weeks.

Adult Basic Education (ABE), again operated by Arrowhead, is an important program activity for many participants. There is a fairly high number of people who left school to work in the mines, or have simply not used their educational skills for so long that they have deteriorated. ABE is a program of services or instruction in which social skills are developed and ideas and experiences are shared, and in which basic academic and coping skills are developed. Clients determine their own learning goals, while instructors focus on learning needs rather than curricular standards. More formal programs, such as preparation for GED tests and ESL, are also provided.

Relocation is a part of the program that is not very popular among the staff. It is not promoted as an activity, though it is available to anyone who asks for it once they have secured employment in the new location. Thus far, most who have taken advantage of this activity are "non-Rangers." In addition to not wanting to force people to leave their homes, there is concern about the long-term effectiveness of relocation. While the regional economy will not be able to absorb all of the unemployed any time soon, and even if it could, it would be at drastically reduced wages, relocation often presents problems of its own. There have been several cases of someone relocating only to find that the new job was also terminated after six months. Families who try the Twin Cities area find that rents are considerably higher, as are other costs of living such as food, transportation, and child care, while wages are much lower, so that both parents are forced to work. Adaptation to the city is also difficult for people who come from an area where no one locks their doors, people on the street are friendly, and you needn't fear walking alone at night in any part of town. For many, however, there is no other choice, and relocation has been funded to all parts of the country, with the most frequent being the Twin Cities area, Alaska, and North Dakota.

The major counseling effort is job search skills training for participants who have substantial work experience but have not been in the job market in recent years. The layoffs in the mines have now gone deep enough to affect many with 20 or more years of seniority; consequently, many people have not been in the job market for a long time. Again, those with more than 20 years receive supplemental benefits from the companies, so they are not apt to be looking, but those between 10 and 20 years face dim prospects for being recalled. Most of this counseling takes place in the job clubs, with some in the less formal job search assistance program operated out of the ES offices.

Considerably less was said about counseling concerning wage expectations or personal problems, although both are occurring. Counseling with regard to wage expectations is probably the more prevalent, as few jobs in the area will offer wages anywhere near what people were getting in the mines, and wages for those relocating, while often higher than those available locally, are still likely to be significantly below the prior wages. Again, most of both types of counseling take place in the job clubs, with some of the coping problems dealt with in adult basic education programs.

Some selection takes place. When particular programs are set up, eligibles most suitable are channeled into them rather than taking whoever walks in the door. Between Title IIA and Title III, there are similarities as well as differences. For example, both titles have an electronics program providing classroom training. For the Title III program, however, enrollees must have some background in electronics. In general, Title III enrollees are much more likely to receive upgrading of skills and/or certification. A high percentage of those enrolled in classroom training programs extending over one or two years are Title III enrollees. The real problem currently faced is that many people were enrolled in long-term training activities last year using Trade Adjustment Assistance. When that money ran out this year and the discretionary grant was not refunded, it effectively froze enrollments so that last year's enrollees would be able to complete their training with state Title III funds. Letters were sent to some 500 people who were waiting for the new fund-

ing cycle but who will now be unable to enroll. As a result, frustration levels of both staff and participants were very high.

Individual job search with assistance provided is the primary service, but the philosophy here is that “anything goes.” The exception is the limited number of OJT slots, where slots will not be funded without promise of continuation of employment after the training subsidy ends. This is again in contrast with the MEED program, where employers must pay the state back 70 percent of the subsidy received if they do not retain a person after the six-month subsidy period, but the percentage is gradually reduced to zero by 18 months after the subsidy. Relocation is funded only for those who have secured employment in their new location, so placement rates in that category are, by definition, 100 percent. They are usually the result of individual job search, perhaps aided through job search assistance.

Program Outcomes

With a placement rate of 62 percent during the transition year, one would have to say that the program is effective. However, both Arrowhead and the SDA staff indicate that roughly half of those placements have been outside the area (not all those relocating required relocation assistance, so the numbers on *table 4-6* do not reflect this). Again, given the severe conditions on the Range, there are simply not many jobs to be found in the region.

Outcome information is as follows: an average wage at entry of \$18.00; an average wage at termination of \$9.13; a cost per placement of \$863.00; and a 62 percent placement rate for trainees.¹

Costs per placement may go up as more of those who have gone through long-term training (OJT and classroom) begin to terminate, as shown in *table 4-6*. Entered employment figures are based on the last program activity before terminating, and so many understate rates for some activities, particularly assessment and basic education.

Table 4-6
Transition Year Termination and Placement Rate
by Program Activity

Transition year program activity	Participants	Terminations	Entered employment	
			Total	Rate
Job Search	332	317	162	51
Classroom	304	193	87	45
Relocation	122	122	122	100
OJT	74	6	4	67
Job Club	307	103	95	92
Adult Basic Education	143	33	23	70
Vocational Evaluation/Assessment	101	82	2	2
Job Development	3	3	3	100

Overall Assessment

In view of the conditions in this region, the project seems appropriate to the problem. There is a question of whether forms of lower cost training should be sought, such as more job club/job search activities, in order to serve more people, but such a strategy would probably be counterproductive. By emphasizing longer term types of training, in combination with job search assistance and relocation, they have been able to get reasonably high placement rates at wages that are around 50 percent of their prior level. And, at present, their costs per placement are low—under \$900 per participant for the transition year with over 500 participants yet to terminate.

One problem seems to be with the timing of the funding *versus* the nature of the project. The project was started with discretionary funding, but a major service component was long-term community college course programs of up to two years. Despite the fact that they had documented the needs of the miners as required by the State Council Dislocated Worker Committee, and despite having a cost per participant of less than \$1,000, the project was not refunded under the discretionary program, because, as one state official pointed out “Their costs were too high and their needs were not clearly identified.” If discre-

tionary projects are not to be refunded, then program planning should be limited to the period of funding. The effect has been to shut down the project while state funding pays for the balance of the program services committed earlier.

A final point is the use of very short-term programs to “certify” existing skills held by experienced, but dislocated workers. This is a low cost but effective program option that is particular to the Title III dislocated worker population.

NOTE

1 These figures were not readily available. A Random sample of 27 enrollees who had terminated from Job Search and Relocation yielded an average wage at placement of \$9.13, which the staff felt might be a little low. They guessed that for most participants, the placement wage was about 50 percent of their wage including benefits prior to enrollment.