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Minnesota Local Government Pay Equity Compliance Report

**Submitted to the Minnesota Legislature by
Minnesota Management & Budget**

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Executive Summary

Minnesota Management & Budget (MMB) is responsible for the enforcement of the Local Government Pay Equity Act (Minnesota Statutes 471.991 - .999 and Minnesota Rules Chapter 3920).

The Local Government Pay Equity Act examines local government pay structure for evidence of gender inequity. The act applies to about 1,500 local governments in Minnesota, and affects a total of about 220,000 local government employees.

Overall, local governments have achieved a high level of compliance - both in meeting reporting requirements and implementing pay equity for their employees. The success of this program is largely attributable to the commitment on the part of local governments and to the ongoing assistance and monitoring by the MMB Pay Equity Unit.

In January 2015, 550 local governments were required to submit reports to MMB. As of November 20, 2015, a total of 539 (98%) of the jurisdictions were in compliance and 11 (2%) remained out of compliance.

About This Report

Minnesota Management & Budget staff prepared the 2016 Annual Minnesota Local Government Pay Equity Report as part of routine work assignments. This report is based on local jurisdiction pay equity reports due to MMB in 2015.

Please contact us if you need this report in alternate formats such as large print, Braille or audiotape.

Questions? Contact us at 651-201-8039.

Section One

Background Information

Requirements of the Law

The Local Government Pay Equity Act (LGPEA) of 1984 (M.S. 471.991 to 471.999) required local governments to “establish equitable compensation relationships” by December 31, 1991. Other common terms for “equitable compensation relationships” are “comparable worth” or “pay equity.”

The purpose of the law is “to eliminate sex-based wage disparities in public employment in this state.” Equitable compensation relationships are achieved when “the compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable work value... within the political subdivision.”

The law says jurisdictions must be periodically evaluated and be in compliance. The law requires MMB to determine whether local governments have achieved pay equity, based on implementation reports submitted by local governments.

Jurisdictions are on a three-year reporting cycle with approximately 500 jurisdictions reporting each year. It is important for local governments to continually review their pay structure and submit reports every three years to the state for review and analysis. This ongoing requirement to report prevents regression into inequitable compensation practices and reduces sex-based wage disparities in public employment throughout Minnesota.

Ensuring Compliance

A. Pay Equity Rule Adopted

In 1991, the Legislature authorized MMB to adopt rules under the Administrative Procedures Act to assure compliance with the Local Government Pay Equity Act (Laws 1991, chapter 128, section 2).

That same year, MMB asked employer organizations, unions, and women's groups to name representatives to serve on a rulemaking advisory committee. This 30-member group met to discuss and review compliance guidelines and advise the department on the pay equity rule. MMB adopted the rule MCAR 3920, October 1992.

B. Assistance to Local Governments

In 1989, MMB established a full-time pay equity coordinator position. The coordinator assists local governments through extensive training, consulting, and analyzing their pay equity reports.

MMB regularly communicates through various means with the approximately 1,500 local governments required to comply with the law. The department has produced numerous technical assistance publications available at no cost to the jurisdictions.

MMB has periodically offered training sessions and delivered presentations at various conferences. MMB has also developed instructional material explaining reporting requirements, compliance requirements, and job evaluation methodology.

In 2010, MMB developed and launched a new, highly efficient web-based software program to help jurisdictions submit reports, determine the underpayment of female job classes, and calculate the results for several of the compliance tests. As part of our continuous improvement efforts, we have made several enhancements to the program since that time.

Section Two

Tests for Compliance

A. Pay Inequity

A complete description of the tests for compliance and the specific actions MMB recommends to each jurisdictions to achieve compliance can be found in the appendix of this report.

MMB identified inequities in instances where females were paid less than males even though their job evaluation ratings indicated that the females should be paid at least equal to the males. In addition, the jurisdiction could not account for the disparities by length of service or performance differences.

For example, a female in the position of city clerk/treasurer rating of 275 points, was paid less than a male in a public works/maintenance position with a rating of 213 points. We found inequities in cities primarily between city clerks and maintenance workers.

In schools, we found the greatest potential for inequities in considering the number of years to achieve maximum salary for licensed staff (teachers) in comparison to the non-licensed or support staff.

Examples of Pay Inequity

<i>Position</i>	<i>Hourly Wage "Before"</i>	<i>Hourly Wage "After"</i>	<i>Difference</i>
Clerk-Treasurer	\$15.00	\$18.00	\$3.00
Clerk-Treasurer	\$22.42	\$25.14	\$2.72
Clerk-Treasurer	\$28.00	\$30.06	\$2.06
Billing Clerk	\$12.00	\$12.50	\$.50

B. Summary of Tests Failed After Initial Analysis

The following is a summary of 550 reports submitted by jurisdictions for the reporting year 2015. Ninety-three or 17% of the reports were initially found out of compliance. Below is a breakdown of each test:

<i>Test</i>	<i>Number of Jurisdictions Failing</i>
Completeness and Accuracy Test	58
Statistical Analysis Test	5
Alternative Analysis Test	14
Salary Range Test	11
Exceptional Service Pay Test	3
Two or more tests	2
Total	93

Section Three

Summary of Compliance Status of Local Governments

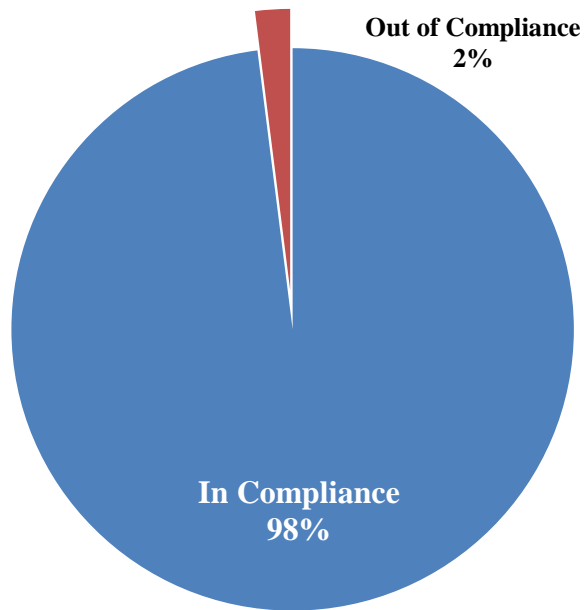
A. 2016 Summary of Compliance Status by Jurisdictional Type November 20, 2015 – State Pay Equity Database for Local Jurisdictions

<i>Jurisdiction Type</i>	<i>In Compliance</i>	<i>Out of Compliance</i>	<i>Decision Pending</i>	<i>Total</i>	<i>% In Compliance</i>
City	234	4	0	238	98%
County	28	0	0	28	100%
Schools	125	3	0	128	98%
Soil & Water Conservation Districts	29	0	0	29	100%
Other Districts	52	1	0	53	98%
Housing and Redevelopment Authorities	26	2	0	28	93%
Townships	20	0	0	20	100%
Utilities	15	0	0	15	100%
Health Care Facilities	10	1	0	11	91%
TOTAL	539	11	0	550	98%

B. Compliance Status of 2015 Reports

In January 2015, 550 local governments were required to submit a report to MMB. After initial analysis of the reports, 307 (56%) were in compliance, 93 (17%) were out of compliance, and 150 (27%) needed further clarification. As of November 20, 2015, a total of 539 (98%) of the jurisdictions were in compliance and 11 (2%) remained out of compliance.

Compliance Status of Reports as of November 20, 2015



Section Four

Jurisdictions Not in Compliance

A. Jurisdictions Not in Compliance – First Notice of Non-Compliance

The jurisdictions listed below have all received a “first notice of non-compliance” but at this time no penalties have been assessed. Some of the jurisdictions on this list have recently submitted second reports yet to be reviewed. Any jurisdiction on this list could receive a penalty notice at a later time if they fail to submit a new report that passes all compliance tests.

<i>Jurisdiction</i>	<i>Test(s) Failed*</i>	<i>Est. Monthly Cost to Achieve Compliance</i>	<i>Cost as % of Payroll</i>
Cities			
Biwabik	CA	**	0.1%
Bagley	ALT	\$471	1.0%
Jackson	ST	\$629	0.1%
Williams	ALT	\$173	1.6%
Health Care Facilities			
Ortonville Area Health Service	ST	**	0.1%
Housing and Redevelopment Authorities			
Morrison County HRA	CA	**	0.1%
Mora HRA	ALT	**	0.1%
School Districts			
ISD No. 2689 - Pipestone- Jasper	ALT	**	0.1%
ISD No. 581 - Edgerton	SR	**	0.1%
ISD No. 2889 - Lake Park- Audubon	SR	**	0.1%
Other			
Southwest Metro Education Cooperative	SR	**	0.1%

*The abbreviations for the tests for compliance used in this section are: CA – completeness and accuracy; ST – statistical salary comparison analysis; ALT – alternative salary comparison salary analysis; SR – salary range and ESP – exceptional service pay. A complete description of each of these tests and the specific actions MMB recommended to each jurisdiction to achieve compliance can be found in section two of this report.

**Data to calculate a specific amount was not available to MMB at the time of this report, but based on MMB analysis of average costs, MMB estimates that the cost would not exceed 0.1% of payroll and would probably be less.

B. Jurisdictions Not in Compliance – Second Notice of Non-Compliance

At this time there are no jurisdictions that have received a second notice of non-compliance with the Local Government Pay Equity Act and a notice that they are subject to a penalty.

C. Jurisdictions Not in Compliance – Penalties Resolved

MMB has resolved a total of 96 penalty cases over the past 18 years resulting in \$1,267,851 in total restitution paid to approximately 1,300 employees for past inequities. The state has collected a total of \$210,233 in penalties. The penalties go to the general fund and not to MMB. There were no penalties in 2015.

Section Five

Jurisdictions in Compliance

Cities

Afton
Aitkin
Albany
Albertville
Alexandria
Alpha
Altura
Amboy
Arco
Argyle
Audubon
Austin
Balaton
Baudette
Baxter
Bayport
Beardsley
Bellechester
Belview
Bemidji
Benson
Bertha
Big Lake
Bigfork
Birchwood Village
Bird Island
Biscay
Blue Earth
Bovey
Boyd
Brandon
Brewster
Brownsdale
Butterfield
Callaway
Calumet
Canton
Carlos
Cass Lake
Center City
Chandler
Chanhassen
Chisholm
City of Comfrey
Claremont
Clarissa
Clear Lake
Clearbrook
Clearwater
Cloquet

Conger
Corcoran
Crookston
Crosby
Crosslake
Danube
Dawson
De Graff
Deephaven
Deerwood
Delavan
Detroit Lakes
Dodge Center
Donnelly
Eagle Lake
East Bethel
East Grand Forks
East Gull Lake
Eden Prairie
Elbow Lake
Elko New Market
Elysian
Emily
Emmons
Erhard
Fairfax
Fergus Falls
Finlayson
Foley
Forest Lake
Foreston
Franklin
Fulda
Gary
Gaylord
Geneva
Gilbert
Gilman
Glenville
Gonvick
Goodhue
Goodridge
Goodview
Grand Meadow
Grand Rapids
Green Isle
Greenfield
Grey Eagle
Grygla
Hadley
Hallock

Hamburg
Hancock
Harris
Hartland
Hastings
Hayward
Heron Lake
Hilltop
Hoffman
Hokah
Holdingford
Holland
Isanti
Janesville
Jasper
Jeffers
Jenkins
Jordan
Kandiyohi
Kellogg
Kenyon
Kinney
La Prairie
Lake Benton
Lakefield
Lakeland
Lamberton
Lancaster
Lewisville
Littlefork
Lonsdale
Luverne
Lynd
Madelia
Madison
Madison Lake
Mahnomen
Maple Grove
Maple Lake
Maplewood
Marietta
Marshall
McGregor
McIntosh
Medina
Menahga
Mendota Heights
Middle River
Milaca
Minneapolis
Minnesota Lake

Cities-Continued

Minnetrissa
Mound
Nashwauk
Newport
Northfield
Nowthen
Oak Grove
Okabena
Olivia
Osakis
Osseo
Otsego
Otertail
Palisade
Pequot Lakes
Perham
Pierz
Pillager
Pine River
Pipestone
Plummer
Plymouth
Proctor
Ramsey
Red Wing
Renville
Richfield
Robbinsdale
Rochester
Roseau
Roseville
Rothsay
Royalton
Rushford
Rushmore
Ruthon
Sauk Centre
Scandia
Scanlon
Shelly
Shorewood
Silver Lake
Slayton
South Haven
Spring Lake Park
Spring Valley
Springfield
St. Augusta
St. Charles
St. Paul

Stacy
Stephen
Stewartville
Storden
Taylors Falls
Tonka Bay
Tracy
Twin Valley
Two Harbors
Tyler
Ulen
Underwood
Upsala
Vernon Center
Vesta
Waldorf
Walnut Grove
Walters
Warren
Watertown
Waterville
Watson
Waverly
Welcome
Westbrook
White Bear Lake
Wilmont
Winnebago
Wolf Lake
Wolverton
Worthington
Wyoming

Counties

Blue Earth County
Carlton County
Chisago County
Clay County
Dakota County
Faribault County
Freeborn County
Houston County
Hubbard County
Jackson County
Kandiyohi County
Kittson County
Koochiching County
Le Sueur County
Mille Lacs County
Pennington County
Ramsey County
Red Lake County
Rice County
Roseau County
Stevens County
Swift County
Traverse County
Wabasha County
Washington County
Watsonwan County
Winona County
Wright County

Health Care Facilities

Chippewa County Montevideo Hospital
Cook-Orr Health Care District
Douglas County Hospital
Heritage Living Center
Lakewood Health System
Norman-Mahnomen Public Health
Redwood Area Hospital
Sleepy Eye Medical Center
Stevens-Traverse-Grant Public Health
Swift County Benson Hospital

Housing & Redevelopment Authorities

Austin HRA
Barnesville HRA
Big Stone County HRA
Carver County CDA
Chisholm HRA
Cloquet HRA
Duluth HRA
East Grand Forks EDHA (HRA)
Hibbing HRA
International Falls HRA
Koochiching County HRA
Luverne HRA
Minneapolis Public Housing Authority
Mountain Lake HRA
North Mankato HRA
Northwest Multi-County HRA
Pequot Lakes HRA
Pine River HRA
Red Lake Falls HRA
Redwood Falls HRA
SE Minnesota Multi-County HRA
Sleepy Eye HRA
Tracy HRA
Warren HRA
Washington County HRA
Worthington HRA

School Districts

ISD No 2908 Brandon-Evansville Public Schools
ISD No. 108 - Norwood
ISD No. 115 - Cass Lake-Bena Schools
ISD No. 116 - Pillager
ISD No. 12 - Centennial
ISD No. 129 - Montevideo
ISD No. 138 - North Branch Area Schools
ISD No. 139 - Rush City
ISD No. 15 - St. Francis
ISD No. 162 - Bagley
ISD No. 200 - Hastings
ISD No. 203 - Hayfield
ISD No. 204 - Kasson- Mantorville
ISD No. 2071 - Lake Crystal-Wellcome Memorial
ISD No. 2125 - Triton
ISD No. 2135 - Maple River
ISD No. 2137 - Kingsland Public Schools
ISD No. 2149 - Minnewaska
ISD No. 2154 - Eveleth-Gilbert
ISD No. 2159 - Buffalo Lake- Hector
ISD No. 2164 - Dilworth- Glyndon-Felton
ISD No. 2165 - Hinckley- Finlayson
ISD No. 2167 - Lakeview

School Districts-Continued

ISD No. 2168 - NRHEG
ISD No. 2169 - Murray County Central
ISD No. 2170 - Staples-Motley
ISD No. 2171 - Kittson Central
ISD No. 22 - Detroit Lakes
ISD No. 2215 - Norman County East
ISD No. 227 - Chatfield
ISD No. 2342 - West Central
ISD No. 2358 - Tri County
ISD No. 2365 - GFW Gibbon-Fairfax-Winthrop
ISD No. 242 - Alden-Conger
ISD No. 2527 - Norman Co. West
ISD No. 2580 - East Central
ISD No. 261 - Ashby
ISD No. 264 - Herman-Norcross
ISD No. 270 - Hopkins
ISD No. 273 - Edina
ISD No. 276 - Minnetonka
ISD No. 281 - Robbinsdale
ISD No. 283 - St. Louis Park
ISD No. 2835 - Janesville- Waldorf-Pemberton
ISD No. 2854 - Ada-Borup Public Schools
ISD No. 2860 - Blue Earth Area Schools
ISD No. 2890 - Renville County West
ISD No. 2895 - Jackson County Central Schools
ISD No. 2899 - Plainview- Elgin-Millville
ISD No. 2903 - Ortonville
ISD No. 294 - Houston
ISD No. 300 - LaCrescent- Hokah
ISD No. 306 - Laporte
ISD No. 31 - Bemidji
ISD No. 314 - Braham
ISD No. 317 - Deer River
ISD No. 330 - Heron Lake- Okabena
ISD No. 332 - Mora
ISD No. 345 - New London- Spicer
ISD No. 347 - Willmar
ISD No. 356 - Lancaster
ISD No. 36 - Kelliher
ISD No. 363 - So. Koochiching/ Rainy River
ISD No. 4 - McGregor
ISD No. 402 - Hendricks
ISD No. 403 - Ivanhoe
ISD No. 404 - Lake Benton
ISD No. 413 - Marshall
ISD No. 414 - Minneota
ISD No. 423 - Hutchinson
ISD No. 432 - Mahnomen
ISD No. 447 - Grygla/Gatzke
ISD No. 463 - Eden Valley Watkins
ISD No. 482 - Little Falls

School Districts-Continued

ISD No. 484 - Pierz
ISD No. 486 - Swanville
ISD No. 505 - Fulda
ISD No. 508 - St. Peter
ISD No. 511 - Adrian
ISD No. 531 - Byron
ISD No. 534 - Stewartville
ISD No. 553 - New York Mills
ISD No. 561 - Goodridge
ISD No. 564 - Thief River Falls
ISD No. 578 - Pine City
ISD No. 592 - Climax-Shelly
ISD No. 593 - Crookston
ISD No. 599 - Fertile-Beltrami
ISD No. 6 - South St. Paul
ISD No. 600 - Fisher
ISD No. 601 - Fosston
ISD No. 6076 - Northland Learning Center
ISD No. 630 - Red Lake Falls
ISD No. 659 - Northfield
ISD No. 671 - Hills- Beaver Creek
ISD No. 676 - Badger
ISD No. 682 - Roseau
ISD No. 700 - Hermantown
ISD No. 707 - Nett Lake
ISD No. 709 - Duluth
ISD No. 712 - Mountain Iron- Buhl
ISD No. 717 - Jordan
ISD No. 719 - Prior Lake- Savage
ISD No. 727 - Big Lake
ISD No. 728 - Elk River
ISD No. 742 - St. Cloud
ISD No. 761 - Owatonna
ISD No. 763 - Medford
ISD No. 77 - Mankato
ISD No. 771 - Chokio-Alberta
ISD No. 787 - Browerville
ISD No. 801 - Browns Valley
ISD No. 803 - Wheaton
ISD No. 820 - Sebeka
ISD No. 829 - Waseca
ISD No. 834 - Stillwater
ISD No. 837 - Madelia
ISD No. 840 - St. James
ISD No. 846 - Breckenridge
ISD No. 850 - Rothsay
ISD No. 891 - Canby
ISD No. 91 - Barnum
ISD No. 911 - Cambridge-Isanti
ISD No. 914 - Ulen-Hitterdal
ISD No. 99 - Esko

Other

Arrowhead Library System
Arrowhead Regional Development Commission
Bemidji Regional Interdistrict Council
Carnelian Marine St. Croix Watershed District
Clear Lake/Clearwater Sewer Authority
Dakota Communications Center
Des Moines Valley Health and Human Services
Duluth Entertainment & Convention Center Authority
East Central Regional Development Commission
East Central Solid Waste Commission
Great River Regional Library
Heron Lake Watershed District
Human Services of Faribault and Martin Counties
Intermediate District 287
Kitchigami Regional Library
L.O.G.I.S.
Lac Qui Parle-Yellow Bank Watershed District
Marshall-Lyon County Library
Metro Mosquito Control District
Metronet
Metropolitan Airports Commission
Mid-Minnesota Development Commission
Minnehaha Creek Watershed District
Minnesota Sports Facilities Authority
Minnesota State High School League
Nine Mile Creek Watershed District
Northern Lights Library Network (NLLN)
Northwest Hennepin Human Services Council
Northwest Regional Development Commission
NW Regional Inter-District Council No. 382-52
Okabena-Ocheda Watershed District
Pelican River Watershed District
Pine to Prairie Cooperative Center
Prairieland Solid Waste Management - Joint County
Prior Lake - Spring Lake Watershed District
Ramsey/Washington Co. Suburban Cable Communication
Ramsey-Washington Metro Watershed District
Redwood-Cottonwood Rivers Control Area
Region Nine Development Commission
Region V Computer Service
River Bend Education District #6049
Sauk River Watershed District
Scott County Community Development Agency (CDA)
South Lake Minnetonka Police Department
South Washington Watershed District
Southeast Service Cooperative
Southern Plains Education Cooperative
Southwest Transit Commission
St. Paul Public Housing Agency
Traverse des Sioux Library Cooperative
Two Rivers Watershed District
Viking Library System

Soil & Water Conservation Districts

Beltrami SWCD
Benton County SWCD
Blue Earth County SWCD
Clay County SWCD
Clearwater SWCD
Crow Wing SWCD
Dakota County SWCD
Douglas SWCD
East Polk SWCD
Freeborn SWCD
Hubbard County SWCD
Mahnommen County SWCD
Martin SWCD
McLeod SWCD
Mille Lacs SWCD
Nicollet SWCD
Nobles SWCD
Pipestone County SWCD
Red Lake County SWCD
Redwood County SWCD
Rice SWCD
Root River SWCD
Sherburne SWCD
Sibley County SWCD
Steele County SWCD
Swift County SWCD
West Ottertail SWCD
Wilkin SWCD
Winona County SWCD

Townships

Fair Haven Township
Franklin Township
Ideal Township
Joint Powers Board Cascade/Rochester Township
Krain Township
LaGrande Township
Laketown Township
Linwood Township
Maple Lake Township
Marysville Township
Middleville Township
Northern Township
Oaklawn Township
Pokegama Township
Rockford Township
Shingobee Township
Silver Creek Township
Stanford Township
White Township
York Township

Utilities

Alexandria Light & Power
Austin Utilities
Bagley Public Utilities Commission
Bovey-Coleraine Water & Waste Water Commission
Elk River Municipal Utilities
Farwell Kensington Sanitary District
Grand Rapids Public Utilities Commission
Madelia Municipal Light & Power
Marshall & Polk Rural Water System
Moorhead Public Service
Moose Lake Water and Light Commission
Owatonna Public Utilities
Sauk Centre Public Utilities
Wells Public Utilities Department
Western Lake Superior Sanitary District

Section Six

Appendix – Compliance Tests

C. Tests for Compliance

Below is a summary of the tests that we conduct to determine compliance. The “recommended action” is a brief overview of the general advice MMB gives to jurisdictions that did not pass a particular test. MMB creates individualized reports for each jurisdiction which identifies specific problems and requirements to pass the compliance test(s). (See [Minnesota Rules Chapter 3920](#) for details on each test.)

1. **Completeness and accuracy test (CA)** - determines whether jurisdictions have filed reports on time, included correct data and supplied all required information.

Recommended action: *Supply any required information not included in the report, make certain all data is correct and submit report by the required date.*

2. **Statistical analysis test (ST)** - compares salary data to determine if female classes are paid consistently below male classes of comparable work value (job points). Software is used to calculate this test. For smaller jurisdictions, the alternative analysis is used instead of the statistical analysis.

Recommended action: *Adjust salaries to reduce the number of female classes compensated below male classes of comparable value, or reduce the difference between the average compensation for male classes and female classes to the level where it is not statistically significant.*

3. **Alternative analysis test (ALT)** - compares salary data to determine if female classes are paid below male classes even though the female classes have similar or greater work value (job points). Also evaluates the compensation for female classes rated lower than all other classes to see if it is as reasonably proportionate to points as other classes.

Recommended action: *Eliminate the amount of the inequity identified between the salaries for female classes and male classes.*

4. **Salary range test (SR)** - compares the average number of years it takes for male and female classes to reach the top of a salary range. This test only applies to jurisdictions that have classes where there are an established number of years to move through salary ranges.

Recommended action: *Bring more consistency to the average number of years it takes to move through a salary range for male and female classes to meet the minimum standard for passing the test.*

5. **Exceptional service pay test (ESP)** - compares the number of male classes in which individuals receive longevity or performance pay above the maximum of the salary range to the number of female classes where this occurs. This test applies only to jurisdictions that provide exceptional service pay.

Recommended action: *Bring more consistency to the number of male and female classes receiving exceptional service pay to meet the minimum standard for passing the test.*