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PAY EQUITY: THE MINNESOTA EXPERIENCE

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PAY EQUITY: THE MINNESOTA EXPERIENCE

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The Department of Employee Relations (DOER) was responsible for administration and enforcement of pay equity legislation until 2003, when it was merged with Minnesota Management and Budget (MMB). MMB then assumed responsibility for Minnesota's pay equity programs. Other resources are cited in endnotes.

Please note that a separate report in abbreviated form, *Summary, Pay Equity: The Minnesota Experience*, is available from the OESW.

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INTRODUCTION

Over thirty years ago, the State of Minnesota passed two pay equity laws to correct sex bias in pay-setting for all public employees. In 1982, legislation covered state government workers, and shortly thereafter a new law covered employees of all local jurisdictions: cities, counties, school districts, and others.¹ This report is an update to previous reports, the last of which was issued in 1994.

This report will describe the laws—their implementation and results—and historical background as well as basic personnel concepts such as the classification of jobs, job evaluation, and compensation practices. It will also focus on the average wage gap between men and women workers, particularly as it relates to public employees.

Pay equity is often known as "comparable worth," or comparable pay for work of comparable skill, effort, responsibility, and working conditions. This concept is defined in statute as "equitable compensation relationships." Pay equity differs from equal pay for equal work, which has been the law nationally since 1964. Equal pay laws have been interpreted to apply only to men and women holding jobs with similar duties, and have had little effect on the typically lower wages for women's jobs because men and women tend to be in different occupations. Pay equity depends on evaluating all jobs or job classes by rating the skill, effort, responsibilities, and working conditions of a job, and assigning a level (usually "points") to that job. Wages for jobs held mostly by women can then be compared to the wages for men at the same or similar level, and any inequities can then be corrected.

Pay equity is defined as comparable pay for work of comparable skill, effort, responsibility, and working conditions.

In state government employment, early studies showed that there was a consistent pattern of lower wages for the job classes where women predominated, compared to the classes of their male counterparts. It should be emphasized that pay equity requires an internal comparison of the wages according to the "worth" of a job, rather than the more customary comparison to wages offered by other employers. External comparisons simply perpetuate discriminatory patterns of the past when stereotypes about women's work prevailed. In addition, pay equity looks at the characteristics of the job or job class itself and not at the particular characteristics of any one jobholder. It looks at the overall structure of the personnel system, and determines whether there is a consistent pattern of underpayment for jobs that have traditionally been done by women, and where women continue to be concentrated.

The state law was first implemented in 1983. Because of the successful application of the law in that year, a similar law was passed for all local units of government in 1984. The application of the local law was more complex than the state law because there are 1,500 separate local government employers in the state, primarily cities, counties, and school districts.

Because the State of Minnesota is a single employer, accurate changes over time and the results of the law are readily documented. The most significant result of the pay equity program shows that the overall wage gap in state government employment has narrowed considerably over the years. In fact, data show that the pay equity law has resulted in the elimination of the gender wage gap for jobs of comparable value. The lingering gap of 11 percent (for all male and female state employees, regardless of job value) can be attributed to the continued concentration of women in lower-paid office and clerical work and other traditional jobs. A recent study, more-over, showed that if men and women were equally represented in all occupational groups, the wage gap would essentially disappear for state employees.

Pay equity has eliminated the wage gap in the state government workforce for jobs of comparable value.

Results of the local government act are harder to come by because of the large number of jurisdictions, the variability in size, and the differences in personnel practices. However, local governments must report to the state every three years and those data give a good indication that the results are similar to those of the state. Clearly, this law has led to significant pay increases for thousands of women in local government jobs, at a relatively low cost to employers or taxpayers. Many local government employers have also expressed the value of the pay equity law in leading them to more rational and defensible human resource and compensation systems. In the past two years, with 500 local employers reporting each year, about 85 percent of these employers were in immediate compliance with the law. Also in the past two years, with assistance from the state monitoring agency, more than 99 percent of these employers achieved full compliance by the end of each calendar year.

Despite opposition from some local government employers, the pay equity program has remained strong over the years. Advocates believe that is due to many factors:

- The laws were each preceded by studies that documented significant disparities in wages;
- The laws were passed with bi-partisan support in the legislature, signed by governors of different parties, and the state law was supported by both labor and management;
- Both laws allowed for implementation over time, and the costs have been relatively minor compared to total payrolls;
- Salaries of other workers have not been lowered to provide for pay equity increases, nor have jobs been lost;
- The law is pro-active and is not complaint-based;
- State agencies have provided technical assistance to local governments, and recent electronic filing has simplified the reporting process;
- The laws address the overall structure of a wage system and not individual jobs;
- And finally, both laws require the continued monitoring of compensation, including regular reports to the state legislature.

This report ends with some general conclusions about pay equity and gives some recommendations for the continued success of these programs. It also offers suggestions for further narrowing the average wage gap between men and women in the state of Minnesota.

PAY EQUITY: THE MINNESOTA EXPERIENCE

For more than three decades Minnesota has led pay equity efforts in the nation. While pay equity initiatives have now been undertaken in some other public and private organizations across the country, Minnesota was the first to provide pay equity for state government employees and the first to require pay equity for all local government employees.

Minnesota's experience shows that pay equity significantly narrows the gender wage gap, with associated increases in earnings for women, and can be implemented smoothly and at a reasonable cost.

This report, the sixth edition of *Pay Equity: The Minnesota Experience*, has the following purposes:

- To review the basic concepts of pay equity, also known as “comparable worth,” meaning comparable pay for work of comparable skill, effort, responsibility, and working conditions;
- To explain and document the process of implementation for Minnesota’s state and local government pay equity systems;
- To evaluate whether pay equity in Minnesota’s state and local government has been successful. Has it significantly narrowed the gender wage gap? Has implementation caused problems for governmental units? Most importantly, have these laws helped the women in Minnesota’s public sector receive a fair wage?

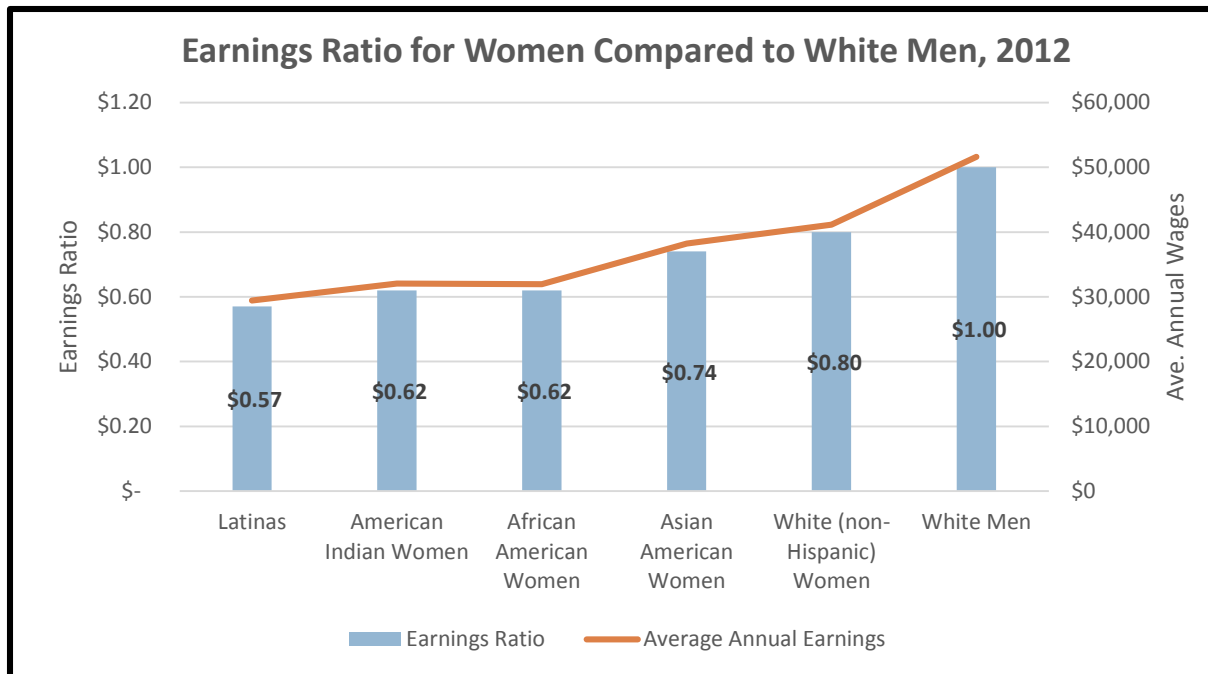
The Gender Wage Gap

Federal and state laws have required equal pay for equal work for over four decades.² Employers must pay female truck drivers the same as male truck drivers and female engineers the same as male engineers. Despite the equal pay for equal work laws, there remains a significant and persistent disparity in women’s earnings compared to men’s. In 2014, employed women in the U.S. working full-time, year-round had average earnings that amounted to only 79 percent of the average earnings for white males employed full-time, year-round.³ In Minnesota, the earnings ratio was only slightly better, at 81 percent.⁴

The gender wage gap persists in Minnesota for all employees, and is wider for women of color.

(Strangely, what is commonly known as the “wage gap” or “earnings gap” does not give the size of the actual gap between salaries, but describes the ratio of one salary to another. In the example above, the 79 percent is actually the ratio, and not the difference—or gap—between two salaries. Twenty-one cents would be the gap in this instance.)

In Minnesota, on average, a woman who holds a full-time job is paid \$42,066 per year, while a man working full-time earns \$51,625. This amounts to a yearly gap of \$9,559, a 19 cent gap—or the earnings ratio of 81 percent described above (2014 data).⁵ While the most recent Minnesota data showing the earnings gap by race as well as gender are from 2012, clearly women of color experience an even more significant earnings gap than the average gap for all women—as shown in the chart below.⁶



Why does this wage gap persist? Gender differences in occupation are the most important reason. The wage gap continues because women generally do "women's work," and traditional "women's work" is usually low paid. There are still very few female truck drivers or engineers. In fact, most employed women perform work such as office and clerical work, health care, and service jobs. According to the federal Bureau of Labor Statistics, currently women are 90 percent of registered nurses, 72 percent of cashiers, 85 percent of general office clerks, 89 percent of nursing aides, and 91 percent of receptionists.⁷ In state and local governments, women are 85 percent of administrative support workers and 72 percent of paraprofessional workers.⁸

Pay equity goes beyond "equal pay for equal work" since men and women tend to do different kinds of work.

Minnesota women seek economic self-sufficiency, as shown by their high labor force rates. Despite this, a frequent consequence of the wage gap is poverty or near-poverty. The wage gap is larger for women of color, and their poverty rates are dramatically higher than the rates for white women. In addition, in Minnesota, 36 percent of female-headed families live in poverty, and 9 percent of women over 65 live in poverty.⁹ The situation is especially dire because female-headed families and older women outnumber male-headed families and older men, and because standard poverty measures are set far below the cost of basic life necessities. The older women face the cumulative result of a lifetime of lower earnings, which affects retirement savings, pensions, and Social Security benefits. Pay equity has the potential to reduce women's poverty.

What is Pay Equity?

There is often confusion with the terms “equal pay for equal work,” “pay equity,” and “comparable worth.” All refer to methods of removing gender bias from pay practices.

Equal pay for equal work has been the federal law of the land since the Equal Pay Act of 1963 and Title VII of the Civil Rights Act of 1964. Minnesota passed its Equal Pay Act in 1969.¹⁰ It compares wages between jobs that are essentially equal in job requirements and responsibilities.

Comparable worth goes beyond “equal pay for equal work.” It means comparable pay for work of comparable value. It is a better measure of equity because men and women often do different kinds of work.

Pay equity in Minnesota law means comparable worth. In other words, dissimilar jobs that are comparable in terms of skill, effort, responsibility, and working conditions—or “worth” to the employer—should have comparable compensation. However, sometimes jurisdictions outside of Minnesota use the term to mean equal pay for equal work. When reviewing other jurisdictions, the reader may want to check the specific language of the statute or policy in question to be sure which concept is meant and how it might be enforced.

Pay equity addresses gender-based disparities by requiring employers to use gender-neutral criteria to set wages.

By establishing “comparable pay for work of comparable value,” pay equity corrects the historical practice and pattern of lower pay for work typically performed by women. Women may perform jobs with different duties than the jobs performed by men, but if the “male” and “female” jobs are equally valuable to the organization they should be paid equitably.

Once Minnesota established an objective job evaluation system, it showed that when jobs of similar value were compared, there was an absolute consistency of lower pay for the jobs disproportionately held by women. This disparity could not be explained by qualifications for the job, by length of service in the job, by job performance, or by any factor other than the gender of most incumbents. In practice, pay equity has come to mean eliminating sex bias in pay practices by eliminating a dual pay structure based on the gender of jobholders.

The success of pay equity efforts is measured by comparing the earnings of women and men in jobs of comparable value.

Opposition to Pay Equity

Some of the most common arguments advanced by opponents of pay equity are shown below.

How can you compare jobs which are as different as apples and oranges? Simply put, all jobs are “work,” and work can be evaluated using common factors such as the level of skill required to do a job. For example, nurse and delivery van driver are two very different jobs but each requires a certain level of skill. In this case, the nurse would be rated higher in the skill category due to the advanced training required to perform the job. In addition to skill, other common factors are effort, responsibility and working conditions, and a value can be assigned to each of these factors.

Job evaluation systems have been used in both the public and private sector for decades using these common factors to arrive at a total value, usually in terms of “points.” The result of a job evaluation system is a ranking of all jobs in a given entity. The State of Minnesota uses the Hay System to evaluate its jobs. The Hay System is like all other job evaluation systems in its purpose: measuring job requirements and content, and not the characteristics of a particular jobholder. A more detailed explanation of the Hay System can be found in the section on compensation, later in this report.

Job evaluation systems have been widely used in both public and private sector employment for many years.

Aren't wages set by the laws of supply and demand? There are many examples of jobs paid either more or less than "supply and demand" would suggest. Wage-setting is determined by many factors such as minimum wage laws, collective bargaining, and stereotypes about what certain jobs are worth. In state government, jobs with relatively high pay often have large pools of qualified applicants. There appears to be no relationship between the number of jobseekers and the pay for jobs.

If women want to earn more, why don't they take "men's jobs"? Women choosing male-dominated occupations alone will not eliminate the gender pay gap. The low-wage occupations will still remain female-dominated, unless men join those occupations. The labor force is heavily stratified by gender. Based on 2014 data on United States occupations, in order to equalize occupations, more than 20 million men and 20 million women would need to change jobs.¹¹ That is even more complicated since we have moved to a more information and service-based economy with fewer jobs in traditional male fields such as crafts and labor. Furthermore, the contributions of traditional female occupations are critical to the well-being of society, and many women enjoy their work in traditional female fields.

In today's service and information economy, there are fewer traditional men's jobs.

How is Pay Equity Accomplished?

Studies. In general, women have achieved pay equity through a variety of mechanisms: legislation, collective bargaining, litigation, and voluntary employer action. Although the mechanisms have varied from one employer to another, the process leading to change has often been similar. The following section describes a typical process, while the specific steps taken in Minnesota appear later in the report.

In order to determine whether bias exists in an organization's pay-setting practices, a limited study may first be conducted of the pay for typical “male” and “female” jobs in that organization. (See Appendix B for the statistical definition of “male jobs” and “female jobs” used in Minnesota.) The study may highlight some obvious inequities, such as a “female job” requiring a college education that is paid less than a “male job” requiring only a high school education.

Then a more extensive study is often undertaken, sometimes including the organization's human resources office, to verify the extent of the problem. This step may occur as a result of a lawsuit, a bargaining agreement, or legislative action—or simply because the limited study indicated that there was a problem.

These studies have two parts: job evaluation and pay analysis. The purpose of job evaluation is to determine the value of each job in an organization in relation to all other jobs in the organization. To evaluate jobs, researchers use job evaluation systems based on objective criteria like the skill, effort, responsibility, and working conditions required for the job. These systems have been used by employers for many years to establish job relationships.

Pay equity studies don't compare individual jobs but use position descriptions or job class specifications, and look at the overall pattern of wages.

The purpose of a pay analysis is to determine whether jobs are paid appropriately in relationship to each other, based on the job evaluation. These studies are generally about the overall *structure* of the wage system, using position descriptions or class specifications. They should not be a comparison of individuals or their characteristics. In pay equity studies, the pay analysis compares pay for "male jobs" and "female jobs" of comparable value. This analysis generally includes an entire workplace, to determine whether the lower pay for an individual "female" job is a rare exception, or rather part of a consistent pattern. Studies across the country consistently show that "female jobs" are paid about 20 percent less than "male jobs" of comparable value.¹²

The final step in achieving pay equity is to eliminate the pay gap between "male jobs" and "female jobs" of comparable value. Again, intervention through the legislative, collective bargaining, or judicial process is often needed to make this happen. The total cost to achieve pay equity in Minnesota was shown to be consistently around two to four percent of the employer's total annual payroll. Many organizations, like the State of Minnesota, have achieved pay equity by phasing in special increases for the underpaid female employees over a period of several years. On-going monitoring is needed to ensure that disparities do not recur.

Legislation. In Minnesota and other places pay equity has been implemented as a result of state legislation. Legislation usually establishes a pay equity policy. It may also require a job evaluation study or other specific mechanisms.

Pay equity has been achieved by legislation, collective bargaining, litigation, and voluntary measures.

Most legislation addresses pay equity for government employees. Advocates have focused on public employment for several reasons: data on wages are generally public information and are readily available, public employers are expected to have a high standard of fairness because they serve the public, and it is more difficult to pass laws governing the private sector.

There was a flurry of pay equity legislative activity in the early 1980s as an outgrowth of the women's movement re-energized in the 1960s. Those historic days for feminism saw the Equal Pay Act of 1963, which made it illegal for an employer to discriminate on the basis of sex by paying men and women unequally for "equal work" in jobs that require equal skill, effort, and

responsibility and that are performed under similar working conditions; Title VII of the Civil Rights Act of 1964, which banned discrimination on the basis of sex for purposes of employment; and Title IX of the federal Education Amendments of 1972, which banned discrimination on the basis of sex in education programs or activities that receive federal funds.

Significant anti-discrimination laws for women were passed in the 1960s through the 1980s.

The rapid and monumental political, legal, and societal gains of the women's movement in the 1960s and 1970s engendered a backlash against feminism, coinciding with a wave of political conservatism. Anti-ERA (Equal Rights Amendment) messages were a prevalent theme in the 1980 elections, and the amendment requiring equal rights for women failed in 1982. By 1985, the chair of the national Civil Rights Commission, Clarence Pendleton, could say that comparable worth was "the looniest idea since Looney Tunes came on the screen."

Minnesota had passed its state and local government pay equity laws in 1982 and 1984, respectively, and Washington State and Iowa passed state government pay equity laws in 1983. Shortly thereafter, however, pay equity/comparable worth legislative activity slowed in many states. By that time, opposition had increased, particularly from business organizations and from political conservatives.

Appendix L contains an overview of some pay equity laws in jurisdictions other than Minnesota. Researchers have difficulty determining whether a jurisdiction actually requires pay equity as Minnesota has defined it because a jurisdiction's use of the term "pay equity" may not necessarily mean "comparable worth." A further complication is whether a pay equity requirement is enforced through a complaint-only basis, or whether it is proactively implemented with ongoing monitoring as it is in Minnesota. A thorough survey of other jurisdictions that have a pay equity requirement is beyond the scope of this study.

Minnesota uses "pay equity" and "comparable worth" interchangeably, although the terms may have different meanings in other jurisdictions.

Collective bargaining. Many unions have negotiated for pay equity studies that are then used in bargaining for wage increases. Such studies have been negotiated by AFSCME (American Federation of State, County, and Municipal Employees), the United Auto Workers, the Maine State Employees Association, the Civil Service Employees Association in New York, the Newspaper Guild, and others.

A few examples of pay equity contract settlements include:

- In 1985, AFSCME negotiated comparable worth increases of 10 to 15 percent for employees of the City of Los Angeles.
- San Francisco voters approved a referendum in 1986, requiring the city to eliminate sex- and race-based wage inequities. The following year, the city and its unions agreed to \$35.4 million in pay equity increases.
- The National Union of Hospital and Health Care Employees negotiated a contract in 1987 with the state of Connecticut that provided a pay equity fund equal to 1 percent of payroll.

- In Montgomery County, Maryland, negotiations led to pay equity increases in 1989. In 1992 the school board in that county agreed to \$484,000 in increases for school employees.
- In 1991, the Utility Workers of America negotiated a contract with the Southern California Gas Company that provided 15 percent pay equity increases for clerical workers.

There have also been pay equity settlements as a result of strikes.

- The first pay equity strike was in 1979, by city workers in San Jose, California. After a nine-day strike the city agreed to pay workers \$1.5 million in pay equity adjustments and other salary adjustments.
- A private sector pay equity strike occurred at Yale University in 1984. Members of the Federation of University Employees, mostly clerical and technical workers, were on strike for four months. In January 1985 a settlement was reached that provided average salary increases of 35 percent for these workers.
- In 1991 and 1992 clerical workers represented by the United Auto Workers went on strike for 10 months against Columbia University. Final agreement on a new contract provided pay equity as well as general wage adjustments. In this case pay equity adjustments applied to male and female minority workers as well as to white women.

Litigation. The federal [Equal Pay Act of 1963](#) prohibits employers from paying men more than women for doing the same job. [Title VII of the Civil Rights Act of 1964](#) contains broad prohibitions of discrimination in employment, including sex-based discrimination. One legal question posed by pay equity has been, "Does Title VII prohibit sex discrimination in pay for jobs performed mostly by women even when the jobs are not identical to those performed mostly by men?" There have been a number of significant court decisions on this issue. Among them are two cases, *County of Washington [Oregon] v. Gunther*¹³ decided by the U.S. Supreme Court in 1981, and *International Union of Electrical Workers v. Westinghouse Electric Corp.*,¹⁴ decided by the U.S. Court of Appeals for the Third Circuit in 1980. In these cases, the court interpreted Title VII to allow for comparison of dissimilar jobs, although it stopped short of endorsing the concept of comparable worth. In both cases, substantial monetary settlements were awarded.

Litigation in the State of Washington provides an interesting comparison with Minnesota's legislative approach. In 1974, Washington identified pay inequities very similar to those identified in Minnesota in 1981. The cost estimates for implementing pay equity were similar in the two states, 4 to 5 percent of payroll. Washington did not address the issue and the state was sued in U.S. District Court by AFSCME in 1981. After years of divisive and costly litigation, the parties agreed to a settlement and pay equity was achieved for Washington state employees. It appeared that legislation such as that undertaken in Minnesota was more cost effective than litigation.

Legislative action in Minnesota was less disruptive and more cost-effective than the divisive litigation in Washington State.

In 1989 the State of Illinois settled a pay equity lawsuit filed in U.S. District Court by the Illinois Nurses Association. The state agreed to provide retroactive pay equity increases for 24,000 employees in female-dominated classes.

In 1992 school cafeteria workers in Everett, Massachusetts won a lawsuit requiring the city to pay them the same wages paid to school custodians. The ruling noted that Massachusetts state law does not require proof of intentional discrimination and recognized that cafeteria work was comparable to custodial work, even though the women usually worked part-time and for fewer weeks in the year. The city was required to pay double back pay and attorney's fees to employees represented by the Hotel & Restaurant Workers Union.

Also in 1992, the county board in Dane County, Wisconsin, agreed to spend \$522,000 to increase pay for employees in female-dominated jobs, settling a lawsuit filed by the Joint Council of Unions.

The first piece of legislation signed by President Obama was The Lilly Ledbetter Fair Pay Act of 2009,¹⁵ which makes clear that pay discrimination claims accrue whenever an employee receives a discriminatory paycheck, as well as when a discriminatory pay decision or practice first begins. While it was not based on a comparison of dissimilar jobs, this law can be a helpful resource for women seeking to correct discriminatory pay. The Lilly Ledbetter Act restored legal protections lost in 2007 when the U. S. Supreme Court, in *Ledbetter v. Goodyear Tire and Rubber Co.*, upheld a lower court decision that employees cannot challenge ongoing pay discrimination if the employer's original discriminatory pay decision occurred more than 180 days earlier, even when the employee continues to receive paychecks that have been discriminatorily reduced. Lilly Ledbetter was unaware that she had been paid unfairly for decades, because Goodyear prohibited employees from discussing wages. There is still no federal ban on employers prohibiting workers from discussing their pay. However, Minnesota adopted such a ban as part of its 2014 Women's Economic Security Act,¹⁶ as explained in a later section of this report.

Finally, a recent case decided by the U.S District Court for the District of Minnesota, *Ewald v. Norwegian Royal Embassy et al* (2014),¹⁷ supported comparable worth. Ellen Ewald worked for the Norwegian Embassy and learned she was paid significantly less than her male coworker for a job which had different duties, but the same level of skill, effort, and responsibility. ““There was no competent evidence presented at trial that one job required greater skill, effort and responsibility than the other,” the judge wrote. ‘Rather, the evidence demonstrated that the jobs were substantially equal.’ ” The judge ordered Norway to pay Ewald \$170,594, which is double her lost wages, and \$100,000 for emotional distress suffered after she unsuccessfully fought to get her salary raised. Judge Nelson also ruled that Norway must pay \$1,000 to Minnesota’s general fund for violating the state’s Human Rights Act,” and asked Ewald’s attorneys to submit their legal fees, including a calculation for prejudgment interest, estimated at more than \$2 million.

Recent court cases provide support for women seeking fair pay based on the value of their jobs.

Education. Across the country women's groups and unions have undertaken educational efforts to increase public awareness of the pay equity issue. The AFL-CIO has passed several resolutions in support of pay equity. A 1981 resolution states that “The AFL-CIO urges its affiliates to recognize fully their obligations to treat pay inequities resulting from sex discrimination like all other inequities which must be corrected and to adopt the concept of 'equal pay for comparable work' in contract negotiations; the AFL-CIO will take all other appropriate action to bring about true equality in pay for work of comparable value and to remove all barriers to equal opportunity for women.”

The National Committee on Pay Equity (NCPE), founded in 1979, is a coalition of women's and civil rights organizations; labor unions; religious, professional, legal, and educational associations, commissions on women, state and local pay equity coalitions and individuals working to eliminate sex- and race-based wage discrimination and to achieve pay equity. Membership includes the American Association of University Women, Coalition of Labor Union Women, League of Women Voters, National Council of Negro Women, Mexican American Women's National Association, Business and Professional Women, National Organization for Women, and Women in Communications, among many others.

Public opinion polls in the 1990s showed strong support for comparable worth. For example, in 1991 an NCPE poll found 77 percent of respondents would support a law requiring that “men, women, and people of all races be paid the same for occupations that require the same level of skill and responsibilities even if those occupations are different.” More recently, a 2014 Gallup poll stated, “Nearly four in 10 Americans say equal pay/fair pay is the top issue facing working women in the United States today, a sentiment shared by roughly the same proportions of men, women, and working women. About twice as many Americans mention equal pay as [mention] the second-ranked issue—equal opportunity for advancement. No other issue is cited by more than 10% of Americans.”¹⁸

A recent Gallup poll stated that about 40 percent of Americans say fair pay is the top issue for working women in the U.S.

Pay equity seminars and forums continue in many higher education settings in Minnesota, which have periodically done research and hosted events with a focus on pay equity, and in meetings of human resource professionals, unions, women-focused nonprofits, and civic groups.

Voluntary Employer Action. EDGE (Economic Dividends for Gender Equality) is a global assessment methodology standard for a business to certify that its workplace and company culture embody gender equality. The EDGE certification methodology assesses a company's policies, practices, and numbers in five different areas of analyses: equal pay for equivalent work, recruitment and promotion, leadership development training and mentoring, flexible

Several guides for a voluntary pay equity program are readily available to employers.

working, and company culture. EDGE started in 2009 in Geneva, Switzerland, as The Gender Equality Project and today works with 80 companies in 29 countries across 14 industries.

The National Committee on Pay Equity provides a 10-step guide for employers to do a pay equity self-audit. The first step is to review recruitment practices to ensure they seek a diverse workforce, and the second step is to “review your compensation system for internal equity” by answering four questions about job descriptions, job evaluation, and pay analysis. Subsequent steps suggest reviewing industry competitiveness; practices on commissions, bonuses, raises, and development opportunities; and finally “implement changes where needed, maintain equity, and share your success.”

MINNESOTA STATE GOVERNMENT PAY EQUITY PROGRAM

It is now half a century since equal pay laws have been in effect both in the United States and in Minnesota, yet there continues to be a persistent wage gap between women and men. While there has been great improvement over the years in women’s representation in managerial and professional jobs—such as in law, medicine, the media, and business—the vast majority of employed women still work in generally low-wage female-dominated occupations.

In order to address such disparities, the Minnesota Legislature established the Council on the Economic Status of Women (CESW) in 1976. The council’s first study and report was on women employed in the executive branch of state government. Based on testimony at public hearings and data research, the report noted that women were under-represented in most of the higher-paid jobs and that women’s average salaries were substantially lower than men’s average salaries. In that year, only 4 percent of managers were women and only 25 percent of professional employees were women. Few job classes had roughly equal numbers of male and female employees. In addition, the predominantly male classes tended to have more precisely defined duties and steps to higher-paid classes, while predominantly female classes had vaguely defined duties and few ladders to high-paid classes. At that time, however, there was no objective way to measure the “value” of job classes, so the only data available were overall salary comparisons between men and women.

“Equal pay for equal work” won’t close the wage gap because women and men seldom do the same or equal work.

At the council’s public hearings, testimony also presented evidence of the dual effects of sex and race/ethnicity on minority women. In 1976, women of color constituted less than two percent of the state government workforce and there were no women of color in managerial jobs.¹⁹ Their wages lagged behind members of all other groups: minority men, white women, and white men.²⁰ Because of the low numbers, it was not possible for CESW to undertake a more detailed analysis of the status of women of color in state employment.

Testimony at the hearings also showed that many women enjoyed their traditional jobs and believed their work was important to society. Witnesses said, however, that they received less recognition and were paid less than men whose jobs required the same or less skill and responsibility.

But without a job evaluation system in place and because pay was based on union contracts, it was not possible at that time to directly address the wage differences between male and female employees.

The concept of pay equity was initiated because of the low pay for jobs traditionally done by women.

Several years later, however, news from Washington State about their “comparable worth” program and subsequent lawsuit led the Council to establish a Task Force on Pay Equity in 1981. The State of Minnesota had recently had a salary study by the Hay Associates, and the state had adopted the Hay job evaluation system in 1979, which provided a numerical assessment of the level for each of the state’s job classes. The Council had urged Hay to assess differences between men’s and women’s job classes, but their conclusion was that there were minimal differences between jobs of similar value.

At that point, the Council’s Task Force on Pay Equity decided to examine the state’s wage system in light of the pay equity concept, using the Hay System as a way to measure the “value” of the various job classes. The task force included representatives from the Department of Employee Relations (DOER) and state employee unions, as well as legislators and members of the CESW. The Task Force report, *Pay Equity & Public Employment*, showed that the state had a pay system that did not match its recently installed job evaluation process. Not surprisingly, the pay for state employees in jobs dominated by women was consistently below what the job evaluation system would indicate it should be.

The state government pay equity act provides a process to establish “equitable compensation relationships.”

In order to address the disparities shown in the task force report, in 1982 the legislature passed the Minnesota State Government Pay Equity Act (full text in Appendix B), which provided a process to establish “equitable compensation relationships” in state government employment. The pay equity process was implemented over a four-year period from 1982 to 1986.

The following sections provide information and comparisons over time about Minnesota’s pay equity program for the executive branch of state government, including the state’s job classification system, groupings of employees by occupational category, the state’s compensation system, the state’s job evaluation system, and a pay analysis for purposes of equity and the wage gap. Included is “before and after” information, summarizing the changes in the state’s classification and compensation system in the years between 1976 and the present time.

State Government Pay Equity Act

In response to the recommendation of the CESW for legislative action to address gender pay inequities, the Minnesota Legislature in 1982 passed the Minnesota State Government Pay Equity Act. Legislators from both parties supported the bill, and no testimony was offered in opposition. The law made “comparability of the value of the work” the primary consideration in state salary-setting.

It is the policy of this state to attempt to establish equitable compensation relationships between female-dominated, male-dominated and balanced classes of employees in the executive branch. Compensation relationships are equitable within the meaning of this subdivision when the primary consideration in negotiating, establishing, recommending and approving total compensation is comparability of the value of the work in relation to other positions in the executive branch. (Minn. Stat. Sec. 43A.01)

The law also established the following procedure for implementation.

- Every biennium a list is submitted to the legislature of female-dominated classes that are paid less than other classes of comparable value, along with an estimate of the cost of salary equalization;
- Funds for comparability adjustments are appropriated through the usual legislative process. Although the funds are in the general salary supplement, they are earmarked for job classes on the list and cannot be used for other purposes. Appropriated funds are assigned to each bargaining unit in proportion to the total cost of implementing pay equity for that unit;
- The actual distribution of salary increases to eligible classes is negotiated through the usual collective bargaining process. For example, in the first year of phasing in corrections, an initial pay equity raise could be given to all the classes on the list, or the funds might be given to those most underpaid according to their Hay points;
- The law requires monitoring by the legislature every biennium to ensure that pay equity is maintained.

Enforcement of Minnesota’s pay equity law is proactive and is not complaint-based.

The procedure went into effect for the first time in 1983 and was phased-in over a four-year period. By July 1986 the process was complete, with the following results:

- Approximately 8,500 employees in 200 female-dominated job classes received pay equity increases;
- Seventy-five percent of the pay adjustments went to clerical workers and health care workers;
- About 10 percent of those receiving increases were men in female-dominated jobs;
- The estimated average pay equity increase was \$2,200, which represented an 11.2 percent increase over the female average wage;

- The total cost of pay equity over the four years represented 3.7 percent of the state’s total payroll;
- No state employee had wages cut as a result of pay equity, nor were there employee layoffs.

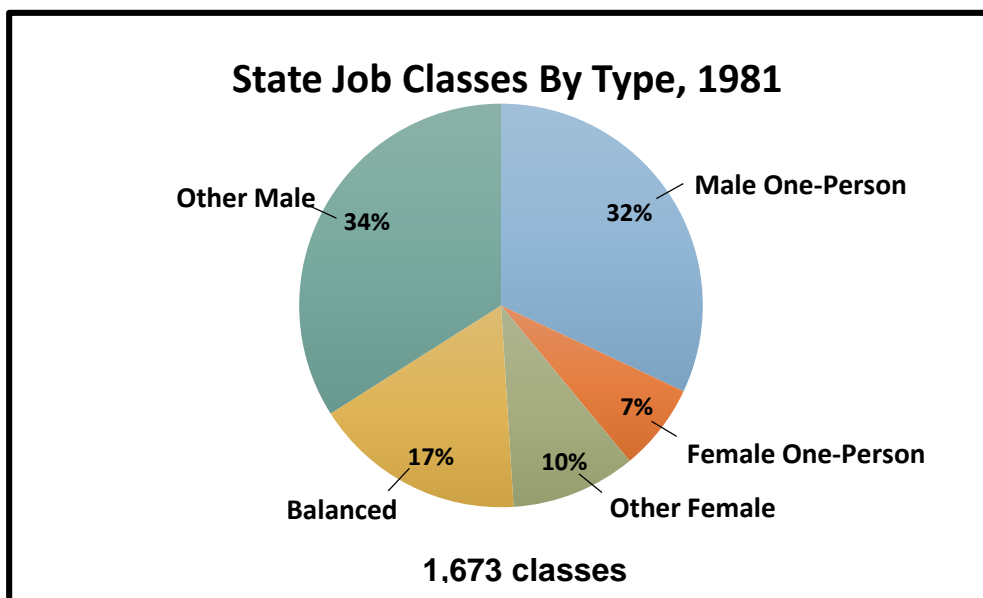
Classification of State Jobs

State government is one of the largest employers in Minnesota, with 34,639 employees in the executive branch of state government in 2014. Of those, about half are women (16,062) and half are men (16,116). Jobs for these employees are grouped into a classification system where a “class” consists of one or more positions sufficiently similar in duties and responsibilities that the same job title can be used for all positions in the class. A class is based on the characteristics of the job, not on the characteristics of the jobholder. Sample job classes are “office specialist” and “general repair worker.”

A job “class” consists of one or more positions similar in duties and responsibilities to be grouped together under a single title.

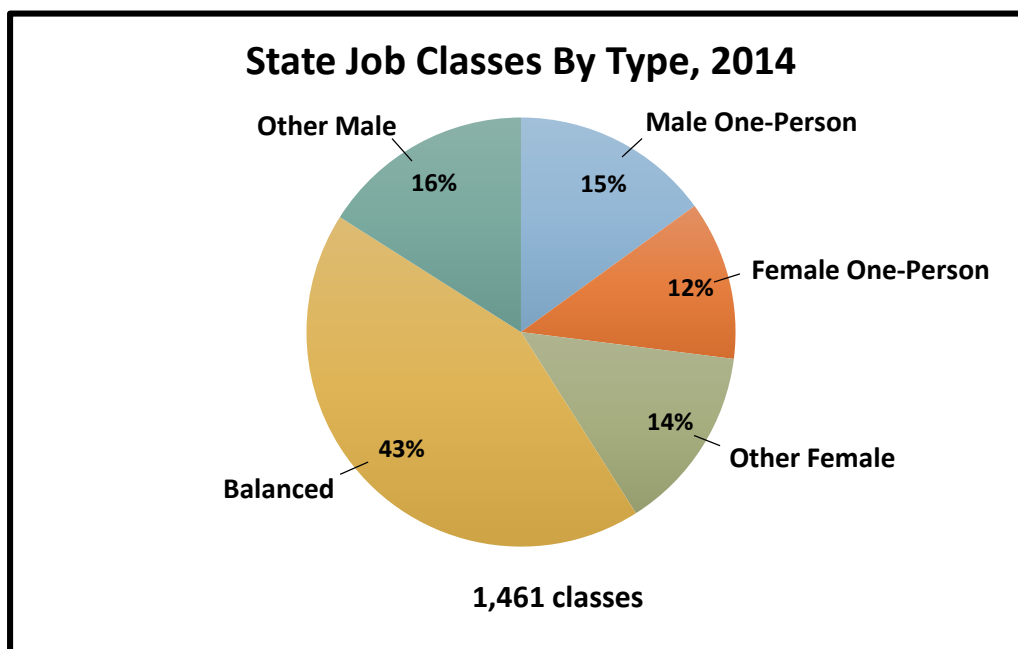
In 1982, the report of the Task Force on Pay Equity showed that there were 1,673 job classes, ranging in size from one-person classes to classes including over 100 jobs. Since many job classes were characterized as being predominantly male or predominantly female, it was convenient to define a class as a “male class” or a “female class.” The definition of a male class was one in which more than 80 percent of incumbents were men. The definition of a female class was one in which more than 70 percent of incumbents were women. (That differential was because men outnumbered women in state service—about 60 percent of all jobs were held by male employees at that time.) The remaining classes were considered “balanced.”

The Task Force report also showed the distribution of job classes by the gender of incumbents.



As seen in the chart above, there are almost four times as many male classes as there are female classes, and relatively few balanced classes. In 1981, gender-dominated jobs outnumbered balanced classes by almost five to one. Also striking is the number of one-person male classes. The reasons for these differences are unknown, but the pattern is too pronounced to have occurred by chance. Perhaps part of the wage difference between men and women is explained by the careful differentiation of jobs held by men, which then allowed them to gain promotions, salary increases, and job title changes as their level of responsibility increased. Since women worked in large undifferentiated classes, they were less likely to have those advantages.

A dramatic change in this class structure has occurred over the years, as shown below:

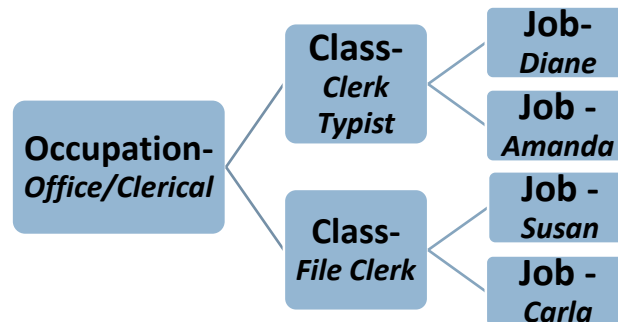


It is immediately clear that there is now a higher proportion of balanced classes: 43 percent in 2014 compared to 17 percent in 1981. Additionally, the proportion of female classes is now almost equal to the proportion of male classes—26 percent to 31 percent—and there is also almost an equal number of female one-person classes and male one-person classes.

In reviewing “predominantly male” and “predominantly female” job classes, and because of the disparities in wages for persons of color, it is sometimes asked why there is not a pay equity analysis of the state workforce by race. The number of women of color in state employment has increased, from less than 2 percent in 1976 to 5 percent in 2014. However, there are too few or no classes dominated by people of color, to be labeled as such for comparison with “predominantly white” classes. Therefore, it is not possible to make a study of the structure of the wage system by race or ethnicity.

Classes grouped by general occupation. It is useful to distinguish among different ways that jobs can be described and analyzed: A “job” represents the work of an individual employee, as

noted, a “class” is a group of jobs similar enough in their duties to use the same job title, and an “occupation” refers to a grouping of classes under a broader category.



Example: Diane, in the example above, is a person in a single **job**, such as a clerk typist in the Department of Revenue. She is placed in a **class** of similar jobs with that title in all other state agencies. The Office/Clerical **occupation** group includes many classes doing this kind of work.

A strict comparison of the number of women in the different occupational groups over the years is not possible because the state now uses different categories and names for the groups. Overall, women have increased their representation in state service from 43 percent of state workers in 1976 to 50 percent in 2014. There are now more women as officials and administrators, and more in professional and technical jobs—all groups which are now almost evenly balanced. There is little change in women’s predominance in office and clerical work. Women remain under-represented in protective service, skilled craft, and service maintenance occupational groups.²¹

Female State Employees as Percent of Occupational Group, 2014

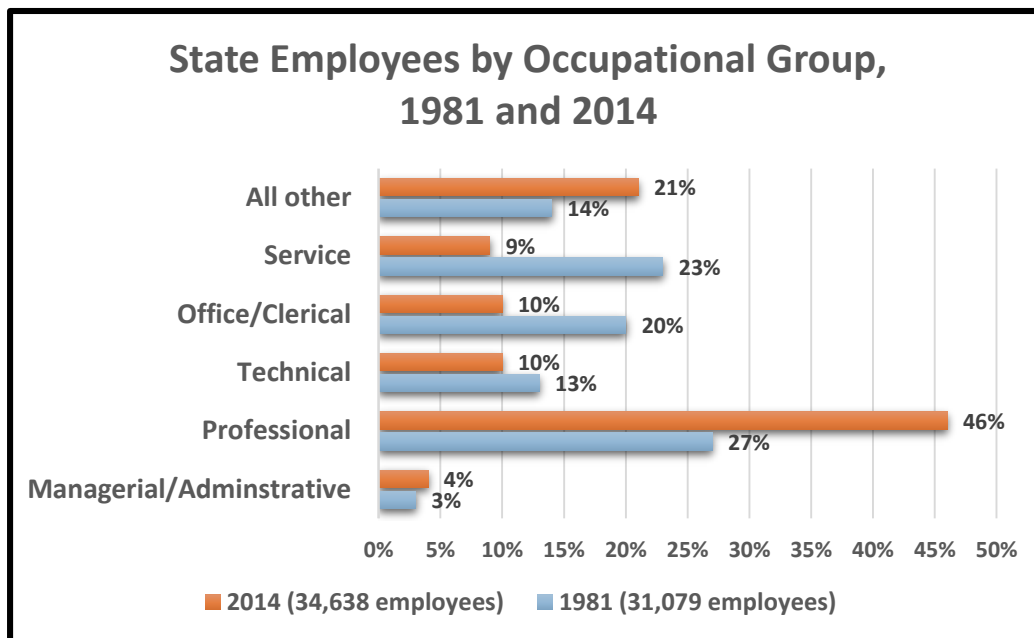
Total Employees July 2014	Occupational Group	Percent Female July 2014
1,480	Officials & Administrators	48.3%
15,987	Professionals	54.6%
3,347	Technicians	44.7%
3,939	Protective Service	22.3%
2,677	Paraprofessionals	69.8%
3,285	Office/Clerical	86.9%
666	Skilled Craft	1.1%
3,257	Service Maintenance	27.1%
34,639	Total	50.3%

Another way of analyzing the state workforce is by looking at the total number of employees in each of the occupational groups. Since 1976, the number of managerial and professional jobs has

increased, the number of craft and service jobs has decreased, the number of clerical jobs has been cut almost in half (although many of these jobs may have been assigned to paraprofessional), while the number of technical jobs has remained about the same.

Women and men are now equally represented in state government employment.

The chart below illustrates these changes by showing the distribution of state jobs in 1981 and in 2014.



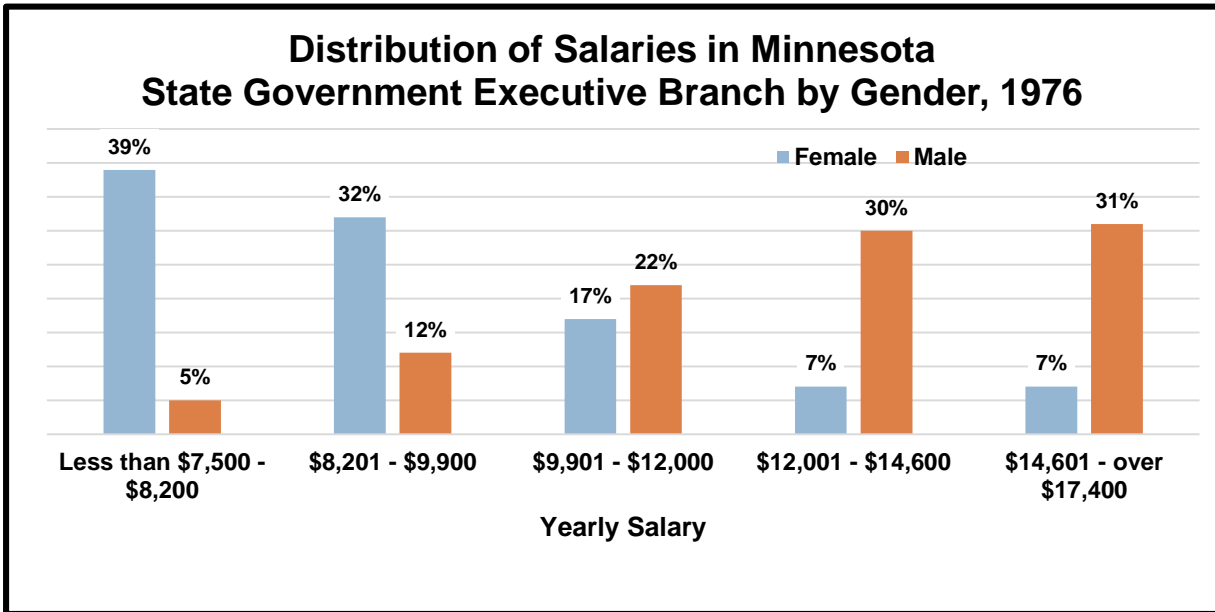
The largest occupational group is now in professional work, with 15,987 employees out of a total state government employment of 34,638 employees. These numbers are useful in determining how to eliminate some of the concentration by gender in the different job categories, and to show where jobs are most likely to be available.

Compensation in State Government Employment

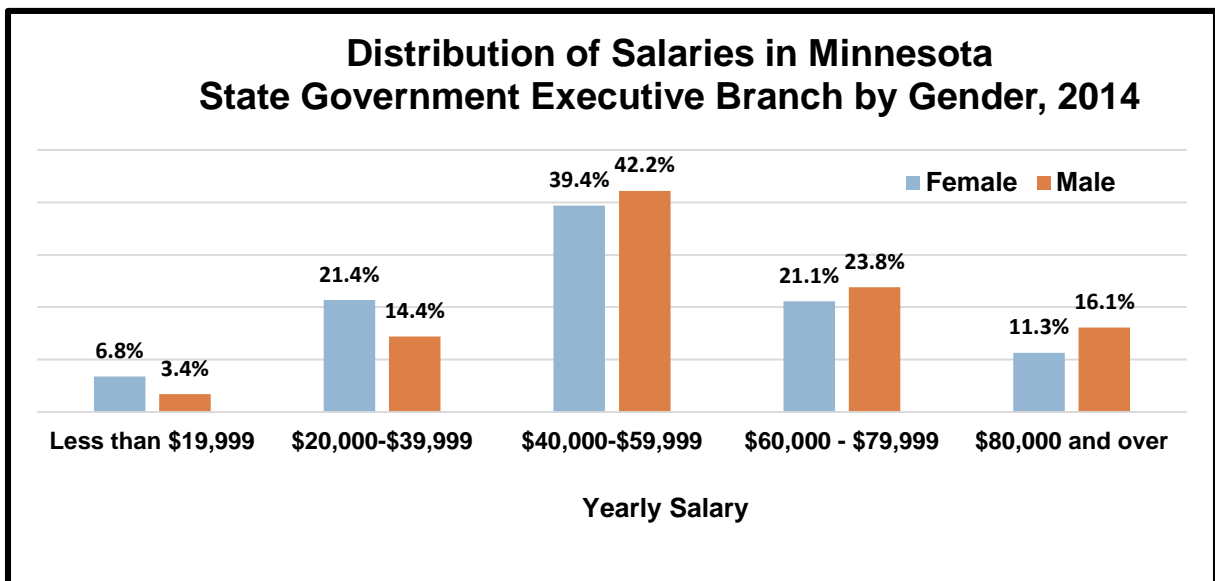
The wage gap before pay equity. In 1976, the difference in wages between women and men in state government was readily apparent: women on average made only 69 cents for each dollar earned by their male counterparts. The wages for women of color showed a similar gap, an estimated 73 cents compared to the dollar earned by men of color. These numbers, showing a disparity in wages, have now become commonly known as the “wage gap” although it is actually a ratio of women’s wages to men’s.

In 1976, women with 20 years of service had the same median wage as that of newly hired men.

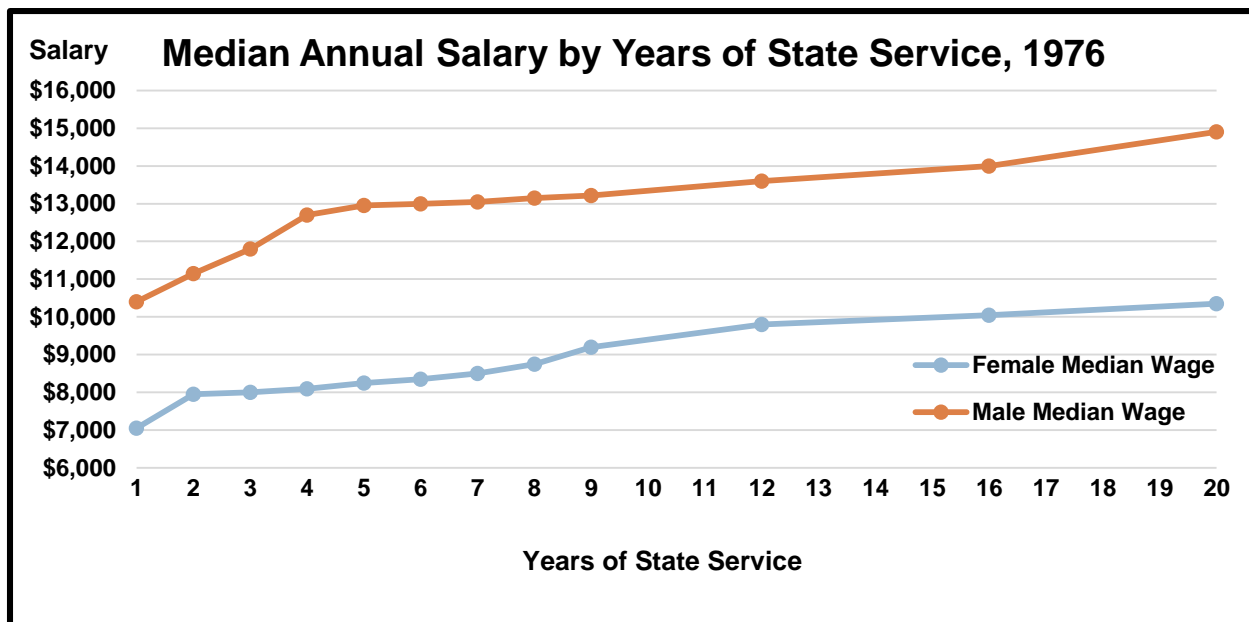
A more detailed way of demonstrating the difference in wages is by showing the percentage of men and women at each level of the wage structure. The next chart shows data from 1976, where the number of men increases as pay levels increase, with most men at the higher pay levels. Women's wages show the opposite effect – the number of women is largest at the low end of the pay scale. In short, in 1976, 88 percent of women had yearly salaries of \$12,000 or less, while only 39 percent of men had salaries that low.



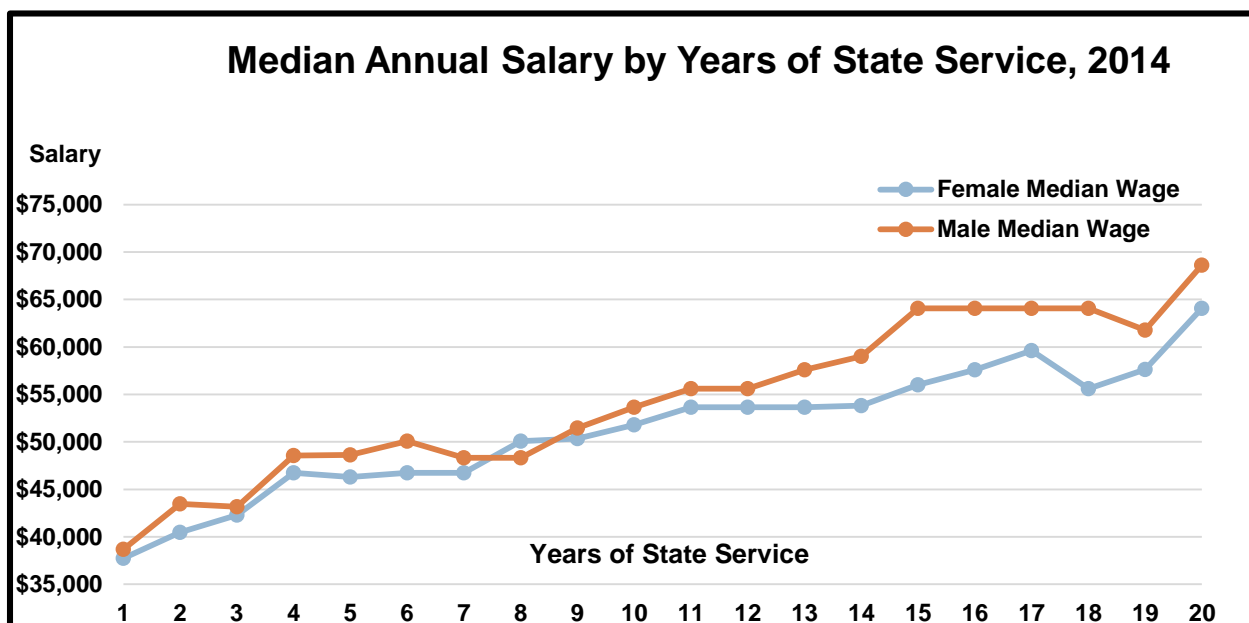
Recent data show that this pattern has changed: women are no longer clustered at the low end of the scale, while men are less likely to be concentrated at the high end. It shows that 50 percent of women are paid less than \$50,000 yearly, while 38 percent of men are paid in that range. Although that represents an improvement over the past 38 years, some gender disparity remains.



Salaries by years of service. Although it was commonly supposed that many of the earlier disparities were due to more years of service for male workers, the chart below shows that was not the case. While the pattern of increased wages with increased years of service was similar for men and for women in 1976, strong gender differences were apparent. In fact, after 20 years of service with the state in that year, the median wage for a woman was equal to the median starting salary for a newly-hired man.



A current graph, below, shows a striking difference. Median wages by gender today are fairly equal until about 13 years of service, and then diverge in modest ways after that.



The reason for the divergence after 13 years of service is not clear, although perhaps women who were hired 13+ years ago were more likely to go into traditional women's jobs, or perhaps men's jobs continue to provide more opportunities for advancement.

Job Evaluation

It's often been said that comparing the value of different jobs is like comparing "apples and oranges." Actually, different fruits can be compared by measuring common characteristics of a fruit, such as number of calories or weight.

Can Apples and Oranges Be Compared?



Similarly, common characteristics of jobs can be used to measure the value of different jobs by assessing the skill, effort, responsibility, and working conditions of a job. Since 1979, the state has used a job evaluation system that does this—a system developed by Hay Associates, a management consulting firm widely used in both the public and private sectors.

Job evaluation is not the same as performance appraisal or of other personal characteristics of a jobholder, such as educational level or length of service. The Hay System looks at a job description, whether or not there is an incumbent, and assigns points according to the level of "know-how," problem-solving, accountability, and working conditions, compared to a scale describing these job characteristics. The chart below gives a summary of information about the Hay System, showing factors along with some examples from 1981 ratings:

Sample Ratings for State Jobs Using Hay System, 1984

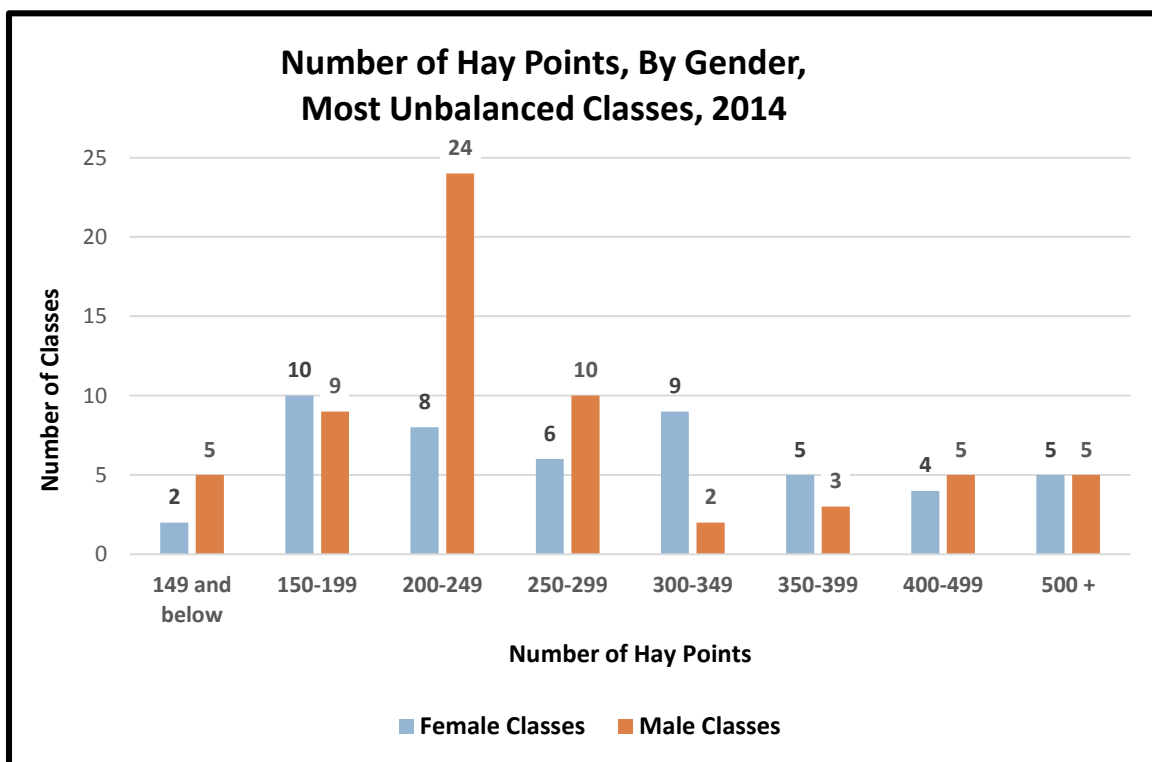
Factors/Job Requirements	Female Class Job Title: Administrative Secretary	Male Class Job Title: Groundskeeper Senior
<i>Know-how,</i> knowledge and skills needed	115	100
<i>Problem-solving,</i> original thinking required	25	19
<i>Accountability</i> for actions and consequences	33	25
<i>Working conditions,</i> effort, disagreeableness, hazards	0	16
Total Points	173	167

While no job evaluation system can be completely objective, the Hay System is more gender-neutral than the typical pattern of lower pay for work traditionally done by women. It is common for wage-setting practices in both the public and private sectors to compare wages to other employers, thus perpetuating past gender differences. A job evaluation system can break this cycle by making comparisons internally rather than externally.

Job evaluation makes it possible to compare the relative level of different jobs in an organization—that is, the “value” of a job class.

Since women's jobs in earlier years so often fell into the lower ranges of the Hay scale, it was assumed that the system had a bias in favor of the characteristics commonly found in male jobs. To test this, MMB staff reviewed a sample of current state jobs which consisted of over 100 of the "most unbalanced" classes. The most unbalanced classes are those with the highest percentage of one gender in it, such as the class of Carpenter, in which 100 percent of the incumbents are male. Other highly unbalanced classes are Legal Secretary, which is 98 percent female; General Repair Worker, which is 94 percent male; and Account Clerk Senior, which is 92 percent female.

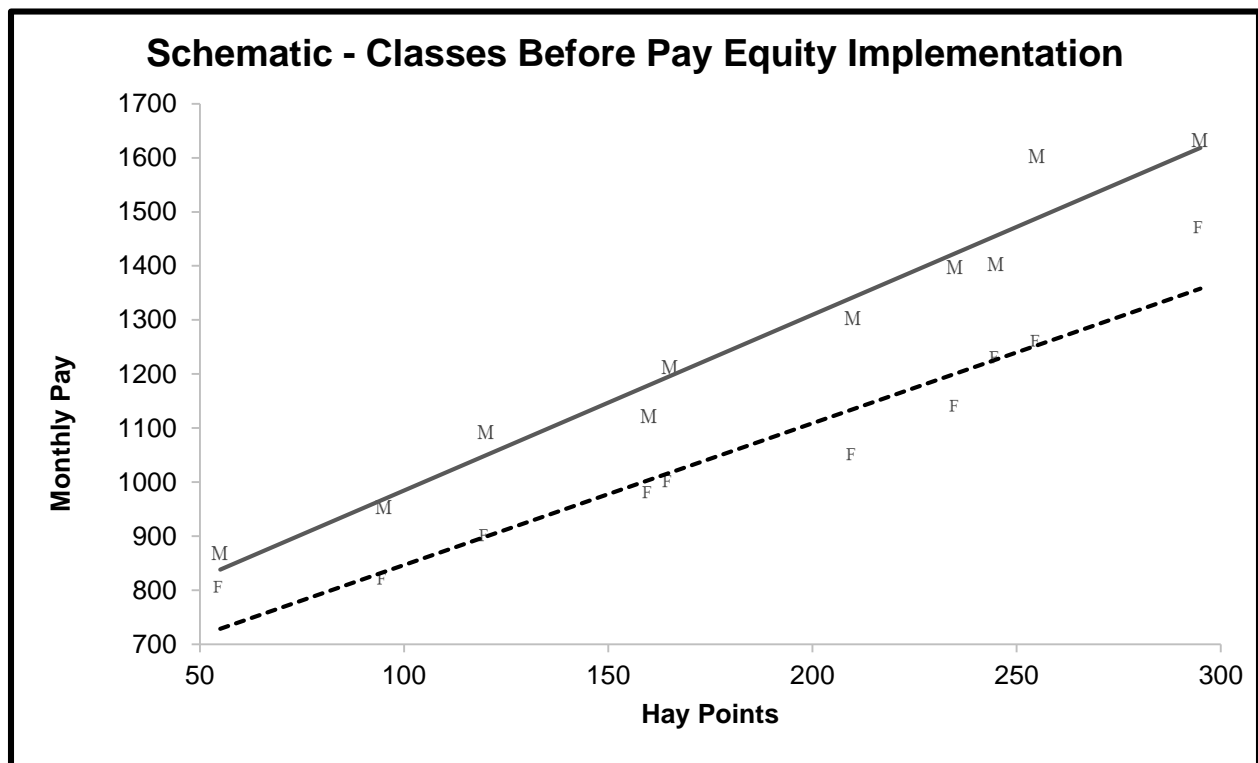
The following chart, based on that sample, shows that currently the distribution of both male and female job classes appears across the entire Hay point scale. This is an important point because success in a pay equity program relies on the perception of a fair job evaluation system



A job evaluation system was very useful in 1981 when the Task Force on Pay Equity was seeking a solution to the problem of low average wages for women in state service. The Hay System made it possible to compare the “value” of a job class—as measured by its Hay points—with the salary for that class. A comparison of Hay points and salary can be shown in two ways: either by a listing in Hay point order, or by the use of a scattergram as described below.

A scattergram graph plots the relationship between the wage and the “value” of a job class, and illustrates the overall structure of a wage system.

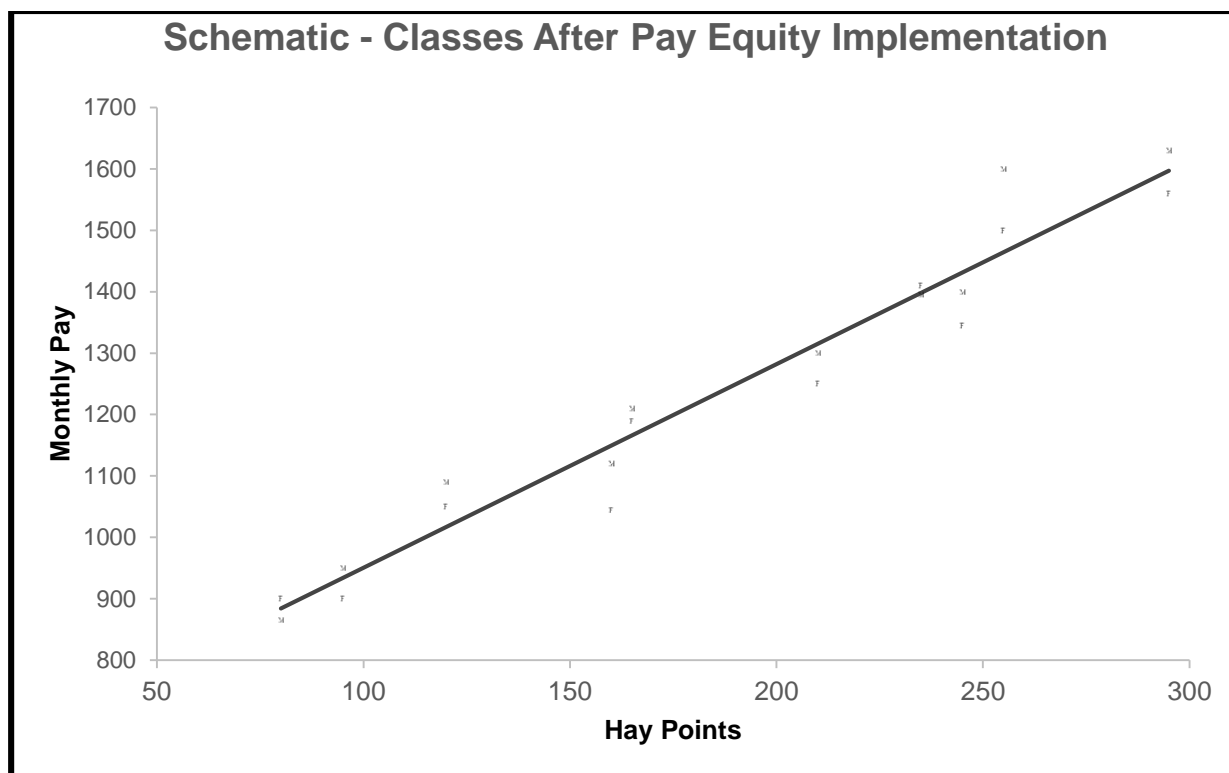
Scattergrams. A scattergram is a graph which plots wages against job evaluation points for male- and female-dominated classes so that the pattern of wages between men and women becomes apparent. Shown below are two hypothetical examples, using an F for female classes and an M for male classes.



F = Hypothetical Female Classes M = Hypothetical Male Classes

Graph #1, above, shows how the disparities between male and female classes might be represented when the female classes are consistently below male classes of similar point value, as was the case in state government. The top line is a line of central tendency for male classes, which scatter evenly around it. The graph also shows that female classes could form a line of central tendency, but one that would be separate and below the male line. In short, this chart shows a dual wage structure, one based on the gender dominance of a job class.

Graph #2, below, shows the goal of pay equity, to eliminate this dual wage structure. This would mean that both male and female jobs are scattered around a single line, using the male line as the standard because male jobs historically have not been subjected to sex bias in wages.



Eliminating the dual wage structure does not require that all jobs be paid according to a formula based on points; it allows for collective bargaining, for recruitment problems, or other reasons for not paying by a strict formula. When pay equity is fully implemented, however, there will no longer be a consistent pattern of lower pay for “female” jobs than the measured value of the job would indicate.

With the Hay job evaluation system in place, and with ways to illustrate wage differences developed, it became possible for the Task Force to make a more closely defined analysis of the difference in wages for men’s and women’s job classes. In short, are state jobs being paid a comparable wage for jobs of comparable worth?

Pay Equity Analysis and the Wage Gap

The previous section of this report showed the changes over time in the total salary of male and female state employees. But once the state had installed the Hay job evaluation system it was then possible to measure the relative value of jobs held mostly by men to those held mostly by women and then compare their wages—that is, to make a “pay equity” analysis. The following section will show how a pay equity analysis was made for state employees by using both a listing in order of Hay points, and then showing the overall relationship between wages and points through the use of a scattergram as described in the previous section.

The following table lists the ten largest male and the ten largest female classes in state government in 1981, from lowest to highest Hay ratings. A more detailed version is provided in Appendix D. There is an obvious pattern of lower pay for “female” jobs even when they are rated higher than the next-lowest-rated “male” job. It was the sheer consistency of this pattern which made it “real” for many legislators, and which led to passage of the State Government Pay Equity Act.

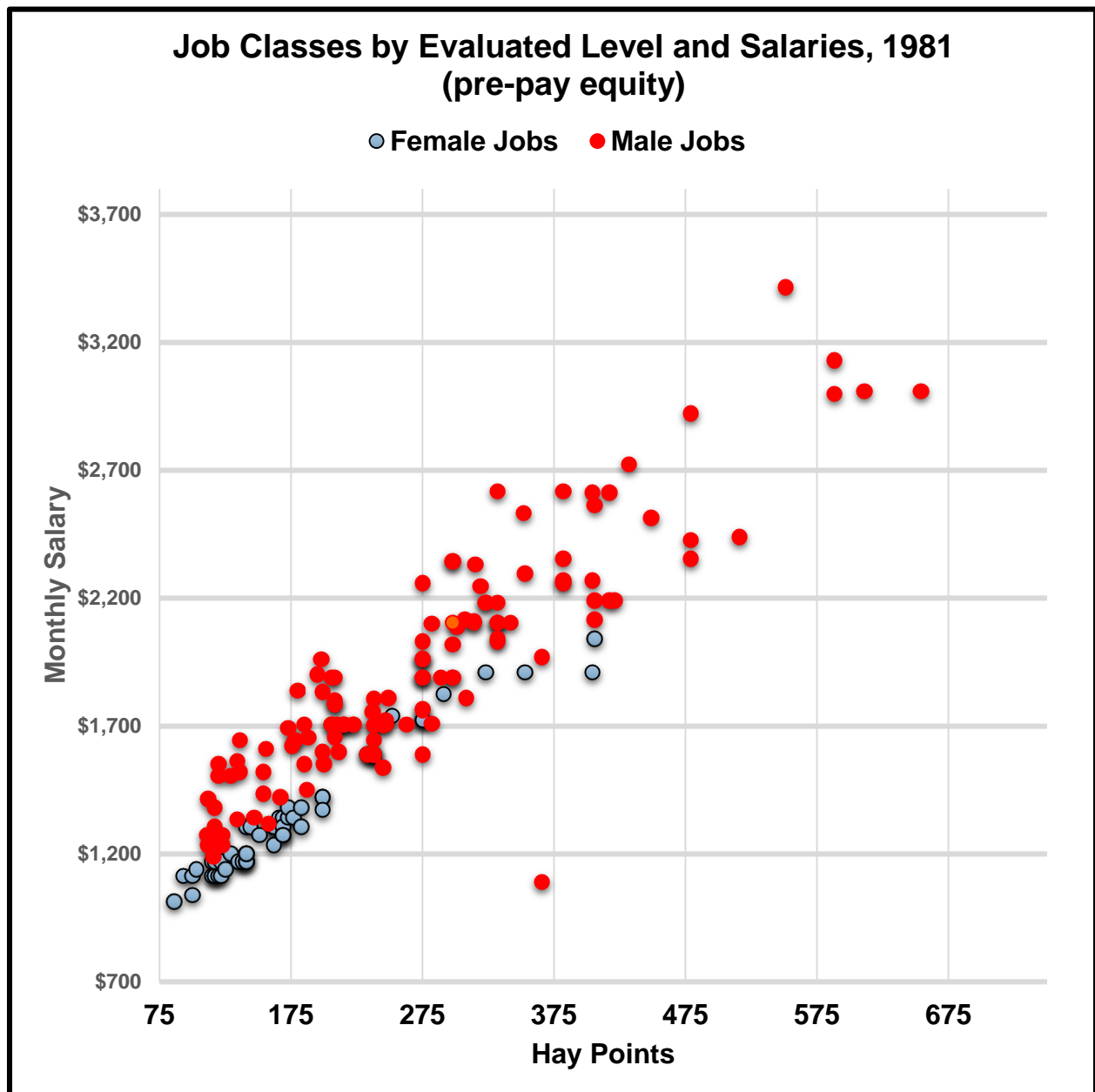
A pay equity analysis can be made through either a listing of jobs or a scattergram chart.

Ten Largest Male and Female Job Classes, 1981

Class Type	Job Class	Hay Points	Max. Monthly Salaries	
			Male	Female
F	Clerk Typist 1	100		\$ 1,039
F	Clerk 2	117		1,115
F	Clerk Typist 2	117		1,115
M	General Repair Worker	134	\$ 1,564	
F	Clerk Stenographer 2	135		1,171
F	Clerk Typist 3	141		1,171
F	Human Services Technician Sr.	151		1,274
M	Highway Maintenance Worker Sr.	154	1,521	
F	Clerk Stenographer 4	162		1,307
F	Clerk Typist 4	169		1,274
F	Human Services Specialist	177		1,343
M	Highway Technician Intermediate	178	1,646	
F	Licensed Practical Nurse 2	183		1,382
M	Correctional Counselor 2	188	1,656	
M	Highway Technician Senior	206	1,891	
M	Heavy Equipment Mechanic	237	1,757	
M	Natural Resources Spec-Conserv	238	1,808	
M	Principal Engineering Specialist	298	2,347	
M	Engineer Senior	382	2,619	
M	Engineer Principal	479	2,923	

This list was much expanded in the Pay Equity Task Force Report in 1981, showing the status of all job classes with more than 10 employees. That larger list showed the same pattern as the one above, a consistent difference with lower pay for “female” jobs even when they were rated higher than “male” jobs. That list of 188 classes is reprinted in Appendix E of this report.

A scattergram of the state pay system in 1981, before pay equity, is shown below. The chart includes all state job classes at that time that were either male- or female- dominated and that had at least 10 incumbents. Each symbol in this graph represents a job class. The list begins with the class assigned the lowest number of Hay points and continues in ascending order to the highest-rated class. Similarly, the scattergram ascends from low Hay point values and low salaries to higher salaries and value.



The chart shows a relationship between Hay points and salary. If job evaluation were the primary criterion for pay, salaries should increase as point values increase, and generally this was the case with both the job listing and the scattergram. On the other hand, there were significant differences in level of pay between jobs held by women and those held by men. The list shows that

the lowest-ranked male class, General Repair Worker, had a maximum monthly wage considerably higher than that of the highest-ranked female class, Licensed Practical Nurse. The scattergram clearly showed a dual wage structure in the state's pay practices in 1981.

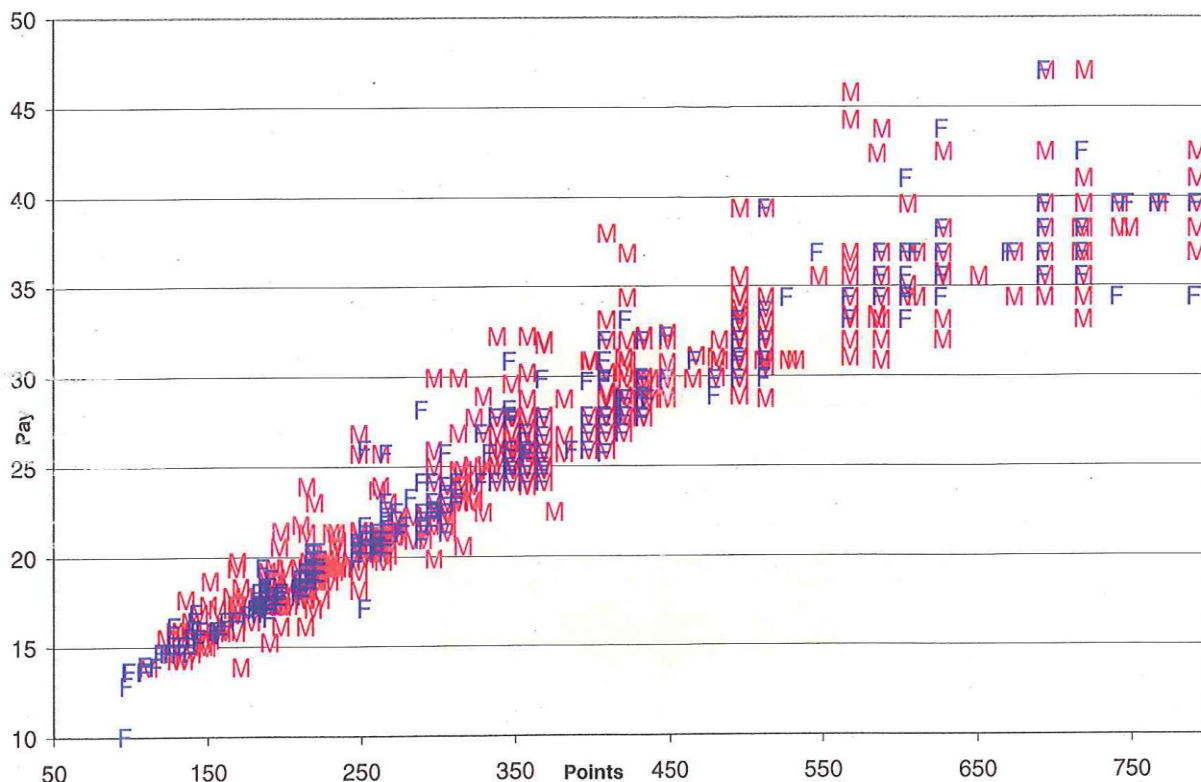
In short, the pattern of wages in state government employment had the following characteristics:

- The female job classes were closely concentrated at the low end of the Hay point scale;
- The male job classes had more variation in pay and were more scattered than the female job classes, which formed a tighter line;
- The female job classes were consistently paid less than male jobs of the same point value, and often were paid less than even lower-rated male job classes.

Once the pay equity program was installed, and pay adjustments were made, these patterns changed dramatically. In 1983, DOER reported to the legislature on the list of underpaid female-dominated classes and the funds needed to correct any remaining inequities. As explained in a previous section of this report, approximately 8,500 employees in 200 female-dominated job classes received pay equity increases, and the total cost over the four years of implementation was 3.7 percent of the state's payroll.

The scattergram below shows the state's pay structure after pay equity was fully implemented for the first time, in 1986. Jobs held predominantly by women were no longer clustered at the low end of the wage scale, paid less than "male" jobs at every point level, but were scattered evenly along the scale.

Job Classes by Evaluated Level & Salaries, 1986 (after pay equity)



Because of the use of a system that measures the relative value of a job, state government no longer has a dual wage structure where men's classes are consistently paid more than women's classes.

Maintaining pay equity. Since the state program has been in effect for more than 30 years, the question is sometimes asked how job titles have changed. As shown in a previous section, the number of "balanced" classes has increased significantly, and the number of "male" and "female" classes is now roughly equal.

However, many of the previous job titles have been abolished, and many new titles have emerged. Appendix F shows that only a small proportion of the job classes identified in 1981 still exist. Of those that can be identified, the patterns of gender dominance are largely unchanged. However, the "female" jobs now receive pay comparable to that of the "male" classes of comparable value. The Clerk Typist 2 who earned 81 percent of the pay for the Delivery Van Driver in 1981 now earns 95 percent of the pay for that "male" job. The Registered Nurse Supervisor who was previously paid 83 percent of pay for the "male" job at the same point level now earns 124 percent of the pay for her male counterpart.

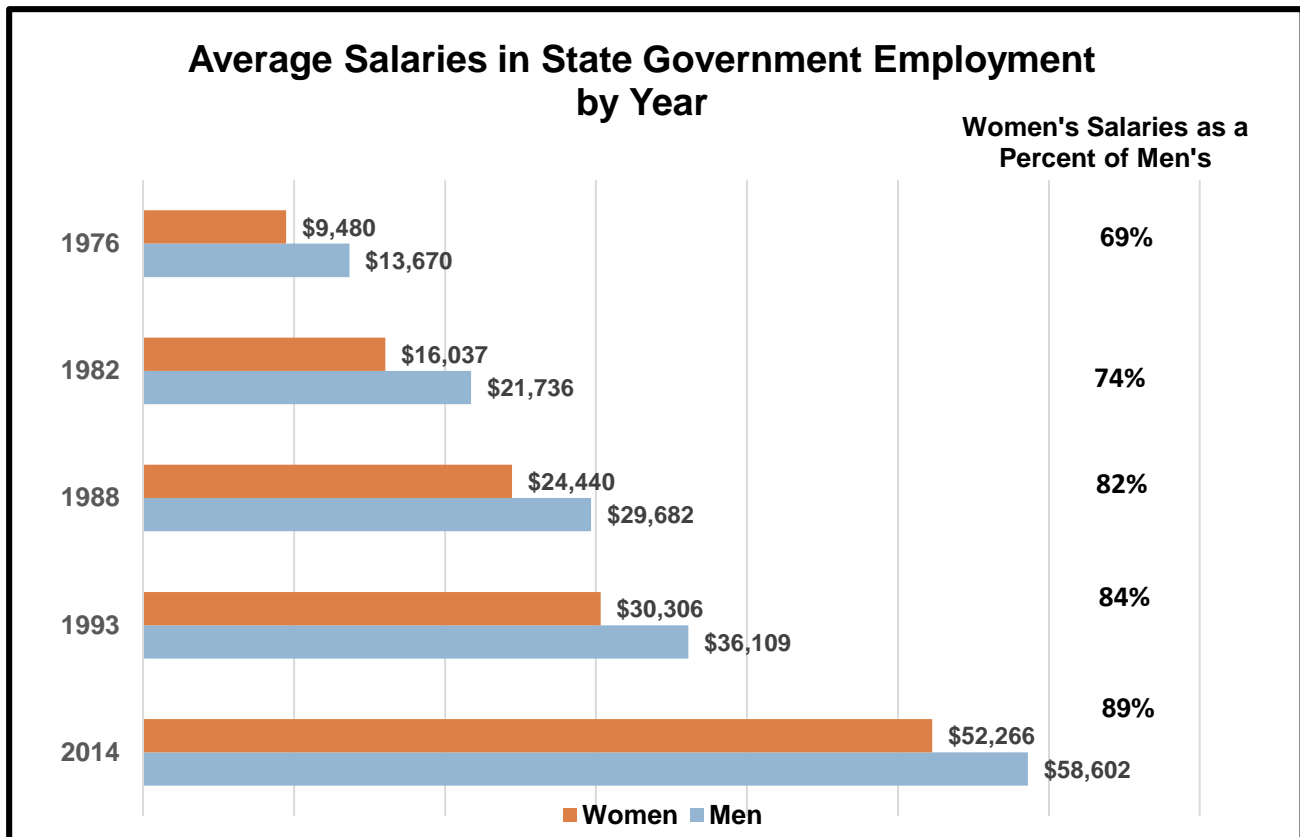
The dual wage structure has been eliminated.

The law requires that the pay equity analysis be maintained over the years. The state agency (originally Employee Relations, now Minnesota Management & Budget) is required to report to the legislature each biennium with a list of any female-dominated classes newly identified as having a pay inequity—that is, with pay ranges below what can be considered a normal amount of distance below the average for "male" jobs—and the cost of correcting the inequity. Because of this ongoing attention, few inequities arise and the cost to correct them is relatively small. In 2014, the most recent report from MMB to the Legislative Coordinating Commission identified six classes in need of equity adjustment: advanced levels of epidemiologist, health educator, retirement services specialist, social services program advisor, bacteriologist supervisor, and housing program supervisor. The total cost of the corrections was \$135,000 for the 96 affected employees. With ongoing attention, clearly the state employees pay equity program has succeeded in ensuring equal pay for work of comparable value.

State-employed women now receive equal pay for work of comparable value.

The law requires ongoing monitoring of pay equity and correcting any new inequities that may arise.

The wage gap after pay equity. Once the state's pay equity program was installed, and pay adjustments made according to comparable value, the overall wage gap between men's and women's jobs became less. The following chart illustrates the lessening of the gender gap in state government employment over the past 38 years:



As stated previously, there has also been a change in the proportion of women in the higher-valued and higher-paid job classes in state service. They now represent almost half of employees in managerial jobs and more than half of those in professional jobs. This change in distribution very likely has also contributed to a lessening of the wage gap.

Despite improvements in women's wages over time, there still remains a pattern of lower average wages for women in state service. Neither the pay equity program nor the increase of women in higher-paid occupations has completely closed the wage gap. Although pay equity has achieved what it was set up to do—that is, provide comparable pay for jobs of comparable value—then why is there still a gender pay gap in state government employment?

The earnings gap in state employment has decreased dramatically over the past 38 years.

Much study has been conducted on what causes the persistence of the wage gap both nationally and in Minnesota. Some of the usual explanations for the gap in employment generally do not apply to Minnesota state government: in state service there is no longer a pattern of lower pay for jobs typically held by women, nor are there significantly more men than women in the higher paid jobs.

The only remaining explanation for the 11 percent gender wage gap in Minnesota state government is the continuing concentration of women in traditional occupations, particularly in office and clerical work. While national trends as well as state recruitment efforts have resulted in an

increase in the number of women in managerial and professional work, office and clerical jobs continue to be filled disproportionately by women. This has not changed much over the years. In 1982, women held 87 percent of state government office and clerical jobs and today hold only a slightly lower proportion of those jobs, at 86 percent. Until job classes are more balanced by gender, and women are no longer clustered in lower-paid jobs, the wage gap is not likely to disappear.

The remaining 11% wage gap in Minnesota state government is primarily due to the continuing concentration of women in traditionally female occupations.

This explanation can be confirmed by a hypothetical test based on current data. If clerical jobs were held equally by men and women, and skilled crafts jobs were also held equally by each gender, the gender wage gap would decrease from 11 percent to 2 percent.

Women in Minnesota state government would make 98 percent of what men earn versus the current 89 percent. These two occupations are the only ones that were technically unbalanced by gender in 2014, but there is a large difference in the number of jobs in these fields: 3,285 jobs in clerical work, and only 666 skilled craft jobs.

In short, until more men go into traditionally female occupations, the remainder of the wage gap is not likely to close. Perhaps with the increase in technological knowledge required in offices, and perhaps with a re-definition of the work and titles for these jobs, men's and women's wages in state government will come closer to parity in the future.

To close the wage gap, not only do women have to go into traditionally male occupations, but men must go into traditionally female occupations.

Changes in state government workforce since 1982. In the 33 years since the Minnesota State Employees Pay Equity Act was passed, significant changes have occurred in the state's personnel system. Some of these are a direct result of the pay equity program, and some have had an indirect influence on women's wages. The law has eliminated the gender pay gap for job classes that are of comparable value, while the increase of women in managerial and professional jobs has helped equalize wages. Similarly, more closely defined job classes have provided women with more accurate job evaluations and more opportunities for advancement. The following list shows the changes since 1982:

- There is now a balance between the number of women and men in state service. In 1976 the ratio showed a 40/60 relationship of women to men; now it is essentially 50/50.
- Women of color have increased their representation in state employment, from less than 2 percent in 1976 to 5 percent today.²²
- The state's job classification system has become more balanced: there are fewer classes dominated by gender, with an almost equal number of male and female job classes. No longer are women disadvantaged by being clustered in large, undifferentiated classes.
- The job mix in the state's workforce has changed so that there are more jobs now in managerial and professional work and fewer jobs in craft, operative, and labor occupations.

- Although occupational differences remain between women and men, with women still disproportionately represented in office and clerical work, there has been a dramatic increase in the proportion of women in the higher-valued and higher paid job classes.

Summary: Results of State Government Pay Equity

- The State Government Pay Equity Law has eliminated the gender pay gap for job classes of comparable value.
- Today, female state employees on average make 89 cents for every \$1.00 earned by male employees, compared to 69 cents on the dollar in 1976.
- Most of the usual explanations for the gender pay gap don't apply to Minnesota state employees. This leaves occupational concentration into gender-traditional occupations—particularly office and clerical jobs—as the explanation for the remaining overall wage gap.
- In order for the lingering 11 cents gender wage gap to become almost closed, not only will more women have to go into traditionally male occupations but more men will have to go into traditional female occupations. A recent analysis by MMB staff showed that if office/clerical jobs were held equally by men and women, and skilled craft jobs were held equally by both genders, the wage gap would decrease from 11 percent to 2 percent, no longer a significant difference.
- The initial cost of implementing state government pay equity was 3.7% of state payroll, implemented over a four-year period. Initially, 8,500 employees in 200 job classes received an average pay equity annual salary increase of \$2,200. In 2014, the cost of correcting pay inequities was \$150,000—0.008% of state payroll. Ninety-six employees in six job classes received an average pay equity annual salary increase of \$1,400.
- Because of the use of a more gender-neutral system that measures the relative value of a job, state government no longer has a dual wage structure where men's classes are consistently paid more than women's classes of equal or higher value.
- Years of service no longer show a major disparity between the wages of men and women state employees. In 1976, a woman who had worked for the state for 20 years made only the same salary as a newly-hired man. There is currently little gender difference in salary by years of service except a small difference after about 13 years with the state.
- In a test of “most unbalanced classes” to determine whether the Hay job evaluation system used by the state tends to favor jobs held by men, no overall pattern of gender bias in evaluation scores was found.

LOCAL GOVERNMENT PAY EQUITY

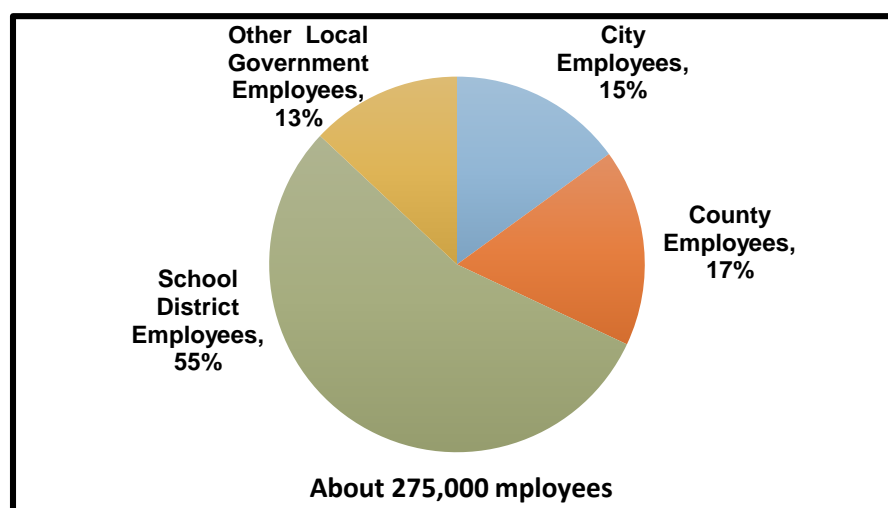
Description of the Local Government Workforce in Minnesota

As with state government employees, the Council on the Economic Status of Women (CESW) had studied and expressed concern for the status of women in local government even before undertaking leadership on pay equity. As with state government, the importance of government as a model employer and access to data about government jobs were factors in early studies of local government as employers. This section of the report will review the overall status of women in local government employment, describe the pay equity law and implementation of pay equity in this large segment of the state workforce, and evaluate the status of pay equity in local governments today.

Local government pay equity affects about 1,500 separate employers.

It is helpful to understand the local government workforce in some detail because the success of pay equity with these 1,500 separate employers shows this project is possible, and can be maintained, across very diverse systems. There are an estimated 275,000 employees in the approximately 1,500 local governments in Minnesota—primarily cities, counties, and school districts.²³ About half of the employees in local government jurisdictions are women, although women's representation varies widely by jurisdiction. The chart below shows the distribution of employees covered by the Local Government Pay Equity Act.

Distribution of Local Government Employees by Jurisdiction, 2014



The Local Government Pay Equity Act (LGPEA) applies to all these local jurisdictions, each of which operates independently with varying degrees of state government financing, tax dollars, and other revenue sources. The text of this law is provided in Appendix C. When the LGPEA passed in 1984, it presented new challenges to state policymakers and those charged with provid-

ing technical assistance, as 1,500 separate personnel systems varied greatly in the number of employees, degree of documentation such as written and current job descriptions, pay setting methods, compensation systems, presence of unions, human resources and employee relations expertise, and other variables. Before reviewing the need for this pay equity law, it is useful to identify the diversity of workplaces considered “local governments”—and the status of women in each setting.

There are three major kinds of employers considered “local government”—cities, counties, and school districts—as well as a large group of “other local public employers” in Minnesota.

**An estimated
275,000 Minneso-
tans work in local
governments.**

Cities. The state has more than 800 cities, with an estimated total of 33,000 employees. The number of employees varies dramatically, from one (usually a city clerk) to 4,299 in Minneapolis, the state’s largest city.²⁴ Cities provide police and fire protection, street maintenance, sewer and water services. In addition, cities may provide utility services, operate municipal liquor stores, operate hospitals, and maintain airports. Probably because most of these functions have historically been performed by men, in 1980, only about one-fifth of city employees were women.²⁵

Counties. Minnesota has 87 counties, with a total of 38,000 employees in 2012.²⁶ Hennepin County has the largest workforce, with 7,300 employees.²⁷ Each county undertakes management of records such as birth certificates and marriage licenses; social service and public health activities such as assistance to disabled people, older people, and people in poverty; property assessment; maintenance of roads and bridges; law enforcement; and other functions. Perhaps because of their role in public assistance programs, counties employ many more women than do cities. In 1980, about half of county employees were women.²⁸

School Districts. There are 328 public school districts in Minnesota, providing education from pre-kindergarten through high school. In the 2014-2015 school year, they employed about 130,000 people.²⁹ Licensed staff, or teachers and administrators as well as nurses and others, account for 53 percent of school district payrolls, while non-licensed staff account for the other 47 percent.³⁰ Women account for more than three-fourths of elementary school teachers, although they are only about one-third of secondary teachers. Most school administrators are men, but women account for the majority of food service workers, office workers, and teacher aides. Overall, in 2009, about 60 percent of school district employees are women.³¹

Other public employers. There are about 375 other local public employers in the state, with a total of 29,000 employees. This category includes soil and water conservation districts, housing and redevelopment authorities, utilities not connected with a single city or county, regional libraries, and health care facilities such as hospitals and nursing homes. In many cases, these entities were created by “joint power” agreements among multiple cities or counties, have their own governing board, and operate independently. The number of female employees, and occupational groups within each workforce, vary significantly among these employer types.

Representation of women in leadership in local public employment. This section reviews “then and now” overall employment patterns for women in local government. An upcoming section will review compensation patterns and effects of the pay equity law.

In 1980, the Council on the Economic Status of Women (CESW) published *Minnesota Women: City and County Employment*. As with the studies of women employed by the State of Minnesota, this one recognized the importance of government as a model employer, and analyzed the status of women in that workforce. Women’s representation in city and county leadership has increased, but is still far from parity.

- In 1979, there were 54 female mayors of Minnesota cities, accounting for 6 percent of mayors. The representation of women on elected city councils was somewhat better, at 29 percent of city council members. In 2015, women are 16 percent of Minnesota mayors—an increase but still a very small number. Interestingly, the percentage of city council members who are women has changed very little, now at 27 percent of city council members.³²
- In 1980, women accounted for only 4 percent of Minnesota’s 441 county commissioners. Thirty-five years later, in 2015, women are 14 percent of county commissioners. Of the 87 counties, 44 have no women at all on the county board, and another 29 have only one woman on the county board of five or seven members.³³

The number of women in local government leadership has increased over the years, but remains low.

In 1979, CESW published *Minnesota Women & Education*. The purpose of that report was to determine “the educational status of Minnesota women in all public educational institutions, with emphasis on the effect of education on women’s economic status.” As part of that purpose, the report noted that public school employment “reaffirms the student’s impression that certain jobs belong to men and others to women.” This was particularly true of school board leadership and school administrator jobs.

- In 1985, the earliest year for which data are available, women were 25 percent of the 2,811 elected school board members in Minnesota. In 2015, women are 40 percent of the 2,016 elected school board members in the state.³⁴
- In Minnesota in 1977-78, women were 10 percent of elementary school principals, and less than 1 percent of secondary principals. There was only one woman among the 436 school district superintendents in the state. In the 2014-2015 school year, women were an estimated 50 percent of elementary principals³⁵ and 28 percent of secondary principals.³⁶ Also in that year, there were 47 female superintendents (15 percent of the current number of superintendents).³⁷ While women have reached parity among elementary school principals, other administrators as well as school board members still show an imbalance in the number of women.

Occupational Groups in Local Government Employment

As described above, women are still under-represented in top-level leadership jobs in local government. What are the patterns for other local government occupational groups?

Occupational group is one of the most important determinants of pay. In addition, lack of gender balance in most occupations perpetuates low pay for women, especially when there is no objective measure of the skill, effort, and responsibility required for the jobs.

Thirty-plus years ago, women were less visible in local governments at every level except the relatively low-paid clerical and service jobs, social service work, and elementary school teaching. There have been dramatic changes since, but these workplaces are still far from balanced by gender.

In 1978, in a sample survey undertaken by CESW, women accounted for 39 percent of the employees of cities and counties.³⁸ The largest occupational group for women was office/clerical jobs, accounting for 44 percent of women employed by cities and counties. “Professionals” accounted for another 24 percent of these women, and another 16 percent were “paraprofessionals.” But only 16 percent of city/county-employed women worked in any of the other five occupational groups: officials and administrators, technicians, protective service workers, skilled craft workers, or service/maintenance workers.

Occupational clustering is still the norm in local government employment.

In contrast, men were evenly distributed among most groups, with 14 percent to 20 percent of male employees in each of these groups: protective service, service/maintenance, “professionals,” technical work, or skilled craft work. Men were least likely to be officials/administrators (7 percent of men), office/clerical workers (5 percent) or para-professional workers (2 percent).

No current data are readily available for occupational groups in cities and counties. This would be a good topic for further study by the OESW, to determine whether occupational patterns have changed and what the effects may have been on gender pay differences in local governments.

In school districts, relatively little data (from 1980 or current years) are available about occupational groups other than teachers and administrators, but it is likely that occupational clustering by gender was and is the norm. Early reports to the legislature on the results of the pay equity law identified these groups as primarily “female”: office and clerical workers such as secretary-to-the-superintendent; teacher aides; food service workers; and in some districts, bus drivers. Primarily “male” occupations were service and maintenance workers such as custodians and boiler operators, and in some districts, bus drivers. “Teacher” and occupations on the teacher salary schedule such as school nurses, librarians, and guidance counselors generally meet the law’s definition of a “balanced” class.

No data are available to suggest many changes in the gender composition of school district jobs over time. However, it appears that a significant number of Minnesota school districts now “contract out” for food service workers and bus drivers, so these workers are no longer “local government employees.” The effect of these occupational changes on compensation for women employed by school districts would be an excellent topic for future study.

In the context of the successful passage and implementation of the pay equity law for state government employees, the Council on the Economic Status of Women considered more specifically how to address pay equity for local government employees. It may be helpful to note that in 1983, as the state employees law was being implemented, the CESW became a “legislative commission” rather than a “council,” and its membership was confined to state legislators rather than a combination of legislators and public members appointed by the governor. In 2005, the legislative commission became the Office on the Economic Status of Women (OESW), with oversight provided by the Legislative Coordinating Commission. However, throughout this period, the CESW/OESW has maintained its monitoring and reporting on the status of women in government employment and on enforcement of the two pay equity laws.

Pay Differences in Local Government Employment

As explained previously, CESW was well aware of women’s disadvantaged status in state government. In its 1980 study, CESW learned that an objective job evaluation and pay analysis could eliminate gender-based pay inequities in that workforce—findings that led to passage of the state employees pay equity law.

Although detailed data were not available for local governments, the CESW in earlier years was also aware of women’s disadvantaged status in local government employment—in occupational patterns as shown earlier, and in pay. The federal Equal Employment Opportunity Commission in 1975 ranked Minnesota as having the seventh largest gender earnings gap among all states. In Minnesota, in 1975, women earned 67 percent of men’s earnings when comparing full-time employees of states, cities, and counties with 15 or more employees.³⁹

Neither the CESW 1980 report on cities and counties, nor the 1979 report on education, attempted to “average the averages” and identify overall salaries for men and women in these workplaces statewide. The mathematical difficulty and inaccuracy of those kinds of comparisons—especially across so many different employers and workplaces statewide—is a complicating factor in assessing gender pay inequities in local governments.

However, the CESW was able to identify distributions of salary levels for men and women in some of these workplaces, based on employer reports sent in response to the sample survey of 1978. *Minnesota Women: City and County Employment* noted that “Women earn less than men regardless of functional area, occupational group, jurisdiction, or geographic location.” In 1978, 65 percent of female city and county employees earned less than \$13,000 per year, while 79 percent of male employees earned \$13,000 or more. This pattern did not vary dramatically between cities and counties or between metro area and non-metro-area employees.

All studies showed a similar pattern of lower wages for women’s jobs.

When viewing pay by occupational groups, this pattern was underscored. For example, women accounted for a small percentage of administrators in cities and counties. However, even among administrators, 90 percent of men earned more than \$16,000 per year while only 60 percent of women earned that amount. Even in the clerical and paraprofessional occupations, where women predominated, men were six times as likely as women to be in the higher-salary group.

Lower pay for women, and clustering of women in mostly-female jobs, was a pervasive problem. But there was no systematic, objective way to determine whether low pay could be explained by women doing jobs requiring less skill, effort, and responsibility, or less adverse working conditions, than the jobs performed by men. Job evaluations were needed to make meaningful comparisons.

In this context, as well as the landmark legislation for state employees, the local government pay equity law was drafted and passed in 1984. There was somewhat more controversy than there had been with the 1982 state employees law, in part because of so many local government employers with varying degrees of complexity in their personnel systems, a general lack of enthusiasm for “unfunded state mandates” for these independent employers, and a strong legislative presence of lobbyists for the main associations representing local governments. Note that Appendices G-K identify some of the groups involved in legislative discussions and in implementation, and present their current positions on pay equity. In the end, the bill passed with only a handful of votes in opposition, and was signed by Governor Rudy Perpich.

The Local Government Pay Equity Act

Like the state government law, the local government law includes policy statements, an implementation procedure, and a process for ongoing monitoring. The implementation process and ongoing monitoring are key components distinguishing the Minnesota experience from that in most other states.

The purpose of the law is “to eliminate sex-based wage disparities in public employment in this state.” Every political subdivision of the state must establish “equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees” and “a primary consideration in negotiating, establishing, recommending, and approving total compensation is comparable work value in relationship to other employee positions within the political subdivision.”

Note that the key comparison is within—not external to—that employer’s workforce. As opposed to longstanding practices of using “salary surveys” or “the market” to set pay, this law provides an essential balance to ensure internal equity as a primary consideration. The list of methods for setting compensation was meant to highlight the diversity of approaches to salary setting, even within a single jurisdiction. That is, pay for some jobs is set by collective bargaining (“negotiating”) and in other cases set directly by management with approval of elected officials. However, in all cases, a primary consideration must be comparable work value.

The purpose of the law is to eliminate sex-based wage disparities in public employment.

“Equitable 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.” As before, the law refers to relationships and to overall patterns

and allows flexibility for addressing documented recruitment problems or other situations. The law states that in order to determine comparable work value, each subdivision must use a job evaluation system measuring the skill, effort, responsibility, and working conditions required for the job. This report uses these terms interchangeably: “political subdivision,” “local government jurisdiction,” and “local government employer.”

The law requires local governments to establish and implement a job evaluation system, and then (in the first years) to complete pay equity planning reports showing job evaluation scores for each job class, identifying any gender-based pay inequities by class, and identifying the cost to correct the inequities. The original law included a provision to hold harmless each local employer for the first year, so that local governments could begin the process of correcting any inequities without fear of lawsuits based on the newly-identified inequities. In the following years, planning reports became implementation reports. Amendments to the law established penalties for any jurisdictions that failed to report or failed to correct inequities.

The law required job evaluation, pay analysis, and a plan to correct inequities.

Local governments were required to meet and confer with unions, where they existed, on the development or selection of a job evaluation system. Jurisdictions could design their own system, hire a consultant and use the consultant's system, or borrow a system used by some other public employer in the state.

Local governments were required to submit their first pay equity report to the Department of Employee Relations by October 1, 1985. These initial reports were to include plans for correcting inequities. Each report was to include the following information:

- 1) A list of all job classes in the jurisdiction;
- 2) For each job class, the following information, as of July 1, 1984:
 - a) Number of employees/incumbents;
 - b) Percentage of the incumbents who are female;
 - c) Comparable work value of the class, as defined by the job evaluation; and
 - d) Minimum and maximum monthly salary for the class;
- 3) Description of the job evaluation system used;
- 4) Plan for establishing equitable compensation relationships between female-dominated and male-dominated classes, including:
 - a) Identification of classes for which compensation inequity existed based on the comparable work value;
 - b) Timetable for implementation of pay equity, and
 - c) Estimated cost of implementation.

Local government pay equity reports for each jurisdiction are public information. This feature is another distinguishing characteristic of the Minnesota laws for the public sector. The lack of information about salaries and job evaluations is a major barrier to achieving pay equity in the private sector. To request a copy of any local government report, contact the local government directly or [Minnesota Management and Budget](#). In addition, the state agency's annual reports to the legislature on the statewide program are available on the MMB website.

Early Steps to Implementation – Technical Assistance. The Department of Employee Relations (DOER), then the agency charged with monitoring and assisting the local jurisdictions, provided significant technical assistance, including publication of a number of guidebooks as well as training sessions for many types of jurisdictions. It should be noted that despite occasional claims that pay equity would require creation of a new bureaucracy, there has never been more than one staff position in DOER or its successor agency, Minnesota Management and Budget (MMB), allocated to this function. Rather, existing department resources in classification, evaluation, compensation, training, and technology were coordinated and extended beyond their usual functions with state employees to advise and assist the local governments.

The state provided extensive technical assistance to local officials.

A Guide to Implementing Pay Equity in Local Government, published in August 1984, contained basic information about the law and options for local governments on conducting a job evaluation study. Other publications included supplements for counties, schools, cities, hospitals, and a special supplement for very small cities with ten or fewer employees. Each of these supplements included a job match list appropriate for that jurisdiction, with a description of state jobs and Hay evaluation points assigned to those jobs. Jurisdictions could match local jobs with state jobs and use the state points. This allowed local governments to “piggyback” on the existing system used by the state without incurring the costs of hiring consultants. In later years these supplements were combined into the *State Job Match manual* and became easily accessible online.⁴⁰

In the following years, DOER continued to offer additional training sessions and publications to assist local governments. The original *Guide to Implementing Pay Equity in Local Government* was revised in 1990 to include compliance criteria and specific examples of pay patterns that would be found in compliance or not in compliance. DOER and MMB, have produced numerous technical assistance publications available at no cost to the jurisdictions. As early as 1991, employers could use DOER-developed software to list and analyze their own job evaluation scores and pay patterns, identify inequities, and test various ways of correcting the inequities to ensure compliance with the law.

MMB also developed computer programs explaining reporting requirements, compliance requirements and job evaluation methodology. In 2010, MMB developed and launched a new web-based software program to help jurisdictions submit and analyze their reports online. This software has been enhanced several times in response to requests for streamlining and simplifying from local government employers.

The associations representing local governments—League of Minnesota Cities, Association of Minnesota Counties, and Minnesota School Boards Association—often invited DOER staff to explain the law, and themselves provided additional consultation and training. While DOER offered the Minnesota State Job Match System, in the early years many of the local governments preferred to hire consultants to create or implement their own job evaluation systems. The associations in several cases contracted with consultants in hopes they could create uniform systems to be used by multiple employers—such as “large cities”—to share costs and simplify the process. Unfortunately, many of these consulting firms had little experience with or understanding of pay equity.

In many presentations, trainers illustrated a common sequence of change experienced in many workplaces with four humorous drawings, which are reprinted in Appendix H. The message to “keep it simple” was included, along with overcoming denial of the problem, avoiding catastrophic thinking (“the sky is falling”), and finally developing win-win solutions.

Trainers urged employers to “keep it simple” when choosing job evaluation systems.

Early Steps to Implementation – Local Efforts. This step, selection or development and application of a job evaluation system, had not been necessary for implementing pay equity for state employees because the Hay System was already in place when the state employees law passed. In considering a variety of job evaluation systems used by local governments, many lessons were learned that have been helpful to employers, including some in other states, seeking to implement pay equity.

The State Job Match System was a free resource that ultimately worked very well, especially for smaller jurisdictions. Their city clerks, for example, could often be fairly compared to top-level office/administrative jobs in state government, while maintenance workers in small cities could often be fairly compared to state maintenance workers who operated snowplows and lawnmowers. Considering the level of skill, effort, responsibility, and working conditions for both jobs often led to significant pay raises for the city clerks.

The job evaluation systems implemented by consultants often were not accepted by employees or management. Many employees asserted that their job descriptions were inaccurate, requiring further review. Many employees and their representatives worked to ensure that their responsibilities would be rated highly, and sometimes asserted that the work done by other employee groups was less valuable, causing conflict in the workplace. Some consulting firms seemed to be manipulating results to minimize inequities and thus cost to the employers. Those problems sometimes resulted in lengthy appeals procedures, increased costs for consultants, and other disruptions in the workplace. A number of jurisdictions decided to discard the results of the consultant studies and start again with different consultants, or to create their own systems, or to return to the State Job Match System.

The state job match system was a valuable free resource for many local governments.

When advising other states, pay equity advocates in Minnesota have often asserted that it’s best to simplify the job evaluation step of the implementation process. Some advocates believe that long-established systems like Hay do not give adequate recognition of the skill, effort, and responsibility needed to perform primarily-female jobs. However, Minnesota’s experience—and much local government experience—shows that women are likely to benefit significantly from a simple application of these existing systems. Some employers hire consultants, invest significant funds, and spend years inventing new systems and trying to obtain comprehensive employee buy-in to new job evaluation systems. In these cases, there is often significant turmoil in the workplace, and the process of improving women’s pay has often been delayed or ended. Employee input and input from “objective outside consultants” can be important and valuable. However, job evaluation is, ultimately, a management prerogative, measuring the value of each job to the employer.

Frequently Asked Questions

Here are some of the most frequent questions answered by DOER staff in those first years—and still frequently asked by new local government staff, and by policymakers in other states.

- **Is pay equity limited to full-time employees?** Do we need to include all employees, or only those who are non-exempt (subject to Fair Labor Standards overtime pay laws)? Pay equity requires an internal comparison of the entire workforce with no exclusion of any category of employees. The pay equity law uses the definition of “employee” included in the Public Employee Labor Relations Act—simply stated, any employee who works at least 14 hours per week and at least 67 days (100 days in the case of students) per year—so most part-time and part-year employees are included.
- Pay equity does not require “pay for points,” but rather checks for consistent patterns of underpayment of women.**
- **Can we just reduce the pay for jobs done by men,** or use targeted layoffs, so that there are no longer comparative inequities for the jobs done by women? It is the longstanding policy and practice in Minnesota not to achieve pay equity by reducing the pay for men, or otherwise penalizing men.
 - **Can we compare average pay for women to average pay for all jobs?** Minnesota requires use of the average pay for men—often calculated as a “line of central tendency” or regression line—as the benchmark because male jobs don’t reflect historical patterns of sex bias.
 - **How can pay equity resolve the longstanding disputes** between police officers and firefighters about which job is more essential? Pay equity was not meant to resolve those disputes. While job evaluation scores can be considered as guidance for wage-setting in both cases, the purpose of pay equity is to eliminate gender bias in wage-setting. As both of these job classes are primarily “male” in most cities, the scores and pay for these jobs are not likely to show a consistent pattern of underpayment for “female” classes. The dispute will need to be resolved through the usual collective bargaining process.
 - **Should a job with 500 points be paid twice as much as a job with 250 points?** Pay equity does not require “pay for points.” The first step after assigning job evaluation scores to all jobs in a jurisdiction is to determine whether there is an overall and consistent pattern of lower pay for female-dominated than for male-dominated classes. If such a pattern occurs, the next step is to determine average pay for male jobs at each point level and increase pay for the “female” jobs to bring the “female” average to the level of the “male” average. In larger jurisdictions, there are many ways to do this. Through union negotiations or other methods, pay is unlikely to fit a precise “pay for points” pattern.

- **We just employ six people, Bob and Shirley and Helen and the three police officers.** How do we identify a “job class” and decide whether it is “male-dominated,” “female-dominated,” or “balanced”? The definition of “class” is established in the law: “one or more positions that have similar duties, responsibilities, and general qualifications necessary to perform the duties, with comparable selection procedures used to recruit employees, and use of the same compensation schedule.” The law also provides mathematical definitions for “male” and “female” classes. If the class has a single incumbent, the class is either male- or female-dominated, depending on the gender of the incumbent. In some small workplaces, written job descriptions will need to be created in order to define and evaluate the jobs accurately and fairly. In others, salary ranges need to be established to regularize how pay is set based on factors such as length of service, rather than relying on a single figure representing “what we pay Bob.”
- **How does this law affect teachers?** The law’s definition of “class” means that “teacher” (elementary and secondary together) is a single class, and in most school districts this class is balanced by gender, and although it must be included in the report, would not be identified as one with inequities. Other classes on the same salary schedule as teachers, such as school nurses, librarians, and guidance counselors, are reported as separate classes due to different licenses and different job duties.
- In a very small jurisdiction, such as a small city, **what if there is only one “female” job class** (or other problems identifying overall patterns by gender)? Simpler ways to analyze pay systems and correct inequities have been developed. These are especially helpful for jurisdictions with just a few employees and a handful of job classes.

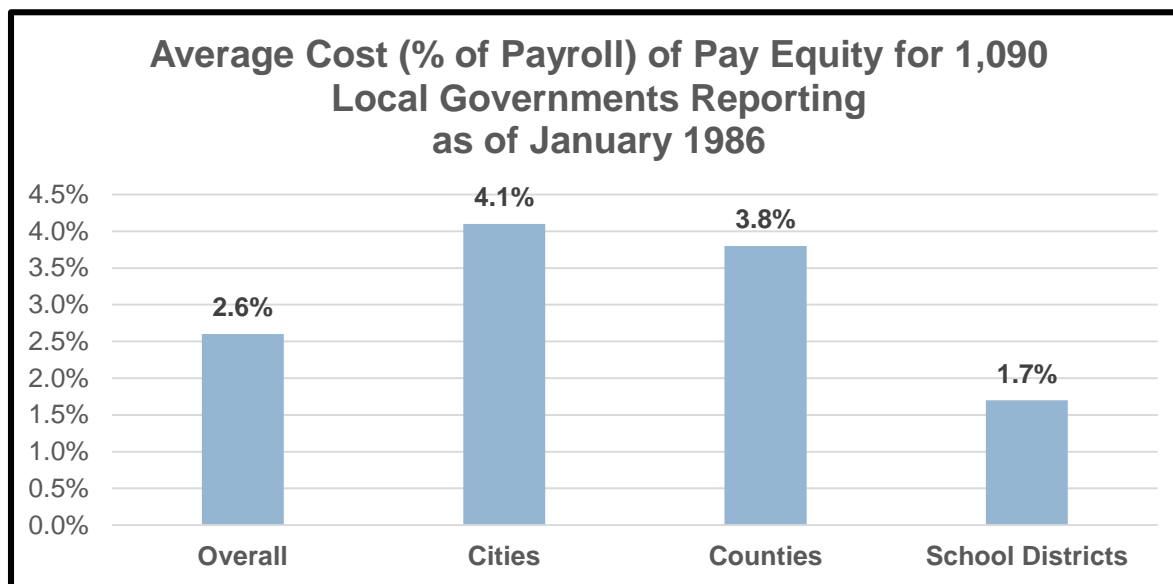
Pay Equity Planning Reports: 1985 to 1988

About two-thirds of local governments reported by the law's first deadline in 1985. The early reports submitted by local governments between 1985 and 1988 showed compensation patterns before pay equity was implemented.

In early reports, fifty-eight percent of reporting local governments identified pay inequities.

- About 40 percent of all reporting jurisdictions used the state job match system to evaluate jobs, while an estimated 45 percent used one of many consultant systems. The remaining jurisdictions designed their own systems or borrowed from another employer
- All of the evaluation systems showed similar results and the cost of correcting inequities was similar regardless of the system used, ranging from 1.7 percent for school districts to 4.1 percent for cities (see chart below).
- Fifty-eight percent of those reporting identified inequities in their workforce. Most of those without inequities were small employers.

- About 30,000 employees were eligible for pay equity increases. The average increase needed to achieve equity was estimated at \$200 per eligible employee per month.
- Occupational groups with the largest numbers of employees eligible for pay equity increases were clerical workers, food service workers, and school aides.



Increased Accountability and Clarification – 1987 to 1992. The legislature passed a number of amendments and clarifications to the local government pay equity law after 1984.

In 1987, the legislature enacted a financial penalty for schools that did not submit pay equity reports by October of that year. For those school districts a freeze would be imposed on administrative costs and a five percent reduction would be made in the district's state funding. All state school districts submitted pay equity reports by the deadline, so no penalties were imposed. In 1988, the legislature required schools to achieve full pay equity implementation by December 31, 1991, or face the aid reduction penalty.

Also in 1988, the legislature established penalties for cities and counties. A limit on the amount of taxes that could be levied would have applied to jurisdictions that failed to report by October 1, 1988. However, all jurisdictions reported by that date, so no penalties were imposed. The law also established a 5 percent aid reduction or \$100 per day, whichever is greater, for those jurisdictions that failed to complete implementation of pay equity by December 31, 1991, seven years after passage of the original local government law.

As explained above, DOER and its successor, Minnesota Management and Budget, are required to submit an annual report to the legislature on the status of compliance and non-compliance regarding each local government. Summaries of the reports from 1992—the first year of full implementation—and from the most recent four years are included in later sections of this report. All reports that have been submitted to the Legislature since 1985 are available from MMB or the Minnesota Legislative Reference Library.

The administrative rule. In 1991, DOER began a two-year process of adopting an administrative rule with specific procedures for compliance decisions. An advisory committee with representatives from employer groups, unions, and women's groups assisted in this process. An administrative law judge approved the rule in August 1992 ([Minnesota Rules, Chapter 3920](#)).

While the test to compare salaries (statistical analysis test for most jurisdictions and alternative analysis for smaller jurisdictions) is often viewed as the “core” of the administrative rule, the rule contains three other tests for compliance that carry equal weight and all must be passed for a jurisdiction to be in compliance with the law. Because the rule defines “compensation” to include salary, longevity pay, performance pay, bonuses, and employer-paid health insurance contributions, the salary range test and exceptional service pay test were developed in addition to the statistical analysis test.

- The salary range test evaluates whether employers require employees in “female” classes to work more years, on average, than employees in “male” classes in order to reach maximum salary.
- The exceptional service pay test evaluates whether employees in “male” classes are more likely than employees in “female” classes to receive longevity pay or performance bonus pay.

In addition to the statistical or alternative analysis test, the salary range test, and the exceptional service test, jurisdictions must pass the completeness and accuracy test. This test requires timely filing of reports and accurate information regarding employees, job evaluation ratings, and salaries. The rule also details a process for anyone to challenge the accuracy of a report by submitting a written complaint.

The rule also establishes procedures for maintaining pay equity in the future. Compliance must be maintained and jurisdictions are periodically evaluated. Beginning in 1994, jurisdictions were placed on a three-year reporting cycle, with approximately 500 jurisdictions reporting each year.

The administrative rule includes a statistical test for compliance, and tests for inequities in bonus pay.

In the earliest years of pay equity, pay differences between “male” and “female” jobs were dramatic and persistent. Advocates often noted, “You don’t need a microscope to measure an elephant.” However, as pay patterns change nationwide and as the patterns of lower pay for jobs performed by women are in many cases not as dramatic, the statistical methods explained in the rule can be helpful to many employers. These methods can help to determine whether there is a consistent pattern of significant underpayment, or relatively small differences attributable to chance.

Early Implementation Reports, Beginning in 1992

All jurisdictions were required to submit implementation reports in 1992 with information as of December 1991. With penalty provisions now in the law, this set the stage for ongoing monitoring with one-third reporting each year beginning in 1994.

Findings from the DOER report to the legislature in 1993:

- Sixty-seven percent of the jurisdictions were found in compliance with the law based on their reports filed in January 1993. Their reports were complete and accurate, and they had corrected all inequities identified for female-dominated classes.
- Among the 490 local governments initially out of compliance, 59 percent consistently paid “female” classes less than “male” classes with comparable work value.
- An additional nine percent of the non-complying employers required “female” classes to work more years to reach the top of the salary range, or allowed more “male” classes to receive bonus pay above the top of the salary range.
- The remaining 32 percent of those out of compliance either failed to submit complete and accurate reports, or had more than one of these problems.
- Jurisdictions found out of compliance were given a grace period to make adjustments and submit new reports. Non-complying jurisdictions were advised that they would be subject to a penalty if they were found out of compliance a second time, at the end of the grace period. By statute, the penalty is the greater of a five percent reduction in state aid, or \$100 per day.
- Most of the non-complying jurisdictions made adjustments to achieve compliance within the grace period. As of February 1994, 95 percent of all jurisdictions were in compliance. Three percent had not yet reached the end of their grace periods or had not yet been re-examined, and the remaining two percent were subject to penalties.

The large majority of local governments achieved compliance by the end of each reporting year.

These patterns continued for some years. Often two-thirds to three-fourths of those reporting in January had achieved pay equity and were found in compliance. DOER provided non-complying employers with technical assistance and consultation to correct problems, so the large majority were in compliance by the end of each year.

Also in these early years, a study was conducted for the American Libraries Association to review the results of Minnesota’s local government pay equity law specifically for library employees. That study, *Pay Equity & Minnesota Public Libraries*, published in 1992,⁴¹ confirmed that pay equity increased pay for many employees in female-dominated library classes. In the first planning reports, 80 percent of jurisdictions with libraries, including all of the larger jurisdictions, identified pay inequities for library job classes.

The average amount of the inequity, when compared with male-dominated jobs of comparable work value, was about \$300 per month. Five years later, salaries had improved for all library jobs. Pay for the comparable male (non-library) jobs had increased by 20 to 25 percent as a result of cost of living and other increases in this period. However, pay for library directors in the same period increased by 32 percent, and pay for library assistants increased by 39 percent.

The library study noted that some inequities likely continued, such as

- In 1992, job segregation was still apparent. Only 20% of local government employees in that year worked in gender-balanced job classes. The study noted that "while efforts to desegregate jobs should continue, these efforts alone will not eliminate pay inequities."
- There was some evidence of manipulation in the assignment of titles, the application of job evaluation systems, and in the methods of applying job evaluation. The library study urged employees to remain involved in the application of a job evaluation system, after the system is selected.
- Some discriminatory practices appeared to continue in fringe benefit contributions and the number of years required to reach maximum pay. The "salary range test" and other monitoring should address these issues in the long term—but the study recommended that employees monitor to avoid or correct these problems.

Despite these reservations, the library study found that "significant progress has been made toward pay equity for Minnesota public library employees. Other states can learn from Minnesota's experience."⁴² Future studies of this and other specific occupational groups would be helpful in assessing the effects of the pay equity laws.

Moratorium on Reporting

In 2003, the legislature passed a moratorium on reporting for the years 2003 and 2004, and changed the reporting cycle to once every five years instead of once every three years. Therefore, some local government employers could have missed reporting for seven years altogether.

In 2005, the two-year moratorium had been completed. However, in that year the five-year cycle was repealed and reporting was changed back to a three-year cycle. The reason was that considerable evidence was presented to the legislature showing "backsliding" and that pay equity was not being maintained as in prior years.

A two-year reporting moratorium resulted in significant "backsliding."

Before the moratorium, about three-fourths of local governments were in compliance with their initial (January) reports. But in 2005, after the two years, only half of the local governments were in compliance when they reported in January. Initial compliance was reduced for another year after the moratorium, as local government staff charged with reporting needed to learn or re-learn how to conduct the updated pay equity analyses and complete the pay equity reports. Furthermore, when inequities were identified after the moratorium, the dollar amount of inequity was typically larger than before the moratorium. With lack of

regular attention to pay equity, old pay patterns began to return, leading to lower pay for “female” jobs of comparable value.

When the three-year cycle was restored, beginning in 2005, the pattern of initial compliance at higher levels gradually returned. The pattern of 95 percent compliance by the end of each reporting year, achieved with the technical assistance of DOER/MMB, continued. Below is a summary of the reports over the past four years. All MMB reports to the legislature are available from the [Minnesota Legislative Reference Library](#) or [MMB](#).

Later Pay Equity Implementation Reports --2012 to 2015

The total number of local government jurisdictions varies from time to time because of factors such as consolidation of school districts, transition from public to private entities, mergers or separations and changes in public employee status. The chart below shows the numbers and kinds of employers required to report in 2014.

Number of Local Governments Required to Report in 2014

Jurisdiction Type	Total Number	Number Required to Report in 2014
Cities	633	203
Counties	87	34
School Districts	327	104
Townships	77	16
Utilities	43	14
Health Care Facilities	39	12
Soil & Water Conservation Districts	83	28
Housing & Redevelopment Authorities	71	20
Other local governments	133	34
TOTAL	1,493	465

DOER/MMB have submitted an annual *Minnesota Local Government Pay Equity Compliance Report* to the legislature each year since 1991, as required by the law. Each report includes:

- background information,
- summary of technical assistance activities,
- description of the tests for compliance and which tests were failed,
- list of jurisdictions in compliance,
- list of jurisdictions out of compliance along with the estimated cost to achieve compliance,
- sample of inequities, and
- any penalties imposed and resolved.

Overall, initial compliance has increased significantly, and compliance levels with assistance from the state agency approach 100 percent each year. Minnesota Management and Budget asserts that one reason for increased initial compliance may be the software, which allows local governments to file reports online, and increased use of technology in general by local governments generally.

While large-scale compliance with the law has been achieved, accountability is still needed and the local governments clearly continue to need assistance in achieving and maintaining pay equity. To some degree, continued assistance is needed because of turnover and change among these 1,500 employers—both changes in human resource/labor relations personnel who administer compensation systems and prepare the reports, and changes over time in other job types and job occupants.

Summary of Local Government Compliance, 2011-2014

	Reports from Jan. 2011	Reports from Jan. 2012*	Reports from Jan. 2013	Reports from Jan. 2014	Total
Number required to report	469	553	484	465	1,502
Initial compliance	380 (81%)	*	407 (84%)	400 (85%)	81% - 85%
End of year: compliance	410 (87%)	402 (73%)	481 (99%)	460 (99%)	73% - 99%
End of year: out of compliance	31 (7%)	31 (6%)	3	3	Less than 1% to 7%
End of year: pending	28 (6%)	120* (22%)	0	2	0 - 22%

*The Pay Equity Coordinator position was vacant for part of 2012, which slowed analysis.

Over the past four years, more than 80 percent of reporting jurisdictions have been in compliance when they filed initial reports in January. In the past two years, 99 percent have been in compliance by the end of the year, with technical assistance from the state agency.

Over the past four years, the reasons for non-compliance have followed fairly predictable patterns. Most commonly, these employers fail the “completeness and accuracy test,” meaning they did not file reports on time, or included incorrect or incomplete data. This problem accounted for about half to two-thirds of the local governments found out of compliance. Most were able to come into compliance by filing acceptable reports by the new date set during a grace period.

The second most common reason for non-compliance was failing the statistical analysis or the alternative analysis tests. MMB describes these problems as follows:

The **statistical analysis test** 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. 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.

Alternative analysis test [used for smaller jurisdictions] 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.

This core problem—paying “female” classes less than “male” classes with comparable work value—accounted for about one-fifth to one-third of the local governments found out of compliance in recent years. While the smaller jurisdictions, subject to the alternative analysis, are somewhat more likely to fail on this score than larger jurisdictions, in the reports for 2013 there were an equal number of smaller and larger jurisdictions that failed this test.

Jurisdictions out of compliance for failing the “salary range” or “exceptional service pay” tests varied in this time period from about one-tenth to about one-fourth of those reporting each year. In each year, the “salary range test” was the more common problem. MMB describes these problems as follows:

Salary range test - compares the average number of years it takes for individuals in 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....

Exceptional service pay test - 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....

Cities and schools are the most likely jurisdictions to be found out of compliance, probably because they are more numerous than counties and other local governments. In the past two years, just one city and one school district have remained out of compliance at the end of the year.

The costs to correct inequities, as identified by the reporting jurisdictions, have decreased since the earliest years of pay equity, when inequities had continued unchecked for many years and the costs ranged from 1.7 percent to 4.1 percent of the employer’s annual payroll. With ongoing management and monitoring, costs reported in the last four years have ranged from 0.1 percent to 2 percent of annual payroll.

Recent costs of maintaining pay equity have ranged from 0.1 percent of payroll to 2 percent of payroll.

In the first years of the program, financial penalties were sometimes applied when jurisdictions were unwilling or unable to meet the compliance standards. Correcting inequities, when promptly identified and reported, generally does not include back pay. However, when significant inequities are identified in cases of noncompliance, and when feasible, MMB has proposed awarding back pay to long-underpaid “female” classes with inequities, rather than imposing penalties that are paid to the state’s general fund.

In the past 17 years, 96 penalty cases were resolved. As a result of those, a total of \$1.3 million was paid in restitution to approximately 1,300 employees. In addition, a total of \$210,233 has been collected in penalties, sent to the state general fund. These funds are in addition to inequi-

ties corrected before reports are submitted. No restitution or penalties have been applied in the past four years.

Typical Inequities and the Earnings Gap

What jobs performed by women have benefitted most from the Local Government Pay Equity Act? And what effect has this law had on the earnings gap between male and female employees of local governments?

Job classes that have benefited most from pay equity are clerical workers, food service, school aides, and city clerks.

Mentioned earlier in this report were job classes most likely to benefit in the early years: clerical workers, food service workers, school aides, city clerks, and library staff. The 1994 edition of this report said, “According to the planning reports about 30,000 employees were eligible for pay equity increases. The average increase needed to achieve equity was estimated at \$200 per eligible employee per month.” Examples of more recent inequities are included in each MMB annual report to the legislature, and several sample studies provide more examples.

Examples of inequities identified—and amount of inequity corrected—as listed in the 2012 report to the legislature included:

Sample Inequities, 2012 Report to the Legislature*

(*reflects year 2011 implementation reports)

Position	Hourly wage “before”	Hourly wage “after”	Difference
Administrative Assistant	\$14.44	\$22.86	\$ 8.42
Bartender	7.82	9.00	1.18
Child Care Teacher	11.07	13.62	2.55
City Clerk/Treasurer	19.26	19.76	.50
Cook Helpers	12.05	13.54	1.49
Health Assistant	15.47	16.23	.76
Lead Cook	16.63	16.97	.34
Library Director	19.67	22.86	3.19
Media Assistant	15.13	16.23	1.10
Program Head	17.72	18.86	1.14
School Age Child Care	18.84	20.86	2.02
Secretary Elementary	23.14	26.98	3.84
Averages	\$ 15.89	\$ 18.37	\$ 2.49

The overall cost to local governments to correct these inequities is not great—but these are significant pay increases for Minnesota women. The MMB report for that year states, “Prior to the adjustments, females were paid 82 percent of what males were paid, but after the adjustments, the wage gap narrowed and females were paid 93 percent of what males were paid.”

It’s important to note that these data are not comparable to the “earnings gap” often mentioned in referring to the Minnesota workforce (all employees, not just state and local government employees). State and national earnings gap data come from Census or American Community Survey data reported by individuals, whereas these data are for job classes, not individuals, and in

some cases refer to pay range maximums rather than actual pay. These are for small samples of job classes and jurisdictions with inequities, not all job classes or all jurisdictions. Nevertheless, these examples clearly show that the pay equity laws have made a significant difference for many Minnesota women and their families.

The 2014 report to the legislature noted a salary range problem for licensed staff: “In schools, the greatest potential for inequities is found [when] considering the number of years to achieve maximum salary for licensed staff (teachers) in comparison to the non-licensed support staff.” The report also listed additional examples of typical inequities:

Sample Inequities, 2014 Report to the Legislature*

(*reflects year 2013 implementation reports)

Position	Hourly wage “before”	Hourly wage “after”	Difference
Bartender	\$ 12.00	\$ 12.40	\$.40
Clerk/Treasurer	17.00	17.70	.70
Accounting Clerk	22.01	24.55	2.54
Deputy Clerk	23.82	27.20	3.38
Ambulance Manager	25.86	28.82	2.96

Finally, the 2015 report to the legislature provided another list of typical inequities that had been corrected:

Sample Inequities, 2015 Report to the Legislature*

(*reflects year 2014 implementation reports)

Position	Hourly wage "before"	Hourly wage "after"	Difference
Liquor Store Manager	\$9.00	\$13.00	\$4.00
Deputy Clerk	14.00	14.94	0.94
Clerk-Treasurer	16.64	17.81	1.17
Office Manager	20.09	20.68	0.59
Clerk-Treasurer	21.02	21.66	0.64
Watershed Admin	38.24	40.31	2.07

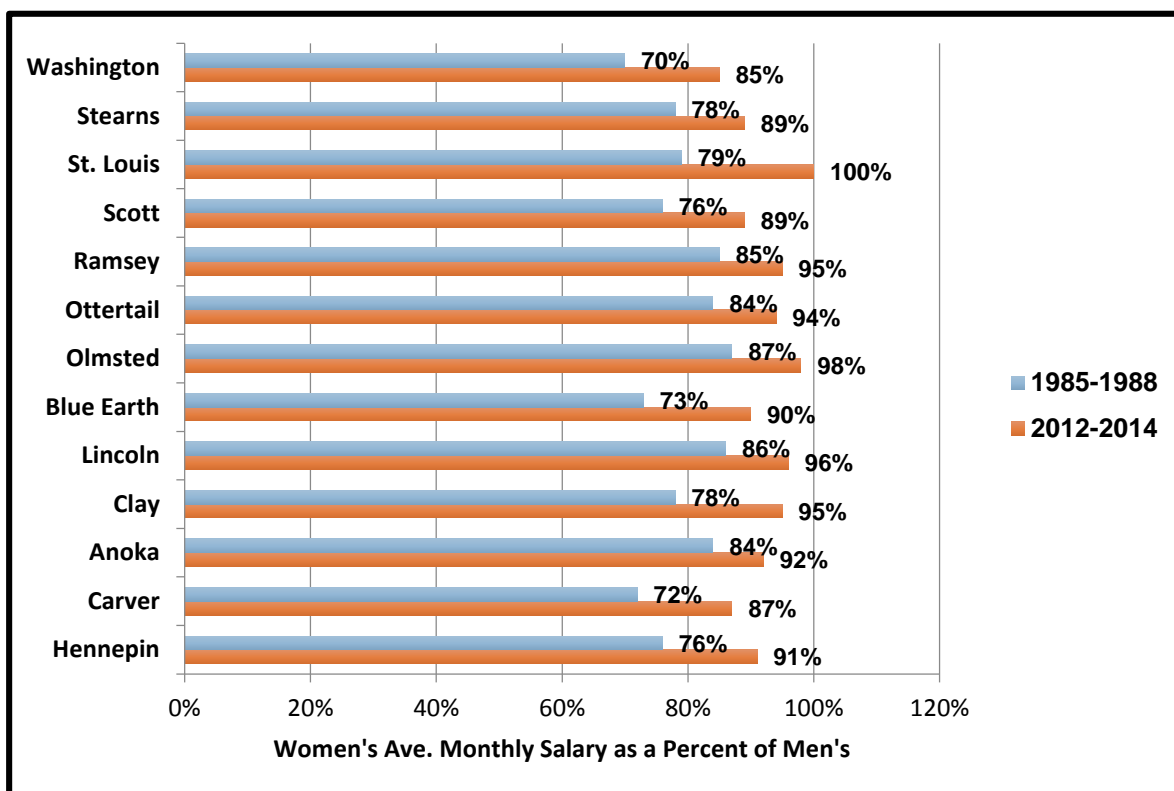
A study of 13 Minnesota counties. As explained above, relatively few counties have been found out of compliance by the end of each reporting year and therefore few county jobs have been listed among the sample inequities. However, the Office on the Economic Status of Women has undertaken a sample study of 13 counties to obtain a rough measure of changes in overall salary patterns over the years when pay equity has been implemented.

One of the challenges in assessing the results of pay equity in local governments is that compensation systems vary widely. However, most counties have fairly similar compensation systems in that they have salary ranges and most have some unions that tend to negotiate similar agreements. Therefore, for this report, a study was done of 13 of the 87 counties in Minnesota. Six of the 13 were metropolitan counties, collectively representing a large proportion of the state’s local government employees.

A sample of 13 counties found that the earnings ratio has improved in every case.

For each of the 13 counties, OESW averaged monthly salaries at the maximum of the salary range for each female-dominated class and each male-dominated class, based on reports completed by each county. This was done for a county report filed in the period 1985-1988 (“before pay equity”) and for the report filed by the same county in the period 2012-2014 (“after pay equity”). The results are shown below.

Gender Wage Ratios for 13 Minnesota Counties, Before & After Pay Equity



The earnings ratio has improved in every case. The “before” ratio ranged from women earning 70 percent of the pay for men in one county to women earning 87 percent of the pay for men in another county. The “after” ratio increases ranged from women working for Washington County going from 70 percent to 85 percent of the pay for men, to women working for St. Louis County going from 79 percent to 99.5 percent of the pay for men.⁴³

In Hennepin County, the largest local government employer in the state, the earnings ratio increased from women earning 76 percent of pay for men (1985) to women earning 91 percent of pay for men (2013).

As explained above, there are many limitations to these data and they are not fully comparable to statewide or national “earnings gap” data, but they reinforce the general conclusion that the gap is narrowing. It was not possible for this study to determine whether these counties had reduced the concentration of women in female-dominated job classes, or how much narrowing of the wage gap may be due to women entering jobs previously classified as predominantly

“male.” A more comprehensive study of the 10,000 pay equity reports filed by local governments over the past 30 years would be valuable—but is beyond the scope of this report.

Changes in the Local Government Workforce Since 1984

Clearly, the status of women in local government employment has improved significantly over the past 35 years. Change has occurred both in leadership and representation among occupational groups—though parity is not yet achieved—and in women’s earnings relative to earnings for men. While it’s not possible to associate all the positive changes with the pay equity program, clearly that has been a major impetus for change, in addition to other factors.

- The numbers of women in elected and appointed leadership have increased, but remain far from parity. Women are now 16 percent of mayors, 14 percent of elected county commissioners, and 15 percent of school superintendents.
- Relatively little information is readily accessible about overall occupational group patterns in local governments, although women are more likely to hold higher-paid professional jobs than 30 years ago. Further study of the reports submitted over the years would be helpful.
- No easy estimates can be made of the amount of reduction in the local government earnings gap, but there is much evidence of positive change. In 1975, the federal Equal Employment Opportunity Commission (EEOC) estimated that women working for Minnesota local governments had an earnings ratio of 67 percent compared to their male counterparts. In 2013, the EEOC data show an earnings ratio of 90 percent for Minnesota women working for state and local governments combined, in comparison to their male counterparts. This figure for Minnesota is well above the 83 percent national average for all state and local governments combined, and well above the current private sector earnings ratio of 81 percent for Minnesota.⁴⁴
- Recent sample studies suggest the earnings ratio is now between 85 percent and 99 percent. In Hennepin County, the single largest local government employer in Minnesota, the gender earnings gap has improved from 76 percent in 1983 to 91 percent in 2014.

Summary: Results of the Local Government Pay Equity Program

The local government pay equity law has resulted in increased pay for women and significant change in the wage structure of local governments, as well as the process by which pay is set. These specific results would not have occurred without passage and ongoing enforcement of the Local Government Pay Equity Act.

- Patterns of inequities were prevalent when initial studies were conducted, with 58 percent of the local employers identifying gender based pay inequities based on comparable work value.
- The Local Government Pay Equity Act initially led directly to significant pay increases for more than 30,000 women, with an estimated average annual increase of \$2,400. In addition to correction of current inequities, in special cases the local employers paid a total of \$1.3 million in back pay awards to 1,300 women.

- The initial costs to correct inequities ranged from 1.7 percent to 4.1 percent of total annual payroll for the various local employers. Current costs to correct newly emerging inequities average 0.1 percent to 2 percent of annual payroll.
- Gender-based pay inequities continue to be detected and corrected by the Local Government Pay Equity program. A sample of year 2011 pay inequities in 12 job positions found pay inequities ranging from \$8.42/hr. to \$0.34/hr., with an average inequity of \$2.49/hr., or \$5,179/year.
- In 2011, correcting the pay disparities in those jurisdictions with inequities narrowed the gender pay gap in the affected job classes from 18% to 7%.
- The law has been successfully implemented in 1,500 diverse workplaces with a collective total of more than 250,000 employees.
- The free Minnesota State Job Match System allowing some employers to “piggyback” on state job evaluation ratings has worked well for about half of the local government employers.
- Ongoing reporting, monitoring, and technical assistance are clearly needed. After a two-year moratorium, compliance rates dropped and the average size of the inequities increased, with several years needed to return to better compliance patterns. In recent years about 85 percent of the local governments achieve initial compliance—but assistance is needed to reach the current high compliance rate of 99 percent by the end of each reporting year.
- The law, administrative rule, computer programs, technical assistance, and other systems have all been designed to allow for flexibility for small jurisdictions and for special circumstances rather than a rigid “pay for points” system, contributing to the success of the program.
- The program continues to measure and emphasize internal comparisons, countering the long-held allegiance to “market surveys” which import historic gender bias into pay practices.
- The ongoing monitoring includes tests to ensure that women are not disadvantaged by a practice of moving “male” jobs more quickly through pay ranges, or by a practice of making bonuses more available to “male” jobs.
- Local government employees are aware that their jobs have been reviewed and evaluated according to objective criteria, and that ongoing efforts are being made to ensure that gender bias is eliminated in pay setting. They also have many opportunities to review and comment on this process and, for those in unions, to negotiate their pay accordingly.

The program continues to measure internal comparisons instead of “market surveys” which import gender bias.

Minnesota has demonstrated that pay equity can be implemented and maintained over many years, with significant positive results for women's earnings. Many local government employers have noted that the pay equity process has led them to achieve more consistent, rational and defensible personnel systems. Further, this result has been obtained by 1,500 separate employers, with a minimum of bureaucracy, no workplace disruption, and at reasonable cost.

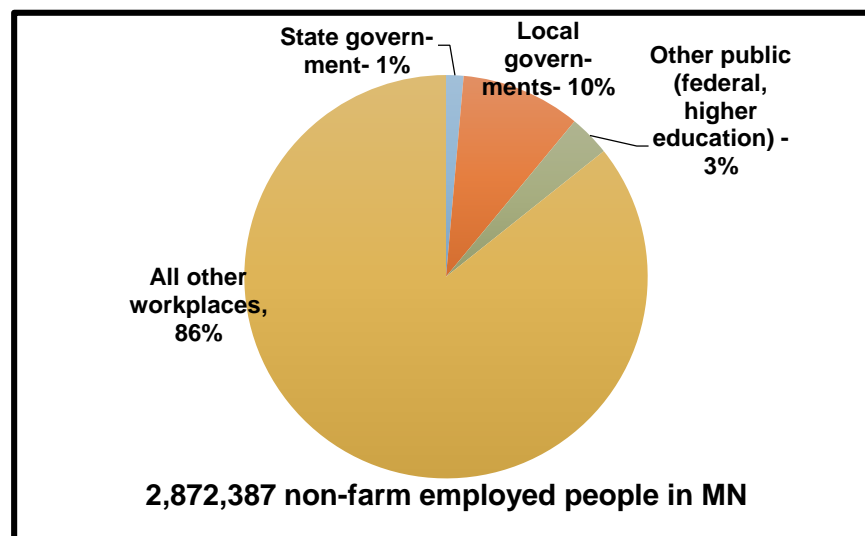
Minnesota has shown that pay equity can be maintained by diverse employers over many years.

Minnesota's experience with pay equity over the past 33 years shows the need for ongoing monitoring to ensure that the positive gains are continued. In many other states, a simple pay equity policy has not produced gains for women, especially in complaint-driven systems where the burden is on an individual woman to pursue legal action.

BEYOND THE PUBLIC SECTOR

Minnesota state government and local governments together employ more than 300,000 people. However, this represents only 11 percent of the total of 2.9 million employed men and women in the state.⁴⁵ Therefore, it is likely that the existing pay equity laws cannot to any great extent influence the overall earnings gap for the total workforce in the state. [Note that Minnesota's pay equity laws do not extend to employees of the University of Minnesota, or to all employees of the Minnesota State Colleges and Universities (MnSCU) system.]

MINNESOTA EMPLOYEES BY PLACE OF WORK, 2015



The Pay Equity Coalition of Minnesota supported proposed legislation in 2007 and 2014 to extend pay equity to private companies seeking contracts to supply the state with goods or services. That legislation was widely discussed in many legislative committees, but did not pass.

Contractors Equal Pay Compliance. In 2014, however, the Women’s Economic Security Act included a provision to encourage state contractors to begin reviewing occupational groups and pay for work performed by women.⁴⁶ To receive a state contract, each company must submit information about its workforce to receive a Certificate of Equal Pay from the Minnesota Department of Human Rights (MDHR).⁴⁷

The company must certify that average compensation for female employees is not consistently below that for male employees within major job categories/occupational groups. State contractors must also state what system they use to set compensation and benefits: market pricing, union contract, performance pay, internal analysis, and/or other methods. MDHR will provide a report to the legislature on this process in 2016, including results of audits they have performed on state contractors for this purpose.

A recent Minnesota law bars employers from prohibiting employees from disclosing wages, so women may be able to make pay comparisons.

Wage Disclosure Protection. Another provision of the Women’s Economic Security Act may prove helpful to women in the private sector. A major barrier for many women has been the frequent requirement of secrecy about their pay and thus an inability to compare their pay to that of men working for the same company. The wage disclosure law, Minnesota Statutes 181.172, can help.⁴⁸ The law states that employers may not require nondisclosure of wages as a condition of employment, nor require employees to sign a waiver denying their right to disclose, nor take any adverse action against an employee for disclosing wages or discussing another employee’s wages that have been disclosed voluntarily. The law also provides penalties for employers who violate the law. Employers must include a notice in their employees’ handbook like this sample from the Minnesota Department of Labor & Industry:

Notice to employees -- Under the Minnesota Wage Disclosure Protection law, you have the right to tell any person the amount of your own wages. Your employer cannot retaliate against you for disclosing your own wages. Your remedies under the Wage Disclosure Protection law are to bring a civil action against your employer and/or file a complaint with the Minnesota Department of Labor and Industry at (651) 284-5070 or 1-800-342-5354.

The Office on the Economic Status of Women will continue to monitor reports from the Department of Human Rights and the Department of Labor and Industry to determine the effectiveness of these recent changes in improving the economic status of Minnesota women. In addition, in listening tours, through other research, and as part of the legislative committee hearings process, OESW will continue to study women’s representation and earnings in the state workforce.

SUMMARY

In the 1970s and 1980s, some employers, both nationally and in Minnesota, adjusted pay scales to correct gender-based inequities. More commonly, lawsuits and strikes began to appear in the news as employers refused to address the problem. In Minnesota, the Council on the Economic Status of Women was established by the state legislature in 1976, and their first study was on women in state government employment. At that time there was no job evaluation system in place, so all that could be documented was the lower average wage for all female employees compared to all male employees—a difference that is known as the “wage gap.”

Later, in 1981, when the concept of “comparable worth” was receiving public notice, the Council on the Economic Status of Women established a Task Force on Pay Equity to review wages for women in state government. As a result of their report and proposed legislation, the State Government Pay Equity Act was passed in 1982, with little opposition. With special appropriations in the following years, the law was fully implemented and sex-based pay disparities corrected through the collective bargaining process by 1986. The total cost over the four years of implementation was 3.7 percent of state payroll. Monitoring and reporting on this law are ongoing.

Building on that success, the legislature passed the Local Government Pay Equity Act in 1984. Minnesota’s 1,500 local government employers were required to identify and correct any sex-based pay disparities, and to report to the state once every three years. The process and costs are similar to those for state government, and enforcement is similarly ongoing.

Minnesota’s State Government Pay Equity Act of 1982 and Local Government Pay Equity Act of 1984 have been in place for more than 30 years. An analysis of the state’s pay equity program shows that the gender wage gap has been eliminated for state employees in male- and female-dominated job classes of comparable value. On the other hand, the overall ratio of female to male wages remains at 89 cents to the dollar (significantly closer to parity, however, than the 81 percent ratio for all women workers in the state). This disparity is primarily due to men and women still clustering in gender-dominated classes.

The diversity and number of local government employers makes it difficult to estimate the reduction in Minnesota’s local government wage gap. However, there is much evidence of positive change. We know that local government pay equity led directly to significant pay increases for more than 30,000 women. Further, a sample of 13 counties, including six of the metropolitan counties, suggests the gender earnings ratio is now between 85 to 99 percent.

Despite these gains for public employees, Minnesota women in general still earn, on average, only 81 percent of the earnings of their male counterparts. Why such a large gap in the state as a whole when pay equity laws for government workers have been in effect for 30 years? Most likely, it’s because the large majority (86 percent) of Minnesota’s 2.9 million employed people work in the private sector, not the government, and therefore are unaffected by pay equity laws. The following chart shows the various steps taken over the years in Minnesota to establish and implement pay equity programs.

Pay Equity Timeline

1976	Legislative Council on the Economic Status of Women (CESW) is created, holds two public hearings on the status of women state government employees. In 1977, CESW publishes a report on women's lower pay and other disparities in job classes and workplace practices.
1979	MN Dept. of Finance completes a study including evaluation of state and local government jobs, and the state adopts the Hay System for evaluating state jobs.
1981	CESW establishes a task force on pay equity.
1982	CESW publishes <i>Pay Equity & Public Employment</i> , showing consistent disparities in pay for "male" and "female" jobs. Legislature passes the State Government Pay Equity Act covering about 35,000 employees, signed by Republican Governor Al Quie. DFL Gov. Perpich is elected and appoints the former director of CESW as head of the Department of Employee Relations (DOER) to manage the implementation of the new law.
1983	Minnesota Legislature earmarks 1.25% of payroll/year for state employee pay equity increases. DOER negotiates contracts with all 16 bargaining units, with pay equity raises for underpaid female-dominated classes and cost-of-living increases for all classes.
1984	Minnesota Legislature enacts the Local Government Pay Equity Act for 1,500 cities, counties, school districts, and others, affecting more than 200,000 employees, and requires DOER to monitor. DOER prepares guidebooks and offers training across the state.
1985	Legislature allocates 1.2% of payroll for the fiscal year for state employee pay equity increases, allowing for complete implementation of pay equity for state employees by mid-1986 through the bargaining process.
1987-1990	Legislature establishes financial penalties for public employers not in compliance with reporting requirements, sets implementation deadlines, and clarifies that the purpose of the local government law is "elimination of sex-based wage disparities."
1992	Administrative rule for Local Government Pay Equity Act is adopted.
1994	DOER report shows that approximately 75% of those local governments reporting were initially in compliance; with technical assistance from the state compliance improved to 95%.
2003	Minnesota Legislature passes a two-year moratorium on local government reports and extends reporting cycle from once every three years to once every five years. This leads to reduced compliance after the moratorium, down to 50% compliance in January 2004.
2005	The moratorium has passed, and Legislature repeals the extended reporting timetable. Compliance rates gradually improve. State monitoring of state and local efforts continues.
2011	Pay equity and other functions of DOER are absorbed into Minnesota Management and Budget agency (MMB). Monitoring, assistance to local governments, and reports to the legislature on both state and local pay equity continue.
2007 & 2014	A bill is introduced extending pay equity to private companies seeking state contracts of \$500,000 or more. A very similar bill is introduced in 2014. Neither passed, but the 2014 Women's Economic Security Act requires state Department of Human Rights to issue "certificates of equal pay compliance" for companies seeking contracts and to identify their compensation-setting system.
2014-2015	The Wage Disclosure Protection Act and the state contractors Equal Pay Compliance program, both part of the Women's Economic Security Act, offer some help to women in the private sector seeking to improve their pay. 2014 and 2015 local government pay equity reports show 85% initial compliance, greater than 99% compliance by end of each year.

CONCLUSIONS

Although there are differences between the local government pay equity program and the state's program, there are characteristics common to both, particularly in factors contributing to their success. Given the positive results of both programs, it is useful to ask, "How did this happen?" What follows below are some general conclusions.

- "Equal pay for equal work" will not close the wage gap because women and men seldom do the same or equal work;
- The overall wage gap will not disappear until men and women are more equally represented in all occupational groups;
- Regular and frequent mandatory reports and monitoring have proven to be a key to success;
- Having a systemic report-based system and not a complaint-based one is also key to continued success;
- Both programs required studies of disparities before any increases in pay, and later there was allowance for implementation over time;
- The state program was initiated with a pay study that documented wage disparities based on a job evaluation system already in place;
- Local governments had greater success in compliance when they relied on relatively simple, existing job evaluation systems rather than hiring consultants to devise complex new systems;
- Earmarked funds for pay adjustments contributed to the initial success of the state program;
- The local government program was initiated because of the success of the state program;
- Both laws were supported by most employee unions and allowed for the final distribution of funds through the usual collective bargaining process;
- Over the years, pay equity considerations have been an ongoing part of salary negotiations;
- The process for administering pay equity relies on internal comparisons using salaries for male-dominated classes as the standard benchmark for comparing wages;
- There have been continued efforts by advocates to maintain pay equity in Minnesota;
- The lack of information about salaries and job evaluations is a major barrier to achieving pay equity in the private sector.

And finally, from the beginning, there was a deep commitment to keep the process simple and with as little bureaucracy as possible. To that end, the state has had only one staff person to manage the local government program, with support from time to time from existing positions in the agency administering the program. For example, technology staff have developed and periodically updated software used by local governments to submit reports online and to evaluate compliance. The extensive use of computers has now made administering and monitoring the pay equity programs simpler for all levels of government. And the state agency has provided many resources and much consultation to assist the local governments in complying with the law, while also maintaining its obligation to maintain and report on pay equity for state employees.

RECOMMENDATIONS

Minnesota's long experience with establishing and maintaining pay equity programs can be a significant resource for other employers, both public and private, to establish systems for closing the gender wage gap in their workplace. Pay equity reports submitted over many years also offer a wealth of information for researchers to study the results of a variety of personnel practices. For example, how much of the wage gap in state government was closed because of the pay equity program? And how much was due to more women in higher-level jobs? Or how much because of changes in job classifications?

What are the overall results of the pay equity program on local units of government? Are there differences by type of jurisdiction, or by the size of the governmental unit, or by geographical variations? What effect has pay equity had on racial/ethnic minorities? Are there differences in the results between women of color and their white counterparts? The list could go on and on because there are now data from over 30 years of experience with biannual reports on the state employees program, and annual reports on the local government employees program.

In addition to suggestions for further research, there are recommendations that could both maintain Minnesota's commitment to pay equity, and also provide direction for extending the concept to other employers, both public and private.

- Minnesota's state and local government pay equity laws should remain intact and not be weakened in any form. As this report shows, both laws have resulted in substantially narrowing the wage gap in public employment. Further, both laws have been manageable and efficiently administered for over 30 years.
- Compensation for men and "male" jobs must remain the benchmark for determining the standard for compliance. Any attempt to use any other trend line or comparisons such as an "all employee line" or "balanced class line" must not be used. The male line is used because it reflects the pay for jobs that have not been affected by discriminatory practices of the past. Other lines factor in the low wages for women and are therefore not appropriate for comparative purposes.
- Current employment practices of surveying the "market" also tend to perpetuate former wage structures and should not be used if the goal is to eliminate past stereotypes of the value of traditionally female occupations. Genuine and documented recruitment difficulties can be considered in pay-setting, but experience shows that jobs performed by women are often just as likely as those performed by men to be "high demand" occupations.
- The report-based method of assuring compliance with pay equity should not be weakened. The complaint-based method is costly and time-consuming, is difficult for individual workers to institute and manage, and does not get at the overall structure of a wage system. Filing suits can be disruptive and expensive for both employers and workers.
- Salary adjustments should not be made by reducing the wages of jobs typically held by men. As mentioned above, traditional male jobs are the template for non-discriminatory wages.

- The statistical software developed by the state to analyze gender differences in pay practices should be more widely used by jurisdictions in other states and by private employers in Minnesota. A way to make this more widely known and accessible should be researched and implemented. This tool could encourage all types of employers to “self-test” and voluntarily adopt some measure of pay equity.
- Pay equity programs should be kept as simple as possible. Personnel systems can be complex, and other jurisdictions have often had trouble establishing a pay equity system by trying to re-do an entire personnel system and make it “perfect.” Emphasis should be on the overall structure of compensation in an organization and implementation should be as little disruptive as possible.
- Minnesota’s expertise and experience with pay equity should be widely shared with jurisdictions in other states as well as with academics and public policy organizations.
- Other states should adopt a law, as Minnesota did recently, to prohibit retaliation against an employee who discloses her or his wage or who asks for salary information from another employee. Pay equity has been successful in the public sector because wages are public information and readily available to anyone who wants to investigate pay practices.
- Efforts to eliminate sex-based wage discrimination in the private sector through various means, including education and legislation, should be explored and encouraged. A natural place to start would be with private companies who provide goods and services to governmental units.
- Research should be undertaken to determine whether pay equity initiatives could improve the economic status of women employed by the University of Minnesota and of all women employed by the Minnesota State Colleges and Universities (MnSCU) system.

END NOTES

Except where otherwise noted, current data on state employees are from the HR Workforce Analysis section of Minnesota Management and Budget, 400 Centennial Office Building, Saint Paul, MN 55155. Data on local government employment, except as noted, is from the Pay Equity Unit of MMB. More detailed technical notes from past reports of the Council/Office on the Economic Status of Women are available from OESW.

¹ These two laws are printed in the appendices to this report. They may also be viewed online at <https://www.revisor.mn.gov/pubs> (M.S. 43A.01 and M.S. 471.991).

² Fed. Equal Pay Act of 1963, Title VII of the Civil Rights Act of 1964, and the 1969 MN Equal Pay Act,

³ Women's median annual earnings as a percentage of men's median annual earnings for full-time year-round workers, 2014. US Census Bureau, Current Population Reports, P60-252. Cited in *AAUW: The Simple Truth*, Fall 2015.

⁴ Median earnings for full time year round workers. U.S. Census Bureau, American Communities Survey, 2014.

⁵ Ibid.

⁶ Full-time, year-round workers, American Communities Survey, Minnesota 2012.

⁷ Household data annual averages, employed persons by detailed occupation, sex, etc., US 2014, Bureau of Labor Statistics, Current Population Survey, <http://www.bls.gov/cps/cpsaat11.htm>

⁸ *Job Patterns for Minorities and Women in State and Local Governments* (EEO-4), 2013, US 2013. Equal Employment Opportunity Commission.

⁹ National Women's Law Center, annual poverty data released by the US Bureau of the Census in September 2015 for the year 2014, <http://www.nwlc.org/nwlc-analysis-2014-census-poverty-data>

¹⁰ MN Stat. Sec. 181.66 et seq.

¹¹ Analysis of Bureau of Labor Statistics data for 2014, "Employed Persons by detailed occupation, sex, race [etc.]" from the Current Population Survey. <http://www.bls.gov/cps/cpsaat11.htm>

¹² Institute for Women's Policy Research, *Status of Women in the States: 2015 Employment and Earnings*. <http://statusofwomendata.org/app/uploads/2015/02/EE-CHAPTER-FINAL.pdf> (accessed April 2015)

¹³ U.S. Supreme Court, *County of Washington v. Gunther*, 452 U.S. 161 (1981).

¹⁴ *IUE v. Westinghouse Electric Corp.*, 631 F.2d 1094 (3d Cir. 1980).

¹⁵ (Pub.L. 111-2, S. 181)

¹⁶ Minnesota Statutes 181.172.

¹⁷ *Ewald v. Royal Norwegian Embassy et al*, No. 0:2011cv02116 - Document 201 (D. Minn. 2014), <http://law.justia.com/cases/federal/district-courts/minnesota/mndce/0:2011cv02116/121375/201/>, Star Tribune story at <http://www.startribune.com/norway-violated-equal-pay-law-judge-says/287267501/>

¹⁸ <http://www.gallup.com/poll/178373/americans-say-equal-pay-top-issue-working-women.aspx>

¹⁹ *State of Minnesota 1976 Affirmative Action Report*. Prepared by Dept. of Personnel Equal Opportunity Division. <http://archive.leg.state.mn.us/docs/2013/mandated/131336.pdf> (accessed 21 July 2015). (Data includes only executive branch agencies; excludes, with a few exceptions, faculty of the State University and Community College Systems.)

²⁰ 1976 statistics on racial/ethnic minorities are from *The Position of Women as a Disadvantaged Group in State Employment*, The Employment Task Force of the National Organization of Women (1976).

²¹ Data from staff of Minnesota Management & Budget, January 2015.

²² Ibid.

²³ Minnesota Department of Employment and Economic Development, data for September 2015. *Nonagricultural Wage & Salary Employment, Hours and Earnings* 1.1.1.1 September 2015, Minnesota, Jobs estimated by place of work. <https://apps.deed.state.mn.us/lmi/ces/Results.aspx>

²⁴ *Minnesota Pay Equity Management System—Minneapolis (15—No Submission)*. <http://goo.gl/KN286R>

²⁵ Council on the Economic Status of Women. *Minnesota Women: City & County Employment*. April 1980. <http://www.commissions.leg.state.mn.us/oesw/historical/CityCountyEmployment1980.pdf>

²⁶ *Why Counties Matter*, Association of Minnesota Counties. Full-time, part-time, and seasonal total. http://www.mncounties.org/Publications/Why%20MN%20Counties%20Matter_Final.pdf

²⁷ <http://www.startribune.com/some-hennepin-county-workers-see-15-pay-raise/236965211/>

²⁸ Council on the Economic Status of Women. *Minnesota Women: City & County Employment*. April 1980.

²⁹ Minnesota Department of Education, 2015. <http://w20.education.state.mn.us/MDEAnalytics/Summary.jsp>

³⁰ Ibid.

- ³¹ Data from an MMB special review of pay equity reports undertaken in 2009 at the request of OESW.
- ³² Data from League of Minnesota Cities, as reported in OESW Fact Sheet Series: *Women in Minnesota's Elected Offices 2015*.
- ³³ Association of Minnesota Counties: *Why Counties Matter*, 2014, cited in OESW Fact Sheet Series: *Women in Minnesota's Elected Offices 2015*.
- ³⁴ Minnesota School Boards Assn., cited in OESW Fact Sheet Series: *Women in Minnesota's Elected Offices 2015*.
- ³⁵ Email communication from Kelsey Gantzer, MN Elementary School Principals Association, noting that this reflects their membership numbers, not necessarily the total number of elementary principals in Minnesota.
- ³⁶ Email communication from Patti Anderson, MN Association of Secondary School Principals, 10-1-15.
- ³⁷ Minnesota School Boards Association staff Kelly Martell, email communication 9-28-15.
- ³⁸ The 1978 sample survey elicited responses from 33 counties and 36 cities, with a total of 48,228 employees in fiscal years 1977 and 1978. The seven-county Twin Cities area accounted for 35,227 employees in the sample, while the rest of the state reported on 13,001 employees. All data in this section are taken from the CESW report, *Minnesota Women: City & County Employment*, published in April 1980.
- ³⁹ EEOC, cited on p. 18 of *Minnesota Women: City & County Employment*.
- ⁴⁰ This resource (and much more technical assistance) remains available online at the website of Minnesota Management and Budget. <http://www.mn.gov/mmb/images/statejobmatch.pdf>
- ⁴¹ By Bonnie Watkins, on commission from the American Library Association. Out of print, but copies may be available from public libraries.
- ⁴² Librarians in many states have undertaken pay equity studies since that time. For example, the North Carolina Library Association conducted an extensive study and provided tools for local librarians to advocate with their employers. <http://www.singergrp.com/page-pay-equity-its-more-than-living-being-a-librarian/>
- ⁴³ Note that percentages were rounded to the nearest decimal for this chart to ease viewing these complex data. That's why St. Louis County's earnings ratio of 99.5 percent appears as 100 percent on the chart.
- ⁴⁴ EEOC data from EEO-4 reports submitted in 2013, <http://www.eeoc.gov/eeoc/statistics/employment/jobpat-eeo4/2013/index.cfm>. Private sector Minnesota earnings gap data are from US Census Bureau, Current Population Reports, P60-252, "Women's median annual earnings as a percentage of men's median annual earnings for full-time year-round workers, 2014."
- ⁴⁵ Minnesota Department of Employment and Economic Development (DEED), *Nonagricultural Wage and Salary Employment, Minnesota Jobs by Place of Work*, September 2015, Jobs estimated by place of work.
- ⁴⁶ Laws of Minnesota 2014, Chapter 239, section 6 [363A.44].
- ⁴⁷ For more information on this law, contact MDHR at mn.gov/mdhr/ or 1-800-657-3704.
- ⁴⁸ Laws of Minnesota 2014, Chapter 239, section 2 [181.172] Wage Disclosure Protection.

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APPENDIX A: Resources

Government Agencies

Office on the Economic Status of Women (OESW), 95 State Office Building, St. Paul MN 55155, 651-296-0711. Advises the legislature and provides information and statistics on the economic status of women in Minnesota. Newsletter and other publications available at. <http://www.oesw.leg.mn/>

Minnesota Management & Budget (MMB), 200 Centennial Bldg., 658 Cedar St., St. Paul, MN 55155, 651-296-2653. <http://mn.gov/mmb/> Among MMB resources:

State Pay Equity Report. Biennial report from MMB to the legislature on state employment, listing female-dominated classes with pay inequities and the cost to correct the inequities. <http://mn.gov/mmb/images/State-Pay-Equity-Report.pdf>

Hay Ratings for state jobs, MMB website <http://goo.gl/cSpseK>

Local Government Pay Equity unit. Cyndee Gmach, Pay Equity Coordinator, cyndee.gmach@state.mn.us. Many additional resources. http://mn.gov/mmb/employee-relations/compensation/laws/local_gov/local-gov-pay-equity/

Minnesota Local Government Pay Equity Compliance Report. Annual report submitted to the Minnesota Legislature by MMB. Available at <http://mn.gov/mmb/>

State Job Match manual. Job descriptions and suggested ratings, based on State of Minnesota Hay ratings, for typical jobs in cities, counties, and school districts. Available at <http://www.mn.gov/mmb/images/statejobmatch.pdf>

Guide to Understanding Pay Equity Compliance and Computer Reports. Explains reporting requirements, criteria for determining compliance, and how to interpret results from pay equity software. <http://www.mn.gov/mmb/images/guidetounderstandpayequityreports.pdf>

Local Government Pay Equity Compliance Rule. Detailed description of statistical analysis, alternative analysis, salary range test, exceptional service pay test. Also details reporting requirements. Available at <https://www.revisor.leg.state.mn.us/rules/?id=3920>

Minnesota Department of Human Rights (MDHR), 625 Robert Street North, St Paul, MN 55155, 1-800-657-3704. Investigates charges of illegal discrimination, ensures that businesses seeking state contracts are in compliance with equal opportunity requirements, and strives to eliminate discrimination by educating Minnesotans about their rights and responsibilities under the state [Human Rights Act](#). Includes issuing and auditing certificates of equal pay compliance.

Minnesota Department of Labor & Industry (DOLI), 443 Lafayette Road North, St Paul, MN 55155, 651-284-5031. Oversees labor standards, wage and hour standards, occupational safety and health, and laws of special interest to women: parental leave, sick leave, accommodations for pregnant women and nursing mothers, and the Wage Disclosure Protection Act.
<http://www.dli.mn.gov/>

Non-Governmental Organizations

Pay Equity Coalition of Minnesota. <https://www.facebook.com/pages/Pay-Equity-Coalition-of-Minnesota/190013544364987>

National Committee on Pay Equity, 1126 Sixteenth Street Northwest, Suite 411, Washington, D.C. 20036, 202-331-7343. Newsletter, data, employer self-audit, and many other publications.
<http://www.pay-equity.org/>

University of Minnesota Humphrey School's Center on Women, Gender, & Public Policy. Illuminates gender-based disparities through research, teaching, and public engagement. Assisted in advocating for Women's Economic Security Act of 2014. <http://www.hhh.umn.edu/research-centers/center-women-gender-and-public-policy>

American Library Association Office for Library Personnel Resources. Committee on Pay Equity and pay equity toolkits. http://www.ala.org/offices/ola/advocacy_publications

Pay Equity: An Action Manual for Library Workers. Kenady, Carolyn. American Library Association. May 1989.

Pay Equity & Minnesota Public Libraries: Results of a Legislative Approach. Watkins, Bonnie. Editor: Feye-Stukas, Jan. June 1993.

American Association of University Women, *The Simple Truth About the Gender Pay Gap: Fall 2015 Edition*, downloadable free of charge from their website below. Recent data on earnings, a helpful page on "What Should I Do if I Experience Sex Discrimination at Work," (page 25), and bibliography of other AAUW resources on this topic. <http://www.aauw.org/resource/the-simple-truth-about-the-gender-pay-gap/>

APPENDIX B: State Government Pay Equity Act

MINNESOTA STATUTES CHAPTER 43A: STATE PERSONNEL MANAGEMENT (selected provisions)

43A.01 POLICIES.

Subd. 3. **Equitable compensation relationships.** It is the policy of this state to attempt to establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees in the executive branch. Compensation relationships are equitable within the meaning of this subdivision when the primary consideration in negotiating, establishing, recommending, and approving total compensation is comparability of the value of the work in relationship to other positions in the executive branch.

43A.02 DEFINITIONS.

Subd. 6a. **Balanced class.** "Balanced class" means any class in which no more than 80 percent of the incumbents are male and no more than 70 percent of the incumbents are female.

Subd. 11. **Class.** "Class" means one or more positions sufficiently similar with respect to duties and responsibilities that the same descriptive title may be used with clarity to designate each position allocated to the class and that the same general qualifications are needed for performance of the duties of the class, that the same tests of fitness may be used to recruit employees, and that the same schedule of pay can be applied with equity to all positions in the class under the same or substantially the same employment conditions.

Subd. 13. **Commissioner.** "Commissioner" means the commissioner of management and budget.

Subd. 14a. **Comparability of the value of the work.** "Comparability of the value of the work" means the value of the work measured by the composite of the skill, effort, responsibility, and working conditions normally required in the performance of the work.

Subd. 22a. **Female-dominated class.** "Female-dominated class" means any class in which more than 70 percent of the incumbents are female.

Subd. 27a. **Male-dominated class.** "Male-dominated class" means any class in which more than 80 percent of the incumbents are male.

43A.05 POLICIES AND RESPONSIBILITIES; PERSONNEL BUREAU

Subd. 5. **Comparability adjustments.** The commissioner shall compile, subject to availability of funds and personnel, and submit to the Legislative Coordinating Commission by January 1 of each odd-numbered year a list showing, by bargaining unit, and by plan for executive branch employees covered by a plan established pursuant to section 43A.18, those female-dominated classes and those male-dominated classes in state civil service for which a compensation inequity exists based on comparability of the value of the work. The commissioner shall also submit to the Legislative Coordinating Commission, along with the list, an estimate of the appropriation necessary for providing comparability adjustments for classes on the list. The commission shall review and approve, disapprove, or modify, the list and proposed appropriation. The commission's action shall be submitted to the full Legislature. The full Legislature may approve, reject, or modify the commission's action. The commission shall show

the distribution of the proposed appropriation among the bargaining units and among the plans established under 43A. 18. Each bargaining unit and each plan shall be allocated that proportion of the total proposed appropriation which equals the cost of providing adjustments for the positions in the unit or plan approved by the commission for comparability adjustments divided by the total cost of providing adjustments for all positions on the list approved by the commission for comparability adjustments. Distribution of any appropriated funds within each bargaining unit or plan shall be determined by collective bargaining agreements or by plans.

Subd. 6. **Allocation.** The amount recommended by the legislative commission on employee relations pursuant to subdivision 5 to make comparability adjustments shall be submitted to the full Legislature by March 1 or each odd-numbered year. The Legislature may accept, reject, or modify the amount recommended. The commissioner shall allocate the amount appropriated by the Legislature, on a pro-rate basis, if necessary, to the proper accounts for distribution to incumbents of classes which have been approved for comparability adjustments.

Funds appropriated for purposes of comparability adjustments for state employees shall be drawn exclusively from and shall not be in addition to the funds appropriated for salary supplements or other employee compensation. Funds not used for purposes of comparability adjustments shall revert to the appropriate fund.

Subd. 7. **Human Rights.** The commissioner of human rights or any state court may use as evidence the results of any job evaluation system established under subdivision 5 and the reports compiled under subdivision 5 in any proceeding or action alleging discrimination.

43A. 18 TOTAL COMPENSATION; COLLECTIVE BARGAINING AGREEMENTS; PLANS

Subd. 8. **Compensation relationships of positions.** In preparing management negotiating positions for compensation which is established pursuant to subdivision 1, and in establishing, recommending and approving total compensation for any position within the plans covered in subdivisions 2, 3 and 4, the commissioner shall assure that;

- (a) Compensation for positions in the classified and the unclassified service compare reasonably to one another;
- (b) Compensation for state positions bears reasonable relationship to compensation for similar positions outside state service;
- (c) Compensation for management positions bears reasonable relationship to compensation of represented employees managed;
- (d) Compensation for positions within the classified service bears reasonable relationships among related job classes and among various levels within the same occupations; and
- (e) Compensations bear reasonable relationships to one another within the meaning of this subdivision if compensation for positions which require comparable, skill, effort, responsibility, and working conditions is comparable and if compensation for positions which require differing skill, effort, responsibility, and working condition is proportional to the skill, effort, responsibility, and working conditions required

APPENDIX C: Local Government Pay Equity Act

MINNESOTA STATUTES SECTIONS 471.991-471.999: PAY EQUITY

471.991 Definitions.

Subd. 1. **Terms.** For the purposes of Laws 1984, chapter 651, the following terms have the meanings given them.

Subd. 2. **Balanced class.** "Balanced class" means any class in which no more than 80 percent of the members are male and no more than 70 percent of the members are female.

Subd. 3. **Comparable work value.** "Comparable work value" means the value of work measured by the skill, effort, responsibility, and working conditions normally required in the performance of the work.

Subd. 4. **Class.** "Class" means one or more positions that have similar duties, responsibilities, and general qualifications necessary to perform the duties, with comparable selection procedures used to recruit employees, and use of the same compensation schedule.

Subd. 5. **Equitable compensation relationship.** "Equitable compensation relationship" means that the compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable work value as determined under section 471.994, within the political subdivision.

Subd. 6. **Female-dominated class.** "Female-dominated class" means any class in which 70 percent or more of the members are female.

Subd. 7. **Male-dominated class.** "Male-dominated class" means any class in which 80 percent or more of the members are male.

Subd. 8. **Position.** "Position" means a group of current duties and responsibilities assigned or delegated by a supervisor to an individual.

471.992 Equitable Compensation Relationships.

Subd. 1. **Establishment.** Subject to sections 179A.01 to 179A.25 and sections 177.41 to 177.44 but notwithstanding any other law to the contrary, every political subdivision of this state shall establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees in order to eliminate sex-based wage disparities in public employment in this state. A primary consideration in negotiating, establishing, recommending, and approving compensation is comparable work value in relationship to other employee positions within the political subdivision. This law may not be construed to limit the ability of the parties to collectively bargain in good faith.

Subd. 2. **Arbitration.** In all interest arbitration involving a class other than a balanced class held under sections 179A.01 to 179A.25, the arbitrator shall consider the equitable compensation relationship standards established in this section and the standards established under section 471.993 together with other standards appropriate to interest arbitration. The arbitrator shall consider both the results of a job evaluation study and any employee objections to the study. In interest arbitration for a balanced class, the arbitrator may consider the standards established under this section and the results of, and any employee objections to, a job evaluation study, but shall also consider similar or like classifications in other political subdivisions.

Subd. 3. (Repealed, 1990 c 512 s 13)

Subd. 4. **Collective Bargaining.** In collective bargaining for a balanced class, the parties may consider the equitable compensation relationship standards established by this section and the results of a job evaluation study, but shall also consider similar or like classifications in other political subdivisions.

471.993 Compensation Relationships of Positions.

Subdivision 1. **Assurance of reasonable relationship.** In preparing management negotiation positions for compensation established through collective bargaining under chapter 179A and in establishing, recommending, and approving compensation plans for employees of political subdivisions not represented by an exclusive representative under chapter 179A, the respective political subdivision as the public employer, as defined in section 179A.03, subdivision 15, or, where appropriate, the Minnesota merit system, shall assure that:

- 1) compensation for positions in the classified civil service, unclassified civil service, and management bear reasonable relationship to one another;
- 2) compensation for positions bear reasonable relationship to similar positions outside of that particular political subdivision's employment; and
- 3) compensation for positions within the employer's work force bear reasonable relationship among related job classes and among various levels within the same occupational group.

Subd. 2. **Reasonable relationship defined.** For purposes of subdivision 1, compensation for positions bear "reasonable relationship" to one another if:

- 1) the compensation for positions which require comparable skill, effort, responsibility, working conditions, and other relevant work-related criteria is comparable; and
- 2) the compensation for positions which require differing skill, effort, responsibility, working conditions, and other relevant work-related criteria is proportional to the skill, effort, responsibility, working conditions, and other relevant work-related criteria required.

471.994 Job Evaluation System.

Every political subdivision shall use a job evaluation system in order to determine the comparable work value of the work performed by each class of its employees. The system must be maintained and updated to account for new employee classes and any changes in factors affecting the comparable work value of existing classes. A political subdivision that substantially modifies its job evaluation system or adopts a new system shall notify the commissioner. The political subdivision may use the system of some other public employer in the state. Each political subdivision shall meet and confer with the exclusive representatives of their employees on the development or selection of a job evaluation system.

471.995 Report Availability.

Notwithstanding section 13.37, every political subdivision shall submit a report containing the results of the job evaluation system to the exclusive representatives of their employees to be used by both parties in contract negotiations. At a minimum, the report to each exclusive representative shall identify the female-dominated classes in the political subdivision for which compensation inequity exists, based on the comparable work value, and all data not on individuals used to support these findings.

471.996 Repealed, 1990 c 512 s 13

471.9965 Repealed, 1986 c 459 s 3

471. 9966 Effect on Other Law.

Notwithstanding section 179A. 13, subdivision 2, it is not an unfair labor practice for a political subdivision to specify an amount of funds to be used solely to correct inequitable compensation relationships. A political subdivision may specify an amount of funds to be used for general salary increases. The provisions of section 471.991 to 471.999 do not diminish a political subdivision's duty to bargain in good faith under chapter 179A or sections 179.35 to 179.39.

471.997 Human Rights Act, Evidence.

The commissioner of human rights or any state court may use as evidence the results of any job evaluation system established under section 471.994 and the reports compiled under section 471.995 in any proceeding or action alleging discrimination.

471.9975 Repealed, 1996, c 310 s 1

471.998 Repealed 1996 c 310 s 1

471.9981 Counties and Cities: Pay Equity Compliance.

Subdivision 1. Repealed, 2009 c 101 art 2 s 110

Subd. 2 Repealed, 1990 c 512 s 13

Subd. 3 Repealed, 1990 c 512 s 13

Subd. 4 Repealed, 1990 c 512 s 13

Subd. 5 Repealed, 1990 c 512 s 13

Subd. 5a. **Implementation Report.** By January 31, 1992, each political subdivision shall submit to the commissioner an implementation report that includes the following information as of December 31, 1991:

- 1) a list of all job classes in the political subdivision;
- 2) the number of employees in each class;
- 3) the number of female employees in each class;
- 4) an identification of each class as male-dominated, female-dominated, or balanced as defined in section 471.991;
- 5) the comparable work value of each class as determined by the job evaluation used by the subdivision in accordance with section 471.994;
- 6) the minimum and maximum salary for each class, if salary ranges have been established, and the amount of time in employment required to qualify for the maximum;
- 7) any additional cash compensation, such as bonuses or lump-sum payments, paid to the members of a class; and
- 8) any other information requested by the commissioner.

If a subdivision fails to submit a report, the commissioner shall find the subdivision not in compliance with subdivision 6 and shall impose the penalty prescribed by that subdivision.

Subd. 5b . **Public Data.** The implementation report required by subdivision 5a is public data governed by chapter 13.

Subd. 6. **Penalty for failure to implement plan.** (a)The commissioner of management and budget shall review the implementation report submitted by a governmental subdivision, to determine whether the subdivision has established equitable compensation relationships as required by section 471.992, subdivision 1, by December 31, 1991, or the later

date approved by the commissioner. The commissioner shall notify a subdivision found to have achieved compliance with section 471.992, subdivision 1.

(b) If the commissioner finds that the subdivision is not in compliance based on the information contained in the implementation report required by section 471.9981, subdivision 5a, the commissioner shall notify the subdivision of the basis for the finding. The notice must include a detailed description of the basis for the finding, specific recommended actions to achieve compliance, and an estimated cost of compliance. If the subdivision disagrees with the finding, it shall notify the commissioner, who shall provide a specified time period in which to submit additional evidence in support of its claim that is in compliance. The commissioner shall consider at least the following additional information in reconsidering whether the subdivision is in compliance:

- 1) recruitment difficulties;
- 2) retention difficulties;
- 3) recent arbitration awards that are inconsistent with equitable compensation relationships; and
- 4) information that can demonstrate a good-faith effort to achieve compliance and continued progress toward compliance, including any constraints the subdivision faces.

The subdivision shall also present a plan for achieving compliance and a date for additional review by the commissioner.

(c) If the subdivision does not make the changes to achieve compliance within a reasonable time set by the commissioner, the commissioner shall notify the subdivision and the commissioner of revenue that the subdivision is subject to a five percent reduction in the aid that would otherwise be payable to that governmental subdivision under section 126C.13, 273.1398, or sections 477A.011 to 477A.014, or to a fine of \$100 a day, whichever is greatest. The commissioner of revenue shall enforce the penalty beginning in calendar year 1992 or in the first calendar year beginning after the date for implementation of the plan of a governmental subdivision for which the commissioner of employee relations has approved an implementation date later than December 31, 1991. However, the commissioner of revenue may not enforce a penalty until after the end of the first regular legislative session after a report listing the subdivision as not in compliance has been submitted to the Legislature under section 471.999. The penalty remains in effect until the subdivision achieves compliance. The commissioner of management and budget may suspend the penalty upon making a finding that the failure to implement was attributable to circumstances beyond the control of the governmental subdivision or to severe hardship, or that non-compliance results from factors unrelated to the sex of the members dominating the affected classes and that the subdivision is taking substantial steps to achieve compliance to the extent possible.

Subd. 7. **Appeal.** A governmental subdivision may appeal the imposition of a penalty under subdivision 6 by filing a notice of appeal with the commissioner of employee relations within 30 days of the commissioner's notification to the subdivision of the penalty. An appeal must be heard as a contested case under section 14.57 to 14.62. No penalty may be imposed while an appeal is pending.

471.999 Report to Legislature.

The commissioner of management and budget shall report to the Legislature by January 1 of each year on the status of compliance with section 471.992, subdivision 1, by governmental subdivisions.

The report must include a list of the political subdivisions in compliance with section 471.992, subdivision 1, and the estimated cost of compliance. The report must also include a list of political subdivisions found by the commissioner to be not in compliance, the basis for that finding, recommended changes to achieve compliance, estimated cost of compliance, and recommended penalties, if any. The commissioner's report must include a list of subdivisions that did not comply with the reporting requirements of this section. The commissioner may request, and a subdivision shall provide, any additional information needed for the preparation of a report under this subdivision.

Notwithstanding any rule to the contrary, beginning in 2005, a political subdivision must report on its compliance with the requirements of sections 471.991 to 471.999 no more frequently than once every three years. No report from a political subdivision is required for 2003 and 2004.

APPENDIX D: Ten Largest Male and Female Jobs, 1981

# Incumbents	Percent Female	Job Class	Hay Points	Max. Monthly Salaries	
				Male	Female
448	97.8%	Clerk Typist 1	100		1,039
411	88.1%	Clerk 2	117		1,115
805	98.8%	Clerk Typist 2	117		1,115
135	0.7%	General Repair Worker	134	1,564	
303	99.7%	Clerk Stenographer 2	135		1,171
192	99.5%	Clerk Typist 3	141		1,171
485	74.6%	Human Services Technician Senior	151		1,274
1,335	0.1%	Highway Maintenance Worker Senior	154	1,521	
184	99.5%	Clerk Stenographer 4	162		1,307
310	100.0%	Clerk Typist 4	169		1,274
402	72.1%	Human Services Specialist	177		1,343
462	6.3%	Highway Technician Intermediate	178	1,646	
282	94.7%	Licensed Practical Nurse 2	183		1,382
393	15.8%	Correctional Counselor 2	188	1,656	
518	2.1%	Highway Technician Senior	206	1,891	
128	0.0%	Heavy Equipment Mechanic	237	1,757	
132	0.8%	Natural Resources Spec-Conservation	238	1,808	
169	0.6%	Principal Engineering Specialist	298	2,347	
165	2.4%	Engineer Senior	382	2,619	
180	0.0%	Engineer Principal	479	2,923	

APPENDIX E: Evaluations and Pay for State Jobs, 1981

The following is a complete listing of Minnesota state government employee job classes that were either male-dominated or female-dominated, that had been assigned Hay points, and that had at least 10 incumbents as of October 1981. The list appeared in the 1982 CESW *Report of the Task Force on Pay Equity*.

NUMBER OF INCUMBENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY POINTS	1981 SALARY MONTHLY MAXIMUM	
				MALE	FEMALE
140	85.0%	Clerk 1	86		\$1,014
157	87.3%	Food Service Worker	93		\$1,115
448	97.8%	Clerk Typist 1	100		\$1,039
100	96.0%	Data Entry Operator	100		\$1,115
98	76.5%	Laundry Assistant	103		\$1,141
64	3.1%	Security Guard 2	111	\$1,274	
12	0.0%	Automobile Service Attendant	112	\$1,235	
10	0.0%	Materials Transfer Driver	112	\$1,416	
101	98.0%	Data Entry Operator Senior	115		\$1,171
150	100.0%	Clerk Stenographer 1	115		\$1,115
46	13.0%	General Maintenance Worker 2	116	\$1,190	
14	0.0%	Automobile Service Attendant Sr.	117	\$1,307	
50	0.0%	Delivery Van Driver	117	\$1,382	
411	88.1%	Clerk 2	117		\$1,115
805	98.8%	Clerk Typist 2	117		\$1,115
15	93.3%	Pharmacy Technician	117		\$1,202
13	100.0%	Employment Services Assistant	117		\$1,171
24	0.0%	Building and Grounds Worker	119	\$1,274	
43	2.3%	Grain Sampler 1	120	\$1,552	
15	0.0%	Livestock Weigher 2	120	\$1,505	
11	81.8%	Microfilmer	120		\$1,115
48	95.8%	Switchboard Operator	122		\$1,115
10	100.0%	Dictaphone Operator	122		\$1,171
16	0.0%	Groundskeeper	123	\$1,235	
19	10.5%	Groundskeeper Intermediate	123	\$1,274	

17	100.0%	Sewing Machine Operator	125		\$1,141
NUMBER OF INCUMBENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY POINTS	1981 SALARY MONTHLY MAXIMUM	
				MALE	FEMALE
48	0.0%	Automotive Parts Technician	129	\$1,505	
47	95.7%	Dining Hall Coordinator	129		\$1,202
11	9.1%	General Maintenance Worker 4	134	\$1,336	
135	0.7%	General Repair Worker	134	\$1,564	
303	99.7%	Clerk Stenographer 2	135		\$1,171
21	0.0%	Grain Sampler 2	136	\$1,646	
53	0.0%	Laborer 2	136	\$1,521	
13	100.0%	Medical Records Clerk	138		\$1,171
143	84.6%	Account Clerk	141		\$1,171
60	93.3%	Clerk 3	141		\$1,171
192	99.5%	Clerk Typist 3	141		\$1,171
83	90.4%	Driver and Vehicle Service Aide	141		\$1,202
20	90.0%	Medical Claims Technician 1	141		\$1,202
14	78.6%	Medical Claims Technician 2	141		\$1,307
20	100.0%	Data Entry Operator Lead	144		\$1,307
22	18.2%	Baker	147	\$1,343	
485	74.6%	Human Services Technician Senior	151		\$1,274
65	6.2%	Highway Maintenance Worker	154	\$1,437	
1335	0.1%	Highway Maintenance Worker Sr.	154	\$1,521	
13	0.0%	Steam Boiler Attendant	156	\$1,611	
77	11.7%	Correctional Counselor 1	158	\$1,319	
184	99.5%	Clerk Stenographer 4	162		\$1,307
14	100.0%	Employment Services Technician	162		\$1,235
11	90.9%	Financial Aid Assistant	162		\$1,307
39	94.9%	Library Technician	166		\$1,343

NUMBER OF INCUMBENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY POINTS	1981 SALARY MONTHLY MAXIMUM	
				MALE	FEMALE
12	0.0%	Groundskeeper Senior	167	\$1,423	
177	87.0%	Account Clerk Senior	169		\$1,343
171	91.8%	Clerk 4	169		\$1,274
10	90.0%	Health Program Aide	169		\$1,307
71	94.4%	Unemployment Claims Clerk	169		\$1,274
310	100.0%	Clerk Typist 4	169		\$1,274
39	0.0%	Grain Inspector 2	173	\$1,693	
92	100.0%	Administrative Secretary	173		\$1,343
64	100.0%	Legal Secretary	173		\$1,382
11	0.0%	Heavy Equipment Mechanic Apprentice	176	\$1,623	
402	72.1%	Human Services Specialist	177		\$1,343
16	0.0%	Engineering Aide Intermediate	178	\$1,646	
462	6.3%	Highway Technician Intermediate	178	\$1,646	
21	0.0%	Weights & Measures Investig. 1	180	\$1,839	
125	96.8%	Licensed Practical Nurse 1	183		\$1,307
282	94.7%	Licensed Practical Nurse 2	183		\$1,382
63	7.9%	Attendant Guard	185	\$1,552	
60	0.0%	Painter	185	\$1,707	
13	7.7%	Building Service Foreman	187	\$1,451	
393	15.8%	Correctional Counselor 2	188	\$1,656	
58	0.0%	Correctional Counselor 3	195	\$1,902	
12	8.3%	Buyer 2	198	\$1,961	
11	0.0%	Radio Communications Superv.	199	\$1,834	
12	16.7%	Reimbursement Officer Senior	199	\$1,599	
166	89.8%	Executive 1 Supervisory	199		\$1,423
13	92.3%	Data Processing Coordinator 1	199		\$1,423
11	100.0%	Typing Pool Supervisor	199		\$1,373
30	13.3%	Law Compliance Representative 1	200	\$1,552	
72	81.9%	Accounting Technician	203		\$1,505

NUMBER OF INCUMBENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY POINTS	1981 SALARY MONTHLY MAXIMUM	
				MALE	FEMALE
67	0.0%	Carpenter	206	\$1,707	
518	2.1%	Highway Technician Senior	206	\$1,891	
16	0.0%	Mason	206	\$1,707	
24	0.0%	Automotive Mechanic	208	\$1,658	
23	0.0%	Electronics Technician Senior	208	\$1,787	
12	0.0%	Engineering Aide Senior	208	\$1,891	
13	0.0%	Radio Technician Senior	208	\$1,787	
14	0.0%	Signing Supervisor	208	\$1,801	
17	0.0%	Welder	210	\$1,707	
12	0.0%	Driver Evaluator Senior	211	\$1,599	
108	0.0%	Plant Maintenance Engineer	215	\$1,707	
31	0.0%	Plumber	215	\$1,707	
127	0.0%	Stationary Engineer	215	\$1,707	
11	0.0%	Refrigeration Mechanic	222	\$1,707	
91	0.0%	Bridge Worker	223	\$1,707	
14	14.3%	Auditor	233	\$1,590	
47	70.2%	Tax Examiner	233		\$1,590
128	0.0%	Heavy Equipment Mechanic	237	\$1,757	
18	16.7%	Pollution Control Specialist	238	\$1,590	
132	0.8%	Natural Resour Spec 2-Conserv	238	\$1,808	
31	0.0%	Natural Res Spec 2-Fisheries	238	\$1,703	
15	0.0%	Natural Res Spec-Park Spec	238	\$1,703	
17	11.8%	Unemployment Tax Examiner	238	\$1,590	
38	2.6%	Veterans Employment Rep.	238	\$1,646	
11	72.7%	Health Program Representative	238		\$1,590
10	80.0%	Behavior Analyst 1	238		\$1,590
52	9.6%	Natural Resourc Spec I-Forester	245	\$1,538	
125	1.6%	Natural Res. Spec 2-Forester	245	\$1,703	
48	0.0%	Electrician	247	\$1,707	
11	0.0%	Grain Inspection Terminal Super	247	\$1,724	
36	0.0%	Heavy Equipmt Field Mechanic	249	\$1,810	
70	85.7%	Executive 2	252		\$1,740

NUMBER OF INCUMBENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY POINTS	1981 SALARY	MONTHLY MAXIMUM
				MALE	FEMALE
13	7.7%	Prison Industrial Foreman General	263	\$1,707	
17	17.6%	Graduate Engineer 1	275	\$1,768	
11	9.1%	Corrections Agent	275	\$1,590	
51	17.6%	Pollution Control Spec Intermed	275	\$1,891	
23	8.7%	Chemist Intermediate	275	\$1,891	
12	0.0%	Land Supervisor	275	\$1,964	
24	8.3%	Public Health Sanitarian 2	275	\$1,891	
42	0.0%	Right of Way Agent Intermediate	275	\$2,301	
17	0.0%	Vocational Field Instr	275	\$2,260	
38	18.4%	Corrections Agent Senior	275	\$1,961	
11	9.1%	Hydrologist	275	\$1,763	
21	19.0%	Unemployment Tax Examiner	275	\$1,961	
16	93.8%	Registered Nurse 1	275		\$1,723
14	85.7%	Registered Nurse 2	275		\$1,723
107	88.8%	Registered Nurse	275		\$1,723
11	9.1%	Architectural Drafting Tech Sr	282	\$2,102	
13	0.0%	Driver Evaluator Supervisor	282	\$1,710	
17	0.0%	Natural Resources Spec.Aquatic	289	\$1,891	
14	71.4%	Librarian	291		\$1,825
10	0.0%	Boiler Inspector	298	\$2,342	
16	0.0%	Natural Res. Spec 3-Conserv	298	\$2,020	
30	0.0%	Natural Res. Spec 3-Fisheries	298	\$1,891	
47	0.0%	Natural Res. Spec 3-Wildlife	298	\$1,891	
169	0.6%	Principal Engineering Specialist	298	\$2,347	
31	3.2%	Safety Investigator Senior	298	\$2,104	
20	0.0%	Bridge Foreman	301	\$2,088	
84	0.0%	Highway Maintenance Foreman	301	\$2,088	
47	8.5%	Correctional Counselor 4	307	\$2,116	
225	0.0%	Building Maintenance Foreman	308	\$1,810	
45	15.6%	Graduate Engineer 2	314	\$2,109	
99	14.1%	Tax Examiner 4	314	\$2,104	
18	0.0%	Heavy Equip. Mech. Foreman	315	\$2,333	

NUMBER OF INCUMBENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY POINTS	1981 SALARY MONTHLY MAXIMUM	
				MALE	FEMALE
12	0.0%	Highway Maint.Supervisor	319	\$2,248	
23	8.7%	Appraiser Senior	323	\$2,182	
19	0.0%	Right of Way Agent Senior	323	\$2,182	
19	94.7%	Nursing Evaluator 2	323		\$1,911
23	4.3%	Business Manager 1	332	\$2,104	
22	4.5%	Correctional Security Casewkr	332	\$2,031	
26	7.8%	Corrections Agent Career	332	\$2,182	
15	0.0%	Land Surveyor 2	332	\$2,619	
41	17.1%	Management Analyst Senior	332	\$2,104	
12	16.7%	Planning Grants Analyst Senior	332	\$2,104	
84	14.3%	Rehabilitation Counselor Career	332	\$2,104	
11	100.0%	Public Health Nursing Advisor	332		\$2,050
22	0.0%	Pollution Control Specialist Sr	342	\$2,104	
37	5.4%	Crime Investigator 2	352	\$2,533	
12	16.7%	Pharmacist	353	\$2,297	
131	94.7%	Registered Nurse 3 Senior	353		\$1,911
20	0.0%	Building Maintenance Superv.	366	\$1,902	
21	0.0%	Chief Power Plant Engineer	366	\$1,970	
16	6.3%	Corrections Specialist	382	\$2,354	
165	2.4%	Engineer Senior	382	\$2,619	
11	18.2%	Planning Grants Analyst	382	\$2,271	
34	0.0%	Tax Examiner 5	382	\$2,260	
44	6.8%	Systems Analyst Senior	404	\$2,612	
10	10/0%	Planner 3 Transportation	404	\$2,271	
24	91.7%	Registered Nurse 4-Principal	404		\$1,911

NUMBER OF INCUMBENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY POINTS	1981 SALARY MONTHLY MAXIMUM	
				MALE	FEMALE
12	8.3%	Correctional Supervisor	406	\$2,116	
33	12.1%	Rehabilitation Counselor Super	406	\$2,192	
10	0.0%	Pharmacist Senior	406	\$2,565	
19	89.5%	Registered Nurse Admin-Sup.	406		\$2,041
16	12.5%	Accounting Officer Principal	417	\$2,192	
15	6.7%	Hydrologist Senior	417	\$2,612	
22	9.1%	Job Service Area Manager 2	421	\$2,192	
13	15.4%	Institution Educational	432	\$2,725	
16	0.0%	Highway Maintenance Sup.	449	\$2,514	
180	0.0%	Engineer Principal	479	\$2,923	
17	11.8%	Accounting Director	479	\$2,354	
47	17.0%	Psychologist 2	479	\$2,427	
25	0.0%	Physical Plant Director	516	\$2,439	
16	6.3%	Dentist	551	\$3,417	
18	5.6%	Compensation judge	588	\$3,000*	
32	0.0%	Engineer Administrative	588	\$3,130	
35	17.1%	Education Specialist 3	611	\$3,010	
15	13.3%	Mediator	654	\$3,010**	
13	15.4%	Chief of Service	864	\$3,473	

*Salary set by statute.

** Salary is part of the Commissioner's Plan for unrepresented employees.

APPENDIX F: Gender Dominance and Pay in State Job Classes, Pre- and Post-Pay Equity

Gender Dominance

To determine changes in the state workforce over the past 33 years, OESW analyzed the job titles listed in Appendix E – those with at least ten incumbents in October 1981 – and compared them with classes in 2014. The first step was to determine how many of the same titles (or easily identified title changes) still existed. Then, we studied whether current classes showed the same patterns of male- or female-dominance as they had 30 years ago. These questions are relevant for policymakers seeking to establish and maintain pay equity: If systems did not change dramatically over time, there would be less need for ongoing monitoring to prevent new inequities from emerging.

The results show that dramatic change has occurred in job classes, but not much in the patterns of gender imbalance. Of the 188 classes listed in Appendix E as having existed in 1981, only 34 could be identified as still existing today, and still having at least 10 incumbents. The “missing” classes may have been abolished, or now have fewer than 10 incumbents, or may have become balanced by gender. Many new classes have been created, but were not reviewed in this analysis.

Of the 34 remaining classes, all but one that were gender-dominated in 1981 remain male- or female-dominated today. Those that were male-dominated in 1981 are still male-dominated, and those that were female-dominated are still female-dominated. The one exception is Grants Specialist Senior, which was male-dominated in 1981 and is now female-dominated. Six classes remain totally male, having no women in the job class. Six of these classes have become more female-dominated: in the accounting series, and selected clerical and health care jobs.

However, most (21) of the 33 job classes that have stayed the same in gender dominance have become more balanced. Women have increased their representation in many male-dominated jobs; men have increased their representation in many female-dominated jobs.

STATE JOB CLASSIFICATION	# OF EMPLOYEES		% WOMEN		HAY POINTS		CURRENT DOMINANCE	CHANGE IN % WOMEN
	1981	2014	1981	2014	1981	2014		
Food Service Worker	157	174	87%	83%	93	94	Still F	-4%
Delivery Van Driver	50	43	0%	16%	117	117	Still M	+16%
Clerk Typist 2/Office & Admin Specialist	805	389	99%	89%	117	117	Still F	-10%
Buildings & Grounds Wkr	24	167	0%	18%	119	119	Still M	+18%
General Maintenance Worker 4/ GMW Lead	11	26	9%	12%	134	134	Still M	+3%
Groundskeeper	16	22	0%	14%	123	136*	Still M	+14%
Account Clerk	143	33	85%	91%	141	141	Still F	+6%
Clerk Typist 3/Office & Admin Specialist Intermed.	192	803	100%	93%	141	141	Still F	-7%

Gen. Repair Worker	135	89	1%	6%	134	158*	Still M	+5%
Groundskeeper Sr./ Interm	12	15	0%	13%	167	163	Still M	+13%
STATE JOB CLASSIFICATION	# OF EMPLOYEES		% WOMEN		HAY POINTS		CURRENT DOMINANCE	CHANGE IN % WOMEN
	1981	2014	1981	2014	1981	2014		
Clerk Typist 4/Office & Admin Spec. Sr.	310	568	100%	92%	169	169	Still F	-8%
Account Clerk Senior	177	132	87%	92%	169	173	Still F	+10%
Legal Secretary	64	54	100%	98%	173	169	Still F	+10%
Lic. Practical Nurse 2	282	606	95%	89%	183	195*	Still F	-6%
Accounting Technician	72	115	82%	87%	203	203	Still F	+5%
Carpenter	67	32	0%	0%	206	206	Still M	No Change
Executive 1 Supervisory/Ofc Svcs Supv 1	166	36	90%	97%	199	208*	Still F	+7%
Plant Mainten. Engineer	108	74	0%	1%	215	215	Still M	+1%
Plumber	31	17	0%	0%	215	215	Still M	No Change
Stationary Engineer	127	22	0%	0%	215	215	Still M	No Change
Refrigeration Mechanic	11	16	0%	6%	222	222	Still M	+6%
Health Program Rep.	11	20	73%	95%	238	238	Still F	+27%
NR Spec 2-Fisheries/	31	71	0%	7%	238	245	Still M	+7%
Electrician	48	26	0%	0%	247	247	Still M	No Change
Heavy Equipment Field Mechanic	36	46	0%	0%	249	249	Still M	No Change
Unemployment Tax Examiner/Unemp. Ins Aud 2	21	16	19%	19%	275	275	Still M	No Change
NR Spec 2& 3- Conserv/	16	136	0%	12%	298	298	Still M	+12%
Safety Investigator Sr./ Safety Investigator 2	31	15	3%	7%	298	298	Still M	+4%
Planning Grants Analyst Sr/Grants Specialist Sr	12	26	17%	89%	332	332	Was M, now F	
Reg. Nurse 3 Sr./Superv.	131	57	95%	83%	353	353	Still F	-12%
Bldg. Maint. Supervisor	20	21	0%	5%	366	366	Still M	+5%
Registered Nurse 4-Principal/Nurse Specialist	24	15	92%	100%	404	404	Still F	+8%
Reg. Nurse Admin-Sup/	19	36	90%	83%	406	406	Still F	-7%
Physical Plant Director	25	18	0%	0%	516	516	Still M	No Change

* Classes in which Hay points changed significantly (by more than 3%).

Female/Male Pay Ratios for Comparable Hay Points

- A. Pay for identical points to 1981 male jobs.** When reviewing the 34 jobs, only one “male” job can be compared with one “female” job with identical Hay points. For this job, the pay ratio has improved.

STATE JOB CLASSIFICATION	HAY POINTS (1981 & 2014)	GENDER (1981 & 2014)	RATIO FEMALE/MALE PAY (Max. Monthly)	
			1981	2014
Delivery Van Driver	117	M	81%	95%
Clerk Typist 2/Office & Admin Specialist	117	F		

B. Pay for identical points to 2014 male jobs. The table below identifies “male” classes which exist in 2014 but were not listed in 1981. This makes it possible to compare current pay for the still-existing “female” classes with current male classes with the same number of job evaluation points.

Summary: For these four female job classes, one is paid somewhat less (97%) than the male class with same points, one is paid the same as the current male class with the same points, and two are paid significantly more than the current male classes with the same points. This table shows substantial increases in the ratio of female to male pay since pay equity has been implemented.

STATE JOB CLASSIFICATION	HAY POINTS (1981 & 2014)	GENDER DOMINANCE (1981 & 2014)	RATIO FEMALE/MALE PAY (Max. Monthly)	
			1981	2014
NR Tech (Wildlife) (now 37 employees)	203	M	No male class with same points at that time	97%
Accounting Tech	203	F		
Disabled Vets Outreach Program Rep (now 20 ees)	238	M	Female class was paid 88%-100% of six male jobs with same points	100%
Health Program Representative	238	F		
Transp Operations Supervisor 2 (now 79 ees)	353	M	Female class was paid 83% of Pharmacist job	124%
Registered Nurse 3 Senior/RN Supervisor	353	F		
Transportation Operations Supv 3 (now 19 ees)	406	M	Female classes were paid 80%-96% of pay for three male jobs at same point level	133% of NR job 128% of Transp job
Natural Res. Area Superv. Fisheries(now 28 ees)	406	M		
Registered Nurse Admin-Supervisory	406	F		

C. Pay for jobs with comparable points in 2014. Finally, we identified current male jobs with Hay points 1-5 percent lower than the current female jobs. This made it possible to make more comparisons, to determine the current status of the female classes that were dramatically

underpaid in 1981. As the table shows, in 2014, all these female classes are now properly paid more than (or in one case, the same as) the slightly lower-rated male jobs.

STATE JOB CLASSIFICATION (2014)	HAY POINTS (2014)	GENDER DOMINANCE (2014)	RATIO FEMALE/MALE PAY	
			1981	2014
Gen Maint Wkr Lead	134	M		
Groundskeeper	136	M		
Account Clerk	141	F	71%-88% compared to M jobs at 134 and 136 points	106% compared to GMWL, 103% comp to Groundskpr
Office & Admin Specialist Inter	141	F	71%-88% compared to M jobs at 134 and 136 points	106% comp to GMWL, 103% comp to Groundskpr
Groundskeeper Intermediate	163	M		
Office & Admin Specialist Sr	169	F	90% compared to 1981 Groundskeeper Sr (M job)	106% compared to Groundskeeper Intermediate
Legal Secretary	169	F	82% compared to 1981 Grain Inspector 2 (M job)	114% compared to Groundskeeper Intermediate
Groundskeeper Senior	192	M		
Licensed Practical Nurse 2	195	F	85% compared to Heavy Equip, 75% comp to weights/measures (all M jobs)	111% compared to Groundskeeper Senior
Sentencing to Service Crew Leader	197	M		
Airfield Fire Fighter	198	M		
Accounting Technician	203	F	77%-97% compared to five lower-rated male jobs	102% compared to SS Crew Leader, 116% compared to Airfield Fire Fighter
Carpenter	206	M		
Office Services Supervisor 1	208	F	73%-89% compared to four lower-rated male jobs	100-122% compared to five lower-rated male jobs
Engineer Senior	393	M		
Engineer Specialist Sr	393	M		
Land Surveyor Sr	393	M		
Nurse Specialist	404	F	73%-84% compared to Systems Analyst, Planner 3 (male jobs)	106%-101% compared to these male jobs

These tables are based on salary range maximums, not actual pay rates for individuals. In addition, pay equity's focus remains on the entire system, rather than "pay for points." That is, pay ranges for each "female" job class may fall above or below the overall average for "male" classes, but pay for "female" classes may not be consistently below the pay for male classes.

In conclusion, for the specific female-dominated job classes examined thirty years ago, the state system has moved towards more balance in job classes, and much improved earnings ratios between similarly-rated "male" and "female" jobs.

APPENDIX G: Individuals and Groups Responsible for Pay Equity Implementation in Minnesota

Two facts were widely known in the 1970s women's movement in Minnesota: the earnings gap between women and men was large and persistent; and women were dramatically under-represented in elected office. In 1972, Linda Berglin of Minneapolis, with five other women, was elected to the state legislature where only one woman had served before. That still amounted to less than 3 percent of the state's 201 legislators, but dramatic change was coming.

Employees were already advocating for pay equity—concepts involving sex-based pay disparities and some form of job evaluation allowing comparison of dissimilar jobs with similar levels of skill, effort, and responsibility—in Minnesota and nationally. In 1972, the Minnesota State University System (MSUS) conducted a salary study of male and female faculty with comparable education and experience and made salary corrections the following year. In 1974, MSUS undertook a similar study, this time using the Robert B. Hayes and Associates consulting firm, of unclassified administrative jobs. Again, sex-based disparities were found and corrected, directly for nonunion employees and through the bargaining process for unionized employees. And in 1974, the AFSCME union filed Equal Pay Act complaints against the state, including the question of why janitors, a male-dominated class, were paid more than upper-level clerical workers, a female-dominated class. The state agreed to undertake a study comparing clerical and non-clerical classes, but funds were not available and this study was never done.

Also in 1974, in Pennsylvania (second district court), the International Union of Electronic, Salaried, Machine and Furniture Workers (IUE) sued Westinghouse Electric Company. The company had set up a wage rate structure in the 1930's. Pay for jobs performed by women was automatically reduced merely because they were performed by women.

In 1976, the Minnesota Legislature created the Council on the Economic Status of Women (CESW), predecessor of the Commission and then the legislative Office on the Economic Status of Women. CESW had five appointees from the House, five from the Senate, and eight public members appointed by the governor. Representative Berglin was elected CESW chair and Nina Rothchild was selected as the first director. (You may view the list of all past CESW/OESW chairs, vice chairs and directors at commissions.leg.state.mn.us/oesw/historical/leadership.pdf.)

Rep. Berglin suggested that the Council's first public hearing be held on women in state government employment. There were several reasons for this: The state was (and is) the single largest employer in Minnesota, with about 35,000 employees; women accounted for more than 40 percent of state employees; and in recent decades the state had added affirmative action policies specifically directed to women and minorities. And, unlike the private sector, pay for state employees was public information. Berglin reasoned that as a public employer, the state had an obligation to provide fairness in all its personnel policies and procedures, or as she said, "We need to make sure our own house is in order before making recommendations on the workplace generally."

At the hearing, math professor and NOW member Charlotte Striebel presented a report, “The Status of Women as a Disadvantaged Group in State Employment,” showing that affirmative action was less helpful to women than to minority race men. Besides their lower representation in many jobs, state-employed women were earning 69 percent of earnings for their male counterparts—a higher ratio than the 60 percent figure for all American women, but far from parity. Other testimony from the hearing, and data from the Department of Employee Relations, showed an imbalance in the classification structure of state government as well as the underrepresentation of women at higher levels of pay. From the hearing and from the report, some changes were made in response to women’s needs—more flexible work schedules, shared jobs, child care—but it was not possible at that time to compare the “value” of jobs because there was no job evaluation system in place.

After the first CESW hearing and report, action continued in Minnesota and elsewhere. Minnesota’s Legislative Audit Commission (LAC) evaluated the state personnel system and its 1978 report documented pay disparities even when controlling for education and seniority. For example, each additional educational degree or experience was worth \$2,339 for a male professional, but only \$1,841 for a female professional. A year of state employment for a male professional was valued at \$336, but at only \$274 for a female professional. The legislature also commissioned a “public employment study,” which included both state and local government jobs, using the Hay Associates job evaluation system to analyze salary practices. This study was undertaken for many reasons, and both Berglin and Rothchild urged them to include an analysis of the differential in pay between men and women in state employment.

The study report was published in 1979. The job evaluation scores were generally correlated with pay, except that there was a consistent pattern of lower pay for female-dominated jobs than for male-dominated jobs with the same or lower job evaluation scores. The consultants downplayed these results and said no action was needed as there was only a “slight tendency” to pay women less and the wage gap could be attributed to “industry variances.” In fact, the consultants stated that their system was not appropriate for comparing pay for jobs typically done by men or by women. CESW realized this was inaccurate and action was needed.

In 1981, in San Jose, California, AFSCME Local 101 staged the first strike in the nation’s history over the issue of pay equity. Also that year, US Supreme Court and circuit court decisions in *Gunther v. County of Washington* and the *IUE v. Westinghouse* case did not endorse the “comparable worth” concept but interpreted federal law to allow for comparing dissimilar jobs. Also in 1981, in the State of Washington, AFSCME filed a class action lawsuit asserting sex discrimination in women’s pay:

Since 1973, AFSCME Council 28 had attempted to get the state to end the pay disparities shown by the state’s own job evaluation studies. In 1981, AFSCME filed charges against the state that resulted in a victory in federal district court in 1983. Despite a decision by a three-judge Appeals Court panel in September of 1985 that overruled the district court decision, settlement negotiations were successfully completed.

<http://www.afscme.org/news/publications/working-for-government/were-worth-it-an-afscme-guide-to-understanding-and-implementing-pay-equity/what-is-afscmes-record-on-pay-equity>

In the late 1970s, the Washington State case received wide attention: Rep. Berglin brought back from a national meeting of state legislatures information about the case, and Nina Rothchild brought back from the 1977 National Women's Meeting in Houston a flyer describing "comparable worth" in Washington State. With this as background, and in light of the Hay Associates' dismissal of concern for pay inequities, CESW formed a task force in 1981 to study the issue of comparable worth. The task force was chaired by Senator Linda Berglin, who had been re-elected to the House twice and was elected to the Senate in 1981, continuing to chair the CESW throughout that time.

Staff services for the task force and research and writing for the 1982 task force report were provided by Nina Rothchild and CESW assistant director Bonnie Watkins. The task force included representatives from state management and labor, from the state legislature, and members of the CESW. The full membership included Peter Benner, AFSCME Council 6; Elsa Carpenter, public member; Rep. Karen Clark; Evelyn Flom, public member; Carol Flynn, AFSCME Council 6; Jermaine Foslien, Legislative Commission on Employee Relations; Mary Jane Hendel, public member; Kristine Holmgren, public member; Treva Kahl, Minnesota AFL-CIO; Rep. Arlene Lehto; David Lutes, Senate Research; Paul Roberts, Department of Employee Relations (DOER); Rep. Carolyn Rodriguez; Rep. Wayne Simoneau; Sen. Allan Spear; Sen. Anne Stokowski; and Catherine Warrick, DOER.

The task force reviewed the existing studies and undertook additional research. Paul Roberts in DOER was especially helpful with providing data, as was Catherine Warrick in encouraging the department to support the study. The information from DOER showed very consistent patterns of underpayment for female-dominated jobs, particularly in light of the job evaluation scores from the Hay system. For example, on the list of the ten "male" and "female" jobs with largest numbers of employees, the highest-rated "female" job of Licensed Practical Nurse 2, with 183 points, had monthly maximum pay of \$1,382—far below the \$1,564 pay for the lowest-rated "male" job of General Repair Worker, with 134 points.

Many more examples are available in the appendix to this report as well as in the body of the report.

Pay Equity & Public Employment: Report of the Task Force on Pay Equity, issued in 1982, recommended legislation to ensure pay equity, later defined as "equitable compensation relationships." With the backdrop of data showing consistently lower pay for women in jobs the state had already evaluated as having equal responsibility to jobs held by men, and widespread unrest in other states, the *State Government Pay Equity* bill was introduced in 1982 by chief authors Sen. Linda Berglin and Rep. Wayne Simoneau. It passed with little opposition, partly because of the support of both labor and management. Also significant was that the bill passed in a non-budget year and required only a policy and a process, not a cost for that year. The full text of the *State Government Pay Equity Act* is included in the appendix to this report.

This law has two unique features, compared to legislation in many other states. First, it goes far beyond a policy statement to establish a specific process by which pay equity must be achieved, including identification of underpaid classes, earmarking funds to provide equity increases, and ensuring that the integrity of the collective bargaining process is maintained by having final

decisions on the use of funds made through negotiations between labor and management. Many other states have only the policy statement. Second, the *State Government Pay Equity Act* also requires maintaining this process into the future, by requiring a report to the legislature every other year with ongoing identification of any underpaid classes and a cost estimate for correcting any new inequities.

The 1982 law was signed by Governor Al Quie, a Republican. That November, Rudy Perpich, a Democrat, was elected governor, and he then appointed the former CESW director Nina Rothchild as Commissioner of Employee Relations. Rothchild undertook not only pay equity, but many other initiatives to modernize the state personnel system, and her background at CESW informed much of that work.

Since biennial appropriations are made in odd-numbered years in Minnesota, this meant that Perpich and Rothchild were able to support the first request to the legislature for funds to implement the new law. Rothchild submitted the list of underpaid female-dominated classes and estimated overall implementation costs at \$26 million, 4 percent of the total annual state payroll. For the first biennium, the legislature appropriated \$21.7 million for this purpose, 1.25 percent of payroll per year. Note that these funds were separated from other funds available for cost-of-living increases and any other increases were negotiated separately. These funds were successfully negotiated and distributed to the underpaid classes via contracts for the period beginning July 1, 1983 and ending June 30, 1985.

In the 1985 legislative session the process of correcting inequities continued. DOER submitted a revised list of underpaid female-dominated classes and a revised cost estimate of \$11.7 million to complete initial implementation. When bargaining agreements were complete, this allowed for full correction of the sex-based disparities by July of 1986—a three-year process with a total cost of 3.7 percent of payroll. Results were:

- Approximately 8,500 employees in 200 female-dominated classes received pay equity increases.
- Seventy-five percent of the adjustments went to clerical workers and health care workers. About 10 percent of those receiving increases were men in female-dominated jobs.
- The estimated average annual pay increase was \$2,200.
- No state employee had wages cut through the process of pay equity and there were no layoffs.

Aviva Breen, an attorney and lobbyist for Legal Services, became director of CESW in 1983. Also beginning in 1983, the “Council” became the “Commission” on the Economic Status of Women, when membership was limited to legislators and there were no longer appointees of the governor.

In 1984, with the initial process and appropriation in place to correct pay inequities for state employees, CESW recommended and supported a bill to extend pay equity to all public employees in Minnesota, an estimated 163,000 employees in school districts, cities and counties. This was an ambitious effort because the pay systems were maintained separately by each of the 1,500 employers—800 cities, 435 school districts, 87 counties, and many other groups, such as

regional entities and soil and water conservation districts. But the documented ongoing earnings gap between women and men, and the success of the state pay equity program—contrasted with the ongoing lawsuits, strikes, and other disruptions in other states—made this step important for Minnesota.

The bill was authored by Sen. Berglin and Rep. Phil Riveness. It included extensive consultation with the League of Minnesota Cities, Minnesota School Boards Association, Association of Minnesota Counties, and the unions representing local government employees. Although CESW, in its capacity as advisory to the legislature, did not “lobby,” Aviva Breen’s work in informing legislators and committees about these issues was invaluable in passage of the *Local Government Pay Equity Act of 1984*. Although she played a lesser role in the local government legislation, DOER Commissioner Nina Rothchild was able to testify that that agency would absorb the management of the program without additional staff funding. Bonnie Watkins continued as researcher and writer of the ongoing studies and reports on women’s earnings, while longtime CESW assistant director Cheryl Hoium continued as researcher and writer on other CESW projects such as women’s educational status and demographic reports.

The text of the *Local Government Pay Equity Act* (LGPEA) is included in an appendix to this report. Like the state government law, the LGPEA included a policy statement and a procedure for implementing pay equity, and maintaining equity into the future. The law required each local government employer to use a job evaluation system to determine comparable work value for each job. They could design their own system, hire a consultant and use the consultant’s system, or borrow a system used by another public employer in the state. They were then required to submit a report to DOER, with listings of all classes, identification of any inequities, and a plan for correcting the inequities. The law also provided, until 1987, limited legal protections at the beginning of the process, so that job evaluation results could not be used in court against the employer. DOER was to report this information each year to the state legislature, with lists of non-complying local government employers.

At the end of the 1984 session, Watkins was hired as DOER’s first pay equity coordinator, to train the local governments in the new law and assist them in implementing pay equity. Building on the ongoing success of pay equity efforts for state employees, DOER was able to provide extensive help to the 1,500 local governments. DOER staff, most notably classification analyst, Wayne Veum, compiled short summaries of state job classifications with the Hay ratings for each class, so that local employers could “piggyback” by identifying jobs with similar tasks—the free State Job Match System. Watkins coordinated efforts so that DOER could publish a series of guidebooks with step-by-step instructions, including a special guidebook for small cities with fewer than 10 employees, to simplify the process. She and other department staff travelled the state presenting this information and answering the many questions from all concerned. DOER hired Faith Zwemke as a training consultant, the former mayor of the city of Princeton where she had overseen the creation of its own job evaluation system, and implemented pay equity before the law was passed. Zwemke was able to communicate as a peer with local government officials, a significant advantage in obtaining their cooperation with the new law.

Throughout the years the department created and made available computer software, upgrading and modifying along the way, so that each employer could assess his/her own system, identify

costs, and experiment with ways to correct the inequities—which often formed the basis for management negotiating positions, as most local government employees in Minnesota are in unions.

About two-thirds of the local governments reported to DOER by the law’s first deadline in 1985. In its first version, the law did not include any penalties for failure to report. Those were added in 1987 and 1988, in various forms of reductions in state aid for failure to report or failure to fully implement pay equity. In 1990, the LGPEA was strengthened by adding ongoing reports and clarifying the purpose of the law as “eliminating sex-based wage disparities” (as some employers had claimed wage adjustments for other purposes were “required by the pay equity law”). DOER had maintained assistance to local governments throughout this period, although there had never been a new position formally approved for this purpose. Watkins assisted in consulting with the local governments and preparing the annual reports as a DOER staffer who also undertook other duties, such as creation of a state employees’ health promotion program and directing department communications, from 1986 to 1991.

In 1989, DOER hired Faith Zwemke for the now-formally established position of pay equity coordinator. Zwemke continued and expanded the department’s interactions with and assistance to the local governments, so the great majority were in compliance at the end of each calendar year. She also staffed several advisory committees with department experts on classification, compensation, and job evaluation, as well as unions, women’s groups, and the organizations representing local governments—all of which assisted in reviewing the law, setting policy for making compliance determinations, and requirements for the forthcoming administrative rule.

In 1990, Arne Carlson replaced Rudy Perpich as governor, and Nina Rothchild retired as DOER commissioner. With both pay equity laws in place, education and enforcement efforts continued in the new administration. Beginning in 1991, Watkins worked with Cathy Keane in the Office of the Attorney General to draft an administrative rule governing the implementation of pay equity. The rule was approved by the administrative law judge in August 1992, and is now identified as MCAR 3920.0300 – 3920.1300. The rule defines “compensation” to include salary, longevity pay, performance pay, and health insurance contributions. The core of the rule is a statistical analysis using a computer program that is applied to compensation plans in all the larger jurisdictions.

The data are complex in these large workforces, because the overall determination rests on system-wide patterns rather than one-on-one comparisons of jobs, and the consistency and size of any sex-based underpayment patterns are both relevant to the compliance decision. To create and defend this analysis, DOER relied on University of Minnesota math professor Dr. Charlotte Striebel—the same woman who had written *The Status of Women as a Disadvantaged Group in State Employment* sixteen years earlier. An alternative analysis method was developed for use with jurisdictions too small to be evaluated in a strictly statistical way.

More information about the local government employees and their status, and about the law and its implementation, can be found in other sections of this report. There have been efforts to amend the local government pay equity law over the years, but few changes have occurred. DOER—now the Minnesota Management and Budget department (MMB)—has continued to

monitor and report regularly on both the state and local government employee laws for more than 30 years. Bonnie Watkins left the department in 1992, and has continued advocating for pay equity at the legislature and elsewhere as Executive Director of the Minnesota Women's Consortium and a member of the Pay Equity Coalition of Minnesota. Faith Zwemke retired in 2012 and Cyndee Gmach is currently the pay equity coordinator.

Changes have occurred at CESW over these years, but this agency's commitment to pay equity has continued. Diane Cushman replaced Aviva Breen as CESW director in 2001. In 2005, another legislative change removed the formal advisors to the commission and re-named it the Office on the Economic Status of Women, still accountable to both House and Senate and under the aegis of the Legislative Coordinating Commission (LCC). Amy Brenengen became OESW director in 2007, and continued to update and inform the legislature about the status of government-employed women as well as all Minnesota women. This was relevant when the Pay Equity Coalition of Minnesota supported a bill in 2007 to extend pay equity to employees of private businesses contracting with the state. And in 2014, Barbara Battiste became OESW director. Her ongoing efforts to update and inform the legislature about pay equity—including her assistance in discussions of the Women's Economic Security Act (WESA) of 2014 and her support for this update to the history of pay equity in Minnesota—are key to maintaining this important work.

Many thousands of Minnesotans in the public sector can feel confident that they are paid fairly, without regard to their gender. Minnesota has received national recognition for the success of this initiative, which remains unequalled by any other state. Some advocates for improving women's earnings have begun to examine pay practices in the private sector.

As mentioned above, in 2007 the Pay Equity Coalition supported a bill authored by Senator Sandy Pappas and Representative Phyllis Kahn, designed to require pay equity for employees of private businesses undertaking state contracts of \$500,000 or more. A major reason was the continuing earnings gap in the private sector, contrasting with big improvements in women's average earnings in the public sector. Secondly, the use of taxpayer dollars for public purposes seemed appropriate for extending the success of pay equity to these employees. The bill was widely discussed, passing seven committees (both policy and finance committees) in House and Senate. However, the bill also faced strenuous opposition from business lobbyists and in the end the coalition withdrew the bill, fearing it would be vetoed by then-Governor Pawlenty.

A very similar bill was introduced by Senator Pappas and Representative Rena Moran in 2014, heard in a number of committees, and eventually folded into the Women's Economic Security Act (WESA) along with other bills relating to workplace rights for nursing mothers, training for high-wage occupations, access to child care, and more. Business lobbyists continued to object to the pay equity proposals, primarily based on their desire to avoid government regulation of private sector wage practices, and to maintain private data on pay rates, asserting that pay is fairly based on "the market" alone. As a result, the bill was amended many times. In final form, the bill simply requires these contractors to certify to the Department of Human Rights (DHR) that they comply with existing "equal pay" laws, and that average compensation for female employees is not consistently below average compensation for male employees within similar major (EEO) job categories. DHR can audit contractor compensation systems, and must report

to the legislature beginning in 2016, with an appropriation of \$675,000 to hire additional staff for this purpose.

One additional WESA provision is relevant to pay equity, while not directly related to the state contractors' provisions: barring private sector employers from prohibiting employees from revealing their pay. This law is enforced by the Department of Labor and Industry (DOLI), which states:

You have the right to tell any person the amount of your own wages. Your employer cannot retaliate against you for disclosing your own wages. Your remedies under the Wage Disclosure Protection law are to bring a civil action against your employer and/or file a complaint with the Minnesota Department of Labor and Industry at (651) 284-5070 or 1-800-342-5354.

Wage disclosure may make it possible for women who believe they face sex bias in pay-setting to file charges, to organize within their workplaces, or at least to request job evaluation or other studies which could possibly identify sex-based pay disparities. However, that complaint-driven mechanism is unlikely to lead to systemic change comparable to the changes initiated by the two pay equity laws.

It is obvious that ongoing work is needed to ensure that pay equity is maintained for the state's 200,000 public employees, and to ensure fair pay, without gender bias, for thousands of additional workers in the private sector. However, Minnesota's innovative and successful efforts to date have made and continue to make a positive difference for thousands of women and their families. Minnesota is justifiably proud of its pay equity experience.

APPENDIX H: Training Cartoons on the Pay Equity Process

A FAIR & BALANCED LOOK

Why Pay Equity Is: Not An Issue... Can't Be Fixed... Too Hard....

1

What are those women talking about? Our pay is fair.

OSTRICH STAGE



2

Apples & oranges! Supply & demand! We pay the market.

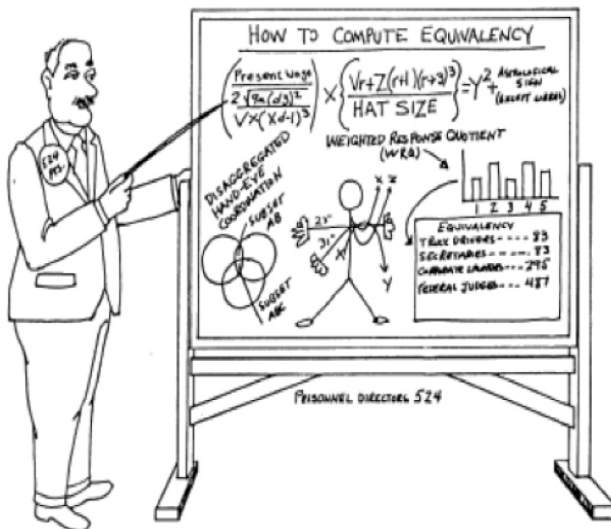
CHICKEN LITTLE STAGE



3

Our HR profe\$\$ionals & con\$ultant\$ will be happy to undertake a 37-year \$tudy.

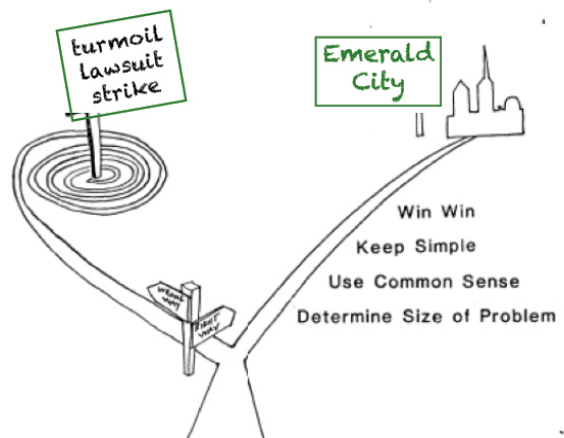
NITPICKER STAGE



4

Things could get worse and worse and worse or...
You could do the right thing.

CROSSROADS STAGE



APPENDIX I: Perspective of Local Governments

In January 2015, a survey was sent to the following representatives of local governments that are governed by the Local Government Pay Equity Act:

- Minnesota School Boards Association
- League of Minnesota Cities
- Association of Minnesota Counties

A summary of their responses follows:

Minnesota School Boards Association

1. Beginning with the inception of the Local Pay Equity Act MSBA has been engaged primarily with providing training to school districts. This was done with the help and support of outside vendors (Fox). Additionally, MSBA produced numerous articles on the requirements and provided training on the law.
2. MSBA's involvement and time spent on issues surrounding pay equity have lessened considerably over the years. From 1984-1990 MSBA staff received numerous contacts from school districts with questions about the law, the development of pay equity plans, and the names of pay equity systems providers. Those contacts have decreased significantly over the years as school district administrators, school boards, and staffs have become more familiar with the process. With the advent of a State developed plan most of MSBA's contacts on the issue of pay equity were directed to the Pay Equity Coordinator's office.
3. Initially, the most common questions related to how to develop a pay equity program and how to address pay inequities in the bargaining process. After about 1990 most contacts were from school boards and administrators who were unfamiliar with the requirements and process. Turnover among school district superintendents will make this an ongoing problem.
4. Many employee groups were helped by the pay equity initiatives in school districts. Primary among them were para-professionals, kitchen/cooking staff, and administrative support staff (secretariats).

League of Minnesota Cities

Training/Workshops. Since 1994, the date of the last report, the League has sponsored several workshops or training sessions on pay equity, usually by inviting the Local Government Pay Equity Coordinator to attend one of our already-scheduled training events and/or asking the Coordinator to work with another organization to set one up. In addition, we often provide basic training on pay equity at our Clerks Orientation or at the Clerks Institute and sometimes for professional associations on an "as-requested" basis.

Job Evaluation. Up until about 1998, the League provided job evaluation and pay equity reporting fee-based assistance to cities. That service was discontinued and has not been available since then. However, we do provide telephone consultation to cities to help guide them in the use of the state job match or other systems and we do help them locate consultants who may be available to help.

Consulting. We do not consult with cities on a fee basis. However, we do provide telephone consultation as part of their membership dues. This assistance is usually of a general nature; we rarely provide specific guidance on a city's compensation plan or on how to come into compliance. Instead, we talk about general approaches or refer them to the state's Pay Equity Coordinator or to a consultant.

Articles/Informational Newsletters or Bulletins. The League maintains an information memo on Pay Equity on our website. We also respond to calls from cities with regard to pay equity reporting and compliance. We routinely send the state's Local Government Pay Equity Coordinator contact information to cities as needed. The League updates member cities routinely on any changes (passed/signed or proposed) to the pay equity law. For example, the law was changed once to allow local governments to report only every five years, then it was changed back. Those changes were disseminated to our cities through our Bulletin, magazine and website materials.

Legislation. The League has a legislative policy on pay equity developed by our Human Resources and Data Practices Policy Committee, composed of member city officials. All of our policies are open to our membership for comment and ultimately approved by our board of directors.

The League seeks to partner with the Legislature and the state Pay Equity Compliance Coordinator to update and improve the current system so that cities can more efficiently and effectively fulfill the mandated reporting requirements. During our most recent policy development process, members of our Human Resources and Data Practices policy committee met with the current Pay Equity Compliance Coordinator, Cyndee Gmach, to discuss city compliance with the pay equity law. It is our understanding that Ms. Gmach will create an advisory group to continue this conversation within the next year.

Staff Assistance. We have occasionally assisted in arranging meetings between city officials and the state's pay equity coordinator. Sometimes this has taken the form of training; other times, we have invited the pay equity coordinator to talk with our legislative policy committee or with human resources professionals who are member city officials.

While the exact dates are not available, the League provided fee-based assistance to cities to help complete their pay equity reports from roughly 1984 to 1998. Since that time, our assistance has been primarily telephone based and of a general nature, not on-site or fee-based assistance. Over the years, the amount of assistance required by cities has decreased, especially in larger cities with full-time human resources staff. However, smaller cities still require assistance and still struggle with compliance. They sometimes turn to outside consultants, which the League often helps them find. Electronic reporting has undoubtedly also played a role in making the reporting

process easier for cities. Most cities seem to indicate that the reporting software works well at this point in time.

Most common questions asked by cities over the years. Cities began this time period (1994 to present) by having a wide variety of questions about all aspects of how to complete the pay equity reports. That is less true in recent years; either they are able to figure it out on their own or they are hiring consultants to help. In recent years, the questions are more about best practices for coming into compliance and occasionally some questions about how to complete certain aspects of the report, such as whether to add health insurance costs to wages. Sometimes we hear from cities where the clerk or administrator who completed the report no longer works there and the city doesn't have a staff person who has knowledge of how the report has been completed in the past. Below is a sampling of the questions we received during 2014 by city size and metro/non-metro:

City Size	Metro	Greater Minnesota
Under 5,000		Don't understand where points came from; Need training on compensation and pay equity & can't locate previous reporter for city; looking for help from LMC to complete the report; looking for list of vendors to help; need to know date to submit new report; problems with minimum wage going up and pay equity; how to award points; impact of pay increases on pay equity; how to update compensation plan; options when need to pay one employee more than another with greater points;
5,000-20,000		How to write RFP for pay equity consultant
20,000 and above	List of providers for pay equity consultants; general questions about completing the report; need name of new pay equity coordinator; wages for comparable positions; health insurance and tackling noncompliance	

Which jobs held by women benefited the most. While we do not have any statistics on this issue, we most often hear from cities where the City Clerk's wages need to be raised to stay in compliance. In larger cities, it is often administrative support staff whose wages need to be

increased to stay in compliance. However, there have also been instances where women in management positions have had their pay increased in order to comply with pay equity, especially single incumbent women who are in job classes in close proximity to police officers in job evaluation points. Again, this comment is based solely on anecdotal evidence and not on any scientific analysis.

Association of Minnesota Counties

The Association of Minnesota Counties connects with county human resource managers through its partnership with the Minnesota Counties Human Resource Management Association (MCHRMA). AMC and MCHRMA jointly analyzed human resource managers' survey responses concerning the county experience with the Pay Equity Act.

MCHRMA as an organization does not provide assistance with pay equity; counties are responsible for finding resources and training. Most learn on their own using the materials provided by the state and a few hire an outside consultant. In regards to staff assistance from the state, most are not using it, but those who do seem satisfied with the response. Assistance has been fairly static over the past years, in that it is only offered if asked for individually. In the past, MCHRMA has hosted the pay equity coordinator at its Spring Conference.

Most county questions pertain to exceptional circumstances or how to treat outlier situations. There was also feedback in regard to wanting more explanation on how pay equity is calculated and questions on whether or not pay equity provides any benefit to women. MCHRMA would like to see summaries of the data each year. Were there improvements? How does the pay of women in government compare to those of men? Having this openly communicated may provide more buy-in to the program.

When asked which jobs for women have benefited the most, counties found this difficult to answer. Most counties have not noted any particular job sectors that benefited from the Pay Equity Act. But, a couple of counties found improvements in clerical and support staff. Most counties are in compliance each reporting year, therefore they are not required to make adjustments because of pay equity.

Over the years, counties have evolved in how pay plans are administered. The evolution of pay plans has made it difficult to provide some of the requested data points in the pay equity reports and determine accurate job matches. Counties share the state's pay equity goals, but have concerns about whether the current pay equity system is the most effective way to achieve equity. We look forward to continuing to work with the Legislative Office on the Economic Status of Women and the Legislature on this important issue.

APPENDIX J: Perspective of Pay Equity Coalition of Minnesota

Similar to the survey of local government representatives, the Pay Equity Coalition of Minnesota (PECOM) was asked to describe its perspective of Minnesota's pay equity laws. PECOM is an unincorporated, voluntary network of organizations and individuals who initially came together to support Minnesota's state and local government pay equity laws. PECOM's mission is to eliminate the wage gap between women and men in Minnesota's paid labor force. The following is the response of PECOM:

The Pay Equity Coalition of Minnesota (PECOM) falls squarely within a long tradition of Minnesota women advocating successfully for improving their economic status despite a lack of political power or well-funded lobbying organizations based in the nonprofit, academic, or business communities. Minnesota women have always had the highest (or among the highest) labor force participation rates in the nation, including among mothers of young children—but the gender earnings gap has persisted from the moment those data were collected, in the 1950s. From an organizing perspective, that means that women are busy and struggling to support themselves—but highly motivated to press for change.

Before the advent of the Pay Equity Coalition, the larger women's movement in the 1970s led small groups of women to victories like eliminating sex-segregated "help wanted" ads in every newspaper, pressing for more leadership within political parties, fighting sexual harassment that discouraged women's workplace engagement, and supporting affirmative action to address gender and racial imbalances in every workplace. Creation of organizations like the Minnesota Women's Consortium (in 1980) helped these relatively small groups, some with no staff at all, find a voice at the state capitol. The Pay Equity Coalition of Minnesota (PECOM) is a proud member of the Consortium, emerging in the 1990s to defend existing pay equity laws and advocate for all methods that improve women's earnings. The Consortium serves as the fiscal agent for PECOM and helps to publicize its work.

Patty Tanji, a past president of Business & Professional Women and Minnesota Business Women, and current coach/consultant at Patty Tanji: Income Rising, is the longtime president of the Pay Equity Coalition of Minnesota. She convenes the steering committee as needed, manages a speaker's bureau, and makes presentations to the legislature and others, and manages PECOM's Facebook page and blog (womenpayequity.blogspot.com). The steering committee consists of those who studied, initiated, and implemented the state's two pay equity laws in 1982 and 1984 and the administrative rule in 1992, as well as representatives of other organizations engaged in improving women's pay. Coalition membership is informal, with a statewide network of more than a dozen organizations and hundreds of individuals who support pay equity. The organizations include nonprofit groups like the Minnesota Library Association, American Association of University Women, and WomenVenture, as well as unions like AFSCME, SEIU, Minnesota Nurses Association, and Education Minnesota.

The mission of the Pay Equity Coalition is to eliminate the wage gap between women and men employed full time in Minnesota's paid labor force. We do this by educating the public about gender based pay inequities and advocating for social change. Most notably, the coalition has defended the two existing pay equity laws at the legislature, despite efforts to weaken or abolish those laws undertaken almost every year since they were passed. These laws have been in place since 1982 and 1984, structured to include ongoing monitoring with regular reports to the legislature from the executive branch. By every measure the laws have been extremely successful in improving women's pay and reducing the earnings gap at low cost and without litigation or workplace disruption.

In theory, pay equity is a politically popular concept and few candidates for public office say they oppose it. However, the sad reality is that these laws need constant defending by an entity outside the government. Some employers, particularly local governments, resist all forms of

“state mandates” and seek greater autonomy in pay-setting, and/or try to use pay equity laws as a way of achieving bargaining goals like reducing pay for male-dominated classes. Typically, the large majority (more than 95%) of cities, counties, and school districts are in compliance with the law by the end of each calendar year, thanks to help from Minnesota Management and Budget. However, there are often two or three local government human resources departments that have “special problems,” leading them to lobby their associations for changes that PECOM believes would weaken the law. In meeting with a suburban city in 2013, PECOM was told the special problem requiring a law change was that the city could not identify which employees worked more than 14 hours a week and 67 days a year if they had two assignments, such as lifeguarding in the summer and snow removal in the winter. These cities recommended limiting the definition of covered employees to those working full-time and year-round, and had PECOM not resisted, this change might have become law.

While state government has been committed to implementing pay equity for its own employees for more than 30 years, implementation is folded into ongoing compensation and bargaining where many forces are at work, and funding for all human resources functions is minimal compared to core government services such as highway maintenance and health and human services. Therefore, especially as political parties change and changes occur in the executive and legislative branches, maintaining pay equity for state employees cannot be assumed to be automatic. The Pay Equity Coalition has worked to continue educating the general public as well as government on the benefits of these laws, such as convening a special celebration in 2013 on the 30th anniversary of passage of the State Employees Pay Equity Act.

One additional issue has been important for PECOM in recent years. From the earliest days after passage of the two laws, PECOM members have traveled the state explaining the laws to civic and nonprofit groups. The group once known as Business & Professional Women (BPW), for example, had chapters in almost every small town in the state, and their highest priority for many years was pay equity. Bonnie Watkins remembers a constant pattern in speaking engagements to those groups: Members at the meeting were excited and pleased at passage of the law, about which they had many times contacted their local legislators. However, they were sad to realize that the law applied only to government employees. Although this added up to more than 200,000 people statewide, government employment represents only about 11 percent of the entire state workforce. The pay equity laws did not help the many thousands of women who worked in business. The hope that government could serve as a model employer was largely unrealized and the wage gap in the private sector continues much the same as it has always been. Therefore, since 2007 the Pay Equity Coalition has advocated extending pay equity beyond cities, counties, schools, and state government.

Extending similar requirements to state contractors would be a sensible first step, as these companies earn many millions of taxpayer dollars serving vital state functions, and may in some cases perform work which could otherwise be done directly by government employees. PECOM has initiated and supported extending pay equity to state contractors in 2007 and again in 2014. However, the business lobby, notably the Minnesota Chamber of Commerce and Minnesota Business Partnership, argued vociferously and successfully that government has no business regulating any aspect of private sector pay other than the minimal Equal Pay Act protections and minimum wage protections in place for decades. Those initiatives were not

successful, although some provisions of the Women’s Economic Security Act of 2014 put contractors on notice that their pay systems would be subject to additional scrutiny in the future.

PECOM continues to defend existing laws, to advocate for extending the benefit of pay equity to additional employers, and to educate policymakers, human resource professionals, and the general public on these issues. In recent years, the coalition is making special efforts to support and connect with allies among people of color—where fair pay as well as access to jobs is a priority, and where women of color face dramatically greater earnings gaps than white women. In addition, PECOM is seeking ways to “share the torch” of its considerable expertise with new generations of advocates and champions, inside and outside of government. PECOM continues to be a resource for advocates and governments in other states seeking information about our success, and continues to advocate for women employed by the federal government. For more information about the Pay Equity Coalition of Minnesota, please visit the blog or Facebook page, or write Patty Tanji, ptanji1@aol.com.

APPENDIX K: Perspective of Unions

AFSCME

Minnesota AFSCME, the American Federation of State, County, and Municipal Employees, known statewide as AFSCME Council 5, is proud to have been the leading force behind the state’s two pay equity laws—and a leading supporter of maintaining and enforcing those laws and extending them to employees who don’t work directly for the government. In 1979, we were one of the founding organizations for the National Committee on Pay Equity, which continues ever since (visit <http://www.pay-equity.org/>) as a major resource for advocates. Even before that, our members in many cities, counties, and states across the nation had been bargaining and sometimes having to resort to strikes and lawsuits—many times victorious, but sometimes after long struggle—to achieve fair pay regardless of gender.

In Minnesota, AFSCME was represented on the Council on the Economic Status of Women’s 1980 Task Force on Pay Equity alongside members of the legislature, public, and state management. We insisted on receiving adequate information about job evaluation scores and pay rates for all classes, which took some doing. We insisted on solutions which respected and maintained the integrity of the collective bargaining process, which was a key piece of the State Employees Pay Equity Act and later the Local Government Pay Equity Act. As this legislation was moving through the state Legislature, AFSCME worked with all our members to understand that this change would not be used to lower wages of any of our members, including men in “male-dominated jobs,” but rather provided vital recognition of the importance of work done by male and female members in “female-dominated jobs.” The men and women in AFSCME have always recognized that fair pay for women is good for the whole family and the whole community, and they have always been strong supporters, at the Legislature and throughout the implementation process.

In implementing pay equity, especially in Minnesota cities and counties, AFSCME has worked closely with management to ensure that these laws are not used for other management purposes, such as reducing pay for some male classes by claims that they are “overpaid.” Our members have provided vital input to management to ensure their jobs are properly defined in written job descriptions and properly rated to reflect the true level of skill, effort, responsibility, and working conditions involved. These efforts have continued for three decades and we are proud of the results. Since labor agreements do need to be updated frequently, we are well aware that these gains could be reversed, and so we maintain eternal vigilance.

In addition to this important work to ensure fair pay for government employees, AFSCME supports efforts to extend pay equity principles to the private sector, including government contracts and child care programs that receive public funds. Child care is one of the largest and most underpaid jobs for women, and a vital service, and therefore AFSCME is helping child care providers who seek to form unions to improve their economic status. We support the efforts to require state contractors to undertake pay equity studies and correct any gender-based inequities, as the continuing pattern of overall pay for women hurts us all. We are vigilant also in ensuring that state government does not “contract out” for services which could be performed by state employees protected by the pay equity law—especially if that results in the state saving money by fitting into the typical private-sector pattern of paying women less.

Perspective of Other Unions

While AFSCME was and remains a key union supporting pay equity in Minnesota, many other unions played a vital role in enacting these laws, achieving pay equity for their members through the bargaining process, and maintaining the laws. The Service Employees International Union (SEIU), Minnesota Nurses Association (MNA), and Education Minnesota joined professional groups such as the Minnesota Library Association in advocating for their members. Over the years, these groups have had to maintain connections with pay equity advocates and government leaders to ensure that the laws are not used against their members—for example, when management has occasionally tried to say “pay equity requires” reducing pay for some jobs in order to maintain pay relationships or provide required increases for female-dominated jobs. All the unions have needed to work with management, which has the prerogative of assigning job evaluation scores, to ensure that those scores are accurate and that concepts like “pay for points” are not the only factor influencing pay. That is, for all represented employees, pay rates must be determined by the bargaining process and not on a rigid “pay for points” scale. Pay equity compliance determinations are based on overall patterns of pay, not one job at a time, and the purpose of both laws is to eliminate sex-based pay inequities—not all conceivable inequities as defined by management.

SEIU is currently organizing personal care attendants (PCAs) who may not work directly for government but who may in many cases be paid through contracts with government agencies. This is another large group of employed women whose pay is currently very low despite their providing a vital service, and another effort which may make a significant difference in the overall earnings gap between women and men.

Other unions, particularly those mostly representing men, have generally been neutral in passage and maintenance of pay equity laws. These groups were concerned, when the laws were being considered, that the laws would circumvent the bargaining process or that they would be used to reduce male pay rates or even lay off their members. Authors of the bills were able to assure them that the bargaining process would be respected, and that mechanisms would be included such as earmarking separate funds that could only be used for pay equity (in the case of state employees), as opposed to maintaining funds that could be bargained for general pay increases, and those assurances made a critical difference in passage of the legislation.

APPENDIX L: Pay Equity Activities Outside of Minnesota

Minnesota uses the term “pay equity” to mean “comparable worth.” Some other jurisdictions use the term “pay equity” to mean “equal pay for equal work.” This makes it difficult to determine whether other jurisdictions that have a pay equity state law or local ordinance have a comparable worth requirement or simply an equal pay for equal work requirement. Another complication is whether a pay equity requirement is enforced on a complaint-only basis, or whether it is proactively implemented, as it is in Minnesota. The following is an overview of pay equity activity in jurisdictions outside of Minnesota. It is not a comprehensive list.

Maine

In 2001, Maine became the first state to require pay equity for private, as well as public, sector employees. Maine’s Equal Pay Law (ME Rev. Stat. Tit. 26 Sec. 628) requires pay equity for both public and private employers and has state rules for its implementation. This legislation prohibits discrimination by an employer (public and private) on the basis of sex by paying wages to an employee at a rate less than that paid to an employee of the opposite sex “for comparable work on jobs that have comparable requirements relating to skill, effort and responsibility.” Maine’s Equal Pay Law also bans employers from prohibiting an employee from disclosing information about his or her own wages or from inquiring about another employee’s wages if the purpose is to enforce rights granted under the Law.

Massachusetts

Massachusetts has a 2008 comparable worth law that applies to all employers—public and private. (General Laws, Part I, Title XXI, Chap. 149, Sec. 105A) This law prohibits wage discrimination on the basis of sex for “work of like or comparable character or work of like or comparable operations.”

Iowa

Iowa passed a state government “comparable worth” law in 1983. (Iowa Code C93 §70A.18). This law prohibits discrimination in state government “in compensation for work of comparable worth between jobs held predominantly by women and jobs held predominantly by men.” Comparable worth is defined as “the value of work as measured by the composite of the skill, effort, responsibility, and working conditions normally required in the performance of work.”

Washington State

Washington passed state government pay equity legislation in 1983. (Revised Code of Washington, section 41.06.155).

New Mexico

In 2009, Governor Bill Richardson issued Executive Order 2009-049, requiring state agencies to report annually and remedy any gender pay gaps among their workers and establishing a schedule and process for private contractors with the state to do the same. Beginning July 1, 2010, vendors and contractors with 10 or more employees were required to file an annual pay equity report with the State of New Mexico. Companies with fewer than 10 employees were covered by the state contractors' pay equity requirements only if at least eight of their employees were in the same occupational group. However, the information they must report is actually on equal pay for equal work within job categories. A problem with Executive Orders is that they expire with the term of the Governor, and Governor Richardson left office in 2011.

Colorado

Colorado has not adopted pay equity legislation, though the Colorado Anti-Discrimination Act (CRS Title 8, Article 5) "prohibits workplace discrimination based on sex and race, among other factors." In 2010, Colorado's Legislature created the Colorado Pay Equity Commission to study and make recommendations on pay equity issues in the work place. The term "pay equity" is used to mean comparable worth. This commission was scheduled to sunset in July of 2015.

New York

New York State does not have a law, nor an executive order, requiring pay equity in state or local government. Several state government pay equity bills have passed the State Assembly, but have failed in the Senate. A 1985 to 1988 state government workforce study conducted by the Center for Women in Government under the University at Albany Research Foundation resulted in 47,000 employees receiving raises in 233 gender- and race-predominant job titles that were adjusted to higher salary grades. The average annual increment was \$800. The Hay System has been widely used in smaller jurisdictions (cities, counties, school districts). In the mid-1980s to early 1990s pay equity studies were done in the Three Village and Elmira school districts and Rockland and Suffolk counties.

Wisconsin

Wisconsin appears to use the term "pay equity" to refer to equal pay for "equal or substantially similar" work, not for "comparable worth." There is no definition of or system to determine "comparable worth." "Gender pay equity" (meaning equal pay for equal work) is incorporated into broad legislation (WI Stat. Sec. 111.31 et seq.) prohibiting employment discrimination against all protected classes. Wisconsin's equal pay law relies heavily on civil litigation as a method and remedy of achieving equal pay. In 2012, legislation passed and was signed by Gov. Scott Walker repealing Wisconsin's 2009 Equal Pay Enforcement Act, which was similar to the federal Lilly Ledbetter Fair Pay Act of 2009 in that it gave more time to bring legal action for gender related pay discrimination.

Alaska

Alaska has a law prohibiting gender-based wage discrimination for state employees for work “of comparable character,” but this law was passed in 1965 to bring the state into conformity with the federal Civil Rights Act of 1964, and refers to equal pay for equal work, not pay equity. AS 18.20.220 (3)

Canada

Shortly after Minnesota passed its state government pay equity law, the Province of Manitoba passed similar legislation. Manitoba’s Pay Equity Act, passed in 1985 and modeled on Minnesota’s experience, established a timeframe and process for introducing pay equity into Manitoba’s civil service, Crown entities (province-owner corporations like Manitoba Hydro), 23 hospitals, and four universities. Later, in 1987, the Province of Ontario passed pay equity laws for both public and private employers. This law has affected large employers, such as Bell Canada, Apple Canada, and Campbell Soup Canada. In Canada, pay equity is defined as “equal pay for work of equal value.” An additional four other Canadian provinces have also passed pay equity legislation: New Brunswick, Nova Scotia, Prince Edward Island, and Quebec.

Switzerland

Pay equity is mandatory for all companies that have public procurement contracts. Private companies that have 50 or more employees can voluntarily do a statistical analysis of pay structures and receive a certification that they are a pay equity/fair pay firm. This appears to be a true comparable worth analysis, not just equal pay for equal work.

APPENDIX M: Sample Local Government Implementation Report

Pay Equity Implementation Report

11/12/2010

Part A: Jurisdiction Identification

Jurisdiction:

Jurisdiction Type:

Contact:

Phone:

E-Mail:

Part B: Official Verification

1. The job evaluation system used measured skill, effort responsibility and working conditions and the same system was used for all classes of employees.

The system used was:

Description:

2. Health Insurance benefits for male and female classes of comparable value have been evaluated and:

3. An official notice has been posted at:

(prominent location)

informing employees that the Pay Equity Implementation Report has been filed and is available to employees upon request. A copy of the notice has been sent to each exclusive representative, if any, and also to the public library.

The report was approved by:

(governing body)

(chief elected official)

(title)

Part C: Total Payroll

is the annual payroll for the calendar year just ended December 31.

☐ Checking this box indicates the following:

- signature of chief elected official
- approval by governing body
- all information is complete and accurate, and
- all employees over which the jurisdiction has final budgetary authority are included

Date Submitted:

Job Class Data Entry Verification List

LGID 1

Case: 2005

Job Nbr	Class Title	Nbr Males	Nbr Females	Class Type	Jobs Points	Min Mo Salary	Max Mo Salary	Yrs to Max Salary	Yrs of Service	Exceptional Service Pay
1	Box Office	1	1	B	110	\$1,200.00	\$1,400.41	4.00	0.00	
2	Stage Crew	6	1	M	130	\$1,250.00	\$1,450.26	5.00	0.00	LONGEVITY
3	Props Chief	1	0	M	140	\$1,260.00	\$1,460.94	5.00	0.00	LONGEVITY
4	Costume Designer	0	1	F	142	\$1,375.00	\$1,575.89	5.00	0.00	
5	Set Tech.	1	0	M	150	\$1,360.00	\$1,560.75	5.00	0.00	
6	Lighting Tech.	1	0	M	164	\$1,400.00	\$1,625.50	6.00	0.00	
7	Effects Eng.	1	0	M	179	\$1,425.00	\$1,645.22	6.00	0.00	
8	Stage Manager	0	1	F	180	\$1,425.00	\$1,610.30	5.00	0.00	LONGEVITY
9	Writer	1	0	M	180	\$1,400.00	\$1,590.19	6.00	0.00	
10	Marketing Director	1	0	M	200	\$1,490.00	\$1,690.85	4.00	0.00	
11	Actor/Actress	10	12	B	217	\$1,500.00	\$1,730.85	4.00	0.00	PERFORMANCE
13	Producer	0	1	F	260	\$1,700.00	\$1,900.00	0.00	0.00	
12	Director	1	0	M	275	\$1,600.00	\$1,795.76	0.00	0.00	
14	General Manager	0	1	F	300	\$1,800.00	\$2,100.67	0.00	0.00	

Job Number Count: 14