



January 2019

Minnesota Local Government Pay Equity Compliance Report

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

400 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Table of Contents

Executive Summary.....	2
About This Report	3
Section One Background Information	4
Requirements of the Law.....	4
Ensuring Compliance.....	4
Section Two Tests for Compliance.....	5
Pay Inequity	5
Examples of Pay Inequity	5
Summary of Tests Failed After Initial Analysis.....	6
Section Three Summary of Compliance Status of Local Governments	7
2019 Summary of Compliance Status by Jurisdictional Type as of December 15, 2018- Pay Equity Database for Local Governments	7
Compliance Status of 2018 Reports.....	8
Section Four Jurisdictions Not in Compliance	9
Jurisdictions Not in Compliance – First Notice of Non-Compliance	9
Jurisdictions Not in Compliance – Second Notice of Non-Compliance	9
Jurisdictions Not in Compliance – Penalties Resolved.....	9
Section Five Jurisdictions in Compliance	10
Cities.....	10
School Districts.....	11
Soil Water and Conservation Districts	12
Townships	12
Utilities	12
Counties	12
Health Care Facilities.....	13
Housing & Redevelopment Authorities	13
Other	13
Appendix – Compliance Tests.....	14

Executive Summary

Minnesota Management and Budget (MMB) is responsible for the enforcement of the Local Government Pay Equity Act (Minnesota Statutes 471.991 - 471.999 and Minnesota Rules Chapter 3920).

The Local Government Pay Equity Act (LGPEA) examines local government pay structures for evidence of gender inequity. The act applies to about 1,700 local governments in Minnesota, and affects a total of about 220,000 local government employees. These totals have increased as additional local governments began reporting.

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

In January 2018, 552 local governments were required to submit reports to MMB. As of December 15, 2018, a total of 550 (99.6 %) of the jurisdictions were in compliance, two jurisdictions remained out of compliance.

About This Report

Minnesota Management and Budget staff prepared the 2018 Annual Minnesota Local Government Pay Equity Report as part of routine work assignments. This report is based on local jurisdiction pay equity reports provided to MMB in 2018.

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

Questions? Contact John Pollard at 651-201-8039.

Section One

Background Information

Requirements of the Law

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

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

The LGPEA requires jurisdictions to be periodically evaluated and be in compliance. The law requires Minnesota Management and Budget (MMB) to determine whether local governments have achieved pay equity, based on implementation reports submitted by local governments.

Jurisdictions report pay equity data on three-year reporting cycle with more than 550 jurisdictions reporting every year. It is important for local governments to continually review their pay structure and submit reports every three years to the state for review and analysis. This ongoing requirement to report prevents regression into inequitable compensation practices and reduces sex-based wage disparities in public employment throughout Minnesota.

Ensuring Compliance

A. Pay Equity Rule Adopted

In 1991, the Legislature authorized MMB to adopt rules under the Administrative Procedures Act to assure compliance with the LGPEA.

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

B. Assistance to Local Governments

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

MMB regularly communicates through various means with the approximately 1,700 local government jurisdictions required to comply with the law. The department has produced numerous technical assistance publications available at no cost to the jurisdictions.

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

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

Section Two Tests for Compliance

Pay Inequity

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

Inequities exist when females are paid less than males even though their job evaluation ratings indicated that the females should be paid at least equal to the males, and when the jurisdiction cannot account for the disparities by length of service or performance differences.

For example, when a female in the position of city clerk-treasurer rating of 275 points, is paid less than a male in a public works/maintenance position with a rating of 213 points, there is an inequity between city clerks and maintenance workers.

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

Examples of Pay Inequity

Position	Job Points	Class Type	Hourly Wage "Out of Compliance"	Hourly Wage "In Compliance"	Difference
Clerk-Treasurer	275	Female	\$16.00	\$17.34	\$1.34
Public Works/Maintenance	213	Male	\$17.34	----	

Position	Job Points	Class Type	Min Monthly Salary	Max Monthly Salary	Years to Max Salary
Plant Maintenance	260	Male	\$3,007.00	\$4,750.00	11
Teacher	282	Female	\$3,270.83	\$5,468.75	30

Summary of Tests Failed After Initial Analysis

The following is a summary of 552 reports submitted by jurisdictions for the reporting year 2018. 170 or 13% of the reports were initially found out of compliance. Below is a breakdown of each test:

Test	Number of Jurisdictions Failing
Completeness and Accuracy Test	123
Statistical Analysis Test	7
Alternative Analysis Test	20
Salary Range Test	15
Exceptional Service Pay Test	4
Two or more tests	1
Total	170

Section Three

Summary of Compliance Status of Local Governments

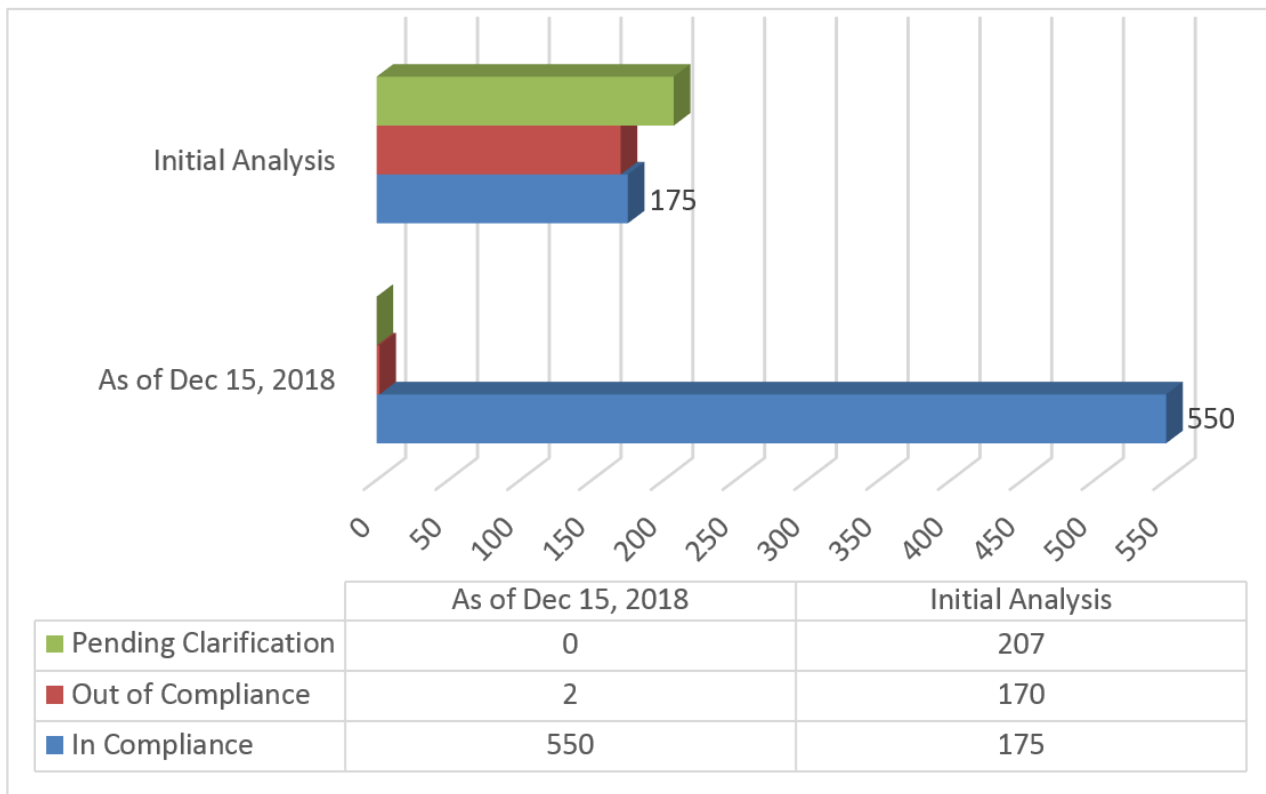
2019 Summary of Compliance Status by Jurisdictional Type as of December 15, 2018- Pay Equity Database for Local Governments

Jurisdiction Type	In Compliance	Out of Compliance	Total	% In Compliance
Cities	239	1	240	99.6%
Counties	28	0	28	100%
Schools	129	0	129	100%
Soil & Water Conservation Districts	26	0	26	100%
Other Districts	57	0	57	100%
Housing and Redevelopment Authorities	25	1	26	96%
Townships	22	0	22	100%
Utilities	15	0	15	100%
Health Care Facilities	9	0	9	100%
TOTAL	550	2	552	99%

Compliance Status of 2018 Reports

In January 2018, there were 552 local governments required to submit a report to MMB. The following chart depicts progress-to-date.

Status of Reports as of December 15, 2018



Section Four

Jurisdictions Not in Compliance

Jurisdictions Not in Compliance – First Notice of Non-Compliance

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

Jurisdiction	Test Failed*	Est. Monthly Cost to Achieve Compliance	Cost as % of Payroll
Cities			
Biscay	CA	*	*
Housing and Redevelopment Authorities			
Big Stone County HRA	CA	*	*

*The abbreviations for the tests for compliance used in this section can be found in section VI, beginning on page 15. A complete description of each of these tests and the specific actions MMB recommended to each jurisdiction to achieve compliance can be found in Section Six - Appendix of this report.

- CA – Completeness and Accuracy

*Unable to estimate monthly cost to achieve compliance because reports were not submitted.

Jurisdictions Not in Compliance – Second Notice of Non-Compliance

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

Jurisdictions Not in Compliance – Penalties Resolved

MMB has resolved a total of 96 penalty cases over the past 20 years resulting in \$1,267,851 in total restitution paid to approximately 1,300 employees for past inequities. The state has collected a total of \$210, 233 in penalty fees. The penalty fees go to the general fund and not to MMB. There were no penalties assessed in 2018.

Section Five

Jurisdictions in Compliance

Cities

Afton	Center City	Fisher	Kandiyohi	Oak Grove	Springfield
Aitkin	Chandler	Foley	Kellogg	Okabena	St. Augusta
Albany	Chanhassen	Forest Lake	Kenyon	Olivia	St. Charles
Albertville	Chisholm	Foreston	Kinney	Osakis	St. Paul
Alexandria	Claremont	Franklin	La Prairie	Osseo	Stacy
Alpha	Clarissa	Fulda	Lake Benton	Otsego	Stephen
Altura	Clear Lake	Gary	Lakefield	Ottertail	Stewartville
Amboy	Clearbrook	Gaylord	Lakeland	Palisade	Storden
Arco	Clearwater	Geneva	Lamberton	Pequot Lakes	Taylor Falls
Argyle	Cloquet	Gilbert	Lancaster	Perham	Tonka Bay
Audubon	Comfrey	Gilman	Lewisville	Pierz	Tracy
Austin	Conger	Glenville	Littlefork	Pillager	Twin Valley
Bagley	Corcoran	Gonvick	Lonsdale	Pine River	Two Harbors
Balaton	Crookston	Goodhue	Luverne	Pipestone	Tyler
Baudette	Crosby	Goodview	Lynd	Plummer	Ulen
Baxter	Crosslake	Grand	Madelia	Plymouth	Underwood
Bayport	Danube	Meadow	Madison	Proctor	Upsala
Beardsley	Dawson	Green Isle	Madison Lake	Ramsey	Vernon Center
Bellechester	De Graff	Greenfield	Mahnomen	Red Wing	Vesta
Belview	Deephaven	Grey Eagle	Maple Grove	Renville	Waldorf
Bemidji	Deerwood	Grygla	Maple Lake	Richfield	Walnut Grove
Benson	Delavan	Hadley	Maplewood	Robbinsdale	Walters
Bertha	Detroit Lakes	Hamburg	Marietta	Rochester	Warren
Big Lake	Dodge Center	Hancock	Marshall	Roseau	Watertown
Bigfork	Donnelly	Harris	McGregor	Roseville	Waterville
Birchwood	Eagle Lake	Hartland	McIntosh	Rothsay	Watson
Village	East Bethel	Hastings	Medina	Royalton	Waverly
Bird Island	East Grand	Hayward	Menahga	Rushford	Welcome
Biwabik	Forks	Heron Lake	Mendota	Rushmore	Westbrook
Blue Earth	East Gull Lake	Hilltop	Heights	Ruthton	White Bear
Bovey	Eden Prairie	Hoffman	Middle River	Sauk Centre	Lake
Boyd	Elbow Lake	Hokah	Milaca	Scandia	Williams
Brandon	Elko New	Holdingford	Minneapolis	Scanlon	Wilmont
Brewster	Market	Holland	Minnesota	Shelly	Winnebago
Brownsdale	Elysian	Isanti	Lake	Shorewood	Wolf Lake
Butterfield	Emily	Jackson	Minnetrissa	Silver Lake	Wolverton
Callaway	Emmons	Janesville	Mound	Slayton	Worthington
Calumet	Erhard	Jasper	Nashwauk	South Haven	Wyoming
Canton	Fairfax	Jeffers	Newport	Spring Lake	Zumbro Falls
Carlos	Fergus Falls	Jenkins	Northfield	Park	
Cass Lake	Finlayson	Jordan	Nowthen	Spring Valley	

School Districts

Brandon	Janesville- Waldorf- Pemberton	NRHEG
Chokio-Alberta	Jordan	Ortonville
Climax-Shelly	Kasson- Mantorville	Owatonna
Deer River	Kelliher	Pierz
Detroit Lakes	Kingsland Public School	Pillager
Dilworth- Glyndon-Felton	Kittson Central	Pine City
Duluth	LaCrescent- Hokah	Pipestone- Jasper
East Central	Lake Crystal-Wellcome Memorial School	Plainview- Elgin-Millville
Eden Valley Watkins	Lakeview	Prior Lake- Savage
Edina	Lancaster	Red Lake Falls
Elk River	Laporte	Robbinsdale
Esko	Little Falls	Roseau
Fertile-Beltrami	Madelia	Rothsay
Fisher	Mahnomen	Rush City
Fosston	Mankato	Sebeka
Fulda	Maple River	So. Koochiching/ Rainy River
GFW Gibbon-Fairfax- Winthrop	Marshall	South St. Paul
Goodridge	Minneota	Southwest Metro Intermediate District 288
Grygla/Gatzke	Minnetonka	St. Cloud
Hastings	Minnewaska Area Schools	St. Francis
Hayfield	Montevideo	St. James
Hendricks	Mora	St. Louis Park
Herman-Norcross	Mountain Iron- Buhl	St. Peter
Hermantown	Murray County Central	Stewartville
Heron Lake- Okabena	Nett Lake	Stillwater
Hinckley- Finlayson	New London- Spicer	Swanville
Hopkins	New York Mills	Thief River Falls
Houston	Norman County East	Tri County
Ivanhoe	Norman County West	Triton
Jackson County Central Schools	North Branch Area Schools	Waseca
	Norwood	West Central

Soil Water and Conservation Districts

Mille Lacs SWCD
Nobles SWCD
Pipestone County SWCD
Red Lake County SWCD
Redwood County SWCD
Rice SWCD

Sherburne SWCD
Sibley County SWCD
Swift County SWCD
West Ottertail SWCD
Wilkin SWCD
Winona County SWCD

Townships

Krain Township
Laketown Township
Linwood Township
Maple Lake Township
Marysville Township
Middleville Township
Northern Township
Oaklawn Township

Pokegama Township
Rockford Township
Shingobee Township
Silver Creek Township
Solway Township
Stanford Township
White Township
York Township

Utilities

Alexandria Light & Power
Bagley Public Utilities Commission
Bovey-Coleraine Water & Waste Water
Elk River Municipal Utilities
Farwell Kensington Sanitary District
Grand Rapids Public Utilities Commission
Madelia Municipal Light & Power

Marshall & Polk Rural Water System
Moorhead Public Service
Moose Lake Water and Light Commission
Owatonna Public Utilities
Sauk Centre Public Utilities
Wells Public Utilities Department

Counties

Blue Earth County
Carlton County
Chisago County
Clay County
Dakota County
Faribault County
Freeborn County
Houston County
Jackson County
Kandiyohi County
Kittson County
Koochiching County
Le Sueur County
Mille Lacs County

Pennington County
Ramsey County
Red Lake County
Rice County
Roseau County
Stevens County
Swift County
Traverse County
Wabasha County
Washington County
Watonwan County
Winona County
Wright County

Health Care Facilities

Chippewa County Montevideo Hospital
Cook-Orr Health Care District
Douglas County Hospital
Lakewood Health System

Ortonville Area Health Service
Redwood Area Hospital
Sleepy Eye Medical Center

Housing & Redevelopment Authorities

Austin HRA
Barnesville HRA
Carver County CDA
Chisholm HRA
Cloquet HRA
Duluth HRA
Hibbing HRA
International Falls HRA
Koochiching County Housing & Redevelopment
Authority
Luverne HRA
Minneapolis Public Housing Authority

Morrison County HRA
Mountain Lake HRA
North Mankato HRA
Pequot Lakes HRA
Pine River HRA
Red Lake Falls HRA
Redwood Falls HRA
SE Minnesota Multi-County HRA
Sleepy Eye HRA
Tracy HRA
Warren HRA

Other

Arrowhead Library System
Arrowhead Regional Development Commission
Bemidji Regional Interdistrict Council
Carnelian Marine St. Croix Watershed District
Clear Lake/Clearwater Sewer Authority
Dakota Communications Center
Des Moines Valley Health and Human Services
Duluth Entertainment & Convention Center
Authority
East Central Regional Development
Commission
East Central Solid Waste Commission
Forest Lake Cable Commission
Great River Regional Library
Heron Lake Watershed District
Horizon Public Health

Human Services of Faribault and Martin
Counties
Intermediate District 287
Kitchigami Regional Library
L.O.G.I.S
Lac Qui Parle-Yellow Bank Watershed District
Marshall-Lyon County Library
Metro Mosquito Control District
Metronet
Metropolitan Airports Commission
Mid-Minnesota Development Commission
Minnehaha Creek Watershed District
Minnesota Sports Facilities Authority
Minnesota State High School League

Appendix – Compliance Tests

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

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

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

Completeness and Accuracy Test (CA) - determines whether jurisdictions have filed reports on time, included correct data and supplied all required information.

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

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

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

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

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

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

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