



January 2020

Minnesota Local Government Pay Equity Compliance Report

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

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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 2019, 575 local governments were required to submit reports to MMB. As of December 3, 2019, a total of 571 (99.3 %) of the jurisdictions were in compliance, four jurisdictions remained out of compliance.

About This Report

Minnesota Management and Budget staff prepared the 2019 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 2019.

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 jurisdiction 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 575 reports submitted by jurisdictions for the reporting year 2019. 140 or 24.3% 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	85
Statistical Analysis Test	9
Alternative Analysis Test	17
Salary Range Test	16
Exceptional Service Pay Test	10
Two or more tests	4
Total	140

Section Three

Summary of Compliance Status of Local Governments

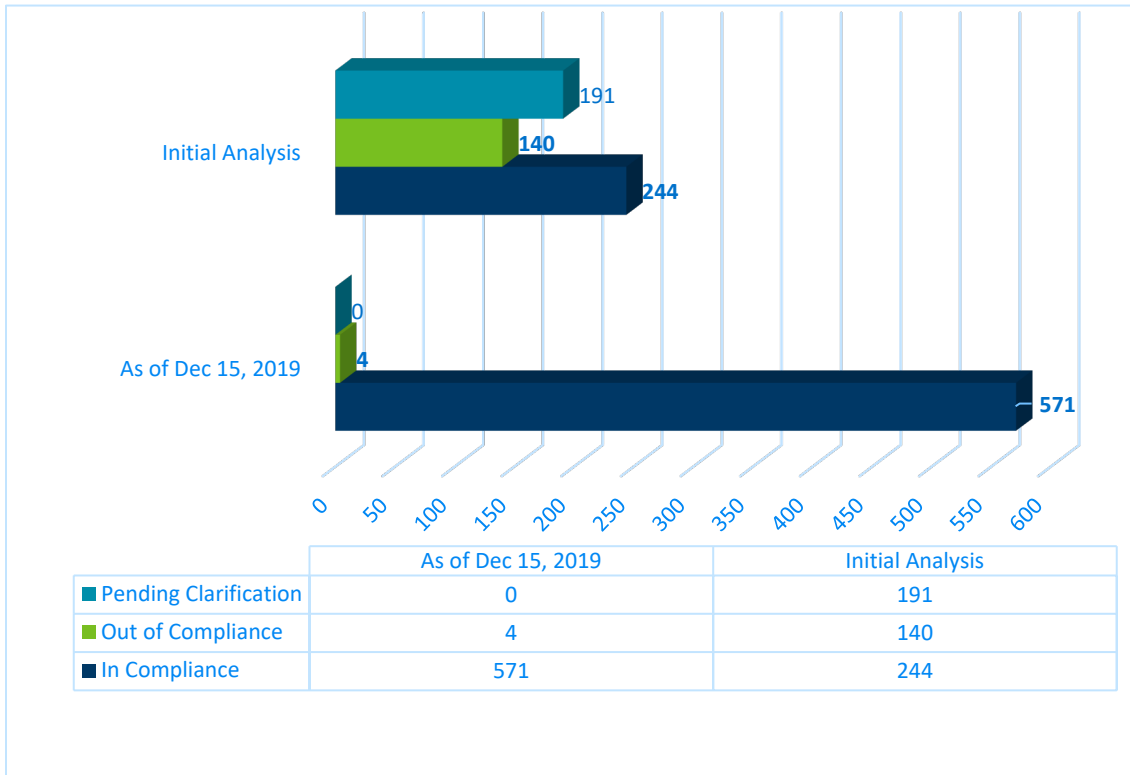
2019 Summary of Compliance Status by Jurisdictional Type as of December 3, 2019- Pay Equity Database for Local Governments

Jurisdiction Type	In Compliance	Out of Compliance	Total	% In Compliance
Cities	278	3	281	98.9%
Counties	25	0	25	100%
Schools	101	0	101	100%
Soil & Water Conservation Districts	24	0	24	100%
Other Districts	42	0	42	100%
Housing and Redevelopment Authorities	25	0	25	100%
Townships	53	1	54	98.1%
Utilities	15	0	15	100%
Health Care Facilities	8	0	8	100%
TOTAL	571	4	575	99.3%

Compliance Status of 2019 Reports

In January 2019, there were 575 local governments required to submit a report to MMB. The following chart depicts progress-to-date.

Status of Reports as of December 3, 2019



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. 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			
Bejou	CA	*	*
Lengby	CA	*	*
Roosevelt	CA	*	*
Townships			
Malmo Township	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 2019.

Section Five

Jurisdictions in Compliance

Cities

Adrian	Carver	Edgerton	Herman	LeRoy	Newfolden
Akeley	Champlin	Edina	Hermantown	Lester Prairie	Nicollet
Alvarado	Chaska	Effie	Hibbing	Lewiston	North Branch
Andover	Chatfield	Elgin	Hill City	Lino Lakes	North Mankato
Annandale	Chickamaw	Elk River	Hills	Lismore	North Oaks
Anoka	Beach	Ellendale	Hinckley	Litchfield	Northome
Appleton	Chokio	Ellsworth	Holloway	Little Falls	Northrup
Askov	Circle Pines	Eyota	Holt	Long Beach	Odessa
Atwater	City of	Fairmont	Hopkins	Long Prairie	Odin
Aurora	Princeton	Federal Dam	Houston	Lowry	Ogema
Badger	City of Rice	Fifty Lakes	Ihlen	Mabel	Oklee
Barrett	Lake	Floodwood	Independence	Mankato	Orono
Battle Lake	Clements	Florence	Inver Grove	Mantorville	Ostrander
Beaver Bay	Cleveland	Forada	Heights	Maple Plain	Owatonna
Becker	Clitherall	Fosston	Iron Junction	Mapleview	Park Rapids
Bejou	Clontarf	Fountain	Isle	Maynard	Pelican Rapids
Belgrade	Cold Spring	Freeport	Johnson	McKinley	Pemberton
Belle Plaine	Cologne	Fridley	Karlstad	Medford	Perley
Beltrami	Columbia	Frost	Kasota	Melrose	Peterson
Bena	Heights	Genola	Kelliher	Mendota	Pine City
Bethel	Columbus	Glenwood	Kensington	Miesville	Plainview
Big Falls	Comstock	Good Thunder	Kent	Milroy	Plato
Blackduck	Coon Rapids	Graceville	Kerkhoven	Miltona	Preston
Blaine	Cosmos	Granite Falls	Kerrick	Minneiska	Prinsburg
Blomkest	Cottage Grove	Grant	Kinbrae	Minnetonka	Quamba
Bloomington	Crystal	Greenbush	Kingston	Montgomery	Randolph
Bock	Currie	Greenwald	La Crescent	Morgan	Ranier
Borup	Danvers	Greenwood	Lafayette	Motley	Raymond
Breckenridge	Darfur	Grove City	Lake City	Mounds View	Red Lake Falls
Bricelyn	Dellwood	Gully	Lake Lillian	Mountain Lake	Remer
Brownton	Denham	Halstad	Lakeland Shores	Nashua	Rice
Bruno	Dilworth	Hanska	Lanesboro	Nevis	Richmond
Buckman	Donaldson	Harding	Laporte	New Brighton	Richville
Buhl	Dunnell	Hawley	LaSalle	New Hope	Riverton
Burnsville	Eagan	Hector	Le Center	New London	Rock Creek
Caledonia	Easton	Heidelberg	Lengby	New Trier	Rockville
Canby	Eden Valley	Hendrum	Leonard	New Ulm	Roosevelt

The logo features a stylized 'mn' in blue and green, followed by the text 'MANAGEMENT AND BUDGET' in a bold, blue, sans-serif font.

Roscoe	Silver Bay	St. Clair	Sunfish Lake	Wadena	Wheaton
Rosemount	Sleepy Eye	St. Cloud	Swanville	Waite Park	Windom
Round Lake	Solway	St. Francis	Taopi	Wanamingo	Winona
Rushford	South St. Paul	St. Hilaire	Tintah	Warroad	Winsted
Village	Spicer	St. James	Trail	Waseca	Winthrop
Russell	Spring Hill	St. Paul Park	Truman	Wayzata	Winton
Rutledge	St Vincent	St. Peter	Vergas	West Concord	Wood Lake
Sacred Heart	St. Anthony	Starbuck	Verndale	West St. Paul	Woodstock
Savage	St. Anthony	Stewart	Viking	West Union	Wright
Sebeka	Village	Stillwater	Vining	Westport	Zemple
Shoreview	St. Bonifacius	Sunburg	Waconia	Whalan	Zimmerman

School Districts

Albert Lea	Isle	Russell/Tyler/ Ruthton
Alexandria	Kenyon/Wanamingo	Sauk Centre
Anoka-Hennepin	Lac Qui Parle Valley School	Shakopee
Austin	Lake City	Sleepy Eye
Becker	LeSueur/Henderson	South Washington County Schools
Blackduck	Lewiston/ Altura	Southland
Blooming Prairie	Lynd	Spring Grove
Bloomington	Mabel/Canton	Spring Lake Park
Brainerd	Maccray	St. Louis County
Brooklyn Center	Mahtomedi	St. Michael/ Albertville
Carlton	Maple Lake	St. Paul
Chisholm	Martin County West	St.Clair
Comfrey	Minneapolis	Tracy Area Public Schools
Dassel/Cokato	Morris	Underwood
Delano	Mountain Lake	Upsala
Eagle Valley Public Schools	New Ulm	Wabasso
Eastern Carver County Schools	Nicollet	Waconia Public Schools
Eden Prairie	Osseo	Wadena/Deer Creek
Fairmont Area	Park Rapids	Walker/Hackensack/Akeley
Fridley	Paynesville	Warren/Alvarado/Oslo
Glencoe/ Silver Lake	Pequot Lakes	West St. Paul
Goodhue	Perham	Westbrook/Walnut Grove
Grand Rapids	Proctor	Westonka
Greenway	Red Wing	Willow River
Hancock	Rochester	Wrenshall
Hawley	Rocori	Yellow Medicine East
Holdingford	Rosemount	Howard Lake/Waverly/ Winsted
International Falls	Royalton	Northeast Metro

Soil Water and Conservation Districts

Chippewa County SWCD
Chisago SWCD
East Otter Tail SWCD
Fillmore SWCD
Isanti SWCD
Koochiching SWCD
Lake of the Woods SWCD
Le Sueur County SWCD
Marshall County SWCD
Meeker County SWCD
Morrison SWCD
Murray County SWCD

Norman County SWCD
North St. Louis SWCD
Pennington SWCD
Renville County SWCD
Scott County SWCD
So. St. Louis SWCD
Traverse SWCD
Wabasha County SWCD
Wadena SWCD
Waseca SWCD
West Polk SWCD

Townships

Alexandria Township
Arbo Township
Baldwin Township
Balkan Township
Ball Bluff Township
Beaver Creek Township
Beaver Township
Belgrade Township
Biwabik Township
Blackberry Township
Camden Township
Clearwater Township
Cokato Township
Corinna Township
Farm Island Township
Franconia Township
Glen Township
Great Scott Township
Harris Township
Idun Township
Isanti Township
Kimberly Township
Lafayette Township
Lakeside Township
Livonia Township
Logan Township
Macville Township
Mankato Township

May Township
Maywood
Millward Township
Millwood Township
Monticello Township
Morrison Township
Mountain Lake Township
New Haven Township
Nordland Township
Paynesville Township
Perch Lake Township
Pike Bay Township
Pine City Township
Pliny Township
Princeton Township
Scandia Valley Township
Silver Creek Township
Spencer Township
St. George
Stillwater Township
Sverdrup Township
Thomson Township
Victor Township
Waconia Township
White Bear Township
White Township

Utilities

Alexandria Lake Area Sanitary District
Babbitt Public Utilities Commission
Blue Earth Light & Water
Delano Municipal Utilities
Glencoe Light & Power Commission
Hibbing Public Utilities
Kenyon Municipal Utilities
Lakefield Public Utilities

Marshall Municipal Utilities
New Ulm Public Utilities
Otter Tail Water Management District
Princeton Public Utilities
Proctor Public Utilities Commission
Sleepy Eye Public Utilities
Westbrook Public Utilities

Counties

Anoka County
Becker County
Benton County
Big Stone County
Carver County
Cass County
Clearwater County
Cook County
Dodge County
Goodhue County
Grant County
Hennepin County
Lac Qui Parle County

Lake County
Martin County
Nicollet County
Norman County
Olmsted County
Polk County
Redwood County
Rock County
Scott County
Wadena County
Waseca County
Yellow Medicine County

Health Care Facilities

Appleton Area Health Services
Granite Falls Municipal Hospital & Manor
Hennepin County Medical Center
Johnson Memorial Health Services

Northern Itasca Hospital District
Northfield Hospital & Clinic
Rivers Edge Hospital & Clinic
So. Country Health Alliance

Housing & Redevelopment Authorities

Blue Earth HRA
Brainerd HRA
Breckenridge HRA
Cass County HRA
Cook HRA

Cottonwood HRA
Crookston Housing & EDA
Crosby HRA
Dakota County CDA
Detroit Lakes HRA

Eveleth HRA
Litchfield HRA
Madison HRA
Marshall Public Housing Commission
Montevideo HRA
Moorhead PHA
Mower County HRA
Pine City HRA

Pipestone HRA
St. Peter HRA
Thief River Falls HRA
Virginia HRA
Walker HRA
Windom HRA
Winona HRA

Other

Anoka-Champlin Fire Department
Area Special Education Cooperative
Arrowhead Region Computing Consortium
Arrowhead Regional Corrections
Benton/Stearns Education District #6383
Centennial Lakes Police Department
Central MN Educational Research & Development Council
Duluth Airport Authority
East Range Public Safety
Fergus Falls Area Special Education Coop No. 935
Freshwater Education District #6004
International Falls Recreation Commission
Jackson County Library
Metro ECSU
Metropolitan Council
Metropolitan Library Service Agency (MELSA)
Midwest Special Education Interdistrict Cooperative
Minneapolis Municipal Building Commission
Minneapolis Parks and Recreation Board
Minnesota Valley Cooperative Center
Mississippi Headwaters Board

Mississippi Watershed Management Organization
Northfield Area Fire and Rescue Service
Northwest Regional Library
Northwest Service Cooperative
Pioneerland Library System
Region 5 Development Commission
Region I Information Management Services
Rice Creek Watershed District
Seaway Port Authority/Duluth
Southwest & West Central Service Cooperative
Southwest Health and Human Services
Southwest Prairie Technical Service Area
St. Cloud Area Planning Organization
St. Cloud Metropolitan Transit Commission
St. Paul Port Authority
Three Rivers Park District
Tri-City Police Department
Waseca-Le Sueur Regional Library
West Metro Fire-Rescue District
Wright Technical Center District 0966
Yellow Medicine River Watershed District

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.*