



January 2021

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 2020, a total of 556 local governments were required to submit reports to MMB. As of December 15, 2020, a total of 550 (98.9 %) of the jurisdictions were in compliance, six jurisdictions remained out of compliance.

As a result of the COVID-19 pandemic many local governments experienced changes in staffing, roles and responsibilities. In 2020, there was an increase in the number of jurisdictions that requested a longer grace period to achieve compliance. MMB acknowledges and appreciates the hard work of all the local jurisdictions to ensure pay equity compliance under these trying conditions.

About This Report

Minnesota Management and Budget staff prepared the 2020 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 2020.

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

Questions? Contact Laura Lane at laura.e.lane@state.mn.us.

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 556 reports submitted by jurisdictions for the reporting year 2020. 202 or 36% 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	159
Statistical Analysis Test	17
Alternative Analysis Test	9
Salary Range Test	9
Exceptional Service Pay Test	7
Two or more tests	1
Total	202

Section Three

Summary of Compliance Status of Local Governments

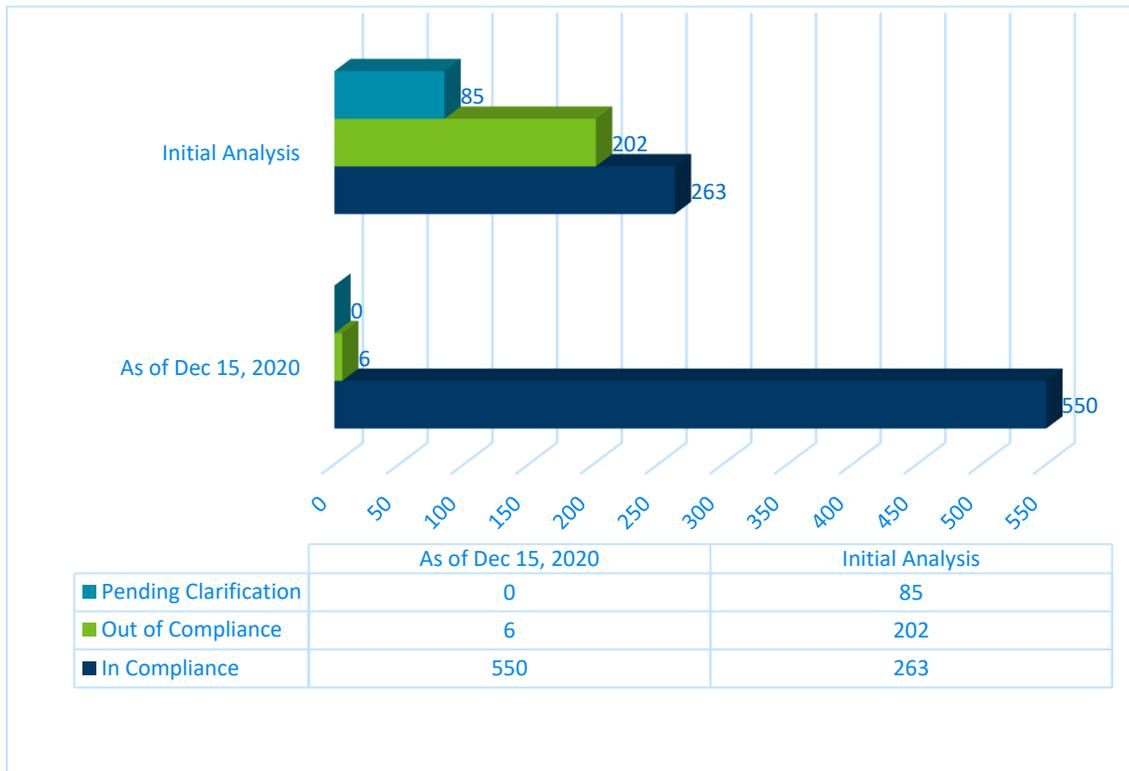
2021 Summary of Compliance Status by Jurisdictional Type as of December 15, 2020- Pay Equity Database for Local Governments

Jurisdiction Type	In Compliance	Out of Compliance	Total	% In Compliance
Cities	278	3	281	98.9%
Counties	35	0	35	100%
Schools	103	0	103	
Soil & Water Conservation Districts	28	0	28	100%
Other Districts	33	0	33	100%
Housing and Redevelopment Authorities	19	0	19	100%
Townships	28	3	31	90%
Utilities	13	0	13	100%
Health Care Facilities	13	0	13	100%
TOTAL	550	6	556	98.9%

Compliance Status of 2020 Reports

In January 2020, there were 556 local governments required to submit a report to MMB. The following chart depicts progress-to-date.

Status of Reports as of December 15, 2020



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			
Warba	CA	*	*
Wilton	CA	*	*
Woodland	CA	*	*
Townships			
Mayhew Lake	CA	*	*
Minden Township	CA	*	*
Sauk Rapids	CA	*	*

*The abbreviations for the tests for compliance used in this section can be found in section VI, beginning on page 16. 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 2020.

Section Five

Jurisdictions in Compliance

Cities

Ada	Carlton	Evansville	Hutchinson	Mentor	Pease
Adams	Centerville	Eveleth	International Falls	Milan	Pennock
Albert Lea	Ceylon	Excelsior	Iona	Millerville	Pine Island
Alberta	Chisago City	Falcon Heights	Ironton	Millville	Pine Springs
Alden	Clara City	Faribault	Ivanhoe	Minneota	Porter
Aldrich	Clarkfield	Farmington	Kasson	Minnesota City	Prior Lake
Apple Valley	Clarks Grove	Felton	Keewatin	Minnetonka Beach	Racine
Arden Hills	Climax	Felton	Kennedy	Montevideo	Randall
Arlington	Clinton	Fertile	Kettle River	Monticello	Redwood Falls
Ashby	Cohasset	Flensburg	Kiester	Montrose	Revere
Avoca	Cokato	Frazee	Kilkenny	Moorhead	Rockford
Avon	Coleraine	Freeborn	Kimball	Moose Lake	Rogers
Babbitt	Cook	Garfield	Lake Bronson	Mora	Rollingstone
Backus	Cottonwood	Garrison	Lake Crystal	Morris	Rose Creek
Barnesville	Courtland	Garvin	Lake Park	Morristown	Rush City
Barnum	Cromwell	Gem Lake	Lake Park	Morton	Sanborn
Beaver Creek	Cuyuna	Ghent	Lake Shore	Morton	Sandstone
Bellingham	Cyrus	Gibbon	Lake St.Croix Beach	Mountain Iron	Sargeant
Bigelow	Dakota	Glencoe	Lake Wilson	Murdock	Sartell
Bingham Lake	Dalton	Glyndon	Lakeville	Nelson	Sauk Rapids
Blooming Prairie	Darwin	Golden Valley	Landfall Village	Nerstrand	Seaforth
Bluffton	Dassel	Granada	Lauderdale	New Auburn	Shafer
Bowlus	Dayton	Grand Marais	Le Sueur	New Germany	Shakopee
Braham	Deer River	Grasston	Lexington	New Prague	Shelvin
Brainerd	Delano	Hackensack	Lilydale	New Richland	Sherburn
Breezy Point	Dent	Ham Lake	Lindstrom	New York Mills	Skyline
Brook Park	Dover	Hampton	Little Canada	Nielsville	Spring Grove
Brooklyn Center	Dovray	Hanley Falls	Long Lake	Nisswa	Spring Park
Brooklyn Park	Duluth	Hanover	Longville	North St. Paul	Squaw Lake
Brooks	Dumont	Hardwick	Loretto	Norwood Young	St. Joseph
Brookston	Dundas	Harmony	Lucan	America	St. Louis Park
Brooten	Dundee	Hayfield	Lyle	Oak Park Heights	St. Martin
Browerville	Eagle Bend	Henderson	Magnolia	Oakdale	St. Mary's Point
Browns Valley	Echo	Hendricks	Mahtomedi	Ogilvie	St. Michael
Brownsville	Eitzen	Henning	Mapleton	Onamia	St. Leo
Buffalo	Elba	Henriette	Marble	Ormsby	St. Stephen
Buffalo Lake	Elizabeth	Hewitt	Marine on St. Croix	Oronoco	Staples
Byron	Elkton	Hitterdal	Mayer	Orr	Steen
Cambridge	Elmore	Howard Lake	Mazeppa	Oslo	Stockton
Campbell	Ely	Hoyt Lakes	Meadowlands	Parkers Prairie	Sturgeon Lake
Cannon Falls	Erskine	Hugo	Meire Grove	Paynesville	Taconite



Tamarack	Trosky	Victoria	Walker	Wendell	Wrenshall
Tauton	Twin Lakes	Villard	Waltham	Willernie	Wykoff
Tenstrike	Urbank	Virginia	Wanda	Willmar	Zumbrota
Thief River Falls	Utica	Wabasha	Watkins	Willow River	
Tower	Vadnais Heights	Wabasso	Waubun	Winger	
Trimont	Vermillion	Wahkon	Wells	Woodbury	

School Districts

Aitkin	Kerkhoven-Murdock-Sunburg	Richfield
Albany	Kimball	Rockford
Barnesville	Lakeville	Rosemount-Apple Valley-Eagan
Battle Lake	Lanesboro	Rushford- Peterson
Belgrade- Brooten-Elrosa	Lester Prairie	Sauk Rapids
Benson	Litchfield	Springfield
Bertha-Hewitt	Long Prairie- Grey Eagle	St. Charles
Bold Bird Island-Olivia Lk. Lillian	Luverne	Stephen- Argyle Central
Buffalo	Lyle	Truman
Burnsville-Eagan-Savage	Marshall Co. Central	United South Central
Butterfield-Odin	Menahga	Warroad
Caledonia	Milaca	Watertown-Mayer Public School
Campbell-Tintah	Milroy	Waterville-Elysian-Morristown
Cannon Falls	Monticello	Waubun-Ogema- White Earth Community
Cedar Mountain	Moorhead	White Bear Lake
Clearbrook-Gonvick	Moose Lake	Windom
Cleveland	Mounds View	Win-e-mac
Clinton-Graceville-Beardsley	Nashwauk Keewatin	Winona
Cloquet	New Prague	Worthington
Cook County	North St. Paul-Maplewood	Zumbrota- Mazeppa
Crosby-Ironton	Northland Community	Chisago-Lakes School District
Dawson-Boyd Schools	Ogilvie	Glenville-Emmons
Ellsworth	Onamia	Kellogg
Faribault	Orono	Lake of the Woods
Farmington	Osakis	Leroy-Ostrander
Fergus Falls	Parkers Prairie	Littlefork-Big Falls
Floodwood	Pelican Rapids	Princeton
Forest Lake	Pine Island	Round Lake-Brewster
Frazee-Vergas Public Schools	Pine Point	Sartell-St. Stephen
Granada- Huntley-East Chain	Pine River- Backus Schools	Verndale
Grand Meadow	Prinsburg	Virginia
Greenbush- Middle River	Randolph	Wayzata
Hibbing	Red Lake	Henning
Hill City	Red Rock Central	
Inver Grove Heights	Redwood Area School District	

Soil Water and Conservation Districts

Aitkin County SWCD
Anoka Conservation District
Becker SWCD
Big Stone SWCD
Brown SWCD
Carlton County SWCD
Carver County SWCD
Cottonwood SWCD
Dodge County SWCD
Faribault County SWCD
Goodhue SWCD
Grant County SWCD
Kanabec SWCD

Kandiyohi SWCD
Kittson SWCD
Lac Qui Parle SWCD
Lake County SWCD
Lake Minnetonka SWCD
Lincoln County SWCD
Mower County SWCD
Pine County SWCD
Pope SWCD
Roseau County SWCD
Stearns County SWCD
Stevens SWCD
Washington Conservation District (WCD)
Wright SWCD
Yellow Medicine SWCD

Townships

Aitkin Township
Albion Township
Balsam Township
Big Lake Township
Breitung Township
Cannon Falls Township
Cascade Township
Chisago Lake Township
Clark Township
Cornish Township
Embarrass Township
Fayal Township
Fish Lake Township
Fleming Township

Gilmanton
Greenway Township
Hill Lake Township
Hollywood Township
Irondale Township
Lakeview Township
Langola Township
Nashwauk Township
Rice River Township
Township Maintenance Association
Vasa Township
Watab Township
Watertown Township
White Pine Township

Utilities

Aitkin Public Utilities Commission
Chisago Lakes Joint Sewage Treatment Commission
Dover-Eyota-St. Charles Area Sanitary District
Hutchinson Utilities
Kittson-Marshall Rural Water Users
North Branch Water & Light Municipal Utilities
North Kittson Rural Water System

Pope/Douglas Solid Waste Management
Shakopee Public Utilities Commission
Southern MN Municipal Power Agency
Spring Valley Public Utilities Commission
Springfield Public Utilities Commission
Stillwater Board of Water Commissioners

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

Cook County Hospital District
Countryside Public Health Services
Glacial Ridge Hospital District
Inter-County Nursing Service
Itasca Nursing Home d.b.a. Grand Village
Mercy Hospital & Health Center
Murray County Medical Center

Parkview Manor Nursing Home
Pelican Valley Health Center
Perham Health
Quin Community Health Services
Renville County Hospital and Clinics
Sunnyside Care Center

Housing & Redevelopment Authorities

Aitkin County HRA
Bagley Housing Authority
Benson HRA
Cass Lake HRA
Chippewa County HRA
Clay County HRA
Clearwater County HRA
Ely HRA
Fairmont HRA
Grand Rapids HRA

Little Falls HRA
New Richland HRA
Princeton HRA
Red Wing HRA
St. Cloud HRA
St. James HRA
Todd County HRA
Wadena HRA
Waseca HRA

Other

Brainerd Lakes Regional Airport
Cloquet Area Fire District
Comfort Lake - Forest Lake Watershed District

East Central Regional Library
Headwaters Regional Development Commission

Lac qui Parle County Economic Development Authority
Lake Agassiz Education Cooperative #397
Lake Agassiz Regional Library
Lakes Country Service Cooperative
MAWSECO No. 0938-52
Middle Snake Tamarac Rivers Watershed District
Minnesota Counties Information Systems
Minnesota Prairie County Alliance
Minnesota Valley Education District #6027
Minnesota Valley Transit Authority
Northeast Service Cooperative
Northwest Suburbs Cable Communications Commission

Plum Creek Library System
PrimeWest Rural Minnesota Health Care
Quad Cities Cable Communications Commission
Red Lake Watershed District
Rock-Nobles Community Corrections
Sourcewell
Sourcewell Technology Formerly (TIES)
Southwest Regional Development Commission
Spirit Mountain Recreation Area
Stearns-Benton Employment and Training Council
Todd-Wadena Community Corrections
Tri-County Community Corrections

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.*