

# PAY EQUITY: THE MINNESOTA EXPERIENCE

COMMISSION ON THE ECONOMIC STATUS OF WOMEN



## **PAY EQUITY: THE MINNESOTA EXPERIENCE**

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## INTRODUCTION

Minnesota is in the forefront of pay equity efforts in the nation. This state was the first to implement pay equity legislation for its employees, and the first to require local governments to undertake pay equity efforts. Minnesota's experience shows that pay equity can be implemented smoothly and at a reasonable cost.

Pay equity is also called "equal pay for work of equal value" or "comparable worth." Pay equity efforts are usually based on the use of a job evaluation system which allows a comparison of jobs with different duties but similar levels of skill, effort, responsibility and working conditions. Although laws requiring equal pay for equal work have helped many women, most women remain in occupations which cannot be directly compared to jobs performed by men. Eighty percent of employed women perform "women's work", such as teaching, nursing, library science, clerical and service work.

The large number of women performing "women's work" continue to be affected by the fact that "women's work" continues to be low paid. Nationally, in 1983, employed women working full-time year-round had average earnings that amounted to only 64 percent of the average earnings for their male counterparts. Studies have shown that differences in education, work experience and other factors account for only about half of the wage gap.

One consequence of low earnings for women is poverty or near-poverty. Women account for more than 60 percent of adult Minnesotans who are living in poverty. Over 36 percent of women have incomes below 150 percent of the poverty standard. Recent years have seen dramatic increases in the number of female-headed single-parent families, and almost one-third of these families in Minnesota are poor.

This report updates information in "Pay Equity in Public Employment," a report published by the Council on the Economic Status of Women (now the Commission on the Economic Status of Women) in 1982. It includes a review of pay equity efforts in the United States; a detailed analysis of pay equity in Minnesota state government employment; and information about Minnesota's local government pay equity law. An appendix includes technical information and a list of resources.



## **PAY EQUITY IN THE UNITED STATES**

The history of pay equity in the United States begins with passage of two laws: the Equal Pay Act of 1963 and Title VII of the Civil Rights Act of 1964.

The Equal Pay Act prohibits employers from paying men more than women for doing the same job. Title VII contains broad prohibitions of discrimination in employment, including sex-based wage discrimination.

Nationally, pay equity efforts have included legislation, litigation, collective bargaining and education.

### **Legislation**

In many cases, pay equity is being implemented as a result of legislation at the state level. Such legislation may establish a pay equity policy. In some cases, the legislation requires that a job evaluation study be conducted.

Most legislation addresses pay equity for state government employees, although pay equity studies are now in process or completed in hundreds of public and private organizations across the country. Such studies, whether mandated or voluntary, can be the first step toward implementing pay equity.

The National Governors' Association adopted a policy supporting the principle of pay equity at its 1984 annual meeting. The National Committee On Pay Equity surveyed states with respect to pay equity for state government employees in May 1985. According to that survey, 45 of the 50 states

have taken some action on the issue.

Twenty-four states have passed pay equity legislation, including ten states which have pay equity policies established by statute. Seven states are providing pay equity salary increases to their employees -- Idaho, Iowa, Minnesota, New Mexico, South Dakota, Washington and Wisconsin. Other states are conducting job evaluation studies, awaiting the results of task force reports and/or collecting data. For more information about pay equity in other states, contact the National Committee on Pay Equity, listed with other resources in the appendix to this report.

At the federal level, Congress asked the General Accounting Office (GAO) to determine how a comparable worth study of federal employees might be structured and how much time such a study might take. The GAO study showed that female federal employees earn an average of 63 cents for each dollar earned by their male counterparts in the federal civil service.

Congresswoman Mary Rose Oaker has introduced HR 27, which requires a comparable worth study of federal employees.

The Senate companion bill, S 519, is authored by Senators Alan Cranston and Daniel Evans. In May 1985, Senator Dave Durenberger of Minnesota announced that he would introduce additional comparable worth legislation for federal employees, with co-sponsors Senator Gary Hart and Representatives Patricia Schroeder and Olympia Snowe.

## QUESTIONS & ANSWERS ON COMPARABLE WORTH

What does comparable worth mean? Comparable worth means that an employer's internal pay structure should be based on criteria other than the sex of the persons doing the job.

Why is comparable worth a women's issue? Because an estimated 80 percent of employed women work in "women's jobs" which are undervalued and underpaid.

Why is comparable worth a union issue? Because unions have historically fought against exploitation of particular groups of workers. The existence of a cheap labor pool, whether it be immigrants, minorities, or women, lowers wages for all workers. Women are becoming a large union constituency.

How does comparable worth affect the bargaining process? Under the Minnesota state government pay equity law, funds are earmarked for pay equity adjustments. Bargaining unit members then negotiate the allocation of these funds within the unit, just as they now negotiate cost of living increases and other contract provisions.

If women want to earn more, why don't they take "men's jobs"? In order to integrate the labor force, more than 10 million women would have to trade places with more than 10 million men nationally. Most new jobs will be in clerical and service work, not in traditional male fields. And finally, most women enjoy their work in traditional female fields.

How can you compare jobs which are as different as apples and oranges? Job evaluation techniques have been widely used throughout this century. Job evaluation identifies factors common to all jobs (for example skill, effort, responsibility and working conditions), and assigns weights to each factor. Point factor systems assign points to each factor, and points are totalled to arrive at a measure of job value.

Aren't wages set according to the laws of supply and demand? Wage-setting is determined by many factors other than supply and demand: collective bargaining, minimum wage laws and stereotypes about what certain jobs are worth. Despite recent decreases in the supply of clerical workers and nurses, wages did not increase automatically for these jobs.

Won't comparable worth destroy the economy? This fear was often expressed when Congress was considering equal housing opportunities for minorities, the Equal Pay Act, and many other changes which did not destroy the economy. The cost of implementing pay equity in Minnesota state government was only four percent of payroll.

Won't comparable worth require the creation of a new bureaucracy? This has not happened in Minnesota state government. Jobs are evaluated by existing personnel staff, and increases are determined by the usual collective bargaining process.

How can the government require all employers to pay the same for various jobs? Comparable worth refers to equity within an organization, not across organizational lines. Employers may use any job evaluation system they choose, but they must eliminate sex bias within their workforce.

Does comparable worth eliminate pay based on performance and years of service? No. Pay comparisons for purposes of comparable worth are based on the maximum of a pay range. Employers may continue to provide for movement within a pay range based on performance and/or seniority.



## Litigation

The legal question posed by pay equity has been, "Does Title VII prohibit sex discrimination in pay for jobs performed mostly by women (female jobs) even when the jobs are not identical to those performed mostly by men (male jobs)?"

There have been a number of significant court decisions on this issue. Among them are two 1981 U.S. Supreme Court cases, Gunther v. County of Washington and International Union of Electrical Workers v. Westinghouse.

The U. S. Supreme Court cases interpreted Title VII to allow for comparison of dissimilar jobs, although the courts stopped short of endorsing the concept of comparable worth. In both of these cases, substantial monetary settlements were awarded.

Some employers fear that they will be vulnerable to legal action if a study is done, and therefore they do not undertake studies. However, in at least one court case, Taylor v. Charley Brothers, refusal to conduct a job evaluation study was considered evidence of an intent to discriminate.

In 1974, the State of Washington identified pay inequities very similar to those identified for the State of Minnesota in 1981. The cost of implementing pay equity according to that study was only five percent of payroll. However, the State of Washington did not take action to address the problem. In 1981, AFSCME representing employees in that state filed sex discrimination charges under Title VII of the Civil Rights Act.

In 1983, a federal district court found the State of Washington guilty of discrimination against employees in predominantly female jobs. The judge awarded immediate wage corrections and back pay to these employees, at an estimated cost of 25 percent of the state's payroll. The state appealed this decision and the Court of Appeals overturned the lower court's decision. The state and the union then agreed to a financial settlement of \$106 million over a five year period, and the union agreed not to appeal the decision to the U.S. Supreme Court.

Pay equity has been achieved for state employees in the State of Minnesota and the State of Washington. In Washington, however, this result was reached only after years of divisive and costly litigation. It appears that voluntary action such as that undertaken in Minnesota is less costly than litigation. Lawsuits similar to the Washington State case have been filed against public or private employers in at least 13 states.

## Collective Bargaining

Pay equity has also been an important topic in union negotiations in recent years. A few examples of pay equity contract settlements include:

- The National Union of Hospital and Health Care Employees negotiated a contract with the State of Connecticut that provides a pay equity fund equal to one percent of payroll.

- In 1981, the Service Employees International Union (SEIU) negotiated a 19 percent increase for entry-level clerks in Santa Clara County, California.

● SEIU employees in the City of Sacramento School District negotiated a 7.5 percent comparable worth adjustment.

● The American Federation of State, County, and Municipal Employees (AFSCME) in Thurston County, Washington, negotiated a comparable worth plan based on a study required by a previous contract.

● In May 1985, AFSCME negotiated comparable worth increases of 10 to 15 percent for employees of the City of Los Angeles.

There have also been pay equity settlements as a result of strikes. A case in point was the 1979 strike in the City of San Jose, California. After a nine-day strike, the city agreed to provide pay equity adjustments as well as other salary adjustments to city workers.

Most pay equity activity to date has been in the public sector, probably because public employees are more likely to be unionized and because personnel information is more accessible. However, pay equity has been an issue for at least two large private employers, Yale University and American Telephone & Telegraph.

A pay equity strike occurred at Yale University in 1984. Members of Local 34 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 provides average salary increases of 35 percent for these workers.

The Communications Workers of America negotiated a contract with AT&T which establishes a joint

labor management job evaluation committee at each telephone company.

Many unions have negotiated for pay equity studies which are then used in bargaining for increases. Such studies have been negotiated by, among others, AFSCME, District 65 of the United Auto Workers, the Maine State Employees Association and the Civil Service Employees Association in New York.

## Education

Women's groups and unions have been active in 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."

A coalition of pay equity advocates, the National Committee for Pay Equity, announced the results of a national public attitudes survey they conducted in November 1984. Among the respondents, 69 percent said that women are not paid as fairly as men and that discrimination is the primary cause of the wage gap. Four-fifths of respondents said they support equal pay for jobs of equal value.



## HISTORY OF PAY EQUITY IN MINNESOTA

- |                          |  |
|--------------------------|--|
| Fall 1975                | - AFSCME state contract includes a provision that the state study jobs and salaries in clerical versus non-clerical classes of state employees.  |
| October 1976             | - "The Position of Women as a Disadvantaged Group in Minnesota Government Employment" published by Twin Cities National Organization for Women.  |
| November & December 1976 | - Council on the Economic Status of Women conducts two public hearings on women as state employees. In March 1977, the Council publishes "Minnesota Women: State Government Employment".   |
| May 1979                 | - Minnesota Department of Finance completes a "Public Employment Study", including evaluation of state and local jobs using the Hay evaluation system.   |
| October 1981             | - Council on the Economic Status of Women establishes a Task Force on Pay Equity to examine salary differences between male and female jobs. In March 1982, the task force completes its report, "Pay Equity & Public Employment". |
| Spring 1982              | - <b>State legislature enacts a state employees pay equity law</b> which (1) establishes a pay equity policy and (2) establishes a procedure for making pay equity salary increases.   |
| Spring 1983              | - Legislature allocates \$21.7 million for pay equity increases for state employees over a two-year period -- an amount equivalent to 1.25 percent of payroll per year.  |
| June 1983                | - Department of Employee Relations negotiates contracts with the state's 16 bargaining units. Contracts include pay equity increases to eligible female-dominated classes.   |
| Spring 1984              | - <b>State legislature enacts a local government pay equity law</b> which requires cities, counties, and schools to undertake pay equity efforts.  |
| Spring 1985              | - State legislature allocates \$11.7 million to complete pay equity implementation for state employees by 1987.  |
| July 1986                | - Final pay equity adjustments are made to eligible state employees in female-dominated job classes.   |

## MINNESOTA STATE GOVERNMENT

Minnesota state government has about 34,000 full-time employees working in more than 1,800 job classifications. State employees are covered by the Public Employees Labor Relations Act, which defines 16 bargaining units based along occupational lines. Eleven unions represent these units, with six of the units represented by the American Federation of State, County & Municipal Employees (AFSCME). About 86 percent of the employees in state government are covered by collective bargaining contracts.

Contracts are negotiated between the unions and the Department of Employee Relations on a

biennial basis, with current contracts covering the period from July 1, 1985 to June 30, 1987. When negotiations are completed, contracts must be approved by the Legislative Commission on Employee Relations and by the full legislature.

The following table shows bargaining units as of October 1984. Women represent a majority of employees in four units: office clerical workers, health care non-professional workers, health care professionals (primarily nurses) and commissioner's plan (personnel) employees. Men account for the majority of employees in all other bargaining units.

<u>TOTAL EMPLOYEES, OCT. 1984</u>	<u>BARGAINING UNIT</u>	<u>PERCENT FEMALE</u>
505	Health Care Professional	92.5 %
5,715	Office Clerical	91.0 %
3,538	Health Care Non-Prof.	72.1 %
1,990	Commissioner's Plan	63.2 %
214	Prof. Res. Instructional	43.9 %
445	Other Units	38.0 %
2,715	Service	34.8 %
5,073	General Professional	32.8 %
2,593	Supervisory	27.1 %
2,694	Technical	20.9 %
76	Health Treatment Prof.	18.4 %
769	Managerial	16.0 %
853	Correctional Guards	13.4 %
689	Professional Engineers	5.8 %
669	Law Enforcement	2.2 %
2,250	Craft, Maint., Labor	0.8 %



## Class Structure of State Employment

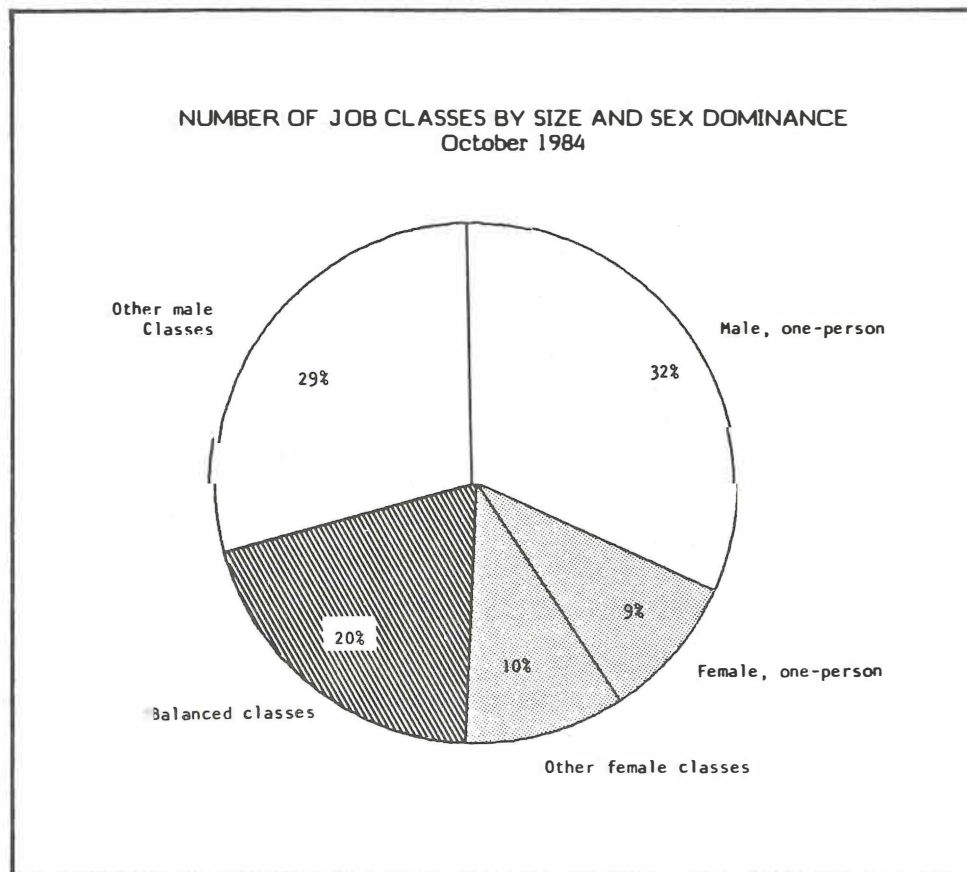
State employees are grouped into job classes according to the kind of work they perform. A "class" means one or more positions sufficiently similar in duties and responsibilities that the same descriptive job title may be used for all positions in the class. A class is based on the characteristics of the job, not on the characteristics of the job-holder.

In October 1984, there were 1,830 job classes in state service, ranging in size from one-person classes to classes with over 1,000 incumbents. The chart below illustrates these classes according

to their size and composition.

More than one-third of state job classes have only one incumbent employee. Of these, the large majority are occupied by male employees. Male-dominated classes account for almost two-thirds of all classes. Male-dominated classes outnumber female-dominated classes by 3 to 1. Classes which are segregated by sex outnumber integrated classes by 4 to 1.

The five largest classes are: Highway Maintenance Worker Senior, Human Service Technician Senior, Clerk Typist 2, Janitor and Highway Technician Senior.



Although there are 1,830 classes, just 20 classes account for more than one-fourth of all state employees.

Throughout this report, a "male" class is one in which over 80 percent of the incumbents are men, and a "female" class is one in which over 70 percent of the incumbents are women. All other classes are defined as "balanced". A higher percentage is used for the definition of male classes than for female classes because there are more men than women in state employment and in the labor force generally. Therefore, a male class must be more segregated than a female class in order to be equally out of balance.

Another way to examine job segregation in state employment is to calculate how many current employees would need to change jobs in order to obtain balance in each occupational group. At a conservative estimate, more than 6,000 women would have to change jobs with an equal number of men, together accounting for 40 percent of the entire state workforce.

## The Hay Job Evaluation System

The State of Minnesota uses a system developed by Hay Associates, a management consulting firm, to evaluate jobs. This system is similar to other point factor systems used for most job evaluation nationally.

Most systems consider four factors, though terminology varies widely: skill, effort, responsibility and working conditions. Points are assigned to a particular job for each of the four factors, and the points for each factor are totalled to provide a measure of overall job value.

Job evaluation is not the same as performance appraisal. The purpose of job evaluation is to measure job requirements, not the characteristics of a particular jobholder.

Factors and subfactors used in the Minnesota Hay evaluation are outlined below, with examples of jobs ranked relatively high and relatively low for each factor.

<u>Factors</u>	<u>Subfactors</u>	<u>Sample Ratings</u>
<u>Know-How</u> , the sum total of knowledge and skills needed for acceptable performance.	Substantive know-how, managerial know-how, human relations know-how.	Assistant Commissioner - 700 Clerk 1 - 66
<u>Problem-solving</u> , the amount of original, self-starting thinking required for analyzing, evaluating, creating, reasoning, arriving at conclusions.	Degree of structure, degree of challenge or difficulty of problems.	Medical Director - 264 Food Service Worker 8
<u>Accountability</u> , answerability for actions and consequences.	Degree of discretion, magnitude measured by dollars affected, directness of impact.	Income Tax Asst.- Dir. - 230 Mail Handler - 12
<u>Working Conditions</u> .	Physical effort, disagreeableness of environment, hazards.	Bridge Worker - 29 Pharmacy Technician - 0



In the last year, the Hay system was modified by the state in response to charges that the system did not fairly evaluate working conditions typical for women's jobs. Additional points were added to the system for jobs requiring repetitive small muscle movements, such as the motion needed to operate a video display terminal.

A detailed examination of the relationship between Hay points and pay for male-dominated and female-dominated classes is presented in a later section of this report.

### Women in State Employment

Over the past decade, a number of studies have been conducted to determine the status of women employed by the state. The first report of the Council on the Economic Status of Women, Minnesota Women: State Government Employment, noted that women were under-represented in most of the higher-paid job classes. In the intervening years, steady improvement has occurred.

Women are now 16 percent of managers, up from four percent in

1976. Almost one-third of professional employees are women, a significant increase from 25 percent in 1976. These changes have resulted from the state's affirmative action programs.

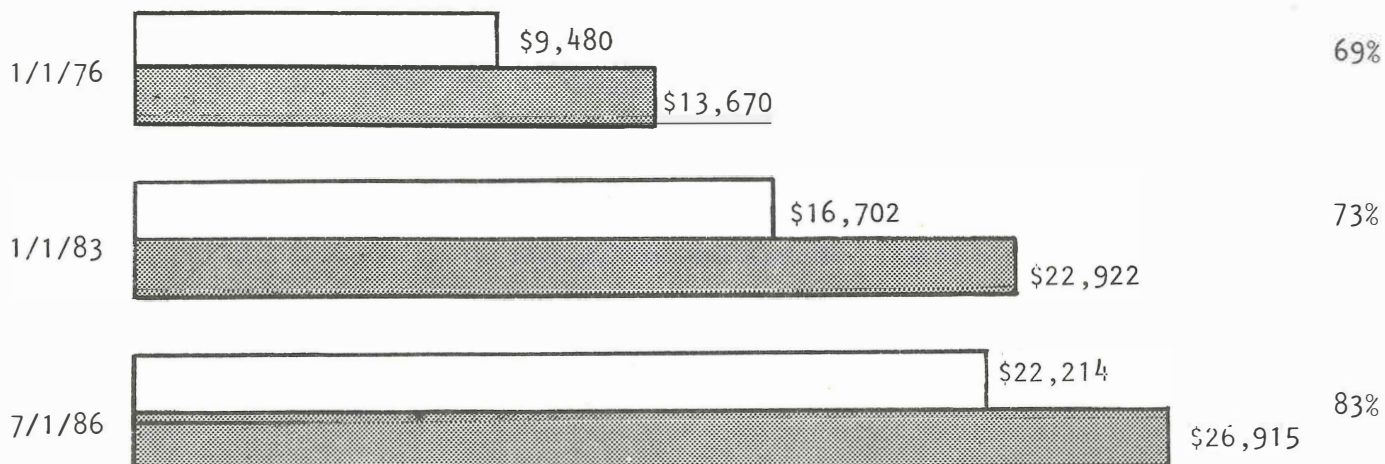
Despite these improvements, it remains the case that almost two-thirds of the women who work for the state have clerical or health care jobs. The office/clerical and health care non-professional bargaining units together account for 56 percent of female state workers.

From 1976 to 1983, earnings of female employees increased from 69 percent to 73 percent of earnings for male employees. This improvement can be attributed to progress in the state's affirmative action program, including increases in the number of women in traditionally male occupations. However, much larger gains were made in the period from July 1983 to July 1986, when pay equity was implemented and affirmative action efforts continued. The gap which remains after full implementation of pay equity is due to continued under-representation of women in higher-rated, higher-paid jobs.

### AVERAGE SALARIES, STATE GOVERNMENT EMPLOYMENT

□ WOMEN    ■ MEN

Women's Earnings As  
A Percent of Men's



When the Council on the Economic Status of Women established a Pay Equity Task Force in 1981, this earnings gap was examined.

Task force members questioned why there was a persistent pattern of salary differences, when the Equal Pay Act requires equal pay for equal work. The gap is largely explained by occupational segregation in state employment. In other words, there are relatively few cases where men and women are doing the same ("equal") work.

Task force members then analyzed pay for work of equal value, by comparing pay with points assigned to state jobs under the Hay job evaluation system.

### Pay Equity Analysis

Using the Hay points assigned to state jobs, the Council's task force compared points and pay for male-dominated and female-dominated jobs in state service. The "before" scattergram on the following page shows the results of that analysis.

Each asterisk on the scattergram represents one male job class, while each "F" represents one female job class. The salary figures used to plot the scattergram represent the maximum monthly salary for each job class. This refers to the maximum of the pay range, not the pay for individual employees. This means that the pattern is not affected by individual pay differences caused by factors such as seniority, which affect the actual pay within the pay range.

For the system as a whole, there is a positive correlation between evaluation points and pay -- that is, jobs with higher point values generally receive higher pay than jobs with lower point values.

However, the scattergram shows a consistent pattern of lower pay for female-dominated jobs than for male-dominated jobs -- even when the two jobs are at the same point level.

The list below provides some examples of this pattern as it affected individual state jobs in 1981.

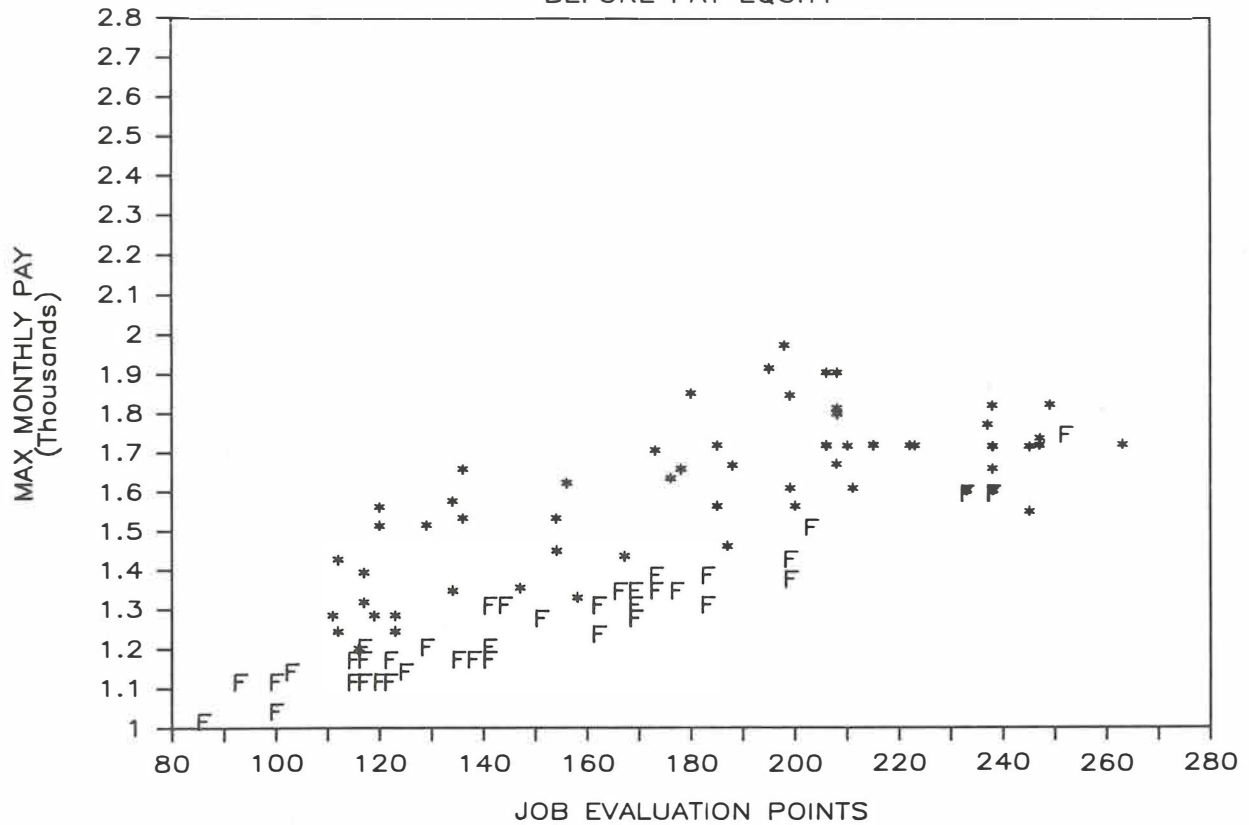
#### Hay Point Ranking of State Jobs, 1981

<u>Class Type</u>	<u>Class Title</u>	<u>Hay Points</u>	<u>Maximum Monthly Salary</u>	
			<u>"Male Jobs"</u>	<u>"Female" Jobs</u>
M	Delivery Van Driver	117	\$ 1,382	
F	Clerk Typist 2	117		\$ 1,115
M	Grain Sampler 1	120	\$ 1,552	
F	Microfilmer	120		\$ 1,115
M	Automotive Parts Technician	129	\$ 1,505	
F	Dining Hall Coordinator	129		\$ 1,202
M	Grain Inspector 2	173	\$ 1,693	
F	Administrative Secretary	173		\$ 1,343
M	Radio Communication Supervisor	199	\$ 1,834	
F	Typing Pool Supervisor	199		\$ 1,373



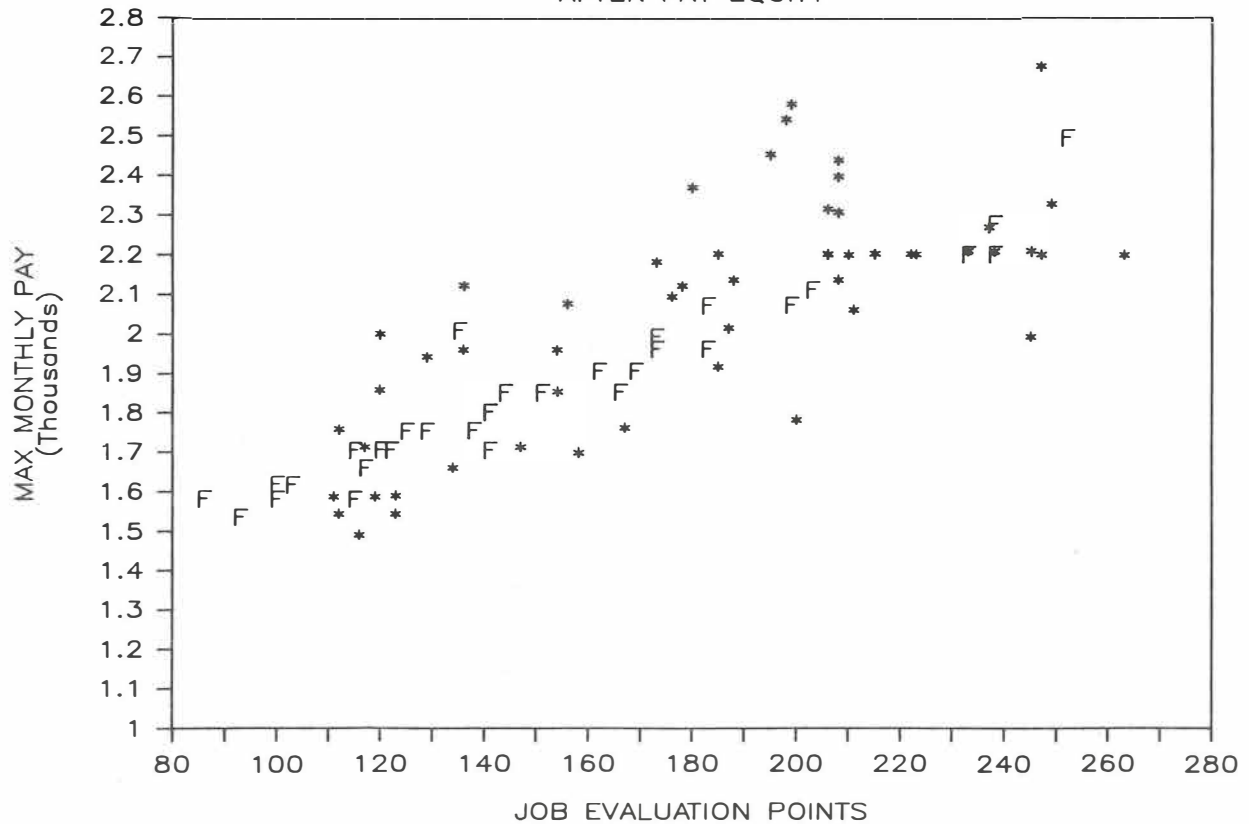
# MINNESOTA STATE GOVERNMENT

BEFORE PAY EQUITY



# MINNESOTA STATE GOVERNMENT

AFTER PAY EQUITY



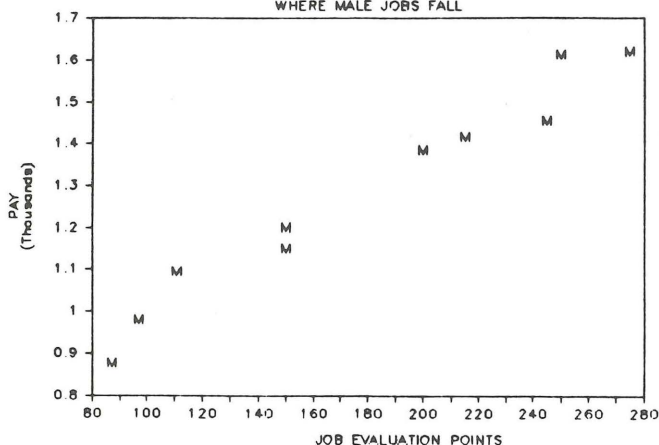
In each of these examples, the pay for female jobs is consistently lower than the pay for male jobs at the same point value. The appendix to this report includes a list of the ten largest male classes and the ten largest female classes in state government in 1981, with point ratings and pay rates for each class. Also included is a list of all state job classes which were either male-dominated or female-dominated at that time, with point ratings and pay rates.

Pay inequities can also be analyzed using a series of schematic scattergrams.

In the first scattergram shown below, male-dominated jobs are plotted using the letter "M". This forms a "line of central tendency" which shows the average pay for male jobs at any given point level. This average male pay line is shown in the second scattergram.

SCATTERGRAM OF MALE JOBS

WHERE MALE JOBS FALL



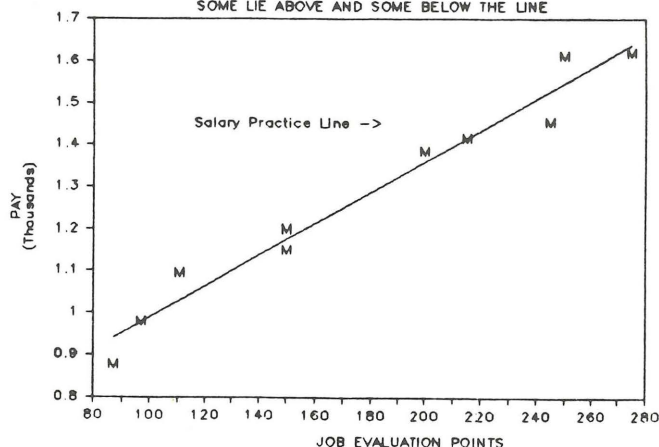
The third scattergram shows the pay for female jobs in comparison to this average pay line. In the analysis of state employees conducted in 1981, there were no female jobs above the average male salary line.

The goal of pay equity is to eliminate the dual wage structure. This would mean that both male and female jobs are scattered around the line. This is theory shown in the fourth scattergram below, and illustrated as the reality in state government employment after pay equity on the opposite page.

Pay equity does not require that all jobs be paid according to a formula based on points. Jobs may be above or below the line because of factors such as recruitment problems, collective bargaining, or for other reasons. However, when pay equity is fully implemented, there will no longer be a pattern of consistently lower pay for female jobs.

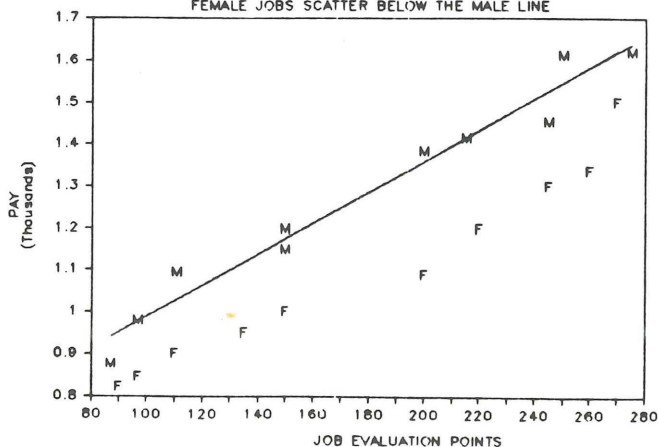
LINE OF CENTRAL TENDENCY FOR MALE JOBS

SOME LIE ABOVE AND SOME BELOW THE LINE



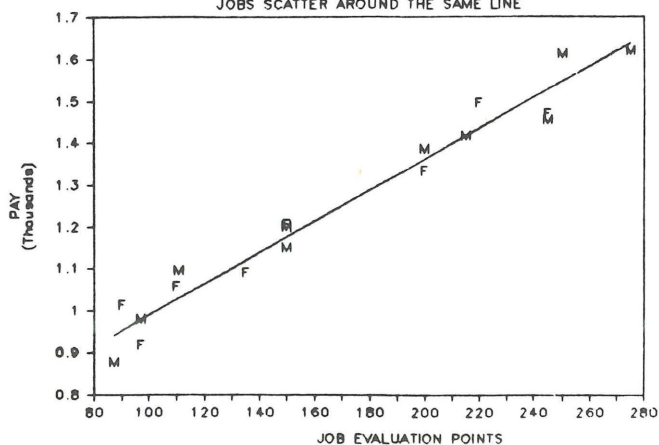
MALE, FEMALE AND MALE SALARY LINE

FEMALE JOBS SCATTER BELOW THE MALE LINE



IDEAL SITUATION: ONE PAY PRACTICE

JOBS SCATTER AROUND THE SAME LINE





## State Employees Pay Equity Act

As a result of this analysis, the Council on the Economic Status of Women recommended legislative action. Legislators from both parties supported the pay equity bill, and no testimony was offered in opposition. The initial legislation was supported by Republican Governor Albert Quie, and subsequent implementation was supported by Democratic Governor Rudy Perpich.

In 1982, the legislature passed the State Employees Pay Equity Act in the form of amendments to the state personnel law, Minnesota Statutes Chapter 43A. The bill was authored by Senator Linda Berglin, then Chair of the Council on the Economic Status of Women, and by Representative Wayne Simoneau.

The new law included a policy and a procedure to provide pay equity for state government employees. The policy statement makes "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 relationship to other positions in the executive branch."

The law also established the following procedure for implementation:

\* By January 1 of odd-numbered years, the Commissioner of Employee Relations submits a list of female-

dominated classes which are paid less than other classes of comparable value. Also submitted is an estimate of the cost of full salary equalization.

\* The Legislative Commission on Employee Relations recommends an amount to be appropriated for comparability adjustments to the House Appropriations Committee and the Senate Finance Committee.

\* Funds are appropriated through the usual legislative process. These funds are within the salary supplement which also includes funds for other increases, but the pay equity funds are earmarked for salary equalization for the job classes on the list submitted by the commissioner. Pay equity funds not used for this purpose revert back to the state treasury.

\* Appropriated funds are assigned to the different bargaining units in proportion to the total cost of implementing pay equity for the persons in the job classes represented by that unit. The actual distribution of salary increases is negotiated through the usual collective bargaining process.

## Implementation for State Employees

The procedure outlined in the 1982 legislation went into effect for the first time in 1983. (The Minnesota legislature appropriates funds on a biennial basis, with major appropriations made in odd-numbered years.)

In 1983, the Commissioner of Employee Relations submitted the required list of underpaid female-dominated classes and estimated overall implementation costs at \$26 million. This represents four percent of the total annual state payroll.

The legislature approved the list of eligible classes and appropriated 1.25 percent of payroll per

year for the first biennium of pay equity implementation. This represented an appropriation of \$21.7 million. The money was allocated to bargaining units based on the cost for each unit to achieve pay equity.

The \$21.7 million was enough to eliminate about \$14 million of the total inequity of \$26 million, as follows:

- \$7 million spent to reduce inequities in the first year of the biennium;
- \$7 million spent to maintain this level of funding in the second year of the biennium; and
- \$7 million spent to further reduce inequities in the second year of the biennium.

Union contracts were negotiated with each bargaining unit, and these contracts included the distribution of pay equity funds as well as general wage adjustments. The contracts were for the period beginning July 1, 1983 and ending June 30, 1985.

In this first biennium of implementation, 8,225 employees in 151 female-dominated job classes received pay equity increases. About 90 percent of these employees were women, while ten percent were men in female-dominated classes.

The major beneficiaries were (1) clerical workers, all of whom received pay equity increases, and (2) health care employees, about half of whom received pay equity increases. The average amount of increase for pay equity was \$1,600 per year by the end of the biennium.

No state employee had wages cut as a result of pay equity, and there were no employee layoffs.

In the 1985 legislative session, the procedure continued. The Department of Employee Rela-

tions submitted the revised list of underpaid female-dominated classes and a revised cost estimate. The legislature earmarked pay equity funds of \$11.7 million. This amount allowed for full implementation of pay equity for Minnesota state employees by the end of the current biennium, or June 30, 1987.

With the signing of collective bargaining agreements in 1985, the state and its unions have ensured full implementation. Some of the results of the program include:

- \* The total cost of pay equity was 3.7 percent of payroll.
- \* Approximately 8,500 employees in 200 female-dominated classes have received pay equity increases.
- \* The major groups affected were clerical workers and health care workers; about 10 percent of those receiving increases were men.
- \* The estimated average increase for pay equity was \$2,200.

Minnesota has achieved a national reputation as a state where pay equity works. There have been no wage reductions, wage freezes, or employee layoffs as a result of pay equity, and the program is strongly supported by state employees.

It has sometimes been suggested that pay equity might discourage women from seeking jobs in traditionally male fields, since pay equity leads to higher pay for traditionally female fields. The Minnesota experience shows that this fear is unfounded. During the period the state has been implementing pay equity, the numbers of women working for the state have increased by 6 percent. In the same period, the numbers of women in non-traditional jobs has increased by 19 percent.



## MINNESOTA LOCAL GOVERNMENTS

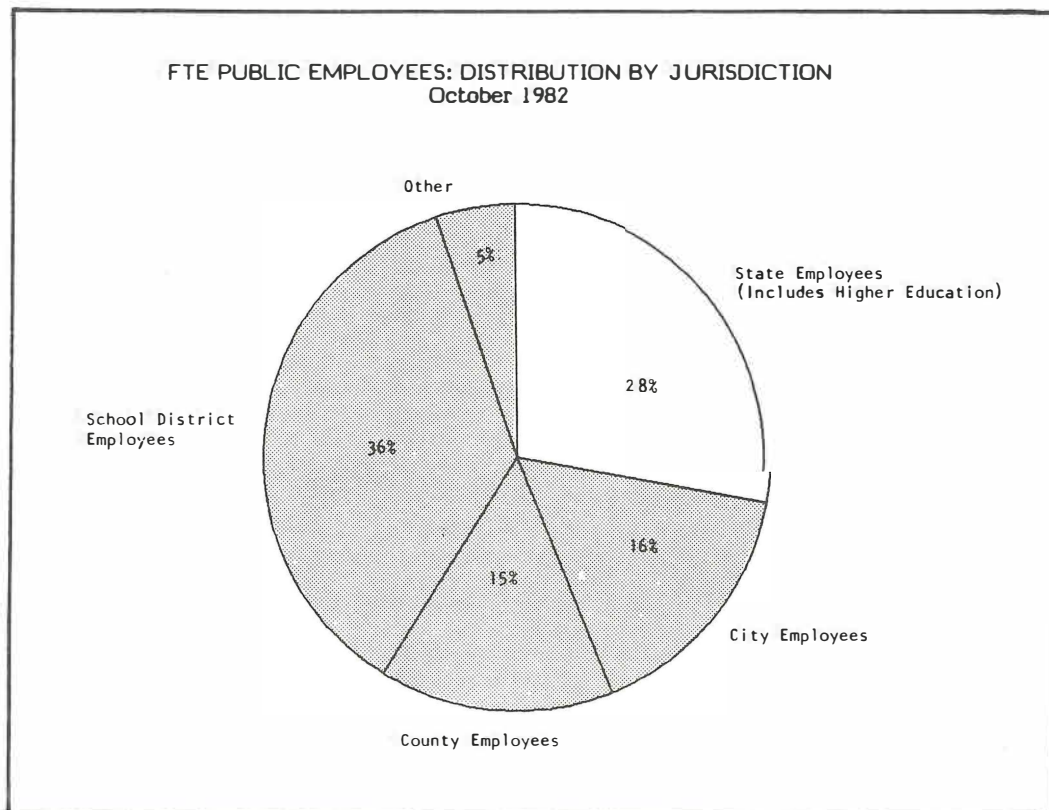
There are an estimated 163,000 employees of the 1,600 local governments in Minnesota, primarily cities, counties and school districts. About half of the employees in local government jurisdictions are women. Local government employees in the state outnumber state government employees by about 3 to 1.

### Women in Local Governments

Women's representation varies widely by jurisdiction. In the state's 855 cities, women represent only about one-fifth of employees. Cities provide police and fire protection, street maintenance, sewer and water services. In addition, cities may choose to provide utility services, operate municipal liquor stores, operate hospitals and maintain airports. Probably because most of these functions have historically been performed by men, the large majority of city employees are men.

Minnesota has 87 counties. Each has authority for a wide range of social service activities, in addition to property assessment, maintenance of roads and bridges and other functions. Perhaps because of their role in public welfare programs, counties employ many more women than do cities. Overall, about half of county employees are women.

There are 435 school districts in Minnesota, and about 60 percent of school district employees are women. Overall, about three-fourths of school district payrolls are made up of certified staff (teachers and administrators), while one-fourth of school district payrolls are made up of non-certified staff. 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 and clerical workers and teacher aides.



## Local Government Pay Equity Act

In 1984, the Minnesota Legislature passed a bill requiring local governments to undertake pay equity activities. The bill was authored by Senator Linda Berglin and Representative Phil Riveness.

Two factors were important in passage of the new law: (1) the smoothness of pay equity implementation at the state level, and (2) the court decision in the State of Washington lawsuit.

The Local Government Pay Equity Act is now incorporated in Minnesota Statutes 471.991 - 471.999. Like the state employees pay equity law, the local government law includes a basic policy statement as well as a procedure for implementation. The policy statement is:

"...Every political subdivision of this state shall establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees... (471.992) 'Equitable compensation relationship' means that 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." (471.991)

The law requires each local government jurisdiction to use a job evaluation system to determine comparable work value. Local governments must meet and confer with exclusive representatives of their employees on the development or selection of a job evaluation system. Jurisdictions may 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 must submit a pay equity report to the Department of Employee Relations by October 1, 1985. Each report must include the following information:

- (1) the title of each job class in the jurisdiction;
- (2) for each job class, the following information as of July 1, 1984:
  - (a) the number of incumbents;
  - (b) the percentage of the incumbents who are female;
  - (c) the comparable work value of the class, as defined by the job evaluation;
  - (d) the minimum and maximum monthly salary for the class;
- (3) a description of the job evaluation system used;
- (4) a plan for establishing equitable compensation relationships between female-dominated and male-dominated classes, including
  - (a) identification of classes for which a compensation inequity exists based on the comparable work value;
  - (b) a timetable for implementation of pay equity; and
  - (c) the estimated cost of implementation.

The law provides local governments with limited legal protections while the process of implementing pay equity is underway. The results of the job evaluation may not be used as evidence in state courts or in administrative actions before the state Human Rights Department. This protection expires on August 1, 1987. In addition, the law states that "No cause of action arises before August 1, 1987 for failure to comply with the requirements" of the law.



## Technical Assistance

The Department of Employee Relations is required to provide technical assistance to local governments in the process of complying with this law. By January of 1986, the department must report to the legislature with the information gathered from local governments, including a list of local governments which did not comply with the law's reporting requirements.

The Department of Employee Relations has published a series of booklets to assist local governments in complying with the law. "A Guide To Implementing Pay Equity in Local Government," published in August 1984, contains basic information about the law and options for local governments in conducting a job evaluation study. Other publications include supplements for counties, schools, cities and a special supplement for very small cities with ten or fewer employees. Each supplement contains the reporting form and instructions for completing the report.

Each of these supplements also includes a "job match list" appropriate for that type of jurisdiction, with a list of state jobs and evaluation points which the jurisdiction may match with local jobs. This allows local governments to "piggy-back" on the existing state job evaluation system without incurring the costs of hiring consultants.

The Department of Employee Relations has also developed computer software for pay analysis and conducted training seminars for local governments across the state.

Finally, the department also prepared a report to the legislature in January 1986 as required by the law. All of the materials listed in this section are available on request from the Department of Employee Relations.

## Current Status

As of September 25, 1986, the Department of Employee Relations has received 1,238 pay equity reports from local governments. This represents 78 percent of the 1,538 local governments in Minnesota. Almost all of those who have not yet reported have studies underway.

The reports received to date include 87 percent of school districts, 69 percent of cities and townships, 51 percent of counties and 90 percent of all other jurisdictions covered by the Local Government Pay Equity Act. These reports cover an estimated 103,000 employees statewide, or about 63 percent of the total number of employees in local governments.

The more detailed information below is based on the 1,090 reports received by the Department of Employee Relations as of January 15, 1986. Detailed information based on more recent reports has not yet been compiled, but final results are estimated below.

## Evaluation Systems

\* About 52 percent of those reporting used the state job match system. When all reports are received, it is estimated that about 43 percent will have used this system.

\* About 29 percent used a system designed by a consulting firm. It is estimated that about 44 percent of all those who eventually report will use a consulting system.

\* Six percent designed their own systems or borrowed another employer's system. About 12 percent did not use a system because they had only one employee or all employees were of the same sex.

\* All of the evaluation systems showed similar results, and the cost of correcting inequities was similar regardless of the system used.

### Inequities

\* Slightly less than half of those reporting found inequities in their workforce. Most of those without inequities were small employers. It is expected that a substantial majority of those who eventually report will identify inequities.

\* The reports listed 13,464 employees in inequity classes, or about 30 percent of female employees. The average amount of pay equity increase is estimated at \$246 per eligible employee per month. When all reports are submitted, an estimated 26,000 to 40,000 employees will be eligible for pay equity increases.

\* Occupational groups with the largest numbers of employees eligible for pay equity increases are clerical workers, food service workers and school aides.

### Implementation Plans

\* On average, local governments estimate the cost of pay equity at 2.6 percent of payroll -- 1.7 percent of payroll for schools, 4.1 percent of payroll for cities and 3.8 percent of payroll for counties. This means the costs are generally similar to the cost in state government, at 3.7 percent of payroll.

\* Local governments plan to implement pay equity over an average of 2.3 years. Most jurisdictions began phasing in pay equity in 1985 and expect to complete the process in 1987. Again the local government process is similar to that used in state government, with increases phased in at a rate of about one percent of payroll per year.

These data are based on the estimates submitted by local governments. Actual implementation will be achieved through the collective bargaining process for those jurisdictions where employees are represented by a union.

Most local government employers appear to be making a good faith effort to comply with both the letter and the spirit of the Local Government Pay Equity Act. With continued cooperative efforts on the part of all those concerned, pay equity will soon be a reality for public sector employers in Minnesota.



## **APPENDICES**

APPENDIX I.	. . . Ten Largest Male & Female Jobs, State of Minnesota, 1981
APPENDIX II .	. . . Hay Point Ranking Of Job Classes
APPENDIX III. .	Comparison of Pay Equity Efforts in the State of Washington and the State of Minnesota
APPENDIX IV . . . .	Minnesota Pay Equity Law For State Employees
APPENDIX V.	Local Government Pay Equity Act
APPENDIX VI . . . .	Resources
APPENDIX VII.	. Technical Notes

# APPENDIX I. TEN LARGEST MALE & FEMALE JOBS, STATE OF MINNESOTA, 1981

Listed below are the largest male and female job classes in Minnesota state government as of 1981, when the initial pay equity study was done. These jobs account for about one-fourth of state government employees. The list showed a consistent pattern of lower pay for female jobs, even when these jobs require the same or higher levels of skill, effort and responsibility than male jobs.

CLASS TYPE	JOB CLASS	HAY PTS	1981 SALARY (MONTHLY MAXIMUM)	
			"MALE" CLASSES	"FEMALE" CLASSES
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 Senior	151		1,274
M	Highway Maintenance Worker Senior	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- Conservation	238	1,808	
M	Principal Engineering Specialist	298	2,347	
M	Engineer Senior	382	2,619	
M	Engineer Principal	479	2,923	



## APPENDIX II. HAY POINT RANKING OF JOB CLASSES

The following is a complete listing of state employee job classes which are either male-dominated or female-dominated, which have been assigned Hay points, and which had at least 10 incumbents as of October 1981. Data sources are listed in Appendix VII.

# of INCUM- BENTS	PERCENT FEMALE	JOB CLASS OR TITLE	HAY PTS	1981 SALARY (MONTHLY MAXIMUM)	
				"MALE" CLASSES	"FEMALE" CLASSES
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
48	0.0%	Automotive Parts Technician	129	1,505	
47	95.7%	Dining Hall Coordinator	129		1,202

# of INCUM- BENTS	PERCENT FEMALE	JOB CLASS OR TITLE	HAY PTS	1981 SALARY (MONTHLY MAXIMUM)	
				"MALE" CLASSES	"FEMALE" CLASSES
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 Senior	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 Aids Assistant	162		1,307
39	94.9%	Library Technician	166		1,343
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 Mech. Apprentice	176	1,623	
402	72.1%	Human Services Specialist	177		1,343



# of INCUM- BENTS	PERCENT FEMALE	JOB CLASS OR TITLE	HAY PTS	1981 SALARY (MONTHLY MAXIMUM)	
				"MALE" CLASSES	"FEMALE" CLASSES
16	0.0%	Engineering Aide Intermediate	178	\$ 1,646	
462	6.3%	Highway Technician Intermediate	178	1,646	
21	0.0%	Weights & Measures Investigator 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 Supervisor	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
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	

# of INCUM- BENTS	PERCENT FEMALE	JOB CLASS OR TITLE	HAY PTS	1981 SALARY (MONTHLY MAXIMUM)	
				"MALE" CLASSES	"FEMALE" CLASSES
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 Resources Spec 2-Conser	238	1,808	
31	0.0%	Natural Resources Spec 2-Fisheries	238	1,703	
15	0.0%	Natural Resources Spec 2-Park Spec	238	1,703	
17	11.8%	Unemployment Tax Examiner	238	1,590	
38	2.6%	Veterans Employment Representative	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 Resources Spec 1-Forester	245	1,538	
125	1.6%	Natural Resources 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 Equipment Field Mechanic	249	1,810	
70	85.7%	Executive 2	252		1,740
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	2,031	
17	0.0%	Vocational Education 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 Intermed	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 3-Aquatic	289	1,891	
14	71.4%	Librarian	291		1,825
10	0.0%	Boiler Inspector	298	2,342	
16	0.0%	Natural Resources Spec 3-Conserv	298	2,020	
30	0.0%	Natural Resources Spec 3-Fisheries	298	1,891	
47	0.0%	Natural Resources Spec 3-Wildlife	298	1,891	
169	0.6%	Principal Engineering Specialist	298	2,347	
31	3.2%	Safety Investigator Senior	298	2,104	



# of INCUM- BENTS	PERCENT FEMALE	JOB CLASS OR TITLE	HAY PTS	1981 SALARY (MONTHLY MAXIMUM)	
				"MALE" CLASSES	"FEMALE" CLASSES
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	
25	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 Equipment Mechanic Foreman	315	2,333	
12	0.0%	Highway Maintenance 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	2,041	
22	4.5%	Correctional Security Caseworker	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 Supervisor	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 Principal	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
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-Supervisory	406		2,041

# of INCUM- BENTS	PERCENT FEMALE	JOB CLASS OR TITLE	HAY PTS	1981 SALARY (MONTHLY MAXIMUM)	
				"MALE" CLASSES	"FEMALE" CLASSES
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 Supervisor	432	2,725	
16	0.0%	Highway Maintenance Superintendent	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 III. COMPARISON OF PAY EQUITY ACTIVITIES IN STATE OF WASHINGTON & STATE OF MINNESOTA**

The following information is excerpted from "Fair Pay - What's The Real Cost?" published by the National Committee on Pay Equity.

#### **WASHINGTON: INACTION/LITIGATION**

##### **Study Shows Pay Gap**

\* In 1974, the State of Washington, with a total workforce of 30,000, performed a job evaluation study. The study showed that jobs held mostly by women were underpaid.

##### **State Does Not Act**

\* No steps were taken to correct the gap.

##### **Cost Would Have Been 5% of Payroll**

\* The cost of correcting the gap was estimated at 5% of payroll.

##### **Inaction Prompts Lawsuit**

\* AFSCME filed charges under Title VII of the Civil Rights Act.

\* Only after the lawsuit was filed did the legislature begin correction. In 1983, nine years after the original study, the state passed legislation committing the state to pay equity by 1993.

##### **Court Rules State Discriminated**

\* In late 1983, the court found the state guilty of discrimination.

##### **Back Pay Awarded, Cost Rises**

\* The judge awarded immediate wage corrections to employees in female jobs and back pay going back 5 years.

\* The back pay award resulting from the state's refusal to make corrections voluntarily has driven up the cost for Washington State to over 25% of state payroll.

#### **MINNESOTA: VOLUNTARY ACTION**

##### **Study Shows Pay Gap**

\* In 1979, the State of Minnesota, with a total workforce of 30,000, performed a job evaluation study. The study showed that jobs held primarily by women were underpaid.

##### **State Takes The Initiative**

\* The Minnesota Legislature responded by requiring pay equity in the state workforce.

##### **Cooperative Process Established**

\* In 1981, the Council on the Economic Status of Women established a Task Force on Pay Equity.

\* The Task Force issued a report showing the undervaluation of female jobs.

##### **Cost is 4% of Payroll**

\* The total cost of the correction was identified to be 4% of the state's payroll.

##### **Legislature Phases In Correction**

\* In March 1982, a bill passed which provided for a 4-year phased-in correction of inequities.

##### **Increases Bargained**

\* The first installment of the appropriation for wage increases was made in January 1983: \$21.7 million to cover the first two years of the phase-in.

\* The actual distribution of this amount was negotiated through the usual collective bargaining process.



## **WASHINGTON: INACTION/LITIGATION**

### **Litigation Continues**

\* The state appealed the court decision and the Court of Appeals overturned the lower court's decision.

### **Settlement Reached**

\* AFSCME and the State of Washington agreed to a financial settlement of \$106 million over a five year period, rather than continuing litigation with a union appeal to the U.S. Supreme Court

## **MINNESOTA: VOLUNTARY ACTION**

### **Final Implementation**

\* The final installment of the appropriation for wage increases was made in the Spring of 1985: \$11.7 to complete pay equity implementation.

\* Final pay equity adjustments were negotiated and final adjustments were made to eligible employees in July 1986.

\* The total cost of pay equity was 3.7 percent of payroll.

\* A University of Minnesota study of pay equity implementation found that more than 80 percent of the State employees surveyed strongly supported the pay equity program.

## APPENDIX IV. MINNESOTA PAY EQUITY LAW FOR STATE EMPLOYEES

### MINNESOTA PAY EQUITY LAW FOR STATE EMPLOYEES

## CHAPTER 43A

### DEPARTMENT OF EMPLOYEE RELATIONS

#### Policy Statement (M.S. 43A.01, Subd. 3)

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.

#### Definition of Terms (M.S. 43A.02)

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 employee relations.

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.

### Timeline and Procedure (M.S. 43A.05, Subd. 5)

Subd. 5. **Comparability adjustments.** The commissioner shall compile, subject to availability of funds and personnel, and submit to the legislative commission on employee relations 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 commission on employee relations, 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 in the same manner as provided in section 3.855 and section 43A.18 or section 179A.22, subdivision 4, provided that 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.

### Allocation of Money (M.S. 43A.05, Subd. 6)

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 of each odd-numbered year. The legislature may accept, reject, or modify the amount recommended. The commissioner of finance, in consultation with the commissioner of employee relations, shall allocate the amount appropriated by the legislature, on a pro-rata 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.



## APPENDIX V. LOCAL GOVERNMENT PAY EQUITY ACT

### LOCAL GOVERNMENT PAY EQUITY ACT

#### MINNESOTA STATUTES 1984, AS AMENDED 1986

#### 471.991 DEFINITIONS.

Subdivision 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 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.

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.

Subdivision 1. Establishment. Subject to sections 179A.01 to 179A.25 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.

Subd. 2. Arbitration. In all interest arbitration held pursuant to sections 179A.01 to 179A.25, the arbitrator shall consider the equitable compensation relationship standards established in this section, 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.

Subd. 3. Effective date. This section will become effective August 1, 1987.

History: 1984 c 462 s 27; 1984 c 651 s 2; 1986 c 459 s 1

#### **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 179 and in establishing, recommending, and approving compensation plans for employees of political subdivisions not represented by an exclusive representative under chapter 179, the respective political subdivision as the public employer, as defined in section 179.63, subdivision 4, 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.

History: 1984 c 651 s 3

#### **471.994 JOB EVALUATION SYSTEM.**

Every political subdivision shall use a job evaluation system in order to determine the comparable work value. 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.

History: 1984 c 651 s 4

#### **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.

History: 1984 c 651 s 5

#### **471.996 PRIVATE DATA.**

Except as provided in section 471.995, the results of any job evaluation system established under section 471.994 and the reports compiled under section 471.995 shall be considered personnel data as defined in section 13.43, subdivision 1, and treated as private data under section 13.43, subdivisions 4 and 5, until July 31, 1987. The director of mediation services is authorized to release the job evaluation system results and reports to labor organizations as provided under section 13.43, subdivision 6.

History: 1984 c 651 s 6

#### **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 sections 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.

History: 1984 c 651 s 7; 1986 c 459 s 2

#### **471.997 HUMAN RIGHTS ACT EXCEPTION.**

Neither the commissioner of human rights nor any state court shall use or consider 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 commenced alleging discrimination before August 1, 1987, under chapter 363.

History: 1984 c 651 s 8

NOTE: See also section 363.02.

#### **471.9975 SUITS BARRED.**

No cause of action arises before August 1, 1987 for failure to comply with the requirements of Laws 1984, chapter 651.

History: 1984 c 651 s 9

#### **471.998 REPORT TO COMMISSIONER**

Subdivision 1. Report on implementation plan; contents. Every political subdivision shall report to the commissioner of employee relations by October 1, 1985, on its plan for implementation of sections 471.994 and 471.995. Each report shall include:

(1) the title of each job class which the political subdivision has established;

(2) the following information for each class as of July 1, 1984:

(a) the number of incumbents;

(b) the percentage of incumbents who are female;



(c) the comparable work value of the class, as determined under the system chosen under section 471.994; and

(d) the minimum and maximum monthly salary for the class;

(3) a description of the job evaluation system used by the political subdivision, and

(4) a plan for establishing equitable compensation relationships between female-dominated and male-dominated classes, including:

(a) identification of classes for which a compensation inequity exists based on the comparable work value;

(b) a timetable for implementation of pay equity; and

(c) the estimated cost of implementation.

Subd. 2. Technical assistance. The commissioner of employee relations shall, upon request of a political subdivision, provide technical assistance in completing the required reports.

History: 1984 c 651 s 10

#### 471.999 REPORT TO LEGISLATURE.

The commissioner of employee relations shall report to the legislature by January 1, 1986 on the information gathered from political subdivisions. The commissioner's report shall include a list of political subdivisions which did not comply with the reporting requirements of this section.

History: 1984 c 651 s 11

## **APPENDIX V. RESOURCES**

**The following organizations can provide information and assistance on pay equity in Minnesota:**

Commission on the Economic Status of Women, 85 State Office Building, St. Paul MN 55155. 612/296-8590 (Twin Cities and other states) or 800-652-9747 (toll-free line for non-metro locations in Minnesota)

Minnesota Department of Employee Relations, Third Floor Space Center, St. Paul MN 55101. 612/296-2796 (Twin Cities and other states) or 800-652-9747 (toll-free line for non-metro locations in Minnesota)

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, MN 55102. 612/224-5445 PAY EQUITY: A MONITORING GUIDEBOOK, is available from the League office.

League of Minnesota Cities, 183 University Avenue, St. Paul MN 55103. 612/227-5600

Association of Minnesota Counties, 555 Park Street, St. Paul MN 55103. 612/224-3344

Minnesota School Boards Association, P.O. Box 119, St. Peter, MN 56082. 612/333-8577

**The following organizations provide clearinghouse information on pay equity activities nationally:**

National Committee on Pay Equity, 1201 Sixteenth Street Northwest, Room 422, Washington, D.C. 20036. 202/822-7304

Comparable Worth Project 488 - 41st Street, #5, Oakland, CA 94703. 415/658-1808

## APPENDIX VII. TECHNICAL NOTES

Sources for information and descriptions of the data in this report are cited below by page number.

Page 9. Sample ratings for state jobs assigned relatively high and relatively low Hay points are based on a Department of Employee Relations printout entitled "Summary of Evaluations, Report HS09", prepared as part of the Hay study in 1979. Since that time, a number of job classes have been split into supervisory and non-supervisory components, some classes have been eliminated, and some Hay point evaluations have been changed.

Page 10. The composition of bargaining units by size and sex is as indicated in a computer printout prepared by the Office of Senate Research, based on Department of Employee Relations data for October 1981. Bargaining unit names are specified by state law and are not comparable with occupational groups designated by the U. S. Department of Labor.

Page 10 & 11. Data about state employees occupational groups and average salaries by sex are from a Department of Employee Relations computer printout entitled "Accession Analysis, Report CZ10", based on the state payroll as of July 1981. Occupational groups listed are those defined by the U.S. Department of Labor and should not be confused with bargaining unit names. Included are all executive branch employees except academic employees at the University of Minnesota, state universities and community colleges. Unclassified employees are included in the chart on page 10.

Page 15. The number of state employee job classes and their composition by size and sex are based on a computer printout prepared by the Office of Senate REsearch. Included are full-time unlimited employees in the executive branch, excluding academic employees of the University of Minnesota, state universities and community colleges.

Appendix 1. The top ten male and female jobs are excerpted from the full listing of male-dominated and female-dominated state employee job classes in Appendix II.

Page 12. The scattergrams are computer representations of the full listing of male-dominated and female-dominated state employee job classes in Appendix II.

Appendix II. This listing includes all job classes for full-time unlimited executive branch employees except those at the University of Minnesota, academic and instructional employees of the state university system, and instructional employees of the community college system, for classes which had at least 10 incumbents as of October 1981, which have been assigned Hay points, and which are either male-dominated or female-dominated.

Information about number of incumbents and percent female is based on the Senate Research printout described in the note for page 15. Information about number of Hay points assigned is based on the Department of Employee Relations printout described in the note for page 9, and does not account for any positions which have been re-evaluated. Information about salaries is based on bargaining contracts in effect on July 1, 1981 for all bargaining units except those represented by AFSCME, where salaries were in effect as of August 11, 1981.



## **ABOUT THE COMMISSION**

The COMMISSION ON THE ECONOMIC STATUS OF WOMEN is a legislative advisory commission established by the Minnesota legislature in 1976. Commission members include state senators and representatives. The Commission studies all matters relating to the economic status of women in Minnesota and publishes reports and recommendations to the legislature and to the Governor. Commission members are:

Senator Linda Berglin  
Senator Marilyn Lantry  
Senator Eric Petty  
Senator Ember Reichgott, Chair  
Senator Donald Storm  
Representative Kathleen Blatz  
Representative Harriet McPherson  
Representative Sidney Pauly  
Representative Pat Piper  
Representative Eileen Tompkins

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**COMMISSION ON THE ECONOMIC STATUS OF WOMEN**