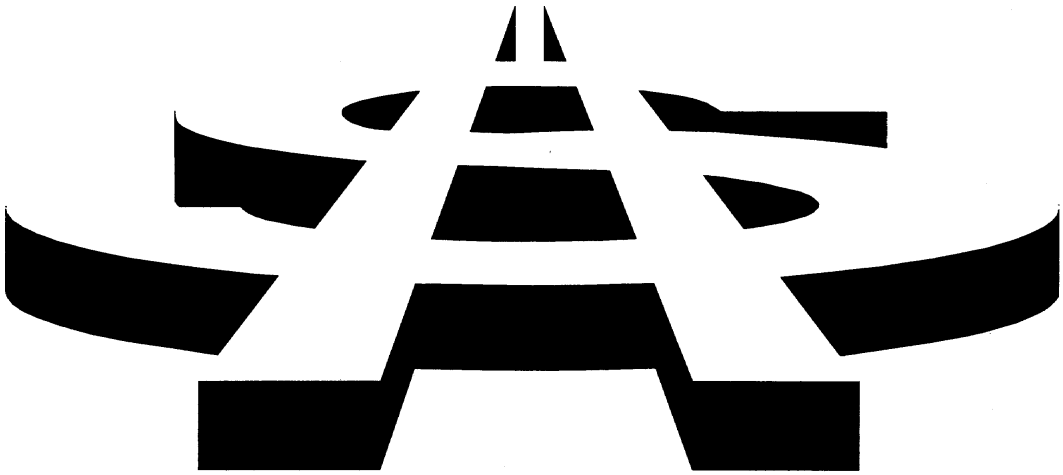
PAY EQUITY:
The Minnesota Experience



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PAY EQUITY: THE MINNESOTA EXPERIENCE

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INTRODUCTION

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

Minnesota's experience shows that pay equity can be implemented smoothly and at a reasonable cost.

The purpose of this booklet is to review the basic concepts of pay equity - also called "comparable pay for work of comparable value" or "comparable worth" --and to summarize pay equity activity in the United States and particularly in Minnesota. Appendix A lists resources for those who would like more detailed information.

GENERAL INFORMATION ON PAY EQUITY

Beyond Equal Pay for Equal Work

Federal and state laws have required equal pay for equal work for three decades. Employers must pay female truck drivers the same as male truck drivers and female engineers the same as male engineers. In 1991 employed women working full-time, year-round had average earnings that amounted to only 70 percent of the average earnings for men employed full-time, year-round.

Why does this wage gap persist? Occupational segregation is the most important reason. There are still very few female truck drivers or engineers. In fact most employed women perform "women's work," such as nursing, library, clerical, and service work. In 1991 women were 93 percent of registered nurses, 79 percent of cashiers, 80 percent of general office clerks, 98 percent of nursing aides, and 90 percent of receptionists. In state and local governments women were 87 percent of administrative support workers and 72 percent of paraprofessional workers.

The wage gap continues because women do "women's work" and "women's work" is low paid. The more women in an occupation, the lower the pay. A 1986 National Academy of Sciences study found that each additional percentage of women in an occupation was associated with $42 less in median annual earnings.

One consequence of low earnings is poverty or near-poverty. In 1990 women accounted for 61 percent of adult Minnesotans living in poverty, and 40 percent of Minnesota's female-headed single parent families with children were poor.

What is Pay Equity?

Pay equity addresses gender-based wage discrimination by requiring employers to use gender-neutral criteria to set wages. By establishing "equal pay for work of equal value," pay equity corrects the historical practice of paying less for work performed by women. Women may perform jobs with different duties than the jobs performed by men, but if the "male" and "female" jobs are equally valuable to the organization they should be paid comparably.

Early pay equity studies in Minnesota and across the nation showed that "women's work" was consistently paid less than "men's work." Data from Minnesota state government are presented later in this booklet to illustrate this pattern. When jobs of equal value were compared, there was an almost automatic discount for the jobs performed by women. This disparity could not be explained by qualifications for the job, by length of service in the job, by job performance, or by any factor other than gender.

In practice, pay equity has come to mean eliminating sex bias in pay practices by eliminating this dual pay structure. The success of pay equity efforts is measured by comparing the earnings of women and men in jobs rated equally valuable.

Opposition to Pay Equity

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

- **How can you compare jobs which arc as different as apples and oranges?**

Job evaluation systems have been widely used throughout this century. These systems identify factors common to all jobs such as skill, effort, and responsibility -- and assign weights to each factor. Evaluators review job duties, assign points to each factor, and total the points to arrive at a measure of job value.

- **Are wages set by the laws of supply and demand?**

No. There are many examples of jobs paid far less, or far more, than "supply and demand" would suggest. Wage setting is determined by many factors other than supply and demand, such as minimum wage laws, collective bargaining, 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.

- **If women want to earn more, why don't they take "men's jobs"?**

In order to integrate the national labor force, more than 10 million women would have to trade places with more than 10 million men. Most women enjoy their work in traditional female fields, and their contributions are critical to the well-being of society.

How is Pay Equity Accomplished?

Pay equity has been achieved in many parts of the United States through a variety of mechanisms: legislation, collective bargaining, and litigation. Although the mechanisms have varied from one employer to another, the process leading to change has often been similar. This section describes a typical process.

In order to determine whether bias exists in an organization's pay-setting, a group outside the personnel office may conduct a limited study of typical "male" and "female" jobs in the organization. (See Appendix B for the definition of "male jobs" and "female jobs" used in Minnesota.) The study may highlight some obvious inequities, such as a "female job" requiring a college education which is paid less than a "male job" requiring a high school education.

Then a more extensive study is undertaken, usually including the organization's personnel office, to verify the extent of the problem. This step often occurs as a result of a lawsuit, a bargaining agreement, or legislative action.

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

The purpose of pay analysis is to determine whether jobs are paid appropriately in relationship to each other, based on the job evaluation. In pay equity studies the pay analysis compares pay for "male jobs" and "female jobs" of comparable value. Studies across the country consistently show that "female jobs" are paid about 20 percent less than "male jobs" of equal value. A later section of this booklet illustrates how job evaluation and pay analysis were applied in the pay equity study of Minnesota state government.

The final step in achieving pay equity is to eliminate the gap between "male jobs" and "female jobs" of comparable value. Again, intervention through the legislative, judicial, or collective bargaining process is often needed to make this happen. The cost to achieve pay equity is consistently around 4 percent of the employer's total annual payroll. Many organizations, like the state of Minnesota, achieve pay equity by phasing in special increases for the underpaid female employees over a period of several years. On-going monitoring is needed to ensure that disparities do not recur.

Legislation

In Minnesota and in other places pay equity has been implemented as a result of state legislation. (Minnesota's pay equity laws are included as Appendix B and Appendix C.) Legislation usually establishes a pay equity policy. It may also require a job evaluation study or other specific mechanisms.

Most legislation addresses pay equity for state government employees. Advocates have focused on public employment for several reasons: data on wages are more readily available, and public employers arc often expected to serve as models for the private sector.

In 1992 the National Committee on Pay Equity surveyed states about legislative activity on pay equity for state government employees. According to that survey, 46 of the 50 states (all but Alaska, Arkansas, Georgia and Idaho) and the District of Columbia have taken some action on the issue:

- 23 states had conducted pay equity studies;
- 20 states had made some pay equity adjustments; and
- states - Minnesota, Iowa, Washington, Oregon, New York and Wisconsin - have achieved broad-based implementation of pay equity.

At the federal level, Congress asked the General Accounting Office (GAO) to conduct a major pay equity study of federal government employees. The GAO preliminary 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. Final results of the GAO study are expected in July of 1994.

In 1987 the province of Ontario, Canada, required both public and private employers to achieve pay equity. This law has affected large employers such as Bell Canada, Apple Canada, and Campbell Soup Canada. Five other provinces have enacted pro-active pay equity legislation for the public sector, while the remaining two provinces have complaint-based pay equity legislation. For more information about pay equity outside Minnesota contact the National Committee on Pay Equity, listed with other resources in Appendix A of this report.

Collective Bargaining

Pay equity has also been an important topic in union negotiations in recent years. Many unions have negotiated for pay equity studies which are then used in bargaining for increases. Such studies have been negotiated by AFSCME (American Federation of State, County, and Municipal Employees), the United Auto Workers, the Maine State Employees Association, the Civil Service Employees Association in New York, the Newspaper Guild, and others.

A few examples of pay equity contract settlements include:

- In 1985 AFSCME negotiated comparable worth increases of 10 to 15 percent for employees of the City of Los Angeles.
- In 1986 San Francisco voters approved a referendum requiring the city to eliminate sex- and race-based wage inequities. The following year, the city and its unions agreed to $35.4 million in pay equity increases.
- The National Union of Hospital and Health Care Employees negotiated a contract with the state of Connecticut that provided a pay equity fund equal to one percent of payroll in 1987.
- In Montgomery County, Maryland, negotiations led to pay equity increases in 1989. In 1992 the school board in that county agreed to $484,000 in increases for school employees.
- In 1991 the Utility Workers of America negotiated acontract with the Southern California Gas Company that provided 15 percent pay equity increases for clerical workers.

There have also been pay equity settlements as a result of strikes. 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 and other salary adjustments to workers. Additional pay equity adjustments were bargained by San Jose AFSCME, in 1983 and 1990.

A private sector pay equity strike occurred at Yale University in 1984. Members of the Federation of University Employees, mostly clerical and technical workers, were on strike for four months. In January 1985 a settlement was reached that provided average salary increases of 35 percent for these workers.

In 1991 and 1992 clerical workers represented by the United Auto Workers went on strike for 10 months against Columbia University. Final agreement on a new contract provided pay equity as well as general wage adjustments. In this case pay equity adjustments applied to male and female minority workers as well as to white women.

Litigation

The federal Equal Pay Act of 1963 prohibits employers from paying men more than women for doing the same job. Title VII of the Civil Rights Act of 1964 contains broad prohibitions of discrimination in employment, including sex-based discrimination.

One legal question posed by pay equity has been, "Does Title VII prohibit sex discrimination in pay for jobs performed mostly by women even when the jobs are not identical to those performed mostly by men ?" There have been a number of significant court decisions on this issue. Among them arc two 1981 U.S. Supreme Court cases, Gunther v. County Of Washington and *International Union of Electrical* Workers *v. Westinghouse*. In these cases, the court interpreted Tide VII to allow for comparison of dissimilar jobs, although it stopped short of endorsing the concept of comparable worth. In both cases, substantial monetary settlements were awarded.

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

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

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

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

Education

Across the country women's groups and unions have undertaken educational efforts to increase public awareness of the pay equity issue.

The AFL-CIO has passed several resolutions in support of pay equity. A 1981 resolution states that 'The AFL-CIO urges its affiliates to recognize fully their obligations to treat pay inequities resulting from sex discrimination like all other inequities which must be corrected and to adopt the concept of 'equal pay for comparable work' in contract negotiations; the AFL-CIO will take all other appropriate action to bring about true equality in pay for work of comparable value and to remove all barriers to equal opportunity for women."

The National Committee for Pay Equity (NCPE) includes the American Association of University Women, Coalition of Labor Union Women, League of Women Voters, National Council of Negro Women, Mexican American Women's National Association, Business and Professional Women, National Organization for Women, and Women In Communications and many other groups. In 1991 the NCPE conducted a national poll of U.S. voters. Among the respondents 77 percent would support a pay equity law requiring that "men, women, and people of all races be paid the same for occupations that require the same level of skill and responsibilities even if those occupations are different." The poll reported broad support for pay equity among all classes of voters.

Similar findings were reported by the 1988 American Male Opinion Index underwritten by *Gentlemen ~ Quarterly* magazine and by a 1992 Ms. Foundation survey of American women.

HISTORY OF PAY EQUITY IN MINNESOTA

1976 Council on the Economic Status of Women (CESW) conducted two public hearings on women as state government employees. The following year the council published a report noting women's lower wages.

1979 Minnesota Department of Finance completed a study which included evaluation of state and local government jobs.

1981 CE SW established a Task Force on Pay Equity to examine salary differences between comparable male and female jobs in state government.

1982 CESW task force completed its report showing consistent disparities. As a result, the legislature passed the State Government Pay Equity Act.

1983 Legislature earmarked 1.25 percent of payroll per year for state employee pay equity increases. Minnesota Department of Employee Relations (DOER) negotiated contracts with the state's 16 bargaining units, including pay equity increases for underpaid female-dominated classes as well as cost-of-living increases for all classes.

1984 Legislature enacted the Local Government Pay Equity Act for cities, counties, school districts, and other local government units.

1985 Legislature allocated 1.2 percent of payroll for the fiscal year to complete implementation for state employees. Bargaining and final pay equity adjustments were completed by mid-1986.

1987 Legislature established a financial penalty for school districts not in compliance with reporting provisions of the Local Government Pay Equity Act.

1988 Legislature established financial penalties for non-reporting cities and counties. As a result all local governments completed reports. Legislation also established December 1991 implementation deadline for local governments and financial penalties for failing to implement by then.

1990 Legislature clarified that the purpose of the local government pay equity law is the elimination of sex-based wage disparities and specified the definition of equity.

1992 Implementation reports were submitted to DOER by local governments.

1994 New DOER report indicated that 95 percent of Minnesota local governments had achieved pay equity. Forty jurisdictions were out of compliance and subject to penalties of up to 5 percent of state funding or $100 per day. DOER will review future reports and assess additional penalties, if needed, to ensure that compliance continues.

Pay Equity in Minnesota

MINNESOTA STATE GOVERNMENT

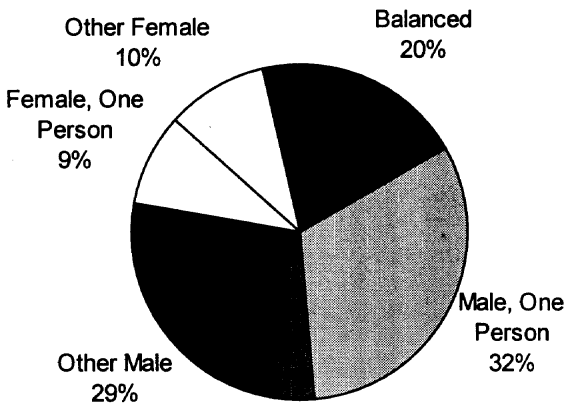
Minnesota is a large employer with a diverse workforce. It was the first state in the nation to achieve pay equity for its employees. For both these reasons Minnesota's experience can serve as a case study for pay equity implementation.

In 1984 Minnesota state government had about 34,000 full-time employees. About 86 percent of the employees in state government were covered by collective bargaining contracts. Women represented a majority of employees in 4 of the 16 bargaining units: clerical workers, health care paraprofessionals, nurses, and personnel employees. Men accounted for the majority of employees in all other bargaining units.

State employees are grouped into job classes. A "class" means one or more positions with similar duties, grouped together under the same class title. Examples are "Clerk Typist I" and "General Repair Worker."

In 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. Male-dominated classes outnumbered female-dominated classes by 3 to 1. Sex-segregated classes outnumbered integrated classes by 4 to 1.

State Job Classes, 1994



Although there were 1,830 classes, just 20 classes accounted for more than one-fourth of all state employees (see Appendix D). The five largest classes were Highway Maintenance Worker Senior, Human Service Technician Senior, Clerk Typist 2, Janitor, and Highway Technician Senior.

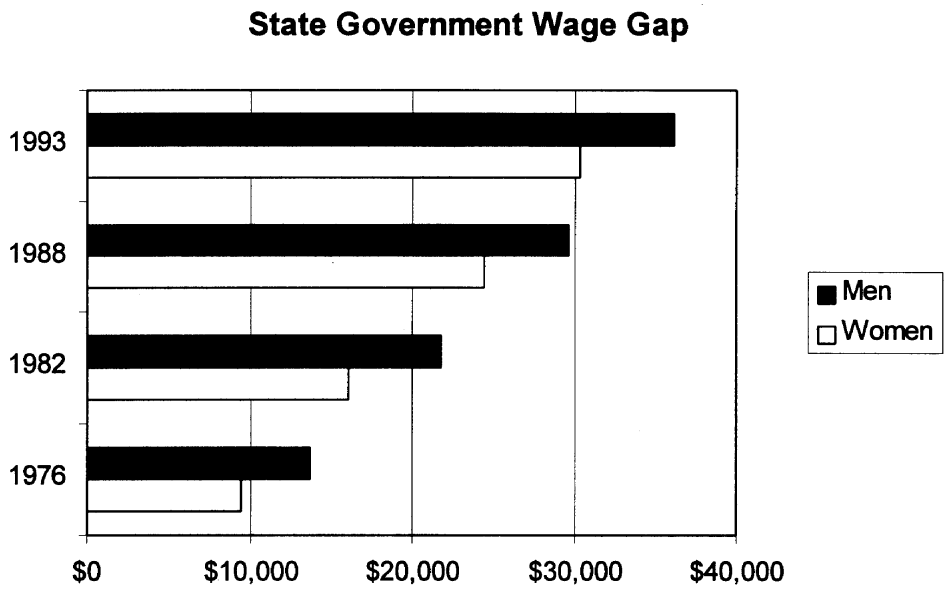
Throughout this booklet a "male" class is one in which over 80 percent of the incumbents arc men, and a "female" class is one in which over 70 percent of the incumbents are women. All other classes are defined as "balanced." A higher percentage is used for the definition of male classes than for female 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 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 35 percent of the entire state workforce.

Women in State Government Employment

When the Council on the Economic Status of Women was established in 1976, its first report was on state-employed women. *Minnesota Women: State Government Employment* noted that women were under-represented in most of the higher-paid job classes and that women's average salaries were lower than men's average salaries. In 1976 only 4 percent of managers were women and only 25 percent of professional employees were women. The average salary for state-employed women was only 69 percent of the average salary for state-employed men.

In the 17 years since that report the status of state-employed women has improved significantly. Affirmative action has increased women's representation in higher-paid jobs, where they now account for 36 percent of managers and 47 percent of professional employees. The average salary for women in Minnesota state government is now 84 percent of the average salary for men in Minnesota state government. Both affirmative action and pay equity have narrowed the state's salary gap. The gap which remains after full implementation of pay equity is due to continued under-representation of women in higher-rated, higher-paid jobs.



Year	Women's Salaries Percent of Men's
1976	69%
1982	74%
1988	82%
1993	84%

How was pay equity implemented in Minnesota state government? The following sections of this booklet explain how the state evaluates jobs, how the Council on the Economic Status of Women analyzed pay in the light of those job evaluations, and how the resulting legislation has worked.

Job Evaluation

Since 1979 the state of Minnesota has used a system developed by Hay Associates, a management consulting firm, to evaluate jobs. That system uses four factors: know-how, problem-solving, accountability, and working conditions. Terminology varies among systems but the Hay system, like others, values know-how much more highly than working conditions. The chart below shows how two jobs were rated in this system.

Sample Ratings for State Jobs Using Hay System-1984		
Factors	**Administrative Secretary**	**Groundskeeper Senior**
***Know-how,* knowledge and skills needed**	115	100
***Problem-solving,* original thinking required**	25	19
Accountability for actions and consequences	33	25
***Working conditions,* effort, disagreeableness, hazards**	0	16

The system used by the state of Minnesota is like all other job evaluation systems in its purpose, which is to measure job requirements, not the characteristics of a particular jobholder. Jobs can be evaluated and often are evaluated when they are vacant.

The Council on the Economic Status of Women established a Pay Equity Task Force in 1981. The purpose of the task force was to follow up on the council's 1976 recommendations for improving the status of state-employed women. Since the state already had a job evaluation system in place, the 1981 task force first considered whether the existing system provided fair evaluations of "women's work." Many pay equity advocates have noted that job evaluation systems tend to overlook or devalue characteristics common to "women's work." For example, managing children as child care workers do is not often considered "managerial know-how."

In considering this issue the task force decided to determine whether the state's pay was consistent with the existing job evaluation system. As explained in the following section, task force members learned that providing comparable pay for "male" and "female" jobs of comparable value under the existing Hay system would lead to substantial pay increases for women. The task force then recommended that the state eliminate pay bias in the existing job evaluation system rather than selecting a new job evaluation system. The task force noted that at some future time job evaluation systems may be developed that provide more recognition for women's contributions, resulting in additional gains for women.

Pay Analysis

To determine whether the state provided comparable pay for "male" and "female" jobs of comparable value, the task force analyzed the state's pay structure using the Hay job evaluation points. For example, the 'female job" of Clerk Typist 2 and the "male job" of Delivery Van Driver each received 117 points. Were they paid the same?

The task force's pay analysis was based on the pay range maximum, not the pay for individual employees. This meant that factors such as individuals' seniority, longevity, or performance differences would not account for any difference in pay. Those factors affect the actual pay of individuals within the pay range but do not affect the pay range maximum.

The task force analysis showed that the Clerk Typist 2 had a maximum monthly salary of $1,115 while the Delivery Van Driver had a maximum monthly salary of $1,382. The list below provides additional examples of this pattern as it affected individual state jobs in 1981. In each of these examples the pay for female jobs was lower than the pay for male jobs at the same point value.

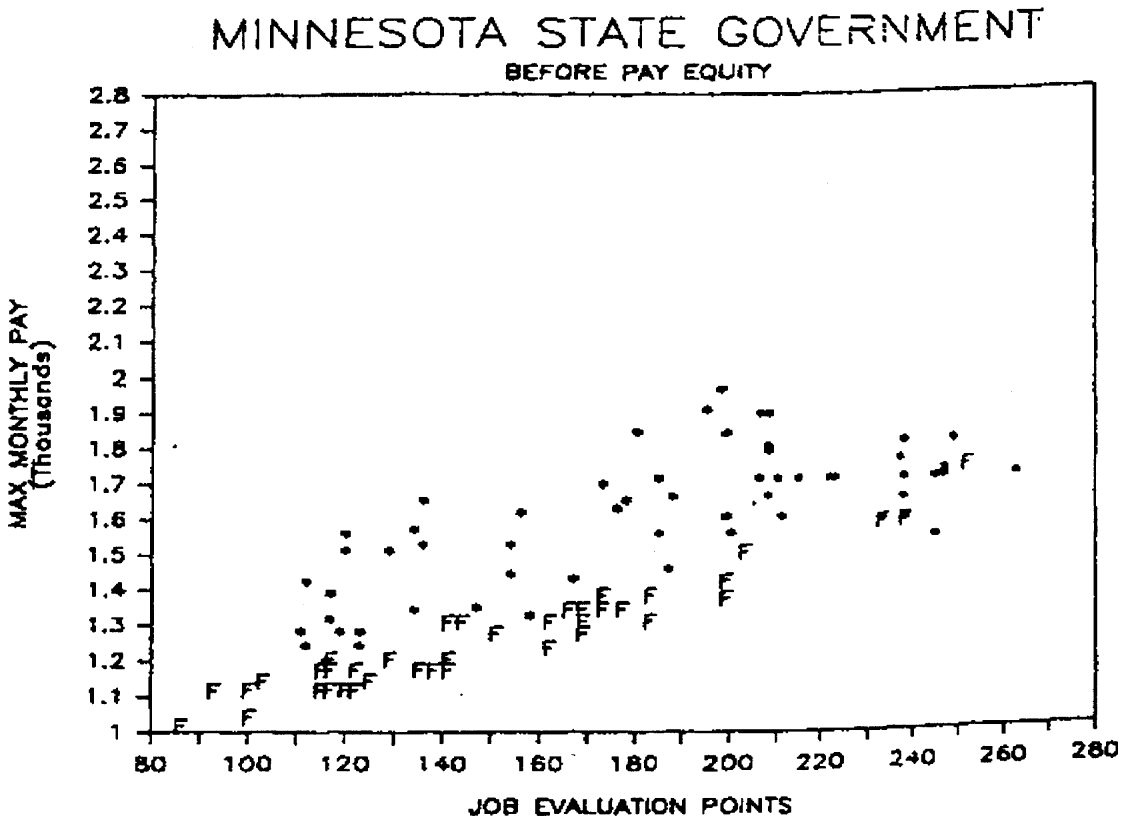
Hay Point Ranking of State Government Jobs, 1981				
Class Type	Class Title	Hay Points	Maximum Monthly Salary	
			Male Jobs	Female Jobs
M F	Delivery Van Driver Clerk Typist 2	117 117	$1,382	$1,115
M F	Grain Sampler 1 Microfilmer	120 120	$1,552	$1,115
M F	Auto. Parts Tech. Dining Hall Coordinator	129 129	$1,505	$1,202
M F	Grain Inspector 2 Administrative Secretary	173 173	$1,693	$1,343
M F	Radio Comm. Supervisor Typing Pool Supervisor	199 199	$1,834	$1,373

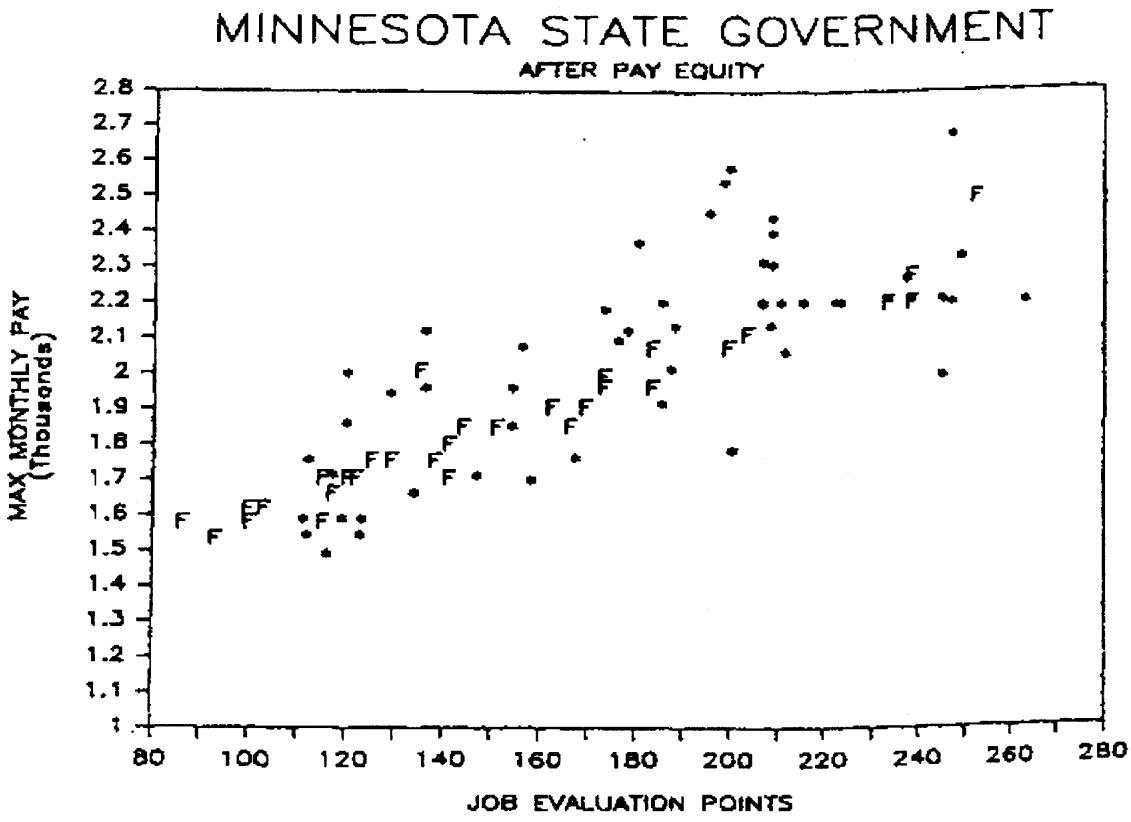
Appendix D of this report includes a list of the ten largest male classes and the ten largest female classes in state government in 198 1, with points and pay for each class. The highest-rated of these female jobs (Licensed Practical Nurse 2 at 183 points and $1,382 per month) was paid less than the lowest-rated of these male jobs (General Repair Worker at 134 points and $1,564 per month). This pattern of lower pay for "female jobs" was consistent throughout state government employment (see Appendix E).

The overall pattern for state government pay before and after pay equity can be shown with a graph called a scattergram. The "before" scattergram below shows pay patterns for state employment in 1981. Each asterisk on the

scattergram represents one male job class, while each "F" represents one female job class. The job evaluation points and the maximum monthly salary for each job class are used in plotting the scattergram.

For the system as a whole there is a positive correlation between evaluation points and pay. 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.


MINNESOTA STATE GOVERNMENT
BEFORE PAY EQUITY
MAX MONTHLY PAY (Thousands)
JOB EVALUATION POINTS


MINNESOTA STATE GOVERNMENT
AFTER PAY EQUITY
MAX MONTHLY PAY (Thousands)
JOB EVALUATION POINTS

State Government Pay Equity Act

As a result of its task force analysis, the Council on the Economic Status of Women recommended legislative action in 1982. Legislators from both parties supported the pay equity bill and no testimony was offered in opposition. The State Government Employment Pay Equity Act is included in Appendix B.

The law made "comparability of the value of the work "the primary consideration in state salary-setting:

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

The law also established the following procedure for implementation:

- Every biennium the Commissioner of Employee Relations must submit to the legislature a list of female-dominated classes which are paid less than other classes of comparable value and an estimate of the cost of full salary equalization.

- Funds for comparability adjustments are appropriated through the usual legislative process. These funds represent a percentage of the general salary supplement. However, the pay equity funds are earmarked for the job classes on the fist, and pay equity funds not used for this purpose revert to the state treasury.

- Appropriated funds are assigned to each bargaining unit in proportion to the total cost of implementing pay equity for that unit. The actual distribution of salary increases to eligible classes is negotiated through the usual collective bargaining process.

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 fig of underpaid female-dominated classes and estimated overall implementation costs at $26 minion. This represented 4 percent of the total annual state payroll. The legislature 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 $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. 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 the 1985 legislative session the procedure continued. The Department of Employee Relations submitted a revised list of underpaid female-dominated classes and a revised cost estimate. The legislature earmarked pay equity funds of $11.7 million. Collective bargaining agreements allocated these funds, and full implementation was achieved by July 1986.

The total cost of pay equity was 3.7 percent of payroll. Results of pay equity include the following.

- Approximately 8,500 employees in 200 female-dominated classes received pay equity increases.

- Seventy-five percent of the pay adjustments went to clerical workers and health care workers. About 10 percent of those receiving increases were men in, female-dominated jobs.

- The estimated average pay equity increase was $2,200.

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

The "after" scattergram on page 10 shows state employment in 1987, after pay equity was fully implemented. The female classes scatter throughout the pay structure and are no longer consistently paid below male classes of comparable value.

The law requires continued monitoring to ensure that pay equity is maintained in state government. Only small adjustments have been needed since 1986.

As a result of this program Minnesota became a national model for pay equity efforts. Soon after the state program began, the Commission on the Economic Status of Women began to explore expanding pay equity to local governments in Minnesota.

MINNESOTA LOCAL GOVERNMENTS

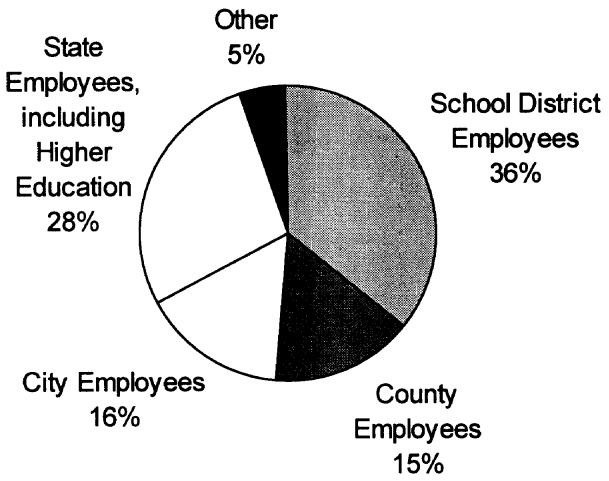
There are an estimated 163,000 employees in the 1,600 local governments in Minnesota, primarily cities, counties, and school districts. Local government employees in the state outnumber state government employees by about 3 to 1. About half of the employees in local government jurisdictions are women,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

The state has about 800 cities. Cities provide police and fire protection, street maintenance, sewer and water services. In addition cities may provide utility services, operate municipal liquor stores, operate hospitals, and maintain airports. Probably because most of these functions haw historically been performed by men, women represent only about one-fifth of city employees.

Minnesota has 87 counties. Each undertakes social service activities as well as 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. About half of county employees arc women.

There are about 400 school districts in Minnesota, and about 60 percent of school district employees are women. About three-fourths of school district payrolls are certified staff (teachers and administrators), while one-fourth of school district payrolls are 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 workers, and teacher aides.

Distribution of Public Employees by Jurisdiction, 1980



Local Government Pay Equity Act

In 1984 the Minnesota legislature passed a bill requiring local governments to undertake pay equity activities. Like the state government pay equity law, the Local Government Pay Equity Act includes a basic policy statement as well as a procedure for implementation. The policy is that "every political subdivision of this state shall establish equitable compensation relationships between female" dominated, male-dominated, and balanced classes of employees" (M.S. 471.992, subd. 1).

The law required each local government jurisdiction to use a job evaluation system to determine comparable work value. Local governments were required to meet and confer with unions on the development or selection of a job evaluation system. Jurisdictions could design their own system, hire a consultant and use the consultant's system, or borrow a system used by some other public employer in the state.

Local governments were required to submit a pay equity report to the Department of Employee Relations by October 1, 1985. Each report was to 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 were female;

(c) the comparable work value of the class, as defined by the job evaluation; and

(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 compensation inequity existed based on the comparable work value;

(b) a timetable for implementation of pay equity-, and

(c) the estimated cost of implementation.

The law provided local governments with limited legal protections while the process of implementing pay equity was underway. The results of the job evaluation could not be used as evidence in state courts or in administrative

actions before the state Human Rights Department. This protection expired on August 1, 1987.

About two-thirds of local governments reported by the law's deadline in 1985. Additional legislation was enacted in 1987 and 1988 to establish penalties for non-reporting jurisdictions.

In 1987 the legislature established a financial penalty for schools which did not submit pay equity reports by October of that year. For those school districts a freeze would be imposed on administrative costs and a five percent reduction would be made in the district's state funding All state school districts submitted pay equity reports by the deadline, so no penalties were imposed. In 1988 the legislature required schools to achieve full pay equity implementation by December 31, 199 1, or face the five percent aid reduction penalty.

Also in 1988 the legislature established similar penalties for cities and counties. A limit on the amount of taxes which could be levied would have applied to jurisdictions which failed to report by October 1, 1988. However, all jurisdictions reported by that date, so no penalties were imposed. The law also established a five percent aid reduction for those jurisdictions which failed to complete implementation, of pay equity by December 31, 1991 - more than seven years after passage of the original local government law.

In 1990 the law was amended again to clarify its purpose and to specify how compliance would be enforced. The purpose statement says that "every political subdivision of this state shall establish equitable compensation relationships... in order to eliminate sex-based wage disparities in public employment in this state" (M.S. 471.992, subd. 1).

For enforcement purposes the amended law provided an operational definition of pay equity: 'Equitable compensation relationship' means that the compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable work value... within the political subdivision" (M.S. 471.991, subd 5).

The 1990 amendments listed data to be included in implementation reports to be submitted by each local government on January 31, 1992 - essentially the same data included in the 1985 reports, now called "planning reports." This information allowed the Department of Employee Relations to determine whether compliance had been achieved as required. The 1992 reports also provided comparative data to show how pay patterns had changed over the years.

Technical Assistance and Enforcement

In 1984 the Department of Employee Relations was required to provide technical assistance to local governments to help them in complying with the law. The department published a series of booklets for this purpose. *A Guide to Implementing Pay Equity in Local Government,* published in August 1984, contained basic information about the law and options for local governments in conducting a job evaluation study. Other publications included supplements for counties, schools, cities, hospitals, and a special supplement for very small cities with ten or fewer employees.

Each of these supplements included a job match list" appropriate for the type jurisdiction, with a one-paragraph description of state jobs and evaluation points assigned to those jobs. Jurisdictions could match local jobs with state jobs and use the state points. This allowed local governments to `piggyback" on the existing state job evaluation system without incurring the costs of hiring consultants.

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

The department prepared a report to the legislature in January of 1986 as required by the law. The report included information gathered from local governments, including a list of local governments which did not comply with the law's reporting requirements,

When the department was given enforcement duties in later years, it offered additional training sessions *and* publications to assist local governments in complying. The original *Guide to Implementing Pay Equity in Local Government* was revised in the fall of 1990 to include compliance criteria and specific examples of pay patterns that would be found in compliance and not in compliance.

In 1991 the department began a two-year process of adopting an administrative rule with specific procedures for compliance decisions. An advisory committee with representatives from employer groups, unions, and women's groups assisted the department in this process. The core of the rule was a statistical analysis using a computer program that would be applied to compensation plans in all of the larger jurisdictions. An alternative analysis method was developed for use with jurisdictions too small to be evaluated in a strictly statistical way.

An administrative law judge approved the pay equity rule in August 1992. The rule defined "compensation" to include salary, longevity pay, performance pay, and health insurance contributions. It established procedures for local governments to notify employees of the jurisdiction's compliance status. The rule also incorporated two tests to address problems which had been identified in local pay equity efforts. The salary range test evaluates whether employers require employees in female classes to work more years, on average, than employees in male classes in order to **reach maximum salary.** The exceptional service pay test evaluates whether employees in male classes are more likely than employees in female classes to receive longevity pay or performance pay. Finally the rule established procedures for maintaining pay equity in the future, including reports and compliance determinations for each jurisdiction every three years.

All of the materials listed in this section are available on request from the Department of Employee Relations.

Planning *Reports - 1995 to 1988*

Local government pay equity reports for each jurisdiction are public information, available to anyone who requests them. To request a copy, contact the local government directly or the Department of Employee Relations. There maybe a fee to cover the cost of copying the report.

The early reports submitted by local governments between 1985 and 1988 showed compensation patterns before pay equity was implemented.

- About 40 percent of all reporting jurisdictions used the state job match system to evaluate jobs, while an estimated 45 percent used one of many consultant systems.

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

- Fifty-eight percent of those reporting identified inequities in their workforce. Most of those without inequities were small employers.

- According to the planning reports about 30,000 employees were eligible for pay equity increases. The average increase needed to achieve equity was estimated at $200 per eligible employee per month.

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

- The average cost of pay equity for the 1,090 local governments reporting as of January 1986 was 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.

Library Study of *1992 Reports*

In 1992, the American Library Association commissioned a detailed analysis of the results of pay equity for Minnesota library staff. That study, Pay Equity & Minnesota Public Libraries, confirmed that pay equity has increased pay for many employees in female dominated library classes.

- In the early reports, 86 percent of jurisdictions with libraries, including all of the larger jurisdictions, identified pay inequities for library classes. The average inequity was about $300 per month.

- Over the five years of implementation, salaries improved for all library jobs. On average, library directors received a 32 percent pay increase and library assistants received a 39 percent pay increase. Pay for comparable male jobs increased 20 to 25 percent in that time.

- Before pay equity library staff were earning 66 percent to 88 percent of the salaries for male jobs rated equally valuable. After pay equity they were earning 91 percent to 102 percent of the pay for equally-rated male jobs.

The library study noted that some inequities may remain in local governments.

- Jobs segregation continues. Only 20 percent of local government employees work in gender-balanced job classes. The study noted that "while efforts to desegregate jobs should continue, these efforts alone will not eliminate pay inequities."

- There was some evidence of manipulation in the assignment of titles, the application of job evaluation systems, and methods of applying analysis. The library study urges employees to remain involved in the application of a job evaluation system, after the system has been selected.

- Some discriminatory practices appear to continue in fringe benefit contributions and the number of years required to reach maximum pay. Again, the study recommends employee monitoring to avoid or correct these problems.

Despite these reservations the library study found that "significant progress has been made toward pay equity for Minnesota public library employees. Other states can learn from Minnesota's experience."

The Department of Employee Relations has now determined compliance status for all local governments. Although no comprehensive analysis of changes in the local government wage gap has yet been made, the department estimates that many female employees experienced pay increases similar to those for employees in the library study.

Compliance Findings

In February 1994 the department of Employee Relations published *the Minnesota Local Government Pay Equity Compliance Report*, noting the status of all 1,621 jurisdictions covered by the law. The department found that almost all jurisdictions are now in compliance.

After an initial review of all reports submitted in 1992, DOER determined that 67 percent of the jurisdictions were in compliance and 33 percent were out of compliance with the pay equity law.

Of the 527 jurisdictions initially found out of compliance, 59 percent paid female classes consistently below male classes of comparable work value. Another 9 percent consistently required female classes to work more years to reach the top of the salary range, or consistently allowed more male classes to receive bonus pay above the top of the salary range. The remaining 32 percent either failed to submit complete and accurate reports, or had more than one of these problems.

Jurisdictions found out of compliance were given a grace period to make adjustments and submit new reports. Non-complying jurisdictions were advised that they would be subject to a penalty if they were found out of compliance a second time, at the end of the grace period. By statute, the penalty is the greater of a 5 percent reduction in state aid or $100 a day.

Most of the non-complying jurisdictions made adjustments to achieve compliance within the grace period. As of

February 1994, 95 percent of all jurisdictions were in compliance. Three percent had not yet reached the end of their grace periods or had not yet been re-examined, and the remaining 2 percent were subject to penalties.

To ensure that pay equity is maintained, all jurisdictions have been placed on a three-year reporting cycle. A third of all jurisdictions will report each year beginning in 1994, and penalties will be assessed if necessary.

Minnesota's commitment to pay equity has now been in place for more than a decade. Some advocates have called for closer attention to the assignment of job evaluation ratings and to the standard set for overall compliance. Others believe pay equity requirements should be extended to other employers, such as companies which provide contracted services or products to government. While the wage gap between women and men has not yet been completely eliminated, pay equity efforts to date have clearly improved the economic status of Minnesota women.

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APPENDIX A. Resources

Commission on the Economic Status of Women, 85 State Office Building, St. Paul MN 55155, 651-296-8590 (Twin Cities and other states), 1-800-657-3949 (toll-free line for non-metro locations in MN) or at *http://www.commissions.leg.state.mn.us/lcesw*

Minnesota Department of Employee Relations, 200 Centennial Bldg., 658 Cedar St., St. Paul, MN 55155, 651-296-2653 (Twin Cities and other states). There may be a charge for copying costs and postage. The Department of Employee Relations can also be found at *http://Www.doer.state.mn.usl*

State Job Match Lists. One-paragraph job descriptions and suggested ratings, based on State of Minnesota Hay ratings, for typical jobs in cities, counties, and school districts.

Minnesota Local Government Pay Equity Compliance Report. Annual report submitted to the Minnesota Legislature by the Department of Employee Relations.

Guide to Understanding Pay Equity Compliance and Computer Reports. Explains criteria for determining whether jurisdictions meet compliance requirements. Also explains how to interpret results from pay equity software.

Local Government Pay Equity Compliance Rule. Detailed description of criteria for compliance: statistical analysis, alternative analysis, salary range test, exceptional service pay test. Also details reporting requirements. On the web Minnesota rules chapter 3920.

Pay Equity Compliance Software. Allows user to enter points and pay to generate analysis. Requires IBM compatible computer with hard disk.

Minnesota Pay Equity Coalition, 550 Rice, St. Paul, MN 55103, hap //www. mnwomen.org, 65 1228-0338.

National Committee on Pay Equity, 1126 Sixteenth Street Northwest, Suite 411, Washington, D.C. 20036, 202-331-7343. Newsletter and many other publications.

American Library Association Office for Library Personnel Resources, 50 East Huron Street, Chicago, IL 60611, telephone 800-545-2433, ext. 4277.

Pay Equity: An Action Manual for Library Workers. 1989, 106 pages.

Pay Equity & Minnesota Public Libraries: Results of a Legislative Approach. 1992, 50 pages.

APPENDIX B. State Government Pay Equity Act

Chapter 43A

Department of Employee Relations

43A.01 Policies.

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

43A.02 Definitions.

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

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

Subd. 13. **Commissioner.** "Commissioner" means the commissioner of 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.

43A.05 Policies and Responsibilities Through the Personnel Bureau.

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 sections 3.855 and 43A. 18 or 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.

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

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

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

43A. 18 Total Compensation; Collective Bargaining Agreements; Plans

Subd. 8. **Compensation relationships of positions.** In preparing management negotiating positions for compensation which is established pursuant to subdivision 1, and in establishing,

recommending and approving total compensation for any position within the plans covered in subdivisions 2, 3 and 4, the commissioner shall assure that;

(a) Compensation for positions in the classified and the unclassified service compare reasonably to one another;

(b) Compensation for state positions bears reasonable relationship to compensation for similar positions outside state service;

(c) Compensation for management positions bears reasonable relationship to compensation of represented employees managed;

(d) Compensation for positions within the classified service bears reasonable relationships among related job classes and among various levels within the same occupations; and

(e) Compensations bear reasonable relationships to one another within the meaning of this subdivision if compensation for positions which require comparable, skill, effort, responsibility, and working conditions is comparable and if compensation for positions which require differing skill, effort, responsibility, and working condition is proportional to the skill, effort, responsibility, and working conditions required.

Laws 1982, Chapter 634, sections 1-8

APPENDIX C. Local Government Pay Equity Act

Chapter 471

Rights, Powers, Duties: Several Political Subdivisions

471.991 Definitions.

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

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

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

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

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

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

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

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

471.992 Equitable Compensation Relationships.

Subd. 1. **Establishment.** Subject to sections 179A.01 to 179A.25 and sections 177.41 to

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

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

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

471.993 Compensation Relationships of Positions.

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

(1) compensation for positions in the classified civil service, unclassified civil service, and management bear reasonable relationship to one another;

(2) compensation for positions bear reasonable relationship to similar positions outside of that particular political subdivision's employment; and

(3) compensation for positions within the employer's work force bear reasonable relationship among related job classes and among various levels within the same occupational group.

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

(1) the compensation for positions which require comparable skill, effort, responsibility, working conditions, and other relevant work-related criteria is comparable; and

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

471.994 Job Evaluation System.

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

471.995 Report Availability.

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

471.996 Repealed, 1990, c 512 s 13

471.9966 Effect on Other Law.

Notwithstanding section 179A. 13, subdivision 2, it is not an unfair labor practice for a political subdivision to specify an amount of funds to be used solely to correct inequitable compensation relationships. A political

subdivision may specify an amount of funds to be used for general salary increases. The provisions of section 471.991 to 471.999 do not diminish a political subdivision's duty to bargain in good faith under chapter 179A or sections 179.35 to 179.39.

471.997 Human Rights Act Evidence.

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

471.9975 Suits Barred.

Repealed, 1996, c 3 10, s 1

471.998 Report to Commissioner.

Repealed, 1996, c 310, s 1

471.9981 Counties and Cities: Pay Equity Compliance.

Subdivision 1. **1988 report.** A home rule charter or statutory city or county, referred to in this section as a "governmental subdivision, " that employs ten or more people and that did not submit a report according to section 471.998, shall submit the report by October 1, 1988, to the commissioner of employee relations.

The plan for implementing equitable compensation for the employees must provide for complete implementation not later than December 31, 1991, unless a later date has been approved by the commissioner. If a report was filed before October 1, 1987, and had an implementation date after December 31, 1991, the date in the report shall be approved by the commissioner. The plan need not contain a market study.

Subd. 2. Repealed, 1990, c 512, s 13

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

Subd. 4. Repealed, 1990, c 512, s 13

Subd. 5. Repealed, 1990, c 512, s 13

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

(1) a list of all job classes in the political subdivision;

(2) the number of employees in each class;

(3) the number of female employees in each class;

(4) an identification of each class as male-dominated, female-dominated, or balanced as defined in section 471.991;

(5) the comparable work value of each class as determined by the job evaluation used by the subdivision in accordance with section 471.994;

(6) the minimum and maximum salary for each class, if salary ranges have been established, and the amount of time in employment required to qualify for the maximum;

(7) any additional cash compensation, such as bonuses or lump-sum payments, paid to the members of a class; and

(8) any other information requested by the commissioner.

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

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

Subd. 6. **Penalty for failure to implement plan.**

(a) The commissioner of employee relations shall review the implementation report submitted by a governmental subdivision, to determine whether the subdivision has established equitable compensation relationships as required by section 471.992, subdivision 5a, by December 31, 1991, or the later date approved by the commissioner. The commissioner shall notify a subdivision found to have achieved compliance with section 471.992, subdivision 1.

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

(1) recruitment difficulties;

(2) retention difficulties;

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

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

(c) If the subdivision does not make the changes to achieve compliance within a reasonable time set by the commissioner, the commissioner shall notify the subdivision and the commissioner of revenue that the subdivision is subject to a five percent reduction in the aid that would otherwise be payable to that governmental subdivision under section 124A.23, 273.1398, or sections 477A.011 to 477A.014, or to a fine of $100 a day, whichever is greatest. The commissioner of revenue shall enforce the penalty beginning in calendar year 1992 or in the first calendar year beginning after the date for implementation of the plan of a governmental subdivision for which the commissioner of employee relations has approved an implementation date later than December 31, 1991. However, the commissioner of revenue may not enforce a penalty until after the end of the first regular legislative session after a report listing the subdivision as not in compliance has been submitted to the legislature under section 471.999. The penalty remains in effect until the subdivision achieves compliance. The commissioner of employee relations may suspend the penalty upon making a finding that the failure to implement was attributable to circumstances beyond the control of the governmental subdivision or to severe hardship, or that non-compliance results from factors unrelated to the sex of the members dominating the affected classes and that the subdivision is taking substantial steps to achieve compliance to the extent possible.

Subd. 7. **Appeal.** A governmental subdivision may appeal the imposition of a penalty under subdivision 6 by filing a notice of appeal with the commissioner of employee relations within 30 days of the commissioner's notification to the

subdivision of the penalty. An appeal must be heard as a contested case under section 14.57 to 14.62. No penalty may be imposed while an appeal is pending.

471.999 Report to Legislature.

The commissioner of employee relations shall report to the legislature by January 1 of each year on the status of compliance with section 471.992, subdivision 1, by governmental subdivisions.

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

Laws 1984, Chapter 651, sections 1-11
(Amended) Laws 1986, Chapter 459, sections 1-3
(Amended) Laws 1988, Chapter 702, section 15
(Amended) Laws 1990, Chapter 512, sections 1-13

APPENDIX D. Ten Largest Male & Female Jobs, 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 accounted for about one-fourth of state government employees. The list showed a consistent pattern of lower pay for female jobs, even when these jobs required the same or higher levels of skill, effort and responsibility than male jobs, according to the Hay evaluation points.

			1981 Salary (Monthly Maximum)	
CLASS TYPE	**JOB CLASS**	**HAY PTS**	**MALE**	**FEMALE**
F	Clerk Typist 1	100		1,039
F	Clerk 2	117		1,115
F	Clerk Typist 2	117		1,115
M	General Repair Worker	134	1,564	
F	Clerk Stenographer 2	135		1,171
F	Clerk Typist 3	141		1,171
F	Human Services Technician 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 E. EVALUATIONS & PAY FOR STATE JOBS, 1981

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

NO. OF INCUM-BENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY PTS	1981 Salary (Monthly Maximum) MALE	FEMALE
140	85.0%	Clerk 1	86		1,014
157	87.3%	Food Service Worker	93		1,115
448	97.8%	Clerk Typist 1	100		1,039
100	96.0%	Data Entry Operator	100		1,115
98	76.5%	Laundry Assistant	103		1,141
64	3.1%	Security Guard 2	111	1,274	
12	0.0%	Automobile Service Attendant	112	1,235	
10	0.0%	Materials Transfer Driver	112	1,416	
101	98.0%	Data Entry Operator Senior	115		1,171
150	100.0%	Clerk Stenographer 1	115		1,115
46	13.0%	General Maintenance Worker 2	116	1,190	
14	0.0%	Automobile Service Attendant Sr	117	1,307	
50	0.0%	Delivery Van Driver	117	1,382	
411	88.1%	Clerk 2	117		1,115
805	98.8%	Clerk Typist 2	117		1,115
15	93.3%	Pharmacy Technician	117		1,202
13	100.0%	Employment Services Assistant	117		1,171
24	0.0%	Building and Grounds Worker	119	1,274	
43	2.3%	Grain Sampler 1	120	1,552	
15	0.0%	Livestock Weigher 2	120	1,505	
11	81.8%	Microfilmer	120		1,115
48	95.8%	Switchboard Operator	122		1,115
10	100.0%	Dictaphone Operator	122		1,171
16	0.0%	Groundskeeper	123	1,235	
19	10.5%	Groundskeeper Intermediate	123	1,274	
17	100.0%	Sewing Machine Operator	125		1,141
48	0.0%	Automotive parts Technician	129	1,505	
47	95.7%	Dining Hall Coordinator	129		1,202

NO. OF INCUM-BENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY PTS	1981 Salary (Monthly Maximum) MALE	FEMALE
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
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	

NO. OF INCUM-BENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY PTS	1981 Salary (Monthly Maximum) MALE	FEMALE
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		
67	0.0%	Carpenter	206	1,707	
518	2.1%	Highway Technician Senior	206	1,891	
16	0.0%	Mason	206	1,707	
24	0.0%	Automotive Mechanic	208	1,658	
23	0.0%	Electronics Technician Senior	208	1,787	
12	0.0%	Engineering Aide Senior	208	1,891	
13	0.0%	Radio Technician Senior	208	1,787	
14	0.0%	Signing Supervisor	208	1,801	
17	0.0%	Welder	210	1,707	
12	0.0%	Driver Evaluator Senior	211	1,599	
108	0.0%	Plant Maintenance Engineer	215	1,707	
31	0.0%	Plumber	215	1,707	
127	0.0%	Stationary Engineer	215	1,707	
11	0.0%	Refrigeration Mechanic	222	1,707	
91	0.0%	Bridge Worker	223	1,707	
14	14.3%	Auditor	233	1,590	
47	70.2%	Tax Examiner	233		1,590
128	0.0%	Heavy Equipment Mechanic	237	1,757	

NO. OF INCUM-BENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY PTS	1981 Salary (Monthly Maximum) MALE	FEMALE
18	16.7%	Pollution Control Specialist	238	1,590	
132	0.8%	Natural Resources Spec 2-Conserv	238	1,808	
31	0.0%	Natural Resources Spec 2-Fisheries	238	1,703	
15	0.0%	Natural Resources Spec-Park Spec	238	1,703	
17	11.8%	Unemployment Tax Examiner	238	1,590	
38	2.6%	Veterans Employment Rep.	238	1,646	
11	72.7%	Health Program Representative	238		1,590
10	80.0%	Behavior Analyst 1	238		1,590
52	9.6%	Natural Resources Spec I-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 Field Instr	275	2,260	
38	18.4%	Corrections Agent Senior	275	1,961	
11	9.1%	Hydrologist	275	1,763	
21	19.0%	Unemployment Tax Examiner	275	1,961	
16	93.8%	Registered Nurse 1	275		1,723
14	85.7%	Registered Nurse 2	275		1,723
107	88.8%	Registered Nurse	275		1,723
11	9.1%	Architectural Drafting Tech Sr	282	2,102	
13	0.0%	Driver Evaluator Supervisor	282	1,710	
17	0.0%	Natural Resources Spec 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	

NO. OF INCUM-BENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY PTS	1981 Salary (Monthly Maximum) MALE	FEMALE
FEMALE	20	0.0%	Bridge Foreman		3012,088
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 Mech. 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-Sup.	406		2,041

NO. OF INCUM-BENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY PTS	1981 Salary (Monthly Maximum) MALE	FEMALE
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 Sup.	449	2,514	
180	0.0%	Engineer Principal	479	2,923	
17	11.8%	Accounting Director	479	2,354	
47	17.0%	Psychologist 2	479	2,427	
25	0.0%	Physical Plant Director	516	2,439	
16	6.3%	Dentist	551	3,417	
18	5.6%	Compensation judge	588	3,000*	
32	0.0%	Engineer Administrative	588	3,130	
35	17.1%	Education Specialist 3	611	3,010	
15	13.3%	Mediator	654	3,010**	
13	15.4%	Chief of Service	864	3,473	

*Salary set by statute.

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

APPENDIX F. TECHNICAL NOTES

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

Page 5 [Beyond equal pay for equal work]. All data in this section are national unless otherwise noted.

Page 10 [Minnesota state government]. The composition of bargaining units by size and sex is as indicated in a computer printout prepared by the Department of Employee Relations, based on Department of Employee Relations data for October 1984. 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 [State job classes]. The number of state employee job classes and their composition by size and sex are based on a computer printout prepared by the Department of Employee Relations. Included are full-time unlimited employees in the executive branch, excluding academic employees at the University of Minnesota, state universities and community colleges.

Page 11 [Women in state government employment and state government wage gap chart

1976 Data about state employees occupational groups and average salaries by sex are from a 1981 Department of Employee Relations computer printout entitled "Accession Analysis, Report CZ10", based on the state payroll. Included are all full-time unlimited executive branch employees, classified and unclassified, except academic employees at the University of Minnesota, state universities and community colleges. Salary data for January 1982, January 1988, and April 1993, and data on managerial and professional employees for January 1993, are based on bargaining unit data provided by the Department of Employee Relations in June 1993.

Page 11 [Job evaluation]. Sample ratings are based on Department of Employee Relations data for 1984. The Hay factor definitions have been abbreviated here.

Page 14 [scattergrams]. The scattergrams are computer representations from the listing of male-dominated and female-dominated state employee job classes in Appendix E.

Page 16 [Minnesota local governments]. Estimates of the numbers of employees of local governments are from 1980 Census data. Estimates of women in local governments are from the Commission's 1980 publication "Minnesota Women: City and County Employment."

Page 18 [Planning reports]. Data from local government pay equity reports are from the Department of Employee Relations report "Pay Equity in Minnesota Local Governments " (January 30, 1986) and from unpublished data from the department.

Page 20 [Compliance findings]. Data on compliance as of early 1993 are unpublished data from

the Department of Employee Relations.

Appendix D. 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 E.

Appendix E. 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. The list is limited to classes which had at least 10 incumbents as of October 1981, which had been assigned Hay points and which were either male-dominated or female-dominated.

Information about number of Hay points assigned is based on the Department of Employee Relations printout described on page 12 does not account for any positions which have been re-evaluated. Information about salaries is based on bargaining contracts in effect on July 1, 198 1, for all bargaining units except those represented by AFSCME, where salaries were in effect as of August 11, 1981.