

**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 litigation, collective bargaining, legislation, 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.

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. In early 1985, that group conducted a survey of pay equity activities in state governments.

The survey indicates that 35 states have undertaken specific action on pay equity for state employees. Six states (Minnesota, Iowa, Idaho, New Mexico, Tennessee, and Massachusetts) are implementing comparable worth policies. In Iowa, for example, 9,000 state employees received pay equity increases beginning in March 1985.

Three additional states (California, Montana, and South Dakota) have pay equity policies established by statute. Four states have completed pay equity studies, and twenty-five states have studies underway.

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.

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 Oakar has introduced HR 27, which requires a comparable worth study of federal employees.

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.

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.

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.

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, the union 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 "direct, overt and institutionalized" discrimination against employees in predominantly female jobs. The judge awarded immediate wage corrections to employees in female-dominated jobs and back pay going back to September 1979. The cost to the State of Washington is estimated at 25 percent of state payroll. By contrast, the cost of Minnesota's voluntary program is only four percent of payroll. The appendix to this report includes a comparison of pay equity activities in the State of Washington and the State of Minnesota.

Washington State has appealed that decision. Similar cases have been brought by several other groups including, the California State Employees Association and the Hawaii Government Employees Association. The Hawaii case includes employees of both the state and county governments. Whatever the eventual outcome, it appears that voluntary action, such as that undertaken in Minnesota, is less costly than litigation.

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 | - State legislature enacts a state employees pay equity law 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 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 | - State legislature enacts a local government pay equity law which requires cities, counties, and schools to undertake pay equity efforts. |
| Spring 1985 | - State legislature allocates \$13 million to complete pay equity implementation for state employees by 1987. |

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, 1983 to June 30, 1985. 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

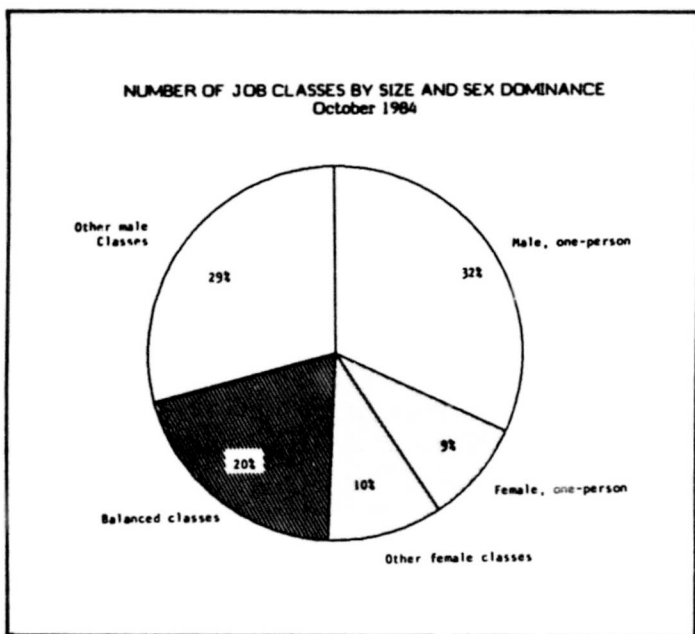
State employees are grouped into job classes according to the kind of work they perform. A "class" means one or more positions sufficiently similar in duties and responsibilities that the same descriptive job title may be used for all positions in the class. A class is based on the characteristics of 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.

Factors

Know-How, the sum total of knowledge and skills needed for acceptable performance.

Problem-solving, the amount of original, self-starting thinking required for analyzing, evaluating, creating, reasoning, arriving at conclusions.

Accountability, answerability for actions and consequences.

Working Conditions.

Subfactors

Substantive know-how, managerial know-how, human relations know-how.

Degree of structure, degree of challenge or difficulty of problems.

Degree of discretion, magnitude measured by dollars affected, directness of impact.

Physical effort, disagreeableness of environment, hazards.

Sample Ratings

Audit Director - 3,044
Clerk 1 - 66

Health Physicist 2-152
Food Service Worker 8

Income Tax Asst.-Dir. - 230
Human Services Technician - 16

Bridge Worker - 29
Bacteriology Aide - 7

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.

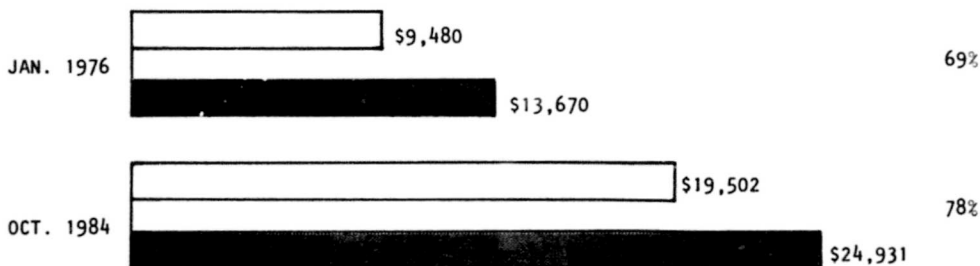
Despite these improvements, it remains the case that almost two-thirds of the women who work for the state have clerical or health care jobs. The office/clerical and health care non-professional bargaining units together account for 56 percent of female state workers.

Because of the concentration of women in these generally low-paid jobs, overall salary disparities between male and female employees persist. The chart below shows average salaries for male and female state workers from 1976 to the present.

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 scattergram on the following page shows the results of that analysis.

Each asterisk on the scatter-

gram represents one male job class, while each triangle 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

JOB CLASSES BY HAY POINTS & SALARIES, 1981

MONTHLY
SALARY

\$3800.+

\$3562.+

\$3323.+

\$3085.+

\$2846.+

\$2608.+

\$2369.+

\$2131.+

\$1892.+

\$1654.+

\$1415.+

\$1177.+

\$ 938.+

\$ 700.+

KEY

* Male jobs

▲ Female jobs

75. 145. 215. 285. 355. 425. 495. 565. 635. 705.

HAY POINTS

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.

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

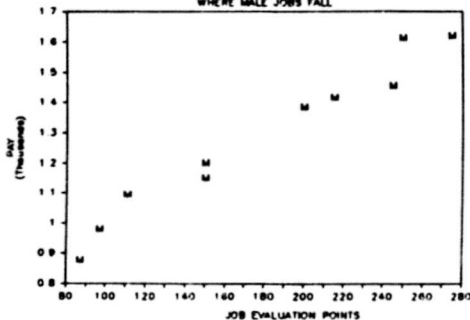
In the first scattergram shown below, male-dominated jobs are plotted using the letter "M". This forms a "line of central tendency" which shows the average pay for male jobs at any given point level. This average male pay line is shown in the second scattergram.

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, as shown in the fourth scattergram below. 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.

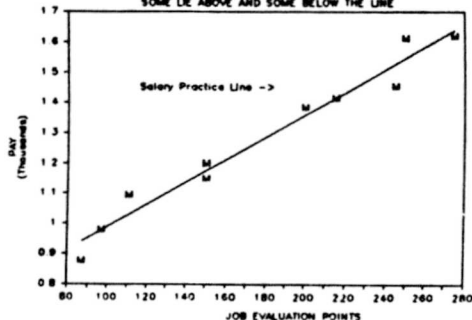
SCATTERGRAM OF MALE JOBS

WHERE MALE JOBS FALL



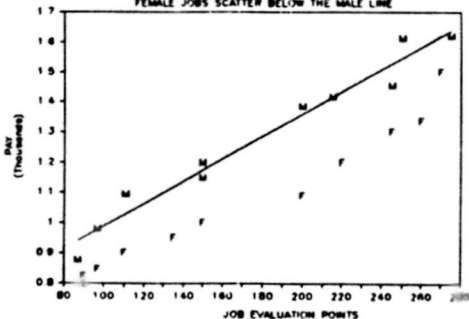
LINE OF CENTRAL TENDENCY FOR MALE JOB

SOME LIE ABOVE AND SOME BELOW THE LINE



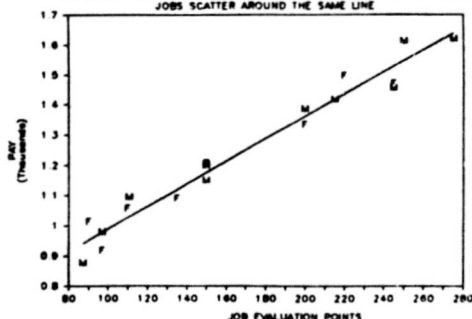
MALE, FEMALE AND MALE SALARY LINE

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 are 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 Relations submitted the revised list of underpaid female-dominated classes and a revised cost estimate. The legislature approved a pay equity appropriation of \$13 million. This amount will allow for full implementation of pay equity for Minnesota state employees by the end of the current biennium, or June 30, 1987.

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

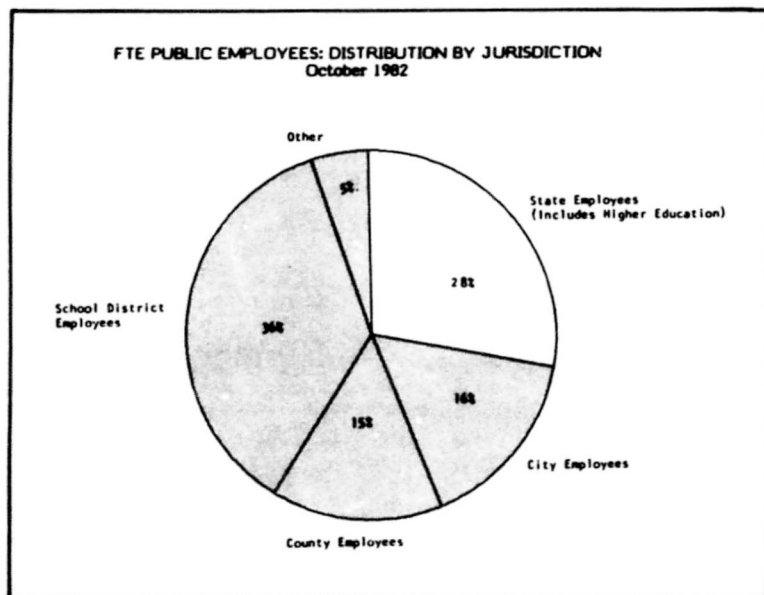
There are an estimated 163,000 employees of the 1,600 local governments in Minnesota, primarily cities, counties and school districts. About half of the employees in local government jurisdictions are women. Local government employees in the state outnumber state government employees by about 3 to 1.

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.

Current Status

As of June 1985, the department had received 82 reports from local governments in the state. The department estimates that costs for most local governments will be very similar to costs at the state level, ranging from one percent to four percent of total payroll. In several local governments, pay equity has already been implemented.

Many additional jurisdictions are already in the process of conducting pay equity studies:

- * Representatives from more than 300 jurisdictions have participated in or enrolled in training conducted by the Department of Employee Relations, including about 30 county representatives, about 150 city representatives, about 80 school district representatives and about 100 representatives of other local government jurisdictions.

- * Over 100 cities have begun a joint study conducted by Control Data Business Advisers.

- * More than 30 cities have obtained copies of the job evaluation system used by the City of Princeton, which has successfully implemented pay equity.

- * More than 40 counties have begun pay equity studies using the state job match system or consultant systems.

- * Almost 400 school districts have received training in the Arthur Young method of evaluating jobs.

The appendix to this report includes a list of local governments which have submitted pay equity reports, and a partial list of local governments with studies in progress.

APPENDICES

- APPENDIX I. . . . Ten Largest Male & Female Jobs, State of Minnesota, 1981
- APPENDIX II Comparison of Pay Equity Efforts in the
State of Washington and the State of Minnesota
- APPENDIX III. . . . Local Governments which have Submitted Pay Equity Reports
- APPENDIX IV Local Governments with Studies in Process
- APPENDIX V. . . . Resources

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. 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.

APPENDIX III. LOCAL GOVERNMENTS SUBMITTING PAY EQUITY REPORTS

The following local government in Minnesota had submitted pay equity reports as of May 1, 1985. The law requires all local governments to report by October 1, 1985.

City of Hutchinson
Rushford Schools
City of Blackduck
City of Annandale
City of Altura
Clearwater County
City of Carver
City of Elizabeth
City of Alpha
City of Rose Creek
City of Lancaster
City of Biscay
Corinna Township
City of Trommald
City of Karlstad
City of Briceyn
City of Le Center
City of Utica
City of Grand Meadow
City of Wilder
Village of Minnetonka Beach
City of Afton
City of Myrtle
City of Delhi
City of Sargeant
City of Henriette
City of Pillager
City of Manchester
City of Odin
City of St. Michael
City of Wendell
City of St. Mary's Point
Town of Great Scott
City of Odessa
Stanford Township
City of Shafer
City of Hatfield
City of Upsala
Northwoods Landfill Authority
Fillmore Soil & Water District
Newfolden Community Health Services

Lac Qui Parle Soil & Water District
Dover-Eyota-St. Charles Sanitary
District
City of Woodland
City of Backus
City of Donnelly
Crow Lake Township
City of Sanborn
City of Wahkon
Babbitt Public Schools
Kennedy Community Schools
City of Tenstrike
Village of Bagley
Fergus Falls Housing Authority
Mahnomon Soil & Water District
City of Dunnell
Harris Township
City of Rock Creek
City of Hallock
City of Young America
Benton Soil & Water District
Sherburne Soil & Water District
Fayal Township
Arrowhead Library System
City of Ely
Kanabec Soil & Water District
City of Miltna
Blue Earth Soil & Water District
City of Meadowlands
Yellow Medicine Soil & Water Dist.
E. Central Regional Devel. Comm.
City of Racine
Murray Soil & Water Dist.
Monticello Township
City of Wolverton
City of Dundas
Reg.IX Regional Development Comm.
City of Halstad
Spring Grove Schools
Town of Forest Lake
Greenway Township

APPENDIX IV. LOCAL GOVERNMENTS WITH STUDIES IN PROCESS

The following is a partial list of local governments which had pay equity studies in process as of May, 1985.

Adams	Buffalo Schools	Dover-Eyota-St. Charles	Heron Lake
Adrian	Burnsville	Area Sanitation Dist.	Hibbing
Afton	Byron	E. Grand Forks Utilities	Hill City Schools
Aitkin	Canby	E. Otter Tail Soil & Water	Holdingford Schools
Aitkin Utilities	Canby Hospital	Eagan	Houston
Albany Schools	Cannon Falls	Eagle Bend Schools	Howard Lake
Albert Lea	Carlton	East Grand Forks	Hutchinson
Alden	Carver	Eden Prairie	Hutchinson Utilities
Alexandria	Cass Lake	Edina	Independence
Alexandria Lake San. Dist	Cass Lake Schools	Elbow Lake	International Falls
Alexandria Utilities	Champlin	Elizabeth	Inver Grove Heights
Alpha	Chaska	Elk River	Ironton
Altura	Chatfield	Elk River Utilities	Jackson
Amboy	Chippewa Soil & Water	Excelsior	Janesville
Andover	Chisago City	Farmington	Janesville Nursing Home
Annandale	Chisago Soil & Water	Faribault	Kanabec County
Annandale Schools	Chisholm	Farmington Schools	Kanabec Soil & Water
Anoka	Circle Pines	Fayal Township	Kandiyohi County
Anoka County	Claremont-Dodge Schools	Fergus Falls	Karlstad
Anoka Utilities	Clarissa Schools	Fergus Falls HRA	Kasson
Apple Valley	Clarkfield	Fieldcrest Nursing Home	Keewatin
Appleton Schools	Clarkfield Hospital	Fillmore Soil & Water	Kennedy Comm. Schools
Arden Hills	Clearwater County	Finlayson	Kenyon
Arlington	Clearwater County Hosp.	Foley Schools	Kenyon Utilities
Arrowhead Reg. Dev. Comm.	Clearwater Soil & Water	Fosston Schools	Kiester-Faribault Schools
Austin	Cloquet	Frazee Schools	Koochiching County
Babbitt Public Schools	Cokato	Fridley	Koochiching Soil & Water
Beckus	Coleraine Schools	Gaylord	La Prairie
Bagley, Village of	Coon Rapids	Gaylord Schools	LaCrescent
Bayport	Corcoran	Glacial Ridge Hospital	Lac Qui Parle Soil & Water
Becker County	Corinna Township	Glencoe	Lk Agassiz-Moorhead Reg Lib.
Becker Schools	Cottage Grove	Glencoe Utilities	Lake City
Becker Soil & Water	Cottonwood	Glenwood	Lake City Hospital
Beltrami Soil & Water	Crookston	Golden Valley	Lake City Nursing Home
Belview	Crookston HRA	Gonvick	Lake Elmo
Bemidji	Crow Lake Township	Goodhue Schools	Lakefield
Benson	Crow Wing Soil & Water	Goodhue Soil & Water	Lakeland
Benton Soil & Water	Crystal	Grand Meadow	Lakeville
Big Stone County	Dakota Soil & Water	Grand Rapids	Lamberton
Biscay	Dawson	Granite Falls	Lamberton Schools
Blackduck	Dayton	Granite Falls Schools	Lancaster
Blaine	Deephaven	Great Scott, Town of	Lanesboro
Bloomington	Deerwood	Green Pine Acres Home	Le Centre
Blue Earth	Delano	Grey Eagle Schools	LeSueur County
Blue Earth Soil & Water	Delano Utilities	Grove City	Lester Prairie
Blue Earth Utilities	Delhi	Hallack	Lewiston Schools
Brainerd	Detroit Lakes	Halstad Utilities	Lincoln Soil & Water
Brainerd Utilities	Detroit Lakes Utilities	Hartland	Lindstrom
Breckenridge	Dodge Center	Hastings	Lino Lakes
Bricelyn	Dodge Soil & Water	Hatfield	Litchfield
Brooklyn Center	Donnelly	Hayfield	Litchfield Utilities
Brooklyn Park	Douglas County	Headwaters Reg Dev Comm	Little Falls
Broton	Douglas Soil & Water	Hemming	Little Falls Schools
Browns Valley		Henriette	Long Prairie Schools

Longville	New Ulm	Remer	Tenstrike
Lucan	New Ulm Utilities	Rice County	Thief River Falls
Luverne	Newfolden Comm. Health Ser.	Rice Hospital	Thief River Falls Utilities
Lyle	Newport	Rice Soil & Water	Todd Soil & Water
Lyle Schools	Nicollet County	Richfield	Tracy
Lyon Soil & Water	Nobles Soil & Water	River Falls	Traverse des Sioux - Mankato
MN River Valley Spec Ed	North Branch	River Falls, Utility	Trommald
Madelia	North Mankato	Robbinsdale	Truman
Madison	North St. Louis Soil & Water	Rose Creek	Two Harbors
Mahtomedi	North St. Paul	Rosemount	Upsala
Manchester	North St. Paul Utilities	Roseville	Upsala Schools
Mankato	N.W.-Thief Rvr Falls Reg Lib	Roseville Schools	Utica
Maple Grove	Northfield	Royalton Schools	Verndale
Maple Plain	Northwest ECSU	Rush City	Vesta
Maple Schools	Northwest Reg Dev Comm	Rush City Schools	Victoria
Mapleton	Northwoods Landfill Auth.	Rushford	Viking Library System
Mapleview	Oak Park Heights	Rushford Public Schools	Virginia
Maplewood	Oakdale	Russell	Virginia Utilities
Marine on St Croix	Odessa	Sacred Heart	Wabasha
Marshall	Odin	Sacred Heart Schools	Wabasha Nursing Home
Marshall, Utility	Ogilvie	Sanborn	Wabasso
Mazzeppa Schools	Olmstead County	Sargeant	Waconia
McLeod County	Orono	Sauk Rapids	Wadena
McLeod Soil & Water	Oronoco	Savage	Wahkon
Medina	Ortonville	Shafer	Walker
Melrose	Owatonna Utilities	Shakopee	Walnut Grove
Menahga	Paynesville	Shakopee Schools	Wanamingo
Mendota Heights	Paynesville Hospital	Sherburne Soil & Water	Wanamingo Schools
Metro Airports Comm.	Pierz	Shoreview	Warren
Metro Library Services	Pierz Schools	Shorewood	Waseca
Milaca Schools	Pillager	Sibley Soil & Water	Waseca Soil & Water
Mille Lacs Soil & Water	Pillager Schools	Six East Reg Dev Comm	Waseca Utilities
Milroy	Pine City Schools	So. Central ECSU	Waseca-LeSueur Library
Miltona	Pine Island	So. MN Municipal Power	Washington Soil & Water
Minneota	Pine Soil & Water	So. St. Paul	Watertown
MN Valley-Mankato Reg. Lib.	Pipestone	Southeast MN ECSU	Waterville
Minnetonka	Pipestone County	Spring Valley Utilities	Wayzata
Minnetrista	Pipestone Schools	St Bonifacius	Wendell
Monticello Hospital	Plainview	St Charles	West St. Paul
Moorhead	Plum Creek Library	St Cloud Schools	Wheaton Hospital
Moorhead HRA	Plymouth	St Paul HRA	White Bear
Moorhead Utilities	Princeton	St. Anthony	White Bear Lake
Moose Lake Utilities	Princeton Utilities	St. Cloud	Wilder
Mora	Prior Lake	St. James	Wilkin County
Morris	Ramsey	St. Louis Park	Willmar Utilities
Mound	Ramsey County	St. Mary's Point	Winnebago
Mounds View	Ramsey Soil & Water	St. Michael	Winona
Mountain Iron	Ranier	St. Paul	Winthrop Schools
Mtka Beach, Village of	Red Lake Watershed District	St. Peter	Woodbury
Myrtle	Redwing	Stacy	Woodland
Nett Lake School	Redwood Falls	Stanford	Worthington
New Brighton	Redwood Falls HRA	Starbuck	Wright Soil & Water
New Hope	Redwood Falls Hospital	Stearns Soil & Water	Wyoming
New Prague	Redwood Falls Utilities	Stillwater	Young America
New Richland	Region Eight Welfare	Swift Soil & Water	Zimmerman
New Richland Care Center	Region Five Reg Dev Comm	Taconite	

**THIS LIST DOES NOT INCLUDE 400 OF THE 437 MINNESOTA SCHOOL DISTRICTS OR
AN ESTIMATED 30 ADDITIONAL COUNTIES WHO ARE IN THE PROCESS OF
COMPLETING PAY EQUITY STUDIES

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 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

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