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February 1994

Minnesota Local Government Pay Equity Compliance Report

**Submitted to the Minnesota Legislature by the
Department of Employee Relations**

Minnesota

Department of

Employee

Relations

200 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155-1603

Summary

Ten years ago the Minnesota Legislature passed the Local Government Pay Equity Act. All local governments (approximately 1640) were required to implement pay equity by December 31, 1991, and submit reports to the Department of Employee Relations (DOER). Information in this report represents the first complete analysis of those reports.

- After an initial review of all reports, DOER determined that 67% of the jurisdictions were in compliance and 33% were out of compliance with the pay equity law. Jurisdictions found out of compliance were given a grace period to make adjustments and submit new reports.
- Most non-complying jurisdictions made adjustments to achieve compliance. As of February 1994, 95% of all jurisdictions were in compliance.
- Non-complying jurisdictions were advised that they would be subject to a penalty if they were found out of compliance a second time. The penalty is the greater of a 5% reduction in state aid or \$100 per day.
- 40 jurisdictions have been found out of compliance a second time and are 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.

Questions on this report may be directed to DOER's pay equity coordinator at (612) 296-2653.

Summary of Compliance Status by Jurisdictional Type - February 1994

Jurisdiction Type	In Compliance	Out of Compliance		Total
		Penalties May Be Assessed	Penalties Assessed	
City	603	15	21	639
County	75	9	3	87
ISD	387	14	11	412
Subtotal	1,065	38	35	1,138
SWCD	84	0	1	85
Other Districts	124	2	2	128
HRAs	71	4	0	75
Townships	83	1	0	84
Utilities	54	0	0	54
Health Care Fac.	53	2	2	57
Subtotal	469	9	5	483
TOTAL	1,534	47	40	1,621

Section One

Background Information

Requirements of the Law

The Local Government Pay Equity Act (LGPEA) of 1984 (M.S. 471.991 to 471.999) requires local governments to "establish equitable compensation relationships" by December 31, 1991. Other common terms for "equitable compensation relationships" are "comparable worth" or "pay equity."

The purpose of the law is "to eliminate sex-based wage disparities in public employment in this state." Equitable compensation relationships are achieved when "the compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable work value ... within the political subdivision."

The law requires DOER to determine whether local governments have achieved pay equity, based on implementation reports submitted by local governments.

Responsibilities of the Department of Employee Relations

A. Pay Equity Rule Adopted

In 1991 the Legislature authorized DOER to adopt rules under the Administrative Procedures Act to assure compliance with the Local Government Pay Equity Act (Laws 1991, chapter 128, section 2). The department adopted the rule MCAR 3920 in October of 1992. The rule includes:

- Definitions for terms such as benefits, compensation, and employee.
- A process for resolving questions about which jurisdiction is responsible for particular groups of employees.
- A list of information that must be included in reports to DOER.
- Information about tests jurisdictions must pass to be found in compliance. (The tests are described in further detail in section three of this report.)
- A notification process to inform jurisdictions of the department's decision and next steps. The rule also includes notice procedures for employees.
- Appeals procedures, including reconsideration, request for suspension of penalty, and contested case appeals.
- Penalties, including the enforcement conditions and procedures.
- Procedures for ensuring that pay equity is maintained in the future.

B. Assistance to Local Governments

During the 10 years since the law was passed, DOER has communicated in various ways with the approximately 1640 local governments required to comply with the law. Here is a summary of our communications:

Publications. DOER has produced and distributed the following publications:

- *A Guide to Implementing Pay Equity in Local Government* in 1984, revised September 1990;
- *Local Government Pay Equity Supplements*, 1984, five individualized booklets for cities, small cities, counties, school districts and health care facilities;
- *Pay Equity Job Match List*, 1984;
- *Instructions for Completing Pay Equity Implementation Report*, 1991, revised 1993;
- *Guide to Understanding Pay Equity Compliance and Computer Reports*, 1992, revised 1993;
- *Steps in Reviewing Pay Equity Reports*, 1992.

Software. DOER first developed computer software in 1985 to help jurisdictions estimate underpayment of female job classes. In 1992 a new program was developed to calculate the results for several of the compliance tests described in the pay equity rule. The software enables users to test different scenarios and examine the effects of salary changes and negotiations without having to send data to DOER for analysis. A two-disk set was made available for \$15 and approximately 500 copies of the program have been distributed. In 1994 an upgrade of the program was distributed free of charge.

Training sessions. DOER has periodically offered training sessions since 1984, and thousands of individuals from throughout the state have attended. DOER has worked with the University of Minnesota Employer Education Service, Government Training Service, Minnesota School Boards Association, League of Minnesota Cities, Association of Minnesota Counties and numerous other groups to inform local officials, employees and others regarding the requirements of the LGPEA.

Rulemaking advisory committee. DOER asked employer organizations, unions, and women's groups to name representatives to serve on a committee. This 30-member group met a number of times to discuss and review compliance guidelines and advise the department on the pay equity rule.

Department staff. DOER established a full-time pay equity coordinator position in 1989. The coordinator has advised local governments through extensive training, telephone consultation, and evaluations of their pay equity reports. In addition to ongoing daily technical assistance, the pay equity coordinator conducted the following major activities in 1993:

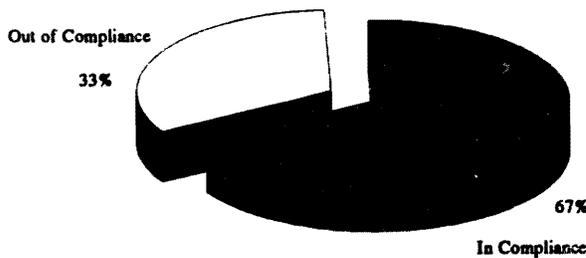
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- Reviewed and made compliance determinations regarding over 1640 Pay Equity Implementation Reports.
 - Reviewed and made decisions about approximately 200 reconsideration requests from local governments found out of compliance.
 - Reviewed and made compliance determinations regarding approximately 400 second reports filed by jurisdictions that were initially found out of compliance.

Section Two

Summary of Compliance Status of Local Governments

Approximately 1640 jurisdictions were required to submit Pay Equity Implementation Reports to DOER by January 31, 1992, to determine whether compliance had been achieved. After an initial review of all the reports, DOER determined that 1103 (67%) were in compliance and 537 (33%) were out of compliance.

Compliance Status - 1992 Reports

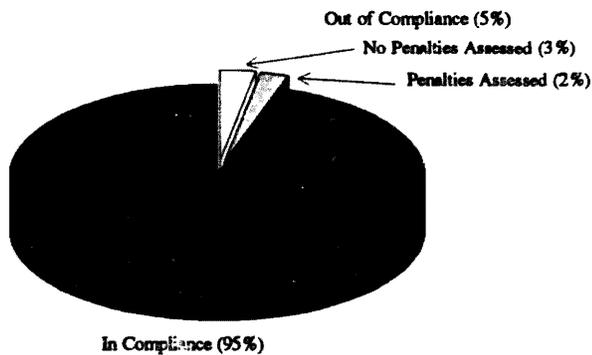


Jurisdictions found out of compliance were given a grace period of several months to make adjustments and submit new second reports. Non-complying jurisdictions were also given 30 days to file a reconsideration request if they wanted the grace period extended or wanted to explain their particular circumstances and ask for a reversal of DOER's decision. Jurisdictions filing reconsideration requests also had an additional 30 days to submit information to support their requests. Approximately

200 of the 537 jurisdictions initially found out of compliance exercised this option. A DOER team of seven staff reviewed the requests, and in most cases, the review team granted requests to extend the grace period.

Most of the 537 jurisdictions initially found out of compliance made the necessary adjustments to achieve compliance as of February 1994. Currently, 95% of all jurisdictions are in compliance, while 5% remain out of compliance. A listing of all jurisdictions currently in compliance is in Section Five. Of the jurisdictions still out of compliance, most have filed reconsideration requests and were granted extensions of time to submit reports. However, 40 jurisdictions did not achieve compliance within the grace period or did not file a reconsideration request and are therefore subject to a penalty. To ensure that pay equity is maintained, jurisdictions have been placed on a three-year reporting cycle with a third of them reporting each year beginning in January of 1994.

Compliance Status - February 1994



5. **Exceptional service pay test (ESP)** - compares the number of male classes in which individuals receive longevity or performance pay above the maximum of the salary range to the number of female classes where this occurs. This test applies only to jurisdictions that provide exceptional service pay.

Recommended action: *Bring more consistency to the number of male and female classes receiving exceptional service pay to meet the minimum standard for passing the test.*

B. Summary of Tests Failed After Initial Review

Of the 537 jurisdictions whose 1992 reports were found out of compliance, most failed either the statistical or alternative analysis tests and nearly 25% failed the completeness and accuracy test. A specific breakdown regarding each test follows:

Test Failed	No.
CA	129
ST	160
ALT	157
SR	33
ESP	14
<u>More than one test</u>	<u>44</u>
Total	537

Section Four

Jurisdictions Not in Compliance

A. Jurisdictions Not in Compliance - Penalty May Be Assessed

The jurisdictions listed below are currently out of compliance but at this time no penalties have been assessed. Jurisdictions on this list have recently submitted reports yet to be reviewed or they submitted reconsideration requests and have been granted extended grace periods. Any jurisdiction on this list could receive a penalty notice at a later time if they fail to submit a new report that pass all compliance tests. The specific actions DOER recommended to each jurisdiction to achieve compliance are described in the previous section.

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll
Cities			
Beaver Bay**	Alt	\$ 432	5.7
Buffalo**	ST	531	0.2
Coleraine**	ST	245	1.1
Currie	ALT	200	5.1
Dalton	CA	*	2.0
Elgin	ALT	126	1.7
Faribault	CA	*	2.0
Garvin	CA	*	2.0
Hawley**	ALT	77	0.3
Hendrum	CA	*	2.0
Longville**	ALT	80	0.6
Owatonna	ESP	*	2.0
St. Cloud**	ST	730	0.1
Vernon Center	ALT	238	7.1
Watson	CA	*	2.0
Counties			
Becker County	ESP	*	2.0
Beltrami County	SR	482	0.1
Lake County	ST	229	0.1
Martin County	ST,ESP	844	0.5
Norman County	SR	2,443	2.0
Pipestone County**	ESP	*	2.0
Polk County**	ST	6,702	1.3
Rock County	ESP	*	2.0
St. Louis County	ST	42,000	0.8

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll
School Districts			
ISD No. 1A - Minneapolis	ST	\$ 111,848	0.7
ISD No. 197 - West St. Paul	ST	7,877	1.7
ISD No. 2365 - GFW**	ALT,SR	*	2.0
(Gibbon/Fairfax/Winthrop)			
ISD No. 238 - Mabel-Canton	ALT	2,202	2.0
ISD No. 255 - Pine Island**	SR	5,048	2.0
ISD No. 286-Brooklyn Center	ST,SR	5,414	0.9
ISD No. 381 - Lake Superior	ST,SR	12,797	2.0
ISD No. 483 - Motley	CA	*	2.0
ISD No. 695 - Chisholm	ST	1,101	0.4
ISD No. 721 - New Prague	ST,SR	9,173	2.0
ISD No. 827 - New Richland	ALT	990	0.1
ISD No. 885 - St. Michael/Albertville	ALT	6,260	2.0
ISD No. 91 - Barnum**	ST	1,216	0.7
ISD No. 93 - Carlton**	SR	4,428	2.0
Others			
Cannon Falls Community Hospital District**	ST	2,088	2.0
Sunrise Nursing Home	ALT	1,677	2.0
Cook HRA**	ALT	58	2.0
Lake Benton HRA	CA	*	2.0
Mora HRA	CA	*	2.0
St. Peter HRA	CA	*	2.0
Duluth Airport Authority	ST	364	1.0
Seaway Port Auth. Duluth	CA	*	2.0
Shingobee Township	CA	*	2.0

* Data to calculate a specific amount was not provided to DOER, but based on DOER analysis of average costs, the average cost for a jurisdiction to achieve compliance is approximately 2% of payroll.

**Jurisdiction has filed new report. DOER review not yet completed.

the type of test the jurisdiction failed. DOER is required to report this information according to M.S. 471.999.

Summary of Tests Failed for Penalized Jurisdictions

Test Failed	No.
CA	27
ST	8
ALT	3
<u>SR</u>	<u>2</u>
Total	40

Jurisdictions Failing the Completeness and Accuracy (CA) Test

Twenty-seven jurisdictions did not submit reports at all or did not submit complete reports on time. These jurisdictions are divided into two parts because more specific information was available for some jurisdictions.

The following jurisdictions did not provide enough data for DOER to calculate a specific amount to achieve compliance, so for these jurisdictions DOER has estimated the cost to achieve compliance as 2% of payroll. Except for one, these jurisdictions have been assessed a penalty of \$73,000 which is the greater of 5% of state aid or \$100 per day calculated from January 1, 1992.

Cities	Cities	Others
Cambridge *	Harmony	Cook County *
Ceylon	Northome	ISD - 815 Prinsburg
Dellwood	Randall	ISD - 173 Mt. Lake**
Floodwood	Swanville	Parkers Prairie Dist. Hospital
Hadley	Wannamingo	
Halstad	Willernie	

* Filed late reports that pass all other compliance tests. Therefore, the payroll estimate does not apply. The estimate is \$0.

** Filed late report that passes all other compliance tests. Assessed penalty is \$135,447.

Eleven jurisdictions submitted at least one report and enough data for DOER to estimate more specific costs to achieve compliance. Estimates are based on reports submitted in 1992 that failed one or more of the compliance tests.

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll	Assessed Penalty
City of Belle Plaine	ST	\$ 301	0.9	\$ 73,000
City of Edgerton	ALT	488	6.1	73,000
City of Kelliher	ALT	40	0.9	73,000
ISD No. 166 - Cook Co.	ST,ESP	9,480	4.7	110,181
ISD No. 263 - Elbow Lk.	ALT	657	0.5	120,506
ISD No. 454 - Fairmont	ST,ESP	17,163	3.5	577,455
ISD No. 265 - Hoffman	ALT	1,621	3.0	73,000
ISD No. 652 - Morton	ALT	78	0.2	73,000
Mahnomen Hospital	ALT	9,901	10.6	73,000
Rock SWCD	ALT	133	8.2	73,000
St. Paul Port Authority	ST	336	0.4	73,000

Jurisdictions Failing the Statistical Analysis (ST) Test

Eight jurisdictions received a second non-compliance notice because they submitted second reports that did not pass the statistical analysis test. This test was failed because compensation for female classes consistently fell below the average compensation for male classes of comparable value.

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll	Assessed Penalty
City of Stillwater	ST	\$ 794	0.4	\$ 168,761
City of Windom	ST	2,703	1.4	101,038
Big Stone Co	ST	2,050	2.0	73,000
McLeod Co.	ST	6,089	1.6	173,690
ISD -282 St. Anth./N.B	ST	7,063	1.8	97,440
ISD - 833 So. Wash Co.	ST	11,432	0.3	3,209,260
ISD - 110 Waconia	ST	412	0.1	273,723
ISD - 690 Warroad	ST	480	0.2	73,000

Jurisdictions Failing the Alternative Analysis Test

Three jurisdictions failed this test twice either because female classes were compensated less than male classes (even though the male classes have a lower comparable value) or because the female classes were not compensated as reasonably proportionately to points as other classes.

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll	Assessed Penalty
City of Dunnell	ALT	\$ 168	7.3	\$ 73,000
City of Hitterdal	ALT	112	1.6	73,000
City of Russell	ALT	702	8.2	73,000

Jurisdictions Failing the Salary Range Test

Two jurisdictions received a second notice of non-compliance because they submitted second reports that did not pass the salary range test. This test was failed because the number of years required to reach the maximum of the salary range for female classes was more than 20% longer than the average years required for male classes to reach the maximum of the salary range.

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll	Assessed Penalty
City of St. Peter	SR	\$ 257	0.1	\$ 153,316
Fergus Falls Coop.	SR	742	0.9	73,000

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January 1995

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St. Paul, MN 55155-1603

Summary

Eleven years ago the Minnesota Legislature passed the Local Government Pay Equity Act. All local governments (approximately 1600) were required to implement pay equity by December 31, 1991, and submit reports to the Department of Employee Relations (DOER) in January of 1992.

To ensure that pay equity was maintained, all jurisdictions were then placed on a three-year reporting cycle. By random selection, each jurisdiction was assigned a reporting year of 1994, 1995 or 1996. Approximately one-third of all jurisdictions were required to report in each of those years. Information in this report summarizes the results of the 1992 reporting cycle and the 1994 reporting cycle.

- **1992 Reports**

99% or 1592 jurisdictions achieved compliance, 1% remain out of compliance. Due to receiving two non-compliance notices, 53 jurisdictions received penalty notices and all requested a suspension of their penalties. In most cases, penalized jurisdictions have now achieved compliance and DOER has reduced penalties. Penalty information is detailed in section four of this report.

- **1994 Reports**

After an initial review of the 367 jurisdictions required to report in 1994, DOER determined that 251 (68%) were in compliance and that 67 (18%), were not in compliance. Decisions regarding compliance are still pending for 14% of the jurisdictions required to report in 1994.

Non-complying jurisdictions were given a grace period to achieve compliance and advised that they would be subject to a penalty if they were found out of compliance a second time. The penalty is the greater of a 5% reduction in state aid or \$100 per day.

- **Current Status**

Due to the staggered reporting cycle begun in 1994, the current compliance status of local governments includes a composite of reports from two reporting years, 1992 and 1994. At this time, 91% of all jurisdictions are in compliance, 6% are out of compliance, and 3% are yet to be decided.

Questions on this report may be directed to DOER's pay equity coordinator at (612) 296-2653.

Summary of Compliance Status by Jurisdictional Type - Composite 1992 & 1994

Jurisdiction Type	In Compliance	Out of Compliance	Decision Pending	Total
City	582	31	23	636
County	75	8	4	87
ISD	367	27	14	408
SWCD	80	5	1	86
Other Districts	119	5	4	128
HRAs	67	7	0	74
Townships	80	2	1	83
Utilities	53	1	0	54
Health Care Fac.	54	2	2	58
TOTAL	1477	88	49	1614

Section One

Background Information

Requirements of the Law

The Local Government Pay Equity Act (LGPEA) of 1984 (M.S. 471.991 to 471.999) required local governments to "establish equitable compensation relationships" by December 31, 1991. Compliance must be maintained and jurisdictions are evaluated every three years. Other common terms for "equitable compensation relationships" are "comparable worth" or "pay equity."

The purpose of the law is "to eliminate sex-based wage disparities in public employment in this state." Equitable compensation relationships are achieved when "the compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable work value ... within the political subdivision."

The law requires DOER to determine whether local governments have achieved pay equity, based on implementation reports submitted by local governments.

Responsibilities of the Department of Employee Relations

A. Pay Equity Rule Adopted

In 1991 the Legislature authorized DOER to adopt rules under the Administrative Procedures Act to assure compliance with the Local Government Pay Equity Act (Laws 1991, chapter 128, section 2). The department adopted the rule MCAR 3920 in October of 1992.

B. Assistance to Local Governments

During the 11 years since the law was passed, DOER has communicated in various ways with the approximately 1600 local governments required to comply with the law. The department has produced and distributed ten technical assistance publications and distributed them free of charge to all local governments.

In addition, DOER has developed computer software to help jurisdictions estimate underpayment of female job classes, and to calculate the results for several of the compliance tests. A two-disk set was made available for \$15 and approximately 500 copies of the program have been distributed. In 1994 an upgrade of the program was distributed free of charge. DOER has periodically offered training sessions since 1984, and thousands of individuals from throughout the state have attended.

In 1991, DOER asked employer organizations, unions, and women's groups to name representatives to serve on rulemaking advisory committee. This 30-member group met a

number of times to discuss and review compliance guidelines and advise the department on the pay equity rule.

In 1989, DOER established a full-time pay equity coordinator position. The coordinator has advised local governments through extensive training, telephone consultation, and evaluations of their pay equity reports. In addition to ongoing daily technical assistance, the pay equity coordinator conducted the following major activities in 1994:

- Reviewed and made compliance determinations regarding approximately 200 second reports filed by jurisdictions that were initially found out of compliance for 1992.
- Reviewed and made compliance determinations regarding approximately 400 Pay Equity Implementation Reports submitted in 1994.
- Established an internal team of DOER staff to review and make decisions about reconsideration requests and requests to suspend penalties.
- Notified 53 jurisdictions that because they had received a second notice of non-compliance, they were subject to a penalty.
- Prepared materials, evaluated evidence and conducted over 30 meetings to make decisions regarding requests to suspend penalties from the 53 jurisdictions requesting a suspension of their penalties.
- Conducted over 15 meetings with individuals from penalized jurisdictions to discuss their particular circumstances, ways to achieve compliance, and action regarding penalties.
- Made determinations in 39 cases regarding requests to suspend penalties. Prepared findings and conclusions and notified jurisdictions of DOER decisions.
- Prepared materials and sent notification packets to 613 jurisdictions required to report in January of 1995.

Section Two

Summary of Compliance Status of Local Governments

All jurisdictions were required to submit pay equity implementation reports in 1992, and then, to ensure that pay equity was maintained, each was placed on a three-year reporting cycle. By random selection, each jurisdiction was assigned a reporting year of 1994, 1995 or 1996 with approximately one-third of all jurisdictions reporting each year.

Due to the staggered reporting schedule that began in 1994, information in this section is divided into three parts; results of reports reviewed in 1992, results of reports reviewed in 1994 and a composite of reports from both years.

1992 Reports

By January 31, 1992 over 1600 jurisdictions were required to submit Pay Equity Implementation Reports to DOER to determine whether compliance had been achieved. After the review of 1992 reports was completed, **99% of all jurisdictions achieved compliance** while 1%, or 22 jurisdictions, did not achieve compliance. Due to receiving a second notice of non-compliance, 53 jurisdictions received penalty notices. Currently, most of the penalized jurisdictions have now achieved compliance and in those cases, penalties were substantially reduced. However, 14 jurisdictions remain out of compliance, and requests to suspend penalties have not been decided. The results of action taken regarding penalties is detailed in section four of this report.

Compliance Status - 1992 Reports

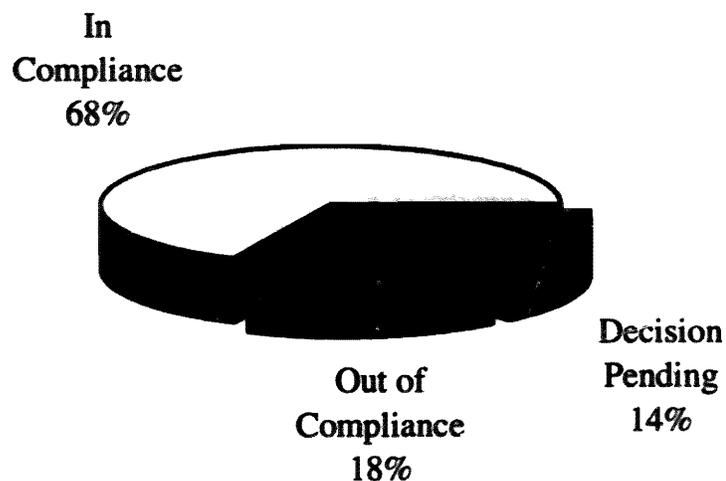


1994 Reports

After an initial review of 367 reports, DOER determined that 251 jurisdictions (68%) were in compliance and that 67 jurisdictions (18%) were not in compliance. Decisions regarding compliance are still pending for 14% of the jurisdictions required to report in 1994.

Jurisdictions found out of compliance were given a grace period of several months to make adjustments and submit new second reports. Non-complying jurisdictions were also given 30 days to file a reconsideration request if they wanted the grace period extended or wanted to explain their particular circumstances and seek a reversal of DOER's decision. Approximately 20 of the 67 jurisdictions initially found out of compliance have exercised this option.

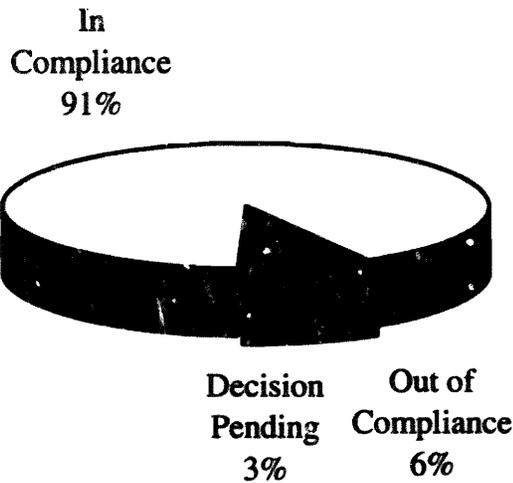
Compliance Status - 1994 Reports



Current Status - Composite of 1992 and 1994

Due to the staggered reporting cycle begun in 1994, the current compliance status of local governments includes a composite of information from two reporting years, 1992 and 1994. As of January 1995, **91% of all jurisdictions were in compliance, 6% were out of compliance and 3% were yet to be decided.**

Compliance Status Composite of 1992 and 1994



A listing of all jurisdictions currently in compliance is in Section Five. Of the jurisdictions still out of compliance, most have time remaining in their grace periods to submit new reports that pass all compliance tests. In the event that any of these jurisdictions does not achieve compliance within the grace period, they will receive a second notice of non-compliance and a penalty notice.

Section Four

Jurisdictions Not in Compliance

A. Jurisdictions Not in Compliance - Penalty May Be Assessed

The jurisdictions listed below are currently out of compliance but at this time no penalties have been assessed. Most jurisdictions on this list have recently submitted reports yet to be reviewed or they submitted reconsideration requests. Any jurisdiction on this list could receive a penalty notice at a later time if they fail to submit a new report that passes all compliance tests. The specific actions DOER recommended to each jurisdiction to achieve compliance are described in the previous section.

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll
Cities			
Albert Lea	ST	\$ 381	0.1
Arden Hills	ST	239	0.4
Ashby	ALT	61	1.5
Avoca	CA	*	0.5*
Babbitt	ALT	679	1.6
Brownsville	CA	0	0.0
Byron	CA	0	0.0
Caledonia	CA	*	0.5*
Dundas	CA	*	0.0*
Erskine	ALT	196	3.3
Flensburg	CA	*	0.5*
Grove City	CA	*	0.5*
Howard Lake	ST	94	0.5
Keewatin	ST	1764	6.6
Kenyon	CA	*	0.5
Lake Park	ALT	6516	3.4
Lake Shore	CA	0	0.0
Mazeppa	CA	*	0.5*
Montrose	ALT	86	1.2
Moose Lake	ALT	539	1.5
Norwood	ALT	450	3.1
Oakdale	ESP	*	0.5*
Orr	ALT	200	0.2
Rollingstone	ALT	251	6.5
Sartell	ST	1852	4.6
Sauk Rapids	SR	560	0.6
St. Leo	CA	*	0.5*

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll
Thief River Falls	ESP	\$1500	0.5*
Virginia	CA	*	0.5*
Winger	ALT	87	3.5
Counties			
Kittson County	ST	295	0.2
Morrison County	ST	190	0.1
Norman County	SR	*	0.5*
Pope County	CA	*	0.5*
Rock County	ESP	*	0.5*
School Districts			
ISD No. 1 - Aitkin	ST	702	0.2
ISD No. 2 - Hill City	ALT	1762	1.8
ISD No. 97 - Moose Lake	ST	477	0.2
ISD No. 192 - Farmington	ESP	3700*	0.5*
ISD No. 238 - Mabel-Canton	ALT	2202	2.0
ISD No. 258 - Wanamingo	ALT	1757	2.0
ISD No. 284 - Wayzata	CA	*	0.5*
ISD No. 333 - Ogilvie	CA	*	0.5*
ISD No. 435 - Waubun	Alt	366	0.2
ISD No. 440 - Middle River	ALT	351	0.7
ISD No. 499 - LeRoy/Ostrander	ALT	242	0.2
ISD No. 542 - Battle Lake	ST	1794	1.4
ISD No. 582 - Jasper	ST	164	0.3
ISD No. 624 - White Bear Lake	CA	*	0.5*
ISD No. 631 - Belview	CA	*	0.5*
ISD No. 641 - Walnut Grove	ALT	328	0.5
ISD No. 654 - Renville	CA	*	0.5*
ISD No. 827 - New Richland	ST	990	0.1
ISD No. 831 - Forest Lake	ST	2382	0.1

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll
Others			
Ely HRA	ALT	\$ 0	0.0
Le Sueur County HRA	ALT	402	4.1
Princeton HRA	ALT	0	0.0
St. Cloud HRA	ST	660	1.2
St. James HRA	ALT	95	2.6
Walker HRA	CA	*	0.5*
E. Ottertail SWCD	CA	*	0.5
Faribault County SWCD	CA	*	0.5*
Lac Qui Parle SWCD	CA	0	0.0
Olmstead SWCD	CA	0	0.0
Centennial Fire District	CA	0	0.0
Hutchinson-Willmar Reg. Tech.	ST	1315	0.2
Pelican Valley Health Center	ST	11,024	8.1
Seaway Port Authority/Duluth	CA	*	0.5*
Spirit Mountain Authority	CA	*	0.5*
Spring Valley Pub. Util. Comm.	CA	*	0.0*
Stearns-Benton Employment	CA	*	0.5*
W Central Area Agency on Aging	CA	0	0.0
Cannon Falls, Town of	CA	0	0.0
Watertown Township	CA	*	0.0*

* Data to calculate a specific amount was not provided to DOER, but based on DOER analysis of average costs, this is the estimated cost to achieve compliance.

B. Jurisdictions Not in Compliance - Penalties Assessed

The 53 jurisdictions listed on the following pages have received a second notice of non-compliance with the Local Government Pay Equity Act and a notice that they are subject to a penalty. The 1994 report from DOER to the legislature specified the reason for non-compliance, recommended actions to achieve compliance and the estimated cost of achieving for compliance for each of these jurisdictions.

Prior to any penalties being assessed, each jurisdiction on this list had several opportunities to avoid such a notice. Each received a first notice of non-compliance and each was given a grace period to make corrections and achieve compliance. They also were:

- warned that failure to achieve compliance by the end of the grace period would result in a second notice of non-compliance and a penalty notice. Also, that the penalty would be the greater of a 5% reduction in state aid or \$100 per day, assessed from December 31, 1991 and continuing until compliance was achieved.
- advised of the reason they were found out of compliance, the results of the tests for compliance and an explanation of the results.
- encouraged to contact DOER for technical assistance and review of potential salary and other adjustments to see if they would meet compliance requirements.
- advised to request reconsideration if they wished to explain circumstances and ask for a reversal of DOER's decision, or request an extension of the grace period to achieve compliance.

All penalized jurisdictions had the option to request a suspension of the penalty and/or file a contested case appeal. Penalties may not be imposed while an appeal is pending. All 53 jurisdictions exercised their right to request a suspension of the penalty. Fourteen cases are yet to be decided, but DOER has made decisions and issued a "Findings and Conclusions" report to 39 of the penalized jurisdictions. In all cases, DOER granted the requests to suspend penalties to some degree.

The law allows DOER to consider the following factors when deciding whether to suspend any portion of a penalty: circumstances beyond a jurisdiction's control, severe hardship, non-compliance due to factors unrelated to gender, and steps the jurisdiction has taken to achieve compliance. Jurisdictions also have the option to submit a contested case appeal on the new penalty amounts and currently ten jurisdictions have requested contested case appeals.

Because penalties continue until compliance is achieved, jurisdictions on this list that do not achieve compliance are subject to additional penalties. No penalties may be imposed until the end of the legislative session in which DOER submits a report listing a jurisdiction as not in compliance. DOER makes compliance decisions on an ongoing basis and updates the legislature annually.

Information on Penalized Jurisdictions

Listed on the following pages is the current status of the 53 jurisdictions that received a second notice of non-compliance and a penalty notice for failure to comply with the Local Government Pay Equity Act M.S. 471.991 - .999.

1% of Penalty Imposed - No Inequities for Penalty Period

Most jurisdictions below received penalty notices calculated at a rate of \$100 per day from January 1, 1992 - December 31, 1993. DOER reviewed requests to suspend the penalty from each of these jurisdictions and has suspended 99% of the original penalty. In most cases this resulted in a remaining penalty of \$730. In each case, the primary reason for suspending 99% of the penalty was that female classes were not compensated consistently below male classes of comparable value and non-compliance was due primarily to the jurisdiction's failure to submit accurate and complete information and/or to submit required reports on time.

Beaver Bay City
Ceylon City
Dalton City
Dellwood City
Edgerton City
Floodwood City
Hadley City
Halstad City

Randall City
Swanville City
Wannamingo City
Willernie City
St. Paul Port Authority
Prinsburg ISD No. 815
Pine Island ISD No. 255 (Penalty 5% of state aid,
final penalty \$3189)

1 % of Penalty Imposed - Inequities Corrected for Penalty Period

In each of the following jurisdictions, the primary reason for suspending 99% of the penalty was that jurisdictions made some type of retroactive pay adjustments to address inequities that existed between January 1, 1992 - December 31, 1993. The amount of retroactive pay varies widely due to the degree of the inequities for female employees in each jurisdiction.

Jurisdiction	Assessed Penalty	Est. Retro. Payments	Final Penalty
Buffalo City	\$ 76,972	\$ 8,620	\$ 770
Cambridge City	73,000	9,972	730
Dunnell City	73,000	3,568	730
Harmony City	73,000	6,816	730
Hitterdal City	73,000	2,000	730
Kelliher City	73,000	1,000	730
Northome City	73,000	4,160	730
Russell City	73,000	10,696	730
Booklyn Center ISD No. 286	248,341	17,213	2,483
Cook County ISD No. 166	110,181	15,845	1,102
Mt. Lake ISD No. 173	133,447	20,925	1,334
Minneapolis ISD. No. 1A	6,896,559	562,000*	68,965
Big Stone County	73,000	12,292	730
Cannon Falls Hospital	73,000	25,978	730
Mahnomen Hospital	73,000	6,055	730
Duluth Airport Authority	73,000	20,311	730

* Includes combination of salary adjustments and retro payments

Other Penalties Imposed - Inequities Not Fully Corrected for Penalty Period

The following jurisdictions received penalty notices as indicated. The final penalties are primarily a result of female classes being compensated consistently below male classes of comparable value for all or a portion of the penalty period.

Jurisdiction	Assessed Penalty	% of Penalty Imposed	Final Penalty
St. Peter City	\$ 153,316	10%	\$ 15,331
Stillwater City	168,761	50%	84,380
Windom City	101,038	60%	60,622
Cook County	73,000	25%	18,250
Fairmont ISD No. 454	577,455	4%	23,098
So. Washington Co. ISD No. 833	3,209,260	45%	1,444,167
Waconia ISD No. 110	273,723	45%	123,175
Fergus Falls Sp. Ed. Coop.	73,000	2%	1,460

Penalties Assessed - Final Penalty Pending

The following jurisdictions received penalty notices as indicated and currently all have a non-compliance status. Decisions regarding requests to suspend penalties from these jurisdictions have not yet been finalized.

Jurisdiction	Assessed Penalty
Belle Plaine City	\$ 73,000
Crow Wing County	88,004
McLeod County	173,690
Polk County	172,271
Carlton ISD No. 93	232,283
Elbow Lake ISD No. 263	120,506
Hoffman ISD No. 265	73,000
Morton ISD No. 652	73,000
Motley ISD No. 483	73,000
St. Anthony New Brighton ISD No. 282	97,440
Warroad ISD No. 690	73,000
St. Peter HRA	73,000
Rock SWCD	73,000
Parker's Prairie Hospital	73,000

960166

January 1996

Minnesota Local Government Pay Equity Compliance Report

**Submitted to the Minnesota Legislature by the
Department of Employee Relations**

200 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155-1603

Summary

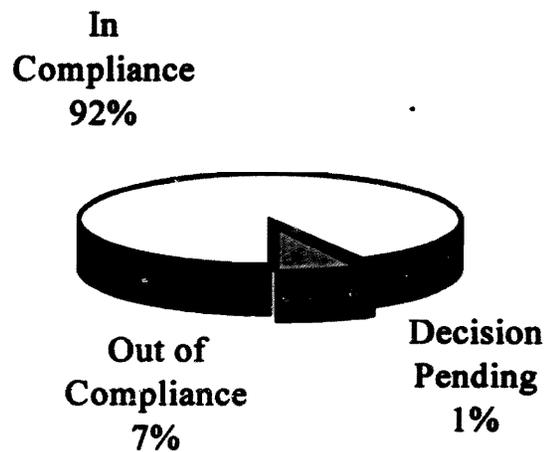
Twelve years ago the Minnesota Legislature passed the Local Government Pay Equity Act (LGPEA). All local governments (approximately 1600) were required to implement pay equity by December 31, 1991, and submit reports to the Department of Employee Relations (DOER) in January of 1992.

After 1992, all jurisdictions were required to report once every three years to ensure that pay equity was maintained. By random selection, each jurisdiction was assigned a reporting year of 1994, 1995 or 1996. Information in this report summarizes the results of the 1992 reporting cycle, the 1994 reporting cycle, the 1995 reporting cycle and a composite of all three reporting years.

- **Current Status**

Due to the staggered reporting cycle begun in 1994, the current compliance status of local governments includes a composite of results from three reporting years, 1992, 1994 and 1995. At this time, 92% of all jurisdictions are in compliance, 7% are out of compliance and 1% are yet to be decided.

Current Status - Composite of 1992, 1994 and 1995 Reports



Summary of Compliance Status by Jurisdictional Type - Composite 1992, 1994 & 1995

Jurisdiction Type	In Compliance	Out of Compliance	Decision Pending	Total
City	595	38	6	639
County	81	5	1	87
Schools	342	38	11	391
SWCD	82	4	0	86
Other Districts	120	10	2	132
HRAs	70	5	0	75
Townships	77	5	0	82
Utilities	46	4	2	52
Health Care Fac.	52	2	2	56
TOTAL	1465	111	24	1600

- **Maintaining Compliance**

In each reporting cycle approximately one-third of all jurisdiction were initially found out of compliance. Jurisdictions found out of compliance in 1994 and 1995 had previously been in compliance as recently as 1993 but then did not maintain compliance. While 92% of all jurisdictions are currently in compliance, it is clear that on-going monitoring is needed to ensure that pay equity is maintained.

- **Penalty Provision**

The penalty provision of the LGPEA allows any non-complying jurisdiction a grace period to achieve compliance prior to any penalty being assessed. Jurisdictions not in compliance are advised that if compliance is not achieved within the grace period and they are found out of compliance a second time, they are subject to a penalty of a 5% reduction in state aid or \$100 per day, whichever is greater. Jurisdictions have the right to appeal the penalty.

Penalties were enforced for the first time in 1994 and this prompted discussion about the penalty process and the formula for calculating penalties. In response to concerns from some legislators, in November of 1995, DOER reconvened its pay equity advisory committee including representatives from local governments, unions and women's groups to consider these issues. The information in section four of this report was presented to the group. Following an exchange of information and alternative ideas, the group generally concluded that even though the original penalties were high, the end results were very positive. The group commended DOER's effort to work with jurisdictions to resolve past inequities for many female employees in exchange for a reduction in penalties, most by 99%. It was also noted that because only 53 of over 1600 jurisdictions received penalties in the first place, jurisdictions were motivated to comply to avoid a penalty. A few possible changes were discussed, but the committee did not feel that there was any pressing need to modify the penalty provision of the LGPEA at this time. It was suggested that DOER continue to evaluate the penalty process.

Section One

Background Information

Requirements of the Law

The Local Government Pay Equity Act (LGPEA) of 1984 (M.S. 471.991 to 471.999) required local governments to "establish equitable compensation relationships" by December 31, 1991. Compliance must be maintained and jurisdictions are evaluated every three years. Other common terms for "equitable compensation relationships" are "comparable worth" or "pay equity."

The purpose of the law is "to eliminate sex-based wage disparities in public employment in this state." Equitable compensation relationships are achieved when "the compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable work value ... within the political subdivision."

The law requires DOER to determine whether local governments have achieved pay equity, based on implementation reports submitted by local governments.

Responsibilities of the Department of Employee Relations

A. Pay Equity Rule Adopted

In 1991 the Legislature authorized DOER to adopt rules under the Administrative Procedures Act to assure compliance with the Local Government Pay Equity Act (Laws 1991, chapter 128, section 2). The department adopted the rule MCAR 3920 in October of 1992.

B. Assistance to Local Governments

During the 12 years since the law was passed, DOER has communicated in various ways with the approximately 1600 local governments required to comply with the law. The department has produced and distributed ten technical assistance publications and distributed them free of charge to all local governments.

In addition, DOER has developed computer software to help jurisdictions estimate underpayment of female job classes, and to calculate the results for several of the compliance tests. A two-disk set was made available for \$15 and approximately 550 copies of the program have been distributed. In 1994 an upgrade of the program was distributed free of charge. DOER has periodically offered training sessions since 1984, and thousands of individuals from throughout the state have attended.

In 1991, DOER asked employer organizations, unions, and women's groups to name representatives to serve on rulemaking advisory committee. This 30-member group met a number of times to discuss and review compliance guidelines and advise the department on the pay equity rule.

In 1989, DOER established a full-time pay equity coordinator position. The coordinator has advised local governments through extensive training, telephone consultation, and evaluations of their pay equity reports. In addition to ongoing daily technical assistance, the pay equity coordinator conducted the following major activities in 1995:

- Reviewed and made compliance determinations regarding approximately 70 second reports filed by jurisdictions that were initially found out of compliance for 1994.
- Reviewed and made compliance determinations regarding approximately 600 Pay Equity Implementation Reports submitted in 1995.
- Reviewed and made compliance determinations regarding approximately 90 second reports filed by jurisdictions that were initially found out of compliance for 1995.
- Updated and distributed over 2000 copies of two publications, "Guide to Understanding Pay Equity Compliance and Computer Reports" and "Instructions for Completing Pay Equity Implementation Report."
- Prepared materials and sent notification packets to 639 jurisdictions required to report in January of 1996.
- Prepared materials, evaluated evidence and continued coordination of an internal team of DOER staff to review and make decisions regarding approximately 30 reconsideration requests and 53 requests for suspension of penalties.
- Conducted more than 20 meetings with individuals from penalized jurisdictions to discuss their particular circumstances, ways to achieve compliance and action regarding penalties.
- Resolved 44 of the 53 cases regarding requests to suspend penalties. Prepared findings and conclusions and notified jurisdictions of DOER decisions.
- In cooperation with the attorney generals' office, prepared materials and reached settlements in six of 12 contested cases and testified in one contested case hearing.
- Convened a meeting of the Pay Equity Advisory committee in November primarily to discuss the penalty provision of the law and to assess the results of the penalty process.

Section Two

Summary of Compliance Status of Local Governments

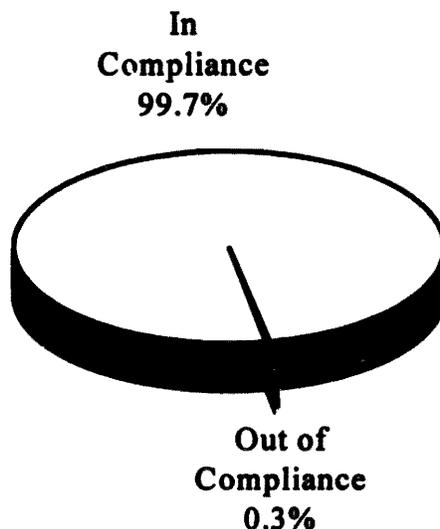
All jurisdictions were required to submit pay equity implementation reports in 1992, and then, to ensure that pay equity was maintained, each was placed on a three-year reporting cycle. By random selection, each jurisdiction was assigned a reporting year of 1994, 1995 or 1996 with approximately one-third of all jurisdictions reporting each year.

Due to the staggered reporting schedule that began in 1994, information in this section is divided into four parts; results of reports reviewed in 1992, 1994 and 1995 and a composite summary of reports from all three years.

1992 Reports

By January 31, 1992 over 1600 jurisdictions were required to submit Pay Equity Implementation Reports to DOER to determine whether compliance had been achieved. After the review of 1992 reports was completed, **nearly 100% of all jurisdictions achieved compliance.** In this reporting cycle, 53 jurisdictions received penalty notices. Most of the penalized jurisdictions have now achieved compliance and penalties were substantially reduced. However, four jurisdictions remain out of compliance and final penalties are pending. The results of action taken regarding penalties is detailed in Section Four of this report.

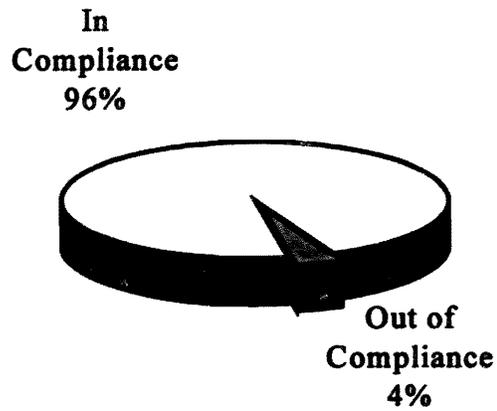
Compliance Status—1992 Reports



1994 Reports

After the review of the 1994 reports was completed DOER determined that 348 or 96% of the jurisdictions required to report were in compliance. Thirteen jurisdictions or 4% remain out of compliance and the decision is pending for one jurisdiction. It is possible that non-complying jurisdictions may receive penalties.

Compliance Status—1994 Reports



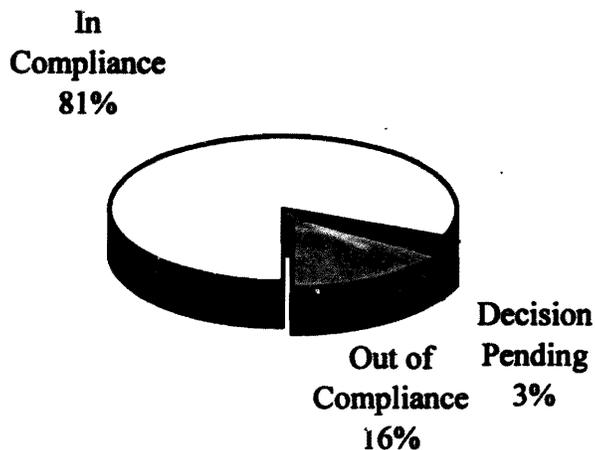
1995 Reports

After an initial review of 610 reports, DOER determined that 402 or 66% jurisdictions were in compliance and that 186 or 30% were not in compliance. Decisions regarding compliance are still pending for 22 or (4%) of the jurisdictions required to report in 1995.

Jurisdictions found out of compliance were given a grace period of several months to make adjustments and submit new second reports. Non-complying jurisdictions were also given 30 days to file reconsideration requests if they wanted the grace period extended or wanted to explain their particular circumstances and seek a reversal of DOER's decision. Approximately 30 of the 186 jurisdictions initially found out of compliance have exercised this option.

Approximately 90 of the 186 jurisdictions initially found out of compliance have now achieved compliance. Any jurisdiction failing to achieve compliance within the grace period and found out of compliance a second time will be subject to a penalty.

Compliance Status—1995 Reports



1995 Reports Continued - Examples of Inequities

DOER is in the process of doing a comprehensive study of inequities typically found in local governments. This study will evaluate the amount of inequities and how the wage gap has changed since the implementation of the LGPEA. This study is not yet complete, but DOER has started sampling typical inequities found in the 1995 reports.

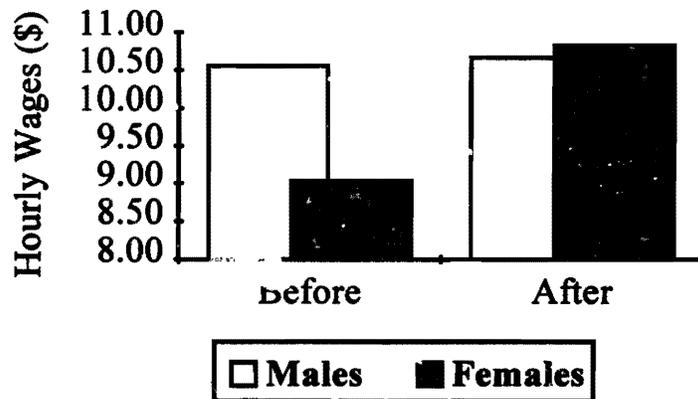
The sample is made up of cases where females were paid less than males despite the fact that females were in positions with higher job evaluation ratings. For example, a city clerk's job typically may have 275 points and the city maintenance job 213 points. In addition, disparities in this sample could not be accounted for by length of service or performance differences.

Typical inequities in cities were found primarily between city clerk/administrators and maintenance workers. In schools female classes of secretarial and food service workers were paid less than male classes of custodians and bus drivers. In other types of jurisdictions, females holding clerical or accounting positions were paid less than male caretakers or light equipment operators.

The average increase in wages for females in this sample was \$1.80 per hour. Before the inequities were corrected, the average pay for males in the sample was \$10.56 per hour and for females it was \$9.03 per hour. That is, the females were paid only 86% of the wages paid to males even though the females were in higher rated positions. After adjustments were made, the average pay for males was \$10.67 per hour and for females \$10.83 per hour. The wage gap was eliminated and wages for females increased to at least 100% of the males in the sample.

Wages Before and After Pay Equity Adjustments

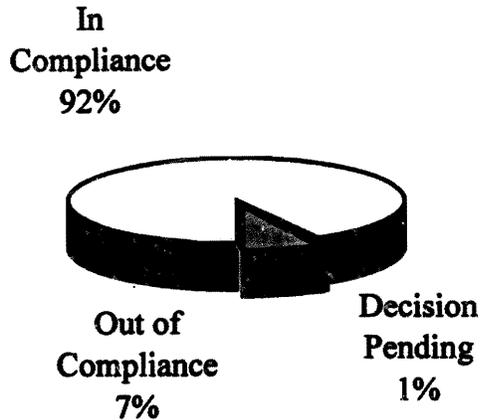
(sample jurisdictions where jobs held by females were rated higher than jobs held by males)



Composite of 1992, 1994 and 1995 Reports

Due to the staggered reporting cycle begun in 1994, the current compliance status of local governments includes a composite of information from three reporting years, 1992, 1994 and 1995. As of January 1996, **92% of all jurisdictions are in compliance, 7% are out of compliance and 1% are yet to be decided.**

Compliance Status Composite of 1992, 1994 and 1995



A listing of all jurisdictions currently in compliance is in Section Five. Of the jurisdictions still out of compliance, most have time remaining in their grace periods to submit new reports that pass all compliance tests. In the event that any of these jurisdictions does not achieve compliance within the grace period, they will receive a second notice of non-compliance and a penalty notice.

-
5. **Exceptional service pay test (ESP)** - compares the number of male classes in which individuals receive longevity or performance pay above the maximum of the salary range to the number of female classes where this occurs. This test applies only to jurisdictions that provide exceptional service pay.

Recommended action: *Bring more consistency to the number of male and female classes receiving exceptional service pay to meet the minimum standard for passing the test.*

B. Summary of Tests Failed After Initial Review

Of the 186 jurisdictions whose 1995 reports were found out of compliance, 41% failed either the statistical or alternative analysis tests and 45% failed the completeness and accuracy test. A specific breakdown regarding each test follows:

Test Failed	Number
Completeness and Accuracy Test	85
Statistical Analysis Test	24
Alternative Analysis Test	52
Salary Range Test	6
Exceptional Service Pay Test	9
<u>More than one Test</u>	<u>10</u>
Total	186

Section Four

Jurisdictions Not in Compliance

A. Jurisdictions Not in Compliance - Penalty May Be Assessed

The jurisdictions listed below are currently out of compliance but at this time no penalties have been assessed. Most jurisdictions on this list have recently submitted reports yet to be reviewed or they submitted reconsideration requests. Any jurisdiction on this list could receive a penalty notice at a later time if they fail to submit a new report that passes all compliance tests. The specific actions DOER recommended to each jurisdiction to achieve compliance are described in the previous section.

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll
Cities			
Appleton	ALT	\$ 400	1.1
Babbitt	ALT	679	1.6
Balaton	ALT	146	0.9
Caledonia	CA	*	0.5*
Champlin	ST	588	0.3
Cook	ALT	773	3.1
Crosby	ST, ESP	766	1.1
Delano	CA	*	0.5*
Detroit Lakes	ESP	*	0.5*
East Gull Lake	ALT	267	6.0
Fergus Falls	ST	98	0.1
Finlayson	ALT	522	7.9
Flensburg	CA	*	0.5*
Foley	ALT	72	0.3
Goodview	ST	267	0.8
Grove City	CA	*	0.5*
Hastings	SR	*	0.5*
Hokah	ALT	240	2.3
Holdingsford	ALT	100	0.8
Jasper	SR	*	0.5*
Kennsington	ALT	325	3.3
Lancaster	ALT	255	3.6
Lyle	ALT	357	8.3
Lynd	ALT	81	3.7
Madelia	ST	303	0.8
Madison Lake	CA	*	0.5*
Moose Lake	ALT	84	0.2
New Prague	CA	*	0.5*
Pequot Lakes	ALT	81	0.6

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll
Pipestone	ESP	\$ *	0.6
Prior Lake	ESP	*	0.5*
Renville	CA	*	0.5*
Shelly	ALT	50	1.1
Silver Lake	ST	329	1.6
Trimont	CA	*	0.5*
Warroad	ST	1200	2.6
Wheaton	CA	*	0.5*
Willow River	CA	*	0.5*
Counties			
Douglas County	ESP	*	0.5*
Kittson County	ST	295	0.2
Pennington County	ST,SR	259	0.1
Red Lake County	SR	*	0.5*
School Districts			
ISD No. 2 - Hill City	ALT	1762	1.8
ISD No. 4 - McGregor	ST	2634	1.3
ISD No. 6 - South St. Paul	CA	*	0.5*
ISD No. 21 - Audubon	ALT	124	0.1
ISD No. 32 - Blackduck	ST	609	0.2
ISD No. 108 - Norwood	SR	*	0.5*
ISD No. 126/127/346 MacCray	ST	270	0.1
ISD No. 200 - Hastings	ST,SR	1512	0.1
ISD No. 218 - Delavan	ALT	890	1.8
ISD No. 219 - Elmore	ALT	411	1.3
ISD No. 306 - LaPorte	ALT,ESP	350	0.3
ISD No. 314 - Braham	ST	1476	0.5
ISD No. 313 - Grand Rapids	ESP	*	0.5*
ISD No. 325 - Lakefield	CA	*	0.5*
ISD No. 347 - Willmar	ST	2000	0.1
ISD No. 354 - Kennedy	CA	*	0.5*
ISD No. 413 - Marshall	ST,SR	870	0.1
ISD No. 415 - Lynd	ALT	902	2.8
ISD No. 423 - Hutchinson	SR	*	0.5*
ISD No. 507 - Nicollet	CA	*	0.5*
ISD No. 523 - Gary	ALT	500	0.8
ISD No. 531 - Byron	ST	318	0.1
ISD No. 533 - Dover-Eyota	ALT	2415	0.9
ISD No. 542 - Battle Lake	ST	1794	1.4
ISD No. 561 - Goodridge	ALT	288	0.4

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll
ISD No. 640 - Wabasso	ST	\$2220	1.6
ISD No. 676 - Badger	ALT	300	0.3
ISD No. 719 - Prior Lake-Savage	SR	*	0.5*
ISD No. 743 - Sauk Centre	ST	362	0.1
ISD No. 761 - Owatonna	SR	*	0.5*
ISD No. 803 - Wheaton	CA	*	0.5*
ISD No. 820 - Sebeka	ST	132	0.1
ISD No. 912 - Milaca	SR	*	0.5*
ISD No. 2167 - Cottonwood	ALT	1653	1.0
ISD No. 2169 - Murray Co. Central	ST	*	0.5*
ISD No. 2365 - GFW	ALT	525	0.1
ISD No. 2711 - Mesabi East	CA,SR	*	0.5*
Others			
Faribault-Martin-Watonwan HSB	ST	1800	1.0
Hennepin Technical College	ST	0	0.0
International Falls Rec. Comm.	CA	*	0.5*
Leaf River Education District	CA	*	0.5*
Metropolitan Council	CA	*	0.5*
Mpls. Public Library Board	CA,ESP	*	0.5*
Regional Transit Board	CA	0	0.0
SE Service Cooperative	ST	572	1.0
SW Metro Transit	CA	*	0.5*
St. Cloud Metro Transit Comm.	ST	600	0.6
Paynesville Area Health Care Sys.	ESP	*	0.5*
Becker County HRA	CA	*	0.5*
Chisholm HRA	CA,ALT	0	0.0
Duluth HRA	ST,ESP	302	0.2
Walker HRA	CA	*	0.5*
E. Ottertail SWCD	CA	*	0.5
Sherburne SWCD	ALT	26	0.1
Swift County SWCD	ALT	196	5.2
Winona County SWCD	ALT	443	6.2
LaGrande Township	CA	0	0.0
Marysville Township	CA	0	0.0
Paynesville Township	CA	0	0.0
South Bend Township	CA	0	0.0
Vasa Township	CA	0	0.0
East Grand Forks Utilities	SR,ESP	*	0.5*
Elk River Utilities	ST	618	0.9
N. Kittson Rural Water System	CA	*	0.5*
Prior Lake - Spring Lake Water	CA	*	0.5*

* Data to calculate a specific amount was not provided to DOER, but based on DOER analysis of average costs, this is the estimated cost to achieve compliance.

B. Jurisdictions Not in Compliance - Penalties Assessed

The 53 jurisdictions listed on the following pages have received a second notice of non-compliance with the Local Government Pay Equity Act and a notice that they are subject to a penalty. The 1995 report from DOER to the legislature specified the reason for non-compliance, recommended actions to achieve compliance and the estimated cost of achieving for compliance for each of these jurisdictions.

Prior to any penalties being assessed, each jurisdiction on this list had several opportunities to avoid such a notice. Each received a first notice of non-compliance and each was given a grace period to make corrections and achieve compliance. They also were:

- warned that failure to achieve compliance by the end of the grace period would result in a second notice of non-compliance and a penalty notice. Also, that the penalty would be the greater of a 5% reduction in state aid or \$100 per day, assessed from December 31, 1991 and continuing until compliance was achieved.
- advised of the reason they were found out of compliance, the results of the tests for compliance and an explanation of the results.
- encouraged to contact DOER for technical assistance and review of potential salary and other adjustments to see if they would meet compliance requirements.
- advised to request reconsideration if they wished to explain circumstances and ask for a reversal of DOER's decision, or request an extension of the grace period to achieve compliance.

All penalized jurisdictions had the option to request a suspension of the penalty and/or file a contested case appeal. Penalties may not be imposed while an appeal is pending.

The law allows DOER to consider the following factors when deciding whether to suspend any portion of a penalty: circumstances beyond a jurisdiction's control, severe hardship, non-compliance due to factors unrelated to gender, and steps the jurisdiction has taken to achieve compliance. Jurisdictions also have the option to submit a contested case appeal on the new penalty amounts.

Because penalties continue until compliance is achieved, jurisdictions that do not achieve compliance are subject to additional penalties. No penalties may be imposed until the end of the legislative session in which DOER submits a report listing a jurisdiction as not in compliance. DOER makes compliance decisions on an ongoing basis and updates the legislature annually.

Information on Penalized Jurisdictions

Listed on the following pages is the current status of the 53 jurisdictions that twice failed to pass one or more compliance tests and therefore received a second notice of non-compliance and a penalty notice for failure to comply with the Local Government Pay Equity Act M.S. 471.991 - .999.

All 53 jurisdictions exercised their right to request a suspension of the penalty. Three cases are yet to be decided, but DOER has made decisions and issued a "Findings and Conclusions" report to 49 of the penalized jurisdictions. In all but one case where the jurisdiction failed to achieve compliance, DOER granted the requests to suspend penalties to a significant degree.

Twelve of the 49 jurisdictions where DOER made decisions regarding the requests to suspend penalties requested contested case appeals. DOER has reached settlements with six of those jurisdictions. One case has been heard by an administrative law judge, but a final ruling has not been made. DOER will proceed to set hearing dates for any jurisdictions where a settlement can not be reached.

Summary - Pay Equity Penalty Decisions

Jurisdictions Penalized

24 cities
17 school districts
5 counties
7 others
53 total

15 - Number of jurisdictions reporting late and/or inaccurately but without inequities. Most received an original penalty of \$73,000 that was reduced to \$730 (a 99% reduction).

28 - Number of jurisdictions that had inequities past the deadline for compliance and made some type of retroactive payments to employees in underpaid female-dominated job classes. So far, approximately 1.4 million dollars has been paid to approximately 770 employees. In most cases the original penalty was reduced by 99%.

6 - Number of jurisdictions where a contested case hearing has been requested. In these cases, either settlements will be reached or hearing dates scheduled. There has been one hearing and there have not yet been any final rulings.

3 - Number of jurisdictions where request for a suspension of the penalty is still under consideration.

1 - Number of jurisdictions where request for a suspension of the penalty has been denied due to the failure of the jurisdiction to achieve compliance.

Summary of Penalized Jurisdictions

Jurisdiction	Original Penalty	Penalty after Suspension	Considerations for Reducing Original Penalty Amount
Cities			
Beaver Bay City	\$ 73,000	\$ 730	reported late and/or inaccurately, no inequities
Ceylon City	\$ 73,000	\$ 730	reported late and/or inaccurately, no inequities
Dalton City	\$ 73,000	\$ 730	reported late and/or inaccurately, no inequities
Dellwood City	\$ 73,000	\$ 730	reported late and/or inaccurately, no inequities
Edgerton City	\$ 73,000	\$ 730	reported late and/or inaccurately, no inequities
Floodwood City	\$ 73,000	\$ 730	reported late and/or inaccurately, no inequities
Halstad City	\$ 73,000	\$ 730	reported late and/or inaccurately, no inequities
Kelliher City	\$ 73,000	\$ 730	reported late and/or inaccurately, no inequities
Randall City	\$ 73,000	\$ 730	reported late and/or inaccurately, no inequities
Swanville City	\$ 73,000	\$ 730	reported late and/or inaccurately, no inequities
Wannamingo City	\$ 73,000	\$ 730	reported late and/or inaccurately, no inequities
Willernie City	\$ 73,000	\$ 730	reported late and/or inaccurately, no inequities
Belle Plaine City	\$ 73,000	\$ 730	\$ 18,064 retro to 5 employees
Cambridge City	\$ 73,000	\$ 730	\$ 9,972 retro to 3 employees
Buffalo City	\$ 76,972	\$ 770	\$ 8,620 retro to 4 employees
Dunnell City	\$ 73,000	\$ 730	\$ 3,568 retro to 2 employees
Harmony City	\$ 73,000	\$ 730	\$ 6,816 retro to 1 employee
Hitterdal City	\$ 73,000	\$ 730	\$ 2,000 retro to 1 employee (estimate)
Northome City	\$ 73,000	\$ 730	\$ 4,160 retro to 1 employee
Russell City	\$ 73,000	\$ 730	\$ 10,696 to 3 employees
St. Peter City	\$ 153,316	\$ 1,533	\$ 15,331 retro to 11 employees
Windom City	\$ 101,038	\$ 1,010	\$ 918 retro to 3 employees
Hadley City	\$ 73,000	\$ 730	contested case, hearing Oct. 23, 1995
Stillwater City	\$ 168,761	\$ 84,380	contested case, negotiations in progress
Schools			
Fergus Falls Coop	\$ 73,000	\$ 1,460	reported late and/or inaccurately, SR inequity
Prinsburg ISD No. 815	\$ 73,000	\$ 730	reported late and/or inaccurately, no inequities
Brooklyn Center ISD 286	\$ 248,341	\$ 2,483	\$ 17,213 retro to 31 employees
Carlton ISD 93	\$ 223,283	\$ 2,232	\$ 6,650 retro to 12 employees
Cook County ISD No. 166	\$ 110,181	\$ 1,101	\$ 15,845 retro to 25 employees
Elbow Lake ISD No. 263	\$ 120,506	\$ 1,205	\$ 21,800 retro to 8 employees (Total for cooperating districts #263 & #265)
Hoffman ISD No. 265	\$ 73,000	\$ 730	
Fairmont ISD No. 454	\$ 577,455	\$ 23,098	\$115,000 retro to 50 employees (estimate)
Mpls. ISD No. 1A	\$6,896,559	\$ 68,965	\$546,275 retro to 205 employees
Mt. Lake ISD No. 173	\$ 133,447	\$ 1,334	\$ 20,925 retro to 12 employees
St. Anth NB ISD No. 282	\$ 97,440	\$ 974	\$ 7,865 retro to 7 employees
So. Wash. Co. ISD No. 833	\$3,209,260	\$ 32,092	\$ 35,000 retro to 13 employees
Waconia ISD No. 110	\$ 273,723	\$ 2,737	\$ 32,635 retro to 18 employees
Warroad ISD No. 690	\$ 73,000	\$ 730	\$ 5,100 retro to 3 employees
Motley ISD No. 483	\$ 73,000		decision pending
Morton ISD No. 2758	\$ 73,000	\$ 14,600	contested case, negotiations in progress
Pine Island ISD No. 398	\$ 318,877	\$ 3,189	contested case

Counties			
Big Stone County	\$ 73,000	\$ 730	\$ 12,292 retro to 6 employees
Polk Co	\$ 172,271	\$ 1,722	\$144,000 retro to 184 employees
Cook County	\$ 73,000	\$ 18,250	contested case
Crow Wing Co.	\$ 88,004		decision pending
McLeod Co	\$ 173,690	\$ 1,736	\$286,476 to 120 employees
Others			
St. Paul Port Authority	\$ 73,000	\$ 730	reported late and/or inaccurately, no inequities
Cannon Falls Hospital	\$ 73,000	\$ 730	\$ 25,978 retro to 29 employees
Mahnomen Hospital	\$ 73,000	\$ 730	\$ 6,055 retro to 2 employees
Parker's Prairie Hospital	\$ 73,000		decision pending
Duluth Airport Authority	\$ 73,000	\$ 730	\$ 20,311 retro to 3 employees
Rock SWCD	\$ 73,000	\$ 730	\$ 428 retro to 1 employee
St. Peter HRA	\$ 73,000	\$ 73,000	contested case, failed to achieve compliance

970094

January 1997

Minnesota Local Government Pay Equity Compliance Report

**Submitted to the Minnesota Legislature by the
Department of Employee Relations**

200 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155-1603

Summary

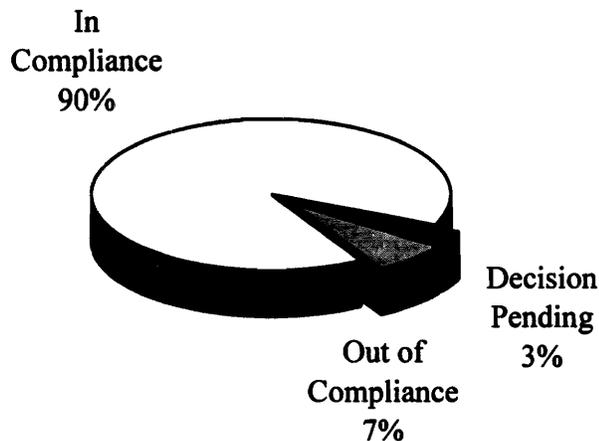
Thirteen years ago the Minnesota Legislature passed the Local Government Pay Equity Act (LGPEA). All local governments (approximately 1600) were required to implement pay equity by December 31, 1991 and submit reports to the Department of Employee Relations (DOER) in January of 1992.

After 1992, all jurisdictions were required to report once every three years to ensure that pay equity was maintained. By random selection, each jurisdiction was assigned a reporting year of 1994, 1995 or 1996. Information in this report summarizes the results of each of these three years in the second reporting cycle and a composite of all three.

- **Current Status**

Due to the staggered reporting cycle begun in 1994, the current compliance status of local governments includes a composite of results from three reporting years, 1994, 1995 and 1996. At this time, 90% of all jurisdictions are in compliance, 7% are out of compliance and 3% are yet to be decided.

Current Status - Composite of 1994, 1995 and 1996 Reports



Summary of Compliance Status by Jurisdictional Type - Composite 1994, 1995 & 1996

Jurisdiction Type	In Compliance	Out of Compliance	Decision Pending	Total
City	572	45	20	637
County	77	5	5	87
Schools	320	43	21	384
SWCD	82	5	0	87
Other Districts	115	10	1	126
HRAs	74	2	0	76
Townships	77	3	0	80
Utilities	51	2	0	53
Health Care Fac.	48	3	0	51
TOTAL	1416	118	47	1581

- **Maintaining Compliance**

In each reporting cycle approximately one-third of all jurisdiction were initially found out of compliance. Jurisdictions found out of compliance in 1994, 1995 and 1996 had previously been in compliance as recently as 1993 but then did not maintain compliance. While 90% of all jurisdictions are currently in compliance, it is clear that on-going monitoring is needed to ensure that pay equity is maintained.

- **Penalty Provision**

The penalty provision of the LGPEA allows any non-complying jurisdiction a grace period to achieve compliance prior to any penalty being assessed. Jurisdictions not in compliance are advised that if compliance is not achieved within the grace period and they are found out of compliance a second time, they are subject to a penalty of a 5% reduction in state aid or \$100 per day, whichever is greater. Jurisdictions have the right to appeal the penalty.

Penalties were enforced for the first time in 1994 and this prompted discussion about the penalty process and the formula for calculating penalties. In response to concerns from some legislators, in November of 1995, DOER reconvened its pay equity advisory committee including representatives from local governments, unions and women's groups to consider these issues. The group commended DOER's effort to work with jurisdictions to resolve past inequities for many female employees in exchange for a reduction in penalties, most by 99%. It was also noted that because only 53 of over 1600 jurisdictions received penalties in the first place, jurisdictions were motivated to comply to avoid a penalty. A few possible changes were discussed, but the committee did not feel that there was any pressing need to modify the penalty provision of the LGPEA at this time. It was suggested that DOER continue to evaluate the penalty process.

Section One

Background Information

Requirements of the Law

The Local Government Pay Equity Act (LGPEA) of 1984 (M.S. 471.991 to 471.999) required local governments to "establish equitable compensation relationships" by December 31, 1991. Compliance must be maintained and jurisdictions are evaluated every three years. Other common terms for "equitable compensation relationships" are "comparable worth" or "pay equity."

The purpose of the law is "to eliminate sex-based wage disparities in public employment in this state." Equitable compensation relationships are achieved when "the compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable work value ... within the political subdivision."

The law requires DOER to determine whether local governments have achieved pay equity, based on implementation reports submitted by local governments.

Responsibilities of the Department of Employee Relations

A. Pay Equity Rule Adopted

In 1991 the Legislature authorized DOER to adopt rules under the Administrative Procedures Act to assure compliance with the Local Government Pay Equity Act (Laws 1991, chapter 128, section 2). The department adopted the rule MCAR 3920 in October of 1992.

B. Assistance to Local Governments

During the 13 years since the law was passed, DOER has communicated in various ways with the approximately 1600 local governments required to comply with the law. The department has produced and distributed ten technical assistance publications and distributed them free of charge to all local governments.

In addition, DOER has developed computer software to help jurisdictions estimate underpayment of female job classes, and to calculate the results for several of the compliance tests. A two-disk set was made available for \$15 and approximately 600 copies of the program have been distributed. An upgrade of the program was distributed free of charge. DOER has periodically offered training sessions since 1984, and thousands of individuals from throughout the state have attended.

In 1991, DOER asked employer organizations, unions, and women's groups to name representatives to serve on rulemaking advisory committee. This 30-member group met a number of times to discuss and review compliance guidelines and advise the department on the pay equity rule.

In 1989, DOER established a full-time pay equity coordinator position. The coordinator has advised local governments through extensive training, telephone consultation, and evaluations of their pay equity reports. In addition to ongoing daily technical assistance, the pay equity coordinator conducted the following major activities in 1996:

- Reviewed and made compliance determinations regarding approximately 200 second reports filed by jurisdictions that were initially found out of compliance in 1995.
- Reviewed and made compliance determinations regarding approximately 700 Pay Equity Implementation Reports submitted in 1996.
- Reviewed and made compliance determinations regarding approximately 100 second reports filed by jurisdictions that were initially found out of compliance in 1996.
- Distributed over 1000 copies of two publications, "Guide to Understanding Pay Equity Compliance and Computer Reports" and "Instructions for Completing Pay Equity Implementation Report."
- Prepared materials and sent notification packets to 370 jurisdictions required to report in January of 1997.
- Prepared materials, evaluated evidence and continued coordination of an internal team of DOER staff to review and make decisions regarding reconsideration requests and requests for suspension of penalties.
- Conducted meetings with individuals from penalized jurisdictions to discuss their particular circumstances, ways to achieve compliance and action regarding penalties.
- Resolved 52 of the 53 1994 penalty cases. Prepared findings and conclusions and notified jurisdictions of DOER decisions.
- In cooperation with the attorney generals' office, prepared materials and reached settlements in 11 of 12 contested cases and prevailed in one case that went to trial.
- Sent penalty notices to 21 jurisdictions in 1996.

Section Two

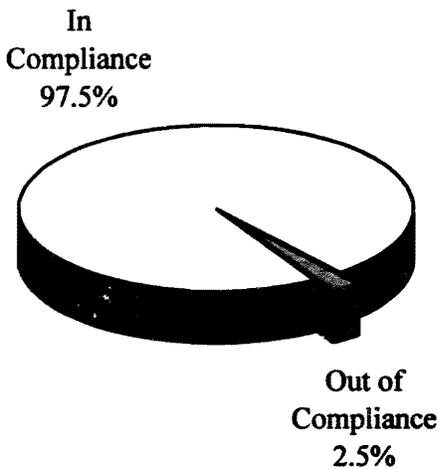
Summary of Compliance Status of Local Governments

Due to the staggered reporting schedule that began in 1994, information in this section is divided into four parts; results of reports reviewed in 1994, 1995 and 1996 and a composite summary of reports from all three years.

1994 Reports

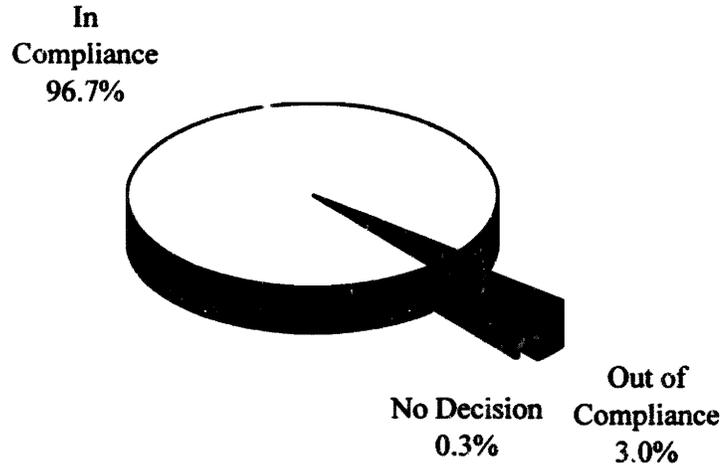
After reviewing the 356 reports submitted in 1994, DOER determined that 347 or 97.5% of the jurisdictions required to report were in compliance. Nine jurisdictions or 2.5% remain out of compliance and have received penalty notices.

Compliance Status—1994 Reports



1995 Reports

The current status of the 603 submitted in 1995 reports shows that 583 or 96.7% are in compliance. Eighteen or 3% are out of compliance and 11 of these have received penalty notices. A decision is pending for one jurisdiction.



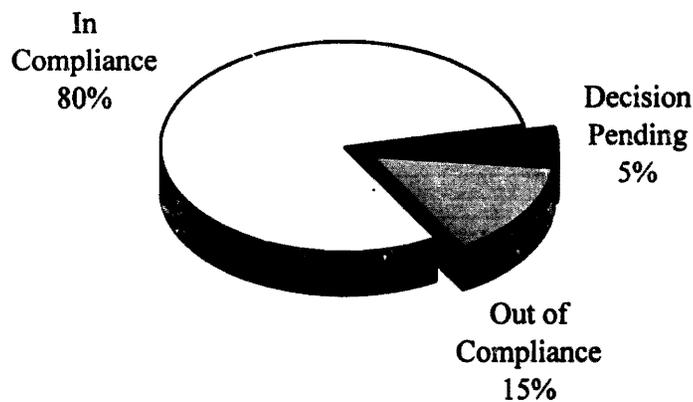
1996 Reports

After the initial review of 600 reports was completed, DOER determined that 401 or 67% of jurisdictions were in compliance and that 166 or 28% were not in compliance. The decision is pending for 34 or 5%.

Jurisdictions found out of compliance were given a grace period of several months to make adjustments and submit new second reports. Non-complying jurisdictions were also given 30 days to file reconsideration requests if they wanted the grace period extended or wanted to explain their particular circumstances and seek a reversal of DOER's decision. Approximately 20 of the 166 jurisdictions initially found out of compliance have exercised this option.

Approximately 75 of the 166 jurisdictions initially found out of compliance have now achieved compliance. Any jurisdiction failing to achieve compliance within the grace period and found out of compliance a second time will be subject to a penalty.

Compliance Status—1996 Reports



1996 Reports Continued - Examples of Inequities

DOER is in the process of doing a comprehensive study of inequities typically found in local governments. This study will evaluate the amount of inequities and how the wage gap has changed since the implementation of the LGPEA. This study is not yet complete, but DOER has identified typical inequities found in the 1996 reports.

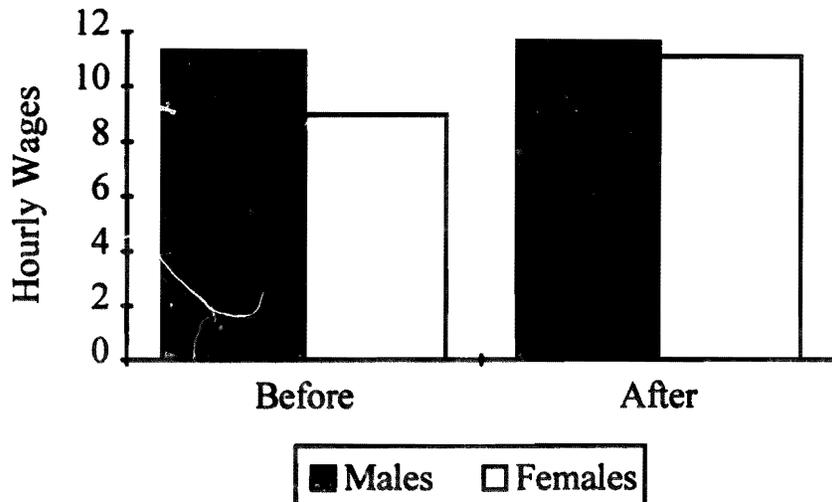
The sample is made up of cases where females were paid less than males despite the fact that females were in positions with higher job evaluation ratings. For example, a city clerk's job typically may have 275 points and the city maintenance job 213 points. In addition, disparities in this sample could not be accounted for by length of service or performance differences.

Typical inequities in cities were found primarily between city clerk/administrators and maintenance workers. In schools female classes of secretarial and food service workers were paid less than male classes of custodians and bus drivers. In other types of jurisdictions, females holding clerical or accounting positions were paid less than male caretakers or light equipment operators.

The average increase in wages for females in this sample was \$2.13 per hour. Before the inequities were corrected, the average pay for males in the sample was \$11.31 per hour and for females it was \$8.98 per hour. That is, the females were paid only 79% of the wages paid to males even though the females were in higher rated positions. After adjustments were made, the average pay for males was \$11.65 per hour and for females \$11.11 per hour. The wage gap was nearly eliminated and, on average, wages for females increased to at least 95% of the males in the sample.

Wages Before and After Pay Equity Adjustments

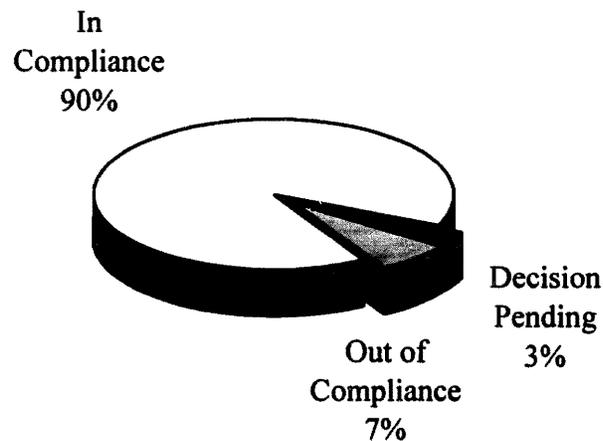
(sample jurisdictions where jobs held by females were rated higher than jobs held by males)



Composite of 1994, 1995 and 1996 Reports

Due to the staggered reporting cycle begun in 1994, the current compliance status of local governments includes a composite of information from three reporting years 1994, 1995 and 1996. As of January 1996, **90% of all jurisdictions are in compliance, 7% are out of compliance and 3% are yet to be decided.**

Compliance Status Composite of 1994, 1995 and 1996



A listing of all jurisdictions currently in compliance is in Section Five. Of the jurisdictions still out of compliance, most have time remaining in their grace periods to submit new reports that pass all compliance tests. In the event that any of these jurisdictions does not achieve compliance within the grace period, they will receive a second notice of non-compliance and a penalty notice.

-
5. **Exceptional service pay test (ESP)** - compares the number of male classes in which individuals receive longevity or performance pay above the maximum of the salary range to the number of female classes where this occurs. This test applies only to jurisdictions that provide exceptional service pay.

Recommended action: *Bring more consistency to the number of male and female classes receiving exceptional service pay to meet the minimum standard for passing the test.*

B. Summary of Tests Failed After Initial Review

Of the 166 jurisdictions whose 1996 reports were initially found out of compliance, 31% failed either the statistical or alternative analysis tests and 48% failed the completeness and accuracy test. A specific breakdown regarding each test follows:

Test Failed	Number
Completeness and Accuracy Test	79
Statistical Analysis Test	14
Alternative Analysis Test	38
Salary Range Test	21
Exceptional Service Pay Test	8
<u>More than one Test</u>	<u>6</u>
Total	166

Section Four

Jurisdictions Not in Compliance

A. Jurisdictions Not in Compliance - Penalty May Be Assessed

The jurisdictions listed below are currently out of compliance but at this time no penalties have been assessed. Most jurisdictions on this list have recently submitted reports yet to be reviewed or they submitted reconsideration requests. Any jurisdiction on this list could receive a penalty notice at a later time if they fail to submit a new report that passes all compliance tests. The specific actions DOER recommended to each jurisdiction to achieve compliance are described in the previous section.

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll
Cities			
Anoka	SR	\$ 0	0.0
Aitkin	ALT	335	1.0
Arlingotn	ALT	86	0.2
Barrett	CA	0	0.0
Beaver Bay	ALT	90	0.1
Belgrade	CA	0	0.0
Buhl	ST	324	2.0
Canton	CA	0	0.0
Clara City	ST	726	0.5
Clements	CA	0	0.0
Cokato	ALT	41	0.2
Cold Spring	SR	0	0.0
Ellsworth	ALT	308	3.7
Finlayson	CA	*	0.2*
Frazee	CA	0	0.0
Harmony	ALT	482	3.2
Harris	CA	0	0.0
Hayfield	ST	130	0.1
Houston	ALT	1950	8.5
Kettle River	ALT	63	2.2
Lake Lillian	ALT	368	5.5
Lauderdale	ALT	100	0.7
Long Prairie	ST	529	1.5
Mapleton	CA	0	0.0
New York Mills	ST	574	2.1
Preston	ALT	60	2.1
Red Lake Falls	CA	0	0.0
Rogers	CA	0	0.0
Rush City	CA	0	0.0
Spicer	ALT	137	1.3

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll
St. Peter	ESP	\$ *	0.2*
Starbuck City	CA	0	0.0
Verndale	ALT	156	1.2
Waseca	CA	0	0.0
Counties			
Anoka County	ESP	*	0.2*
Grant County	ESP	*	0.2*
Norman County	CA	317	0.2
School Districts			
ISD No. 84 - Sleepy Eye	SR	*	0.2*
ISD No. 88 - New Ulm	CA	*	0.2*
ISD No. 91 - Barnum	ESP	*	0.2*
ISD No. 93 Carlton	SR	*	0.2*
ISD No. 95 - Cromwell/Wright	CA	0	0.0
ISD No. 173 Mt. Lake	ALT	923	0.5
ISD No. 175 Westbrook	ALT	113	0.1
ISD No. 181 Brainerd	ST	300	0.1
ISD No. 186 - Pequot Lakes	CA	0	0.0
ISD No. 191 Burns./Eagan/Sav.	SR	*	0.2*
ISD No. 194 - Lakeville	SR	*	0.2*
ISD No. 197 - West St. Paul	CA	0	0.0
ISD No. 229 - Lanesboro	ALT	1086	1.0
ISD No. 316 - Greenway	SR	*	0.2*
ISD No. 361 - Inter. Falls	ST	600	0.1
ISD No. 394 - Montgomery	ST,ESP	300	0.2
ISD No. 403 - Ivanhoe	ALT	204	0.3
ISD No. 411 - Balaton	CA	0	0.0
ISD No. 480 - Onamia	ST	582	0.2
ISD No. 487 - Upsala	CA	0	0.0
ISD No. 544 - Fergus Falls	SR	*	0.2*
ISD No. 628 - Plummer	CA	0	0.0
ISD No. 696 - Ely	SR	*	0.2*
ISD No. 719 - Prior Lake Savage	SR	*	0.2*
ISD No. 741 - Paynesville	SR	*	0.2*
ISD No. 743 - Sauk Centre	ST	362	0.1
ISD No. 763 - Medford	CA	*	0.2*
ISD No. 811 - Wabasha/Kellogg	CA	0	0.0
ISD No. 818 - Verndale	SR	*	0.2*
ISD No. 881 - Maple Lake	ST	3000	1.0
ISD No. 883 - Rockford	SR	*	0.2*
ISD No. 885 - St. Michael/Albertville	CA	0	0.0
ISD No. 2154 - Eveleth/Gilbert	CA, ST	745	0.1

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll
ISD No. 2176 Warren/Alvaredo/Oslo	ST	\$ 264	1.0
ISD No. 2134- United South Cent.	CA	0	0.0
ISD No. 2365 - GFW	ALT	525	0.1
ISD No. 2853 - LQPV	CA,ALT	1340	0.3
ISD No. 4004 - Cedar Riverside	CA	0	0.0
ISD No. 4012 - Emily Charter School	CA	0	0.0
Health Care Facilities			
Dassel Lakeside Comm. Home	ALT	1172	1.1
Mahnomen Co. & Vil. Hosp.	CA	0	0.0
Sunrise Nursing Home	SR	*	0.2*
HRA's			
Grand Rapids HRA	CA	335	7.1
SWCD's			
Chippewa Co. SWCD	ALT	100	3.0
Norman Co. SWCD	CA	0	0.0
Ramsey Co. SWCD	ALT	0	0.2*
Watonwan SWCD	ALT	0	0.0
Others			
Eveleth Rec. Dept.	CA	0	0.0
Metropolitan Council	CA	0	0.0
St. Bon. /Minnestrista PS	ESP	*	0.0
Freshwater Ed. Dist. 6004	SR	*	0.2*
Leaf River Valley Coop.	CA	36	0.2
NW MN Ed. Ser. Coop.	CA	200	2.0
Sibley Co. Coop. Center	CA	0	0.0
SW & West Central ECSU	ESP	0	0.0
Utilities			
West Lake Sup. San. Dist	ESP	*	0.2*
Townshiups			
Clinton Township	CA	0	0.0
Franconia Township	CA	0	0.0
Rice Lake Township	CA	0	0.0

* Data to calculate a specific amount was not provided to DOER, but based on DOER analysis of average costs, this is the estimated cost to achieve compliance.

B. Jurisdictions Not in Compliance - Penalties Assessed

The jurisdictions listed on the following pages have received a second notice of non-compliance with the Local Government Pay Equity Act, a notice that they are subject to a penalty. DOER has also specified the reason for non-compliance, recommended actions to achieve compliance and the estimated cost of achieving for compliance for each of these jurisdictions.

Prior to any penalties being assessed, each jurisdiction on this list had several opportunities to avoid such a notice. Each received a first notice of non-compliance and each was given a grace period to make corrections and achieve compliance. They also were:

- warned that failure to achieve compliance by the end of the grace period would result in a second notice of non-compliance and a penalty notice. Also, that the penalty would be the greater of a 5% reduction in state aid or \$100 per day, assessed from the original deadline for compliance and would continue until compliance was achieved.
- advised of the reason they were found out of compliance, the results of the tests for compliance and an explanation of the results.
- encouraged to contact DOER for technical assistance and review of potential salary and other adjustments to see if they would meet compliance requirements.
- advised to request reconsideration if they wished to explain circumstances and ask for a reversal of DOER's decision, or request an extension of the grace period to achieve compliance.

All penalized jurisdictions had the option to request a suspension of the penalty and/or file a contested case appeal. Penalties may not be imposed while an appeal is pending.

The law allows DOER to consider the following factors when deciding whether to suspend any portion of a penalty: circumstances beyond a jurisdiction's control, severe hardship, non-compliance due to factors unrelated to gender, and steps the jurisdiction has taken to achieve compliance. Jurisdictions also have the option to submit a contested case appeal on the new penalty amounts.

Because penalties continue until compliance is achieved, jurisdictions that do not achieve compliance are subject to additional penalties. No penalties may be imposed until the end of the legislative session in which DOER submits a report listing a jurisdiction as not in compliance. DOER makes compliance decisions on an ongoing basis and updates the legislature annually.

Information on Penalized Jurisdictions

Described below is a summary of the action taken regarding jurisdictions receiving penalty notices in 1994. Following the summary is a list of 21 jurisdictions that received penalty notices in 1996. All jurisdictions that received penalty notices twice failed to pass one or more compliance tests and therefore received a second notice of non-compliance and a penalty notice for failure to comply with the Local Government Pay Equity Act M.S. 471.991 - .999.

All jurisdictions receiving penalty notices exercised their right to request a suspension of the penalty. In those cases where DOER has made decisions and issued a "Findings and Conclusions" report the jurisdictions have achieved compliance, and DOER granted the requests to suspend penalties to a significant degree.

In 1994, 12 jurisdictions requested contested case appeals. DOER has reached settlements in 11 of those cases. One case was heard by an administrative law judge and the ruling was in DOER's favor. At this time it is uncertain how many, if any, contested cases will result from the penalty notices issued in 1996.

Summary - Decisions for Jurisdictions Receiving Penalty Notices in 1994 - Total of 53 24 cities, 17 school districts, 5 counties, 7 others

17 reported late and/or inaccurately. Most had original penalty of \$73,000 reduced to \$730.

33 had inequities and made some type of lump sum or retroactive payments to employees in underpaid, female-dominated job classes. Approximately 1.4 million dollars has been paid to approximately 790 employees. In most cases the penalty was reduced by 99%.

1 jurisdiction's contested case went to trial with the decision in DOER's favor; 1 jurisdiction's request for a suspension of the penalty is still under consideration; and 1 jurisdiction closed in 1991 and received no penalty.

Jurisdictions that Received Penalty Notices in 1996

Information as of January 27, 1996

Jurisdiction	Original Penalty	Final Amount	Considerations for Reducing Original Amount
Cities			
Caledonia	\$ 39,600		decision pending
Champlin	\$ 68,210		decision pending
Cook	\$ 37,500		decision pending
Flensburg	\$ 39,600		decision pending
Grove City	\$ 39,600		decision pending
Lynd	\$ 40,100		decision pending
Moose Lake	\$ 62,800		decision pending
Prior Lake	\$ 51,800		decision pending
Trimont	\$ 34,700		decision pending
Warroad	\$ 40,400		decision pending
Willow River	\$ 39,400		decision pending
Counties			
Douglas County	\$ 83,600		decision pending
Schools			
Dover Eyota ISD No. 533	\$159,467		decision pending
East Grand Forks ISD No. 595	\$536,032		decision pending
Milaca ISD No. 912	\$309,525	\$ 500	reported late and/or inaccurately, no inequities
Nicollet ISD No. 507	\$ 79,845		decision pending
Others			
East Ottertail SWCD	\$ 39,600		decision pending
Walker HRA	\$ 39,600	\$ 500	reported late and/or inaccurately, no inequities
No. Kittson Rural Water	\$ 34,500		decision pending
Int. Falls Rec. Commission	\$ 34,500		decision pending
St. Cloud Metro Transit	\$ 51,800	\$ 518	reported late and inaccurately, <\$100 to 1 emp

Summary - Jurisdictions Receiving Penalty Notices in 1996 - Total of 21

11 cities, 4 school districts, 1 counties, 5 others

980074

January 1998

Minnesota Local Government Pay Equity Compliance Report

**Submitted to the Minnesota Legislature by the
Department of Employee Relations**

200 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155-1603

Summary

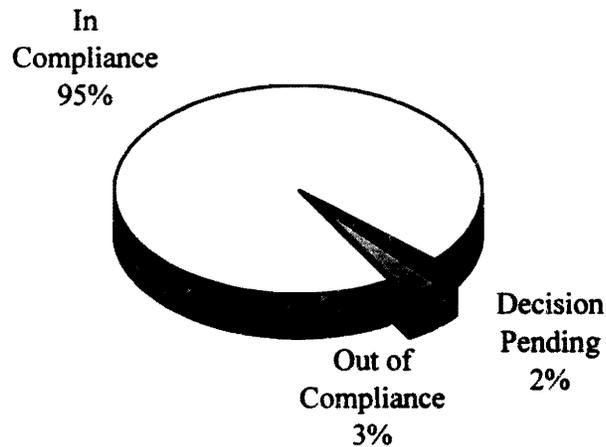
Fourteen years ago the Minnesota Legislature passed the Local Government Pay Equity Act (LGPEA). All local governments (approximately 1600) were required to implement pay equity by December 31, 1991 and submit reports to the Department of Employee Relations (DOER) in January of 1992.

After 1992 when all jurisdictions were required to report, a staggered reporting cycle was implemented whereby each jurisdiction would report once every three years to ensure that pay equity was maintained. This meant that beginning in 1994, approximately one-third of all jurisdictions reported. Another third reported in 1995 and the final third in 1996. Beginning in 1997, the cycle started over. In order to include all jurisdictions, information in this report summarizes the years of 1995, 1996 and 1997.

- **Current Status**

Due to the staggered reporting that begun in 1994, the current compliance status of local governments includes a composite of results from three reporting years, 1995, 1996 and 1997. At this time, 95% of all jurisdictions are in compliance, 3% are out of compliance and 2% are yet to be decided.

Current Status - Composite of 1995, 1996 and 1997 Reports



Summary of Compliance Status by Jurisdictional Type - Composite 1995, 1996 & 1997

Jurisdiction Type	In Compliance	Out of Compliance	Decision Pending	Total
City	599	27	10	635
County	81	4	2	87
Schools	347	15	3	365
SWCD	84	2	0	86
Other Districts	118	2	3	123
HRAs	71	1	4	76
Townships	76	0	2	78
Utilities	53	0	0	53
Health Care Fac.	49	1	0	50
TOTAL	1478	52	23	1553

- **Maintaining Compliance**

In each reporting cycle approximately one-third of all jurisdictions were initially found out of compliance. Jurisdictions found out of compliance in 1995, 1996 and 1997 had previously been in compliance but then did not maintain compliance. While 95% of all jurisdictions are currently in compliance, it is clear that on-going monitoring is needed to ensure that pay equity is maintained.

- **Penalty Provision**

The penalty provision of the LGPEA allows any non-complying jurisdiction a grace period to achieve compliance prior to any penalty being assessed. Jurisdictions not in compliance are advised that if compliance is not achieved within the grace period and they are found out of compliance a second time, they are subject to a penalty of a 5% reduction in state aid or \$100 per day, whichever is greater. Jurisdictions have the right to appeal the penalty.

Penalties were enforced for the first time in 1994 and this prompted discussion about the penalty process and the formula for calculating penalties. In response to concerns from some legislators, in November of 1995, DOER reconvened its pay equity advisory committee including representatives from local governments, unions and women's groups to consider these issues. The group commended DOER's effort to work with jurisdictions to resolve past inequities for many female employees in exchange for a reduction in penalties, most by 99%. In recent reporting years less than 3% of jurisdictions reporting in a given year have received penalty notices. This appears to indicate that local governments are strongly motivated to avoid penalties by complying with the law. In 1997 DOER initiated an additional reminder notice to non-complying jurisdictions in an effort to further reduce penalties.

Section One

Background Information

Requirements of the Law

The Local Government Pay Equity Act (LGPEA) of 1984 (M.S. 471.991 to 471.999) required local governments to “establish equitable compensation relationships” by December 31, 1991. Compliance must be maintained and jurisdictions are evaluated every three years. Other common terms for “equitable compensation relationships” are “comparable worth” or “pay equity.”

The purpose of the law is “to eliminate sex-based wage disparities in public employment in this state.” Equitable compensation relationships are achieved when “the compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable work value ... within the political subdivision.”

The law requires DOER to determine whether local governments have achieved pay equity, based on implementation reports submitted by local governments.

Responsibilities of the Department of Employee Relations

A. Pay Equity Rule Adopted

In 1991 the Legislature authorized DOER to adopt rules under the Administrative Procedures Act to assure compliance with the Local Government Pay Equity Act (Laws 1991, chapter 128, section 2). The department adopted the rule MCAR 3920 in October of 1992.

B. Assistance to Local Governments

During the 14 years since the law was passed, DOER has communicated in various ways with the approximately 1600 local governments required to comply with the law. The department has produced ten technical assistance publications and distributed them free of charge to all local governments.

In addition, DOER has developed computer software to help jurisdictions determine the underpayment of female job classes and calculate the results for several of the compliance tests. A two-disk set was made available for \$15 and approximately 700 copies of the program have been distributed. An upgrade of the program was distributed free of charge. DOER has periodically offered training sessions since 1984, and thousands of individuals from throughout the state have attended.

In 1991, DOER asked employer organizations, unions, and women's groups to name representatives to serve on rulemaking advisory committee. This 30-member group met a number of times to discuss and review compliance guidelines and advise the department on the pay equity rule.

In 1989, DOER established a full-time pay equity coordinator position. The coordinator has assisted local governments through extensive training, telephone consultation, and evaluations of their pay equity reports. In addition to ongoing daily technical assistance, the pay equity coordinator conducted the following major activities in 1997:

- Reviewed and made compliance determinations regarding approximately 200 second reports filed by jurisdictions that were initially found out of compliance in 1996.
- Prepared materials and sent notification packets to approximately 400 jurisdictions required to report in January of 1997.
- Reviewed and made compliance determinations regarding approximately 400 Pay Equity Implementation Reports submitted in 1997.
- Reviewed and made compliance determinations regarding approximately 100 second reports filed by jurisdictions that were initially found out of compliance in 1997.
- Instituted an additional step in the non-compliance notification process. Thirty days prior to the end of their grace periods, non-complying jurisdictions that have not submitted a report receive a courtesy reminder letter.
- Distributed over 1000 copies of two publications, "Guide to Understanding Pay Equity Compliance and Computer Reports" and "Instructions for Completing Pay Equity Implementation Report."
- Conducted two special information sessions in the summer of 1997. One was with the metro area school negotiators and personnel directors and the other was with an area service cooperative in Fergus Falls.
- Conducted three "Pay Equity Compliance Review" training sessions in the fall of 1997 at the Hennepin Technical College. A session was held for smaller jurisdictions, larger jurisdictions and school districts. Coordinated with the DOER training division to notify over 2000 possible attendees. Approximately 300 attended the sessions.
- Arranged for video taping of the "Pay Equity Compliance Review" training sessions and edited each session. Approximately 100 video tapes were ordered and sent to interested parties for a nominal fee of \$15.
- Prepared materials, evaluated evidence and continued coordination of an internal team of DOER staff to review and make decisions regarding reconsideration requests and requests for suspension of penalties.
- Conducted meetings with individuals from penalized jurisdictions to discuss their particular circumstances, ways to achieve compliance and action regarding penalties.
- Resolved 18 of 21 penalty cases and settled all contested cases. Prepared findings and conclusions and notified jurisdictions of DOER decisions.
- Sent penalty notices to nine jurisdictions.

Section Two

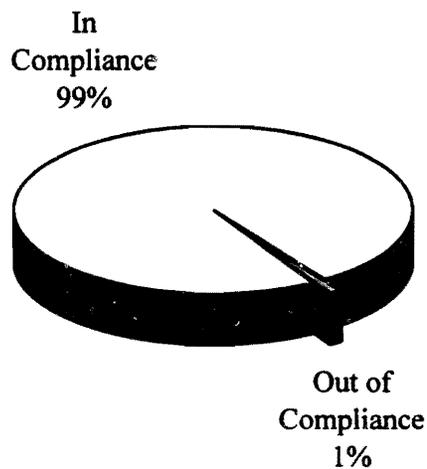
Summary of Compliance Status of Local Governments

Due to the staggered reporting schedule that began in 1994, information in this section is divided into four parts; results of reports reviewed in 1995, 1996 and 1997 and a composite summary of reports from all three years.

1995 Reports

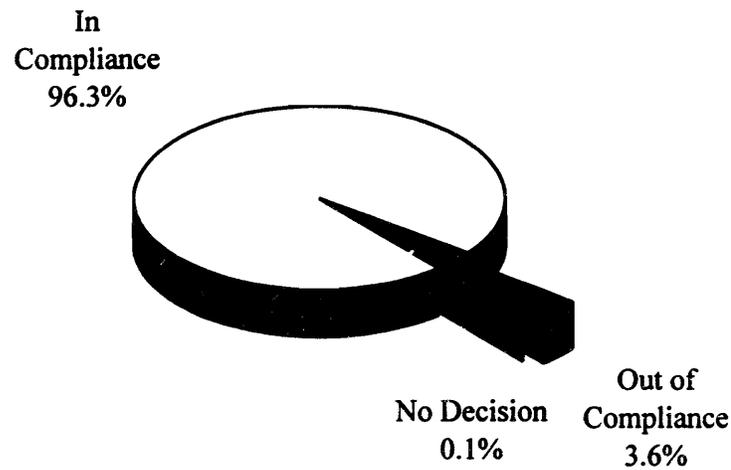
After reviewing the 592 reports submitted in 1995, DOER determined that 588 or 99% of the jurisdictions required to report were in compliance. Four jurisdictions or 1% remain out of compliance and three of those are pending penalty cases.

Compliance Status—1995 Reports



1996 Reports

The current status of the 599 reports submitted in 1996 shows that 576 or 96.3% are in compliance. There are 22, or 3.6% out of compliance, nine of which are pending penalty cases. One jurisdiction remains to be decided.



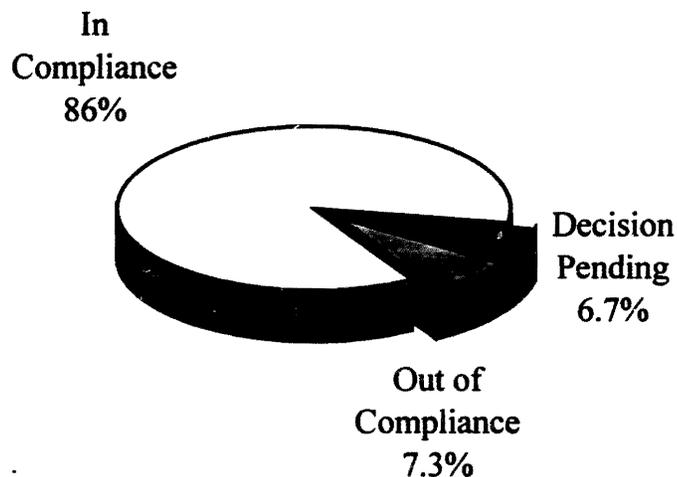
1997 Reports

After the initial review of 342 reports was completed, DOER determined that 250 or 73% of jurisdictions were in compliance and that 69 or 20% were not in compliance. The decision is pending for 23 jurisdictions or 6.7%.

Jurisdictions found out of compliance were given a grace period of several months to make adjustments and submit new second reports. Non-complying jurisdictions were also given 30 days to file reconsideration requests if they wanted the grace period extended or wanted to explain their particular circumstances and seek a reversal of DOER's decision. Approximately seven of the 69 jurisdictions initially found out of compliance have exercised this option.

Approximately 44 of the 69 jurisdictions initially found out of compliance have now achieved compliance. Any jurisdiction failing to achieve compliance within the grace period and found out of compliance a second time will be subject to a penalty.

Compliance Status—1997 Reports



1997 Reports Continued - Examples of Inequities

DOER is in the process of doing a comprehensive study of inequities typically found in local governments. This study will evaluate the amount of inequities and how the wage gap between male and female employees has changed since the implementation of the LGPEA. This study is not yet complete, but DOER has identified typical inequities found in the 1997 reports.

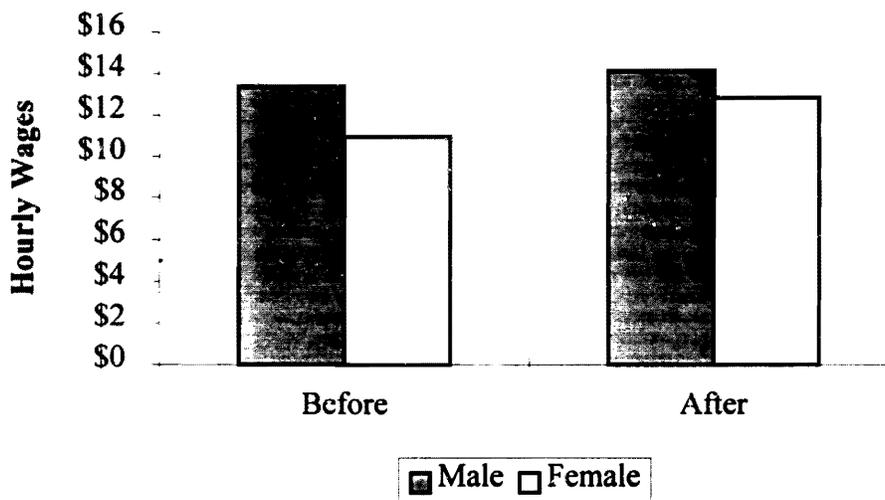
The sample is made up of cases where females were paid less than males even though their job evaluation ratings indicated otherwise. In addition, disparities in this sample could not be accounted for by length of service or performance differences. For example, a female in the position of city clerk, rating of 275 points, was paid less than a male in a maintenance position with a rating of 213 points. The dollar amounts of such inequities were calculated for this sample.

Typical inequities in cities were found primarily between city clerk/administrators and maintenance workers. In schools, female classes of secretarial and food service workers were paid less than male classes of custodians and bus drivers. In other types of jurisdictions, females holding clerical or accounting positions were paid less than male caretakers or light equipment operators.

The average increase in wages for females in this sample was \$1.85 per hour or 17%. Before the inequities were corrected, the average pay for males in the sample was \$13.38 per hour and for females it was \$11 per hour. That is, the females were paid 82% of the wages paid to males despite favorable job evaluation ratings. After adjustments were made, the average pay for males was \$14.06 per hour and for females \$12.85 per hour. The wage gap narrowed significantly and, on average, wages for females increased to slightly more than 91% of the males in the sample.

Wages Before and After Pay Equity Adjustments

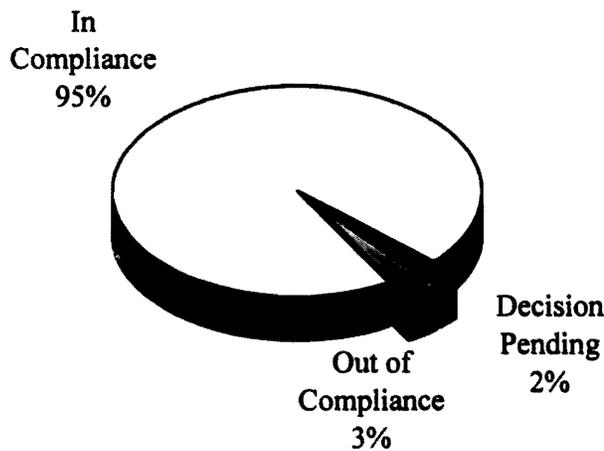
(sample jurisdictions where inequities for females were identified)



Composite of 1995, 1996 and 1997 Reports

Due to the staggered reporting cycle begun in 1994, the current compliance status of local governments includes a composite of information from three reporting years 1995, 1996 and 1997. As of January 1998, **95% of all jurisdictions are in compliance, 3% are out of compliance and 2% are yet to be decided.**

Compliance Status Composite of 1995, 1996 and 1997



A listing of all jurisdictions currently in compliance is in Section Five. Of the jurisdictions still out of compliance, most have time remaining in their grace periods to submit new reports that pass all compliance tests. In the event that any of these jurisdictions does not achieve compliance within the grace period, they will receive a second notice of non-compliance and a penalty notice.

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5. **Exceptional service pay test (ESP)** - compares the number of male classes in which individuals receive longevity or performance pay above the maximum of the salary range to the number of female classes where this occurs. This test applies only to jurisdictions that provide exceptional service pay.

Recommended action: *Bring more consistency to the number of male and female classes receiving exceptional service pay to meet the minimum standard for passing the test.*

B. Summary of Tests Failed After Initial Review

Of the 69 jurisdictions whose 1997 reports were initially found out of compliance, 37.6% failed either the statistical or alternative analysis tests and 40.5% failed the completeness and accuracy test. A specific breakdown regarding each test follows:

Test Failed	Number
Completeness and Accuracy Test	28
Statistical Analysis Test	5
Alternative Analysis Test	21
Salary Range Test	5
Exceptional Service Pay Test	6
<u>More than one Test</u>	<u>4</u>
Total	69

Section Four

Jurisdictions Not in Compliance

A. Jurisdictions Not in Compliance - Penalty May Be Assessed

The jurisdictions listed below are currently out of compliance but at this time no penalties have been assessed. Most jurisdictions on this list have recently submitted reports yet to be reviewed or they submitted reconsideration requests. Any jurisdiction on this list could receive a penalty notice at a later time if they fail to submit a new report that passes all compliance tests. The specific actions DOER recommended to each jurisdiction to achieve compliance are described in the previous section.

Jurisdiction	Test(s) Failed	Est. Monthly Cost to Achieve Compliance	Cost as % Payroll
Cities			
Aitkin	ALT	335	1.0
Blooming Prairie	ST	655	0.2
Clear Lake	CA	*	0.2*
Cook	ALT	773	3.0
Eveleth	ESP	*	0.2*
Harmony	ALT	482	3.2
Henning	ALT	488	3.0
Ivanhoe	CA	0	0.0
Lake Crystal	ST	300	0.5
Long Lake	CA	*	0.2*
Marble	ST	200	0.9
Ortonville	ST	100	0.1
Parker's Prairie	ALT	620	4.4
Sherburne	ALT	325	1.4
St. Joseph	ALT	100	0.1
Tracy	ALT, ESP	326	1.4
Vermade	ALT	207	1.8
Victoria	ALT	55	0.2
Virginia	CA	*	0.2*
Willmar	CA	*	0.2*
Counties			
Cottonwood County	CA	*	0.2*
Isanti County	ESP	*	0.2*
Mahnomen County	CA	*	0.2*

School Districts

ISD No. 88 New Ulm	CA	*	0.2*
ISD No. 152 Moorhead	CA	*	0.2
ISD No. 191 Burns./Eagan/Sav.	SR	*	0.2*
ISD No. 204 Kasson-Mantorville	ST	35	0.0
ISD No. 284 Wayzata	CA	*	0.2*
ISD No. 297 Spring Grove	CA	*	0.2*
ISD No. 435 Waubun	ALT	232	0.1
ISD No. 545 Henning	ALT,SR	590	0.4
ISD No. 628 Plummer	CA	0	0.0
ISD No. 656 Fairbault	ST	60	0.1
ISD No. 811 Wabasha-Kellog	CA	*	0.2*
ISD No. 821 Menahga	ST	547	6.2
ISD No. 861 Winona	ESP	*	0.2*
ISD No. 2154 Eveleth/Gilbert	CA, ST	745	0.1

Health Care Facilities**HRA's**

Grand Rapids HRA	CA	335	7.1
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SWCD's

Dodge County	ALT	144	2.2
Lake County	ALT	64	0.1

Others**Utilities****Townships**

* Data to calculate a specific amount was not provided to DOER, but based on DOER analysis of average costs, this is the estimated cost to achieve compliance.

B. Jurisdictions Not in Compliance - Penalties Assessed

The jurisdictions listed on the following pages have received a second notice of non-compliance with the Local Government Pay Equity Act and a notice that they are subject to a penalty. DOER has also specified the reason for non-compliance, recommended actions to achieve compliance and estimated the cost of achieving for compliance for each of these jurisdictions.

Prior to any penalties being assessed, each jurisdiction on this list had several opportunities to avoid such a notice. Each received a first notice of non-compliance and each was given a grace period to make corrections and achieve compliance. They also were:

- warned that failure to achieve compliance by the end of the grace period would result in a second notice of non-compliance and a penalty notice. Also, that the penalty would be the greater of a 5% reduction in state aid or \$100 per day, assessed from the original deadline for compliance and would continue until compliance was achieved.
- advised of the reason they were found out of compliance, the results of the tests for compliance and an explanation of the results.
- encouraged to contact DOER for technical assistance and review of potential salary and other adjustments to see if they would meet compliance requirements.
- advised to request reconsideration if they wished to explain circumstances and ask for a reversal of DOER's decision, or request an extension of the grace period to achieve compliance.

All penalized jurisdictions had the option to request a suspension of the penalty and/or file a contested case appeal. Penalties may not be imposed while an appeal is pending.

The law allows DOER to consider the following factors when deciding whether to suspend any portion of a penalty: circumstances beyond a jurisdiction's control, severe hardship, non-compliance due to factors unrelated to gender, and steps the jurisdiction has taken to achieve compliance. Jurisdictions also have the option to submit a contested case appeal on the new penalty amounts.

Because penalties continue until compliance is achieved, jurisdictions that do not achieve compliance are subject to additional penalties. No penalties may be imposed until the end of the legislative session in which DOER submits a report listing a jurisdiction as not in compliance. DOER makes compliance decisions on an ongoing basis and updates the legislature annually.

Information on Penalized Jurisdictions

Described on the next page is a summary of the 71 penalty cases that have been resolved since 1994. Following the summary is a list of 12 penalty cases that are currently pending. All jurisdictions that received penalty notices twice failed to pass one or more compliance tests and therefore received a second notice of non-compliance and a penalty notice for failure to comply with the Local Government Pay Equity Act M.S. 471.991 - .999.

In all penalty cases that have been resolved jurisdictions exercised their right to request a suspension of the penalty. In each case DOER made a decision on the jurisdiction's request for a suspension of the penalty and issued a "Findings and Conclusions" report. This report detailed the circumstances of the case and identified the portion of the penalty that would be suspended. In all cases jurisdictions achieved compliance and took the necessary steps to ensure that penalties would be reduced to a significant degree.

Summary - Resolved Penalty Cases - Total of 71

33 cities, 21 school districts, 5 counties, 12 others

31 failed to report or submitted inaccurate information. Most had penalties reduced by 99%.

40 had inequities and made some type of lump sum or retroactive payments to employees in underpaid, female-dominated job classes. Approximately 1.5 million dollars has been paid to approximately 1000 employees. In most cases the penalty was reduced by 99%.

Penalty Cases Resolved

Information as of January 15, 1998

Jurisdiction	Original Penalty	Final Amount	Considerations for Reducing Original Amount
Cities			
Beaver Bay	\$ 73,000	\$ 730	reported late and/or inaccurately
Caledonia	\$ 39,600	\$ 500	reported late and/or inaccurately
Ceylon	\$ 73,000	\$ 730	reported late and/or inaccurately
Dalton	\$ 73,000	\$ 730	reported late and/or inaccurately
Dellwood	\$ 73,000	\$ 730	reported late and/or inaccurately
Edgerton	\$ 73,000	\$ 730	reported late and/or inaccurately
Flensburg	\$ 39,600	\$ 500	reported late and/or inaccurately
Floodwood	\$ 73,000	\$ 730	reported late and/or inaccurately
Grove City	\$ 39,600	\$ 500	reported late and/or inaccurately
Halstad	\$ 73,000	\$ 730	reported late and/or inaccurately
Randall	\$ 73,000	\$ 730	reported late and/or inaccurately
Swanville	\$ 73,000	\$ 730	reported late and/or inaccurately
Wanamingo	\$ 73,000	\$ 730	reported late and/or inaccurately
Warroad	\$ 40,400	\$ 500	reported late and/or inaccurately
Willermie	\$ 73,000	\$ 730	reported late and/or inaccurately
Willow River	\$ 39,400	\$ 500	reported late and/or inaccurately
Hadley	\$ 73,000	\$ 730	contested case, decision in DOER's favor
Kelliher	\$ 73,000	\$ 730	reported late and/or inaccurately, contested case settled
Buffalo	\$ 76,972	\$ 770	\$ 8,620 to 4 employees
Belle Plaine	\$ 73,000	\$ 730	\$ 18,064 to 5 employees
Cambridge	\$ 73,000	\$ 730	\$ 9,972 to 3 employees
Champlin	\$ 68,210	\$ 682	\$ 5,810 to 14 employees
Cook	\$ 37,500	\$ 500	\$ 29,514 to 8 employees
Dunnell	\$ 73,000	\$ 730	\$ 3,568 to 2 employees
Harmony	\$ 73,000	\$ 730	\$ 6,816 to 1 employee
Hitterdal	\$ 73,000	\$ 730	\$ 2,000 to 1 employee (estimate)
Lynd	\$ 40,100	\$ 500	\$ 2,300 to 1 employee
Northome	\$ 73,000	\$ 730	\$ 4,160 to 1 employee
Moose Lake	\$ 62,800	\$ 628	\$ 2,030 to 1 employee
Russell	\$ 73,000	\$ 730	\$ 10,696 to 3 employees
Stillwater	\$ 168,761	\$ 1,687	\$ 1,100 to 3 employees, contested case settled
St. Peter	\$ 153,316	\$ 1,533	\$ 15,331 to 11 employees, contested case settled
Windom	\$ 101,038	\$ 1,010	\$ 918 to 3 employees, contested case settled
Schools			
Nicollet ISD No. 507	\$ 79,845	\$ 798	reported late and/or inaccurately
Prinsburg ISD No. 815	\$ 73,000	\$ 730	reported late and/or inaccurately
Fergus Falls Cooperative	\$ 73,000	\$ 1,460	reported late and/or inaccurately
Milaca ISD No. 912	\$ 309,525	\$ 500	reported late and/or inaccurately

Jurisdiction	Original Penalty	Final Amount	Considerations for Reducing Original Amount
Schools Continued			
Motley ISD No. 483	\$ 73,000	\$ 730	reported late and/or inaccurately
Pine Island ISD No. 398	\$ 318,877	\$ 3,180	reported late and/or inaccurately, contested case settled
Brooklyn Center ISD No. 286	\$ 248,341	\$ 2,483	\$ 17,213 to 31 employees
Carlton ISD No. 93	\$ 223,283	\$ 2,232	\$ 6,650 to 12 employees
Cook County ISD No. 166	\$ 110,181	\$ 1,101	\$ 15,845 to 25 employees
Dover Eyota ISD No. 533	\$ 159,467	\$ 1,595	\$ 12,773 to 37 employees
East Grand Forks ISD No. 595	\$ 536,032	\$ 5,360	\$ 784 to 11 employees
Elbow Lake ISD No. 263	\$ 120,506	\$ 1,205	\$ 21,800 to 8 employees (Total for cooperating districts #263 and #265)
Hoffman ISD No. 265	\$ 73,000	\$ 730	see above
Fairmont ISD No. 454	\$ 577,455	\$ 23,098	\$115,000 to 50 employees (estimate)
Minneapolis ISD No. 1A	\$6,896,559	\$ 68,965	\$546,275 to 205 employees
Mt. Lake ISD No. 173	\$ 133,447	\$ 1,334	\$ 20,925 to 12 employees
St. Anth/NB ISD No. 282	\$ 97,440	\$ 974	\$ 7,865 to 7 employees
Morton ISD No. 2758	\$ 73,000	\$ 730	\$ 4,736 to 1 employee, contested case settled
So. Wash. Co. ISD No. 833	\$3,209,260	\$ 32,092	\$ 35,000 to 13 employees, contested case settled
Waconia ISD No. 110	\$ 273,723	\$ 2,737	\$ 32,635 to 18 employees, contested case settled
Warroad ISD No. 690	\$ 73,000	\$ 730	\$ 5,100 to 3 employees
Counties			
Big Stone	\$ 73,000	\$ 730	\$ 12,292 to 6 employees
Polk	\$ 172,271	\$ 1,722	\$144,000 to 184 employees, contested case settled
Cook	\$ 73,000	\$ 730	\$ 2,934 to 22 employees, contested case settled
Crow Wing	\$ 88,004	880	\$ 42,002 to 93 employees
McLeod	\$ 173,690	\$ 1,736	\$286,476 to 120 employees
Others			
Int. Falls Rec. Commission	\$ 34,500	\$ 500	reported late and/or inaccurately
No. Kittson Rural Water	\$ 34,500	\$ 500	reported late and/or inaccurately

Jurisdiction	Original Penalty	Final Amount	Considerations for Reducing Original Amount
East Ottertail SWCD	\$ 39,600	\$ 500	reported late and/or inaccurately
Rock SWCD	\$ 73,000	\$ 730	\$ 428 to 1 employee
Walker HRA	\$ 39,600	\$ 500	reported late and/or inaccurately
St. Peter HRA	\$ 73,000	\$ 3,000	\$ 1,300 to 1 employee, contested case settled
Duluth Airport Authority	\$ 73,000	\$ 730	\$ 20,311 to 3 employees, contested case settled
St. Paul Port Authority	\$ 73,000	\$ 730	reported late and/or inaccurately
St. Cloud Metro Transit	\$ 51,800	\$ 518	reported late and inaccurately, approx. \$100 to 1 emp
Parker's Prairie Hospital	\$ 73,000	\$ 0	facility closed in 1991
Cannon Falls Hospital	\$ 73,000	\$ 730	\$ 25,978 to 29 employees
Mahnomen Hospital	\$ 73,000	\$ 730	\$ 6,055 to 2 employees
Totals		\$192,149	\$1,505,376 to 956 employees

Penalty Cases Pending

Information as of January 15, 1998

Jurisdiction	Original Penalty	Final Amount	Considerations for Reducing Original Amount
Cities			
Barrett	\$ 29,600		decision pending
Canton	\$ 29,600		decision pending
Harris	\$ 29,600		decision pending
Prior Lake	\$ 51,800		decision pending
Rogers	\$ 29,600		decision pending
Rush City	\$ 29,600		decision pending
Trimont	\$ 34,700		decision pending
Counties			
Douglas County	\$ 83,600		decision pending
Schools			
Barnum ISD No. 91	\$200,065		decision pending
Others			
Eveleth Recreation Dept.	\$ 30,400		decision pending
Mahnomen County & Village Hospital	\$ 31,800		decision pending
Sibley County Cooperative Center	\$ 30,400		decision pending

Summary - Penalty Cases Pending - Total of 12

7 cities, 1 county, 1 school districts, 3 others