

**School Board Meeting/Workshop:**

**January 26, 2026**

**Subject:**

Pay Equity Implementation Report

**Presenter:**

**Evan Ronken, Director  
Human Resources**

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## **SUGGESTED SCHOOL BOARD ACTION:**

Recommend board approval of the 2026 Pay Equity Report

### **DESCRIPTION:**

State law requires all public school districts to eliminate any sex-based wage inequities in compensation. In 1992, MMD (Minnesota Management and Budget) began analyzing reports from local governments to ensure that compliance is achieved and maintained. We are required to submit a Pay Equity Report to MMD by January 31, 2026, based on staff employed by District 877 as of December 31, 2025. MMD will review and notify the district of compliance by Fall 2026.

Compliance testing must be met in all four areas listed below:

1. **Completeness and Accuracy Test:** It acknowledges the school district submitted accurately and on time. Upon approval of the Board of Education, the report will be electronically submitted to MMD on Tuesday, January 27, 2026, to meet the January 31<sup>st</sup> deadline for compliance.
  
2. **Statistical Analysis Test:** This test compares salary data to determine if female classes of employees are paid consistently below male classes of employees of comparable work value/job points.  
Test Requirement: An underpayment ratio of 80% or higher is required.  
Preliminary Results: There are four male classes of employees. A male class is determined when 80% or more of the employees in a class are male. Buffalo-Hanover-Montrose School District has an underpayment ratio greater than 80%.
  
3. **Salary Range Test:** This test compares the average number of years it takes for employees to move through salary ranges (steps in contracts) established for female classes compared to male classes.  
Test Requirement: A salary range test of 80% or more is required.  
Preliminary Results: Buffalo-Hanover-Montrose School District's salary range test is 85%.
  
4. **Exceptional Service Pay Test:** This test compares how often employees in male classes receive longevity pay or performance pay above the normal salary range compared to how often individuals in female classes receive this type of pay.  
Test Requirement: An exceptional service pay test of 80% or more is required.

Preliminary Results: Buffalo-Hanover-Montrose School District's exceptional service pay test is 100%.

The preliminary reports indicate the school district remains in compliance in the four areas of pay equity requirements.

**ATTACHMENT(S):**

- 2026 Pay Equity Preliminary Compliance Report