

School Board Meeting:

January 10, 2011

Subject:

Pay Equity Implementation Report

Presenter:

Moreen Martell

SUGGESTED SCHOOL BOARD ACTION:

Report Only -- 2011 Pay Equity Report Information

DESCRIPTION:

State law requires all public jurisdictions such as cities, counties, and school districts to eliminate any sex-based wage inequities in compensation. DOER (Department of Employee Relations) Compensation Division staff assist local government employers in implementing this law. In 1992, the division began analyzing reports from local governments to ensure that compliance is achieved and maintained. Reports must be submitted every three years to the department.

What does pay equity mean?

Pay Equity is a method of eliminating discrimination against women who are paid less than men for jobs requiring comparable levels of expertise. This goes beyond the familiar idea of "equal pay for equal work" where men and women with the same jobs must be paid equally.

A policy to establish pay equity usually means:

1. That all jobs will be evaluated and given points according to the level of knowledge and responsibility required to do the job; and
2. That salary adjustments will be made if it is discovered that women are consistently paid less than men for jobs with similar points.

Pay equity laws in Minnesota address only sex-based wage disparities and not all types of wage disparities. Pay equity does not replace collective bargaining; however, it must be considered when negotiating employee contracts.

Our School District is required to submit a Pay Equity Implementation Report to the Minnesota Department of Employee Relations by January 31, 2011, based on staff employed by District 877 as of December 31, 2010. DOER will review and notify the district of compliance.

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

1. **Completeness and Accuracy Test:** It acknowledged the school district submitted accurately and on time.
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. A male class is determined when 80% or more of the employees in a class are male. Classes are determined as male, female or balanced.
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.

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.

During the month of January we will complete the statistical analysis test, salary range test and the exceptional service pay test results and present the completed report to the School Board on January 24, 2011. The Pay Equity Report will then be submitted to DOER by January 31st for their review.