



Request for City Council Committee Action from the Department of Human Resources

Date: January 7, 2015

To: Mayor Betsy Hodges and the Executive Committee

Referral to: Ways and Means Committee

Subject: Approval for Submission of Pay Equity Implementation Report

Recommendation:

1) Direct staff to submit the 2014 Pay Equity Implementation Report to the Minnesota Department of Management and Budget, as required by the Local Government Pay Equity Act; M.S. 471.991 - 471.999.

2) Refer to Ways and Means.

Previous Directives: None.

Prepared or Submitted by: Timothy Giles, Director of Employee Services; 673-3341

Approved by: _____

Patience Ferguson
Chief Human Resources Officer

Spencer Cronk
City Coordinator

Presenter in Committee: Pamela Nelms, CCP, SPHR

Financial Impact (Check those that apply)

No financial impact (If checked, go directly to Background/Supporting Information).

Action requires an appropriation increase to the _____ Capital Budget or _____ Operating Budget.

Action provides increased revenue for appropriation increase.

Action requires use of contingency or reserves.

Business Plan: _____ Action is within the plan. _____ Action requires a change to plan.

Other financial impact (Explain):

___ Request provided to department's finance contact when provided to the Committee Coordinator.

Background/Supporting Information Attached

In 1984, the Minnesota legislature enacted the Local Government Pay Equity Act, Minnesota Statutes 471.991 to 471.999, requiring the state's political subdivisions to establish "equitable compensation relationships" between male and female-dominated job classifications of similar value (i.e. classification points). The law requires each jurisdiction to submit a Pay Equity Implementation Report to the Minnesota Department of Management and Budget every three years. The City of Minneapolis is required to submit the report by January 31, 2015, using compensation and employee data effective December 31, 2014.

The Pay Equity law establishes three tests for compliance:

1. The Underpayment Ratio Test determines if males and females are paid comparably for work of similar "value". The test requires that a job analysis system that fairly assigns value (i.e. points) be used and that all employee-gender counts are conducted of every classification to determine its gender predominance. A ratio of at least "80" is required to pass this test. The City passes this test with a ratio of 80.96.
2. The Salary Range Test compares the number of years it takes females and males to reach the maximum salary for the position. A percentage of at least 80% is required to pass this test. The City passes the test with a score of 85.87%.
3. The Exceptional Service Pay Test compares the number of female classifications receiving Exceptional Service Pay (longevity, merit pay) to the number of male classes receiving the pay. A percentage of at least 80% is required to pass this test. The City passes the test with a score of 81.85%.

As indicated by the above analysis, the City of Minneapolis is in compliance with the Local Government Pay Equity Act. We expect the Minnesota Department of Management and Budget to find the same, and to notify us of our compliance later this year. The pay equity rules require the governing body of each jurisdiction to review and approve submission of the Pay Equity Implementation Report. Therefore, we request your approval for the submission.

Attached: Pay Equity Implementation Report, Job Class Data Entry Verification List, Projected Compliance Report