



Oregon

Pay Equity

Challenging barriers to pay equity

Presented by: Department of Administrative Services, Chief
Human Resources Office

Date: September 13, 2017



Overview

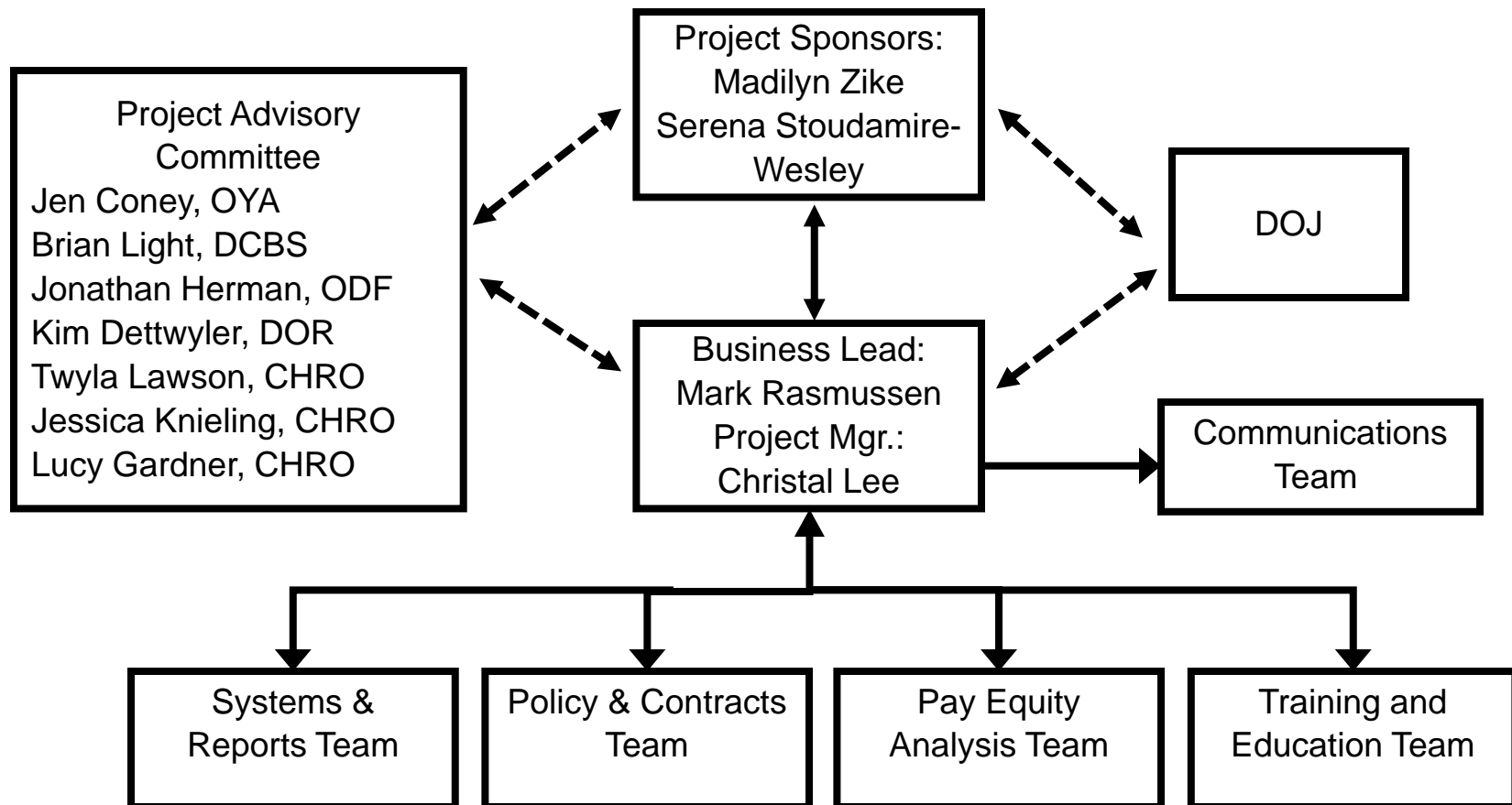
- Background
- General provisions of the Pay Equity Bill
- Implications for Oregon state government
- What's Next?
- Questions



Background

- HB2005, the Pay Equity Bill, signed into law on June 1st by Governor Brown
- Good business sense and the right thing to do

Pay equity analysis project





General provisions

Makes it an unlawful employment practice to:

- Discriminate between employees on the basis of a “protected class” in payment of wages or other compensation for “work of a comparable character”
- Seek the salary history of an applicant before an offer of employment is made
- Screen out applicants on the basis of current or past compensation
- Determine compensation for a position based on current or past compensation of a prospective employee.



What can differentiate compensation?

An employer may pay employees performing comparable work differently if the entire difference in compensation is based on:

- Seniority
- Merit
- System measuring quality or quantity of work (i.e., piece rate)
- Work Location
- Travel
- Education
- Training
- Experience or;
- a combination of the above (must account for the entire \$ difference)



Definitions

- “**Protected Class**” includes Race, Sex, Veteran Status, Disability, Age, Color, Religion, National Origin, Marital Status and Sexual Orientation. (Note: we do not collect data on that last five categories)
- “**Work of a comparable character**” means work that requires substantially similar knowledge, skill, effort, responsibility and working conditions in the performance of work, regardless of job description or job title
- “**Equal-Pay Analysis**” means an evaluation process to assess and correct disparities among employees who perform work of a comparable character



What's changing

As of October 6, 2017

- Do not ask or use salary history
- Do not determine salary offer based on candidate's current or past compensation
- **Do** conduct an internal assessment to determine salary offer for new to state hires
- **Do** follow CBAs and policies for internal salary changes for employees



Implications

Enforcement and Penalties:

- Seeking salary history, screening on the basis of salary, or using past compensation to set salary, is prohibited beginning October 6, 2017
- Claims for back pay can be filed beginning January 1, 2019
- Claims must be filed against a public body within 300 days of discovery of the alleged loss or injury – (i.e., every pay period)
- Employers may move to waive compensatory or punitive damages if a detailed equal-pay analysis is done (specific to complainant's protected class) and the employer corrected pay discrepancies.



Addressing pay equity

Two primary focuses:

- The immediate term:
 - Offering salary in relation to current employees doing work of a comparable character
- The long-term (January 2019):
 - Executive Branch equal pay analysis
 - Will need to be completed every 2-3 years
 - Workday will make ongoing analysis easier



Equal Pay Analysis: Long Term

Equal Pay Analysis

- Purpose: Conduct an enterprise-wide equal pay analysis (Executive Branch only)

Overview of Activities

- Design the methodology
- Survey workforce
- Select/train agency personnel
- Conduct the analysis
- Evaluate findings and analyze budget impacts
- Implement – By Jan. 2019
- Future effective dates



What's next: short-term

Policy Pay Practices concepts:

- Hiring agencies may not seek or rely upon salary history of a candidate to set the candidate's salary upon initial appointment to a state position.
- Internal movement (promotion, transfer or demotion)
 - Current employees' compensation is primary consideration unless it results in an inequity
 - Continue to follow CBA for represented employees



“Internal Assessment” for new hire

- Prior to job offer, assess current workforce performing work of a comparable character
- Determine pay to offer based on internal assessment
- Put the offer in writing
- Retain internal assessment documentation



Pay principles: Assess

- Assess top candidate relative to current employees (e.g., experience, education, and training, seniority and merit)
- Determine appropriate employees to include in the comparison



Pay principles: Determine Scope

- Use same classification for work of comparable character – (generally)
- The breadth of the internal assessment review greatly depends on the type of job – who and where are people doing “work of a comparable character”



Pay equity tools

Internal Assessment										
Determining salary to offer top candidate										
<i>Review the pay principles tab prior to completing</i>										
	Division:	DAS				Classification:		OPA2		
	Section:	ABC				Position under recruitment:		11111		
	Date:	10/1/2017								
Pay Factors:	Employees in class (Name)	Seniority	Years of related experience	Related education*	Related training*	Merit factors*	Work location* (geographic)	Travel* (Y/N)	Current step	Current salary
	Yulia	0	5	--	--	N/A	Salem	N	1	\$4,523
	Tara	0	2	BA	--	N/A	Salem	N	1	\$4,523
	Alan	2	7	--	--	N/A	Salem	N	3	\$4,982
	Sue	2	7	BA	--	N/A	Salem	N	4	\$5,231
	Kara	10	11	--	CPM	N/A	Salem	N	7	\$6,056
	Top Candidate									Salary Offer
	Earl	0	5	BA	CPM	N/A	N/A	N	3	\$4,982

* Consider only if applicable to the position



Pay principles

Initial consideration: Steps in a Range

Generally we would expect:

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
<ul style="list-style-type: none">• Meets minimum and special qualifications• May require additional training and closer supervision		<ul style="list-style-type: none">• Experienced• Fully-trained• Proficient and operates with less guidance			<ul style="list-style-type: none">• Highly seasoned and proficient• At professional level, needs infrequent guidance or oversight• High seniority		



Next Steps

- Policy Addendum
- Training
- Agency Pilot
- Executive Branch Equal Pay Analysis



Training & Resources

Fall-Winter 2017

CHRO Deliverables

Training for Agency HR Staff

Deliver training on conducting internal assessment for job offer

Resources for Agency HR Staff

Toolkit

FAQ

Guidelines

Training Content for Hiring Managers

Providing training content for agency HR staff to deliver to their managers

Training added to HR & Manager Programs

Foundational Training Program for Managers

State Certified HR Professional Training



Questions

Project Contacts

Name	Role	Email
Serena Stoudamire-Wesley, Governor's Office	Sponsor	serena.stoudamire@oregon.gov
Madilyn Zike, DAS-CHRO	Sponsor	madilyn.zike@oregon.gov
Mark Rasmussen, DAS-CHRO	Business Lead	mark.rasmussen@oregon.gov
Christal Lee, DAS-CHRO	Project Manager	christal.lee@oregon.gov



More information

Contact:

chro.policy@oregon.gov

Website:

oregon.gov/das/HR/Pages/equity.aspx