



DAS Chief Human Resources Office Pay Equity Analysis Project

Title	Pay Equity Analysis Project
Sponsors	Madilyn Zike, Dept. of Administrative Services, Chief Human Resource Officer Serena Stoudamire-Wesley, Governor's Office, Director of Diversity, Equity and Inclusion
Project Manager & Business Leads	Christal Lee, Project Manager Mark Rasmussen, Business Lead
Problem Statement	<p>On June 1st, 2017, Governor Brown signed into law House Bill 2005, also known as the Pay Equity Bill, expanding pay equity protections to Oregonians and creating new obligations for Oregon state government as an employer.</p> <p>Upon full implementation, the pay equity bill makes it an unlawful employment practice to:</p> <ul style="list-style-type: none">• Discriminate between employees on the basis of a “protected class” in payment of wages or other compensation for “work of comparable character”.• Seek the salary history of an applicant or employee before an offer of employment is made including salary.• 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. <p>Oregon state government's compensation and recruitment policies and practices must be updated and revised to align with this recently adopted legislation. The new legislation outlines detailed pay equity analysis with corrective action plan requirements. While Oregon state government commissioned Portland State University to conduct a pay equity study for the executive branch of state government, the analysis was limited to comparing female to male, minority to non-minority employees and generational differences in very broad occupational groups. Important data elements such as employee experience, education, training, merit and specific job responsibilities were not available.</p> <p>To ensure equitable compensation and manage legal risks, Oregon state government will need to conduct detailed pay equity studies at a minimum of every three years and consider protected classes reasonably known to the state. This will require data collection our current HR systems do not support, development of a pay equity analysis methodology, and resources who are trained and available to conduct the study.</p>



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Finally, the impacts of this legislation on current labor contracts need to be evaluated and, if necessary, the contracts will require re-negotiation and amendment.

Project Purpose

The purpose of this project is to bring Oregon state government's compensation and recruitment systems, policies and practices into alignment with the amendments made to ORS 652.210 and ORS 659A by House Bill 2005.

In Scope:

All state executive branch agencies subject to ORS 240.240 compensation plan provisions.

All collective bargaining agreements to which the Department of Administrative Services is a party.

Systems

- eRecruit (NeoGov)
- HRIS/Workday
- PPDB
- Compensation structures for Oregon state government executive branch employees

Policies

- Pay Practices (20.005.10)
- Recruitment and Selection (40.010.02)
- Alternative Leave Provisions (60.000.20)

Training and Education:

- Management Education Series
- State Certified Human Resources Professional training program
- Stand-alone roll out training

Scope

Not in Scope:

- Evaluation of compensation as it relates to certain protected classes for which the state does not maintain data (e.g. sexual orientation, marital status, religion).
 - The Judicial and Legislative Branches of Oregon state government.
 - Independent and semi-independent state agencies.
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Project Approach:

The project approach involves identifying necessary cross-functional teams within DAS Chief Human Resource Office as well as external subject matter experts from agency HR departments.

Specific teams will focus on key topic areas including:

- HR Information Systems
- HR Policy and DAS Labor Relations
- Classification and Compensation
- Education and Training

Coordinated communications to the various stakeholders will require an integrated communications plan with primary liaisons assigned to each stakeholder group.

CHRO Technical Team will:

- Summer 2017: Determine and implement administrative actions with regards to policy, contract, and HR systems, training and education. This will include both short and long term (permanent) policy and practice changes.
- Fall 2017: Design the methodology for the initial pay equity study in accordance with HB 2005 and industry best practices in as far as they are available
- Winter/Spring 2017/18: Select, train, and oversee the agency personnel assigned to complete the pay equity study as required by the bill.
- Summer 2018: Evaluate findings of pay equity study. Outline budgetary issues and advise agency Directors, CFO and COO.
- Fall 2018: Prepare to implement pay equity study recommendations.

Major Milestones:

- Compliance with Section 4 of the bill required 91 days post-adjourment.
- Completion of initial pay equity analysis by November 2018.
- Implementation of corrective pay actions required by January 1, 2019.
- Implementation of system, policy and practice changes by December 31, 2018.

**Project
Approach &
Duration**



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Expected Outcomes	<p>Expected outcomes include:</p> <ul style="list-style-type: none">• Significant reduction in the disparity of compensation levels between similarly-situated employees (i.e., expected compensation for women, minorities and persons with disabilities) when performing work of a comparable character.
Customer Impact	<p>Customers include all executive branch employees, including managers, agency directors, agency HR staff, and applicants to executive branch positions.</p>
Key Stakeholder Groups	<p>Key stakeholder groups include the Governor's Office, Agency Heads, the Enterprise Leadership Team, Labor, HR directors/managers, hiring managers, HR Advisory Committee and the HR community. Each stakeholder group will be assigned a liaison who will be their point of contact and communicate with them throughout the project.</p>
Engagement Planning	<p>The project team will develop and/or utilize the following tools as part of its stakeholder engagement planning:</p> <ul style="list-style-type: none">• Communications and change management strategies.• Pay Equity Website.• CHRO Listserv e-mails/bulletins.• Regular updates to the Governor's Office and Legislature as needed.• Agency director and Enterprise Leadership Team updates as needed.
Funding & Resources	<p>DAS through existing CHRO staffing levels for project oversight and technical implementation.</p> <p>Agencies will need to assign qualified personnel for training and hands-on evaluative work for 4 months – 6 months.</p>
Major Project Risks	<p>Major risks to the project include:</p> <ul style="list-style-type: none">• Lack of funding needed to correct existing pay disparities.• Difficulty in gathering reliable job and employee data.• Difficulty in securing agreements with labor to effectuate appropriate corrections to employee compensation levels.• Conducting the analysis may expose a history and create a record of inequity resulting in a risk of back pay liability.



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Risks of not doing the project

Stakeholder (public/applicants/legislature/labor) perception the state is not serious about ensuring compensation equity in accordance with the law and stated enterprise values.

Current practice of using salary history to set new employee salaries will be unlawful by the fall of 2017.

An employee alleging pay equity discrimination will be able to file a complaint for unpaid wages and/or discrimination either with the Bureau of Labor and Industries (BOLI) or in an Oregon circuit court. If successful, the employee could be awarded two years' back pay at the employee's regular rate of pay, compensatory and punitive damages, and attorneys' fees.

Furthermore, the law provides that each time an employee is paid constitutes a potential violation, making alleged pay disparity an ongoing unlawful employment practice with a continually renewing statute of limitations. There is also class action exposure, as the law specifically provides for employees to bring claims for unpaid wages not only on their own behalf, but on behalf of a class of similarly situated employees.

Sponsor Approval Signature

Madilyn Zike, CHRO

Date

Serena Stoudamire-Wesley, Director of Diversity, Equity and Inclusion

Date

Approved Project Change Requests:

<i>Change #</i>	<i>Date</i>	<i>Person</i>	<i>Change Description</i>
####-###	Mm/dd/yy	<requestor>	<Leave this table blank for future project change requests>

Pay Equity Analysis Project Governance

