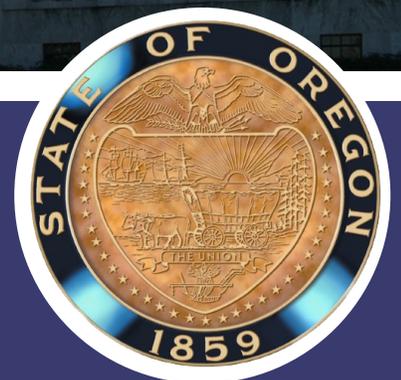


State of Oregon | Executive Branch

# EQUAL PAY ANALYSIS SUMMARY



**Department of Administrative Services  
Chief Human Resources Office**



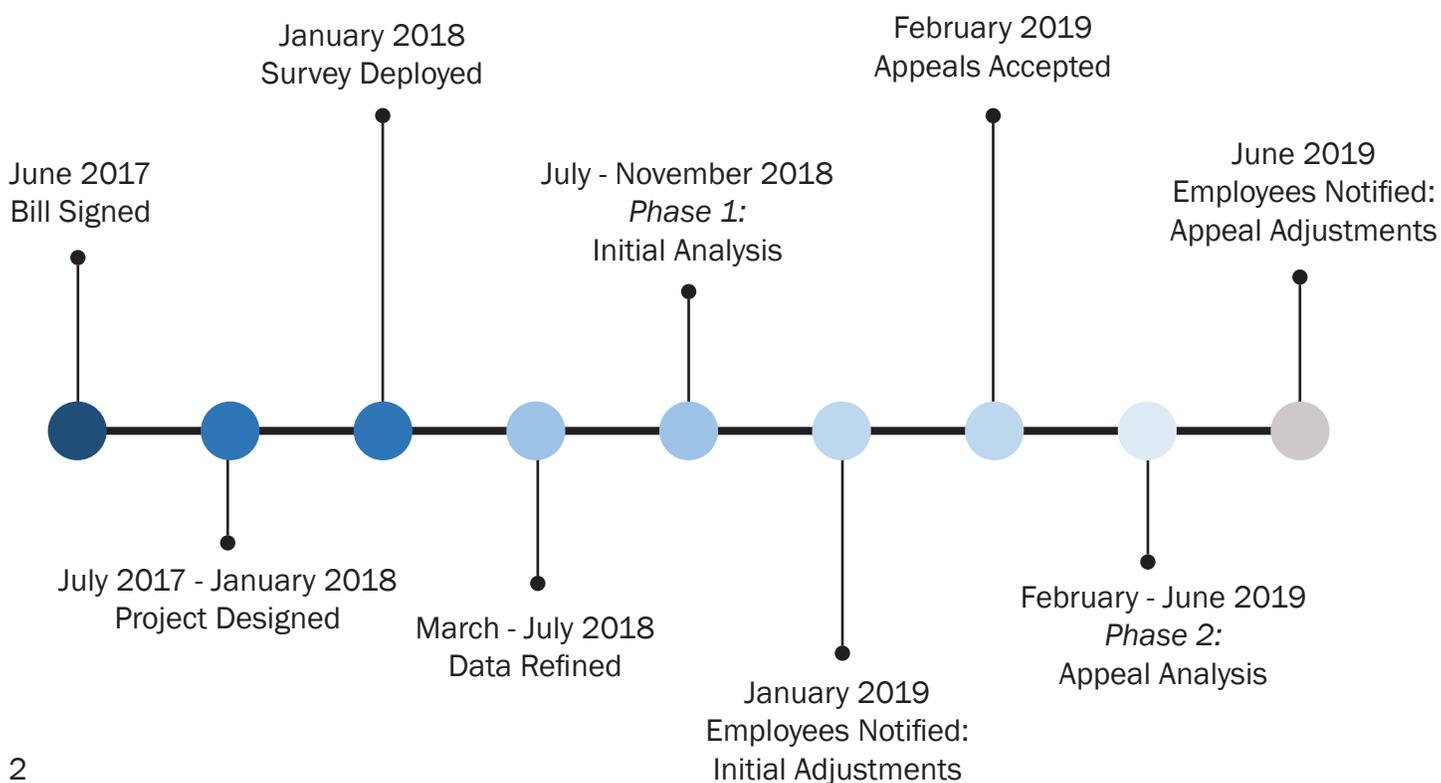
# EXECUTIVE SUMMARY

This report contains a brief overview of the Pay Equity Project implemented by the Executive Branch of Oregon state government. The passage of House Bill 2005 in 2017, known as the Pay Equity Law, required Oregon employers to evaluate policies and practices to ensure employees performing similar work are receiving equitable compensation. The Chief Human Resources Office of the Department of Administrative Services carried out the Pay Equity Project. Project work included administering a survey to Executive Branch employees and analyzing responses; reviewing, in detail, possible outliers; notifying employees of initial adjustment decisions; accepting appeals to adjustment decisions; reviewing appeals; and notifying employees of appeal adjustment decisions. As a result of this project, 3,459 employees received a Pay Equity Adjustment.

# KEY CONTRIBUTIONS

From the legislators who passed HB 2005 to the individual employees who completed surveys, the Pay Equity Project was made possible by a variety of individuals. Special thanks are extended to Governor Kate Brown and her office, project sponsors, the advisory team, the project team, the 32 reviewers and their respective agencies, Executive Branch employees, and all Oregonians involved with the passage of this landmark legislation.

# TIMELINE



# BACKGROUND

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When it comes to prohibiting discriminatory pay practices, the state of Oregon has typically been a leader in the public sector. Historically, Oregon employees have been protected by ORS 652.220. Specifically, ORS 652.220 prohibits pay discrimination “between the sexes in the payment of wages for work of comparable character.”

On June 1, 2017, Governor Kate Brown signed HB 2005, also known as the Pay Equity Law. It expanded existing pay discrimination laws based on sex to make it “unlawful for any employer to discriminate between employees on the basis of a protected class in the payment of wages or other compensation for work of a comparable character.” A protected class means a “group of persons distinguished by race, color, religion, sex, sexual orientation, national origin, marital status, veteran status, disability or age.” Furthermore, if pay discrepancies did exist, the bill mandated that these discrepancies be accounted for by a limited set of factors: seniority, merit, quantity or quality of production, including piece-rate work, workplace location, travel, education, training, experience, or any combination of the aforementioned factors. If pay disparities were not accounted for by these factors, the disparities must have been corrected.

After HB 2005 passed, Oregon state government began an effort to meet the requirements of the law by engaging in an equal-pay analysis of compensation. On behalf of the Executive Branch of Oregon state government, the Department of Administrative Services’ Chief Human Resources Office was tasked with carrying out this equal-pay analysis.

## DATA COLLECTION

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**Project Design.** After the legislation passed, the Chief Human Resources Office convened a project team to tackle how to carry out the equal-pay analysis. After consulting research and industry literature, as well as experts in the field, the team decided additional data needed to be collected from employees in order to meet the criteria set forth in the law. A survey was selected as the most effective and efficient method for gathering this additional information.

**Survey.** In January 2018, a statewide survey was distributed to Executive Branch employees requesting additional information, such as prior work experience and education.

**Eligible Employees.** Employees eligible for analysis included all employees employed by the Executive Branch on December 31, 2017.\*

**Data Refinement.** After employees completed the survey, the data was refined prior to analysis. The primary goal of this refinement was to categorize education and experience to include only information relevant to the current position. In order to refine the data, 32 reviewers were trained in how to evaluate the education and experience information submitted in the survey. In order to pass this training, reviewers were required to meet a threshold in the accuracy of their reviews when compared against the reviews of internal experts. Throughout the review process, reviewers were required to maintain this accuracy.

\*Detailed inclusion criteria can be obtained by contacting [chro.payequity@oregon.gov](mailto:chro.payequity@oregon.gov)

# ANALYSIS

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## PHASE 1

After data was refined, each employee was placed into an analysis group with other employees who were performing 'comparable work.' Historically, Oregon state government has systematically assigned employees to groups of comparable work, known as position classification. Thus, each employee was compared to other employees within their classification. After grouping, all employees were analyzed by classification using a multi-prong effort. This included Point Factor Analysis, Multiple Linear Regression, and Ranking. In general, all three efforts analyzed the effect of seniority, experience, and education (if relevant) on compensation. In order to meet statistical sample size requirements, only classifications with at least 30 individuals were subjected to Multiple Linear Regression. Ranking was also utilized for classifications with under 30 individuals, whereas all classifications underwent Point Factor Analysis.

After each classification was analyzed, each employee identified as a possible outlier was reviewed by a trained individual on the project team and then analyzed again by their respective agency. After this review, possible outlier status was either confirmed or disproved. This final list of outliers became the list of employees who received Pay Equity Adjustments from the Initial Analysis. Employees were notified of these Initial Adjustments in January 2019.

## PHASE 2

After employees were notified of the Pay Equity Initial Adjustments, they were notified of their right to submit an appeal of the decision. If the employee submitted an appeal of the Initial Analysis, eligibility was confirmed and the appeal was reviewed and analyzed using the same methods as the first review in conjunction with the information provided on the appeal form. Based on this data and input from the respective agencies, an appeal decision was made for eligible employees. After all appeals had been reviewed, an additional group of employees received Pay Equity Adjustments from the Appeal Analysis.

# OUTCOMES

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A total of 33,487 employees completed the Pay Equity Survey.

- 27,690 (82.7%) were members of a union and 5,797 (17.3%) were not.
- 17,969 (53.7%) were Female and 15,518 (46.3%) were Male.
- 6,038 (18.0%) were People of Color, 27,336 (81.6%) were Caucasian, and 113 (.3%) were Undisclosed.

Of the 33,487 surveys reviewed, the project team determined that 3,159 employees should receive a Pay Equity Initial Adjustment.

Of those receiving Pay Equity Initial Adjustments, 1,857 (58.8%) were Female and 1,302 (41.2%) were Male. 593 (18.8%) were People of Color, 2,555 (80.9%) were Caucasian, and 11 (.3%) were Undisclosed.

The project team received a total of 1,163 appeals. Of the appeals received, 142 employees were not eligible to appeal. 53 of these employees were at the top step of their salary range and not eligible to receive an adjustment. The remaining 89 employees indicated that they felt they were incorrectly classified, so their appeals were sent directly to their agency for a classification review.

The remaining 1,021 appeals were analyzed using the same methodology used for the initial review. 348 employees received a Pay Equity Appeal Adjustment and 673 employees did not receive an Appeal Adjustment.

**3,159**  
Initial  
Adjustments

**348**  
Appeal  
Adjustments

**3,459\*** Total  
Employees  
Recieved  
Adjustments

\*48 of these individuals received an Initial Adjustment and an Appeal Adjustment.

# OUTCOMES BY PROTECTED CLASS\*

	Survey Respondents	Initial Adjustments	Appeal Respondents	Appeal Adjustments	All Adjustments
<b>Total Number</b>	33,487	3,159	1,163	348	3,459**
<b>Gender</b>					
<i>Female</i>	53.7%	58.8%	56.1%	57.5%	58.8%
<i>Male</i>	46.3%	41.2%	43.9%	42.5%	41.2%
<b>Race/Ethnicity</b>					
<i>People of Color</i>					
<i>African American</i>	2.1%	2.2%	3.1%	2.3%	2.2%
<i>Asian</i>	3.7%	3.2%	5.5%	4.6%	3.3%
<i>Hispanic</i>	7.4%	6.8%	8.3%	8.3%	6.9%
<i>Native American</i>	1.1%	1.0%	1.1%	0.6%	1.0%
<i>Pacific Islander</i>	0.2%	0.4%	0.2%	0.0%	0.3%
<i>Two or more races</i>	3.5%	5.1%	6.4%	6.6%	5.3%
<i>Caucasian</i>	81.6%	80.9%	75.3%	77.6%	80.6%
<i>Undisclosed/In-process</i>	0.3%	0.3%	0.2%	0.0%	0.3%
<b>Veteran Status</b>					
<i>Veteran</i>	6.6%	9.3%	7.3%	6.9%	9.1%
<i>Not a Veteran</i>	93.4%	90.7%	92.7%	93.1%	90.9%
<b>Disability Status</b>					
<i>Disabled</i>	3.1%	2.7%	2.2%	2.9%	2.7%
<i>Not Disabled</i>	96.9%	97.3%	97.8%	97.1%	97.3%
<b>Age</b>					
<i>18-36 (Generation Z &amp; Millennials)</i>	24.4%	26.8%	41.3%	35.6%	27.8%
<i>37-52 (Generation X)</i>	43.8%	48.4%	43.1%	47.7%	48.3%
<i>53-70 (Baby Boomers)</i>	31.2%	24.6%	15.6%	16.4%	23.7%
<i>71-100 (Traditionalists)</i>	0.5%	0.2%	0.1%	0.3%	0.2%

\*Gender, Race/Ethnicity, Veteran Status, Disability Status and Age are all data that is self-reported by the employee when starting their job. Race/ethnicity includes visual assessments as required for EEO reporting. Veteran Status and Disability Status are not required fields. Age groupings generally correspond to the generational groupings in the parentheses. Data is as of 12/31/2017.

\*\* 48 individuals received an initial adjustment and an appeal adjustment. They were only counted once in the All Adjustments total of 3,459.

A note on reading this table: All data has been rounded to one tenth. Due to this rounding, cumulative percentages may be slightly more or less than 100%. Percentages reference the individuals contained within each outlined box. For example, in the Gender and Appeal Adjustment box, 57.5% of Females receiving an Appeal Adjustment refers to the fact that 200 of the 348 individuals receiving an Appeal Adjustment were female; 42.5% of Males receiving an Appeal Adjustment refers to the fact that 148 of the 348 individuals receiving an Appeal Adjustment were male.

# FUTURE DIRECTIONS

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## Ongoing Program

As outlined in ORS 652.235, the Executive Branch of Oregon state government will engage in an Equal Pay Analysis every three years. In order to accomplish this, the Chief Human Resources Office is developing an ongoing program to advance pay equity efforts. This program will utilize staff and materials from the Pay Equity Project detailed in this report to review pay equity in the future. Currently, Chief Human Resources Office staff are developing more detailed reporting tools and mechanisms to analyze anomalies that may indicate pay disparities and offer methodologies and tools to correct any possible disparities.

## Integrating Related Efforts

The Pay Equity Law has prompted organizations to remove recruitment questions about prior salary history. In compliance with the law, Oregon state government removed questions regarding salary history from job applications in October 2017. Currently, the Chief Human Resources Office is investigating the effectiveness of this effort.

Additionally, in the 2019 Regular Session, the legislature passed and the Governor signed Senate Bill 123, which amends the Pay Equity Law. The effects of the amendments, which include an express recognition that bona fide factors supporting a pay differential may be contained in a collective bargaining agreement, will be integrated into the Pay Equity Program moving forward.



**Department of Administrative Services  
Chief Human Resources Office**

<http://www.oregon.gov/DAS/HR/pages/equity.aspx>

For more information: [chro.payequity@oregon.gov](mailto:chro.payequity@oregon.gov)

