

Pay Equity Commission Report
June 2012

Submitted to Ellen Golombek, Executive Director, Colorado Department of Labor & Employment

As required under Colorado House Bill 10-1417, please accept the following report detailing the activities of the Colorado Pay Equity Commission as charged under HB 10-1417.

I. The Commission Charge

HB 10-417 charges the Colorado Pay Equity Commission with the following: educating employers in the state about issues or practices that may contribute to pay inequities; working with business groups and educational institutions to develop and maintain an inventory of best practices for encouraging equal pay; encouraging employers to implement equal pay best practices; studying other state models of equal pay practices that achieve pay equity; developing a program recognizing employers who pursue pay equity practices; conducting outreach and education to employees and employers regarding pay equity; and working to establish the state of Colorado as a model employer with regard to pay equity. The Act also enables the Commission to submit recommendations to CDLE and the State Legislature for policy or administrative changes in support of Pay Equity.

II. The Commission

Commissioners were appointed in August 2010. Members serve without compensation and are not reimbursed for expenses they incur. The Commission has no staff. The following table lists the names of the commissioners and those who appointed them. Over the course of the two years, four commissioners have resigned due to changes in their personal employment situations that made it inappropriate to serve or impossible to devote time to Commission.

Colorado Pay Equity Commission—Appointee History				
Appointment Position	Body that Appointed	Individual Name	Title	Year Appointed and Term
Director of the Department of Labor or her Designee	Governor Ritter	Don Mares, then Ellen Gollombeck	Executive Director, CDLE	2010—present
Director of the Colorado Civil Rights Division or his designee	Governor Ritter	Steve Chavez	Director, CCRD	2010—present
Representative of Higher Ed	Governor Ritter	Nancy Reichman	Professor, University of Denver Department of Sociology	2010—present
Representative of Organized Labor	Senate Majority (Peter Groff)	Al Kogler	Organizing Coordinator, Communication Workers of America	2010—present
Representative from an Organization Serving Communities of Color	Senate Majority (Peter Groff)	Barbara Shannon-Banister	Board member, NAACP of Aurora	2010—present
Representative from a National Women's Organization	House Majority (Terrance Carroll)	Linda Meric	Executive Director, 9to5, Nat'l Association of Working Women	2010—present
Attorney that represents employees	House Majority (Terrance Carroll)	Diane King	Partner, King & Greisen Law Firm	2010—present
Representative from a "Business Association"	Senate Minority (Mike Kopp)	Carol Carlson	President, August Gram Consulting	2010-2011
'	'	Kara Parker	Senior Vice President, Buffalo Supply Company	2011
'	Senate Minority (Bill Cadman)	Kathie Barstnar	President/CEO, Whiting Management Resources	2012—present
Representative from a "Chamber of Commerce"	House Minority (Mike May)	Tamra Ward	Senior Vice President of Public Affairs and Communications, Denver Metro Chamber	2010-2011
"	House Minority (Mark Ferrandino)	Donna Evans	CEO of the Colorado Women's Chamber	2012—present
'	'	'	'	'
Small Employer, fewer than 15 employees	Senate and House Minority (Mike Kopp and Mike May)	Patricia A. Kurgan	President of Astro Logistics	2010—present
"	"	"	"	"
Large Employer, 15 or more employees	Senate/House Minority and Majority (Peter Groff/Mike Kopp and Terrance Carroll/Mike May)	Alejandro Solis	District Human Resource Business Administrator, Macy's	2010-2011
'	Senate/House Minority and Majority (Brandon Shaffer/Bill Cadman and Frank McNulty/Mark Ferrandino)	Currently vacant	'	'

III. Commission Process and Priorities

The Commission met 11 times between August 1, 2010 and June 30, 2012, hosted in the offices of different Commissioners. There was a quorum present for some meetings and not others.

At the outset and despite clear differences of opinion about the size and causes of the pay gap, the Commission sought out places where it seemed possible to reach agreement. Two broad recommendations to prioritize the Commission's agenda emerged from the preliminary discussions:

- Education and outreach for both employers and employees were identified as the highest and least controversial priority for the Commission's first years.
- The Commission agreed that it would not consider policy or administrative changes, if at all, until after it had worked together on fulfilling other elements in its charge. Our focus, initially, would be those elements of the charge to encourage and promote pay equity best practices.

The Commission's commitment to attempt consensus slowed down its work considerably as time was given to vet and re-vet documents. Ultimately, while considerable time was spent on the attempt to reach consensus, it became clear that the diverse make up of the Commission would be unable to reach consensus even on the priorities agreed upon. For example, any educational initiative about best practices directed to private employers, a clear directive of HB 10-1417, was perceived as unacceptable to at least one Commissioner. Consequently, to move its charge forward, the Commission determined that consensus decision-making would not allow it to fulfill its directive from the legislature and moved forward on the agreed agenda approved over the course of several meetings by a majority of the Commissioners present.

IV. Fulfilling its Charge -- the First Two Years

Initial meetings of the Commission included a review of the charge, a review of the 2007 Pay Equity Commission Report, a report on the current status of the law, and an update on current Bureau of Labor Statistics data on median earnings ratio between male and females and between women and men of color. It is worth noting that the BLS reports that the median weekly earnings of Colorado women in full-time wage and salary positions in 2010 was 77.7% of the median weekly earnings of Colorado men in full-time wage and salary positions, the largest gap in pay in the state since 2001.¹ Commissioners discussed the various factors that research shows contribute to pay gaps including differences in hours worked, occupational and job segregation, marital status, children living at home, career interruptions, differences in negotiating skills, career options, and discrimination. Commissioners were divided on how to interpret the data about the extent and causes of

¹ Bureau of Labor Statistics, US Department of Labor, Women's Earnings in Colorado, November 30, 2011.

pay gaps. Recognizing that the Act did not require that the Commission resolve the issues of how big and what causes pay gaps, the Commission meetings turned to fulfilling the charges outlined in HB 10-1417.

With respect to the specifics of its charge, the Commission engaged in the following activities in its first two years.

A. Educating Employers and Employees

Sections 3A and 3F of the Act direct the Commission to educate employers and employees about pay equity and the factors that contribute to inequities in the workplace. Recognizing that employers and employees, both, could benefit from education that included a list of best practices to encourage pay equity, the Commission began to develop factsheets of well-researched and established best pay equity practices for employers and employees. A subcommittee of Commissioners representing diverse stakeholder groups created initial drafts. Commissioners were encouraged to vet the documents with their constituents. Suggestions for changes in language were brought back to the Commission and incorporated into subsequent drafts. The final documents developed to facilitate the Commission's work to educate employers and employees were approved by a majority of the Commissioners and are attached in Appendix A. In anticipation of these completed products, the Commission began to compile a list of possible opportunities for outreach, e.g., small business development centers, workforce centers, financial literacy programs, chamber events, and community meetings.

Over the course of the two years, Commissioners were encouraged to speak about pay equity and the work of the Pay Equity Commission. Over the two years, Commissioners have spoken at educational forums, business networking events, Equal Pay Day and other community meetings.

B. Develop and Maintain An Inventory of Best Pay Practices

Section 3B of the Act established the charge to work with business groups and higher education to create and maintain a list of best pay practices for encouraging pay equity. The 2007 Colorado Pay Equity Commission report, *Fulfilling the Promise: Narrowing the Pay Gap for Women and Minorities in Colorado*, offers a fact-based list of best practices that remain the starting point of that inventory. The Commission invited Robin Kane, Director of Human Resources for White Wave Foods to discuss her company's best practices. These are highlighted on our fact sheets.

C. Encourage Employers to Implement Equal Pay Practices

Section 3C tasks the Commission with encouraging employers to implement equal pay best practices. Education and outreach are the vehicles the Commission identified as the best strategy to fulfill this aspect of its charge.

D. Study Other State Models of Equal Pay Practices that Achieve Pay Equity

Section 3D directs the Commission to investigate other state models of pay equity. Preliminary research revealed that, to the extent that they exist at all, these models typically involve legislative changes. Since the Commission agreed that it would not pursue such changes in its first two years, this element of the Commission's charge was tabled.

E. Create a Program to Recognize Employers Who Pursue Pay Equity

Section 3E charges the Commission with creating a recognition program for employers who pursue pay equity practices. The Commission felt that creating a stand-alone program was well beyond the competencies or capacity of the Commission. Instead, Commissioners are taking steps to identify and encourage Colorado organizations already providing awards for "best places to work" to include best pay equity practices as part of the criteria for their awards. The Commission is developing an inventory of state awards and has begun research to identify criteria already in use to assess pay fairness, for example, criteria used by the Great Places to Work Institute to produce Fortune Magazine's 100 Best Companies to Work For.

F. Work to Establish the State of Colorado as Model Employer with Regard to Pay Equity.

The final directive in HB10-1417 is to work to establish the State of Colorado as model employer. The Commission decided to pursue this task after completing implementation of its employer and employee outreach and education efforts.

V. Moving Forward

The Commission is well positioned to move forward on key priorities in the next year.

A. Employer and Employee Outreach and Education – The Commission has identified the following next steps

1. Work with the CDLE to identify key venues for distributing educational material. Follow up with business associations, networking events, workforce centers and others.
2. Incorporate pay equity best practices for employees in general classes on financial literacy. Approach community colleges that are already engaged with financial literacy curriculum.
3. Speak to and gather data from organizations in and outside of the Front Range.

4. Create a better web presence for the Pay Equity Commission that includes links to resources.

B. Employer Recognition Programs

1. Complete inventory of awards given in the state.
2. Meet with organizations that have recognition programs to encourage them to include the pursuit of pay equity as a criterion for their awards
3. Continue to monitor the criteria that are being used by others
4. Feature Colorado companies that have received awards from other associations. For example, 3 Colorado companies were recently named among the best 25 medium companies to work by the Great Places to Work Institute and Entrepreneur.com (Intergroup #15, Ehrhardt, Keefe, Steiner & Hottman #19, ad Otterbox #22).

C. Establishing the State of Colorado as a Model Employer

1. Devote Commission meetings in September and November to discussions with the Department of Personnel Administration and appropriate labor organizations to identify current initiatives in progress, issues of concern, and ways that the Commission might assist in promoting pay equity best practices. Develop recommendations based on these discussions.
2. Following the recommendations set forth in the 2007 Colorado Pay Equity Commission report, *Fulfilling the Promise*, discuss with DPA staff what data collection, analysis, and reporting on pay equity exists for the state workforce and what enhancements might be necessary. Develop recommendations as appropriate.

In addition to work on these priority areas, the Commission is well-positioned to continue to work on an inventory of best practices and study of other state models of equal pay practices that achieve pay equity.

APPENDIX A:

EDUCATIONAL OUTREACH MATERIALS FOR EMPLOYERS AND EMPLOYEES

