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BILL NO.: Senate Bill 400  
TITLE: State Employment – Wage History and Wage Range  
COMMITTEE: Finance  
DATE: February 20, 2020  
POSITION: **SUPPORT**

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Senate Bill 400 is an incremental approach at addressing the persistent gender wage gap in Maryland. It prohibits the State from asking applicants for, or relying on, wage history when determining compensation. It further requires the State to undergo regular pay equity studies. Despite positive changes in the law, women's incomes in Maryland still lag behind those of their male counterparts: women earn on average only \$0.86 to every dollar earned by men. For women of color, the pay gap is even larger – African American women take home \$0.68 and Latina women earn only \$0.46 for every dollar a white man makes. The gap is wider for working mothers and exists even in the public sector, where women on average earn 10% less than their male colleagues<sup>1</sup>.

In July 2015, the Acting Director of the U.S. Office of Personnel Management issued a memorandum advising federal agencies of the dangers of relying in past salary information in setting new hire standards. "Reliance on existing [or prior] salary to set pay could potentially adversely affect a candidate who is returning to the workplace after having taken extended time off from his or her career or for whom an existing rate of pay is not reflective of the candidate's current qualifications or existing labor market conditions"<sup>2</sup>. The federal government understood that in order to achieve pay equity it needed to address the roots of the problem: salaries.

Other jurisdictions have begun to follow suit, as this innovative approach would benefit all workers, not just women. To date, 16 other states have passed similar legislation, with several other jurisdictions considering it this year. The effect on the State should also be minimal; while some attempts to close the wage gap aim at deterring adverse employment actions by creating more opportunities for litigation, this proactive approach prevents unintentional discrimination from occurring in the first place.

The WLC recognizes there are multiple pieces of legislation that seek to address these issues, including SB217, and is appreciative of the recognition of the challenges so many women face on a daily basis. While we believe a more comprehensive and expansive approach would be best, we support SB400 for seeking to expand the relief currently available for State employees. We are particularly in favor of the provisions requiring annual pay equity studies. For the above reasons, the Women's Law Center of Maryland urges a favorable report for SB 400.

*The Women's Law Center of Maryland is a private, non-profit, membership organization that serves as a leading voice for justice and fairness for women. It advocates for the rights of women through legal assistance to individuals and strategic initiatives to achieve systemic change.*

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<sup>1</sup> The Guardian, Women Earn 10% Less Than Men in America's Public Sector, February 2018, <https://www.theguardian.com/us-news/2018/feb/08/gender-pay-gap-america-public-sector>, last visited, 2/15/2020

<sup>2</sup> Additional Guidance on Advancing Pay Equality in the Federal Government, <https://www.chcoc.gov/content/additional-guidance-advancing-pay-equality-federal-government>