

Department of Legislative Services
 Maryland General Assembly
 2008 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1156
 Economic Matters

(Delegates Kaiser and Dumais)

Finance

Labor and Employment - Pay Disparity Data - Reporting

This bill requires an employer, including State and local government, to keep a record of the racial classification and gender of employees. The record must be kept in accordance with the requirements established by the Commissioner of Labor and Industry, who is authorized to analyze the records to study pay disparity issues. The commissioner is required to report to the General Assembly on the findings of this review by October 1, 2013.

The bill terminates December 31, 2013.

Fiscal Summary

State Effect: Department of Labor, Licensing, and Regulation general fund expenditures could increase by \$72,400 in FY 2009 for one administrative officer to collect and analyze the data required by the bill. Future years reflect annualization and inflation. It is assumed that State agencies could meet data collection requirements with existing resources. Revenues would not be affected.

(in dollars)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	72,400	82,800	86,300	90,100	94,000
Net Effect	(\$72,400)	(\$82,800)	(\$86,300)	(\$90,100)	(\$94,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local governments could incur minimal expenditures to comply with the additional recordkeeping requirements; however, most would likely already maintain such information.

Small Business Effect: Potential minimal.

Analysis

Current Law: Under the State's Equal Pay for Equal Work law, each employer must keep a record, in accordance with the requirements of the Commissioner of Labor and Industry, that documents employee wages, their job classifications, and other conditions of employment.

An employer may not discriminate between employees in any occupation by paying a wage to employees of one sex at a rate less than the rate paid to employees of the opposite sex if both employees work in the same establishment and perform work of comparable character or work on the same operation, in the same business, or of the same type. An employee may bring an action against an employer that violates this law.

Background: Chapter 3 of the 2004 special session established the Equal Pay Commission to study the extent of wage disparities in the public and private sectors. The commission was also charged with studying the factors that cause the disparities, including segregation within occupations, payment of lower wages for work in female-dominated occupations, child-rearing and household responsibilities, and differences in education or experience. The commission was required to report on the consequences of the disparities and recommend actions to eliminate differential pay.

The report of the Equal Pay Commission included recommendations to • create a permanent commission to study wage disparities and best practices; • assign a State agency to enforce equal pay requirements; • develop a statewide wage data reporting system; • encourage family friendly policies; • administer and enforce existing laws; and • gather and disseminate best practices. The commission terminated on September 30, 2006.

State Fiscal Effect: General fund expenditures could increase by an estimated \$72,441 in fiscal 2009, which accounts for the bill's October 1, 2008 effective date. This estimate reflects the cost of hiring one administrative officer to establish reporting requirements and analyze employer data. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	1
Salary and Fringe Benefits	\$45,783
Communications and Information Technology	25,000
Other Operating Expenses	<u>1,658</u>
Total FY 2009 State Expenditures	\$72,441

Future year expenditures reflect • a full salary with 4.4% annual increases and 3% employee turnover; and • 2% annual increases in ongoing operating expenses.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2008
 mll/ljm Revised - Clarification - February 28, 2008
 Revised – House Third Reader - March 20, 2008

Analysis by: Suzanne O. Potts

Direct Inquiries to:
 (410) 946-5510
 (301) 970-5510