

PGCCEX_FAV_SB 217

Uploaded by: Alsobrooks, Prince George's County Executive

Position: FAV



THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

BILL: Senate Bill 217 – Labor and Employment - Wage History and Wage Range

SPONSOR: Senator Lee, *et al.*

HEARING DATE: February 13, 2020

COMMITTEE: Finance

CONTACT: Intergovernmental Affairs Office, 301-780-8411

POSITION: SUPPORT

The Office of the Prince George's County Executive **SUPPORTS Senate Bill 217**, which requires an employer to provide, on request by an applicant for employment, the wage range for the position for which the applicant applied. The bill also prohibits an employer from seeking wage history information for an applicant, or determining an applicant's wages based on the applicant's wage history. This bill does not prohibit an applicant from voluntarily sharing wage history information with an employer.

Currently, Prince George's County Government provides the salary range for advertised positions and does not require applicants to supply salary history. Requiring applicants to provide salary history does not provide reliable metrics to indicate the ability of an applicant to do the advertised job. Rather, salary history may contribute further to the gender wage gap. The federal Equal Pay Act of 1963 and the Lilly Ledbetter Fair Pay Act of 2009 helped to close the gender pay gap. However, despite the passage of these laws, women on average still only make 80 cents for every dollar a man makes. The wage gap is even worse for women of color. On average, African American women make 60 cents and Latina women only 55 cents per each dollar made by a white man.

The Office of the Prince George's County Executive supports the intent of the proposed legislation and attempts to further encourage equality in the workplace.

For the reasons stated above, the Office of the Prince George's County Executive **SUPPORTS Senate Bill 217** and asks for a **FAVORABLE** report.

WLGAN_FAV_SB217

Uploaded by: Amron, Cory

Position: FAV



Testimony
of

Cory M. Amron, Elaine Metlin, Corrine P. Parver, and Courtney Toomath-West
of the Women Lawyers On Guard Action Network
In SUPPORT of SB217, the Salary History Bill
Before the Maryland Senate Finance Committee
February 13, 2020

Thank you for the opportunity to submit this testimony on behalf of the Women Lawyers On Guard Action Network. Women Lawyers On Guard Action Network is an affiliated organization of Women Lawyers On Guard Inc., a national network of women and men harnessing the power of the law in conjunction with other non-profit organizations, to protect and defend equality, justice, and equal opportunity for all, while supporting research, education of the public, advocacy, litigation, amicus briefs, and its volunteer matching program.

Our organization's focus on gender pay equity issues leads us to offer strong support of Maryland's attempts, over the last several years, to level the playing field for all women in the workplace, including those in both the public and private sectors. We believe that the Salary History Bill provides a key to closing the wage gap for all women employees, while strengthening Maryland's businesses and economy. Therefore, for the following reasons, we are writing to urge the members of this Committee to support SB 217.

Relying on a potential employee's salary history to set pay, and keeping salary ranges secret, harms many types of job applicants. Employers' requests for an applicant's salary history during the hiring process, and reliance on that information to determine compensation, force women to carry lower earnings and pay discrimination with them from job to job. And, because women systematically are paid less than men, employers that rely on salary history to select job applicants and to set new hires' pay will tend to perpetuate gender-based disparities in their workforce.¹

Women Lawyers On Guard Action Network, Inc. • P.O. Box 100551 • Arlington, VA 22210

Stopping reliance on salary history is a good business practice. In ending the practice of seeking salary histories from job applicants, many companies understand that this practice perpetuates discriminatory wage gaps, and acknowledge that employees should be paid based on their experience, skills, track record, and the responsibilities they will be assuming, and not on what they happened to be paid in their past job.²

SB 217 is a proactive measure that will help Maryland businesses close gender wage gaps, recognizing that salary history is not a neutral objective, or an accurate measure by which to set pay or evaluate an applicant. This is particularly true for those whose salary history does not reflect their current qualifications or interests because they may have left the job market to care for family or those persons who moved from the public to the private sector.

Since 2016, some 13 States³ have passed legislation, all with bipartisan support, prohibiting employers from relying on applicants' salary history. Thus, this is the right time for Maryland lawmakers to act now and pass SB 217, thereby fulfilling Maryland's obligation to its women, families, and the state economy, especially given that Black women in Maryland are paid only 69 cents on the dollar paid to white, non-Hispanic men, and Latinas are paid only 46 cents.

Salary range transparency also helps close the wage gap. When an employer asks job applicants what their salary expectations are without providing applicants any information about the pay for the position, women lose out. This secrecy around salary ranges has been known to affect even women in higher paying positions, including women lawyers.⁴ Disclosing salary ranges thus will help level the playing field on negotiations, and helps applicants and employees detect and remedy any unjustified pay disparities.

Pay transparency also promotes employee loyalty and productivity, which is good for employers' bottom line⁵ and, indeed, all employers and working people should benefit from pay transparency measures, no matter where they live and work.

In conclusion, ending employers' reliance on salary history is an important step in closing the wage gap. We believe that asking for salary history perpetuates pay discrimination from job to job, and allows employers to use salary history and lack of transparency in salary ranges to disadvantage workers in both the public and private sectors. For these reasons, the Women Lawyers On Guard Action Network urges this Committee to pass SB 217, the Salary History Bill.

Women Lawyers On Guard Action Network, Inc. • P.O. Box 100551 • Arlington, VA 22210

A national non-profit, harnessing the power of lawyers and the law to protect, preserve and defend equality, justice and opportunity for all.
www.womenlawyersonguard.org

¹ Research shows that legislation like the Salary History Bill helps narrow wage gaps, as does the practice of providing job applicants the wage range for a position. See Drew McNichols, Information and the Persistence of the Gender Wage Gap; Early Evidence from California's Salary History Ban (February 1, 2019), SSRN: <https://ssrn.com/abstract=3277664> or <http://dx.doi.org/10.2139/ssrn.3277664>. See, e.g., Hannah Riley Bowles, Linda Babcock & Kathleen L. McGinn, Constraints and Triggers: Situational Mechanics of Gender in Negotiations, 89 J. Personality & Soc. Psych. 951, 955-56 (2005), https://projects.iq.harvard.edu/files/hbowles/files/situational_mechanics.pdf.

² Madison Alder, Amazon, BofA Join Employers That Won't Ask for Pay History, bloomberg bna, (Jan. 30, 2018) <https://www.bna.com/amazon-bofa-join-n73014474845/>; Kate Tornone, After helping overhaul GoDaddy's culture, its VP of inclusion sets out on her own, hrdiver, (Nov. 16, 2017) <https://www.hrdiver.com/news/after-helping-overhaul-godaddys-culture-its-vp-of-inclusion-sets-out-on-h/510923/>; Courtney Connley, Starbucks has closed its pay gap in the US—here are 4 other companies that have done the same, cnbc, (Mar. 23, 2018) <https://www.cnbc.com/2018/03/23/5-companies-that-have-reached-100-percent-pay-equity-in-the-u-s.html>.

³ Delaware, New Jersey, New York, Illinois, Massachusetts, Connecticut, Vermont, Maine, Oregon, Hawaii, California, Colorado, and Washington. A number of municipalities, including Montgomery County, Md., have passed similar legislation. See, e.g., <https://www.localdvm.com/news/i-270/montgomery-county-passes-pay-equity-act-to-push-for-equal-pay/>.

⁴ <https://biglawbusiness.com/female-law-partners-face-53-percent-pay-gap-survey-finds>.

⁵ See, Deborah Thompson Eisenberg, Money, Sex and Sunshine: A Market-Based Approach to Pay Discrimination, 43 Ariz. State L.J. 951, 1001-15 (2011); Lamb, N. & Klein, W., A Proactive Approach to Wage Equality is Good for Business, Employment Relations Today (Summer 2015), <http://arjuna-capital.com/news/a-proactive-approach-to-wage-equality-is-good-for-business/>; See, Andrew Chamberlain, Is Salary Transparency More Than a Trend?, Glassdoor (Apr. 27, 2015), <https://www.glassdoor.com/research/studies/is-salary-transparency-more-than-a-trend/>.

Well Paid Maids_FAV_SB217

Uploaded by: Batten, Aubrey

Position: FAV

Testimony of Aubrey Batten, Well-Paid Maids in SUPPORT of SB 217 – Labor and Employment – Wage History and Wage Range Before the Maryland Senate Finance Committee, February 13, 2020

Hello, and thank you for the opportunity to speak.

My name is Aubrey Batten. I am the hiring manager for Well-Paid Maids, a living wage home cleaning company based out of Takoma Park, here in Maryland. We employ 16 full-time cleaners and 3 managerial staff, with plans to double in size this year. Even as a small business, we pay all of our employees a living wage of at least \$17 an hour, provide a comprehensive benefits package, and offer 22 days a year of paid time off.

My company supports this bill. As a Maryland small business, we believe this is the right thing to do for workers and job-seekers, and would be inconsequential to profitability or recruitment.

We do not ask for salary history, and we include a pay rate in all posted job opportunities. Otherwise, a great deal of time would be wasted reviewing applications and engaging with candidates who would never consider working for what we can pay. Because we are so up front about what we pay, I know that I can review applicants for fit and qualifications, not whether we can afford them. This way, I spend less time hiring and have better outcomes.

Employers would not be harmed by this bill. Employers would still be free to negotiate, just on a more level playing field with the candidate since there is transparency around the process. “What do you need to be paid in order to work here?” is an easy enough question to ask.

From a workforce development and modernization standpoint, this bill is beneficial. American society encourages people to educate and train so they have access to better job opportunities. Allowing employers to base wage decisions off a candidate's past sends a clear signal that where you started will always be more important than what you are capable of doing. I believe we are doing Maryland's economy and workforce harm by creating additional barriers to employment.

In addition, as a Marylander, I support this bill because growing up, my family was poor and I could not attend college right out of high school. I worked low wage retail jobs for nine years. I attended community college and transferred to the University of Maryland on scholarship after earning my associate degree, working full-time and attending classes.

My income nearly doubled to \$50,000 the year I earned my bachelor's degree. What if my first white-collar job had based their offer off my pay as a cashier?

Had they based their decision on my salary history instead of how well they thought I could do the work, my lower starting salary would have followed me from job to job, permanently anchoring me to a lower income. Had that happened, I would not be the proud Maryland homeowner and employer I am today. My life would be measurably worse simply because I used to make less money.

One might wonder why I view this as a problem if I wasn't impacted. Well, the job that changed my life was working for the University of Maryland, whose salary information is publicly available and completely transparent. I knew the salary range before I applied.

Ultimately, asking for salary history inadvertently penalizes workers for unfair reasons like taking time to care for a family, for pursuing an education, or for seeking higher pay. Furthermore, based on Well-Paid Maids' experience, not asking for salary history has no discernable impact on the health of a business. Having been in the shoes of many of our applicants, I am grateful that is our policy and I am keen to see it become state law. Thank you.

MoCo WDC_FAV_SB217

Uploaded by: Conway, Diana

Position: FAV



MONTGOMERY COUNTY, MARYLAND
WOMEN'S DEMOCRATIC CLUB

**Senate Bill 0217 Labor and Employment - Wage History and Wage Range
Finance Committee – February 13, 2020
SUPPORT**

Thank you for this opportunity to submit written testimony concerning an important priority of the **Montgomery County Women's Democratic Club (WDC)** for the 2020 legislative session. WDC is one of the largest and most active Democratic Clubs in our County with more than 600 politically active women and men, including many elected officials.

WDC urges the passage of SB0217. This bill prohibits employers from relying on past wage history information to determine an applicant's salary, or a current employee's salary when considering that employee for a new position, including a promotion. However, if an employer makes a job offer, an applicant or employee can volunteer his/her salary history to support a higher wage offer. This bill also requires employers to provide salary information to applicants upon request. An employer may not retaliate against or refuse to interview or hire an applicant because the applicant did not provide wage history or requested wage range information. This bill authorizes the Commissioner of Labor and Industry to assess civil penalties on employers that violate the law.

This bill is of particular importance to working women because it increases salary transparency and prohibits discriminatory practices that result in paying lower salaries to women because of their prior salary and work history, even though they are qualified. Relying on salary history can also further penalize women who reduced their work hours to care for children or other family members and those who have worked in the non-profit sector.

Numerous studies have documented that there continue to be persistent gender and racial pay gaps. Women are paid 86 cents for every dollar that men earn and the gap is wider for African American and Hispanic women. Recent studies have correlated salary history, especially starting salary history, with these gaps.

WDC urges Maryland to join thirteen other states in the growing movement to ensure salaries are based on merit and job requirements, not salary history. Salary history is a not a neutral factor. Everyone deserves equal pay for equal skills and equal work.

We ask for your support for **SB0217** and strongly urge a favorable Committee report.

Respectfully,

Diana Conway
President

Women's Dem Club_FAV_SB217

Uploaded by: Conway, Diana

Position: FAV



MONTGOMERY COUNTY, MARYLAND
WOMEN'S DEMOCRATIC CLUB

**Senate Bill 0217 Labor and Employment - Wage History and Wage Range
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We ask for your support for **SB0217** and strongly urge a favorable Committee report.

Respectfully,

Diana Conway
President

JOTF_FAV_SB217

Uploaded by: DEWS, Christopher

Position: FAV



Advocating better skills, jobs, and incomes

TESTIMONY IN SUPPORT OF SB0217:

Labor and Employment - Wage History and Wage Range

TO: Hon. Delores Kelley, Chair, and Members of the Senate Finance Committee

FROM: Christopher Dews, Policy Advocate

DATE: February 13th, 2020

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that advocates for better jobs, skills training, and wages for low-income workers and job seekers in Maryland. We strongly support Senate Bill 217 as a means of ensuring that Maryland’s workers are properly paid and have access to higher wages.

The “Wage Gap” is used to describe the difference in pay between the genders and racial background. Since 1980, the gap has decreased dramatically, but today, nearly twenty years later, women and people of color are still being paid less for doing the same job. In fact, progress on this issue has been stagnant since 2000. In 2016, The Pew Research Center reported that, despite progress, women still earned only 83 percent of the hourly wages that men earned. In addition, people of color earned an even lesser percentage.

In Maryland, while the data shows a percentage better than the national average, women still receive 84 cents for every dollar that a man makes. According to the National Partnership for Women and Families, Black women are paid 69 cents, Latinas are paid 47 cents and Asian women are paid 83 cents for every dollar paid to white, non-Hispanic men. Even further, of the 304,000 family households headed by women in the state, about 19 percent of those families fall below the poverty level.

Various employment barriers contribute to the wage gap, such as disparities in the criminal justice system, societal gender roles, and occupation type. However, despite the additional aggravating factors, studies have shown that women, people of color, and those of lower-income are perpetually paid less across industry sectors. Even further, according to an American Association of Women study, the wage gap starts at college graduation, even for those who are in the same academic program. In addition, private and public employers utilize practices that further the wage gap, such as asking for wage history or withholding pay scale information from particular candidates.

Senate Bill 217 seeks to address this issue. If enacted, this bill would prohibit an employer from questioning an individual about their wage history and would require employers to provide a pay scale for a position when requested. This type of transparency in pay scale and limits of wage history aim to break the cycle of the wage gap. This means that an individual who would historically be paid less will not

JOTF JOB OPPORTUNITIES TASK FORCE

Advocating better skills, jobs, and incomes

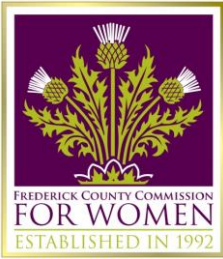
continue to receive such low pay, simply because of their poor wage history. As such, this practice also aims to break the cycle of poverty among communities of color.

Additionally, it would afford many of the state's most vulnerable working families the same protections and quality of life as others. JOTF is all too familiar with the far-reaching consequences of the wage gap on low-income families, struggling to make ends meet. For these reasons, we urge a favorable report of Senate Bill 217.

FCCFW_FAV_SB217

Uploaded by: Dharba, Lakshmi

Position: FAV



Frederick County Commission For Women

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**Written testimony of the in Support of Bill
SB 217/HB 123: Wage History and Wage Range
SUPPORT**

COMMISSIONERS

Lakshmi Darbha
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Vice President

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Valerie Dougherty
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Marguerite Vacca-Kaye
Tara Woodward

The Commission for Women meets the second Tuesday of every month (except July) at 7:00pm. The public is invited.

The Commission for Women is affiliated with Frederick County Government

Thank you for the opportunity to submit testimony on behalf of the Frederick County Commission for Women. The Frederick County Commission for Women is a non-partisan organization whose mission is “to create a stronger community by addressing challenges and fostering unlimited opportunities For All Women”.

Equal pay is of serious concern for Frederick County, whose families and households increasingly depend on women’s wages to create economic security as well as economic opportunities. Despite a rising number of female headed households, women in Frederick and all across Maryland, are still seeing significant pay gaps between their similarly situated and similarly qualified male peers. While prior legislation has been enacted to address the overt discrimination against women in the workplace, addressing the issue of salary history will help women overcome one of the many discrete forms of discrimination that still exist.

When employers use applicants prior salary in hiring or setting pay, they are adopting pay disparities or discrimination from past employment. Over several years, what may have started as a small disparity will be compounded as percentage raises, which are calculated as a percentage of a lower salary, will be inherently lower than the raises of higher salaried peers. Those losses may seem small, but as the losses are compounded they can have a dramatic effect on lifetime income, benefits, and retirement contributions.

It is time that Maryland join the wave of states who have already put laws in place to end the practice of requesting and relying on salary history to make employment decisions. Early evidence out of California, which passed similar legislation in 2017, shows that it has already helped narrow gender wage gaps in that state.

While this legislation is not a complete solution to the wage gap problem facing our communities, we believe this is a step in the right direction. On behalf of the Frederick County Commission for Women, we would like to thank OUR delegate, Del. Karen Lewis Young, for sponsoring this important legislation.

We ask for your support of SB 217/HB 123 and strongly urge a favorable Committee Report

Our Mission: To create a stronger community by addressing challenges and fostering unlimited opportunities for all women.

The FCCFW is a non-partisan organization that does not discriminate on the basis of gender, age, race, ethnicity, sexual orientation, religion, education, employment, economic standing, political affiliation or national origin. © 1993-2019 FCCFW Rev. 12/02/19

USWCC_FAV_SB217

Uploaded by: Dorfman, Margot

Position: FAV



RE: **SUPPORT** for HB 123/SB 217

February 4, 2020

Dear Members of the House Economic Matters and Senate Finance Committees,

I write to express my support for HB123/SB217. The U.S. Women's Chamber of Commerce (uswcc.org) supports meaningful efforts to address the problem of unequal pay in Maryland, and we believe this bill will accomplish that goal. The USWCC is the leading advocate for women on economic, business, and leadership issues. As the economic and business leader for women, the USWCC creates opportunities, drives progress, advocates, and provides tools and solutions to support the economic growth of women across America. The organization is a not-for-profit 501(c)6 organization founded in 2001 with over 500,000 members and headquartered in Washington, D.C.

By ending reliance on job applicants' salary history to set pay and increasing employer transparency around salary ranges, HB123/SB217 provides businesses a crucial tool that will help them set pay in a way that does not introduce gender and racial wage gaps into their workplace. Given that women are typically paid lower salaries than men, women are immediately at a disadvantage in negotiating and setting pay when a new employer asks for their prior salary. This practice unfairly and unjustifiably condemns women to depressed salaries throughout their careers, perpetuating gender pay gaps that hurt women, their families, and the Maryland economy.

Many businesses recognize that relying on applicants' salary history is a harmful business practice and that pay should be set based on applicants' experience, skills, track record, and the responsibilities they will be assuming, not on what they made in their past job. These employers are able to recruit the best talent and decrease their exposure to costly pay discrimination litigation by avoiding the unjustified gender wage gaps that arise from relying on salary history. Moreover, when pay is transparent and set fairly, employees tend to be more focused, dedicated, and productive, which helps businesses' bottom line.

USWCC members and women business owners nationwide seek to offer fair pay, higher wages and benefits to their employees because many of them have previously been in workforces that did not offer these critical things. Strong equal pay laws level the playing field for employers that are already striving to pay equally for equal work—which is especially important to women-owned firms that already pay fairly.

At a time when more families than ever before are relying on women's income, closing the wage gap means more economic security for families. Providing equal pay means putting more money in families'

pockets to purchase goods and services not otherwise afforded. More money in workers' pockets means more money in consumers' pockets which will drive the local economy.

HB123/SB217 strengthens the state's existing equal pay law in ways that benefit women, their families, businesses, and the economy.

Speaking on behalf of small business owners who are already doing the right thing and offering equal pay for equal work, I urge the Maryland legislature to pass HB123/SB217 to meaningfully address the problem of unfair wage disparities.

Sincerely,

A handwritten signature in black ink, appearing to read "Margot Dorfman", with a long horizontal flourish extending to the right.

Margot Dorfman, CEO
U.S. Women's Chamber of Commerce

Mo Co CFW_FAV_SB217

Uploaded by: Drew, Nicole

Position: FAV



COMMISSION FOR WOMEN COMMUNITY ENGAGEMENT CLUSTER

February 12, 2020

The Honorable Dolores G. Kelley, Chairwoman
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

RE: 217, Labor and Employment—Wage History and Wage Range--SUPPORT

Dear Madame Chair and Members of the Senate Finance Committee:

Thank you for the opportunity to submit testimony on behalf of the Montgomery County Commission for Women (“Commission”). We urge a favorable report for SB 217, Labor and Employment--Wage History and Wage Range. The Commission is comprised of 15 members from the community who are charged by law to advise the County Executive, County Council and others on issues affecting women.

The state of Maryland has long been a leading champion for working women. This legislative session provides another opportunity for Maryland to join a growing vanguard of equity-minded states, municipalities and employers committed to setting pay based on performance expectations, skills and experience, not on arbitrary factors. In Maryland, women earn an average of 86 percent of what their male counterparts earn, which translates into a compounded lifetime earnings disparity of about \$400,000 for the average working woman in Maryland. In short, the explained and unexplained factors driving the gender wage gap, including disproportionate caregiving responsibilities, predispose women to a competitive salary disadvantage at every job transition over the course of their working lives, a disadvantage that is exacerbated by the common practice by hiring officials of using salary history to set pay.

Members of the Commission, like so many of the working women in our communities, report experiencing the negative implications of this practice firsthand. Several years ago, one of our members accepted a job with fewer travel demands that allowed her to better balance family obligations, a move that also corresponded with a sizeable reduction in pay. When she competed for a new, better-paying job a few years later with a different employer, she was told by the employer's recruiter that she would only negotiate using the salary from her most recent job, despite her ability to document longer-term average earnings. As a result, she withdrew her name from consideration in favor of a different opportunity, but we are well aware that many women do not have that luxury.

MONTGOMERY COUNTY COMMISSION FOR WOMEN 2

It's time for us to follow the lead of fellow policymakers in 13 states, as well as municipalities like Montgomery County, and take the next step in eradicating the insidious inequality that has prevented generations of working women from earning a fair day's pay for a hard day's work.

Sincerely,



Nicole Y. Drew, Esq.,
President

Tiffany Boiman, Commissioner and Policy and Legislative Co-Chair

Commissioners

Donna Rojas, First Vice President
Diana Rubin, Second Vice President
Tiffany Boiman, Recording Secretary
Tazeen Ahmad
Isabel Argoti
Mona-Lee Belizaire
Tonia Bui
Ijeoma E. Enendu
Patricia Maclay
Giulia McPherson
Adrienne Prentice
Angela Quigley
Tricia Swanson
Meredith Weisel
Executive Director: Jodi Finkelstein

Rev Dwight_FAV_SB217

Uploaded by: Dwight, Reverend Leslie

Position: FAV

Rev. Leslye Dwight
10808 Hollaway Dr.
Upper Marlboro, Maryland 20772

February 12, 2020

Miller Senate Office Building
c/o Senate Finance Committee
11 Bladen Street
Annapolis, Maryland 21401

Dear Members of the Senate Finance Committee:

As the Minister of Social Justice at Community of Hope A.M.E. Church, I am writing to strongly urge your support of HB 123/SB 217—the Salary History Bill. Daily, I have the great privilege of serving thousands of families within faith community who live in the State of Maryland. Unfortunately, too many times this means serving in a role that requires providing advocacy and gap filling services to single-family households headed by women. In particular, women of color who spend many hours on their job but whose salary isn't enough to make ends meet.

Gender and racial wage disparities exist as a form of systemic oppression. This form of oppression perpetuates a longstanding cycle of women having to settle for lower earnings than their male counterparts. The disparity is not driven by a lack of skill, education, or experience. Rather, it is due to the failure to legislate measures like HB 123/ SB 217 which seeks to interrupt the cycle of businesses making wage determinations based on biased and inequitable salary history. Further, the lack of transparency in the wage determination process continues to create space for such bias by not standardizing the requirement for employers to provide wage ranges for positions. The research supporting the impact on bills such as this is plentiful in support of adopting such legislation as a best practice.

It is time that Maryland adopts this best practice by passing the Salary History Bill. Black women are paid 69cents to the dollar that white men make. It is time to level the playing field. Latina women are paid 46 cents to the dollar that white men make. It is time to level the playing field. As our elected officials, it is your duty to serve the best interest of the people by eliminating economic disparities. While this piece of legislation does not carry a financial burden to the State budget, it will alleviate the financial burden to many households across the State who are oppressed by the prevalence of wage disparities in their homes.

Therefore, it is with extreme hope and confidence in your ability to serve the people, that I thank you in advance for your support of the Salary History Bill.

Sincerely,



Rev. Leslye Dwight

MDDCAFLCIO_FAV_SB217

Uploaded by: Edwards, Donna

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

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President
Donna S. Edwards

Secretary-Treasurer
Gerald W. Jackson

**SB 217 – Labor and Employment – Wage History and Wage Range
Senate Finance Committee
February 13, 2020**

SUPPORT

**Donna S. Edwards
President
Maryland State and DC AFL-CIO**

Madam Chair and members of the Committee thank you for the opportunity to provide testimony in support of SB 217 – Labor and Employment – Wage History and Wage Range. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

Seeking employment is a stressful process, with prospective employers being in a much better position in the negotiating phase, leaving job seekers mostly at their mercy. SB 217 aims to balance the scales, by providing those eager to work a fairer playing field.

By requiring employers to provide a pay scale for a specific position, by request of an applicant, prospective employees can be assured of being on a level playing field with others applying for the same position. Additionally, knowing minimum salaries allows workers to make more informed decisions when applying for jobs.

Under current law, an employer may ask for an employee's pay history, while never having to disclose the salary range of the advertised position. This allows an employer to potentially low-ball an employee, creating inequities in pay, and giving the worker no recourse. Thankfully, under SB 217, employers will no longer be allowed to use salary history when considering a worker for a new position, including a promotion, and they may not use it in determining the wages for a worker.

SB 217 is fantastic tool to start to address the pay gap that exists between men and women in the work force. For women, salary history requests and pay decisions made based on that history propagates and maintains the wage gap between men and women. This is particularly true for women of color.

By disclosing salary ranges and stopping employers from using previous salaries as determining factors for employment and pay, job seekers may have a more level playing field with their potential employers.

For these reasons, we ask for a favorable report on SB 217.

BPWMD_FAV_SB217

Uploaded by: Fihelly, Linda

Position: FAV



Business and
Professional
Women/MD

February 13, 2020

In Support of SB 217 (Labor and Employment--Wage History and Wage Range)

Founded in 1919, BPW/USA was the first national organization formed to promote equality for women in the workplace. Business and Professional Women of Maryland (BPW/MD) continues the mission of the national organization, which merged with the BPW Foundation in 2009. We are a statewide, nonprofit, nonpartisan, all-volunteer organization with a diverse membership that includes administrators, teachers, business owners, and many other professions. Throughout the years, fair and equal pay has been a major focus of BPW's legislative efforts.

BPW members overwhelmingly support legislation that will strengthen existing equal pay laws. More than 55 years after the passage of the Equal Pay Act of 1963, it is clear that there is still a significant gender pay gap. AAUW reports that in 2018, the median annual earnings for men in Maryland were \$62,167 compared to \$53,421 for women--an earnings ratio of just 86 percent according to the most recent census data. The gap is worse for most women of color and working mothers. Research indicates that the gender wage gap persists regardless of industry, occupation, or education level. According to the Institute for Women's Policy Research, if change continues at the same glacial pace as it has done for the past fifty years, it will take 40 years--or until 2059--for women to finally reach pay parity. For women of color, the rate of change is even slower.

Women are paid less than men in the same job classification in nearly every industry. Employers who set pay based on a candidate's prior salary often perpetuate that discrimination. Continuing pay inequity results in women having fewer savings, lower Social Security benefits, and lower retirement benefits. Lost wages due to the pay gap mean families have less money to spend on goods and services. The economy suffers as a result.

Maryland must continue to adopt policies that will improve the economic security of women and families. Prohibiting employers from using wage history to determine an applicant's compensation, and requiring employers to provide the salary range for a position if the applicant requests it, will help ensure that women and people of color are paid a fair salary and that Maryland will move closer to closing the gender pay gap.

BPW/MD strongly urges the Senate Finance Committee to support SB 217.

Linda Fihelly and La'Kenya Walter
Co-Presidents
Business and Professional Women of Maryland (BPW/MD)
Phone: 301.599.1942
Email: lfihelly@hotmail.com

"Women Helping Women Succeed"

www.bpwmaryland.org

Jan Gardner_FAV_SB217

Uploaded by: Gardner, Jan

Position: FAV



JAN H. GARDNER

**Frederick County
Executive**

SB 217

**Labor and Employment-Wage
History and Wage Range**

County Position: SUPPORT

Date: February 13, 2020

Committee: Finance

Frederick County Executive Jan Gardner urges your **SUPPORT** for Senate Bill 217 – Labor and Employment-Wage History and Wage Range.

County Executive Gardner supports the provisions in the proposed legislation for the following reasons:

- Requiring job applicants to provide their wage history disproportionately disadvantages women and people of color;
- There are widely reported pay inequalities between the salaries of men, women and people of color; and
- While the County Executive recognizes and understands MACo's position to support with amendments, to exclude local governments in order to consider structured pay scales and salary schedules, basing employment on past salary history can have the effect of perpetuating pay gaps that are founded in discrimination.

Frederick County Executive Gardner urges favorable **SUPPORT** for Senate Bill 217.

AFSCME3_FAV_SB217

Uploaded by: Gilmore, Denise

Position: FAV



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Baltimore, MD 21230
Phone: 410.547.1515
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Patrick Moran - President

Testimony
SB 217 – Labor and Employment –
Wage History and Wage Range
Support

AFSCME Council 3 supports SB 217. This legislation works to address the gender and race pay gap for employees in the public and private sectors by guaranteeing that employers no longer rely on an applicant's salary history when setting wages during hiring. The legislation also enshrines the practice of including salary ranges to the application process; a tradition that the public sector has been engaged in for many years and has helped to narrow the wage gap among federal, state, and local government employees.

In FY2019, male state employees in Maryland earned on average \$6,167 more than female state employees. This is a wage gap of roughly 10%. The wage gap has grown since FY2014, where male state employees earned an average of \$5,484 more than female state employees. When women earn 90 cents to every dollar a male employee makes in state government, Maryland's economy suffers. We know these numbers become even larger when we factor in race. In FY2019, African American state employees earned on average \$10,082 less than white employees.

When a candidate for a state position applies for a state job, the salary range for the position is included in the posting. Department of Budget and Management (DBM) salary guidelines set that no employee can be hired outside of this salary range but do allow for an applicant to negotiate a starting salary above the minimum base pay for the position in instances where the position has been difficult to recruit for. Justifying an above base hire due to recruitment challenges can be done without requiring an applicant's salary history. The state already collects the data on how long a position has been vacant, the total number of applications that meet minimum qualifications within a geographical region, turnover rates, and so forth.

SB 217 also includes statutory damages (i.e. fines) which are a necessary motivator. While a fine collected from one agency and paid to another agency (the commission) might seem pointless, AFSCME believes the threat of such an embarrassing outcome might keep some state agencies on track and abiding by the law. An enforceable wage history and wage range law here in Maryland law help fix the wage disparities between women and men in state government, and across public and private sectors.

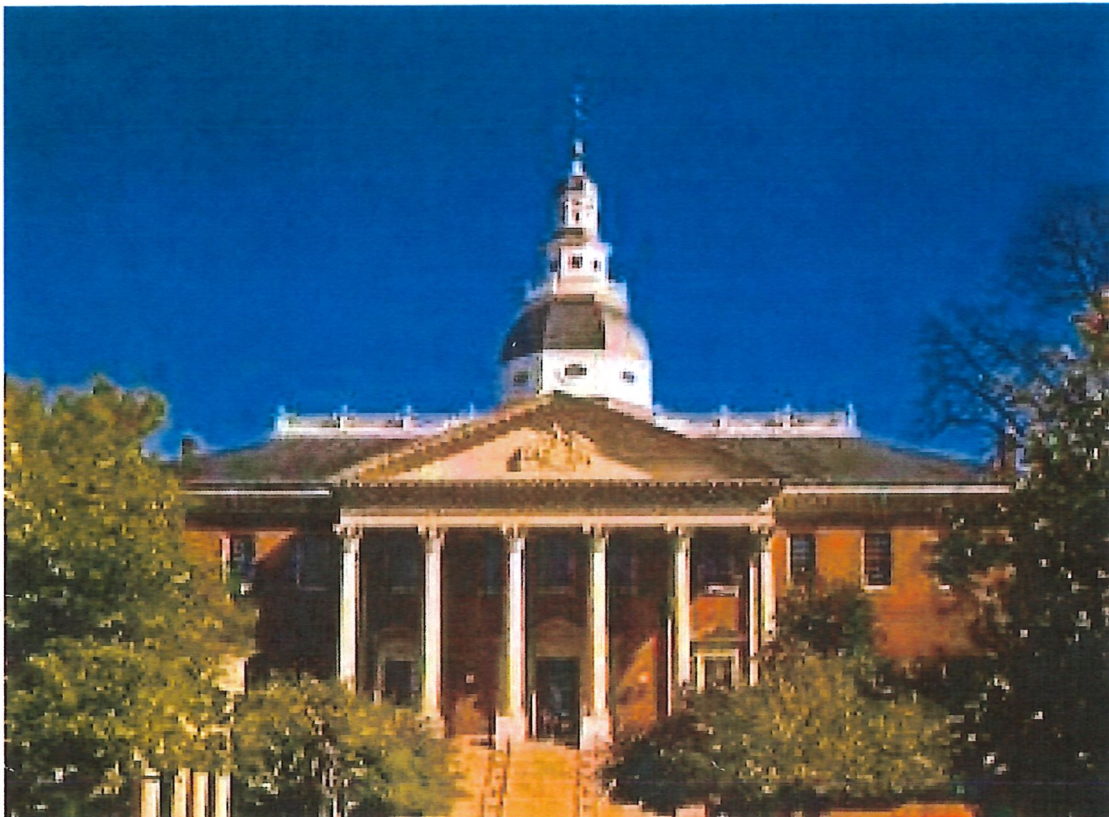
For all of these reasons, we urge a favorable report on SB 217.

Every AFSCME Maryland State and University contract guarantees a right to union representation.
An employee has the right to a union representative if requested by the employee.
800.492.1996

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Maryland

Department of Budget and Management

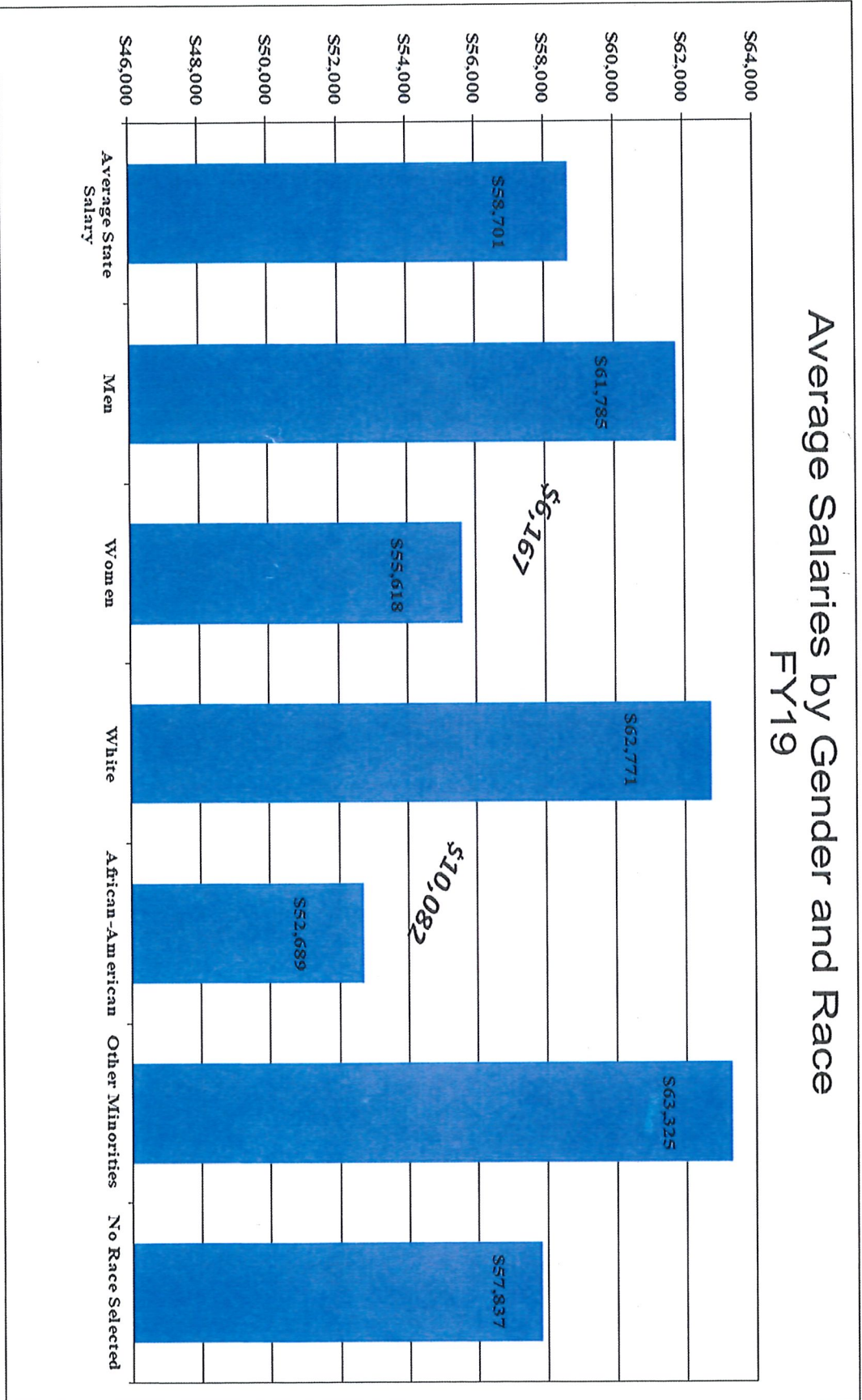


Annual Statewide Equal Employment
Opportunity Report - Fiscal Year 2019

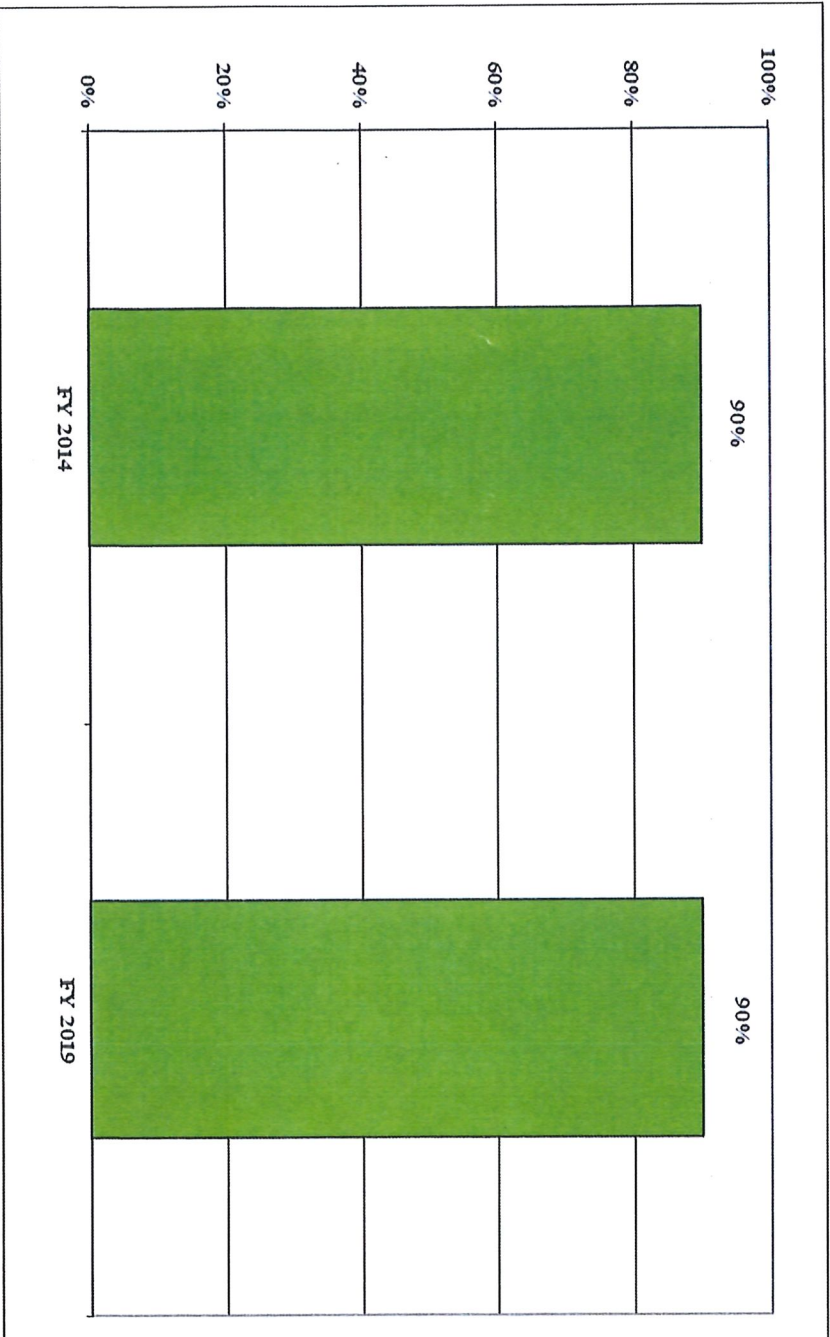


Larry Hogan, Governor • Boyd K. Rutherford, Lt. Governor • David R. Brinkley, Secretary

Average Salaries by Gender and Race FY19

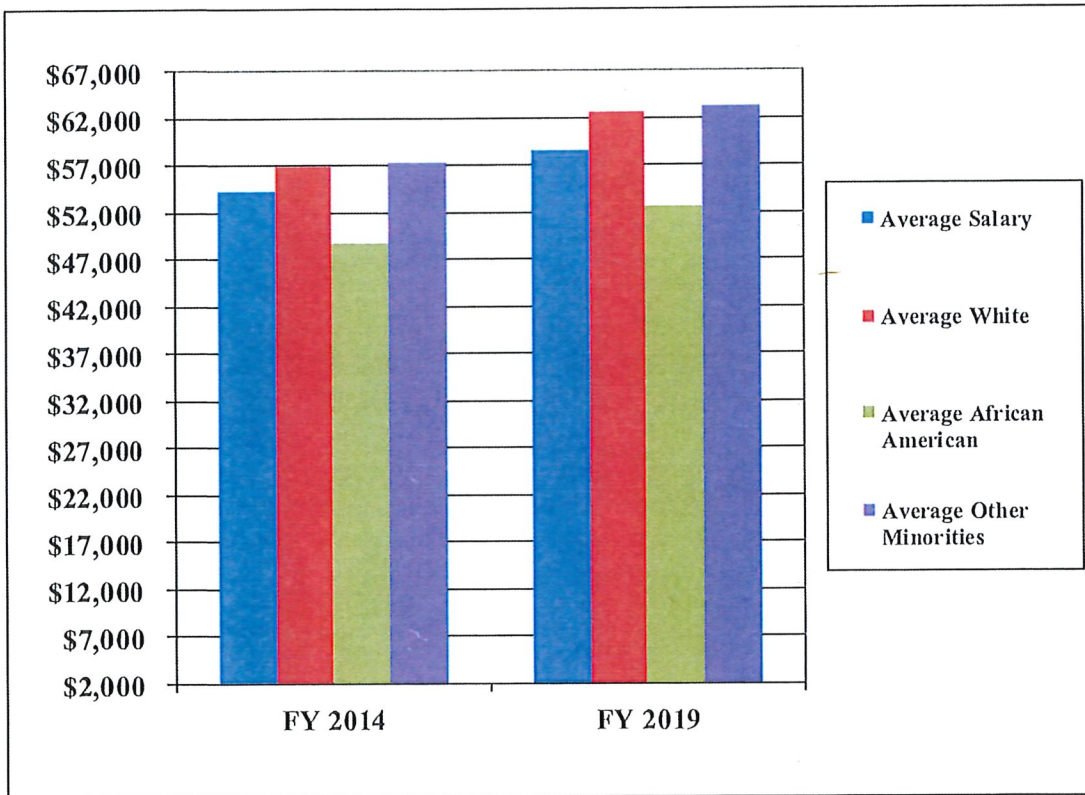


Average Salary for Women Trails Average Salary for Men



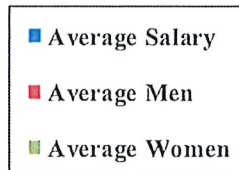
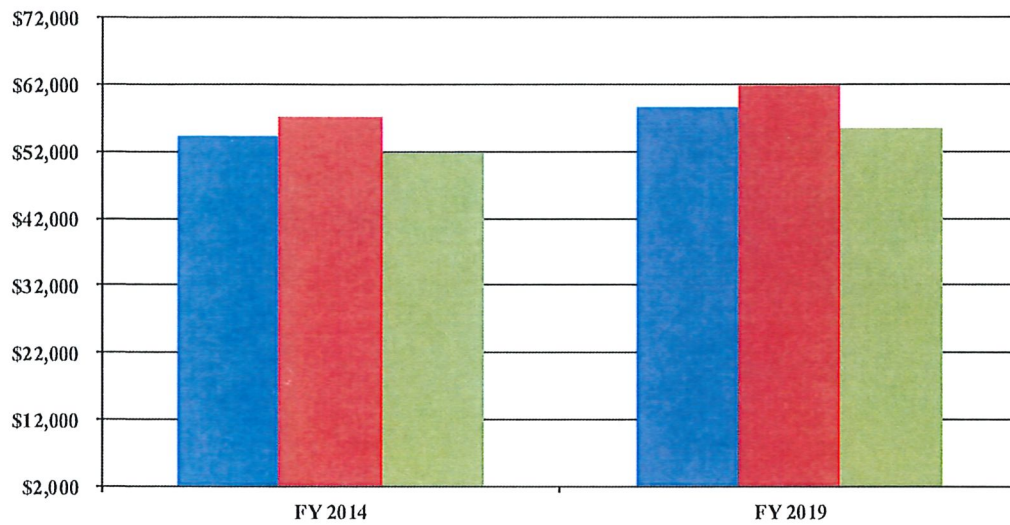
**COMPARISON OF AVERAGE SALARIES BY RACE
FOR FY 2014 AND FY 2019**

Year	Average Salary	White	African American	Other Minorities
FY 2014	\$54,413	\$57,043	\$48,780	\$57,416
FY 2019	\$58,701	\$62,771	\$52,689	\$63,325



**COMPARISON OF AVERAGE SALARIES BY GENDER
FOR FY 2014 AND FY 2019**

Year	Average Salary	Men	Women
FY 2014	\$54,413	\$57,155	\$51,670
FY 2019	\$58,701	\$61,785	\$55,618



Randstad_FAV_SB217

Uploaded by: Gray, Tara

Position: FAV

**Testimony of
Testimony of Tara Gray, Executive Recruiter and Business Development Manager for
Randstad**

**In SUPPORT of SB217 Labor and Employment—Wage History and Wage Range
Before the Maryland Senate Finance Committee**

February 13, 2020

My name is **Tara Gray** and I am currently an Executive Recruiter and Business Development Manager for the Staffing Company, Randstad in the Legal Division. I handle placement of legal professionals on a temporary and permanent basis. I have specialized in providing solutions to small and large corporations, law firms and non-profits for staffing needs over the past 10+ years. I have also handled Human Resources related functions within various corporations earlier in my career where I gained knowledge of business standards. I have an extensive background in various business operations and have worked for several businesses in the region.

I am here today to speak in support of SB217. In particular, I want to speak to why providing wage ranges is an important and good business practice and to help demystify the hiring process – highlighting why the salary history question is not a necessity.

As an Executive Recruiter for legal clients, I place Attorneys, paralegals, legal secretaries and other legal professionals into jobs. My clients are small businesses and mid-sized to large Fortune 500 companies or firms. When I receive a request from the client to assist them with providing candidates to fill an open position, one of the first things the client provides me is the salary range that they expect to pay for the position and the job responsibilities for the role. We share that salary range with candidates. Sharing salary ranges is an important part of how we do business – it allows us to more quickly screen for qualified candidates whose salary needs align with the range the client is willing and able to provide. Once a candidate knows the range, an interview can move forward. For candidates, knowing a range means they don't have to guess

about the salary, and for employers, they know the candidate is satisfied with the salary range provided. If applicants are given the opportunity to ask the salary range of the position, as provided for in SB 217, it would prevent the mystique and mystery surrounding the salary question and the client would not waste time interviewing candidates that are not interested in the role based on the range. Offering a pay range to the candidates is not a burden to the employers because they do not lose any leverage with the candidate by stating the salary range for the open position and they are still able to negotiate salary. In fact, providing a salary range allows the company to attract the most qualified candidates for the roles. And the candidate is now equipped with more information and empowered instead of mystified by the salary process and discussion. Importantly, this bill still allows the flexibility that I see my clients sometimes need to change the previously provided salary range of a position in the event, for example, they are unable to find the right candidates for an open role.

Asking for salary history is outdated – why do employers need this information at all? Do they want to pay the least amount possible for qualified candidates? In my experience, employers can still obtain the salary information that they are seeking from applicants by asking different questions like what is your desired or expected salary.

Why are employers insisting on asking the salary history question period when the client already has a budgeted amount predetermined for the role? The focus of the employer should be on job skills and the experience of the candidates instead of the salary history which leads to the devaluation of their skills. On a regular basis, I see clients ask for each candidate's previous salary and extend drastically different salary offers to the candidates even when the candidates are being considered for the same role and position and bring in the same skill set.

Thank you for your time and consideration.

Baltimore Building Trades Union_FAV_SB217

Uploaded by: Guido, Jeffrey

Position: FAV



Maryland Senate

Finance Committee

Chair: Delores G. Kelley

Vice Chair: Brian J. Feldman

Senate Bill 217 Labor & Employment – Wage History & Wage Range

The Baltimore DC Metro Building Trades Council SUPPORTS SB 217.

The Baltimore DC Metro Building Trades Council represents 24 affiliated Local Union crafts and as such all of our wages and fringe benefits are negotiated through the collective bargaining process with our signatory employers. Our members know going in what the base pay will be for Building Trades journeypersons, apprentices and helpers. Pay and benefits are consistent with lateral movement between our employers. It is repugnant to think that a prospective employer would use an individual's wage history or proposed wage range to cheat them out of what is the proper or prevailing wage and fringes being paid for a position being offered to them. Democracy cannot and should not stop at the factory door. Every person has a right to the dignity of honorable toil and deserves to be paid fairly for that toil.

We urge the committee for a **Favorable Report**. Thank you

Sincerely,

Jeffry Guido – Director

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5829 Allentown Rd Camp Springs, MD 20746

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Delegate Shaneka Henson_FAV_SB217

Uploaded by: Henson, Delegate Shaneka

Position: FAV



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Senate Bill 217 - Labor and Employment - Wage History and Wage Range

February 13, 2020

Members of the Senate Finance Committee:

Thank you Chairwoman Kelley, and Vice-Chairman Feldman, and members of the Finance Committee, for hearing SB217. It is an absolute privilege to be a tertiary sponsor on the House bill alongside the House sponsor and secondary sponsor, Delegate Karen Lewis-Young and Delegate Diane Fennell respectively, and with Senate sponsor Senator Susan Lee.

My journey toward HB123/SB127 started with a question -- “Why does Jack get paid more than me?” After several years of trying to distinguish myself through hard work, I discovered that Jack, another staff attorney at the firm, was being paid more than me. Like any good attorney, I argued my case for a raise. I showed our boss how I had outperformed Jack every quarter all while diversifying my practice area, to which our boss regrettably told me that the firm didn’t have merit-based pay; our salary was calculated using the number of years since an attorney’s admission to the bar. Well this was great news! As it turns out, Jack and I were law school classmates. We had been admitted to the Maryland bar at the same time. I was certain a salary more reflective of my contribution was sure to come. Only, I didn’t receive a raise. Instead, I got a return visit from my boss who was pleased to have tracked down an answer

for me: Jack was offered a higher salary than me simply because Jack was paid more at his prior job than I was paid at my last job.

According to the U.S. Census Bureau, Black women earn \$0.61 for every \$1.00 of their white male counterparts. The intersection of gender and racial bias is reinforced by well-intentioned employers like mine when salary history is the determining factor for salary offering. In 2020, I think we can do better as a State to support the professional and financial well-being of our minority employees. That is why I am standing alongside Senator Lee, Delegate Lewis-Young, and Delegate Fennell to respectfully request a favorable report on Senate Bill 217. Thank you for your time and consideration.

Irwin_FAV_SB 217

Uploaded by: Irwin, Laura

Position: FAV



**Testimony in Support of SB217
Labor and Employment – Wage History and Wage Range
Thursday, February 13, 2020**

TO: The Honorable Delores G. Kelley, Chair; The Honorable Brian J. Feldman, Vice Chair; and Members of the Senate Finance Committee

FROM: Laura E. Irwin, Chair, Montgomery County Community Action Board

As advocates for the low-income community, the Montgomery County Community Action Board strongly supports SB217. Our Board's role is to advocate for policies and programs that promote equity and help residents move towards self-sufficiency. By prohibiting the use of salary history in hiring practices as SB217 does, those who have faced previous discrimination based on gender and/or race will be in a better position to improve their situations. Last year, Montgomery County passed a Pay Equity Bill, supported by our Board, that prohibited Montgomery County Government from asking about wage history for individuals seeking County merit positions. We ask for your support of SB217, which will ban this unfair practice throughout the state.

Despite the fact that Montgomery County is one of the wealthiest counties in the country, there are major gaps in pay between men and women and between African American and Hispanic and white residents. Disparities exist at every level of educational attainment. For full-time workers, the median income is \$78,493 for men and just \$64,859 for women. The disparities along racial and ethnic lines are even more pronounced. The median income for non-Hispanic white households is \$126,199, and just \$76,138 for African American households and \$75,576 for Hispanic households.¹

Our Board has been a longtime advocate for the Self-Sufficiency Standard, which provides a more accurate measure of the true cost of living in a given geographic area for a specific family type. The County residents who are above or below the Self-Sufficiency Standard reflect the disparities addressed by this bill. Countywide, 31% of female householders are below the Self-Sufficiency Standard, while only 25% of male householders are below the Standard. These disparities are even more pronounced based on race and ethnicity. While 14% of white households are below the Self-Sufficiency Standard, an astounding 44% of African American households and 54% of Hispanic households are below the Standard.²

¹ 2017 American Community Survey census.gov

² Montgomery County Interactive Self-Sufficiency Standard montgomerycountymd.gov/communityaction

When employers are allowed to ask about pay history, those who experience pay discrimination based on gender and/or race are at an endless disadvantage. Their lower salaries will constantly be used to justify lower salary offers, creating an endless cycle of lower wages throughout a person's career. Our Board believes that salaries should be based on experience and qualifications, not prior wages.

We ask that you support this bill and continue to explore policies that will promote equity and increase self-sufficiency for residents, including wage increases, work supports, and added funding for educational and workforce development programs.

MAP_FAV_SB217

Uploaded by: Jefferson, Stacey

Position: FAV



TESTIMONY IN SUPPORT OF SB 217

Labor and Employment - Wage History and Wage Range

Senate Finance Committee

February 13, 2020

Submitted by Stacey Jefferson and Margo Quinlan, Co-Chairs

Member Agencies:

Advocates for Children and Youth
Baltimore Jewish Council
Behavioral Health System Baltimore
CASH Campaign of Maryland
Catholic Charities
Episcopal Diocese of Maryland
Family League of Baltimore
Fuel Fund of Maryland
Health Care for the Homeless
Homeless Persons
Representation Project
Job Opportunities Task Force
League of Women Voters of Maryland
Loyola University Maryland
Maryland Catholic Conference
Maryland Center on Economic Policy
Maryland Community Action
Partnership
Maryland Family Network
Maryland Hunger Solutions
Paul's Place
Public Justice Center
St. Vincent de Paul of Baltimore
Welfare Advocates

Marylanders Against Poverty

Stacey Jefferson, Chair
P: 410-637-1900 ext 8578
C: 443-813-9231

E: stacey.jefferson@bhsbaltimore.org

Margo Quinlan, Co-Chair
C: 410-236-5488

E: mquinlan@familyleague.org

Marylanders Against Poverty (MAP) supports House Bill 123 because it provides another tool for reducing the gender wage gap. A woman working in Maryland makes only 86 cents for every dollar made by men in comparable jobs, on average. This wage disparity is even greater for women of color. African American women make 68 cents, and Latina women make only 47 cents for every dollar paid to a white man doing comparable work. SB 217 would build on past legislation aimed at reducing the wage gap by prohibiting employers from basing an employee's pay on their past wages. This ensures that past wage discrimination doesn't continue to lower a person's earnings for their entire career – a phenomenon that is well documented in research.

Closing the pay gap is also a potential way to help people experiencing poverty earn higher wages as they gain experience in the workforce. Women and people of color, who would most benefit from the provisions in SB 217, are much more likely to have incomes below the federal poverty line. More than 19 percent of female-headed households in Maryland had incomes below the poverty line in 2018 (\$25,100 for a family of four), compared to about 10 percent in the state overall. In addition, about 13 percent of Black and Latino Marylanders had incomes below the federal poverty line.

The income that women could potentially gain if pay was equal could help them put food on the table, pay their rent, or pay for education. Ensuring employers can't pay people less solely because of their prior earnings is an important next step in Maryland's ongoing efforts to increase pay equity and close the gender pay gap.

MAP appreciates your consideration, and urges a favorable report on Senate Bill 217.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.

NWLC_FAV_SB217

Uploaded by: Johnson, Andrea

Position: FAV



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WASHINGTON, DC 20036
202-588-5180
NWLC.ORG

**Testimony of
Andrea Johnson, Director of State Policy, Workplace Justice & Cross-Cutting Initiatives
National Women's Law Center**

**In SUPPORT of SB 217 - Labor and Employment - Wage History and Wage Range
Before the Maryland Senate Finance Committee**

February 13, 2020

Thank you for the opportunity to submit this testimony on behalf of the National Women's Law Center. The National Women's Law Center has been working since 1972 to secure and defend women's legal rights and opportunities, and to help women and families achieve economic security.

Maryland made important strides in strengthening its equal pay laws by passing the Equal Pay for Equal Work Act in 2016, but there are a number of practices that aren't clearly prohibited by that law that are causing—often inadvertently—gender and racial pay disparities to be perpetuated throughout Marylanders' careers, Maryland businesses, and the Maryland economy. In a recent Harvard Business Review study, a significant percentage of employers who conduct pay equity audits found that relying on applicants' salary history is a key driver of gender wage gaps within their company.¹

With SB 217 we have found a proven tool for helping employers proactively avoid wage gaps in their company and for helping close Maryland's crushing wage gaps. Research into one of the states that passed legislation in 2017 prohibiting employers from relying on salary history, like SB 217 provides, shows that the legislation has already measurably helped narrow gender wage gaps in the state.² Likewise, research shows that providing applicants the salary range for a position—which SB 217 requires if an applicant asks for it—helps narrow gender wage gaps.³

SB 217 gives employers an easy-to-follow tool for creating a more efficient and effective way of attracting and matching with applicants and setting pay and also avoiding introducing bias and wage gaps into the hiring process. By providing employers a tool to proactively avoid unjustified gender wage gaps, SB 217 also helps insulate them from costly pay discrimination litigation.

We urge a favorable report for this simple, high-impact, proven tool for closing the wage gap.

I. Relying on salary history perpetuates gender and racial wage gaps

Because women in Maryland are systematically paid less than men, employers who rely on salary history to select job applicants and to set new hires' pay will tend to perpetuate gender- and race-based disparities in their workforce, condemning women to perpetually depressed salaries throughout their career.

In Maryland, women overall are typically paid 86 cents for every dollar paid to men. Black women and Native women are paid only 69 cents and 72 cents, respectively, for every dollar paid to white, non-Hispanic men. And the gap is even larger for Maryland's Latinas, who make only 47 cents for every dollar made by white, non-Hispanic men—the fourth largest wage gap for Latinas in the country.⁴ These gaps start early in women's careers. Just one year after college graduation, women are paid just 82 percent of what their similarly educated and experienced male peers are paid.⁵

There are several reasons why women will typically be responding to the dreaded “What is your salary history” question with lower prior salaries than men. And they have nothing to do with women's skill, knowledge, experience, negotiation abilities, or fit for the job.

First, it is well-documented that women, and especially women of color, still face overt discrimination and unconscious biases in the workplace, including in pay.⁶ By using a person's salary history to evaluate her suitability for a position or to set her salary, new employers allow past discrimination to drive hiring and pay decisions. Moving to a new job can be the best opportunity women have to increase their pay, but employers' reliance on salary history forces women to carry pay discrimination with them from job to job.

Second, women are more likely to have worked in lower paid, female-dominated professions that pay low wages simply because women are the majority of workers in the occupation and “women's work” is valued less.⁷ Relying on applicants' salary histories to set salaries perpetuates the systemic undervaluing of women's work, even where women are entering male-dominated or mixed-gender industries. We regularly hear about women who are doing the same work as their male counterparts and have comparable experience, but are being paid less because, for instance, the woman's past experience was in the non-profit or government sector, whereas the man's was in the higher-paying private sector.

Third, women still shoulder the majority of caregiving responsibilities and are more likely than men to have to reduce their hours or leave the workforce to care for children and other family members.⁸ Asking about salary history harms women seeking to reenter the workforce or increase their hours, since their last salary may no longer reflect current market conditions or their current qualifications. In fact, in 2015, the federal Office of Personnel Management (OPM) issued a new policy discouraging government agencies from relying primarily on candidates' prior salary in setting their pay, explaining that “[r]eliance on existing 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.”⁹

Relying on salary history in the pay setting process compounds the negotiation disadvantages that women and people of color already experience. Research has documented that women who negotiate their salaries are already at a disadvantage because they are perceived as greedy, demanding, not nice, and less desirable candidates, leading to lower starting pay.¹⁰ And when a new employer requests a candidate's prior salary information, they are likely to anchor salary negotiations

around the prior salary, with only small room for adjustment,¹¹ thereby further entrenching, even if unwittingly, gender and racial disparities in the candidate's new salary.

Reliance on salary history not only disadvantages women and people of color in hiring, negotiation, and setting pay, it also negatively impacts subsequent raises, bonuses, and promotions that are tied to the employee's initial salary. Over time, those lower salaries add up to huge losses that affect an employee's and her family's financial well-being and ultimately her retirement. The class action law suit *Beck v. Boeing*,¹² settled in 2004 for \$72.5 million, is a poignant example of this destructive dynamic. Boeing set the salaries of newly hired employees as their immediate past pay plus a hiring bonus which was set as a percent of their past salary. Raises were also set as a percentage of an employee's salary. Boeing claimed it set pay based on a neutral policy, but since women had lower average prior salaries than men, these pay practices led to significant gender disparities in earnings that compounded over time and could not be justified by performance differences or other objective criteria.

In short, salary history is not a neutral, objective or unbiased factor that accurately reflects a candidate's qualifications, suitability, interest in a position, or their market value. Several courts have rejected employers' arguments that basing pay on salary history alone is a neutral "factor other than sex" justifying paying women less.¹³ These courts point to the fact that salary histories reflect historical discriminatory market forces.¹⁴ The Equal Employment Opportunity Commission (EEOC) has explained since 2000 that "permitting prior salary alone as a justification for a compensation disparity 'would swallow up the rule and inequality in compensation among genders would be perpetuated.'"¹⁵ Nevertheless, many employers continue to rely on salary history in setting pay and some courts have broken with the EEOC's position on salary history, and have permitted employers to rely on employees' salary history to justify paying women less for the same work.¹⁶ This makes it all the more important to enact legislation clearly banning the harmful use of salary history in the hiring process.

II. Relying on salary history hurts Marylanders and businesses across the board

Employers who use salary history to screen applicants or set pay unfairly block many other types of qualified applicants from fair pay and much-needed employment opportunities. Relying on salary history can lead to depressed wages for individuals who have previously worked in the public sector or in nonprofits and are moving into the private sector. And it can deprive older individuals with higher salaries who are looking to change jobs or re-enter the workforce the opportunity to be considered for lower paying jobs they might seek.¹⁷

By relying on salary history, employers also appear to be unjustifiably limiting their talent pool. A recent study showed that when salary history information was taken out of the equation, the employers studied ended up widening the pool of workers under consideration and interviewing and ultimately hiring individuals who had made less money in the past.¹⁸

III. Secrecy around salary range information perpetuates gender and racial wage gaps

When an employer asks a job applicant what his or her salary expectations are without providing the applicant any information about the pay for the position, women and people of color lose out. Studies show that women often ask for less when they negotiate than men, even when the women applicants are otherwise equally qualified.¹⁹ That may be, in part, because it is a common practice for job applicants to ask for an amount that is a 10 to 20 percent increase over their prior salary.²⁰ Given that women and people of color are typically paid less than white, non-Hispanic men, they would have to request a particularly large percentage increase over their current pay for their request to be on par with their white, non-Hispanic male counterparts.

Since employers tend to anchor salary negotiations, consciously or subconsciously, on the job applicant's first request, providing applicants with a salary range that the employer is willing to pay helps level the negotiating playing field and reduces gender and racial wage gaps. Studies show that when job applicants are clearly informed about the context for negotiations, including the salary range, women are more willing to negotiate, more successful in negotiating, and the gender wage gap narrows.²¹ The much narrower wage gap in the public sector, where agencies typically have transparent and public pay structures, is further evidence that greater salary range transparency helps reduce wage disparities. Nationally, the gender-based wage gap for all full-time workers, based on median earnings, is 20 percent, but in the federal government, where pay rates are publicly available,²² the gender-based wage gap in 2012 was 13 percent.²³

Unfortunately, many employers, especially in the private sector, are not transparent about pay ranges for positions even though, according to a study by payscale.com, 85 percent of employers use pay ranges to structure compensation programs.²⁴ Even if they don't have established pay ranges, all employers must budget an amount for the position for which they are hiring. But when employers hold all of the salary information, they are at a significant advantage in negotiating the lowest possible salary and women and people of color lose out.

IV. SB 217 is a proven tool for closing persistent gender and racial wage gaps and creating more efficient and effective negotiations for employers and applicants

SB 217 does two simple things: (1) prohibits employers from seeking and relying on salary history to evaluate applicants and set pay, and (2) requires employers to provide an applicant the salary range for a position if the applicant asks for it. SB 217 has been intentionally drafted to allow negotiations and pay discussions to flow freely and naturally between employers and applicants while reducing the bias that is, often inadvertently, introduced in that process. This type of legislation is proven to work: research shows that legislation prohibiting employers from relying on salary history helps to narrow gender wage gaps,²⁵ as does the practice of providing job applicants the wage range for a position.²⁶

A. Ending the detrimental reliance on salary history

Under the bill, an employer is prohibited from seeking and relying on the prior salary of a job applicant in screening or considering the applicant for employment or in determining his or her wages.

These provisions will help ensure that job applicants are evaluated and compensated based on their experience, skills, accomplishments, track record, and the responsibilities they will be assuming, not their gender or race, nor their apparent value to a previous employer or other factors unrelated to an applicant's fit for the job.

An employer can still ask for an applicant's salary requirements or expectations to help them attract an applicant or match with candidates—they just can't ask applicants for one data point: salary history. Recognizing that an applicant might naturally volunteer his or her salary history in the course of pay discussions to support a request for higher pay than initially offered, the bill explicitly makes clear that an applicant can volunteer their salary history and the employer may rely on that information to support paying a higher wage than that offered by the employer. An employer can also seek to verify the salary history that an applicant has volunteered.

B. Requiring disclosure of the salary range for a position, upon request

SB 217 would also require employers to provide a job applicant the wage range for a position to which they are applying, if the applicant requests it. Employers know the general range they are willing to pay for a position based on their budget. This bill simply requires employers to be transparent about that range for a particular position if an applicant requests it. The bill does not require an employer to ultimately pay the applicant within the range they provide. Thus, for instance, if an employer loses a business grant or realizes they can't attract the qualifications they need with the original range they had in mind or decides to give a chance to someone with significant potential but fewer years experience than initially sought, they can pay outside of the range they had initially provided.

Providing applicants the salary range for a position is a tool that can help an employer more efficiently and accurately match with candidates whose salary requirements are aligned with what the employer can offer. And it is proven to help employers narrow the gender wage gaps that otherwise arise in negotiations because women tend to ask for less than men, even when equally qualified. The bill will help level the negotiating playing field and ensure that Marylanders are paid a fair salary based on what the job is worth and not their perceived negotiation skills. This provision builds on Maryland's commitment to pay transparency and is a crucial addition to the pay transparency protections Maryland enacted two years ago ensuring that employees can discuss their pay with each other free from fear of retaliation.

V. SB 217 is Good for Maryland Businesses

In addition to giving employers a tool to more efficiently, accurately, and effectively hire, negotiate, and set pay, as described above, SB 217 would strengthen Maryland businesses and the business climate in other ways. Most practically, SB 217 will give employers a tool to proactively avoid unjustified gender wage gaps and help insulate themselves from costly pay discrimination litigation.

SB 217 will also help Maryland businesses attract and retain talent. As a human resources professional stated in Forbes, the practice of asking for salary history is "intrusive and heavy-handed . . .

It's a Worst Practice . . . It hurts an employer's brand and drives the best candidates away."²⁷

Eliminating pay practices that many employees recognize as deeply unfair and increasing transparency around pay for a position also benefits employers' bottom line because it increases the likelihood that employees will believe they are paid fairly, which in turn promotes employee engagement and productivity.²⁸

Recognizing these benefits and the unfairness of relying on salary history, small and large businesses in Maryland and throughout the country, including Bank of America, Progressive, Cisco Systems, Amazon, American Express, Facebook, Google, GoDaddy, Starbucks, and Wells Fargo, have announced they are not asking applicants for salary history.²⁹ And some companies are also making salary information available to both employees and the general public.³⁰ One of these, GoDaddy, includes salary level and range for a given position on each employee's pay statement.

VI. By Passing SB 217, Maryland Would Finally Join the Movement of States Seeking to Ban Reliance on Salary History and Increase Salary Range Transparency

Since 2016, there has been a groundswell of support across the country for legislation prohibiting reliance on salary history. Thirteen states have passed laws prohibiting both private and public sector employers from relying on salary history: Delaware, New Jersey, New York, Illinois, Massachusetts, Connecticut, Vermont, Maine, Oregon, Hawaii, California, Colorado and Washington. All of these laws have passed with bipartisan support.

Many localities have also passed these laws, including Kansas City, Missouri; Cincinnati, OH; New York City, and San Francisco. Additionally, Governors in Pennsylvania, North Carolina, New Jersey, New York, Illinois, and Michigan have issued Executive Orders banning the use of salary history in setting pay for state employees and Washington, D.C. has prohibited reliance on salary history by District agencies.

States are also increasingly considering provisions requiring employers to provide the salary range for a position. Colorado, Washington, and California also included in their salary history legislation provisions requiring employers to either provide the salary range for a position in the job announcement or provide it to the job applicant if they request it. Many more states this session are considering such salary range transparency requirements, from Indiana to Massachusetts.

VI. Conclusion

Ending reliance on salary history and requiring employers to provide applicants with the salary range for a position upon request are crucial steps towards closing the wage gap. And since the wage gap has barely budged in more than a decade, we need to take action now. We urge the members of this Committee to once again stand up for working people in Maryland by supporting SB 217.

¹ Harvard Business Review Analytic Services, Navigating the Growing Pay Equity Movement, What Employers Need to Know About What to Do 5 (2019), <https://resources.trusaic.com/pay-equity-downloads/harvard-business-review-trusaic-pulse-survey>.

² Drew McNichols, Information and the Persistence of the Gender Wage Gap; Early Evidence from California's Salary History Ban (February 1, 2019), SSRN: <https://ssrn.com/abstract=3277664> or <http://dx.doi.org/10.2139/ssrn.3277664>.

³ See, e.g., Hannah Riley Bowles, Linda Babcock & Kathleen L. McGinn, Constraints and Triggers: Situational Mechanics of Gender in Negotiations, 89 J. Personality & Soc. Psych. 951, 955-56 (2005), https://projects.iq.harvard.edu/files/hbowles/files/situational_mechanics.pdf.

⁴ NAT'L WOMEN'S LAW CTR (NWLCL). THE WAGE GAP, STATE BY STATE, <http://nwlc.org/resources/wage-gap-state-state/>.

⁵ AMERICAN ASSOCIATION OF UNIVERSITY WOMEN (AAUW), GRADUATING TO A PAY GAP: THE EARNINGS OF WOMEN AND MEN ONE YEAR AFTER COLLEGE 9 (2012), available at www.aauw.org/research/graduating-to-a-pay-gap/.

⁶ Even when accounting for factors like race, region, unionization status, education, occupation, industry, and work experience, 38 percent of the gender wage gap remains unexplained and data make clear that discrimination is a major cause of this unexplained gap. Francine D. Blau & Lawrence M. Kahn, *The Gender Wage Gap: Extent, Trends and Explanations*, NATIONAL BUREAU OF ECONOMIC RESEARCH (Jan. 2016), <http://www.nber.org/papers/w21913.pdf>. For example, in an experiment where scientists were presented with identical resumes—one with the name John and the other with the name Jennifer—the scientists offered the male applicant for a lab manager position a salary of nearly \$4,000 more. Corrine A. Moss-Racusin et al., *Science Faculty's Subtle Gender Biases Favor Male Students*, Proceedings of the National Academy of Science of the United States of America (Aug. 2012), <http://www.pnas.org/content/109/41/16474.abstract#aff-1>.

⁷ Philip N. Cohen, *Devaluing and Revaluing Women's Work*, Huffington Post (April 3, 2010), http://www.huffingtonpost.com/philip-ncohen/devaluing-and-revaluing-w_b_444215.html.

⁸ PEW RESEARCH CENTER, WOMEN MORE THAN MEN ADJUST THEIR CAREERS FOR FAMILY LIFE (Oct. 1, 2015), <http://www.pewresearch.org/fact-tank/2015/10/01/women-more-than-men-adjust-their-careers-for-family-life/>.

⁹ July 30, 2015, Letter from Beth F. Cobert, Acting Director, U.S. Office of Personnel Management, <https://www.chcoc.gov/content/additional-guidance-advancing-pay-equality-federal-government>.

¹⁰ See HANNAH RILEY BOWLES, LINDA BABCOCK & LEI LAI, SOCIAL INCENTIVES FOR GENDER DIFFERENCES IN THE PROPENSITY TO INITIATE NEGOTIATIONS: SOMETIMES IT DOES HURT TO ASK, 103 ORGANIZATIONAL BEHAV. & HUM. DECISION PROCESSES 84 (2007).

¹¹ See Bourree Lam, *The Government Thinks that Interview Questions about Salary History are Holding Women Back*, THE ATLANTIC (Aug. 10, 2015), <http://www.theatlantic.com/business/archive/2015/08/hiring-interview-gender-gap-pay-salary-history-opm/400835/>; TODD J. THORSTEINSON, INITIATING SALARY DISCUSSIONS WITH AN EXTREME REQUEST: ANCHORING EFFECTS ON INITIAL SALARY OFFERS, JOURNAL OF APPLIED SOCIAL PSYCHOLOGY (2011), <http://onlinelibrary.wiley.com/doi/10.1111/j.1559-1816.2011.00779.x/abstract>.

¹² *Beck v. Boeing*, Court-Approved Consent Decree 30, 35-36 (W. D. WA. (Oct. 8, 2004)), <http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1072&context=condec>; see also Institute for Women's Policy Research, *Ending Sex and Race Discrimination in the Workplace: Legal Interventions That Push the Envelope* 72-83 (March 2011).

¹³ See, e.g., *Cole v. N. Am. Breweries*, No. 1:13-cl-236, 2015 WL 248026, at *10 (S.D. Ohio Jan. 20, 2015) (citing *Irby v. Bittick*, 44 F.3d 949, 955 (11th Cir. 1995) (finding that that a beer distributor improperly used a female hire's previous salary to set her pay significantly lower than that of her male predecessor, her male successor, and other male employees performing the same job); *Glenn v. General Motors Corp.*, 841 F.2d 1567, 1571 (11th Cir. 1988) (prior salary alone cannot justify a pay disparity); *Faust v. Hilton Hotels Corp.*, 1990 WL 120615, at *5 (E.D. La. 1990) (reliance on prior salary as a factor other than sex would "allow employer to pay one employee more than an employee of the opposite sex because that employer or a previous employer discriminated against the lower paid employee")); *Angove v. Williams-Sonoma, Inc.*, 70 F. App'x 500, 508 (10th Cir. 2003) (citing *Irby* to find that the EPA "precludes an employer from relying solely upon a prior salary to justify pay disparity").

¹⁴ See, e.g., *Glenn v. General Motors Corp.*, 841 F.2d 1567 at 1570; *Faust v. Hilton Hotels Corp.*, 1990 WL 120615, at *5, n. 12; *Angove v. Williams-Sonoma, Inc.*, 70 F. App'x 500 at 507-508

¹⁵ *Id.* (citing *Irby v. Bittick*, 44 F.3d 949, 955 (11th Cir. 1995); *Glenn v. General Motors Corp.*, 841 F.2d 1567, 1571 (11th Cir. 1988) (prior salary alone cannot justify a pay disparity); *Faust v. Hilton Hotels Corp.*, 1990 WL 120615, at *5 (E.D. La. 1990) (reliance on prior salary as a factor other than sex would "allow employer to pay one employee more than an employee of the opposite sex because that employer or a previous employer discriminated against the lower paid employee"))).

¹⁶ See, e.g., *Lauderdale v. Ill. Dep't of Human Servs.*, ---F.Supp.3d---, Civ. No. 13-3062, 2016 WL 5660369 (C.D. Ill. Sept. 28, 2016), appeal filed Nov. 2, 2016; *Sparrock v. NYP Holdings, Inc.*, No. 06 Civ. 1776(SHS), 2008 WL 744733 (S.D.N.Y. Mar. 4, 2008).

¹⁷ See Katie Donovan, *Five Reasons Salary History Hurts Your Hiring Goals*, HUFFINGTON POST, Sept. 8, 2015, http://www.huffingtonpost.com/katie-donovan/five-reasons-salary-histo_b_8105182.html.

¹⁸ Moshe A. Barach & John J. Horton, *How do Employers Use Compensation History: Evidence From a Field Experiment* (CESifo, Working Paper No. 6559, 2017), <http://moshebarach.com/wp-content/uploads/2017/06/WageHistory.pdf>.

¹⁹ See Linda Babcock & Sara Laschever, *WOMEN DON'T ASK: NEGOTIATION AND THE GENDER DIVIDE* (2003); Jenny Save-Soderbergh, *Are Women Asking for Low Wages? Gender Differences in Wage Bargaining Strategies and Ensuring Bargaining Success*, Swedish Inst. Soc. Res. Working Paper Series 7/2007 10 (2007), available at https://ideas.repec.org/p/hhs/sofiwp/2007_007.html.

²⁰ See Jacquelyn Smith, *How Much Money to Ask for in a Salary Negotiation* (May 22, 2015), <http://www.businessinsider.com/how-much-money-to-ask-for-in-a-salary-negotiation-2015-5>; Melissa Phips, *Interview Questions about Your Salary Expectations* (Nov. 11, 2016), <https://www.thebalance.com/interview-questions-about-your-salary-expectations-2061235>.

²¹ See, e.g., Hannah Riley Bowles, Linda Babcock & Kathleen L. McGinn, *Constraints and Triggers: Situational Mechanics of Gender in Negotiations*, 89 J. PERSONALITY & SOC. PSYCH. 951, 955-56 (2005).

²² See, Pay & Leave, Salaries & Wages, OFFICE OF PERSONNEL MGMT. (2016), <http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/>; Search Federal Pay, FEDS DATA CTR., <http://www.fedsdatacenter.com/federal-pay-rates/> (last visited Feb. 29, 2016).

²³ U.S. OFFICE OF PERSONNEL MGMT, *GOVERNMENTWIDE STRATEGY ON ADVANCING PAY EQUALITY IN THE FEDERAL GOVERNMENT* 2, 12 (Apr. 2014), <https://www.opm.gov/policy-data-oversight/pay-leave/reference-materials/reports/governmentwide-strategy-onadvancing-pay-equality-in-the-federal-government.pdf> (gender wage gap was 13 percent for all “white collar” workers (all pay plans) and 11 percent for workers on the GS scale only).

²⁴ PAYSACLE.COM, *Attack of the Out-of-Date Comp Plan 13* (2015), available at <http://resources.payscale.com/hr-2015-compensation-practices-report.html>.

²⁵ Drew McNichols, *Information and the Persistence of the Gender Wage Gap; Early Evidence from California's Salary History Ban* (February 1, 2019), SSRN: <https://ssrn.com/abstract=3277664> or <http://dx.doi.org/10.2139/ssrn.3277664>.

²⁶ See, e.g., Hannah Riley Bowles, Linda Babcock & Kathleen L. McGinn, *Constraints and Triggers: Situational Mechanics of Gender in Negotiations*, 89 J. PERSONALITY & SOC. PSYCH. 951, 955-56 (2005)

²⁷ Liz Ryan, *When Someone Demands Your Salary History, Give Your Salary Requirements Instead*, FORBES (Jan. 16, 2017), <https://www.forbes.com/sites/lizryan/2017/01/16/when-they-demand-your-salary-history-give-your-salary-requirement-instead/#944ba255a8bb>.

²⁸ See Deborah Thompson Eisenberg, *Money, Sex and Sunshine: A Market-Based Approach to Pay Discrimination*, 43 ARIZ. STATE L.J. 951, 1001-15 (2011); LAMB, N. & KLEIN, W., *A Proactive Approach to Wage Equality is Good for Business*, EMPLOYMENT RELATIONS TODAY (Summer 2015), available at <http://arjuna-capital.com/news/a-proactive-approach-to-wage-equality-is-good-for-business/>.

²⁹ Jena McGregor, *Bank of America is the latest company to ban this dreaded job-interview question*, WASHINGTON POST (January 29, 2018) https://www.washingtonpost.com/news/on-leadership/wp/2018/01/29/bank-of-america-is-the-latest-company-to-ban-this-dreaded-job-interview-question/?utm_term=.0cd01451eda2

³⁰ NAT'L WOMEN'S LAW CTR, *EMPLOYER LEADERSHIP TO ADVANCE EQUAL PAY: EXAMPLES OF PROMISING PRACTICES* (Mar. 1 2017), <https://nwlc.org/resources/employer-leadership-to-advance-equal-pay-examples-of-promising-practices/>

MSEA_FAV_SB217

Uploaded by: Johnson, Sean

Position: FAV

**Testimony in Support of Senate Bill 217
Labor and Employment – Wage History and Wage Range**

**Senate Finance Committee
February 13, 2020
1:00 PM**

**Sean Johnson
Government Relations**

The Maryland State Education Association supports pay equity and supports Senate Bill 217 that prohibits an employer from relying on an applicant's wage history for screening or considering the applicant for employment or in determining the pay for the applicant.

MSEA represents 75,000 educators and school employees who work in Maryland's public schools, teaching and preparing our 896,837 students for the careers and jobs of the future. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3 million-member National Education Association (NEA).

A salary history ban exists in states and cities across the country and can end a process of gender discrimination that is inherent in the process of seeking an applicant's salary history. Women still earn on average about 80 cents to a man's dollar nationwide, thus, basing salaries on past wages just ensures that women continue to be disadvantaged into future jobs.

MSEA supports pay equity and requests a favorable report for Senate Bill 217.

MELA_FAV_SB217

Uploaded by: Keating, Mary

Position: FAV



Bill: Senate Bill 217 – Labor and Employment – Wage History and Wage Range
Committee: Senate Finance Committee
Position: SUPPORT
Hearing Date: February 13, 2020

Senate Bill 217 could make an enormous difference in the career trajectories of Maryland employees who have been underpaid in their previous jobs, whether as a result of discrimination, their absence from the workplace to care for family members, or any other reason. As described in a 2018 report on inequality in the legal profession, called “Interrupting Racial & Gender Bias in the Legal Profession” by the ABA Commission on Women in the Profession, the idea of eliminating an irrelevant factor like salary history is called a “Bias Interrupter.” This term well describes what Senate Bill 217 attempts to accomplish. It would interrupt old habits that, though they look benign on the surface, only continue the pattern of bias against women and minority workers. Oddly, the employer doing the hiring is not responsible for these old instances of bias. That new employer did not choose to pay that candidate less for discriminatory reasons. But by giving weight to that particular factor, which may be tinged or completely infected with illegal pay discrimination, the employer is using someone else’s illegal actions as a facially unbiased factor in setting a salary.

The salary for a job should be what the job is worth. Employers can and should use data-based tools to figure out whether compensation offered for a job is competitive with the relevant market, including reputable compensation surveys and benchmarking data. Employers can and should consider the applicant’s experience, diligence, past references, in considering how well he or she will be able to do the job and contribute to the employer’s business or mission. But what he or she was paid in the past should not be part of that calculation — it has nothing to do with the job at hand.

We should follow the lead of other states and localities in interrupting bias by eliminating the use of this irrelevant factor in setting a wage or salary for a job.

The Maryland Employment Lawyers Association is a bar association of employee-side lawyers throughout the State, and an affiliate of the National Employment Lawyers Association.

YWCA_FAV_SB217

Uploaded by: Knipe, Molly

Position: FAV

**eliminating racism
empowering women**
ywca

RE: SB217/HB123

February 13, 2020

The YWCA of Annapolis & Anne Arundel County is the comprehensive provider of domestic violence and sexual assault crisis intervention services in Anne Arundel County. These services include:

- Domestic Violence Safe House (Occupancy 32)
- Legal Representation in Peace and Protective Orders
- Licensed Therapy
- 24-Hour Crisis Hotlines
- Hospital Accompaniment
- Education, Financial Literacy and Job Skills Development
- Abuser Intervention Training
- Advocacy and Outreach

The YWCA has over 10,000 encounters annually and operates with a \$2.7M budget and 40 professional team members.

One of the **primary barriers we see in individuals leaving an abusive home is economic insecurity and inability to support themselves financially.**

The YWCA provides evidence-based education and job skills development training. Still, accessing jobs with a livable wage is paramount. Research tells us that women and minorities are offered lower wages/salary as compared to their Caucasian male counterparts. Over time, when wages are assessed based on historical income, the disparity compounds over time.

The YWCA therefore supports SB217/HB123.

I am happy to speak further regarding the experience of those leaving an abusive home and how this would directly aid in the safety of Marylanders.

Kind regards,



Molly Knipe
CEO

MomsRising_FAV_SB217

Uploaded by: Martin, Ruth

Position: FAV

MomsRising.org

TESTIMONY IN SUPPORT OF SB217: The “Salary History” Bill

To: Hon. Dolores Kelley, Chair, and members of the Senate Finance Committee

From: Ruth Martin, Vice President, MomsRising

Date: February 13, 2020

I am the Vice President for Workplace Justice Campaigns at MomsRising.org and on the Board of Directors of the Maryland Legislative Agenda for Women. I’m also a Silver Spring mom of two young daughters, and on their behalf, as well as on behalf of the over 30,000 members of MomsRising in Maryland, I urge you to give SB217 a favorable report.

Maryland has a chance to be a leader in the fight to close the racial and gender wage gap, and the need is urgent. Right now, Black women in Maryland are paid just 68 cents for every dollar paid to white men in Maryland and Latinas are paid just 47 cents. In fact, Maryland has the fourth largest wage gap for Latinas in the nation. Women of all races and ethnicities in Maryland are paid an average of 86 cents for every dollar paid to white men. [1] If the wage gap were eliminated in our state, working women in Maryland would have enough money, on average, to pay for 10 more months of childcare each year. [2] Black women in Maryland would be able to afford 27 more months of childcare each year and Latinas would be able to afford nearly 47 more months. [3] This is staggering because we know that childcare for our littlest Marylanders is more expensive than in-state tuition at a four-year public college. [4]

Passing SB217 can help close the wage gap. Banning employers from requiring job applicants to disclose their prior salary histories and requiring employers to provide a salary range to applicants upon request is a simple and proven way to help close Maryland’s gender and racial wage gaps. Women, especially women of color and mothers, are likely to have lower prior salaries than men for reasons that have nothing to do with skills or experience. Further, salary history requirements are an imperfect measurement to assess an applicant’s value or interest in a position.

I don’t want my daughters to have to keep fighting the fight for equal pay that started when their grandmothers were in the workforce. But this isn’t just about my daughters. We all lose when women don’t get equal pay for equal work.

When women don't have adequate funds to spend, the impact is felt across our economy from "big box" stores to small businesses on main streets. After all, women make three-quarters of purchasing decisions, from food and clothes to furniture and cars. [5]

Ignoring the economic power of women in Maryland hurts our families, our businesses, and our state economy. In fact, the Institute for Women's Policy Research found that the U.S. GDP would grow by nearly 3 percent if women were paid as much as men. [6]

No single policy will close the wage gap, but simple policy changes, like those in SB217 are a smart step in the right direction. Banning the considerations of prior salary history and requiring salary range transparency helps level the playing field. MomsRing urges you to support SB217 to boost working families' economic security and our state economy.

[1] National Women's Law Center (NWLC) calculations based on 2014-2018 American Community Survey Five-Year Estimates (<http://www.census.gov/acs/www/>)

[2, 3] National Partnership for Women & Families, The Wage Gap in Maryland <https://www.nationalpartnership.org/our-work/economic-justice/wage-gap/the-wage-gap-in-maryland.html>

[4] Economic Policy Institute, The Cost of Child Care in Maryland <https://www.epi.org/child-care-costs-in-the-united-states/#/MD>

[5] Harvard Business Review: The Female Economy <https://hbr.org/2009/09/the-female-economy>

[6] IWPR: Impact of Equal Pay on Poverty and the Economy <https://iwpr.org/publications/impact-equal-pay-poverty-economy/>

MLAW_FAV_SB217

Uploaded by: Morgan, Jessica

Position: FAV



Maryland Legislative Agenda for Women

Bill No: Senate Bill 217
Title: Labor and Employment - Wage History and Wage Range
Committee: Finance
Hearing Date: February 13, 2020
Position: SUPPORT

The Maryland Legislative Agenda for Women (MLAW) is a statewide coalition of women's groups and individuals formed to provide a non-partisan, independent voice for Maryland women and families. MLAW's purpose is to advocate for legislation affecting women and families. To accomplish this goal, MLAW creates an annual legislative agenda with issues voted on by MLAW members and endorsed by organizations and individuals from all over Maryland. **Senate Bill 217 a priority on the 2020 MLAW Agenda.**

MLAW supports Senate Bill 217 because this bill would prohibit employers from using an applicant's previous salary to determine an employee's new salary.

America was founded on the idea that all of us are created equal. This ideal should hold true at home and at work. Paying people fairly for the work that they do should not depend on gender or race, but America is falling short on this ideal across all sectors of the economy. The federal Equal Pay Act of 1963 and the Lilly Ledbetter Fair Pay Act of 2009 helped to close the gender pay gap, but they were not enough. Despite the passage of these laws, women on average still only make 80 cents for every dollar a man makes. The situation is even worse for women of color. African American women make 60 cents, and Latinas only 55 cents per each dollar made by a white man.

The wage gap damages the long-term security of women and their families. Over a woman's lifetime, the gender gap is estimated to cost her between \$500,000 and \$1.2 million. This is a staggering amount of unfair lost income, and it means less money to make ends meet, save to purchase a home, send kids to college, or retire with dignity.

A 2015 study discovered 93% of voters want to ensure women and men receive equal pay for equal work, and a 2014 survey found that equal pay was ranked as the most important issue to working class women.

While stopping employers from asking salary history and making compensation information more transparent will not completely close the wage, these measures are huge leaps in the right direction. It is incredibly important to pass pay equity now since the wage gap has barely decreased in the last decade.

The Maryland Legislative Agenda for Women strongly urges the passage of Senate Bill 217.

Maryland Legislative Agenda for Women (MLAW)

305 W. Chesapeake Avenue, Suite 201 | Towson, MD 21204

mdlegagenda4women@yahoo.com | 443-519-1005 | www.mdlegagendaforwomen.org

MLAW Supporting Organizations

The following organizations have signed on in support of 2020 Legislative Agenda:

AAUW Maryland
Anne Arundel County Commission for Women
Anne Arundel County NOW
Baltimore County Women's Commission
Calvert County Commission for Women
Charles County Commission of Veterans Affairs
DC Coalition for Safe and Just Communities
Federation of Jewish Women's Organization of Maryland
Greater Washington Jewish Coalition Against Domestic Abuse (JCADA)
HopeWorks of Howard County
Law Office of Carole D. Brown, LLC
Lincoln Park Historical Foundation
Maryland Business and Professional Women
Maryland Coalition Against Sexual Assault
Maryland NOW
Maryland Women's Heritage Center
MoCoWoMen
Montgomery County BPW
Montgomery County NOW
Montgomery County Women's Democratic Club
Montgomery County Young Democrats
National Coalition of 100 Black Women, Inc., Anne Arundel Chapter
National Coalition of 100 Black Women, Prince George's County, Md
North Arundel Alumnae Chapter, Delta Sigma Theta Sorority, Inc.
On Our Own of Montgomery County Inc.
Planned Parenthood of Maryland
Prince George's County Drug Policy Coalition, Inc.
The Human Trafficking Prevention Project
The Law Office of Jessica O'Kane
The QED Foundation
Women's Equality Day 2020 Celebration Coalition
Women's Law Center of Maryland

HCEA_FAV_SB217

Uploaded by: Morris, Colleen

Position: FAV



5082 Dorsey Hall Drive, Suite 102 Ellicott City, MD 21042
Phone: 410-997-3440 FAX: 410-997-3443 www.hceanea.org

**Testimony in Support of Senate Bill 217
Labor and Employment – Wage History and Wage Range**

**Senate Finance Committee
February 13, 2020
1:00 PM**

**Colleen Morris
Howard County Education Association, President**

The Howard County Education Association (HCEA) supports Senate Bill 217, legislation that prohibits an employer from relying on an applicant's wage history for screening or considering the applicant for employment or in determining the pay for the applicant.

HCEA represents over 6,000 educators and school employees who work in Howard County's public schools. HCEA is the professional association and the exclusive representative in collective bargaining for all teachers and most education support professionals in Howard County. It is in this capacity that we have worked with HCPSS management to create initial salary placement for our unit employees that include the employee's previous work and educational experience, not their previous salaries.

Asking employees for previous wage history may seem like an acceptable and innocuous practice. However, two years ago, I uncovered what I believe shows that gender discrimination is embedded in this practice. It came to my attention that two HCPSS employees hired five months apart, were offered very different salaries for the same job, one male and one female. The female employee had a master's degree in communications plus 15 years of experience in the field. She was offered a salary of \$77,200. The male employee had a two-year undergraduate degree in communications with 9 years of experience in the field and was offered a salary of \$86,700. The difference supporting the placement on the salary scale was that the woman's most recent job was lower paying. To get her foot in the door to employment with HCPSS, she had taken a 10 month, secretarial position because she thought this would improve her chances for being hired to a position within her field. As you can see, she was hired at a substantially lower pay even though she had a higher degree and more experience than her male counterpart.

When this situation was brought to the attention of the school system they quickly reclassified the employees and move them onto a corrected scale. Once they took into consideration the employee's education and experience, not simply wages at their last job, the man's placement on the scale was \$86,723 and the woman's was \$88,241. This was a difference of \$23 for the man but, \$11,041 a year for the woman employee!

Women still earn on average about 80 cents to a man's dollar nationwide, thus, basing salaries on past wages ensures that women continue to be disadvantaged in future jobs. Emily Martin, General Counsel at the National Women's Law Center, stated that using past salary as a guide in negotiations is another place where unjustified inequities creep in because women tend to ask for less in negotiations than men, and employers don't react as well when women negotiate.

Even though this bill did not pass two years ago, HCPSS voluntarily stopped this practice and it has no negative impact on their ability to find and fund the candidates qualified for the job. We urge a favorable report on Senate Bill 217 so all of Maryland can join the growing list of states that have adopted wage history bans for employers.

NWBW_FAV_SB217

Uploaded by: Oliver, Brittany

Position: FAV

2020 Maryland General Assembly
Senate Finance Committee
“Salary History” Bill
HB123/SB217

IN SUPPORT

My name is Brittany Oliver and as the founding director of **Not Without Black Women**, I write in full support of HB123/SB217 a simple, straightforward measure that will help close racial and gender wage gaps by (1) ensuring that employers no longer rely on job applicants' salary history in hiring and setting pay and (2) requiring employers provide the wage range for a position if the applicant applying for the position requests it.

In my own personal experience as a young professional, employers have always asked for my salary history, which has made job searching difficult and uncomfortable. In the past, I've even had potential employers change the salary range in the middle of the hiring process based on my responses regarding the salary of previous jobs. Leaving the opportunity open for employers to ask about salary history leaves hard-working women like me vulnerable, unprotected and provides a lack of opportunity.

Achieving equal pay for Black women, which will begin to close their overall wage gap, requires a deeper and more comprehensive understanding of Black women's work and the context in which they perform that work. The reality is that how work is viewed is frequently based on who is doing the work and what type of work is being performed, especially if they are not perceived as fitting the traditional, typically male standard of success.

According to the Center for American Progress, a Black woman working full-time year-round in the United States must work roughly eight months into the current year to have earned what her white male counterpart earned during the prior year alone. Black women are doing their part. Black women ask for promotions and raises at about the same rates as white women, but they get worse results.

Since 2016, lawmakers in Delaware, New Jersey, New York, Illinois, Colorado, Connecticut, Vermont, Maine, Washington, Massachusetts, Oregon, California, and Hawaii have passed legislation that would ban employers from relying on an applicant's previous salary when determining whether to offer them a job or what their potential pay would be. In fact, this movement to end salary history requirements is local and national. Cities from Cincinnati, Ohio to Kansas City, Missouri to New York City have passed salary history bans.

Another very important reason why HB123/SB217 specifically is so important is because it covers all workplaces including public and private. There is absolutely no reason why protections should not extend to all Marylanders. Discrimination doesn't just affect a select few or group – it affects us all.

Maryland is overdue to join the nationwide movement to end this practice. This year, let's demand systemic change so that our most vulnerable populations can have a chance to equal economic opportunity.

MD Center on Economic Policy_FAV_SB217

Uploaded by: ORR, BENJAMIN

Position: FAV



FEBRUARY 13, 2020

More Equal Wages Will Support Maryland Families, Boost Local Economy

Position Statement in support of Senate Bill 217


Given before the Senate Finance Committee

Ensuring that employers don't pay lower wages or make less favorable employment offers due to an applicant's gender or race would improve uneven economic growth and would help create greater economic security for working families. For these reasons, the Maryland Center on Economic Policy supports Senate Bill 217.

Despite prior federal and state legislation to address the gap in average wages between men and women, there is still significant pay disparity in Maryland, and it is worse for women of color. A woman working in Maryland makes only 86 cents for every dollar made by men in comparable jobs.ⁱ African American women make 69 cents, and Latina women make only 46 cents for every dollar paid to a white man doing comparable workⁱⁱ. While there are multiple factors at play, research estimates that discrimination is responsible for at least 6 to 8 percent of the wage gapⁱⁱⁱ. Closing this gap is a vital step toward ensuring all Marylanders have the same opportunity to climb the economic ladder.

If someone experiences pay discrimination early in their career, the use of salary history can compound the effects and cause them to earn less than they might have in future positions. Senate Bill 217 will build on past legislation by prohibiting employers from asking for an applicant's salary history during the screening process and limiting how the applicant's salary history can be used to determine their wages. Applicants can still voluntarily share salary history.

In addition, the bill requires that employers provide information about the company's wage scale upon request. Having more information improves the negotiating position for applicants who might have been paid below-average wages for past work when they enter salary negotiations for a new position, also helping prevent past wage discrimination from affecting future wages.



As a whole, Maryland women who work full time lose an estimated \$8.5 billion per year due to the wage gap.^{iv} The median income for a woman working full-time in Maryland is \$8,604 less than that of a man. The income that women could potentially gain if pay was equal could help them put food on the table, pay household bills, and pay for education.

Women and people of color in Maryland are more likely to be getting by on very low wages. The poverty rate for women who work is higher than for men who work. For families for which a woman is the primary breadwinner, more than 19 percent struggled to get by on wages below the federal poverty line in 2018—just \$16,460 for a family of two. And the poverty rate for Black and Latinx Marylanders is significantly higher than the state average – about 13 percent for Black Marylanders and 12 percent for Latinx Marylanders. Ensuring equal wages and closing the wage gap will provide vital income for these workers and their families.

This policy would also ensure Maryland is keeping up with the protections available to working people in other states. Similar policies are already in place in 13 states, including Delaware and New Jersey, and these changes can be implemented quickly with little or no cost to businesses.

Senate Bill 217 is an important step toward ensuring that everyone receives fair, equal treatment in the workplace. By strengthening the law, Maryland is making sure that women, people of color, and others who experience wage discrimination can continue providing for their families and building a stronger economy.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Finance Committee give a favorable report to Senate Bill 217.

Equity Impact Analysis: Senate Bill 217

Bill summary

Senate Bill 217 would prohibit employers from requiring job applicants to disclose their salary history. Applicants could still voluntarily share their salary history. It would also require that employers make information about the pay range for a position available upon request.

Background

Maryland's current Equal Pay for Equal Work law applies to employees but provides no provisions for job applicants. Under the law, an employer may not prohibit an employee from asking about or disclosing their own wages or those of another employee. Additional protections state that the employer may not require an employee to sign a waiver or any other document that would deny the employee these rights, and they may not fire someone or take any other adverse employment actions against an employee for protected actions around wages.

Equity Implications

Preventing the reliance on salary history to set wages and providing more transparency around the wage ranges for a position could help close the gender and racial pay gaps over time.

- A woman working in Maryland makes only 86 cents for every dollar made by men in comparable jobs. African American women make 69 cents, and Latina women make only 46 cents for every dollar paid to a white man doing comparable work.
- The gap in wages gets greater with age, due to the compounding effects of lower wages early in a woman's career.
- Major factors in these pay disparities include: the motherhood penalty, race and gender-based discrimination, and a lack of transparency around wages^v. The policies in HB 123 would help address all of these factors.

Impact

Senate Bill 217 would likely **improve racial, ethnic and gender equity** in Maryland

ⁱ "America's Women and the Wage Gap." *National Partnership for Women and Families*. September 2018. <http://www.nationalpartnership.org/our-work/resources/workplace/fair-pay/americas-women-and-the-wage-gap.pdf>

ⁱⁱ "Black Women and the Wage Gap," National Partnership for Women and Families, April 2018. <http://www.nationalpartnership.org/our-work/resources/workplace/fair-pay/african-american-women-wage-gap.pdf>

ⁱⁱⁱ "The Simple Truth About the Gender Pay Gap," American Association of University Women, 2017. https://www.aauw.org/aauw_check/pdf_download/show_pdf.php?file=The-Simple-Truth

^{iv} U.S. Census Bureau. (2015). *American Community Survey 1-Year Estimates 2014, Geographies: All States within United States and Puerto Rico, Table B20017: Median Earnings in the Past 12 Months by Sex by Work Experience in the Past 12 Months for the Population 16 Years and Over with Earnings in the Past 12 Months*. Retrieved 17 September 2015, from http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_1YR_B20017&prodType=table
U.S. Census Bureau. (2015). *Current Population Survey, Annual Social and Economic (ASEC) Supplement: Table PINC-05: Work*

^v "The Simple Truth About the Gender Pay Gap: 2019 Update," American Association of University Women, 2016 https://www.aauw.org/files/2016/02/Simple-Truth-Update-2019_v2-002.pdf

MD NARAL_FAV_SB217

Uploaded by: Phillip, Diana

Position: FAV



SB0217 – Labor and Employment – Wage History and Wage Range

Presented to the Honorable Delores Kelley and Members of the Senate Finance Committee

February 13, 2020 1:00 p.m.

POSITION: SUPPORT

NARAL Pro-Choice Maryland **urges the Members of the Senate Finance Committee a favorable report on SB0217 – Labor and Employment – Wage History and Wage Range**, sponsored by Senator Susan Lee. This is a measure designed to, on request, require employers to clearly state the rate of pay for any employment position and prohibit employers in requiring salary history information of job applicants in order to determine the salary or pay rate.

Our organization is an advocate for reproductive health, rights, and justice. We strive to ensure that every individual has the freedom to decide their reproductive future, and that they have full accessibility to fulfill their reproductive needs. The pay gap today is a major threat to these freedoms, in particular the right to be fairly compensated which affects the right to parent with dignity. SB0217 seeks to set a standard of transparency in the work place so applicants and employees may identify instances of wage discrimination in the workplace.

There are women throughout our state that have experienced an employer setting salary or pay rate based upon wages received in prior employment, rather than seeking to fairly compensate a worker based upon prior experience, skills, and scope of responsibilities for the position as advertised. Female workers who experience unfair compensation often find themselves remaining in lower pay ranges than their male peers, perpetuating the cycle of low pay that frustrates the ability for families to decide if, when, and how many children to have. This is why pay inequality is a reproductive justice issue. Salary history being used as a baseline for future compensation is extremely detrimental to individuals who have been punished by previous employers for temporarily downscaling positions to have a child, or to care for a child or family member. The pay gap, reinforced by the salary history question, prevents individuals from being properly compensated. In Maryland, white women make 86 cents to the dollar a non-Hispanic white male makes, while Black women make 68 cents, and Latinx women make 47 cents.^{1,2} The sexist and racist wage gap is outdated, and is being reinforced through the use of requiring employees to submit salary histories.

Stopping the reliance on salary history is a nationwide issue. Thirteen states have passed laws prohibiting the use of salary history, and many state agencies in other states have done the same. The state salary history bans have shown an improvement in narrowing the gender wage gaps³. It is time that Maryland makes this effort to even the playing field for earning potential. Everyone should have control over when, how, and if they become parents, and fair compensation will help people to make their decision confidently, and with dignity. Therefore, **NARAL Pro-Choice Maryland urges a favorable report on SB0217**. Thank you for your time and consideration.

¹National Women's Law Center (NWLC) calculations based on 2014-2018 American Community Survey Five-Year Estimates (<http://www.census.gov/acs/www/>)

²ibid

³McNichols, D. (2019) *Information and the Persistence of the Gender Wage Gap; Early Evidence from California's Salary History Ban*. SSRN: <https://ssrn.com/abstract=3277664> or <http://dx.doi.org/10.2139/ssrn.3277664>.

Racheff_FAV_SB217

Uploaded by: Racheff, Jim

Position: FAV

SUPPORT: SB217

February 12, 2020

James R. Racheff
314 Upper College Ter
Frederick, Maryland 21701

President, DMS, Inc.
Owner, Racheff Enterprises
Founder, The ParVit Company

Dear Chairwoman Kelley and Members of the Senate Finance Committee,

I am writing to urge you to support SB217 – “Labor and Employment – Wage History and Wage Range”.

I have worked in small, growing Maryland-based businesses for the last 30 years, working my way up from an entry level position, to supervisory and management positions, and eventually business owner and company President.

I am intimately familiar with the Maryland business environment with regards to small business and the impact of regulations: **never in the last three decades have I seen a proposed regulation that would be easier and less costly to comply with.**

Having grown a company from a handful of employees to a staff of 100, I have directly participated in hundreds of recruitments and seen the results of those decisions play-out.

Deciding to hire staff is a significant investment for any business: you may think that having an applicant’s previous salary history helps companies determine a “reasonable” salary range for a position: that is not the case in practice.

Even in the most informal settings, **businesses use a combination of personal experience, trusted peers, salary surveys (freely available online) and – most importantly – their own budgets to internally set a salary range before a position is ever advertised.**

A single applicant’s previous salary at a few, random companies has little to do with how the local market might currently value a set of skills, let alone what a company can and expects to pay to obtain them.

Requesting previous salary information serves only one purpose – to set a framework for salary negotiations.

For many years the hiring practices at companies where I worked all required applicants to provide their salary histories – not because business owners are “bad people” but because we were all taught that applicants with lower previous salaries were potential “bargains” that could be recruited for under the going rate.

Over time I noticed several negative side effects from this approach:

1. Employees that had been “negotiated-downward” started work with a less positive outlook than the peers.
2. Retention rates and organizational loyalty were lower.

3. The disparities in salaries created an imbalance in the salary structure among similar positions. This negatively effected both the applicant recruited at a lower starting salary, as well as with peers and team members.
4. It was very difficult for employees recruited this way to ever “dig out” of the financial disparity, and it effected the rate that employees contributed to their 401K accounts.

So, we adopted a different approach to salary negotiation:

- We eliminated the requirement for applicants to share salary history during the application process.
- We stopped trying to minimize starting salaries.
- Instead, we adopted a “round-up” method where we would offer applicants starting salaries that reflected the value of the work to be performed, *even in cases where applicants voluntarily requested lower starting salaries.*

As a Maryland business owner I admit we are sometimes reflexively suspicious of any new regulation, but even in a small business without a formal HR department it was very easy to adopt this change – there are already prohibitions about asking certain questions of applicants, salary history was just an addition to that list.

We quickly noticed benefits:

- New employees consistently exhibited positive morale.
- Salary structures aligned across labor categories.
- Retention rates leveled out across employee groups.
- Individual loyalty and team productivity increased.
- Goodwill increased as the positive experience was shared among the staff.

What we learned organically is also backed-up by the data: academic studies have shown that an initial “anchor” influences the outcome of a negotiation, even when that anchor is extreme.¹ (This is known as “anchoring bias.”)

Requiring an applicant to disclose salary history creates an initial “anchor” in the salary negotiation, disparately effecting applicants that may have a history of lower compensation. And among populations that might experience negative effects from other biases, the impact of the anchoring bias becomes compounded.

I respectfully request a favorable report on SB217. It will remove a form of bias in the hiring process and would benefit both our workforce and economic productivity.



James R. Racheff

¹ Thorsteinson, T. J. (2011). Initiating salary discussions with an extreme request: Anchoring effects on initial salary offers. *Journal of Applied Social Psychology*, 41(7), 1774–1792. <https://doi.org/10.1111/j.1559-1816.2011.00779.x>

PublicJusticeCenter_FAV_SB217

Uploaded by: Robinson, Tyra

Position: FAV



Charisse Lue, Attorney
Lena Yeakey, Paralegal
Tyra Robinson, Attorney
Public Justice Center
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Baltimore, Maryland 21201
410-625-9409, blacka@publicjustice.org

SB 217
Labor and Employment - Wage History and Wage Range
Hearing before the Senate Finance Committee
February 13, 2020

Position: SUPPORT

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. The PJC strongly **SUPPORTS SB 217**.

SB 217 Would Help Eliminate the Cycle of Underpayment Experienced by People of Color and Women. Asking a job applicant for salary history perpetuates pay discrimination and racial and gender wage disparities. Women and people of color on average are paid less than white, non-Hispanic men, and anchoring a new salary to an old one for these groups helps perpetuate this inequity. Asking for salary history forces workers to carry low earnings from job to job and prevents economic mobility. As an employer committed to equitable hiring, the PJC publishes salary range in job postings, encourages conversations around salary disclosure, and refuses to ask job applicants for salary history.

SB 217 Would Foster Much-Needed Transparency. SB 217 would help create a level playing field by ensuring that a pay range for open positions is transparent. Rather than promoting the secrecy that often hurts women and people of color by perpetuating unjustified pay differentials, such transparency enables applicants to have necessary information to negotiate effectively. When job applicants are informed of the types and range of compensation and benefits available, they have the information required to negotiate successfully. This transparency fosters a balance of power between employer and potential employees. It also minimizes racial and gender wage gaps through informed, transparent negotiations.

For the foregoing reasons, the PJC strongly **SUPPORTS SB 217** and urges a **FAVORABLE** report. Should you have any questions, please contact Andrea Johnson at AJohnson@nwlc.org.

The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.

Lee MD Equal Pay Coalition_INFO_SB217

Uploaded by: Senator Lee, Senator Lee

Position: FAV

Letter Signed by 35 Organizations in SUPPORT of HB 123/SB 217

Dear Members of the Senate Finance Committee:

As organizations dedicated to ensuring that working people in Maryland and throughout the country are treated fairly in the workplace, we write to strongly urge you to support SB 217/HB 123, the “Salary History” bill. This bill is a simple, straightforward measure that will help stop practices that are harming Maryland employees and businesses by (1) ensuring that employers no longer rely on job applicants’ salary history in hiring and setting pay and (2) requiring employers provide the wage range for a position if the applicant applying for the position requests it.

Using salary history in the hiring and pay-setting process is an unfair and unnecessary practice that hurts all working people in Maryland, but has a disproportionately negative impact on women and people of color who face conscious and unconscious bias in the workplace and, consequently, are paid lower wages, on average, than white men. It also penalizes individuals—predominately women—who had to reduce their hours or leave their prior job to care for children or family members, or who worked for the nonprofit sector, and whose prior salary, consequently, doesn’t reflect their current qualifications or market conditions. Relying on salary history forces Marylanders to carry lower earnings and gender and racial wage gaps throughout their careers.

Ending reliance on salary history is a good businesses practice. Small and large businesses in Maryland and throughout the country, including Bank of America, Wells Fargo, Cisco, Progressive, and Amazon, are announcing that they are not asking applicants to provide their salary history, acknowledging that this practice perpetuates wage gaps and that employees should be paid based on their experience, skills, track record, and the responsibilities they will be assuming, not on what they happened to be paid in their past job. Stopping reliance on salary history can help businesses attract and retain a diverse workforce by ending a practice that limits the talent pool,ⁱ hurts an employer’s brand, and can drive the best candidates away.ⁱⁱ Moreover, by proactively helping stop wage gaps from arising in a workplace, SB 217/HB 123 will help insulate Maryland businesses against equal pay lawsuits.

Maryland is overdue to join the nationwide movement to end this practice. Thirteen states from Delaware to Colorado, and New Jersey to Illinois, have passed legislation prohibiting employers from relying on salary history—all with bipartisan support. Recent research into one of these laws shows that it has helped to narrow gender wage gaps.ⁱⁱⁱ Colorado, Washington, and California all also require salary range transparency—a practice that research shows helps narrow gender wage gaps.^{iv}

Maryland lawmakers have an urgent obligation to working people, families, and the state economy to pass SB 217/HB 123: Black women in Maryland are paid only 68 cents on the dollar paid to white, non-Hispanic men and Latinas are paid only 47 cents—the 4th largest wage gap for Latinas in the country. In this bill we have a simple, high impact and proven tool for helping close the wage gap. Marylanders literally cannot afford to wait any longer to use it.

Thank you,

ACLU of Maryland
AFSCME Council 3
Alpha Kappa Alpha Sorority, Inc. - Psi Phi Omega
American Association of University Women Maryland
Business and Professional Women of Maryland (BPW/MD)
CASA
Common Cause Maryland
JOTF
Maryland Center on Economic Policy
Maryland Consumer Rights Coalition
Maryland Legislative Agenda for Women
Maryland National Organization for Women
Maryland State Education Association
Maryland State and DC AFL-CIO
Metropolitan AME Church
MomsRising
Montgomery County Commission for Women
NAACP MSC
NARAL Pro-Choice Maryland
National Women's Law Center
National Organization for Women - Baltimore
Not Without Black Women
Oak Chapel United Methodist Church
Planned Parenthood of Maryland
Progressive Maryland
Public Justice Center
Second Episcopal District of the AME churches
The Women's Democratic League of Frederick County

The Women's Law Center of Maryland

The Zeta Tau Sigma Chapter of Sigma Gamma Rho Sorority, Inc.

TIME'S UP Now

UFCW Local 400

Women's Democratic Club of Montgomery County

Women Lawyers on Guard Action Network

Zeta Tau Sigma Chapter of Sigma Gamma Rho Sorority, Inc

ⁱ Moshe A. Barach & John J. Horton, How do Employers Use Compensation History: Evidence From a Field Experiment (CESifo, Working Paper No. 6559, 2017), <http://moshebarach.com/wp-content/uploads/2017/06/WageHistory.pdf>.

ⁱⁱ Liz Ryan, When Someone Demands Your Salary History, Give Your Salary Requirements Instead, *forbes* (Jan. 16, 2017), <https://www.forbes.com/sites/lizryan/2017/01/16/when-they-demand-your-salary-history-give-your-salary-requirement-instead/#944ba255a8bb>.

ⁱⁱⁱ Drew McNichols, Information and the Persistence of the Gender Wage Gap; Early Evidence from California's Salary History Ban (February 1, 2019), SSRN: <https://ssrn.com/abstract=3277664> or <http://dx.doi.org/10.2139/ssrn.3277664>

^{iv} See, e.g., Hannah Riley Bowles, Linda Babcock & Kathleen L. McGinn, Constraints and Triggers: Situational Mechanics of Gender in Negotiations, 89 *J. Personality & Soc. Psych.* 951, 955-56 (2005), https://projects.iq.harvard.edu/files/hbowles/files/situational_mechanics.pdf.

LEE Testimonials_INFO_SB217

Uploaded by: Senator Lee, Senator Lee

Position: FAV

Maryland Business and Employer Voices Speak Out Against the Use of Salary History in the Hiring Process

“I’m a small business owner who also worked for five years in human capital consulting, and I don’t use salary history in hiring because I know it can inadvertently perpetuate discrimination and it isn’t the most effective way for us to bring the best people onto our team.”

- *Meg McNeill, McNeill Independent Spirit Creators, LLC*

“Our business – I imagine, like most – bases our employee wages on market conditions and what we can afford to pay, not what an applicant used to make doing a different job for someone else. In our view, salary history is never relevant to the hiring process. People change jobs for higher pay, gain new skills or education, change industries, move from part-time to full-time – and hundreds more legitimate reasons they might have made less money in the past than they will at our company. Salary history simply isn’t relevant to whether someone is up for the job, just an opportunity for an employer to try to pay less than fair market wages. It is difficult enough to find candidates who meet our needs already, and we see no benefit to anyone in penalizing people for working to better their lives.”

- *Aubrey Batten, Recruitment Manager for Well-Paid Maids.*

“At my chain of locally owned Ace Hardware stores, we value the expertise and skills of our employees and want to pay them in a way that reflects our values — that’s why we don’t ask for salary history when we hire and we happily give salary ranges if asked. We want to build the strongest and most diverse team possible and appreciate advocates putting forward tools for us to use to guide us in building better processes. We support SB 217 and hope to see it pass.”

- *Gina Schaefer, Co-Founder and CEO of 12 Ace Hardware stores located in Washington, DC Baltimore, MD and Alexandria, VA.*

“As a headhunter, I was trained to ask every candidate for their current salary. What I’ve learned is that this practice perpetuates gender bias in hiring and salary decisions that disproportionately hurts women, especially women of color, and contributes to the continuing pay gap women face. I stopped asking the question. Querying a candidate about what their salary expectations are provides the information an employer needs to make sure the candidate and the position’s salary are a fit.”

- *Diana Rubin, Commissioner, Montgomery County Commission for Women and former managing director of a national legal recruiting and staffing firm*

“Recruiting and retaining a highly qualified and committed staff is essential. Staff turnover or dissatisfaction are tickets to business mediocrity or failure. Because of this, we strive to pay competitive salaries for all our employees. We have never asked for salary histories, knowing that what someone may have paid before is not a good reflection of what the person is worth to our organization or what a competitive salary is in the field. There is much data available to determine appropriate salaries that is superior to asking highly individualized salary histories.

Relying on personal salary histories is just accepting and reinforcing discrimination that has already occurred. That does not bode well for keeping qualified and committed employees. Several years ago, we also began posting salary ranges in our job position announcements. Knowing the salary range and desired experience range keeps everyone's expectations in check and helps narrow our applicant pool to candidates who are serious about the job as offered."

- John Nethercut, Executive Director, Public Justice Center

"In my over 20 years of experience as a Senior Vice President of Human Resources for an international technology firm, I was involved in hiring hundreds of people each year. At my former company, new hire offers were predicated on compensation history and even asked for in writing on the job application. This information was regularly used to offer lower salaries to applicants who had previously been making less money – even if the budget/market value for the position was more than the current compensation of the applicant. This practice of paying the least keeps women and all minorities at a disadvantage long term as the starting salary is the springboard for all future pay changes. In addition, there are larger implications as base pay has an impact on 401k savings, life insurance, short term disability, long term disability, and similar benefits that are based on earnings. Maryland should join other states in prohibiting the salary history question."

- Denise Messineo, Thallo Leadership Consulting

"Business and Professional Women of Maryland is a statewide, nonprofit, nonpartisan, all volunteer organization with a diverse membership that includes administrators, teachers, business owners, and many other professions. Our members know that asking for salary history leads to discrimination and is not a necessary or good business practice."

- Linda Fihelly, Co-President, Business and Professional Women of Maryland

SB217_FAV_Lee

Uploaded by: Senator Lee, Senator Lee

Position: FAV

SUSAN C. LEE
Legislative District 16
Montgomery County

MAJORITY WHIP

Judicial Proceedings Committee

Joint Committee on
Cybersecurity, Information Technology,
and Biotechnology

Chair Emeritus
Maryland Legislative Asian American
and Pacific Islander Caucus

President Emeritus
Women Legislators of the
Maryland General Assembly, Inc.



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 13, 2020

Senate Finance Committee

Senate Bill 217 - Labor and Employment - Wage History and Wage Range

Senate Bill 217 is Maryland's long-awaited Salary History, or Wage History Bill. Over the years we have fine-tuned this legislation to apply narrowly to behavior that undermines the principle of equal pay for equal work.

This bill contains two straight-forward provisions:

- (1) Prevents an employer from **seeking and relying on** an applicant's salary history in the hiring process; and
- (2) Requires an employer to provide the salary range for a position *if* an applicant applying for the position asks for it.

Since last session, six more states have passed similar salary history legislation bringing the total to 13 states with salary history bans for both public and private employers, including nearby neighbors Delaware and New Jersey. Importantly, all of these 13 bills passed with bipartisan support.

The support for this provision is also clearly right here in Maryland, as our coalition supporting this legislation has also grown even larger. I have submitted for the record a letter by the 30-some groups supporting this legislation, including groups from the *Business and Professional Women of Maryland* to *Maryland Center on Economic Policy* to *Not Without Black Women* to *the AFL-CIO* and *UFCW Local 400* to the *Montgomery County Commission for Women* to the *Maryland Consumer Rights Coalition*.

More Maryland small and medium size businesses have also become vocal on this issue. We have submitted for the record quotes from several business voices explaining why asking for salary history is not a necessary or good business practice and you will hear directly from some more business voices today. We are seeing an immense amount of energy around this salary history bill because Marylanders realize that this common business practice that long appeared neutral and objective is actually deeply unfair and ineffective and is harming Marylanders and Maryland businesses.

When employers rely on salary history to set pay they are—often inadvertently—perpetuating these wage gaps throughout their workforce and Maryland women are condemned to carry lower pay throughout their careers. Maryland women and families literally cannot afford to wait any longer for these gaps to close and in SB 217 we have a proven tool for helping close the wage gap. We are also seeing a lot of energy around this bill because it is good for business.

Compared to the 2016 Equal Pay for Equal Work Act, which I sponsored and which provides important legal recourse if unjustified wage gaps arise, this bill is about keeping employers and employees out of court. It provides a tool to help employers proactively avoid wage gaps from arising to begin with, and thus insulates them from greater future liability.

Moreover, we've worked to streamline the bill to more clearly allow for the free flow of negotiation and avoid liability traps. For example, we removed reference to "employee" so as to not create confusion as to whether an employer could consider what they are currently paying an employee in internal promotions. **The bill now just applies to applicants and isn't intended to reach that internal promotion situation.**

We've also reduced the penalties - the bill is in line with salary history legislation in many other jurisdictions in terms of penalties and just gets the enforcement mechanisms, like a private right of action, that are already part of Maryland's equal pay law. It is time to pass these fundamental equal pay provisions in Maryland.

For these reasons, we respectfully request a favorable report on SB 217.

Oluwakanyinsola Shonibare_FAV_SB217

Uploaded by: Shonibare, Oluwakanyinsola

Position: FAV

**Testimony of
Oluwakanyinsola Shonibare, Student, University of Maryland College Park
In SUPPORT of SB 217 – Labor and Employment—Wage History and Wage Range
Before the Maryland Senate Finance Committee**

February 13, 2020

My name is Oluwakanyinsola Shonibare, but I go by Kanyin. The last time I was here, I was 17 years old. I'm 18 years old now, and a sophomore at the University of Maryland College Park. Still with the same passion and desire for this bill to pass.

According to a 2011 McKinsey report, men are promoted based on potential, while women are promoted based on past accomplishments. As a woman, I have firsthand experience of always having to go the extra mile to get a fraction of what men are given. I use the word given because I know that sometimes success for men can come more easily than for women as a result of bias and discrimination.

It's extremely sad that society has made a conscious effort to undermine my worth next to a man's. But more so, as a black woman, I face an even greater form of oppression because now, society not only invalidates me because of my gender, but because of my race too.

Regardless of the immense effort we, women, put in, we continue to earn less than men in the workplace and something needs to be done about that.

As a young woman working towards becoming an active part of the working population, I strongly stand behind Senate Bill 217, which would stop employers from asking job applicants for their salary history. Employers often base a starting salary on someone's previous earnings, so at each job, the gender pay gap continues, and it becomes seemingly impossible for women to catch up.

But the truth is the requirement to provide salary history is not only backwards, but limiting. How can women move forward if employers keep trying to tie them to a past of employee underappreciation? Negotiation without the precedence of salary history will become much easier to work out because now it is based on what actually matters--evaluating the financial resources available, the worth of that potential employee and fairness to them and the amount of work they will put in for the company.

I intend on becoming an international corporate lawyer, and I find it imperative that I am able to feel confident in the Maryland salary system, trusting that I will be paid based on what I have to offer as an employee and not what my past salary was.

Eliminating the question of salary history gives a lot of women, like me, the opportunity to have our salaries impartially determined, giving us room to grow and work our way up the professional ladder.

I believe the passing of this bill will help boost my chances of achieving financial security at a young age and keep me from earning less than I deserve.

I especially appeal to the men in the room, to acknowledge the great privilege that you have and use it to fight for us, women, some without a voice or a pedestal to stand on. And to the women in the room, we all know there's nothing more unstoppable than a woman who knows her worth. So please help me realize mine.

I urge you all to get behind Senate Bill 217 and vote for its passing.

WomensLawCenterofMD_FAV_SB217

Uploaded by: Siri, Michelle

Position: FAV

BILL NO.: Senate Bill 217
TITLE: Labor and Employment – Wage History and Wage Range
COMMITTEE: Finance
DATE: February 13, 2020
POSITION: **SUPPORT**

Senate Bill 217 seeks to build on the progress made in 2016 to eliminate the gender pay gap in Maryland by eliminating employers' rote use of salary history when establishing base pay. 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. Our employment practices simply do not reflect the reality of today's workforce. Women are now the primary, sole, or co-bread winners in nearly 2/3 of families in Maryland. Therefore, any gender pay gap detrimentally, and unacceptably, effects Maryland's families.

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"¹. The federal government understood that in order to achieve pay equity it needed to address the roots of the problem: salaries.

Employer responses to a wage history ban have often suggested that an applicant could always refuse to provide prior salary history information. However, as reported in the Harvard Business Review, a recent study of over 15,000 job applicants found that in jurisdictions where wage history information is permitted, a woman who was asked about her salary history and refused to disclose was actually offered 1.8% *less* than a woman who was asked and did disclose. Meanwhile, if a man refused to disclose when asked about salary history, he received an offer that was 1.2% higher than a man who did². Thus the evidence suggests that placing the burden on the applicant to refuse disclosure results in a concrete financial burden on that individual. By prohibiting the practice all together we level the playing field.

Other jurisdictions have begun to follow suit, as this innovative approach would benefit all workers, not just women. To date, 13 other states have passed similar legislation, with several other jurisdictions considering it this year. The effect on employers 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. For the above reasons, the Women's Law Center of Maryland urges a favorable report for SB 217.

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.

¹ Additional Guidance on Advancing Pay Equality in the Federal Government, <https://www.chcoc.gov/content/additional-guidance-advancing-pay-equality-federal-government>

² <https://www.payscale.com/data/salary-history>

WomensLawCenterofMD_FAV_SB217

Uploaded by: Siri, Michelle

Position: FAV

BILL NO.: Senate Bill 217
TITLE: Labor and Employment – Wage History and Wage Range
COMMITTEE: Finance
DATE: February 13, 2020
POSITION: **SUPPORT**

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² <https://www.payscale.com/data/salary-history>

ACLU_Spielberger_FAV_SB217

Uploaded by: Spielberg, Joseph

Position: FAV



**Testimony for the Senate Finance Committee
February 13, 2020**

SB 217 – Labor and Employment – Wage History and Wage Range

FAVORABLE

JOSEPH SPIELBERGER
PUBLIC POLICY COUNSEL

The ACLU of Maryland supports SB 217, which would prohibit employers from asking about wage history in the job application process, in order to help ensure that Maryland workers are paid fair wages.

AMERICAN CIVIL
LIBERTIES UNION
FOUNDATION OF
MARYLAND

When employers require job applicants to provide their salary history, they perpetuate race- and gender-based discrimination and pay disparities. This bill would help ensure that salary negotiations between employers and potential employees are based on job-related skills and experience, not wage history, which is irrelevant as a marker of what an employee's labor is worth.

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or 240-274-5295
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Maryland's current practice of allowing employers to consider hiring and pay decisions based on applicants' wage history disproportionately hurts women and people of color in the job application process, who already face bias and discrimination in the workforce. This practice hurts employers as well as applicants, because it makes a workplace less attractive to a diverse and inclusive workforce. While the lack of inclusivity perpetuates further discrimination, it also weakens collaboration, innovation, and growth for Maryland businesses.

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WWW.ACLU-MD.ORG

OFFICERS AND DIRECTORS
JOHN HENDERSON
PRESIDENT

When employers provide job applicants with a salary range for a position, they allow applicants to fairly advocate for themselves in wage negotiations. When Maryland workers are empowered in these negotiations, they become more satisfied and appreciated on the job.

Employers in Maryland and across the country understand that the provisions in this bill are good for business. A growing number of companies, including Amazon, Starbucks, Facebook, American Express, Bank of America, and Google, have already announced that they no longer ask job applicants to provide their salary history. These companies understand that removing wage history from the hiring process diversifies their applicant pool and attracts smart, qualified, and committed employees.

Maryland is already a leader on equal pay, and it is time for our state to join the 17 other states across the country that already have laws prohibiting employers from asking about wage history. This bill will allow our state to

ACLU

AMERICAN CIVIL LIBERTIES UNION
FOUNDATION

Maryland

continue building a workplace culture that values leadership, experience, and diversity, and most importantly, improve the career prospects of applicants who have experienced wage discrimination and pay disparities in prior jobs.

For the foregoing reasons, the ACLU of Maryland supports SB 217.

Favorable Testimony - SB-217 - Saint-George

Uploaded by: St George, Jo

Position: FAV

Jo Saint-George, Esq.
"The Healthy Lawyer"
Jo@HealthyLawyers.org

SB217
Labor and Employment - Wage History and Wage Range
Senate Finance Committee
Hearing: February 13, 2020 - 1pm FAVORABLE

Chair Kelly, Vice Chair Feldman and Members of the Finance Committee, I want to thank you for your service to Maryland Residents and for your efforts to provide economic stability in Maryland's financial markets. While unemployment rates are touted as having remained at an all-time low in the US, the salary gap between women and men and between white men and women of color is at an all-time high. While white males are afforded the opportunity to work one job 40 hours per week, women and people of color often have to work two or three jobs or have to work an equivalent of 22 more months in a year to earn what that same white male make with one salary. Therefore, while unemployment is at an all time low, the time is now for Maryland to pass laws that will equalize salaries by doing away with tactics used by employers to suppress the pay of women and people of color, which harms Maryland families and the state economy.

While most of the testimony today has focused on various trade industries, I want to talk about the wage gap in the legal industry to demonstrate how, women of color are dealing with the terrible pay gap problem. By way of background, I have practiced law for over 20 years, most recently I served as the General Counsel for a global cement manufacturer and I have served on various diversity and inclusion bar boards, in three states, and I am currently on the board of the National Bar Association Women Lawyers Division, while all my statements are made in my own capacity. While many would applaud anyone for becoming a lawyer, because you must pass the LSAT, get through law school and then pass very difficult bar exams, for women of color this so-called prestige is not reflected in our salaries. Women lawyers of color in 2020, are still mistaken for secretaries and court reporters while on the job.

Let's talk the numbers, many law students leave law school with school debt as high as \$250,000, but the average salary for a starting lawyer is just over \$45,000 in Maryland for public interest or government jobs according to the ABA reports, and the salaries are bit higher \$60,000 to \$90,000 when a lawyer job is with a law firm or corporation. Please note that a journeyman plumber in Maryland can start making the same pay as a lawyer in Maryland. While the beginning salaries may start the same, it is when women lawyers have worked over five years that the data shows that these women see a drastic gap between their salaries and the salaries of their white male counterparts. According to the ABA, there is an average pay gap for women lawyers of color and white men of up to 40%. So, after seven years that women of color may see a rise in her salary to \$90,000, which is what an average tech person without a doctorate degree or having to pass a state bar exam makes, her white counter-part will make over \$130,000 for law firm or corporation jobs. According the Montgomery County website, the mean income needed to live in the county is approximately \$83,000. So, it takes a women lawyer of color seven years just to make the mean income needed to live in Montgomery County,

which according to Indeed in Montgomery County a journeyman plumber can earn up to three times the amount of a women lawyer of color.

Because the earning capacity for women lawyers of color is so low in the legal profession, last year we saw the fewest number of law students of color entering law school. Also, women of lawyers of color leave the profession at a 50% attrition rate, and as of October, I was told by one woman lawyer of color who testified during the D.C. hearing on a bill that would have legalized prostitution, that she goes to Vegas to perform escort services to make up for her huge pay gap so she can pay off her loans. This beautiful young lady said that she may leave the profession because she can make way more money in prostitution than what she makes as a lawyer. This is a shame! While many believe that there are too many lawyers in the U.S. because there are so many law schools in the Maryland DC area, the ABA reported back in 2014 there are not enough lawyers in the U.S., which accounts for why Kim Kardashian is studying to take the California bar without going to law school. Lawyers of color only make up approximately 8% of all 1.4 million lawyers in the U.S. We need our lawyers of color.

Furthermore, as part of my voluntary work with the Women Lawyers Division of the NBA, I mentor women lawyers of color and over and over I am told that women lawyers of color are asked for their salary history on applications when seeking legal industry employment. Alternatively, they are also asked to provide on applications, what are their salary requirements and if those requirements are too high, they are not even given an interview. I had one young lady apply for a policy counsel position this past organization October for a non-profit and when she was asked for her salary expectations, she told the white male interviewer that she would accept whatever is the highest salary that they could pay. When pressed for more details, she said that she would accept whatever the salary the white male interviewer made. Needless to say, she did not get the job and she found out from one of the women who works as a policy analyst (a nonattorney position) at the organization that the interviewer told the company that the women demanded a salary that was “too high” all because she said asked to be paid equal to the white male interviewer.

Another mentee shared with me, just this past January that she had a phone interview with a big real estate REITE company in Bethesda and she was told that they would not let her continue to the next round of interviews because she had more experience than the companies Chief Legal Counsel and that the company had a policy of not interviewing or hiring lawyers who have more experience than the Chief Counsel.

In summary, SB217 only requires employer to do two simple things, stop asking for salary history and to provide a pay range for each job. While companies have more sophisticated tactics for excluding women or paying them less, the passage of this bill will give women of color who try to seek higher income earning jobs, hope for better pay but an incentive to stay in the profession and not leave.

Sincerely,

Jo Saint-George, Esq.
“The Healthy Lawyer”

SB 217_Debbie Tang

Uploaded by: Tang, Debbie

Position: FAV

Testimony of Debbie Tang, Partner, Bridge Partners
In SUPPORT of SB 217 Labor and Employment—Wage History and Wage Range
Before the Maryland Senate Finance Committee

February 13, 2020

Thank you for having this hearing and allowing me to testify in support of SB 217, Wage History and Wage Range, an important bill that would prohibit employers from seeking and using a job applicant's salary history to determine pay, a practice that perpetuates the wage gaps women and people of color face in their careers.

I am a partner at Bridge Partners, a minority-owned executive search firm, focused on diversity, inclusion, and equity. We place executives in the C-suite and on boards. Our clients range from Fortune 500 companies to nonprofits and government agencies. I frequently represent clients headquartered in Maryland. Prior to becoming an executive search consultant, I was a practicing attorney at Marriott headquarters in Bethesda, as well law firms in DC. I am also a resident of Bethesda, Maryland and my children go to school in Maryland. My family owns a small business in Rockville- a Chinese restaurant that has proudly served the community for almost 25 years.

As you can see, I am personally and professionally invested in the success of women and people of color in Maryland.

Women and people of color already face unconscious bias in the workplace. Basing someone's current salary on their past salary and making it difficult for applicants to find out what the salary range is for a given position, only perpetuates gender and racial wage gaps. Recognizing this, we have clients who have already adopted policies similar to SB 217 as a best practice even if their city or state has not passed a salary history ban.

Questions about salary history frequently disadvantage women and people of color.

Recently, I was hiring for a position and one of the top candidates was working on Capitol Hill, she was a woman of color. The other top candidate, a white male, was working at a law firm. The company wanted to offer the candidate coming from the Hill less than 2/3 of what the law firm candidate was being offered. Their reasoning was that no one should be able to double or even triple their current salary. We advised the client that salary is based on the duties and responsibilities of the job being

offered. If her experience is equally relevant, her compensation offer should be the same as the other candidate. This is one clear example of how I have seen past salary history used against applicants.

If employers cannot ask questions about current salary or salary history, they can still ask the more important question of someone's salary expectations. Rather than ask, "What is your current compensation?", the employer can ask, "What range of salary are you seeking in your next position?" The employer can then see if the range for the job aligns with the candidates' goals.

When there is no transparency about salary, precious time is wasted. If the candidate's salary expectations and the position's compensation package do not match, we can prevent the scenario of wasting time on multiple rounds of interviews just to discover at the end of the process that the employee would never even consider the salary being offered. It is not a burden to provide a wage range. Every client that hires me must give me a wage range in order for me to properly conduct a search for the right candidate. Businesses typically have a budget, to share it with candidates only serves to streamline the process, because people will take themselves out of consideration if the numbers are not aligned. The range is not set in stone either. As a search unfolds, if you find that your range is not on target with what the market bears, you can change your range.

Each year we mark the day during the year when a woman's pay finally catches up to that of their white, male counterpart. November 20, 2019, was Latina Equal Pay Day. Latinx Women had to work until November of 2019 to catch up with what white men were paid in 2018 alone.

Closing gender and racial pay gaps not only benefit women and people of color in our state, but every child in Maryland – when women are paid fairly, our whole community benefits. As a recruiter focused on placing more women and people of color in the C-suite and on Boards, the salary history ban enables me to better fulfill my company's mission. As a mother of children growing up in Maryland, I want my son and daughter to be equally valued in their future workplace. The wage gap often starts with a woman's first job out of college. I know we all want a better future for the citizens of Maryland.

I urge the members of this Committee to support SB 217.

Thank you.

WDL_FAV_SB217

Uploaded by: Westdorp, Lara

Position: FAV

Board of Directors, Officers:

Lara Westdorp, President
Renee Knapp, Treasurer
Samantha Van Rens, Secretary
Mari Lee, Communications Dir.



Board of Directors:

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Tiger Waddell

SUPPORT – SB217

Labor and Employment-Wage History and Wage Range

Senate Finance Committee

February 13, 2020

Dear Chairman Kelley and Committee members;

The Women's Democratic League of Frederick County (WDL) ask for your support of SB217.

For over 95 years, the WDL has been advocating for equality. The practice of asking for one's salary history perpetuates an inequitable system where women and people of color are forced to carry lower earnings, as well as gender and pay discrimination from job to job throughout their careers.

Today Maryland women are paid 86 cents on the dollar to men - for the same work. Black women in Maryland are paid only 69 cents on the dollar paid to white, non-Hispanic men. Latinas are paid only 46 cents—the 4th largest wage gap for Latinas in the country. We believe SB217 will give Maryland workers and families equal and fair treatment in the workplace.

Ending reliance on salary history is also good for business. Across the country, small and large businesses from Bank of America, Wells Fargo, and Cisco to Progressive and Amazon, are announcing that they are no longer asking applicants to provide their salary history. Each of these companies acknowledge that the salary history practice perpetuates wage gaps and that employees should be paid based on their experience, skills, track record, and the responsibilities they will be assuming, not on what they happened to be paid in their past job.

We urge you to support the passage of SB217.

The WDL is a IRS approved 501c7 non-profit social organization. All donations are NOT tax deductible.

PO Box 3317, Frederick, MD 21705 | 301-371-8556 | Web: www.WDLFrederick.com |

[Facebook.com/WomenDemsFrederick](https://www.facebook.com/WomenDemsFrederick)

MCRC_FAV_SB217

Uploaded by: White, Marceline

Position: FAV



Maryland Consumer Rights Coalition

**Testimony to the Senate Finance Committee
SB 217: Labor and Employment – Wage History and Wage Range
Position: Favorable**

February 13, 2019

Senator Delores G. Kelley, Chair, Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, Maryland 21401
Cc: Members, Economic Matters

Honorable Chair Kelley and Members of the Committee:

MCRC is a statewide coalition of individuals and organizations that advances economic inclusion and financial justice through research, consumer education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland. I write today in support of SB 217.

Transparency is a cornerstone of consumer protection. Consumer advocates believe that individuals need access to information to prevent market asymmetries. Failure to provide a clear salary range is a barrier to entry for many candidates – deterring some worthy candidates from applying for a position because the individual isn't assured that the salary will be commensurate with their needs. This opaqueness can also cost the employer time and energy interviewing prospective employees who may turn down a proffered position once they learn the salary requirements.

In addition to transparency, MCRC's work focuses on expanding economic rights in Maryland. For employers to require and use salary history as a basis for setting the salary range for a new employee exacerbates existing inequalities for women and people-of-color – particularly women-of-color. Women and women-of-color traditionally have earned less for the same level of work and with higher qualifications. Basing future salary off of a history of being underpaid simply widens this gendered pay gap. Additionally, asking people what they earned in their past jobs is a violation of their privacy.

For transparency, equity, and privacy reasons, we support SB 217 and urge a favorable report.

Best,

Marceline White
Executive Director

MDAFP_Steve Wise_FAV_SB0217

Uploaded by: Wise, Steve

Position: FAV



MARYLAND ACADEMY OF FAMILY PHYSICIANS

ABLE, RESPONSIVE FAMILY PHYSICIANS SERVING THEIR COMMUNITIES

DATE: February 13, 2020

TO: Delores Kelley, Chair, Finance Committee
Brian Feldman, Vice Chairman, Finance Committee
Dereck Davis, Chairman, Economic Matters Committee
Kathleen Dumais, Vice Chair, Economic Matters Committee
Senator Susan Lee
Delegate Karen Young

FROM: MD Academy of Family Physicians, Mozella Williams, M.D., President

RE: SUPPORT FOR SB 217 & House Bill 123—Labor and Employment—Wage History and Wage Range

On behalf of the Maryland Academy of Family Physicians (“Academy”), I am writing in support of Senate Bill 217 and House Bill 123—Labor and Employment—Wage History and Wage Range. The Academy is the largest professional medical specialty society in Maryland, with over 1,200 members who are practicing family physicians, family physicians in training and medical students. The Academy requests your support for this legislation.

Addressing pay equity issues is a priority for the Academy. Maryland physicians earn less on average than physicians nationally, in many cases less than what physicians typically are paid in starting salaries, according to the *2018 Survey of Maryland Physician Compensation*, conducted by Merritt Hawkins for MedChi. Moreover, female physicians in Maryland earn less than male physicians when hours worked are accounted for. For example, female internal medicine physicians working 41 hours a week or more earn 37% less than male physicians in the same specialty working similar hours.

We view SB 217 as a tool to be used to address this effort, as it allows an applicant to request from a prospective employer the wage range for the position applied for and protects that applicant from retaliation for seeking this information.

For these reasons, the Academy supports SB 217.

cc: Members, Finance Committee
Members, Economic Matters Committee

MACo_FWA_SB217

Uploaded by: Jabin, Drew

Position: FWA



Senate Bill 217

Labor and Employment – Wage History and Wage Range

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Finance Committee

Date: February 13, 2020

From: Drew Jabin

The Maryland Association of Counties (MACo) **SUPPORTS** SB 217 with **AMENDMENTS**. As written, this bill would require employers to exclude a variety of wage and salary history when offering jobs or promotions. If applied to the public sector, counties fear this law could eliminate numerous structured promotion opportunities which allow local government employees a career path forward based on workplace success and experience gained.

SB 217 prohibits employers from relying on past wage history information to determine an applicant's salary or a current employee's salary when considering that employee for a new position, including a promotion. However, if an employer makes a job offer, an applicant or employee can volunteer his or her salary history to support a higher wage offer. This bill also requires employers to provide salary information to applicants upon request.

Public sector employers are already subject to a wide range of transparency measures in hiring and employment practices – far beyond those applying to other employers. While counties already comply with the majority of requirements outlined in this bill, MACo is concerned that prohibiting county employers from considering current wages in the internal promotion or transfer of current employees is impractical. MACo requests amendments to remove government employers from its effect.

This bill could undermine many local government pay systems, which frequently rely on a standardized scale of wages when considering the internal promotion of current employees. Such scales are graduated according to duties performed, length of service, and efficiency of the officers or employees. Undermining such systems serves no practical purpose in the public sector, where benefit and pay structures are already subject to public input and scrutiny.

Efforts to promote wage equality should not intrude on public sector employee scales, which appropriately base compensation on experience and past workplace success. For these reasons, MACo urges the Committee to **SUPPORT** SB 217, with an **AMENDMENT** to eliminate local governments from its reach.

GCCC_unf_SB217

Uploaded by: christian, nicole

Position: UNF



SB 217
2/13/2020
nicole@garrettchamber.com

Testimony offered on behalf of:
THE GARRETT COUNTY CHAMBER OF COMMERCE

IN OPPOSITION TO:
SB 217 – Labor and Employment – Wage History and Wage Range
Finance Committee
February 13, 2020

On behalf of the Garrett County Chamber of Commerce, representing 600 member organizations in Western Maryland, I write to express our opposition to **SB 217 Labor and Employment – Wage History and Wage Range**.

While the sponsors of the bill have a constructive goal of preventing wage inequality due to gender, race, or protected classes, the bill has unintended consequences. By prohibiting an employer from requiring wage history of an applicant, an employer may have applicants that are seeking salaries too high for the employer. Even with a published wage range, some candidates will apply believing they can negotiate a higher salary. If the employer makes an offer and the applicant wants a higher salary than was posted and declines the offer, the employer has to start the search over. This results in a significant waste of time and money by the employer. By allowing the employer to request a wage/salary history, the employer can discuss in the initial interview if the wage range is below the applicant's previous wages and determine if the applicant is still interested.

Additionally, the current bill language regarding wage rang is too ambiguous. What is a permissible range? How is it different for hourly versus professional salaried positions?

In such a difficult environment to find qualified employees and with a severe workforce shortage, we need to assist employers and not inhibit their potential for finding and hiring employees. By providing wage ranges for positions, employers can meet the goal of the bill without being hindered by unnecessary laws and regulations.

The Chamber respectfully requests an **UNFAVORABLE REPORT on SB 217.**

Sincerely,
Nicole Christian, SON, CCE
President & CEO
Garrett County Chamber of Commerce, Inc. -
(301) 387-8745 office
(301) 616-0396 mobile
www.visitdeepcreek.com



GBC_UNF_SB217

Uploaded by: Fry, Donald

Position: UNF

 **POSITION STATEMENT****TESTIMONY PRESENTED TO THE SENATE FINANCE COMMITTEE****SENATE BILL 217 -- LABOR AND EMPLOYMENT - WAGE HISTORY AND WAGE RANGE****February 13, 2020****DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE****Position: Oppose**

Senate Bill 217 prohibits an employer from retaliating against or refusing to interview, hire or employ a job applicant because the applicant did not provide a wage history or requested the wage range for the position. The bill provides that an employer may not rely on the wage history of a job applicant in screening or considering the applicant or in determining wages. The employer may also not seek the wage history of an applicant for employment. Senate Bill 217 allows an employee to recover damages from the employer and creates civil penalties of up to \$5,000 for employers not in compliance. The bill stipulates that if an employer commits a violation the affected applicant may bring action against the employer for injunctive relief and to recover, whichever is greater, actual damages or special damages, not to exceed \$10,000.

Creating a competitive business climate that promotes job creation and a strong economy is a priority of the Greater Baltimore Committee. Senate Bill 217 harms efforts to create a competitive business climate by placing new and unnecessary requirements on Maryland's employers. Imposing additional restrictions on businesses during the hiring and employment process detracts from the State's ability to compete and makes Maryland a less attractive place to do business.

A significant concern with Senate Bill 217 is the restriction on obtaining important information that can be helpful to an employer. There are many legitimate uses for salary information when making hiring decisions and employers often consider industry wage information to assess the current market value of the employees they hire. Employers also benefit from the use of salary information when competing in certain industry sectors for the best talent available.

Employers need to have the ability to determine salaries for employees based on an applicant's experience, education and training. It is important that lawmakers carefully consider the ramifications of actions that increase the cost of doing business and do not prevent employers from gathering important information when making personnel decisions.

Senate Bill 217 is inconsistent with one of the key tenets in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the Greater Baltimore Committee that identifies eight core pillars for a competitive business environment and job growth:

Government leadership that unites with business as a partner. Maryland leaders must set a welcoming tone that communicates positive support for business, respect for the private sector as a partner, not an adversary, and reflects a strategic plan for business growth and job creation.

For these reasons, the Greater Baltimore Committee urges an unfavorable report on Senate Bill 217.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 65-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org

MACPA_UNF_SB217

Uploaded by: Hood, Tom

Position: UNF



February 13, 2020

The Honorable Delores D. Kelley, Chair
Finance Committee
Miller Senate Office Building
Annapolis, MD 21041

Re: SB 217 Labor and Employment - Wage History and Wage Range - OPPOSE

Dear Chair Kelley and members of the Committee,

The Maryland Association of CPAs represents nearly 9,000 Certified Public Accountants throughout the state. MACPA members are committed to protecting the public interest and upholding the core values of integrity and ethics. We commend the sponsors of SB 217 for addressing the important issue of equal pay within each sector of our economy.

For our member firms, achieving pay equity is not only the right thing to do, it is a critical business decision. Recruiting and retaining highly talented individuals of all genders, races, ethnicities, etc., is critical to the well-being of all businesses, especially accounting firms. Employers cannot continue to compete for talent without addressing equal pay. Our firms provide flex-time, mentorship programs, blind evaluations, and many other inclusion initiatives to provide a diverse and equitable workforce and executive leadership team. We know a diverse profession is a sustainable profession.

Regrettably, the provision in SB 217 that prohibits an employer from asking about current salary during the hiring process does not seem workable. Collecting current salary information is the way employers determine typical market compensation for candidates. Prohibiting this practice will likely limit company growth and competitiveness. It will hinder Maryland firms from hiring the most qualified candidates and attracting out-of-state talent.

The requirements in SB 217 to provide the wage range for a position to an applicant for employment is problematic. Suppose a CPA firm sets a pay scale and through the interview process finds a person they like, but the individual has less experience or fewer credentials than identified required for the position. A firm's options in this case are to (1) not offer the job, or (2) redo the pay scale in order to hire the individual. Most firms will end up not offering the job.

Page 2

The Honorable Delores D. Kelley, Chair
February 13, 2020

Companies of all shapes and sizes are deploying proven methods for addressing pay equity, such as mentorships programs, blind evaluations and hiring practices, standardized salaries, flexible schedule for working parents, and the like. We firmly believe legislation should account for these programs as legitimate ways to address pay equity so companies that are already working toward a solution can continue to do so without interruption. For these reasons, we respectfully request an unfavorable report for SB 217.

Sincerely yours,

A handwritten signature in black ink, appearing to read "J. Thomas Hood, III". The signature is fluid and cursive, with a large initial "J" and "H".

J. Thomas Hood, III, CPA
CEO & Executive Director

cc: Nick Manis, Manis Canning & Associates

MDDCUA_UNF_SB217

Uploaded by: Murray, Rory

Position: UNF



Chairwoman Delores Kelley
3 East
Miller Senate Office Building
Annapolis, MD 21401

SB 217: Labor and Employment - Wage History and Wage Range
Testimony on Behalf of MD|DC Credit Union Association
Position: Oppose

Chairwoman Kelley, Vice-Chair Feldman and members of the committee,

On behalf of the MD|DC Credit Union Association and the 84 Credit Unions and their 2 million members that we represent in the State of Maryland, we appreciate the opportunity to testify on this legislation. Credit Unions are member-owned, not-for-profit financial cooperatives whose mission is to promote thrift and provide access to credit for provident and productive purposes for our members. We respectfully oppose this bill.

The MD|DC Credit Union Association, and our members, support equal pay regardless of race or gender. While we commend the General Assembly for working to address pay equity, we think this bill will not have the desired impact and will not remedy the issue. It would simply make the hiring process more challenging for both the employer and the prospective employee.

Salary history is just one factor in the hiring process that an employer may consider, along with the applicant's skills, education and prior experience. Salary discussions can help determine whether an applicant's expectations of compensation are aligned with what the employer can realistically offer. Salary discussions early on in the interview process protect applicants and employers from going through a lengthy and rigorous hiring process, only to find out that compensation available for the position is not acceptable for the applicant.

We fully support equal pay and while we agree with the intent of this bill, we do not agree with the method proposed.

Please do not hesitate to contact me at 443-325-0774 or jbratsakis@mddccua.org, or our VP of Advocacy, Rory Murray at rmurray@mddccua.org should you have any questions. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "John Bratsakis". The signature is fluid and cursive, with the first name "John" being larger and more prominent than the last name "Bratsakis".

John Bratsakis
President/CEO
MD|DC Credit Union Association

IEC Chesapeake__Oppose_SB217

Uploaded by: o'keeffe, kevin

Position: UNF



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February 13, 2020

To: Members of the Senate Finance Committee

From: Independent Electrical Contractors (IEC) Chesapeake

Re: Oppose Senate Bill 217 – Labor and Employment – Wage History and Wage Range

IEC Chesapeake opposes SB217 because it believes that the setting of wages and the sharing of information about perspective employee wage history and range should be free from government intervention. IEC Chesapeake believes SB217 would compel businesses to alter their job applications if they currently ask for wage history. This legislation could result in prolonging the wage negotiation process. In addition, employers would have to shoulder additional costs to implement new personnel training systems to comply with SB217. The proposed civil penalties of \$500 to \$5,000 for violations of this proposed legislation are excessive. For the above reasons, IEC Chesapeake requests an unfavorable report on SB217.

Independent Electrical Contractors (IEC) Chesapeake represents members throughout Delaware, Maryland, Virginia, Pennsylvania, and Washington, D.C. Our headquarters are located in Laurel, Maryland. IEC Chesapeake has an extensive apprenticeship program for training electricians. In addition, IEC Chesapeake promotes green economic growth by providing education and working with contractor members, industry partners, government policy makers and inspectors to increase the use of renewable energy.

Thanks for your consideration. If you have any questions, please contact Grant Shmelzer, Executive Director of IEC Chesapeake, at 301-621-9545, extension 114 or at gshmelzer@iec-chesapeake.com or Kevin O’Keeffe at 410-382-7844 or at kevin@kokeeffelaw.com.



boma_unf_sb0217

Uploaded by: Popham, Bryson

Position: UNF

Bryson F. Popham, P.A.

Bryson F. Popham, Esq.

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February 13, 2020

The Honorable Delores Kelley
Chairman
Senate Finance Committee
3 East, Miller State Office Building
Annapolis, MD 21401

RE: SB 217 - Labor and Employment - Wage History and Wage Range – Opposed

Dear Chairman Kelley,

I am writing on behalf of the Building Owners and Managers Association (BOMA), to respectfully request an unfavorable report on Senate Bill 217, Labor and Employment - Wage History and Wage Range.

BOMA is a professional trade association that represents the best interests of commercial and real estate owners, real estate professionals and our associate members through effective leadership in advocacy, collection and dissemination of industry information, education, community involvement, membership participation, and professional development.

BOMA opposed similar legislation that was introduced during the 2018 Maryland General Assembly and the 2019 Maryland General Assembly.

First, regarding the requirement in SB 217 that an employer may not refuse to interview or employ a person because the person either did not provide wage history or requested a wage range for the position (page 2, lines 27-31), BOMA urges the Committee to consider that wage information is often confidential and proprietary to a business. It is an important competitive tool used by businesses in their business models, and thus of significant value to the employer. This language would add unreasonable hazards to the act of interviewing a job applicant.

Second, the bill does not define the terms “wage range” or “position.” There may or may not be a specific wage range that is available in the job application process. Similarly, there may not be one specific position for a job applicant, as there may be multiple positions available for which an applicant is qualified.

BOMA has other concerns with the bill as well. There is a list of additional prohibitions on certain employer actions beginning on page 2 in line 3. Each of these prohibitions is subjective in nature. They place the employer in the difficult position of refuting an applicant’s claim when a dispute between them may merely be a difference of opinion. The sanctions for engaging in prohibited conduct under the bill, while lower than penalties in previous versions of the legislation, remain potentially severe. Because the description of prohibited conduct is imprecise, an employer may not know, with confidence, which communications may be permissible under the bill.

While SB 217 has reduced some of the employer penalties that were present in previous versions of the legislation, it still places an employer in a difficult and hazardous situation when interviewing a prospective employee. Finally, BOMA has observed the legislative process on this issue for the past two years, and respectfully suggests that no material harm

has been demonstrated by proponents of the legislation, and therefore no compelling policy reason exists to support its enactment. BOMA therefore respectfully requests an unfavorable report on SB 217.

Very truly yours,

A handwritten signature in black ink that reads "Bryson Popham". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Bryson F. Popham

cc: Kevin Bauer
Joan Smith

MAMIC UNF

Uploaded by: Popham, Bryson

Position: UNF

Bryson F. Popham, P.A.

Bryson F. Popham, Esq.

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February 13, 2020

The Honorable Delores Kelley
Chair
Senate Finance Committee
3 East, Miller State Office Building
Annapolis, MD 21401

RE: SB 217 - Labor and Employment - Wage History and Wage Range – Opposed

Dear Chairman Kelley,

I am writing on behalf of the Maryland Association of Mutual Insurance Companies (MAMIC) in opposition to SB 217 – Labor and Employment - Wage History and Wage Range.

MAMIC is comprised of ten mutual insurance companies that are headquartered in Maryland and neighboring states. Approximately one-half of MAMIC members are domiciled in Maryland, and are key contributors and employers in their local communities. Together, MAMIC members offer a wide variety of insurance products and services and provide coverage for thousands of Maryland citizens.

As mutual insurers, MAMIC members are owned entirely by their policyholders, and any profits earned are either retained by the company or returned to policyholders in the form of dividends. By contrast, stock insurers are owned by shareholders. Profits generated by a stock insurer are distributed to investors who may or may not have a policy of insurance with the company.

Although some mutual insurance companies may be large organizations, MAMIC members tend to be small businesses. They are important members of the business community in Maryland towns and cities from Frederick and Hagerstown to Baltimore City. As small businesses, they need flexibility in the process of hiring employees. In addition, rapid changes in the insurance industry are particularly challenging for smaller insurers like MAMIC members. These are major factors that MAMIC members face in meeting their need to find and offer employment to qualified individuals.

As drafted, Senate Bill 217 presents some specific, significant burdens when seeking to hire employees. The insurance industry is highly competitive, and MAMIC members must compete with other, larger, well-financed insurers for experienced employees. Requiring MAMIC members to provide a “wage range” simply invites another insurer to outbid the MAMIC member. While we offer other values to employees, the bill’s disclosure requirement implies that the most important employee benefit is wages. MAMIC members offer other benefits, and it is potentially harmful to require the employment process to focus solely on wages, as contemplated by Senate Bill 217.

We also note that the terms “wage range” and “position” are undefined in SB 217. In a small insurer like a typical MAMIC member, employees may perform multiple duties and conceivably hold multiple positions. On occasion, when a highly qualified applicant approaches a MAMIC member, employment may be offered and a completely new role created. SB 217 does not contemplate that possibility.

Finally, the list of prohibited activities in SB 217, together with the remedies for engaging in that conduct, seem wholly out of proportion to the offenses set forth in the bill. MAMIC members are concerned that the language of the bill could lead to a substantial volume of employment litigation, however unintended that result may be by the sponsors of the bill.

In short, MAMIC members believe that SB 217, if enacted, would place a heavy burden on the small employers that comprise MAMIC membership. Moreover, MAMIC members do not believe that the bill would provide any tangible benefit to those seeking employment from our members. For these reasons, MAMIC respectfully requests an unfavorable report on SB 217.

Very truly yours,

A handwritten signature in black ink that reads "Bryson Popham". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Bryson F. Popham

cc: Joan Smith

MHLA_UNF_sb217

Uploaded by: Rohrer, Amy

Position: UNF

MHLA
Maryland Hotel
Lodging Association

SB 217 – OPPOSED
Labor and Employment – Wage History and Wage Range

The Maryland Hotel Lodging Association opposes this bill. While we understand the reasoning behind this legislation, we believe the bill is intrusive into private sector business.

Negotiations between an employer and a potential employee are sacrosanct and private. Frequently, salary ranges are set by a national company and are firm and not negotiable between an on-site employer and potential employee. On the other hand, if an employee is a “super star”, an employer may want to ensure that the salary offer to the potential employee is adequate enough to secure the hire. By setting these parameters, negotiations may be stymied.

Most employers are willing to discuss the wage scale, but if necessary, the employer may want to go above that scale on certain occasions.

In short, we ask the Committee to give this bill an Unfavorable Report as it is harmful to employer/employee relations and the hiring process.

Thank you for your consideration.

For further information, contact:

Amy Rohrer, CAE
President & CEO

DBM_INFO_SB217

Uploaded by: Wilkins, Barbara

Position: INFO



LARRY HOGAN
Governor

DAVID R. BRINKLEY
Secretary

BOYD K. RUTHERFORD
Lieutenant Governor

MARC L. NICOLE
Deputy Secretary

SENATE BILL 217 Labor and Employment – Wage History and Wage Range (Lee, et al)

STATEMENT OF INFORMATION

DATE: February 13, 2020

COMMITTEE: Senate Finance Committee

SUMMARY OF BILL: SB 217 requires an employer, upon request, to provide to an applicant for employment the pay scale for a position and prohibits an employer from seeking and relying on wage history of an employee or applicant when screening, considering the applicant for an interview or employment, or in determining the wages of the applicant. After making an offer for employment, an employer may rely on the wage information if the applicant voluntarily provides the information, without prompting. Civil penalties are imposed by the Commissioner of Labor for violations.

EXPLANATION: Each State Personnel Management System (SPMS) classification has a predetermined grade level, and there are salary guidelines established to define how salaries are determined for various types of hires, e.g., initial appointments, promotions, demotions, reinstatements, etc. Each SPMS agency must abide by the salary guidelines unless they have statutory authority to determine their own salary rules. It is important to note that the [State Salary Schedules](#) are totally transparent.

Salary offers above base require justification and approval. Depending on the salary being offered, the approval authority falls under the hiring agency or with DBM. Therefore, State agencies request verification of an applicant's current salary when the applicant makes a demand for a salary above the State offer, pursuant to current State salary guidelines. The State needs to be mindful of hiring new employees at salary levels that are higher than current employees in the same classification. However, an applicant's current pay rate could be an indication of the market rate. There is a distinction between market rate salaries which are best determined through verification, as opposed to the desired salary an applicant seeks –this difference has significant financial ramifications for State personnel costs. If agencies are unable to verify their current salaries, the State is at risk of over inflating the salary offers, with the added financial pressure of having to increase the pay of existing employees performing the same work for purposes of equity and morale.