Equal Pay

Oregon's Equal Pay Act was signed into law in 2017. On June 1, 2024, DAS will deploy a new methodology that will narrow wage gaps in state government's Executive Branch.

Advisory Report and Consultation

In March 2023, the Secretary of State's Audits Division released an advisory report titled "Oregon Must do More to Close Persistent Wage Gaps for Women and People of Color in State Government." The report



highlighted challenges Oregon state government has in narrowing wage gaps. The Department of Administrative Services (DAS) engaged The Segal Group to assist with reviewing current equal pay processes. We had two desired outcomes from the process:

- 1. Narrowing wage gaps, while following the law.
- 2. Increasing transparency of tools and practices available to agencies and employees.



Current Practice

The current practice and tools follow the equal pay law, but are not well understood or transparent, especially in how factors are applied or credited. Currently, Oregon's Executive Branch uses the following factors to determine pay:

Seniority – One step granted for each year of experience in current position and at least one step for promotion.

Education – Credit given only for education required or relevant to the job.

Experience – Relevant experience is weighted based on job categories from .25 to .85. **Job Categories** include entry, technical, professional, senior professional and executive.

- "Caps" and "weights" are applied by job categories.
 - Caps Initial salary is capped at a certain step regardless of actual prior experience. The caps range from step two to step nine, depending on the category.
 - Weights Relevant experience is weighted based on job category from .25 to .85; therefore employees in certain job categories take longer to reach the top step.



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New Method Starting June 1

To narrow wage gaps, DAS will adopt a new equal pay methodology effective June 1, 2024 – seven months earlier than planned. The new method applies to all job categories, removes caps, and weighs relevant experience the same for all jobs.

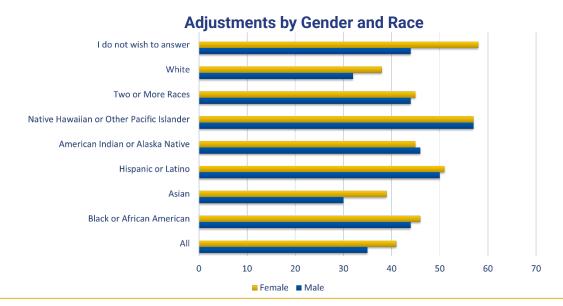


Seniority – One step granted for each year of experience in current position and at least one step for promotion.

Education – Credit is given for highest advanced degree received (associate, bachelor, master, doctorate) as an experience equivalent, regardless of relevancy to the job. **Experience** – Relevant experience is weighted at .5 across all jobs (two years of relevant experience equals one step).

Results

The new pay practice will make adjustments to approximately 38% of employees, aligning with our goal of narrowing wage gaps. The table below reflects the percentage of adjustments by gender and race.



References

- Oregon Equal Pay Act, ORS 652.210-652.234
- Oregon Dept. of Administrative Services <u>State HR Policy 20.005.10</u>
- Secretary of State Audit titled "<u>Oregon Must do More to Close Persistent Wage</u> <u>Gaps for Women and People of Color in State Government.</u>"



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