

Memorandum



City of Tempe

Date: April 1, 2016
To: Mayor and Council
Through: Councilmembers Kuby, Schapira, and Arredondo-Savage
From: Kristin Gwinn, Council Aide
Subject: **Equal Pay Working Group Recommendation**

BACKGROUND:

On February 19, 2015, the Mayor and Council approved the request to create a City Manager's Working Group exploring an Equal Pay for Equal Work ordinance for Tempe businesses.

The Working Group explored what other cities and states have done around the issue and specifically began exploring a model currently used in Albuquerque, NM. This model offered a worksheet for determining gaps in pay equity based on gender, which Albuquerque uses within its procurement process. The Working Group used the Albuquerque model to perform an internal audit on the City's gender pay equity and found that the worksheet often required additional documentation, which might be more burdensome for local businesses. On September 22, 2015, the working group presented this model to local stakeholders, who expressed similar concerns. The Working Group then began to develop a more comprehensive program with direction from policy experts at ASU.

The Working Group agrees to the underlying principle that pay inequity rarely happens intentionally and is most often the result of outdated policies, inherent or systemic biases, a gap in negotiation skills or self-confidence. Within this framework, the focus of the Group turned to the logistics of how to offer tools, information, and skills to businesses and workers. The Group discussed the following Four Pillars of Pay Equity as a comprehensive approach to the identified challenges:

The Four Pillars include:

1. Policy

No new ordinance is required, as discrimination in employment or compensation based on gender has been prohibited by Tempe law since 2014 in a voter-approved ordinance now contained within the City Charter. The current law:

- provides a process by which an employee can file a complaint should they believe they are not receiving equitable pay due to gender
- provides for the City to investigate these complaints and report findings and, when needed, to work to eliminate any violation through conference, conciliation, and discussion
- allows for fines of \$1,500 to no more than \$2,500 should the City be unable to obtain a conciliation agreement or otherwise dispose of the violation
- allows for an appeal process if either party is dissatisfied with the outcome
- does NOT impact, replace, or supersede the Federal EEOC complaint process

2. Self-Assessment Tool

The City will also encourage local businesses to self-assess their level of pay equity, providing a worksheet to assist in that process. On a voluntary basis, businesses may share their results with City staff for designation as an "Equal Pay Business Partner," to be listed on the tempe.gov website and provided with a window decal for advertising their participation and commitment to equal pay. Additionally, the Working Group believes that the self-assessment tool may assist businesses in identifying and resolving pay-equity issues before any complaints are filed.

3. Education/Outreach

The City will develop and provide quarterly workshops to local businesses on topics related to EEO, Equal Pay, and Anti-Discrimination. Recommended content areas include: diversity/inclusion, culture change, City of Tempe ordinances and FAQs, prevention, situational learning, practical tips and resources, and response strategies.

4. Training

The City will use an RFP to identify an organization to provide workshops designed to build confidence and skills around salary negotiation, identifying market worth, tools of persuasion, and business strategies. Although final cost is unknown without the RFP, an estimate by the American Association of University Women suggests the following potential cost breakdown as an example:

	Number of Women Trained	Number of Workshops	Cost per Workshop	Total Cost
Year 1	300	8	\$850	\$ 6,375
Year 2	600	15	\$850	\$ 12,750
Year 3	1,200	30	\$850	\$ 25,500
Total	2,100	53		\$ 44,625

DIRECTION:

We respectfully request the approval of continuing our work with the business community, ASU's WP Carey School of Business, and the Office of Strategic Management and Diversity to implement Pillars 2 through 4 of Pay Equity.

Councilmember Arredondo-Savage would also like to propose an additional avenue by which a business could qualify as an "Equal Pay Business Partner." Currently, to be certified, a business would share the results of their self-assessment tool. Councilmember Arredondo-Savage would like businesses to be able to qualify by attending a certain number of workshops. She had concerns that documentation provided would be a public record and that could act as a deterrent to businesses who would otherwise want to be certified.

WORKING GROUP MEMBERS:

Councilmember Robin Arredondo-Savage
Councilmember Lauren Kuby
Councilmember David Schapira
Ken Jones, Deputy City Manager, CFO
Judi Baumann, City Attorney
Rosa Inchausti, Director of Strategic Management & Diversity
Renie Broderick, Director of Internal Services
Jon O'Connor, Deputy Director Internal Services, HR
Lawrence LaVictoire, Human Resources Manager
Wydale Holmes, Senior Learning and OD Associate
Michael Greene, Central Services Manager, Procurement
Wendy Springborn, Engineering Services Manager
Elizabeth Higgins, Chief of Staff, Mayor and Council
Kristin Gwinn, Council Aide