



Memorandum

TO: MAYOR LICCARDO

FROM: Councilmember Donald Rocha

SUBJECT: BUDGET DOCUMENT

DATE: May 20, 2015

Approved Don Rocha Date 5-20-15

PH

RECOMMENDATION

That the following recommendation be enacted.

Proposal

Program/Project Title: Gender Pay Equity Study

Amount of City Funding Required: \$60,000

Fund Type (i.e. General Fund, C&C funds, etc.): General Fund

This change is:

One-time Ongoing

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

More than 50 years after the enactment of the Equal Pay Act, women are still making substantially less money than men. According to the most recent statistics from the U.S. Census Bureau, the median earnings for U.S. women working full time, year-round were just 78 percent of U.S. men's median earnings—a gap of 22 percent. In the workplace, gender inequity in pay, hiring or promotions continues to be a reality.

This is a proposal to fund and conduct a gender pay equity study which compares and examines City employee salaries based on the same level of skill, effort and responsibility. Currently, City employees' compensation information is made public online. The purpose of a gender pay equity study is to provide an understanding of the City of San Jose's pay structure and examine gender equity among City employees. The job evaluation system can be used both for the gender pay equity study and then for other personnel functions such as reclassifications so that a consistent, fair system will be in place.

The cost estimate indicated that this would be a two part process: 1) the non-management classifications would be done in-house. Non-management classifications are in a step system where employees in the same "step" make the same amount of money. This data is readily available in PeopleSoft. 2) Analysis of classifications not within the step system would be done by an outside consultant, and would take the consultant approximately 3 months to complete. Employees not within the step system typically have executive, professional, and managerial positions, and whose salaries are based on a performance appraisal process.

While conducting a well-designed study may be a tedious process, the benefits are significant. Such a study displays strong and proactive commitment to gender equity and the concept of equal work for equal pay. The state of Minnesota, for example, requires public-sector employers to conduct a pay equity study every few years and eliminate pay disparities between female-dominated and male-dominated jobs that require comparable levels of expertise. The City of San Jose has an opportunity to set an example for businesses and other government administrations to follow while promoting transparency in compensation and bringing attention to the wage gap. Additionally, a gender pay equity study will help the City identify and eliminate potential disparities in pay based on gender, which in turn create for a stronger organization, better staff retention, and increased employee satisfaction.

Funding Source

Essential Services Reserve (\$2 million)

Other (Program/Project/Fund):

Department or Organization:

Department or Organization Contact (list contact information for the individual that certified cost estimates contained within your recommendation):

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