



THE VOICE OF MONTGOMERY COUNTY BUSINESS

MONTGOMERY COUNTY BILL 29-14:

**CONTRACTS AND PROCUREMENT – WAGE REQUIREMENTS –
REPORTING**

JULY 16, 2014

OPPOSE

The Montgomery County Chamber of Commerce (MCCC) thanks the County Council for the opportunity to provide our perspective on Bill 29-14 Contracts and Procurement - Wage Requirements – Reporting which impacts many of the businesses that do business with the Montgomery County government.

To be clear, the Montgomery County Chamber of Commerce supports equal pay for equal work and believes that neither gender, race, religion nor other forms of discrimination should be a barrier to success. However, the MCCC opposes this legislation because it offers no remedy to the problem.

Based on our understanding of the legislation, if a company does not provide a report on salaries with gender and race information, they are non-compliant and will be subject to liquid damages. But, the legislation does not make it illegal for a company to pay different wages. Despite the significant effort to collect and analyze the information, there will be no impact on the core issue of equal pay for equal work.

The legislation does not impact companies with fewer than 10 employees or subcontractors. For larger companies, the collection of the data presents a significant burden for an employer with automated payroll. Employees who work on County contracts would need to be separated from others and then salary information would need to be matched with gender and racial information which typically is not part of payroll because it is considered confidential at the individual level. For companies that use outside vendors for these tasks, they will have to pay more for this customized data collection and analysis. As the impact statement suggests, this will lead to higher bids and perhaps cause a company to lose a contract – even if the employer is already paying equal wages for equal work. To illustrate this point, consider what it would take for the Montgomery County Government to lead by example and provide salary information by gender and race on the Data Montgomery website. It is not a simple project nor does it provide useful or actionable information.

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In sum, there are two main disadvantages to the legislative remedy approach:

- Neither the Department of General Services nor the Office of Human Rights are regulatory or enforcement agencies. Adding two FTEs to DGS to audit companies is not a good use of limited resources.
- Requiring a business that is already complying with living wage requirements to collect and report data that is not typically associated with pay roll is an additional administrative burden and does not address the root problem of pay equity.

Pay disparity and retaliation for disclosing salary information are important issues. They are not resolved through the County Code.