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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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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.