

Re: Pay Equity Review and Actions

Dear RISD Staff and Managers,

As you might recall from previous communications, RISD engaged AON, an independent third-party expert, to help us further modernize our compensation program to ensure that it is fair and equitable, and enables us to recruit and retain RISD employees. Aon's work will also make certain that we are operating in compliance with compensation laws, including pay equity legislation that was recently passed in Rhode Island.

This project involves three phases, which collectively support RISD's commitment to being an equitable workplace: conducting a comprehensive pay equity review (recently completed), replacing our salary grade system with a more modern structure (expected in fall 2023), and developing career pathways that will inform career advancement (expected in 2024).

Today I am writing to share the below overview of what the recently completed comprehensive pay equity review entailed.

What is pay equity?

Pay equity is the process of reducing salary disparities among internal employees based on race, gender, ethnicity, age and other factors. In practice, pay equity means paying employees with similar job functions comparably similar wages, regardless of their identity.

Pay equity looks at the wages of comparable internal positions that require substantially similar skill, effort and responsibility and ensures that differences in wages, if any, are based on permissible factors.

The State of Rhode Island recently passed legislation defining what those permissible factors may be. They include, among other factors, education, training, a merit system where pay increases are based on performance, experience to the extent that such factors are job related and consistent with a business need, and a seniority system which looks at years of service with the employer.

What did RISD's pay equity review entail?

Aon conducted a rigorous analysis on all non-temporary staff positions to evaluate the relationship between protected characteristics such as gender, race and ethnicity and base pay. As part of the review, they also took into consideration factors such as experience, seniority and time in position that influence pay decisions.

What were the results of RISD's pay equity review?

Aon recommended pay adjustments for 24 staff totaling approximately \$46,000 due to identified pay equity differences that could not be attributed to factors such as experience, seniority and time in position. RISD implemented those adjustments in the amounts Aon recommended and communicated



with the impacted employees accordingly. If you have not been contacted, Aon confirmed that your pay is equitable in accordance with pay equity standards. Going forward, pay equity reviews will take place periodically, anticipated to occur every 3 to 4 years.

Looking back, the original timeline for this project was overly ambitious and too much time has passed without a staff-wide update on progress. In the coming weeks, we'll establish a page on the HR website with information related to the next two phases of this work - replacing our salary grade system with a more modern structure, and developing career pathways that will inform career advancement. In the meantime, if you have any questions, please contact me or your <u>HR partner</u>.

Sincerely, Liz Rainone

Interim Vice President Office of Human Resources