



## **Representative Kent Smith**

Ohio House District 8

HB 396 Sponsor Testimony  
November 29, 2022  
Commerce And Labor Committee

Chairman Stein, Vice Chair Johnson, Ranking Member Lepore-Hagan and members of the Commerce and Labor Committee, thank you for providing myself and my cosponsor an opportunity to argue for the passage to House Bill 396 which could cut the poverty rate for working women in half – without a tax increase – in full enacted across Ohio.

There have been a multitude of wage gap studies published by the Institute for Women’s Policy Research (IWPR). Among their research findings, they indicate if the wage gap were eliminated in Ohio, the poverty rate for working women would be cut almost in half from 8.6% to 4.5%.

HB 396 would direct the Department of Commerce to create a Fair Paycheck Workplace certificate program. The program to evaluate the payroll records of businesses seeking to gain the Fair Paycheck Workplace (FPW) designation. Those seeking the FPW designation would have to submit recent payroll records with the gender of each employee identified. If the average salary of men and women were within 5 (five) percentage points. The criteria, if approved would need to be confirmed at the six month and twelve-month mark. From that point forward it could be renewed annually.

The Fair Paycheck Workplace designation is a new approach to close the pay equity gap. Much of the legislation introduced to fix the gender wage gap issue in Ohio has been punitive. The FPW certificate program will encourage employers to fix the wage gap within their own businesses and, if they do so, they will receive public, state recognition by winning the designation as a “Fair Paycheck Workplace”.

Instead of new legislation that seeks to punish employers that are not paying men and women equally, let’s reward the businesses that have adopted that practice. This public acknowledgement and recognition from the State of Ohio will encourage other employers to follow suit.

It is permissive. It is not punitive. It's a carrot, not a stick. But House Bill 396 could help fix the problem of unequal pay for equal work. Thank you for providing this legislation with it's first hearing 14 months after it was referred to Commerce and Labor Committee. We would be happy to answer any questions the Committee might have.