

Strategic Team Committee of the Whole: Anti-Racism and Economic Justice Trust Update

Agenda

- Opening and Introductions
 - Elizabeth Tolzmann, Policy and Planning Director
- Anti-Racism and Economic Justice Trust Update
 - Tiffany Wilson-Worsley, Director of Employee Learning and Engagement
- Workforce Data
 - Ling Becker, Workforce Solutions Director
 - Dana DeMaster, Research Manager, Health and Wellness Administration
- HR Initiatives
 - Annie Porbeni, Human Resources Director
 - Prince Corbett, Racial Health and Equity Administrator
- Procurement Modernization
 - Alex Kotze, Chief Financial Officer

Goals for Today

- Provide Anti-Racism and Economic Justice Trust (AREJ) update
- Provide Procurement Modernization update
- Have discussion and feedback from the board



Overview

Anti-Racism and Economic Justice Trust

Andrea Ferstan | Vice President of Innovation, Policy, and Research

Tiffany Wilson-Worsley | Director of Employer Learning & Engagement





Mission

We are committed to working across sectors to strengthen the Minneapolis-St. Paul region's **civic infrastructure and collective capacity** to disrupt systems and influence market forces to **catalyze shared prosperity and advance an inclusive economy.**

Awareness.

Action.

Accountability.



OVERVIEW

Anti-Racism and Economic Trust



Our region and our state will not heal until we address racism.

We must address racism by becoming anti-racist.

Purpose

Align, accelerate, and aggregate anti-racist corporate and governmental actions, investments, and commitments toward building a racially equitable, inclusive and economically just region and economy.

Members

Private-sector employers and public-sector agencies committed to:

- Reimagine and reform corporate actions and government policies and investments
- Peer learning
- Aggregate goal setting and monitoring
- Shared accountability to dismantling systemic racism and ultimately closing racial wealth gaps

Our region and our state will not heal until we address racism.

We must address racism by becoming anti-racist.

Values in Action

- Belief that Closing Racial Wealth Gaps is Possible and is Dependent Upon Anti-Racist Action
- Anti-Racism
- Economic Justice
- Co-Creation & Shared Accountability
- High Action/High Alignment Results
- Investing in Black Leadership

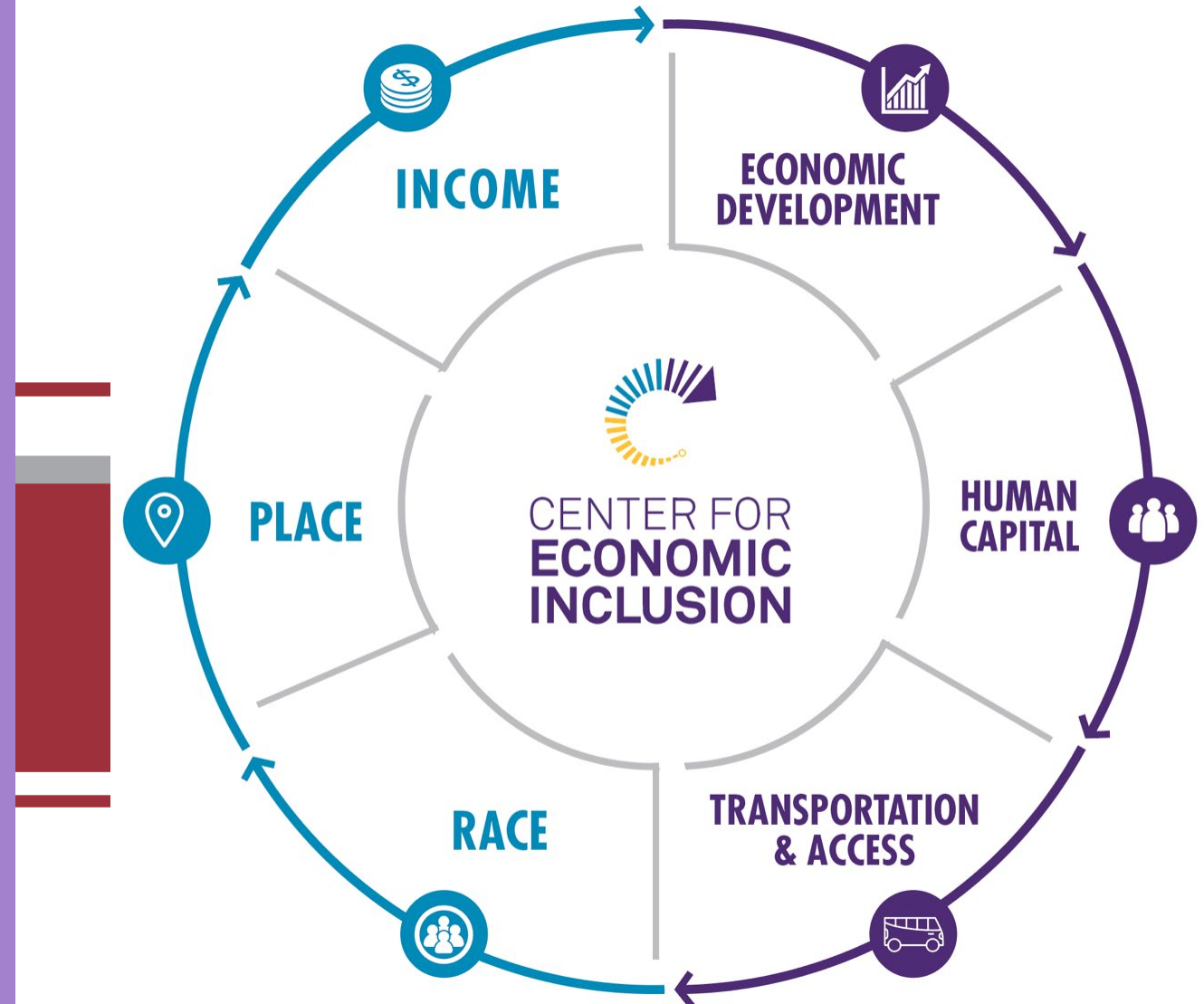
- Bremer
- City of Brooklyn Park
- City of St. Paul
- M Heath Fairview
- Metropolitan Council
- Mille Lacs Corporate Ventures
- Ramsey County
- Securian

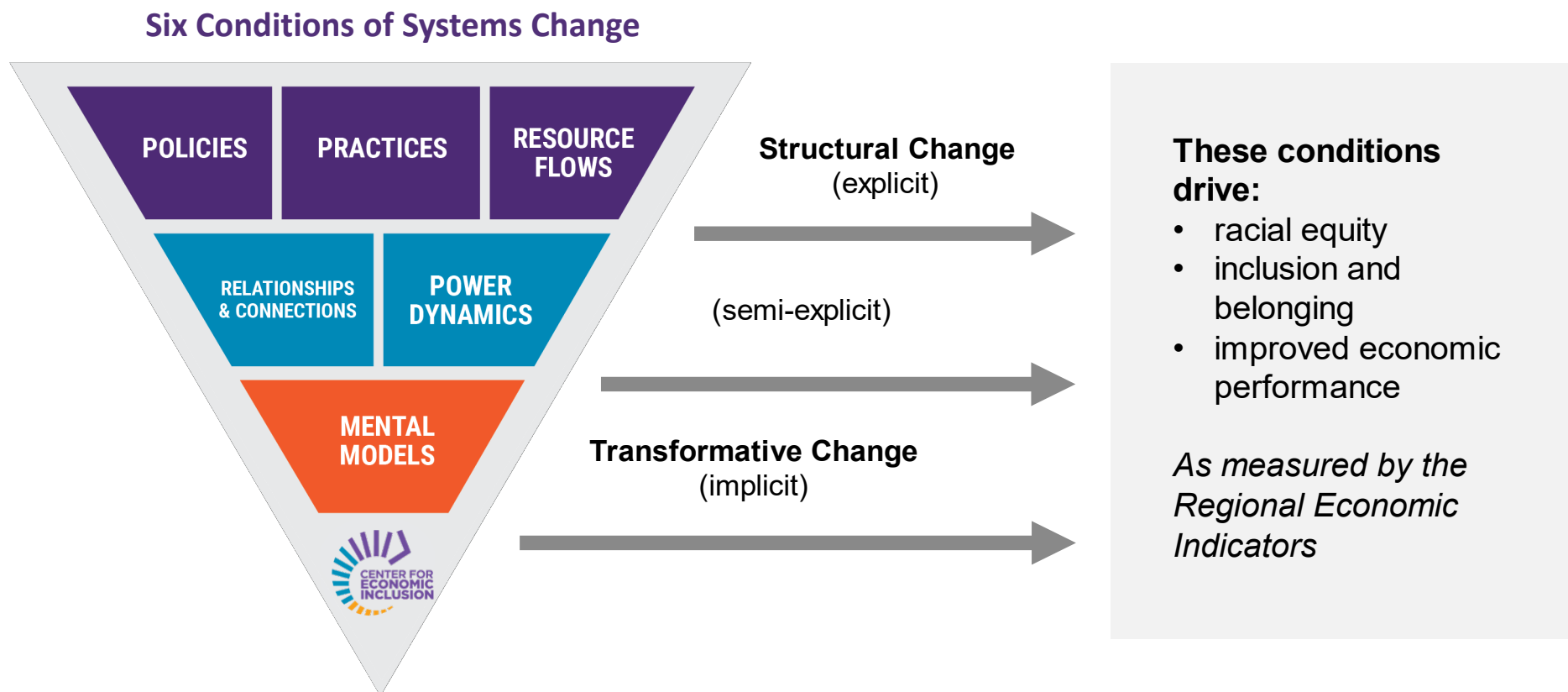
Employees
Private: 40,636
Public: 14,582

Total: 55,218

Solutions:

- ✓ Center Black, Indigenous & People of Color, and Racial Equity
- ✓ Be Data Informed
- ✓ Be Market Responsive





5 Pillars of Racially Responsive Employer Action





All Black, Indigenous,
Latinx, and Asian
people in Minnesota
experience
intergenerational
economic prosperity.

Ramsey County AREJ Team



Ling Becker



Elizabeth Tolzmann



Kari Collins



Dana DeMaster



Prince Corbett



Zachary Hylton



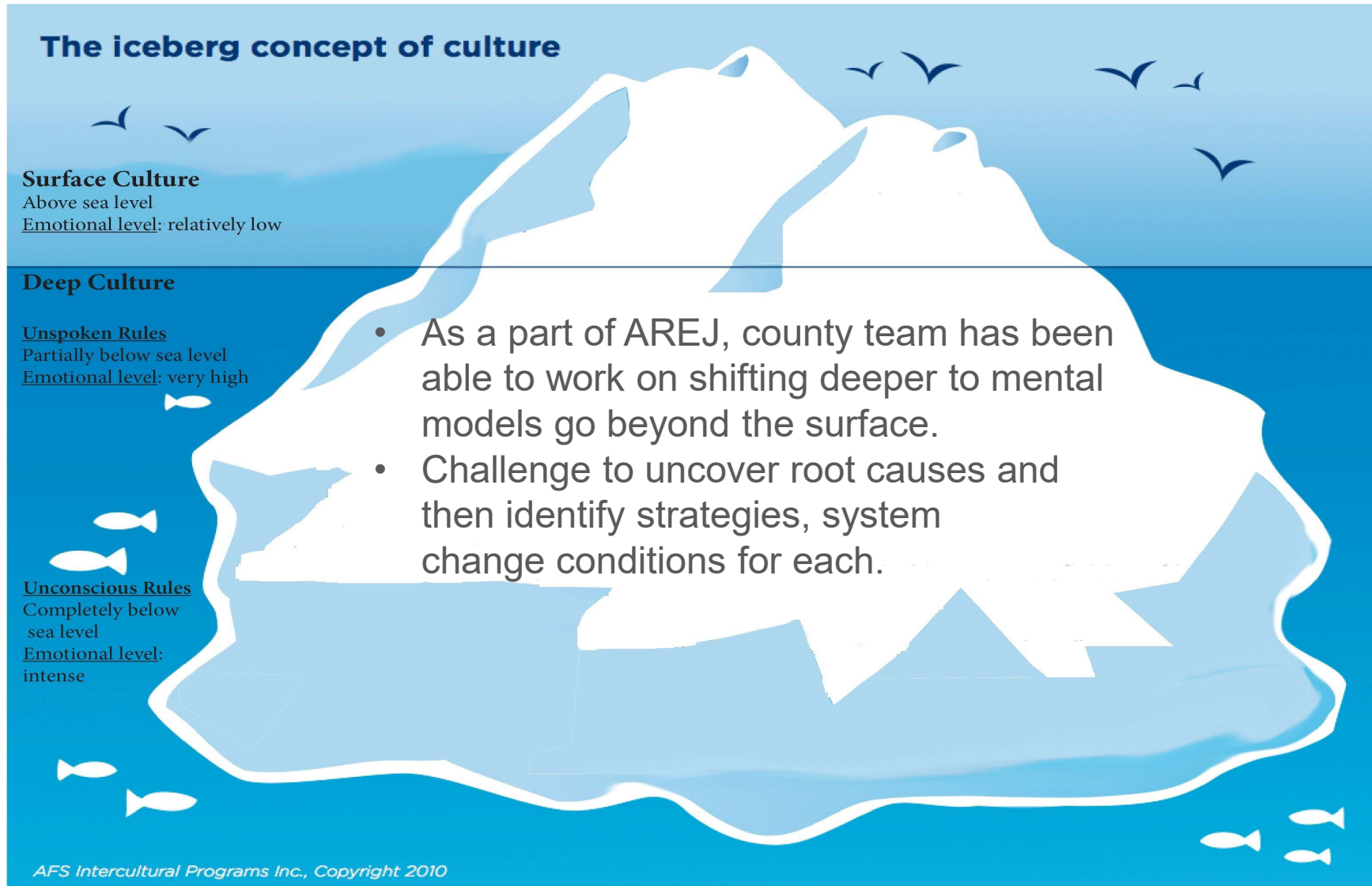
Dana Noffke



Antonio Montez

Ramsey County and AREJ

- Participated in learning cohort.
- Added team members as the work evolved.
- Created two internal work teams focusing on People and Procurement.
- Identified organizational measures.
- Identified Hot Roots, Strategies, and Systems Change Conditions for each measure.



Black Wage Gaps

In Ramsey County, Black talent accounts for 10.9% of the county's workforce compared to 8.6% in the 7-County MSP Metro. The graph below shows the wage gap between average monthly earnings of Black talent and all talent overall in Ramsey County.

The Wage Gap for Black Talent in Ramsey County[1]



Average Monthly Earnings (Stable Jobs) by Race, Wage Gap from Group Average[2]

	Agriculture, Forestry, Fishing and Hunting	Construction	Manufacturing	Transportation and Warehousing	Information	Finance and Insurance	Management of Companies and Enterprises	Educational Services	Health Care and Social Assistance
Black or African American Alone	\$3,956	\$4,929	\$4,920	\$3,377	\$6,287	\$5,520	\$8,853	\$3,518	\$3,189
Average Monthly Earnings (stable jobs)	\$3,971	\$6,814	\$7,300	\$5,025	\$7,964	\$8,533	\$10,920	\$4,279	\$4,774
Wage Gap	-\$15	-\$1,885	-\$2,380	-\$1,648	-\$1,677	-\$3,013	-\$2,067	-\$761	-\$1,585

Asian Wage Gaps

In Ramsey County, Asian Talent accounts for 13.1% of the county's workforce compared to 7.5% in the 7-County MSP Metro.

The graph below shows the wage gap between average monthly earnings of Asian talent and all talent overall in Ramsey County.

The Wage Gap for Asian Talent in Ramsey County [1]

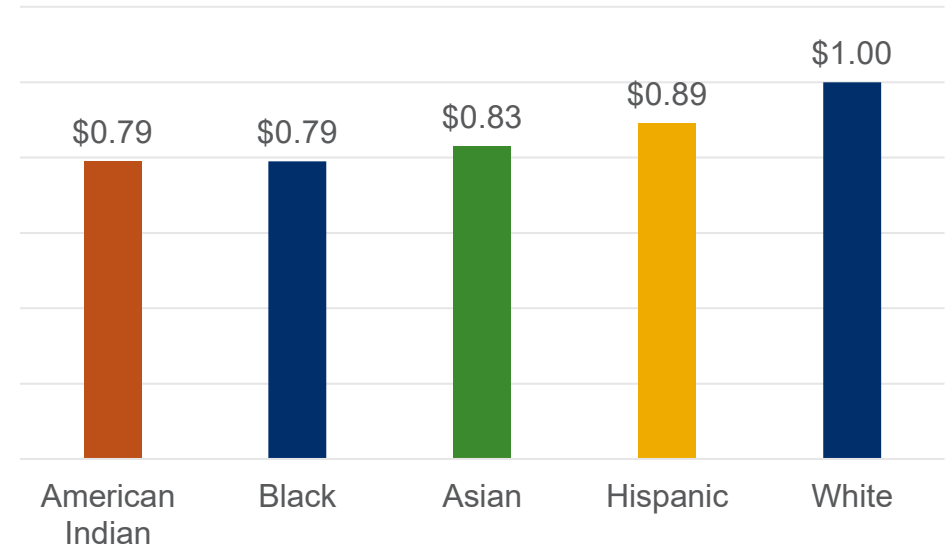
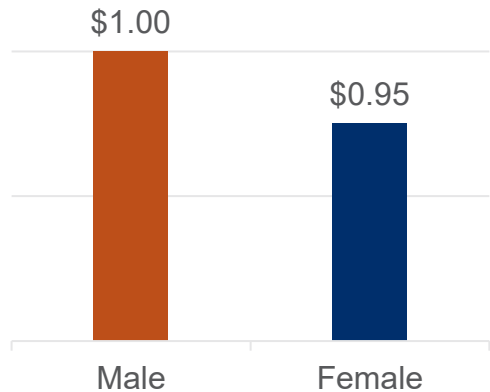


Average Monthly Earnings (Stable Jobs) by Race, Wage Gap from Group Average [2]

	Agriculture, Forestry, Fishing and Hunting	Construction	Manufacturing	Transportation and Warehousing	Information	Finance and Insurance	Management of Companies and Enterprises	Educational Services	Health Care and Social Assistance
Asian Alone	\$2,643	\$5,331	\$5,375	\$3,807	\$7,811	\$6,134	\$11,939	\$3,947	\$3,516
Average Monthly Earnings (stable jobs)	\$3,971	\$6,814	\$7,300	\$5,025	\$7,964	\$8,533	\$10,920	\$4,279	\$4,774
Wage Gap	-\$1,328	-\$1,483	-\$1,925	-\$1,218	-\$153	-\$2,399	\$1,019	-\$332	-\$1,258

Where We Are Now

- An AREJ required performance measure is median wages by race.
- For every \$1 a male employee makes a female employee makes \$0.95.
- Using April 2021 data from Summit, for every \$1 a White employee earns:



But why? Are employees from racially and ethnically diverse communities newer employees? Do they work in different jobs than White employees? Do they have less experience? Or, is it something else?

Isolating the Factors

- Median wage analyses do not account for factors that impact wages, like job tenure, job class, union representation, or salary step.
- Regression analyses allows us to look at each variable, with all else held constant.
 - It statistically controls for the effects of each variable.
 - It tells us the likelihood a result is due to chance or error.
- This is **NOT** an analysis of individual wages or individual wage decisions at hire by supervisors and Human Resources. It does not answer the question of whether biased salary setting exists.

Regression Variables

- **Job Related**
 - Years of employment at Ramsey County
 - Salary step
 - Union representation
 - Job Band as a proxy for level of discretion and decision-making authority
 - Service team
- **Employee Personal Characteristics**
 - Whether an employee is Black, Asian, or Hispanic
 - Whether an employee is male or female

Regression Results

- The model had an Adjusted R^2 of 0.76, meaning it explained 76% of the variation in wages.
 - Other factors that could explain the difference that were not in the regression are experience prior to county employment, previous salary, or education level.
- All else equal, being
 - Female **decreased** wages by an average of \$1.97 per hour,
 - Black **decreased** wages by an average of \$1.20 per hour, Asian **decreased** wages by an average of \$0.98 per hour, and
 - Hispanic **decreased** wages by \$1.13 per hour.

Other Factors Impacting Hourly Wage

- Being in...
 - Band A **decreased** wages by an average of \$5.00 per hour
 - Band C **increased** wages by an average of \$12.13 per hour
 - Bands D or E **increased** wages by an average of \$27.58 per hour
 - Union **decreased** wages by \$0.88 an hour, each additional year of employment **increased** wages by \$0.06 per hour, and each additional step **increased** average wages by \$1.36 per hour.
- Service Team also matters
 - Being a Safety and Justice employee **increased** wages by an average of \$4.98 per hour.

Have White male employees just worked here longer?

	Years	Step	Band A	Band B	Band C	Bands D&E
Asian	7.8	6.3	6.9%	48.3%	40.5%	1.2%
Black	5.8	5.3	16.7%	40.8%	30.1%	1.6%
Hispanic	7.2	5.9	12.9%	52.4%	27.4%	1.6%
White	12.4	7.3	5.7%	43.7%	41.2%	3.3%
Male	10.5	6.5	8.2%	43.2%	36.5%	2.7%
Female	9.9	6.7	8.9%	42.8%	39.5%	2.5%

- There are statistically significant differences in years of employment, step, and job band by race that contribute to differences in pay.
- **There are no gender differences in job band which means women's lower wages are not explained by their level of responsibility despite being at slightly high average steps.**

Why do employees from racially and ethnically diverse communities and women have lower wages?

- To better understand the regression results, regressions were run by service team and means testing was conducted to understand relationships within services teams between wages and factors like job tenure, job class, and demographics.
- The regressions by service team found that:
 - EGCI, HWST, and Safety and Justice have significant disparities by gender.
 - Health and Wellness was the only service team to have disparities by race for Black, Asian, and Hispanic employees. EGCI had disparities in wages for Black employees and Safety and Justice had disparities in wages for Asian employees.

Results by Service Team

Variable	EGCI	HWST	IPR	S&J	Strategic
Number of Employees	730	2,281	199	896	106
Female	-\$2.31***	-\$1.35***		-\$2.60***	
Black	-\$1.49**	-\$1.23***			
Asian		-\$1.00**		-\$1.42**	
Hispanic		-\$1.29**			
Union Represented	-\$2.33***	\$1.79***		\$5.37***	
Years Employed				\$0.26***	
Band A	-\$6.16***	-\$5.88***		-\$7.66**	N/A
Band C	\$8.33***	\$11.51***	\$9.34**	\$17.35***	\$8.89***
Bands D and E	\$26.27***	\$25.68***	\$29.08***	\$31.02***	\$21.04***
Step	\$1.34***	\$1.71***	\$1.37***	\$0.92	\$1.67***

Only significant variables are shown.

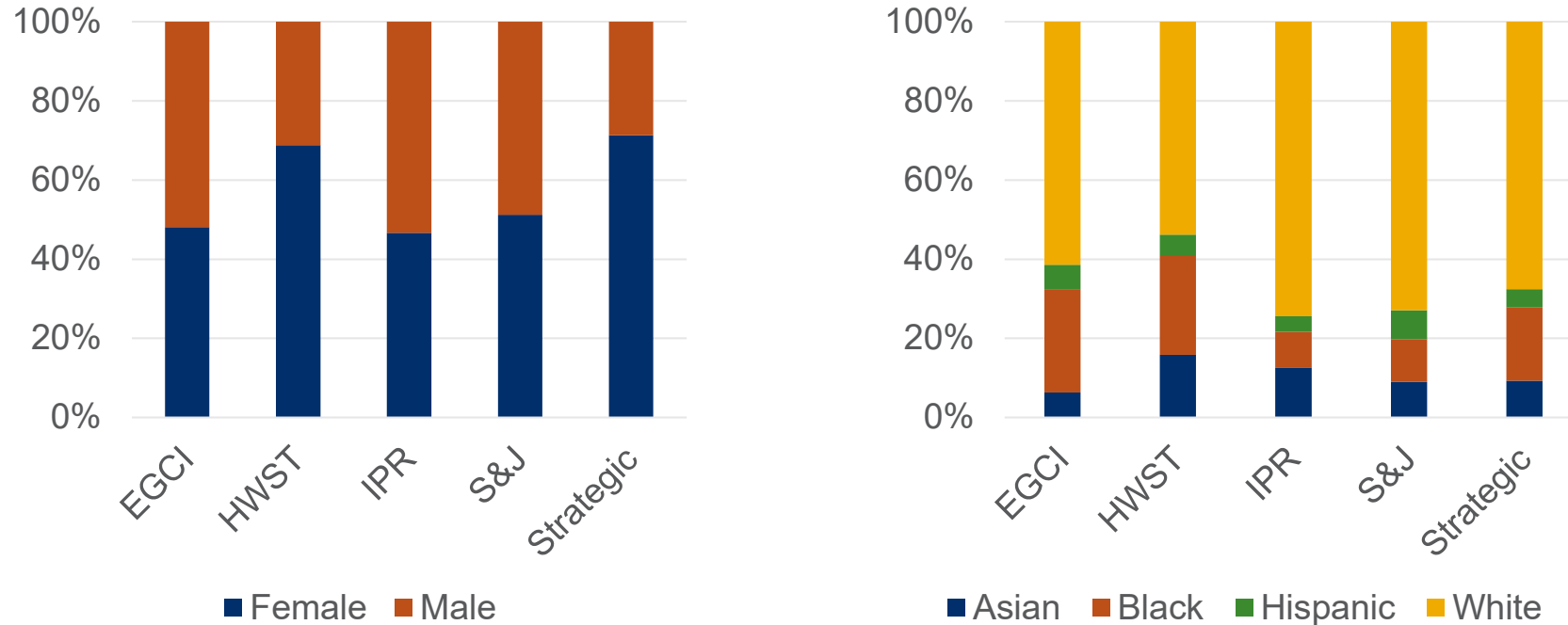
*** = 0.000, ** = 0.010

Average Wages by Job Band and Service Team

	All Bands	A	B	C	D, E, F
EGCI	\$28.84	\$19.86	\$28.62	\$38.22	\$59.28
HWST	\$33.79	\$20.67	\$26.93	\$41.52	\$61.35
IPR	\$41.82	\$21.47	\$30.93	\$44.12	\$65.30
S&J	\$36.31	\$19.69	\$31.78	\$49.26	\$70.76
Strategic Team	\$41.85		\$30.58	\$40.80	\$61.34
Ramsey County	\$34.13	\$20.15	\$28.93	\$42.33	\$63.24

Wages are significantly different across service teams, with EGCI and HWST having the lowest average wages. Regression results showed Safety & Justice having wages nearly \$5.00 more than other service teams. Smaller differences were seen elsewhere.

Race and Gender of Employees by Service Team



EGCI and HWST are more likely to employ people from racially and ethnic diverse communities than other service teams and the HWST was most likely to employ women.

Deeper Dive into HWST

Variable	Community Corrections	FAS	HWAD	SSD	Public Health
Female	-\$1.63***			-\$1.36***	
Black	-\$0.86*				-\$1.95*
Asian	-\$1.85**			-\$1.06*	-\$2.27**
Hispanic			-\$4.04**		
Union				-\$4.36***	
Years Employed		\$0.11**		\$0.14***	
Band A	-\$6.59**	-\$2.90*		-\$1.69*	-\$17.33***
Band C	\$8.11***	\$9.42***	\$12.38***	\$13.35***	\$13.53***
Bands D & E	\$24.79***	\$39.54***	\$22.77***	\$28.92***	\$25.30***
Step	\$1.76***	\$1.31***	\$1.54***	\$2.29***	\$1.69***

*** = 0.000, ** = 0.010, * = 0.100

Gender and Race Within HWST

- When comparing departments within the HWST, there were **significant differences by race for step, job band, and length of county employment**.
 - White employees in the HWST had, on average, worked for the county for more years, had a higher step, and had jobs in higher bands than employees from racially and ethnically diverse communities.
 - These things explain some of the differences, but do not completely explain the racial disparities seen in some HWST departments.
- In the HWST, there were **no significant differences in gender according to step, job band, or length of county employment**, meaning that wage differences were not related to those things. This means gender **disparities within HWST were not explained by these factors**.
- Like across service teams, average wages varied by department. **Wages are significantly between departments, with FAS and HWAD having the lowest wages.**

Gender and Race Across HWST Departments

	Total Employees	Female	Male
Total	2,281	68.8%	31.2%
CC	492	46.3%	53.7%
FAS	349	78.8%	21.2%
HWAD	169	66.3%	33.7%
SSD	903	72.5%	27.5%
PH	362	81.5%	18.5%

- There were no statistically significant differences in the race of employees across departments.
- There were significant gender differences.
- Departments with lower wages are associated with a higher percentage of female employees.

Conclusions

- There were no statistically significant differences by gender in job band or years of county employment overall. Across services teams, women and men were equally likely to be in different job bands and be employees for the same amount of time.
- What this means is that women's lower wages are not explained by their level of responsibility or tenure.
- The major reason for racial and gender disparities in the county is the concentration of women and people from racially and ethnically diverse communities into service teams and departments with lower overall wages, which are most often fields that are traditionally female occupations.

Big Takeaways

- Ramsey County wages reflect structural sexism in the labor market.
- This is compounded by hiring of people from racially and ethnically diverse communities who are majority women into departments impacted by structural sexism and how we apply personnel rules.
- The problem won't be solved by benchmarking wages to a sexist job market.

Hot Roots Identified: Asking Why?

- Pay and Salary Gap
 - Pay and salary gap in professions, industries, and classifications with high concentration of women and BIPOC compensated lower than other white male dominated professions
- Wage Disparities
 - Archaic policies, personnel rules or statutes that create rigorous and time intensive processes
 - Lack of transparency, documentation or consistent processes
 - Inconsistent practices and applicability of rules and policies that perpetuates institutional racism
 - Lack of effective onboarding and training to supervisors/managers

How we are addressing our AREJ work: Pay/Salary Gaps

- Hired an in-house class and compensation personnel in HR to compare classifications to market conditions
- Ongoing Gallagher work on classification and compensation
 - January 19, 2021, Board Workshop Report materials
 - Discussed methodology and results of classification and job evaluation
 - Provided market results and comparisons
 - Reviewed findings and analysis of compensation
 - Discussed compensation philosophy and recommendation to anchor at the 65th percentile
- Update and finalize classification structure and specifications as necessary
- Prepare for implementation of compensation changes into 2023

How we are addressing our AREJ work: Wage disparities

- Currently reviewing and updating personnel policies and rules and how they impact wages at hiring, promotion, lateral moves with a lens of equity (include list of recommended statutory changes)
- Developing a consistent and prioritized process for wage disparity review
- Understand and evaluate how applying wage rules differently across departments and service teams impacts employees and documenting consistency processes to justify/defend decisions
- Developing core manager/supervisor trainings, onboarding process for new employees, and consistent stay/exit interviews processes
- Developing a total rewards compensation guide to provide employees a comprehensive view of their compensation package and benefits.

Public Sector Pathways Work

- Talent Acquisition Team in HR
- Outreach/engagement out in the community for recruitment and attraction
- Partnerships with community-based organizations, colleges and universities, and public sector partners
- Pathways for interns, fellows, temps and provisional staff (crediting for experience)
- Defining and crediting for "lived experience"



Procurement Modernization Update

Accomplishments to Date

- Current state processes documented and analyzed from several perspectives (e.g., community, business partners, data, etc.)
- Program infrastructure defined including the core team and three sub-teams
 - **Evaluation & Award:** Completed evaluation processes and related templates to pilot within the TST Proof of Concept initiative.
 - **Solicitation Publication & Tools:** Gathered stakeholder requirements and piloted new solicitation publication techniques within the Proof-of-Concept initiatives.
 - **IT Purchasing & Contracting:** Analyzed current processes and began work on quick hit identification and future-state definition.
- Established the Advisory Team, which functions as a static focus group, and is comprised of both internal stakeholders and community members.
- Quick-Hit improvements identified and planned for October 2022 implementation:
 - **Insurance Requirement Modifications**
 - **Request for Proposal:** Newspaper Listings, Sealed Solicitation Responses, and Public Openings

Proof of Concept Initiatives

Description: The Proof-of-Concept (PoC) initiatives will utilize processes piloted for the 2019-2020 Immigration wrap-around services and Census outreach grants and the 2020 Emergency Purchasing Informal Quote (EPIQ) procurement process.

Purpose: The work will provide insight into and inform the future-state definition and related processes for Professional Services and Grant Expenditure Agreements.

Planned PoCs:

- **Workforce Solutions (WFS) Inclusive Employer Grants:**
 - <https://www.ramseycounty.us/businesses/doing-business-ramsey-county/inclusive-employer-champion-solicitations>
 - 4 contracts executed using new process
 - Up next: Evaluate the process
- **Transforming Systems Together (TST) Child Protection/Foster Care Grants:**
 - <https://www.ramseycounty.us/businesses/doing-business-ramsey-county/transforming-systems-together-grants>
 - 7/18 – Applications available on TST website
 - 9/6 – First round of applications were due
 - 9/30 – Second round of applications are due
- **RECERT Family Coach Evaluation (Professional Services):**
 - Will begin in Sept/Oct 2022

Next Steps

- **Governance:**
 - Solidify roles/responsibilities of program governance (i.e., Executive Steering Team).
- **Core Team:**
 - Expand the core team to ensure all Service Teams are represented.
 - Evaluate future-state organizational design models and submit recommendation for review and consideration.
 - Recommend roles and responsibilities within approved functions.
 - Recommend a staffing model.
- **Evaluation & Award Sub-Team:**
 - Pilot newly designed processes and related artifacts within the Proof-of-Concept initiatives; evaluate, and subsequently modify (as appropriate).
- **Solicitation Publication & Tools Sub-Team:**
 - Pilot innovation solicitation publication strategies within the Proof-of-Concept initiatives.
 - Solidify stakeholder requirements
- **IT Purchasing & Contracting Sub-Team:**
 - Identify, plan, and implement “quick hits.”
 - Define future-state processes and procedures specific to IT/IS contracts within scope.

Questions and Discussions

Ramsey County Workforce Statistics

<https://www.ramseycounty.us/your-government/departments/strategic-team/human-resources/workforce-statistics>

Ramsey County Open Data Portal

<https://opendata.ramseycounty.us/stories/s/Community-Indicators/iai8-4ykd/>