

## NOTICE OF PUBLIC HEARING CONCERNING PROPOSED RULES

Notice is hereby given of a public hearing to afford all interested persons an opportunity to be heard prior to adoption of the below **four sets of proposed rules**, under authority granted to the Division of Labor Standards and Statistics by the Administrative Procedure Act, C.R.S. § 24-4-103; provisions of C.R.S. Title 24, Article 92, 201, et. seq.; C.R.S. Title 8, Articles 1-6, 12, 13.5, and 17; and § 15 of Art. XVIII of the Colorado Constitution.

For the details of each proposed rule, see the text of the accompanying proposed draft rules (which are published in redlined and non-redlined form to make all amendments clear), as well as the proposed statement of basis and purpose that accompanies each set of rules.

(1) The Equal Pay Transparency Rules (EPT Rules), 7 CCR 1103-13. Conforming the rules to recent legislation amending the pay, promotion, and job opportunity transparency requirements of the Equal Pay for Equal Work Act (SB 23-105), and other possible technical amendments. We strongly encourage reading the new first page of INFO #9 (our published guidance on the Act), which explains the recent legislation as well as the scope of this rulemaking.

(2) The Colorado Overtime and Minimum Pay Standards Order (COMPS Order), 7 CCR 1103-1. Amending wage and hour rules: (A) to add specificity to the scope of the one-minute minimum for certain time worked to qualify as compensable time; (B) to update tips rules by clarifying that tips are not a part of regular pay rates and thus do not increase overtime rates, and by adding specificity to who qualifies as tipped employees for whom tip credits and tip pools can apply; (C) to create a new, narrow overtime exemption for employees of interstate air carriers when overtime hours derive from voluntary shift-trading among employees; and (D) to implement other non-substantive, technical amendments.

(3) The Publication And Yearly Calculation of Adjusted Labor Compensation (PAY CALC) Order, 7 CCR 1103-14. Implementing the annual adjustment of the minimum wage, as mandated by the Colorado Constitution, and other related minimum wage and salary figures adjusted annually, and other non-substantive, technical amendments.

(4) The Prevailing Wage and Residency Rules (PWR), 7 CCR 1103-6. Conforming the rules to recent legislation applying prevailing wage standards to additional types of energy projects (energy sector construction and thermal energy projects under <u>SB 23-292</u> and <u>HB 23-1252</u>), and other non-substantive, technical amendments.

### **<u>Public Hearing Information</u>**:

Date and Time of Hearing: Monday, October 30, 2023, starting at 3:00 pm. Division will stay until everyone has an opportunity to speak. You need not arrive by a particular time or stay the entire meeting.

Written Comment Deadline for the above rules: **Thursday, November 2, 2023, at 5:00 pm** 

The Division is administering this public hearing, and all interested persons are free to offer oral testimony and to listen to part or all of the hearing. **Participation will be by remote means only**. A recording of the public hearing will be publicly posted afterwards on our <u>rulemaking page</u>.

Written comments may be submitted by: 1) our online <u>rulemaking comment form</u>; 2) mail to the below address; 3) fax to 303-318-8400; or 4) email to <u>michael.primo@state.co.us</u>. Because written comments become part of the same record as oral testimony, and are reviewed by the same officials, you may submit written comments in lieu of oral testimony, but are free to participate by both means.

**Instructions for Hearing Participation**: Either of the below options will work to participate, but for orderly administration of participation, and to avoid possible audio feedback, please do not use both simultaneously.

(You do not need to have a Google account to access any of the below means.)

- (A) <u>To Participate by Internet, Including Testifying:</u> visit this "Meet" webpage: <u>meet.google.com/vmz-edgt-qvu</u>
- (B) <u>To Participate by Phone, Whether to Listen or to Testify</u>: call (US) +1 252-424-0155, and then enter this pin: 144 439 123#

Please contact <u>michael.primo@state.co.us</u> with any questions about how to access either the public hearing or its recording, or **if you need accommodations or translation services** to attend or participate. This public hearing is held in accordance with the Colorado Administrative Procedure Act, C.R.S. § 24-4-101 et seq., and Colorado Open Meetings Law, C.R.S. § 24-6-401 (2023), to receive any testimony, written, views, or arguments that interested parties wish to submit regarding the proposed rules.

Copies of proposed rules, including redlined copies showing changes from prior versions, and statements of basis and purpose further detailing the proposed rules, are available at <u>www.ColoradoLaborLaw.gov</u> or by request to: Division of Labor Standards and Statistics, 633 17th Street, Denver, Colorado 80202.

#### STATEMENT OF BASIS, PURPOSE, SPECIFIC STATUTORY AUTHORITY, AND FINDINGS

# Equal Pay Transparency (EPT) Rules, 7 CCR 1103-13 (2024), <u>as proposed</u> September 29, 2023; to be followed and replaced by a final Statement at the conclusion of the rulemaking process.

**I. BASIS:** These Equal Pay Transparency Rules implement and enforce Part 2 ("Transparency in Pay and Opportunities for Promotion and Advancement") of the Equal Pay for Equal Work Act, Colorado Revised Statutes ("C.R.S."), Title 8, Article 5 (as amended), and serve important public needs that the Director of the Division of Labor Standards and Statistics (hereinafter, "Director" and "Division," respectively) finds are best served by these rule updates, amendments, and supplements.

**II. SPECIFIC STATUTORY AUTHORITY:** The Director is authorized to adopt rules and regulations to enforce, execute, implement, apply, and interpret Articles 1 and 4-6 of C.R.S. Title 8, and all rules, regulations, investigations, and proceedings thereunder, by the Administrative Procedure Act, C.R.S. §§ 24-4-103 and 105, and provisions of the above-listed Articles, including but not limited to: C.R.S. §§ 8-1-101, -103, -107, -108, -111, -116, -117, -130; 8-4-111; 8-5-103, -201, -203; 8-6-102, -104, -105, -106, -108, -109, -111, -116, -117.

**III. FINDINGS, JUSTIFICATIONS, AND REASONS FOR ADOPTION.** Pursuant to C.R.S. § 24-4-103(4)(b), the Director finds as follows: (A) demonstrated need exists for these rules, as detailed in the findings in Part IV, which are incorporated into this finding as well; (B) proper statutory authority exists for the rules, as detailed in the list of statutory authority in Part II, which is incorporated into this finding as well; (C) to the extent practicable, the rules are clearly stated so that their meaning will be understood by any party required to comply; (D) the rules do not conflict with other provisions of law; and (E) any duplicating or overlapping has been minimized and is explained by the Division.

#### **IV. SPECIFIC FINDINGS FOR ADOPTION.** Pursuant to C.R.S. § 24-4-103(6), the Director finds as follows.

The Equal Pay for Equal Work Act, S.B. 19-085 (the "2019 Act"), was enacted on May 22, 2019, and effective on January 1, 2021. The Equal Pay Transparency Rules ("EPT Rules") were promulgated in 2020, with the same effective date as the 2019 Act, to implement, interpret, and enforce the 2019 Act. Then the Ensure Equal Pay for Equal Work Act, S.B. 23-105, enacted on June 5, 2023 (the "2023 Amendments"), amended the 2019 Act in various respects. These rule amendments serve mainly to implement, interpret, and enforce the 2023 Amendments, as well as to continue to do so for the 2019 Act.

The 2023 Amendments modified the term defining what opportunities must be posted to employees. The 2019 Act used the term "<u>opportunities for promotion</u>." The 2023 Amendments replace that with "job opportunity," and codify three exceptions:

- (1) "<u>Career progression</u>" promotions "regular or automatic" promotion "based on time in ... role or other objective metrics" that an employee can satisfy, without competition
  - (a) need <u>not</u> be disclosed for <u>each individual</u> employee;
  - (b) but employers <u>must notify</u> eligible employees of any position's career progression requirements, as well as the pay, benefits, full-/part-time status, duties, and access to advancement.
- (2) "<u>Career development</u>" promotions which "reflect <u>work performed or contributions already made</u>" by one specific employee, without competition need <u>not</u> be disclosed.
- (3) At <u>employers with no Colorado site</u>, and <u>under 15 remote staff</u> in Colorado:
  - (a) <u>in-person</u> (non-remote) job opportunities need <u>not be disclosed</u> through July 1, 2029;
  - (b) but <u>postings</u> for such jobs still must disclose <u>pay</u>.

The 2023 Amendments also add <u>new *post*-selection notice duties</u>: 30 days after filling a job opportunity (but not a career development or progression), employers must notify those the hiree will regularly work with of: hiree name, title, (if any) prior title at the employer, and how and where to express interest in similar job opportunities.

Rule 2, "Definitions," is amended to conform the definitions of terms to these changes in the 2023 Amendments, and Rule 4, "Job Posting Requirements," is amended to conform the employer duties to these changes in the 2023 Amendments.

Rule 4 also includes several elaborations of details requested by stakeholders, including:

- flexibility for employers to post ongoing job opportunities without including a deadline, and for employers to extend already-posted deadlines;
- as to the employer duty to provide post-selection notice to all employees whom a new hire will "work with regularly," clarification of whom will be deemed to be those a new hire will "work with regularly";
- flexibility for post-selection notices to combine multiple new hires, and/or be posted to a broader range of employees than the Act mandates e.g., employers can choose to send notices of all covered hires in the past 30 days to all employees, rather than send each to only specific employees a new hire will work with; and
- clarification of who qualifies as an "eligible employee" who must be provided notice of "career progression" requirements and terms.

Additionally, Rule 4.1.4(A)(4), "Acting, interim, or temporary ("AINT") hires," is amended to execute the statutory duty to "promulgate rules for temporary, interim, or acting job opportunities that necessitate immediate hire." The rule aims to balance (a) the need to accommodate situations that (in the words of the statute) "necessitate immediate hire" without awaiting a posting first, with (b) the need to assure that this exception is limited to (in the words of the statute) "temporary, acting, or interim" roles that "necessitate" hiring without a posting, and is not applied so broadly as to undercut the statute's broad mandate that job opportunities otherwise must be posted.

Finally, Rule 3.7, "Appeals," is amended to note expressly that, to the extent applicable, appeals will be conducted in a manner consistent with the Colorado Administrative Procedure Act.

V. EFFECTIVE DATE. If adopted, these rules take effect January 1, 2024, or as soon after as rulemaking completes.

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Scott Moss Director Division of Labor Standards and Statistics Colorado Department of Labor and Employment September 29, 2023 Date