

DCI Client Summit 2025

November 6, 2025



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Client Summit Format

- Participant mics are **muted** and cameras **turned off**
- **Submit questions** by using the chat, Q&A function, or by sending an email to questions@dciconsult.com
- If you have any **technical difficulties during the Summit**, please email questions@dciconsult.com

A recorded version of the Client Summit will be available in the Client Resources Portal at resources.dciconsult.com or by scanning the QR code.



Client Summit Agenda

01

**Welcome & State and Federal
Regulatory Updates**

03

**Mitigating Risk by Monitoring
for Illegal DEI Practices**

05

**Compensation Trends in 2025
and 2026**

02

Break (15 minutes)

04

**Preparing for the EU Pay
Transparency Directive**

06

Breakout Sessions

State and Federal Regulatory Updates

David Cohen, Joanna Colosimo, and Eric Dunleavy

November 6, 2025

Our Presenters



David Cohen, M.S

President and CEO



Joanna Colosimo, M.A.

*Vice President of Workforce
Analytics & Compliance Strategy*



Eric Dunleavy, Ph.D.

*Vice President of Employment &
Litigation Services*

Regulatory Landscape and Agency Updates



WE ARE DOING AN “IGNITE” STYLE
ROUND

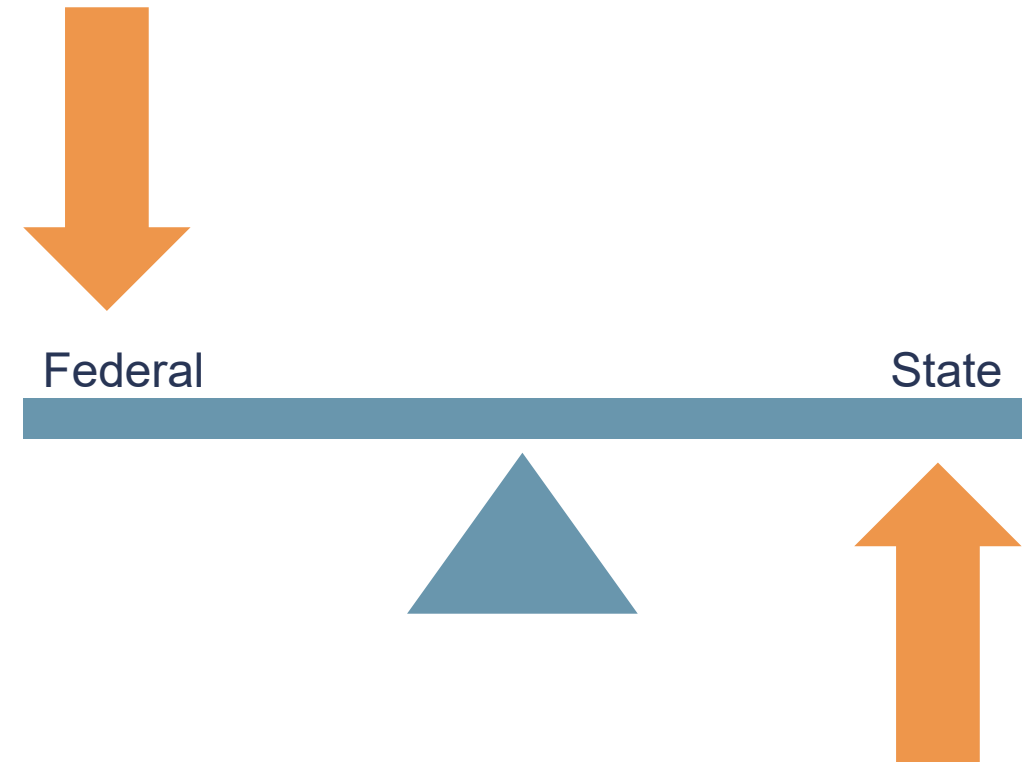


APPROXIMATELY 5 MINUTES EACH
TOPIC,
10 TOPICS TOTAL, THEN WE MOVE ON!

Topic #1

Setting the Stage: 2025 Regulatory Landscape

- Executive Order 11246 revoked, **Section 503 and VEVRAA still stand as is**
- OFCCP audits held in abeyance and/or closed
- OFCCP and EEOC changes in leadership and shifting priorities
- Blue States lean into regulatory changes and ramp up enforcement



Topic #2:

Current Agency Updates: OFCCP, DOJ, EEOC

PUBLIC COMMENTS OPPOSE OFCCP'S PROPOSED CHANGES TO DISABILITY REGS

October 03, 2025

By Fred Satterwhite, Joanna Colosimo, and David Cohen

BLOG OVERVIEW: The Office of Federal Contract Compliance Programs has proposed major changes to the regulations stemming from Section 503 of the Rehabilitation Act. As part of the rulemaking...

[Read More](#)

Categories : OFCCP, JD Supra

NEW DIRECTOR TAKES LEAD AT OFCCP

September 29, 2025

By Mitchell Chamberlin

As of Monday, September 29, the Office of Federal Contract Compliance Programs (OFCCP) has a new director. According to an internal memo sent by

PANUCCIO CONFIRMED AS EEOC COMMISSIONER, QUORUM REACHED

DOJ'S DEI INVESTIGATIONS ARE HERE— HERE'S WHAT EMPLOYERS SHOULD KNOW

September 16, 2025

By Joanna Colosimo

Blog Overview:

The Department of Justice (DOJ) has sent a number of civil investigative demands (CIDs) to private employers asking for information about their respective diversity, equity, and inclusion (DEI) programs. Employers...

[Read More](#)

Categories : Diversity & Inclusion, JD Supra, Higher Ed



- New OFCCP Director Romanias
- EEOC now has quorum
- Department of Justice Civil Investigative Demands
- EEOC's interpretation of "illegal DEI" vs. EEO
- Andrea Lucas named EEOC Chair

Hearing from EEOC on Workforce Analytics



Andrea Lucas • Following

Acting Chair, United States Equal Employment Opportunity Commission (EEOC)

2w •

...

Bloomberg does its readers a disservice by chopping up my quote to fit its narrative that the President's recent landmark executive order on disparate impact—in Bloomberg's words—"complicates EEOC's diversity focus." Readers, beware. Here's my full quote: "Since the 1970s, the **EEOC** has taken the position that it is an executive branch agency, not an independent agency. We will fully and robustly comply with this and all Executive Orders. But employers should take care not to conflate disparate impact claims arising from neutral employment practices with a materially different type of Title VII claim: intentional discrimination claims proven via the "pattern or practice" model of proof first set out by the Supreme Court in *Teamsters v. United States*, which may entail the use of statistical evidence, along with other evidence, to prove disparate treatment. The Commission will continue to relentlessly combat unlawful patterns or practices of intentional discrimination in violation of Title VII, including race and sex discrimination that may arise from DEI programs and national origin discrimination involving anti-American bias."

#TitleVII #EEOC #EEO #DEI #HR #Law



Office of the Attorney General
Washington, D. C. 20530

July 29, 2025

MEMORANDUM FOR ALL FEDERAL AGENCIES

FROM:

THE ATTORNEY GENERAL

SUBJECT:

GUIDANCE FOR RECIPIENTS OF FEDERAL FUNDING
REGARDING UNLAWFUL DISCRIMINATION

B. Prohibited Use of Proxies for Protected Characteristics

1. What Constitutes Unlawful Proxies?

Unlawful proxies occur when a federally funded entity intentionally uses ostensibly neutral criteria that function as substitutes for explicit consideration of race, sex, or other protected characteristics. While these criteria may appear facially neutral, they become legally problematic under any of the following circumstances:

- They are selected because they correlate with, replicate, or are used as substitutes for protected characteristics.
- They are implemented with the intent to advantage or disadvantage individuals based on protected characteristics.

Scrutinize Neutral Criteria for Proxy Effects: Before implementing facially neutral criteria, rigorously evaluate and document whether they are proxies for race, sex, or other protected



will say, see employers saying, Well, you know, I'm concerned

HOT OFF THE PRESS: SHRM BLUEPRINT

- **What did we learn?**
 - A lack of clarity and communication on what constitutes “illegal DEI”
 - Demographic data on applicants and employees: acceptable
 - Workforce analytics to identify discrimination are encouraged and acceptable
 - Be mindful of who has access to this type of data
- **Other takeaways**
 - Catherine Eschbach speaks publicly for the first time
 - Former EEOC Commissioners Vicki Lipnic and Jenny Yang
 - Robby Starbuck vs. Van Jones



Topic #3:

Executive Order 14173 & False Claims Act

There is an active proposed regulation that is being reviewed to implement Executive Order 14173



Most likely will require an annual certification of two things:

1.) That the contractor or grant recipient is NOT engaged in “illegal” DEI

2.) That the contractor or grant recipient is complying with federal anti-discrimination laws

Topic #4:

Legal Compliance vs. DEI Strategy

Distinction Between Compliance and DEI

Clarify how legal compliance focuses on meeting laws, while DEI strategies aim to foster inclusive cultures

Balancing Legal Risk and Values

Guide organizations to manage legal risks while aligning DEI initiatives with core values and mission

Communicating with Leadership and Staff

Effective communication strategies for explaining compliance and DEI differences to all organizational levels

Structuring Effective Programs

Develop programs that are legally compliant and strategically impactful to promote sustainable DEI progress

Topic #5:

Disparate Impact and Federal De-prioritization

(k) Burden of proof in **disparate impact** cases

(1) (A) An unlawful employment practice based on **disparate impact** is established under this subchapter only if-

(i) a complaining party demonstrates that a respondent uses a particular employment practice that causes a **disparate impact** on the basis of race, color, religion, sex, or national origin and the respondent fails to demonstrate that the challenged practice is job related for the position in question and consistent with business necessity; or

(ii) the complaining party makes the demonstration described in subparagraph (C) with respect to an alternative employment practice and the respondent refuses to adopt such alternative employment practice.

(B) (i) With respect to demonstrating that a particular employment practice causes a **disparate impact** as described in subparagraph (A)(i), the complaining party shall demonstrate that each particular challenged employment practice causes a **disparate impact**, except that if the complaining party can demonstrate to the court that the elements of a respondent's decision making process are not capable of separation for analysis, the decision making process may be analyzed as one employment practice.

(ii) If the respondent demonstrates that a specific employment practice does not cause the **disparate impact**, the respondent shall not be required to demonstrate that such practice is required by business necessity.

Federal Enforcement De-prioritization

Federal agencies have de-prioritized some enforcement actions, but disparities still require attention and analysis. Plaintiffs have since picked up cases.

EEOC Faces Lawsuit Over Disparate Impact Enforcement

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An Amazon driver has sued the U.S. Equal Employment Opportunity Commission (EEOC) after the agency declined to investigate her unintentional discrimination charge, following its decision to deprioritize cases based on disparate impact. Outlined in Section 703(k) of Title VII, disparate impact, or adverse impact, occurs when policies, practices, rules, or other systems that appear to be neutral result in a disproportionate impact on a protected group. An employer can incur liability for disparate impact if the action is not shown to be necessary for the job or business, or if a better, effective alternative exists.



Topic #6:

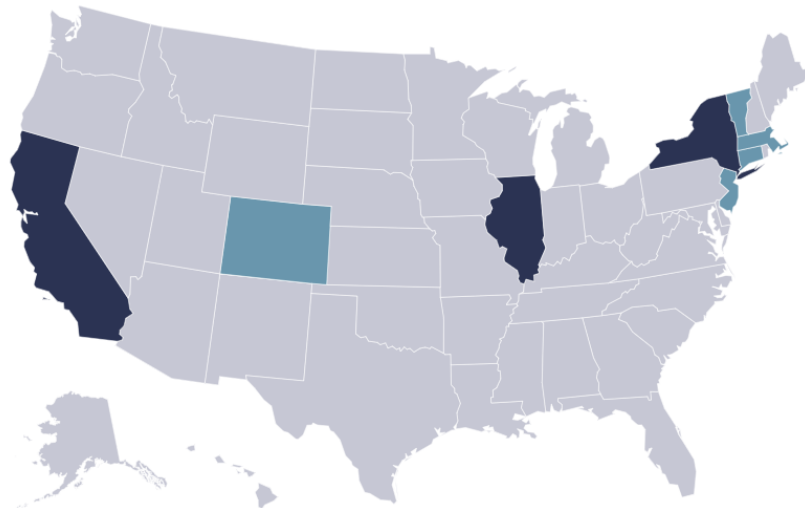
State and Local Compliance Regulations

Bias Audits of AI Tools

States with Legislation Governing the use of Automated Employment Decision Tools

Map

Details



AEDT Law Status

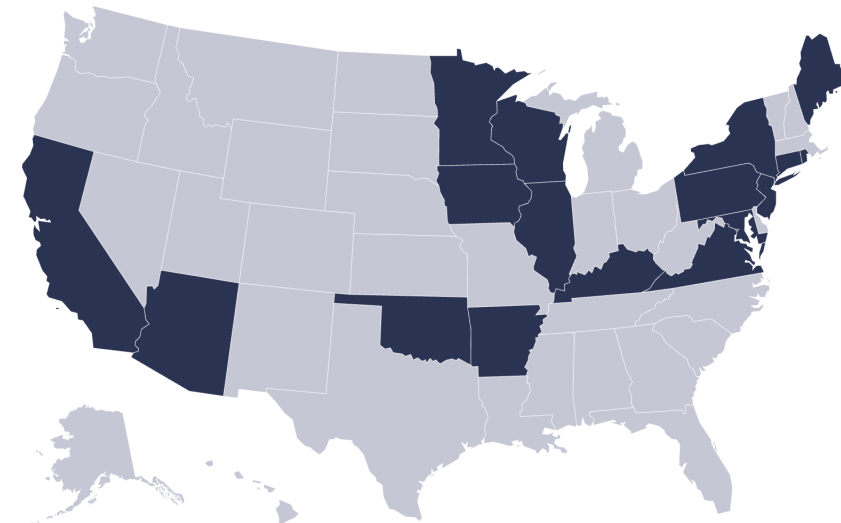
- Law In Effect
- Law Proposed/Not In Effect
- No Applicable Law

State Affirmative Action and Nondiscrimination Requirements

States with Additional Legislation Governing Affirmative Action Reporting

Map

Details

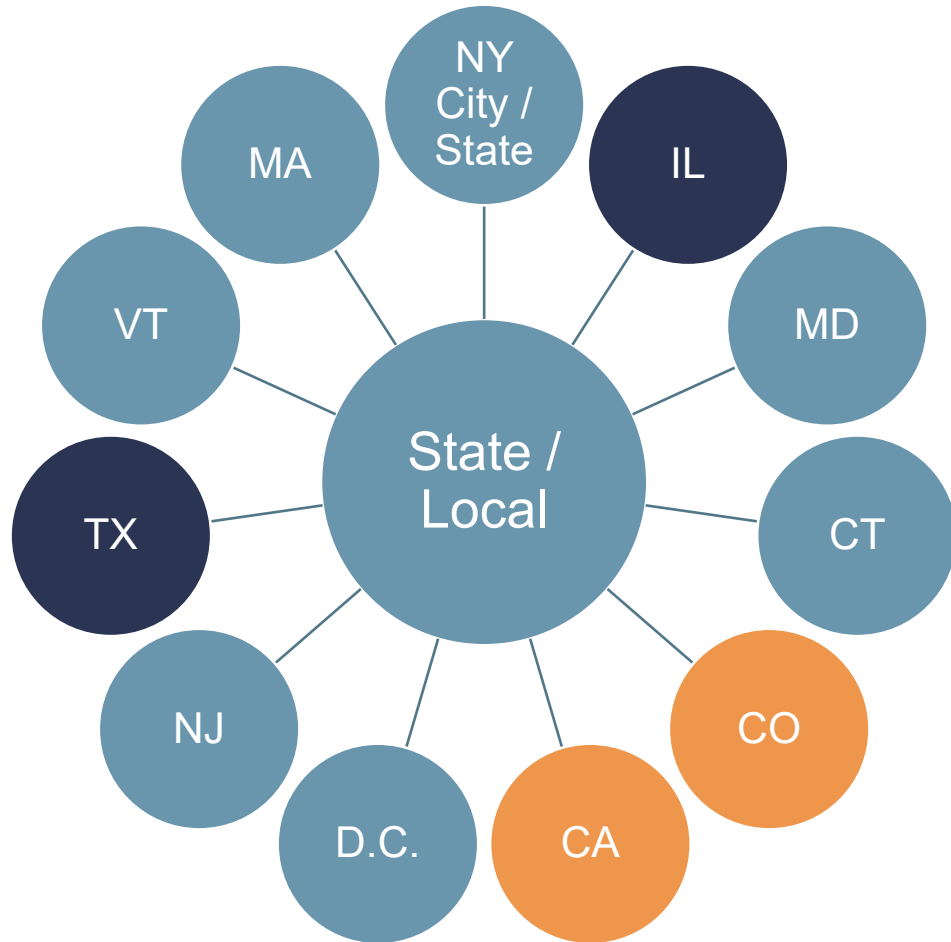


Other Regulations Status

- Law in Effect
- No Applicable Law

Topic #7:

Deep Dive into the Patchwork of AI Bias Regs

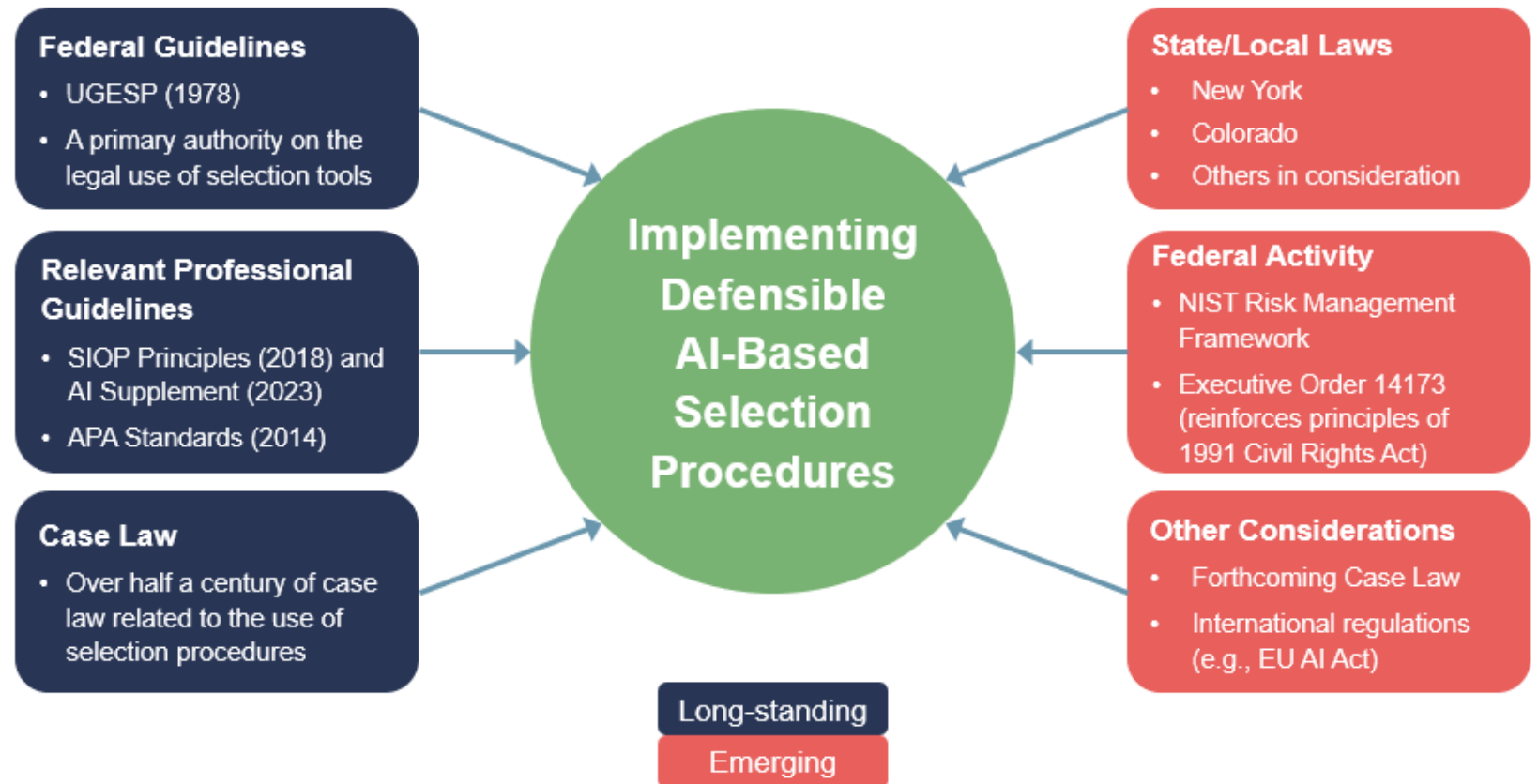


Common Themes

- Transparency and explainability
- Notice
- Evaluating and mitigating algorithmic bias
- Human oversight and input
- Accountability
- Proactive bias audits
- Affirmative defenses

How Employers Should Think About Responding to Patchwork of Regs

- Find the lowest common denominator across relevant frameworks. It likely includes:
 - Inventory your AI
 - Document your jobs
 - Adverse impact analyses
 - Expert review (qualitative)
 - Evaluate suitability of use through validation





Topic #8:

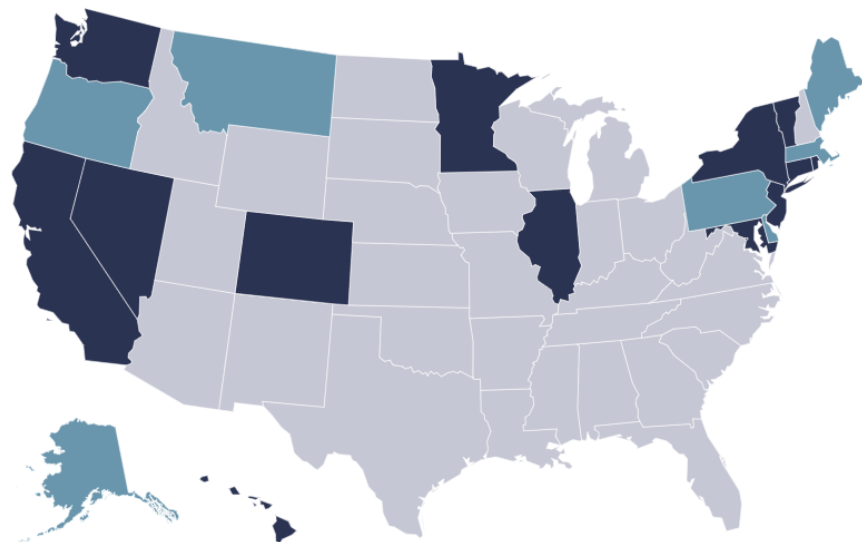
Pay Equity and Transparency

State Pay Transparency

States with Legislation Governing Pay Transparency

Map

Details



State Pay Transparency

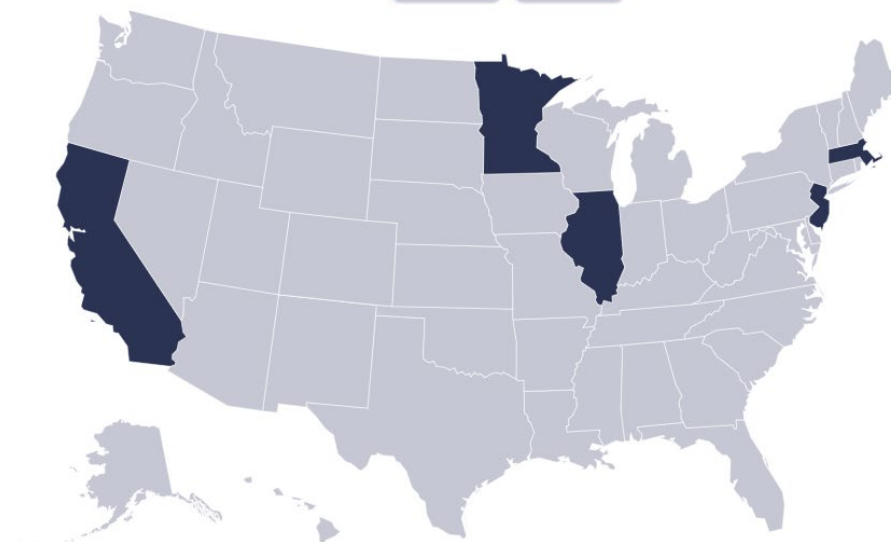
- Law In Effect
- Law Proposed/Not In Effect
- No Applicable Law

State Pay Reporting

States with Legislation Governing Pay Reporting

Map

Details



State Pay Reporting

- Law In Effect
- No Applicable Law

Topic #9:

EU Pay Transparency Directive

EU Pay Transparency Due Dates

Company Size (EE Count)	Data Reporting Year	Report Due	Reporting Frequency
250 or more	2026	By June 2027	Annual
150 to 249	2026	By June 2027	Triennial
100-149	2030	By June 2031	Triennial



Topic #10:

Actionable Recommendations



Review where applicable state and local laws impact your organization



Conduct pay equity audits



Review AI tools



Update compliance documentation and ensure appropriate data governance

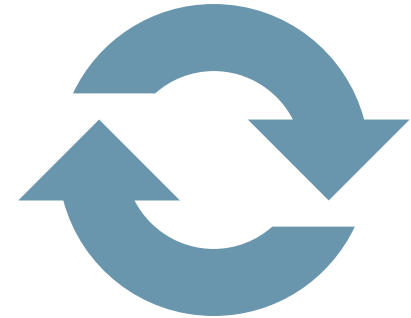
Open Q&A



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Break

Sessions will resume at 4:00 EST



Mitigating Risk by Monitoring for Illegal DEI Practices

Proactive DEI Risk Assessments

Amanda Bowman and Keli Wilson

November 6, 2025

Our Presenters



Amanda Bowman, M.S.
Director, Principal Consultant



Keli Wilson, M.A.
Principal Consultant

Proactive DEI Risk Assessment

Starts with 5 Questions

 Who?  What?  Where?  When?  Why?

- ✓ **Proactive**, comprehensive assessment
- ✓ Identify **risk**
- ✓ Ensure **compliance**
- ✓ Qualitative and quantitative **analysis**

Who are the Primary Stakeholders for DEI-Related Risk?

Enforcement Bodies

OFCCP

EEOC

DOJ

Covered Entities

Publicly traded corporations

Large non-profit corporations or associations

Foundations with assets of \$500 million or more

State and local bar and medical associations

Institutions of higher education with endowments over \$1 billion

Internal Parties

Counsel

Board and/or Executives

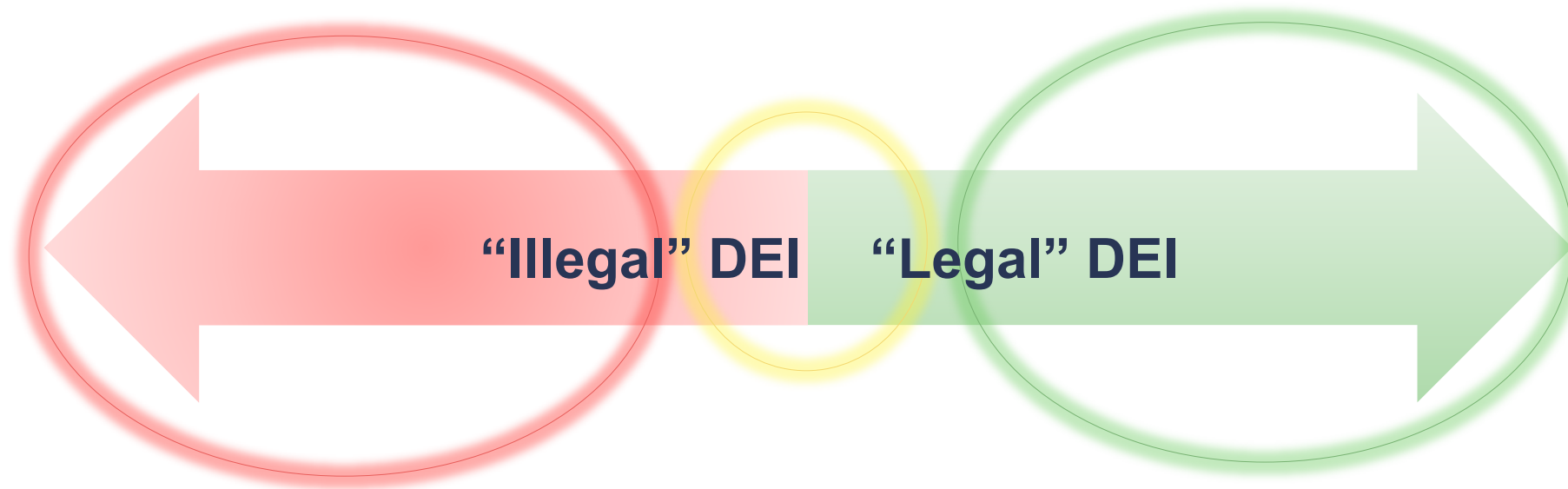
HR/Compliance

All Leaders

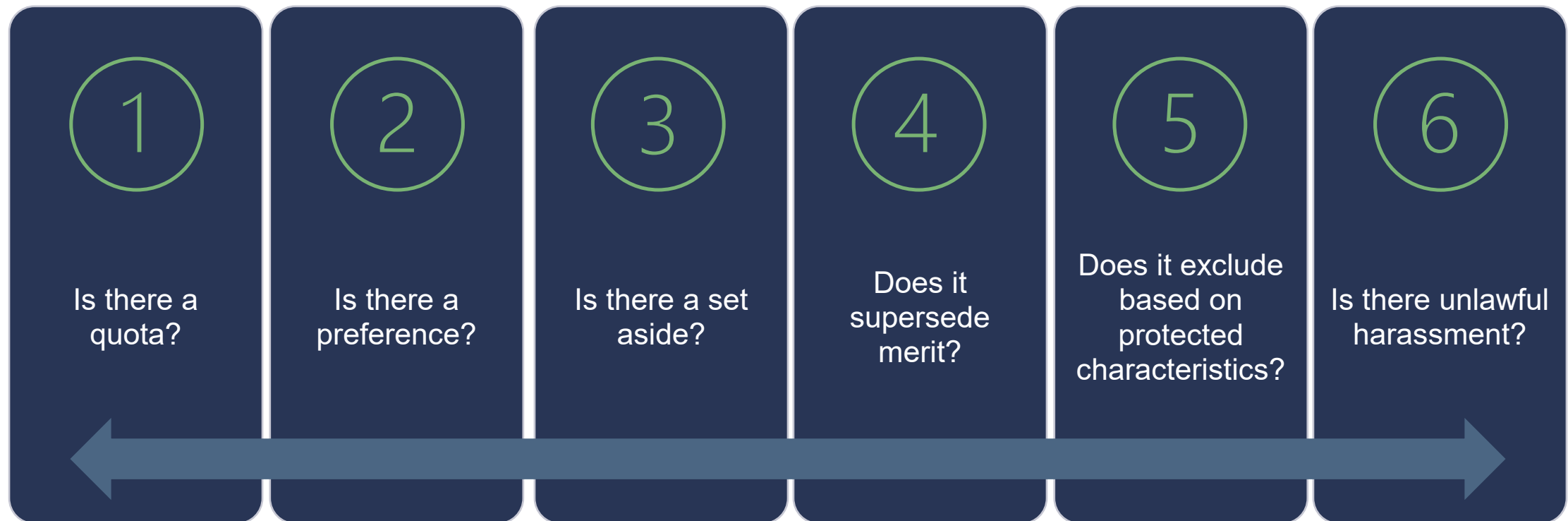
What Shapes Risk and Risk Tolerance?

Risk exists on a spectrum that evolves with:

- shifts in political leadership; and
- an organization's tolerance for risk.



What Key Questions Should Guide a DEI Risk Assessment?



Where to Begin When Conducting a DEI Risk Assessment?

Materials Review

Policies & Processes

- DEI Policy
- Core Values
- EEO Taglines
- ERG Charters and Communications
- Recruitment Strategies and Efforts
- Training and Development
- Reasonable Accommodations
- Website Content Review
- ESG and Other Public Disclosures

Analytics-Related

- Demographic Data Collection
- DEI Aspirational Goals
- Diverse Candidate Slate Initiatives
- Underrepresentation Analyses
- EEO Disparity Analyses
- Pay Equity Analyses
- Recruitment Effectiveness
- Engagement Survey Results

**Work should be done under Attorney-Client Privilege*

After the Materials Review, *Where* Does a DEI Risk Assessment Formally End?

Outcomes

Qualitative Assessment

Risk Level	Policy, Process, or Practice
 Needs Improvement	Separate demographic data from decision makers
 Strong	Inclusive access for all workplace programs
 Strong	Personnel processes focused on skill-based selection
 Strong	Use of quotas or preferential treatment
 Strong	Exclusionary training programs
 Needs Improvement	Race-based scholarship programs
 Strong	Preferential hiring practices
 Strong	Preferential promotion practices
 At Risk	Diverse slate of candidates program

Quantitative Assessment

Including and Evaluating All Protected Characteristics Where Data is Captured

Assessment	Analysis
 Low	Hiring analytics for proxy discrimination
 Moderate	Promotion analytics for proxy discrimination
 Low	Termination analytics for proxy discrimination
 High	Pay analytics for proxy discrimination

When Should You Initiate a DEI Risk Assessment?

It's **not too late** to act.

- In the wake of substantial **administrative policy changes**, such as the enactment of EO 14173, to adapt and ensure compliance.
- After substantial **internal changes**, such as organizational restructuring or leadership transitions, there's still time to evaluate and adjust direction.
- When internal **employee concerns** arise, they present a critical opportunity to listen, investigate, and respond before they escalate into broader issues.
- Following the launch or conclusion of a **pilot initiative**, organizations have an opportunity to reflect on outcomes and refine their approach.
- Periodic, **proactive audits** offer a chance to verify initiatives continue to be effective.

Why Should Organizations Proactively Assess Risks Tied to DEI?

Reinforce Accountability	Address Internal Concerns Early	Reduce Regulatory Risk	Prepare for EO 14173 Certification	Avoid False Claims Act Liability
Foster a culture of responsibility and compliance across the organization.	Prevent employee issues from escalating or reaching external agencies.	Stay ahead of potential federal, state, or local compliance violations.	Anticipate likely annual requirements to certify.	Minimize legal exposure tied to inaccurate certifications or compliance failures.

Why Should Organizations Proactively Assess Risks Tied to DEI? *(continued)*

Notable Risk Themes

- Language suggesting **aspirational goals may be misinterpreted** or applied in ways that imply impermissible outcomes.
- DEI program language that implies **exclusive participation** based on protected characteristics (e.g., ERGs, internships, mentorships).
- Requirements for diverse candidate slates that could **suggest quotas or preferential treatment**.
- Incentive **structures that prioritize demographic outcomes** over equitable, effort-based processes.
- **Outdated policies** and procedures that are not aligned to current policy, legislative updates, or evidence-based best practices.

Aligning on the Next Step

Smarter Risk Management



European Union Pay Transparency Directive

Start Now to Mitigate Your Risks From a Continent Away

Lisa Harpe, Ph.D. and Murray Simpson, Ph.D.

November 6, 2025

Our Presenters



Lisa Harpe, Ph.D.

Director, Principal Consultant



Murray Simpson, Ph.D.

Principal Consultant

EU Pay Transparency Directive

Overview

Scan for EU
Pay Updates



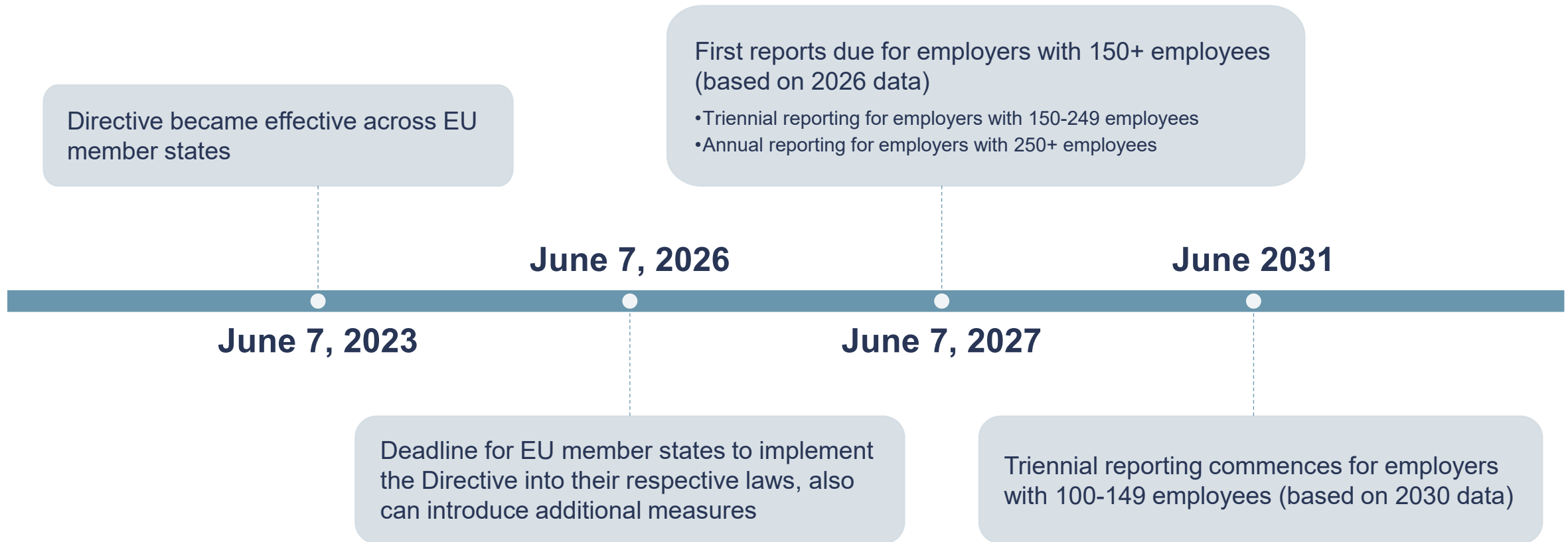
Objective

The Directive promotes pay transparency to reduce the gender pay gap and increase accountability in pay practices.

Employer Responsibilities

Employers must prepare for annual or triennial pay reporting (depending on workforce size) and align compensation with the Directive's standards.

Timeline



Reporting Requirements

Core Requirements

Salary Range Disclosure

Employers must provide salary ranges in job listings or before interviews to promote pay transparency.

Prohibition of Salary History Inquiry

Employers are prohibited from asking candidates about their salary history.

Employee Pay Access and Reporting

Employees can access pay information, and large employers must submit annual pay reports.

Enforcement and Pay Gap Assessments

Enforcement includes legal remedies and joint pay assessments to address significant pay gaps.

Who is Covered?

Inclusive Worker Categories

Covers full-time, part-time, and fixed-term employees (including management roles), as well as temporary agency workers.

Legal and Agreement Scope

National laws and collective agreements within EU member states define coverage scope.

Member State Discretion

Member states can implement stricter measures beyond the Directive's baseline requirements.

Goal of Fair Compensation

Ensures pay transparency and equity across diverse employment arrangements for inclusive compensation.

What Counts as “Pay”?

- Base Pay
- “Complementary or variable components” of pay
 - May include, but not limited to, bonuses, overtime compensation, travel facilities, housing and food allowances, sick pay, occupational pensions, etc.
 - Inherently looking at total compensation
- Must be presented as gross pay
 - Gross hourly pay? Gross annual pay?
- How useful will gross pay metrics be?

Reporting Requirements

Reports must include:

Mean and median gender gaps in gross pay	Mean and median gender gaps in complementary or variable pay	The proportion of female and male workers receiving complementary or variable components of pay	The proportion of female and male workers in each pay quartile	The gender pay gap between employees by “categories of workers” broken down by ordinary basic wage and complementary or variable components
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What is a “Category of Worker”?

From U.S. Federal Register (Voluntary Guidelines)

“**Similarly-situated employee groupings**” or “**SSEGs**” defined as groupings of employees who perform similar work and occupy positions with similar responsibility levels and involving similar skills and qualifications.

From EU Directive

‘**Category of workers**’ means workers performing the same work or work of equal value grouped in a non-arbitrary manner based on the non-discriminatory and objective gender-neutral criteria referred to in Article 4(4), by the workers’ employer and, where applicable, in cooperation with the workers’ representatives in accordance with national law and/or practice.

Reporting Examples

Gender Pay Gap – Gross Pay

Metric	Female-to-Male Pay Gap (%)	Female-to-Male Pay Gap (€)
Gross Pay Mean Gap	-12%	88 cents / €1
Gross Pay Median Gap	-10%	90 cents / €1

Gender Pay Gap - Complementary Pay (Bonus & Incentives)

Metric	Female-to-Male Pay Gap (%)	Female-to-Male Pay Gap (€)
Bonus & Incentives Mean Gap	-18%	82 cents / €1
Bonus & Incentives Median Gap	-15%	85 cents / €1

Proportion Receiving Complementary Pay

Gender	% Receiving Bonus & Incentives
Female	45%
Male	55%

Reporting Examples

Proportion of Female and Male Workers in Each Gross Pay Quartile

Quartile	Female	Male
Q1 (Lowest)	60%	40%
Q2	55%	45%
Q3	48%	52%
Q4 (Highest)	30%	70%

Gender Pay Gap by Category of Workers -- Analysts --

Category: Analysts	Female-to-Male Pay Gap (%)	Female-to-Male Pay Gap (€)
Basic Wage Mean Gap	-5%	95 cents / €1
Variable Pay Mean Gap	-10%	90 cents / €1

EU Member Countries That Have Started Transposing the Directive Into Law

All 27 member states **MUST** meet the minimum requirements of the Directive, but they also can implement more stringent measures.

Belgium

- Divulge starting salary or salary range when job opening announced
- Reporting provisions beyond minimum requirements

Ireland

- Pay rate or range must be published in job advertisement (rather than upon request by applicant)

Netherlands

- Postponed implementation until Jan 1, 2027
- Delay data timeframe used for pay reporting

Poland

- Proposed legislation for pay transparency elements only
- Pay gap reporting requirements currently absent

Sweden

- Exceeds minimum requirements of Directive in a few areas

Malta

- Aligned with pay transparency elements of Directive

Lithuania

- Proposes different definitions for what constitutes "equal work" versus "same work"

Finland

- Strong enforcement – fees from €5,000 to €80,000 for non-compliance

Slovakia

- Group employees based on the value of the work they perform

Enforcement Provisions

Enforcement & Legal Remedies

In cases where pay discrimination is alleged, the employer must prove that pay practices are fair (rather than the employee proving they are unfair).

Employees may seek back pay for lost wages and compensation for discrimination

Each EU Member State must designate penalties for non-compliance and ensure impacted workers have access to the courts

Worker Rights

1

Workers have the right to request their own salary details and the average pay by gender for colleagues performing the same or similar work.

- Employers must remind workers of the above right every year.

2

Workers have the right to be represented by a trade union or a representative of their choice, ensuring a shield against retaliation when seeking equal pay.

Joint Pay Assessment

Additionally, another report called a **Joint Pay Assessment** is required if:

There is a gender pay gap
of 5% or more, and

The employer cannot explain the gender pay
gap with impartial, objective factors



Such assessments must involve employee representatives.

Details and Questions Regarding the 5% Pay Gap

"Employers ... will need to carry out a joint pay assessment where all of the following circumstances apply:

- The pay reporting demonstrates a difference in the average pay level between female and male workers of at least 5% in any category of workers.
- The employer has not justified such a difference in the average pay level on the basis of objective, gender-neutral criteria.
- The employer has not remedied such an unjustified difference in the average pay level within six months of the date of submission of the pay reporting."

This leads to questions...

- If one out of 100 worker categories has a 5% gap, does the employer conduct a joint assessment only for the worker category in question? All worker categories? Something else?
- Is the 5% threshold gender-neutral? Is a joint assessment required if men earn 5% less, on average, than women?
- Will FAQs provide answers to such questions?

Action Items and Final Takeaways

EU Employers: Actions To Take Now

Determine how “worker categories” will be defined in your pay gap reporting. Will these definitions differ between the EU member states in which your company operates?



Consider what forms of "complementary or variable pay" should be included in your pay gap reporting



Conduct privileged, proactive pay equity studies by EU Member State

- Identify impartial factors based on merit or skill that explain pay differences
- Analyze base pay and complementary or variable pay. Separately? Collectively as gross pay?
- Examine pay gaps that are statistically significant or in excess of 5%

Final Takeaways

Scan here
for updates



1

Ensure that pay-related decision-making is based on clear, objective and gender-neutral criteria

2

Understand what your pay data indicates about gender-based pay equity...now, prior to reporting!

3

Develop a remediation strategy if gender pay gaps of 5% or more are identified

Compensation Trends in 2025

And the Road to 2026

Stephanie Horn and Christian Britton

November 6, 2025

Our Presenters



**Stephanie Horn, M.B.A.,
SHRM-SCP, SPHR**

Senior Compensation Consultant



Christian Britton, M.S.

Senior Consultant

Agenda

01

Compensation Trends in 2025

02

Expected Trends in 2026

03

Area to Focus in 2026

Trends in 2025

Political

- Pay equity laws/regulations
- Greater emphasis on pay transparency

Economic

- Salary budgets cooled from 2022–2024 peaks
- Healthcare costs are steadily increasing

Social

- Demographic shifts
- Rising expectations for pay fairness and pay transparency
- Continued hybrid work location norms

Technology

- AI skills priced at premiums
- Organizations are starting to incorporate AI into workflows

Labor

- Entry-level hiring is shrinking
- Shortages in key areas
- Layoffs starting to accelerate

Trends Expected in 2026

Laws/Regulations

- Wider adoption of pay transparency and pay equity regulations

Budgets

- Flat to slightly tighter vs. 2025
- Healthcare costs will continue to squeeze budgets

Technology

- AI will continue to transform all workflows
- Can lead to a decrease in labor demand in certain job functions-levels

Social

- Age demographic shifts (baby boomers leaving the labor force) will continue to create shortages and increase market pressure for critical roles

Area to Focus in 2026: Job Architecture

What It Is

- Standard job families, levels, criteria, and salary bands aligned to the market and skills

Why Now

- Foundation for transparency, equitable decisions, and consistent pricing of new skills (e.g., AI & data)

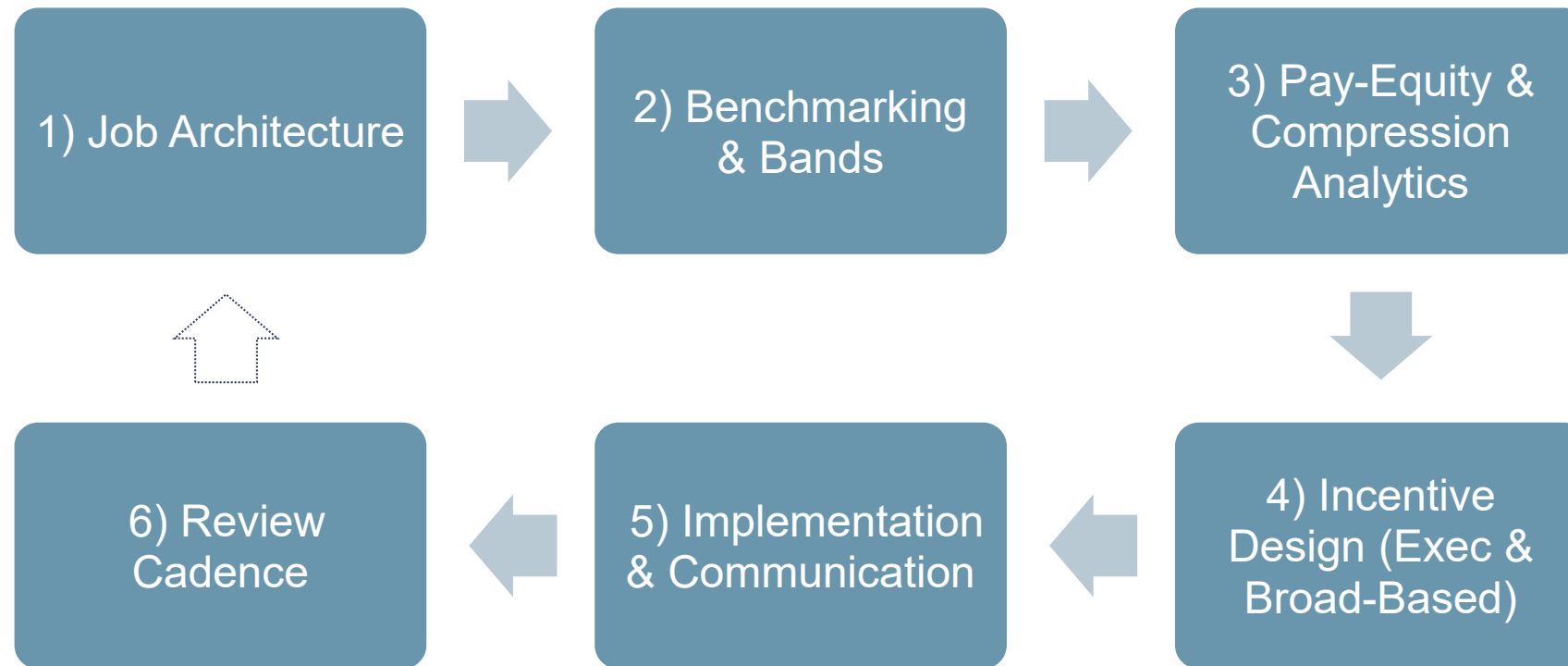
Readies 2026

- Streamlined job postings and salary range messaging
- Defensible, job-related, gender-neutral criteria
- Targeted budget execution

Job Architecture Example

Job Family	Job Sub-Family	Job Type	Job Level	Job Title	Grade	Minimum	Midpoint	Maximum
Accounting	General	Executive	1					
	Tax	Management	2					
	Cost	Professional	3	Accountant III	7	\$80,000	\$100,000	\$120,000
	Revenue	Support	4					
			5					

Job Architecture in DCI's End-to-End Workflow



Thank You!

Up Next: 30 Minute Breakout Sessions

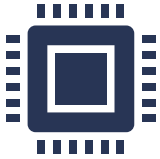


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Breakout Rooms



Mandatory Job Listing Service Live Demonstration



Bias Audits of AI in Employment Decision Making



Merit-Based Selections and Hiring



Nondiscrimination Analytics