

D27L00
Maryland Commission on Civil Rights

Operating Budget Data

(\$ in Thousands)

	<u>FY 12</u> <u>Actual</u>	<u>FY 13</u> <u>Working</u>	<u>FY 14</u> <u>Allowance</u>	<u>FY 13-14</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$2,511	\$2,446	\$2,515	\$69	2.8%
Contingent & Back of Bill Reductions	0	0	-4	-4	
Adjusted General Fund	\$2,511	\$2,446	\$2,511	\$65	2.7%
Special Fund	0	12	0	-12	-100.0%
Adjusted Special Fund	\$0	\$12	\$0	-\$12	-100.0%
Federal Fund	636	651	687	36	5.5%
Contingent & Back of Bill Reductions	0	0	-1	-1	
Adjusted Federal Fund	\$636	\$651	\$686	\$35	5.3%
Reimbursable Fund	0	5	0	-5	-100.0%
Adjusted Reimbursable Fund	\$0	\$5	\$0	-\$5	-100.0%
Adjusted Grand Total	\$3,147	\$3,115	\$3,197	\$83	2.7%

- The fiscal 2014 allowance for the Maryland Commission on Civil Rights (MCCR) increases by \$82,545, or 2.7%, compared to the fiscal 2013 working appropriation, after accounting for an across-the-board reduction in health insurance due to favorable cost trends.
- Increases in the general (\$65,068) and federal (\$34,813) fund appropriations are partially offset by the elimination of one-time special and reimbursable fund appropriations.
- Neither special nor reimbursable funds are typical for MCCR; however, in fiscal 2013, MCCR received special funds through the Budget Restoration Fund to support the cost-of-living adjustment in that year and reimbursable funds through a one-time grant from the Judiciary's Office of Mediation and Conflict Resolution. The expenses supported with the Budget Restoration Fund would have otherwise required general funds and are budgeted with general funds in the fiscal 2014 allowance.

Note: Numbers may not sum to total due to rounding.

For further information contact: Tonya D. Zimmerman

Phone: (410) 946-5530

- The majority of the increase in MCCR's fiscal 2014 allowance occurs in the area of personnel.

Personnel Data

	<u>FY 12 Actual</u>	<u>FY 13 Working</u>	<u>FY 14 Allowance</u>	<u>FY 13-14 Change</u>
Regular Positions	37.60	34.60	34.50	-0.10
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	37.60	34.60	34.50	-0.10

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	1.04	3.00%
Positions and Percentage Vacant as of 12/31/12	5.10	14.74%

- Only a minor adjustment in personnel occurs in MCCR's fiscal 2014 allowance, a decrease of 0.1 regular position, due to reducing planned working hours for the vacant fiscal coordinator position.
- As of December 31, 2012, MCCR had 5.1 vacant positions, a vacancy rate of 14.74%, or 14.49%, after accounting for the reduction of the 0.1 position. To meet its turnover expectancy of 3.0%, MCCR must maintain 1.0 vacant position in fiscal 2014.

Analysis in Brief

Major Trends

Expedited Case Processing: MCCR has begun conducting fact finding conferences as an expedited resolution option. This option allows information to be placed into the record, while attempting to resolve the case outside of a full investigation. The percent of parties electing expedited processing increased in fiscal 2012, which impacted resolution times because of the limited number of staff initially trained in this method. Increased staff training is expected to improve performance.

Average Days to Process Cases: MCCR investigates complaints in three areas: (1) employment; (2) housing; and (3) public accommodations. MCCR's average number of days to process each type of case decreased by more than 10% between fiscal 2011 and 2012. MCCR indicates that expedited case processing efforts, prioritizing the oldest cases, and oversight of processing times has resulted in the improved performance.

Recommended Actions

	<u>Funds</u>
1. Increase turnover expectancy to 6%.	\$ 76,400
Total Reductions	\$ 76,400

D27L00 – Maryland Commission on Civil Rights

D27L00
Maryland Commission on Civil Rights

Operating Budget Analysis

Program Description

The Maryland Commission on Civil Rights (MCCR) resolves allegations of discrimination through conciliation, mediation, investigation, and litigation in the areas of employment, housing, and public accommodations. In particular, MCCR resolves allegations of discrimination on the basis of race, color, creed, ancestry, religion, sex, age, sexual orientation, national origin, marital status, familial status, genetic information, and physical or mental disability. Efforts related to employment and fair housing is supplemented by work sharing arrangements and contracts with the U.S. Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development. MCCR engages in cooperative efforts with federal, State, local, and private agencies with comparable interests and/or legal authority.

In addition, MCCR enforces the State of Maryland's Commercial Nondiscrimination Policy. This policy prohibits the State from contracting with business entities, both public and private, that discriminate in the solicitation, selection, hiring, or treatment of vendors, suppliers, subcontractors, or commercial customers.

MCCR, through education and outreach efforts, seeks to improve community relations and foster a better understanding of the law, thereby reducing the potential number of complaints.

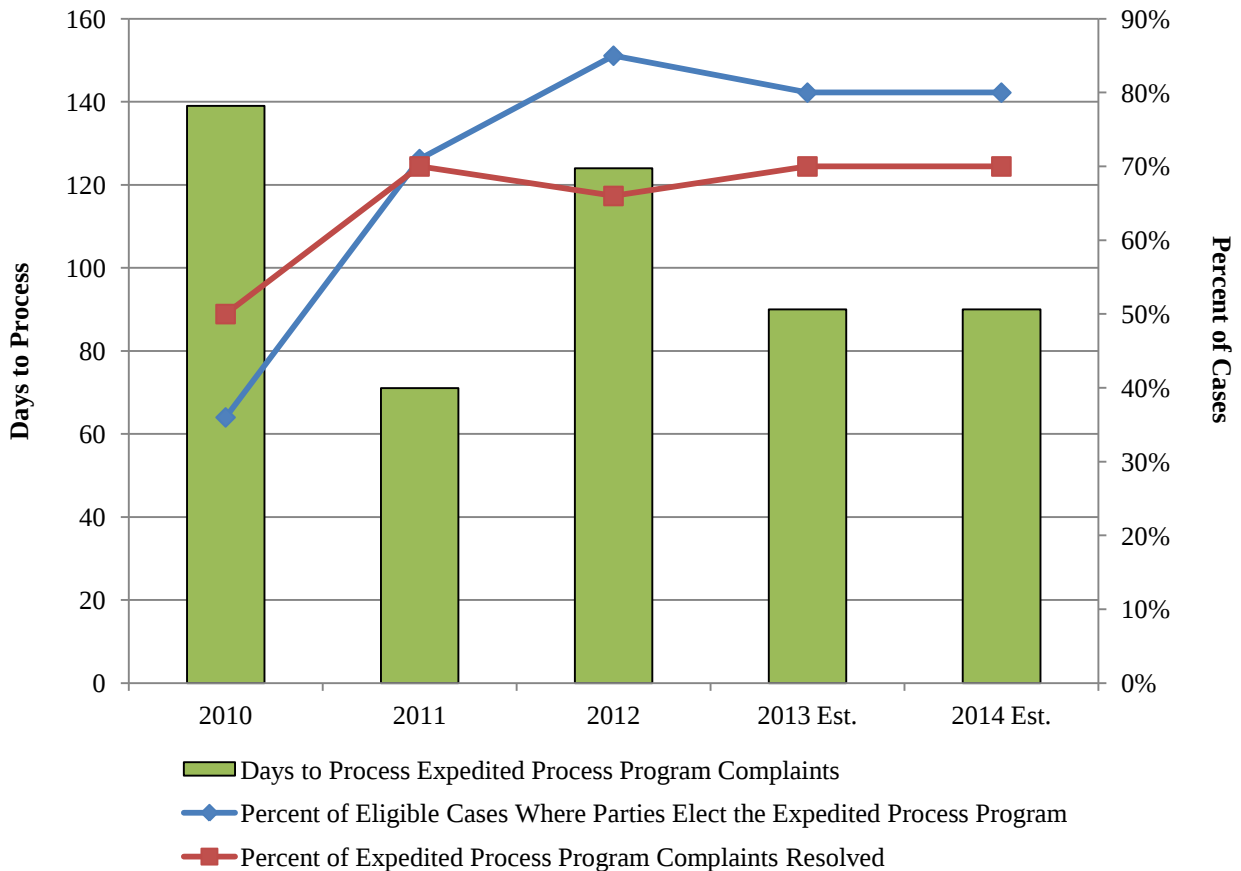
The key goals of MCCR are to improve equal opportunity in Maryland through the use of effective, creative, and efficient case processing activities and to reduce, eliminate, or resolve instances of unlawful discrimination.

Performance Analysis: Managing for Results

1. Expedited Case Processing

MCCR began using fact finding conferences, in addition to mediation, as an expedited case processing option in fiscal 2011. The addition of fact finding conferences provides an opportunity for investigators, who are specially trained, to explore the dispute within the charge and also attempt to resolve the complaint. Fact finding conferences have two benefits over mediation: (1) attendance at fact finding conferences may be required, unlike mediation which is voluntary; and (2) statements at fact finding conferences become part of the case record which allows for a faster investigation period if the conference fails. Expedited case processing is designed to process cases effectively while reducing State costs and time spent on investigations and litigation. The data in **Exhibit 1** for

Exhibit 1
Expedited Case Processing
Fiscal 2010-2014 Est.



Source: Maryland Commission on Civil Rights; Governor's Budget Books

fiscal 2010 represents only the mediation option, while data after that year includes both fact finding conferences and mediation. As shown in Exhibit 1, the percent of eligible parties electing expedited processing increased after fact finding conferences began.

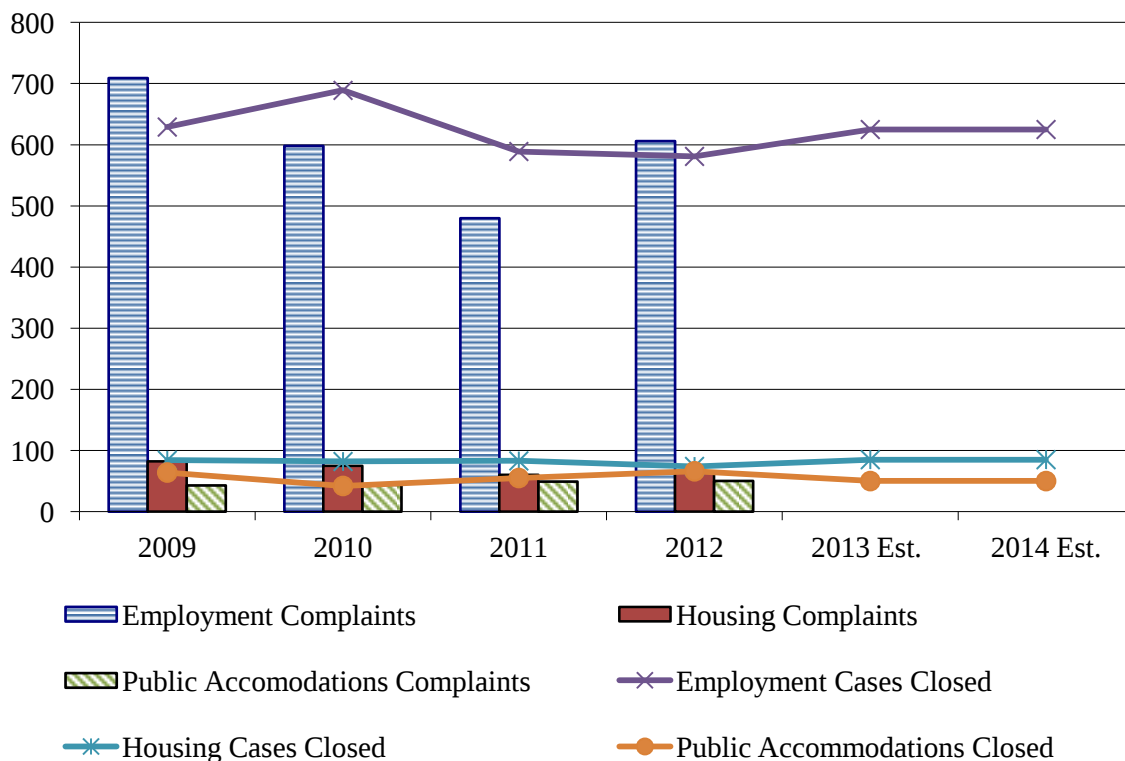
The increase in parties electing expedited case processing in fiscal 2012 contributed to both a decrease in the resolution of these cases and the increase in the number of days to process cases in that year. MCCR began providing the option of participating in fact finding conferences with only a limited number of trained staff, which led to delays in processing while cases waited for an available staff member. MCCR has increased the number of staff trained and plans to continue to train staff in

fact finding conferences, which is expected to increase the resolution rate and decrease case processing time.

2. Case Intake and Closure

MCCR investigates complaints in three areas: (1) employment; (2) housing; and (3) public accommodation. The total number of complaints fell dramatically from fiscal 2009 to 2011, but the number increased by 22.4% in fiscal 2012. As shown in **Exhibit 2**, the majority of complaints continue to occur in the area of employment. The substantial increase in employment complaints between fiscal 2011 and 2012 resulted from efforts to reduce a federal backlog by transferring jointly filed cases to MCCR for processing. This increase was the primary factor in the overall increase in new cases in MCCR in fiscal 2012.

Exhibit 2
Case Intake and Closure by Type
Fiscal 2009-2014 Est.



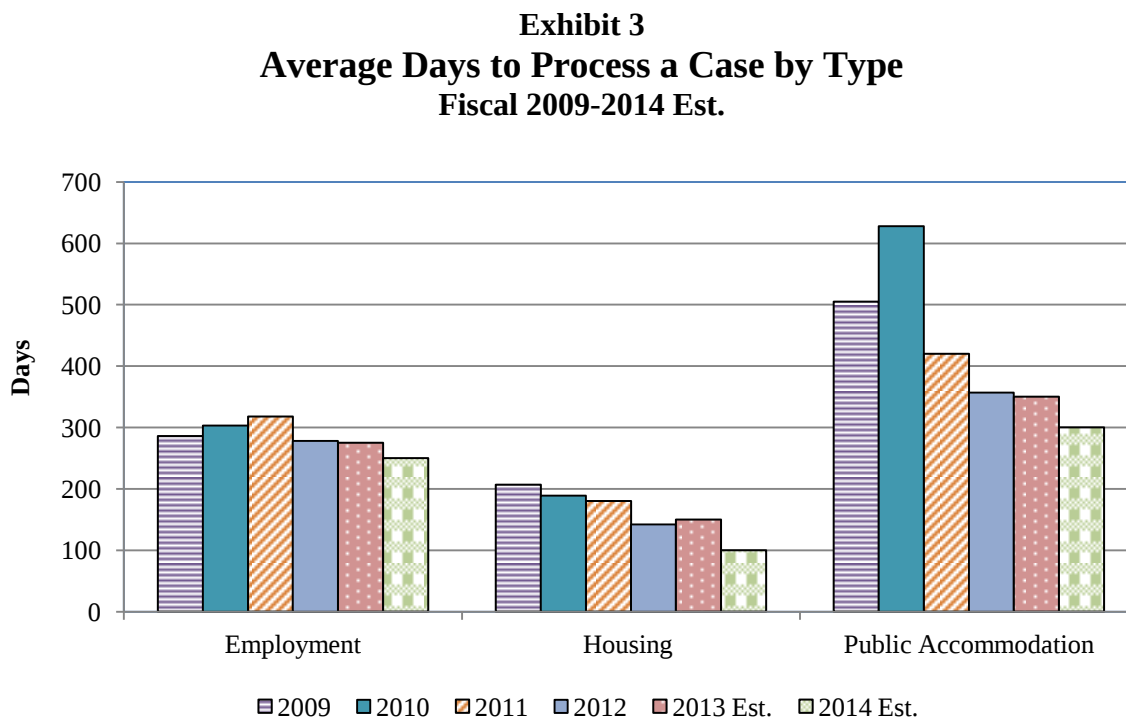
Notes: No estimates are available for the case intake in fiscal 2013 and 2014.

Source: Maryland Commission on Civil Rights; Governor's Budget Books

Cases typically take a substantial period of time to close, meaning that the number of complaints filed may not always directly impact the number of cases closed in any given year; however, the general trends impact case closure activity. As shown in Exhibit 2, the number of employment and housing cases closed decreased between fiscal 2011 and 2012, as might be expected given the decreases in complaints filed in most recent years. The number of public accommodation cases closed increased in both fiscal 2011 and 2012 compared to the prior year consistent with the general increase in the number of these cases in recent years. Additionally, MCCR made concerted efforts to complete outstanding cases in this area after a period of time when available resources limited the work on these cases.

3. Average Days to Process Cases

The average time to process each type of case decreased substantially between fiscal 2011 and 2012, decreases of more than 10.0%, as shown in **Exhibit 3**. MCCR attributes the reduction in case processing time to oversight of processing times, prioritization of the oldest cases, and the use of expedited processing. Housing cases experienced the largest reduction in processing time (21.1%) between fiscal 2011 and 2012. The average time to process public accommodations cases has decreased by 43.2% since fiscal 2010, again due to efforts to resolve outstanding cases in this area.



Source: Maryland Commission on Civil Rights; Governor's Budget Books

Fiscal 2013 Actions

Section 25 of Chapter 1 of the First Special Session of 2012 (the Budget Reconciliation and Financing Act (BRFA) of 2012) required the Governor to abolish at least 100 vacant positions as of January 1, 2013, saving at least \$6 million in general funds. MCCR's share of the reduction was \$7,739 in general funds.

Proposed Budget

As shown in **Exhibit 4**, the fiscal 2014 allowance of MCCR increases by \$82,545 compared to the fiscal 2013 working appropriation, after accounting for an across-the-board reduction in health insurance due to favorable cost trends. General (\$65,068) and federal (\$34,813) funds each increase in the fiscal 2014 allowance. The fiscal 2014 allowance eliminates one-time special and reimbursable funds in MCCR.

Special funds are available to MCCR in fiscal 2013 from the Budget Restoration Fund, a total of \$12,336. The Budget Restoration Fund was created in the BRFA of 2012 (Chapter 1 of the First Special Session of 2012). In MCCR, these funds were used to support a portion of the cost-of-living adjustment (COLA) provided to State employees in January 2013. These expenditures would have otherwise required general funds, and in the fiscal 2014 allowance are budgeted with general funds.

MCCR received a grant of \$5,000 from the Judiciary's Mediation and Conflict Resolution Office in fiscal 2013 for mediation activities related to the Community Conversations Initiative. These funds were used to support travel, training, and printing costs. The one-time grant, budgeted as reimbursable funds, is not available in the fiscal 2014 allowance.

The majority of the increase in MCCR's fiscal 2014 allowance occurs in the area of personnel (\$65,395). The increase in personnel expenditures are largely the result of employee and retiree health insurance (\$53,542), employee retirement (\$50,594), and the annualization of the fiscal 2013 COLA (\$25,129). The contribution rate for the regular employees pension plan increases in fiscal 2014. The rate increases are attributable to underattaining investment returns, adjusting actuarial assumptions, and increasing the reinvestment of savings achieved in the 2011 pension reform. These increases are partially offset by reductions in other personnel expenditures, primarily in regular earnings (\$60,047) due to filling vacant positions at lower salary levels and budgeting vacant positions at the base salary.

Exhibit 4
Proposed Budget
Maryland Commission on Civil Rights
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
2013 Working Appropriation	\$2,446	\$12	\$651	\$5	\$3,115
2014 Allowance	<u>2,515</u>	<u>0</u>	<u>687</u>	<u>0</u>	<u>3,202</u>
Amount Change	\$69	-\$12	\$36	-\$5	\$87
Percent Change	2.8%	-100.0%	5.5%	-100.0%	2.8%
Contingent Reduction	-\$4	0	-\$1	\$0	-\$5
Adjusted Change	\$65	-\$12	\$35	-\$5	\$83
Adjusted Percent Change	2.7%	-100.0%	5.3%	-100.0%	2.7%

Where It Goes:**Personnel Expenses**

Employee and retiree health insurance net of an across-the-board reduction in health insurance due to favorable cost trends	\$54
Employee retirement	51
Annualization of the fiscal 2013 cost-of-living adjustment	25
Social Security contributions, unemployment insurance and turnover adjustments	-4
Regular earnings primarily due to salary adjustments resulting from employee turnover	-60

Cost Allocations

Department of Budget and Management Paid telecommunications partially offset by telecommunications capital lease costs	3
Administrative hearings	-1
Department of Information Technology services allocation and Annapolis Data Center charges	-2
Statewide Personnel System allocation and Retirement administrative fee	-5

D27L00 – Maryland Commission on Civil Rights

Where It Goes:

Other Changes

Travel primarily to reflect recent experiences for conferences and training related to federal contracts	8
Office supplies based on recent experience	6
Postage, telephone, and cell phone expenditures based on recent experience and contract needs	6
Copier rental to reflect contract needs.....	5
Subscriptions to WestLaw and Lexis Nexis for legal research	4
Maintenance contracts for computer hardware, firewall support, and network services based on recent experience.....	3
Legal services primarily in court reporting and transcripts based on recent experience.....	3
Per diem payments for commission members.....	2
Actions to constrain spending	-3
One-time Mediation and Conflict Resolution Grant from the Judiciary for mediation activities related to the Community Conversations Initiative	-5
Rent paid to the Department of General Services	-8
Other.....	2
Total	\$83

Note: Numbers may not sum to total due to rounding.

Recommended Actions

	<u>Amount Reduction</u>
1. Increase turnover expectancy to 6%. As of December 31, 2012, the Maryland Commission on Civil Rights had 5.10 vacant positions. A turnover expectancy of 6% would only require 2.07 positions to be vacant in fiscal 2014.	\$ 61,822 GF \$ 14,578 FF
Total Reductions	\$ 76,400
Total General Fund Reductions	\$ 61,822
Total Federal Fund Reductions	\$ 14,578

Current and Prior Year Budgets

Current and Prior Year Budgets Maryland Commission on Civil Rights (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2012					
Legislative Appropriation	\$2,490	\$0	\$631	\$0	\$3,121
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	21	0	5	0	26
Reversions and Cancellations	0	0	0	0	0
Actual Expenditures	\$2,511	\$0	\$636	\$0	\$3,147
Fiscal 2013					
Legislative Appropriation	\$2,446	\$0	\$647	\$0	\$3,093
Budget Amendments	0	12	4	5	22
Working Appropriation	\$2,446	\$12	\$651	\$5	\$3,115

Note: Numbers may not sum to total due to rounding.

Fiscal 2012

The fiscal 2012 expenditures of MCCR were \$26,192 higher than the legislative appropriation. Increases totaling \$26,308 resulted from the general (\$21,466) and federal (\$4,842) fund share of the \$750 one-time employee bonus provided to State employees. These increases were partially offset by a small federal fund cancellation.

Fiscal 2013

MCCR's fiscal 2013 appropriation increased by \$12,336 in special funds and \$4,234 in federal funds to support the 2% COLA provided to employees in January 2013. An increase of \$5,000 in reimbursable funds supports a grant from the Judiciary for mediation activities related to the Community Conversations Initiative pilot project, which is focused on public dialogue on diversity issues.

Audit Findings

Audit Period for Last Audit:	March 31, 2009 – March 13, 2012
Issue Date:	July 2012
Number of Findings:	0
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

The audit did not disclose any findings.

**Object/Fund Difference Report
Maryland Commission on Civil Rights**

<u>Object/Fund</u>	<u>FY 12 Actual</u>	<u>FY 13 Working Appropriation</u>	<u>FY 14 Allowance</u>	<u>FY 13 - FY 14 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	37.60	34.60	34.50	-0.10	-0.3%
Total Positions	37.60	34.60	34.50	-0.10	-0.3%
Objects					
01 Salaries and Wages	\$ 2,842,820	\$ 2,924,416	\$ 2,994,620	\$ 70,204	2.4%
02 Technical and Spec. Fees	32,042	5,600	4,500	-1,100	-19.6%
03 Communication	48,359	36,447	43,489	7,042	19.3%
04 Travel	22,515	10,200	16,400	6,200	60.8%
07 Motor Vehicles	2,229	2,000	2,000	0	0%
08 Contractual Services	51,125	41,364	44,942	3,578	8.7%
09 Supplies and Materials	12,700	4,000	10,000	6,000	150.0%
10 Equipment – Replacement	23,045	0	0	0	0.0%
11 Equipment – Additional	1,205	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	13,881	0	0	0	0.0%
13 Fixed Charges	97,095	90,700	86,130	-4,570	-5.0%
Total Objects	\$ 3,147,016	\$ 3,114,727	\$ 3,202,081	\$ 87,354	2.8%
Funds					
01 General Fund	\$ 2,510,970	\$ 2,445,951	\$ 2,514,893	\$ 68,942	2.8%
03 Special Fund	0	12,336	0	-12,336	-100.0%
05 Federal Fund	636,046	651,440	687,188	35,748	5.5%
09 Reimbursable Fund	0	5,000	0	-5,000	-100.0%
Total Funds	\$ 3,147,016	\$ 3,114,727	\$ 3,202,081	\$ 87,354	2.8%

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.