

D27L00
Maryland Commission on Civil Rights

Operating Budget Data

(\$ in Thousands)

	<u>FY 14</u> <u>Actual</u>	<u>FY 15</u> <u>Working</u>	<u>FY 16</u> <u>Allowance</u>	<u>FY 15-16</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$2,368	\$2,511	\$2,625	\$114	4.5%
Deficiencies and Reductions	0	-50	-162	-112	
Adjusted General Fund	\$2,368	\$2,461	\$2,463	\$2	0.1%
Federal Fund	519	763	686	-77	-10.1%
Deficiencies and Reductions	0	0	-18	-18	
Adjusted Federal Fund	\$519	\$763	\$668	-\$95	-12.4%
Adjusted Grand Total	\$2,887	\$3,224	\$3,131	-\$93	-2.9%

Note: The fiscal 2015 working appropriation reflects deficiencies and the Board of Public Works reductions to the extent that they can be identified by program. The fiscal 2016 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

- The adjusted fiscal 2016 allowance decreases \$93,000 from the current year working appropriation. A federal grant in fiscal 2015 for the Fair Housing and Assistance Program will not be renewed in fiscal 2016, resulting in a \$129,000 decrease in federal funds. The loss significantly contributes to the 12.4% total decrease in federal funds.

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

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Personnel Data

	<u>FY 14 Actual</u>	<u>FY 15 Working</u>	<u>FY 16 Allowance</u>	<u>FY 15-16 Change</u>
Regular Positions	34.50	34.50	34.00	-0.50
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	34.50	34.50	34.00	-0.50

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	1.63	4.78%
Positions and Percentage Vacant as of 1/1/15	5.50	15.94%

- The fiscal 2016 allowance abolishes 0.5 regular positions from the current year working appropriation. The abolished position has been vacant since June 30, 2012.
- The agency’s turnover rate is 4.78%, which requires 1.63 vacant positions. As of January 1, 2015, the agency reported 5.50 vacancies.

Analysis in Brief

Major Trends

Expedited Case Processing: The Maryland Commission on Civil Rights (MCCR) uses fact-finding conferences and mediation as expedited case processing options. In fiscal 2014, 91% of eligible parties chose expedited case processing. The number of days to process the expedited complaint cases rose about 4% from 181 days in fiscal 2013 to 189 days in fiscal 2014.

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 has since increased about 26% from fiscal 2011, reaching 740 in fiscal 2014. The number of public accommodation cases closed in fiscal 2014 dropped by 13% from fiscal 2013 due to several outdated cases.

Average Days to Process All Cases: After a 13.6% increase in the average number of days to process all case types from fiscal 2012 to 2013, MCCR was able to decrease case processing time by 7.9% from 883 days in fiscal 2013 to 813 days in fiscal 2014. The fluctuation in total cases was largely caused by a similar fluctuation in length of time to close public accommodation cases.

Issues

Case Closures and Staffing: MCCR enforces Maryland’s anti-discrimination laws in employment, housing, public accommodations, and State contracts. Over the last couple of years, MCCR has been streamlining its case initiation and investigation processes for more efficient resolution. Over the last five fiscal years, MCCR has maintained the number of cases assigned per civil officer below MCCR’s productivity standard. **The Department of Legislative Services recommends that the agency comment on its ability to maintain full staffing and continue to meet the productivity standards.**

Recommended Actions

1. Concur with Governor’s allowance.

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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. MCCR maintains work sharing arrangements and contracts with the U.S. Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development to supplement its efforts related to employment and fair housing. MCCR engages in cooperative efforts with federal, State, local, and private agencies with comparable interests, legal authority, or both.

In addition, MCCR enforces the State of Maryland's Commercial Nondiscrimination Policy. The 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.

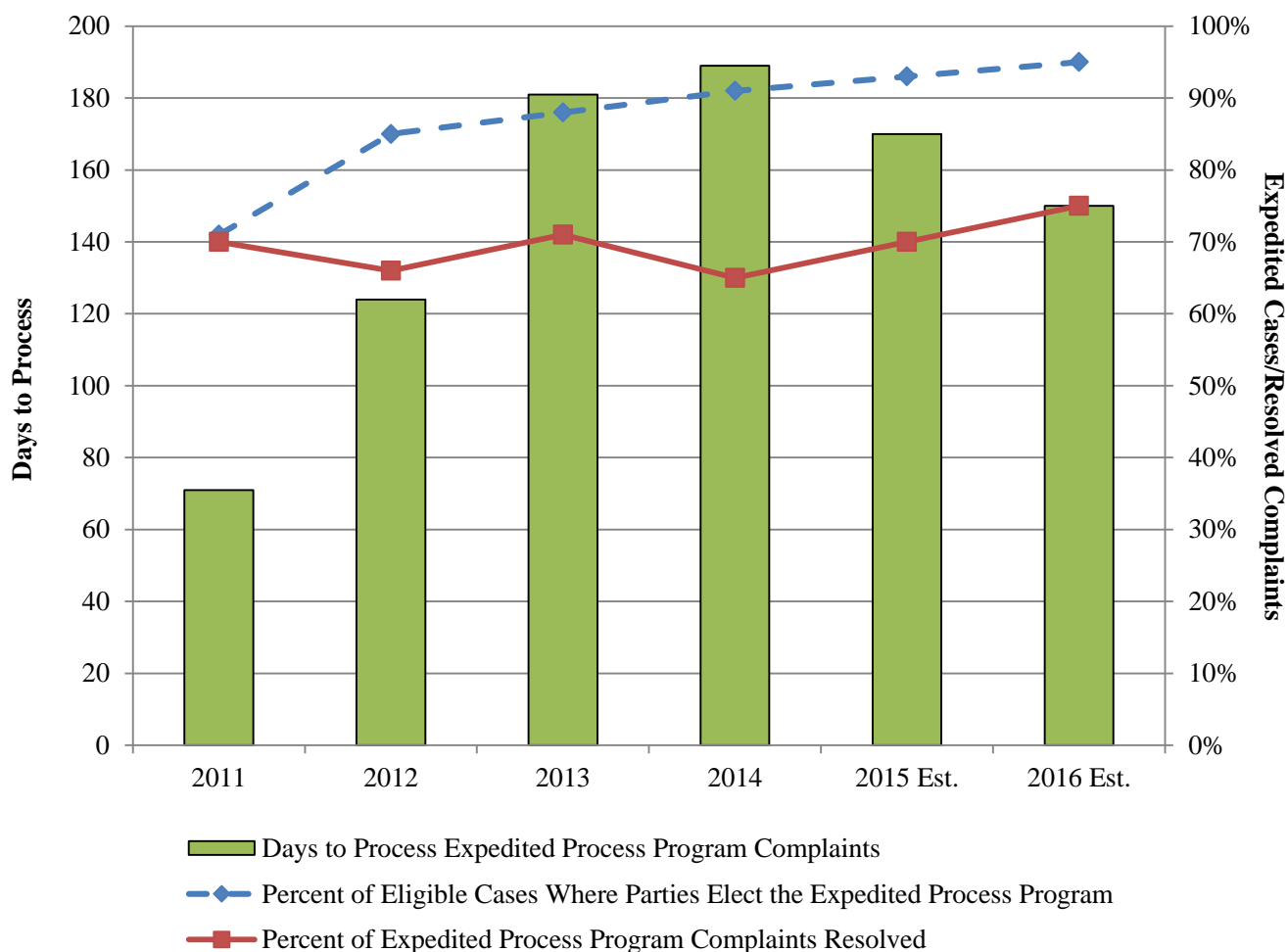
The key goals of MCCR are to improve equal opportunity in Maryland through the use of effective, creative, and efficient case processing activities and to reduce, eliminate, or resolve instances of unlawful discrimination.

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 specially trained investigators 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. As shown in **Exhibit 1**, the percent of eligible parties electing expedited processing has continued to increase since fiscal 2011 reaching 91% in fiscal 2014.

**Exhibit 1
Expedited Case Processing
Fiscal 2011-2016 Est.**



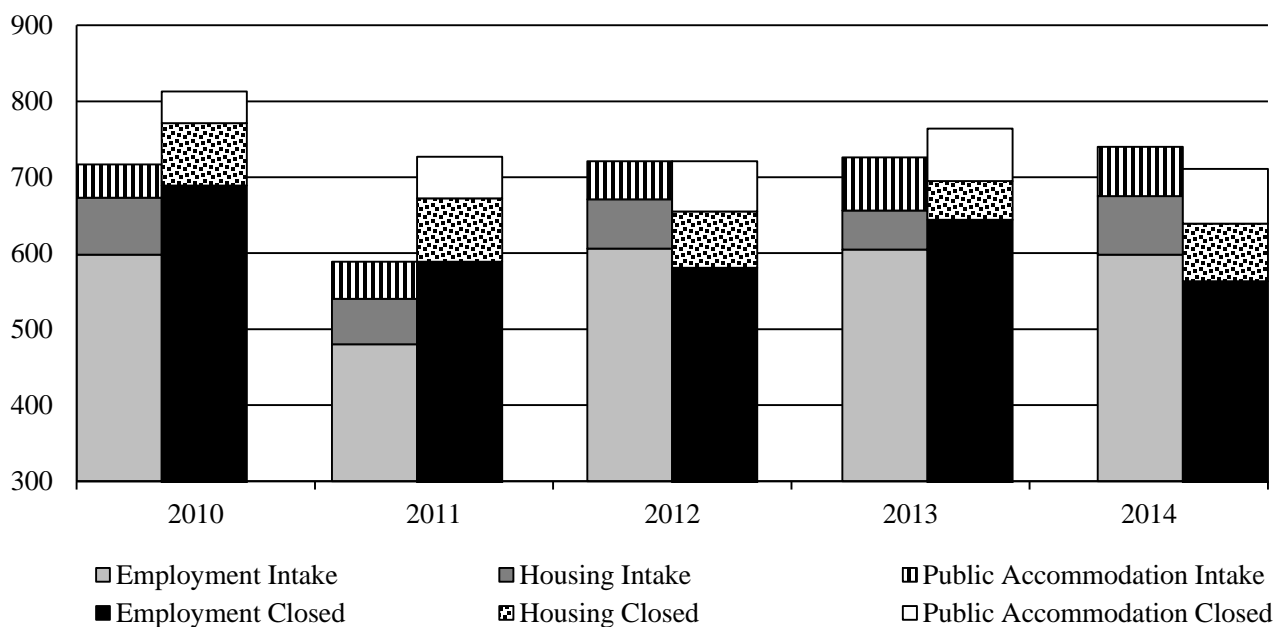
Source: Maryland Commission on Civil Rights; Governor’s Budget Books

While more parties chose expedited case processing in fiscal 2014 than in 2013, the percent of resolved cases decreased, and the number of days to resolution increased. The agency attributes the dwindling successful resolution role to turnover within the Case Processing Unit. Currently, over half the positions have been filled for less than two years. The time associated with recruitment and hiring contributed to the increased time in complaint processing. Additionally, inexperienced civil rights officers were less able to effectively negotiate resolutions and settlements.

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 717 in fiscal 2009 to 589 in fiscal 2011 but have since increased about 26%, reaching 740 in fiscal 2014. 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. Since fiscal 2012, the number of employment complaints has been relatively steady. In fact, total complaints has risen by only 3%, from 721 in fiscal 2012 to 740 in 2014.

Exhibit 2
Case Intake and Closure
Fiscal 2010-2014



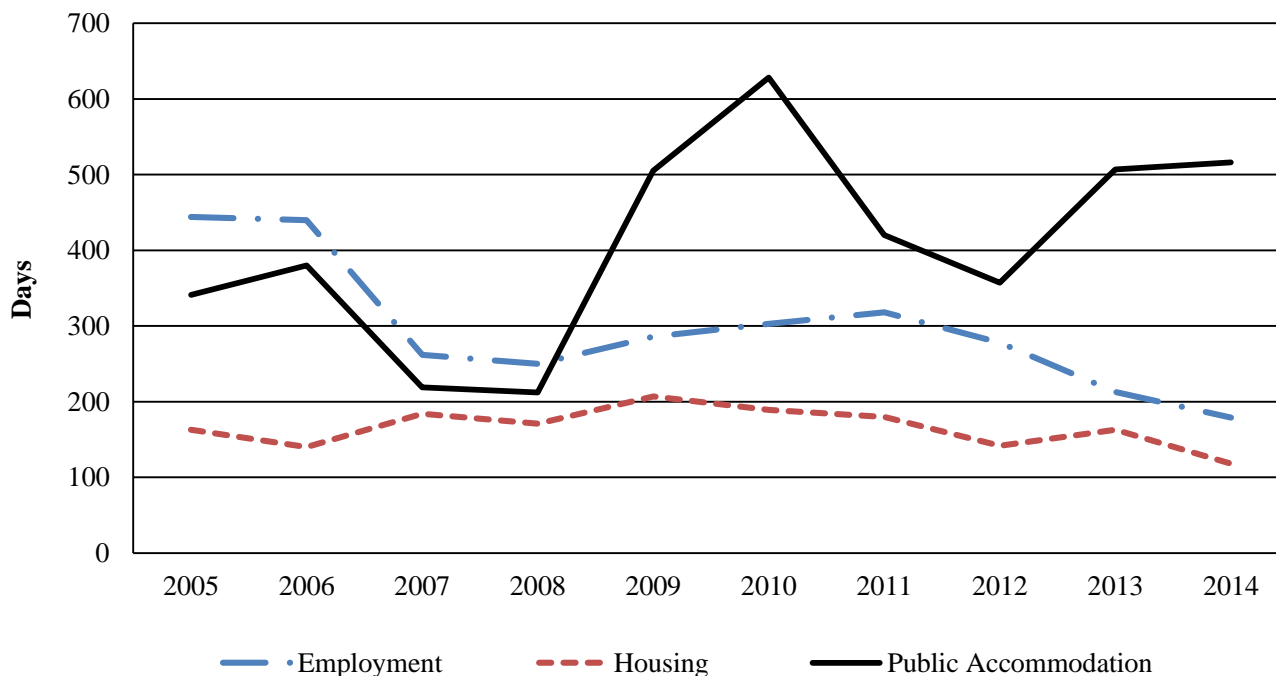
Source: Maryland Commission on Civil Rights; Governor’s Budget Books

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, total cases closed has remained relatively steady since fiscal 2011. Employment and housing case closures have experienced opposite trends since fiscal 2012. The number of employment cases closed in fiscal 2012 was 581, rose to 644 in fiscal 2013, and then dropped back down to 563 in fiscal 2014. The number of housing cases closed in fiscal 2012 was 74, dropped to 51 in fiscal 2013, and rose back to 76 in fiscal 2014. The number of public accommodation cases closed has remained relatively steady since fiscal 2012.

3. Average Days to Process All Cases

The average number of days to process a case considers the number of days to close an investigation or resolve the case through settlement. The figures do not include open cases with a finding of probable cause, systemic cases, and cases in litigation. The average time to process employment and housing cases decreased between fiscal 2013 and 2014. For public accommodation cases, however, the average time slightly increased. As shown in **Exhibit 3**, days to closure for employment and housing cases have steadily decreased since 2011, though housing did experience a slight uptick in fiscal 2013. The agency has recently been cross training investigators to handle all case types, which has contributed to more efficient case closure. Public accommodation cases have been less predictable. In fiscal 2012, public accommodation cases only took 357 days to close. By fiscal 2013, the number rose by 42% to 507 days and has remained at that level in fiscal 2014. The agency has seven severely prolonged public accommodation cases. By December 2014, the agency had closed five of those cases and anticipated closing the remaining cases before the end of fiscal 2015. Removing those cases from the caseload will bring the number of days back in line with historic trends. The agency anticipates the average days to closure for public accommodation to fall to 350 in fiscal 2015.

Exhibit 3
Days to Case Closure: Expedited and Nonexpedited
Fiscal 2005-2014



Source: Governor’s Budget Books

Fiscal 2015 Actions

Cost Containment

In fiscal 2015, a 2% across-the-board reduction decreased general funds by \$50,223.

Proposed Budget

As shown in **Exhibit 4**, the adjusted fiscal 2016 allowance decreases \$93,000 from the current year working appropriation. A federal grant in fiscal 2015 for the Fair Housing and Assistance Program will not be renewed in fiscal 2016, resulting in a \$129,000 decrease in federal funds.

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

How Much It Grows:	General Fund	Federal Fund	Total
Fiscal 2014 Actual	\$2,368	\$519	\$2,887
Fiscal 2015 Working Appropriation	2,461	763	3,224
Fiscal 2016 Allowance	<u>2,463</u>	<u>668</u>	<u>3,131</u>
Fiscal 2015-2016 Amt. Change	\$2	-\$95	-\$93
Fiscal 2015-2016 Percent Change	0.1%	-12.4%	-2.9%

Where It Goes:

Personnel Expenses

Employee and retiree health insurance.....	\$77
Turnover adjustment	45
Increments and general salary increase annualization (prior to cost containment).....	40
Employee retirement contribution.....	38
Other fringe benefit adjustments	-20
Abolished position (0.5 FTE).....	-36
Section 20: 2% pay reduction.....	-48
Section 21: abolition of employee increments	-80

Other Changes

Subscriptions to Lexis Nexis and other legal publications and association dues.....	9
Various assigned costs (rent, IT systems, and telecommunications)	6

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Where It Goes:

Training for federal programs and initiatives.....	3
Other.....	2
Partnership grants through U.S. Department of Housing and Urban Development.....	-129
Total	-\$93

FTE: full-time equivalent

IT: information technology

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation reflects deficiencies and the Board of Public Works reductions to the extent that they can be identified by program. The fiscal 2016 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

Cost Containment

In fiscal 2016, the Administration has implemented several across-the-board reductions. This includes a general 2% reduction, elimination of employee increments, and a 2% pay reduction. This agency's share of these reductions is \$180,223.

Federal Grants

In fiscal 2015, MCCR received \$129,425 in federal funds through a budget amendment for partnership grant funds from the U.S. Department of Housing and Urban Development (HUD). The grants included \$63,000 for MCCR to partner with Baltimore Neighborhoods, Inc. to conduct 32 housing tests in selected Eastern Shore Maryland counties using HUD-approved fair housing methodology; \$16,425 to partner with the Equal Rights Center to conduct 50 telephone tests to determine the willingness of landlords to reasonably accommodate persons with disabilities who require a service animal; and \$50,000 to develop advertising campaigns built around transportation centers in different regions in Maryland, including the western counties and the Eastern Shore. These were one-time grants that will not be repeated in fiscal 2016.

Issues

1. Case Closures and Staffing

MCCR enforces Maryland’s anti-discrimination laws in employment, housing, public accommodations, and State contracts. When an individual believes he or she is the victim of unlawful discrimination, the individual files a complaint with MCCR’s Intake Unit. The intake officers interview the complainant and if the complaints meet the base criteria, the officer obtains preliminary information of the alleged discrimination and prepares a file containing the first substantive information about the cases. The officer then issues a Charge of Discrimination.

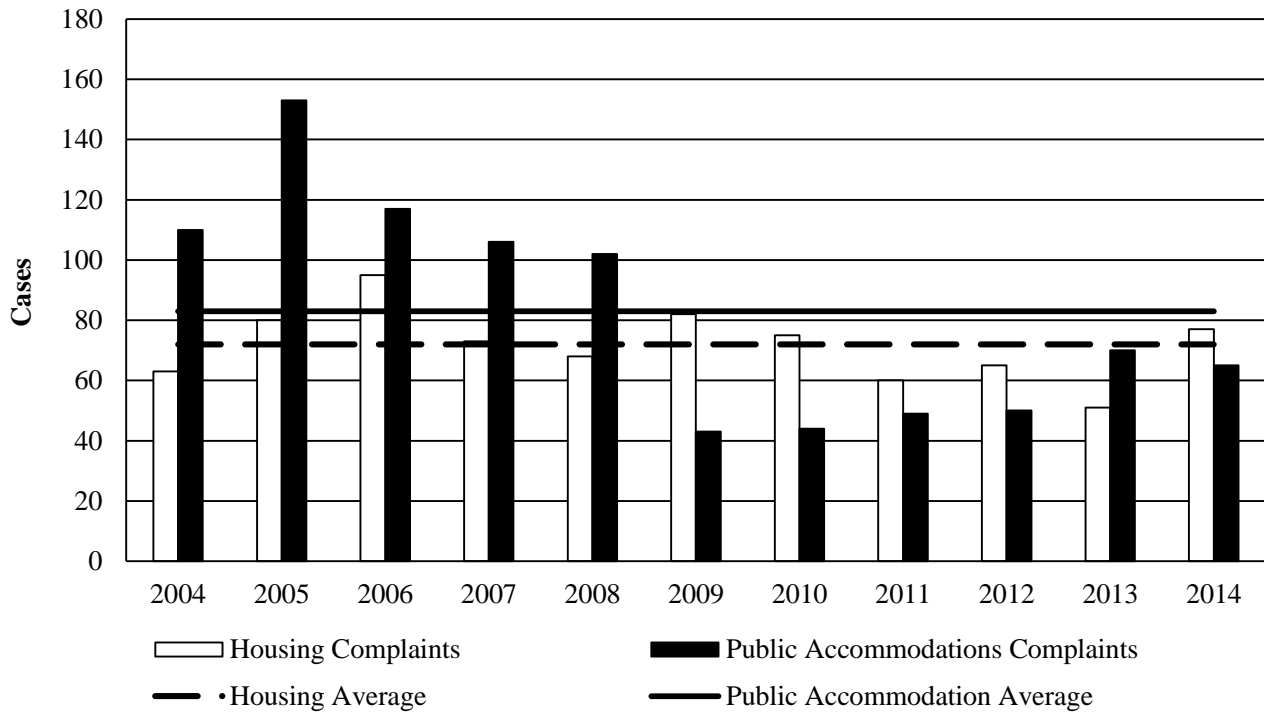
After intake, a complaint moves to investigators who review the complaint, prepare pre-investigation plans, draft complaints, interview parties and witnesses, conduct negotiations, draft written findings and recommendations, and perform other miscellaneous duties. MCCR attempts to engage parties in expedited case processing options such as fact-finding conferences, mediation, and settlements. If resolution is not reached and there is enough evidence to pursue the complaint further, the complaint is certified for a public hearing and transferred out of the investigation unit to the general counsel.

Caseloads

There are three types of complaint classifications: employment, housing, and public accommodation. Over the last 10 fiscal years, MCCR averaged intake of 792 cases per year. In fiscal 2014, MCCR had a total case intake of 740 cases. Of the three classifications, employment complaints are consistently the highest, averaging 638 per year over the last 10 years. As seen in **Exhibits 5** and **6**, for the last 5 fiscal years, each case type’s intake has been below, or just slightly above, the 10-year average.

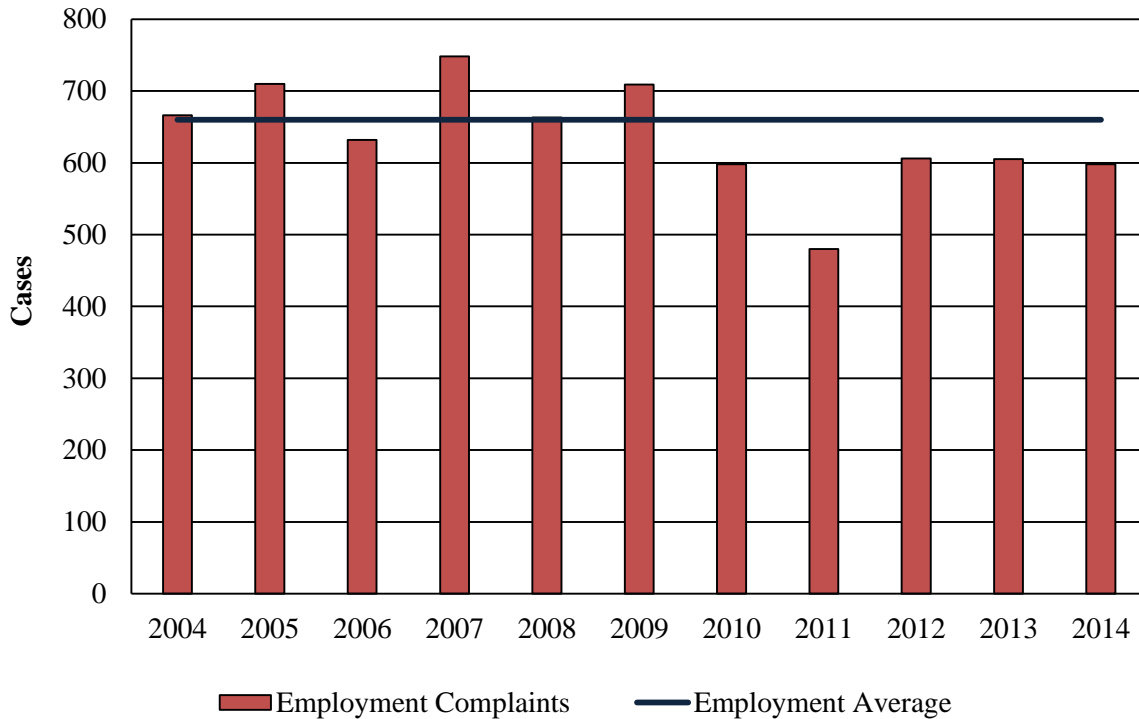
Cases typically take a substantial period of time to close, meaning that the number of complaints filed may not always directly impact the number of cases closed in any given year. **Exhibit 7** shows case closure rates over the last 10 years. From fiscal 2004 to 2009, the case closure rate between the three case types was dramatically different. For example, in fiscal 2008, the housing closure rate was 165% while public accommodation was 58%. To alleviate this disparity, the agency has recently been cross training investigators to handle all three types of cases. This strategy appears to be effective, as the closure rates have begun to level out since fiscal 2009.

Exhibit 5
Average Annual Housing and Public Accommodation Case Intake
Fiscal 2004-2014



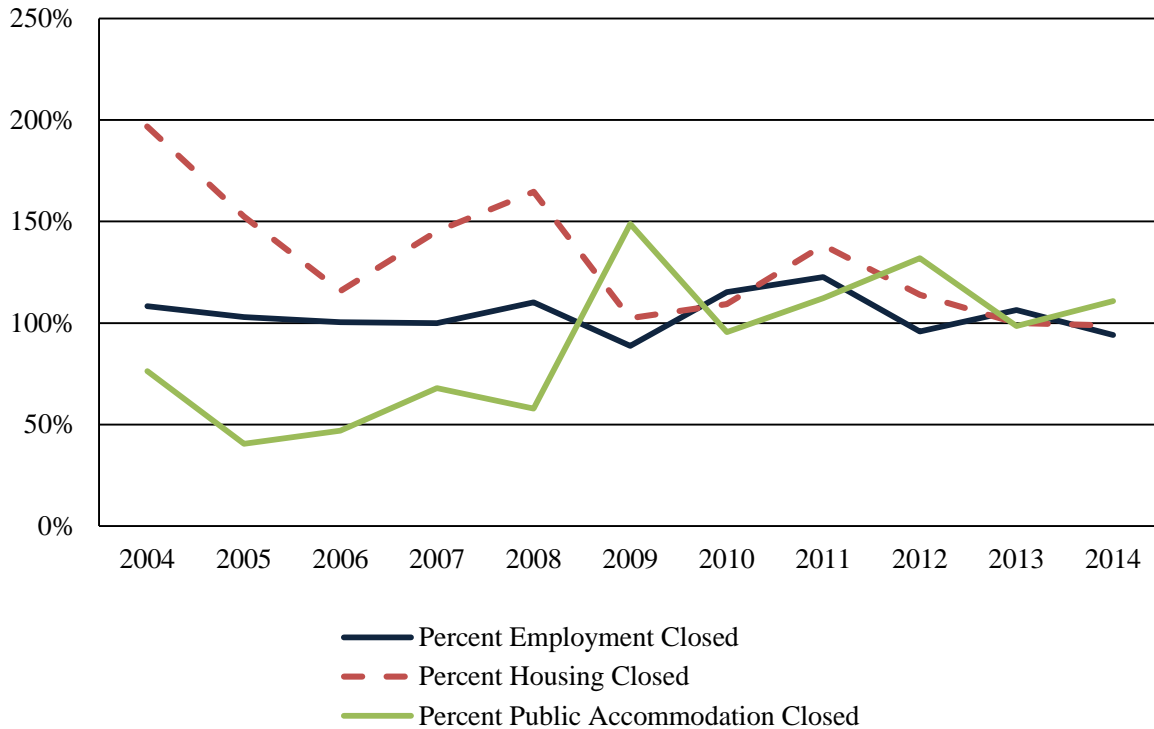
Source: Governor's Budget Books

Exhibit 6
Average Annual Employment Case Intake
Fiscal 2004-2014



Source: Governor’s Budget Books

**Exhibit 7
Case Closure Rate
Fiscal 2004-2014**



Source: Governor’s Budget Books

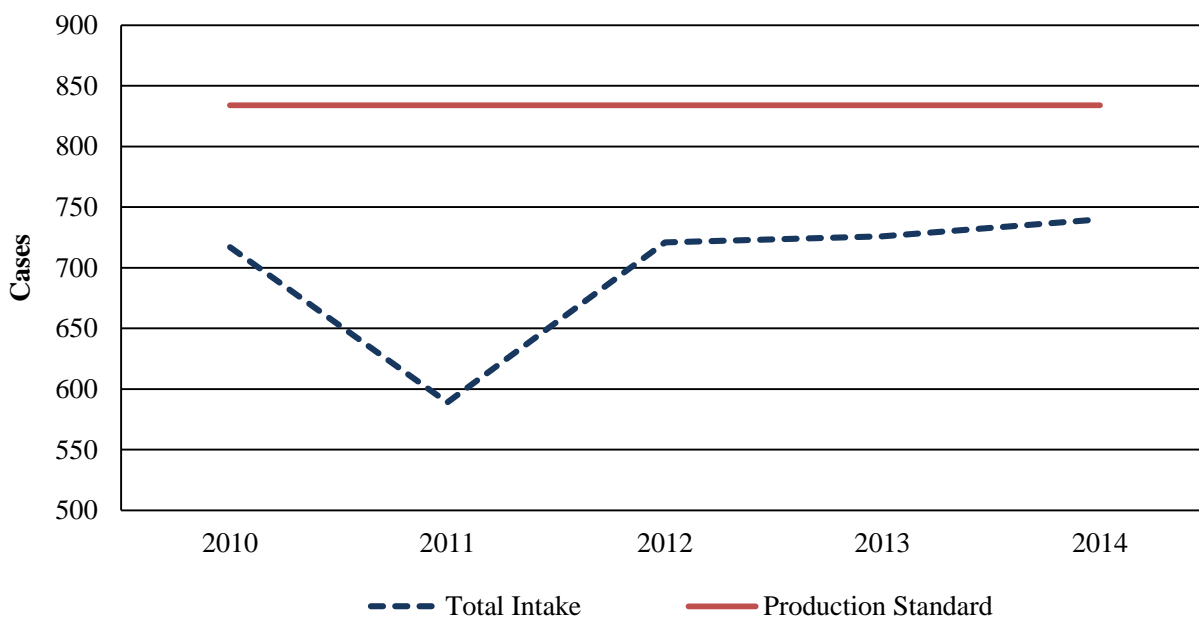
Staffing Levels

MCCR splits its investigators among four units: the Intake Unit, the Field Investigations Unit, the Baltimore Investigations Unit I, and the Baltimore Investigations Unit II. All of the units are staffed with a unit supervisor and civil rights officers (CRO) of different levels and classifications. MCCR has established production standards for the different CRO classifications. The standards ensure investigation integrity. The caseload standards are:

- civil rights officer I: 54 cases
- civil rights officer II: 60 cases
- civil rights officer III: 72 cases
- civil rights officer IV: 78 cases

MCCR currently has 20 people assigned to the Case Processing Unit. There are 4 unit supervisors and 16 CROs of various classifications. Of the 16 CROs, 12 are assigned to investigations. Based on the current officer classifications and caseload standards, the appropriate annual caseload for MCCR investigators is 834 cases. **Exhibit 8** shows how actual caseloads have compared to the caseload standard for the past five fiscal years, assuming full staffing and equal work production output. In the past five fiscal years, MCCR’s actual case intake has fallen well below the production standard amount. However, this trend is easily affected by turnover, officer classification levels, individual officer productivity, and seasonal fluctuations in complaint filing.

Exhibit 8
Case Intake and Production Standard
Fiscal 2010-2014



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

Even though MCCR’s case intake has consistently been below the production standard, the number of days to case closure has not been as consistent. In an effort to promote efficiency, over the past two years, MCCR has streamlined its case process to promote efficiency. MCCR centralized all intake functions to the Baltimore City office, allowing the field staff to focus on investigations. This change allows officers to address more complaints in a shorter period of time and cut down on postage costs from the field unit. The intake unit also handles the fact-finding scheduling function so that the investigators can focus on closing cases.

The Department of Legislative Services recommends that the agency comment on its ability to maintain full staffing and continue to meet the productivity standards.

Recommended Actions

1. Concur with Governor's allowance.

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 2014					
Legislative Appropriation	\$2,449	\$0	\$672	\$0	\$3,121
Deficiency Appropriation	-94	0	-12	0	-107
Budget Amendments	44	0	9	0	53
Reversions and Cancellations	-31	0	-150	0	-181
Actual Expenditures	\$2,368	\$0	\$519	\$0	\$2,887
Fiscal 2015					
Legislative Appropriation	\$2,491	\$0	\$629	\$0	\$3,120
Cost Containment	0	0	0	0	0
Budget Amendments	20	0	134	0	154
Working Appropriation	\$2,511	\$0	\$763	\$0	\$3,274

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies.

Fiscal 2014

MCCR finished fiscal 2014 approximately \$234,000 below its legislative appropriation. Deficiency appropriations reduced retirement contributions by \$33,681 and health care contributions by \$60,726.

Amendments for the cost-of-living adjustment (COLA) and salary increment increased by \$46,101. An additional amendment added \$574 based on general fund realignment for telecommunications expenditures.

Reversions and cancellations totaled about \$181,000, mostly due to \$150,000 of unspent federal funds.

Fiscal 2015

The fiscal 2015 working appropriation is about \$154,000 above the legislative appropriation. Amendments added \$24,799 for the COLA. MCCR received \$129,425 in federal funds approved by HUD under the Fair Housing Assistance Program. The funds will be used for various partnerships throughout Maryland.

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

<u>Object/Fund</u>	<u>FY 14 Actual</u>	<u>FY 15 Working Appropriation</u>	<u>FY 16 Allowance</u>	<u>FY 15 - FY 16 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	34.50	34.50	34.00	-0.50	-1.4%
Total Positions	34.50	34.50	34.00	-0.50	-1.4%
Objects					
01 Salaries and Wages	\$ 2,638,837	\$ 2,948,364	\$ 3,092,617	\$ 144,253	4.9%
02 Technical and Spec. Fees	9,412	6,000	9,300	3,300	55.0%
03 Communication	40,698	43,136	45,606	2,470	5.7%
04 Travel	16,617	21,800	19,500	-2,300	-10.6%
07 Motor Vehicles	1,782	2,500	2,000	-500	-20.0%
08 Contractual Services	70,949	86,011	44,065	-41,946	-48.8%
09 Supplies and Materials	13,161	10,000	10,000	0	0%
10 Equipment – Replacement	4,202	0	0	0	0.0%
11 Equipment – Additional	6,206	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	500	79,925	500	-79,425	-99.4%
13 Fixed Charges	84,763	76,165	87,779	11,614	15.2%
Total Objects	\$ 2,887,127	\$ 3,273,901	\$ 3,311,367	\$ 37,466	1.1%
Funds					
01 General Fund	\$ 2,368,299	\$ 2,511,163	\$ 2,625,359	\$ 114,196	4.5%
05 Federal Fund	518,828	762,738	686,008	-76,730	-10.1%
Total Funds	\$ 2,887,127	\$ 3,273,901	\$ 3,311,367	\$ 37,466	1.1%

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions.

Fiscal Summary
Maryland Commission on Civil Rights

<u>Program/Unit</u>	<u>FY 14 Actual</u>	<u>FY 15 Wrk Approp</u>	<u>FY 16 Allowance</u>	<u>Change</u>	<u>FY 15 - FY 16 % Change</u>
01 General Administration	\$ 2,887,127	\$ 3,273,901	\$ 3,311,367	\$ 37,466	1.1%
Total Expenditures	\$ 2,887,127	\$ 3,273,901	\$ 3,311,367	\$ 37,466	1.1%
General Fund	\$ 2,368,299	\$ 2,511,163	\$ 2,625,359	\$ 114,196	4.5%
Federal Fund	518,828	762,738	686,008	-76,730	-10.1%
Total Appropriations	\$ 2,887,127	\$ 3,273,901	\$ 3,311,367	\$ 37,466	1.1%

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions.