

D27L00
Maryland Commission on Human Relations

Operating Budget Data

(\$ in Thousands)

	<u>FY 10 Actual</u>	<u>FY 11 Working</u>	<u>FY 12 Allowance</u>	<u>FY 11-12 Change</u>	<u>% Change Prior Year</u>
General Fund	\$2,544	\$2,509	\$2,628	\$119	4.7%
Contingent & Back of Bill Reductions	0	0	-47	-47	
Adjusted General Fund	\$2,544	\$2,509	\$2,580	\$71	2.8%
Federal Fund	756	680	637	-43	-6.3%
Contingent & Back of Bill Reductions	0	0	-7	-7	
Adjusted Federal Fund	\$756	\$680	\$630	-\$50	-7.3%
Adjusted Grand Total	\$3,300	\$3,189	\$3,210	\$21	0.7%

- Total funding increases \$21,311, or 0.7%, in the Governor's allowance after accounting for across-the-board and contingent reductions.
- General funds grow \$71,161 and federal funds decline \$49,850, or 7.3%.

Personnel Data

	<u>FY 10 Actual</u>	<u>FY 11 Working</u>	<u>FY 12 Allowance</u>	<u>FY 11-12 Change</u>
Regular Positions	40.60	38.60	38.60	0.00
Contractual FTEs	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
Total Personnel	41.60	39.60	39.60	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	1.54	4.00%
Positions and Percentage Vacant as of 12/31/10	3.40	8.81%

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

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- Regular and contractual positions are unchanged in the Governor’s allowance.
- The Governor’s allowance assumes a vacancy rate of 4.0%, or 1.54 positions. The Maryland Commission on Human Relations (MCHR) has a current vacancy rate of 8.8%, or 3.4 positions.

Analysis in Brief

Major Trends

Mediation Rate Falls in Fiscal 2010: The percentage of cases where parties elected to mediate declined 15 percentage points between fiscal 2008 and 2010, to 36%. MCHR explains that staffing levels limited the management and training of mediators which is responsible for this decline. The percent of cases resolved in mediation was 50%, in line with the national average.

Number of Public Accommodations Cases Closed Declines 34%: Federal funding supports housing and employment cases, so MCHR focuses resources in those areas so as to not exceed maximum day limits and spend State funds on activities that would otherwise be covered with federal money. Public accommodations cases, in contrast, are fully State funded, and MCHR closed 22 fewer of these cases in fiscal 2010 than in fiscal 2009. **MCHR should comment on how federal funding influences how the commission assigns and pursues cases and operates in general.**

Recommended Actions

1. Concur with Governor’s allowance.

Maryland Commission on Human Relations

Operating Budget Analysis

Program Description

The Maryland Commission on Human Relations (MCHR) resolves allegations of discrimination through conciliation, mediation, and litigation in the areas of employment, housing, and public accommodations. In particular, MCHR 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 are supplemented by the work sharing arrangements and contracts with the U.S. Equal Employment Opportunity Commission (EEOC) and the U.S. Department of Housing and Urban Development (HUD). MCHR engages in cooperative efforts with federal, State, local, and private agencies with comparable interests and/or legal authority. MCHR, 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.

In addition, MCHR 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.

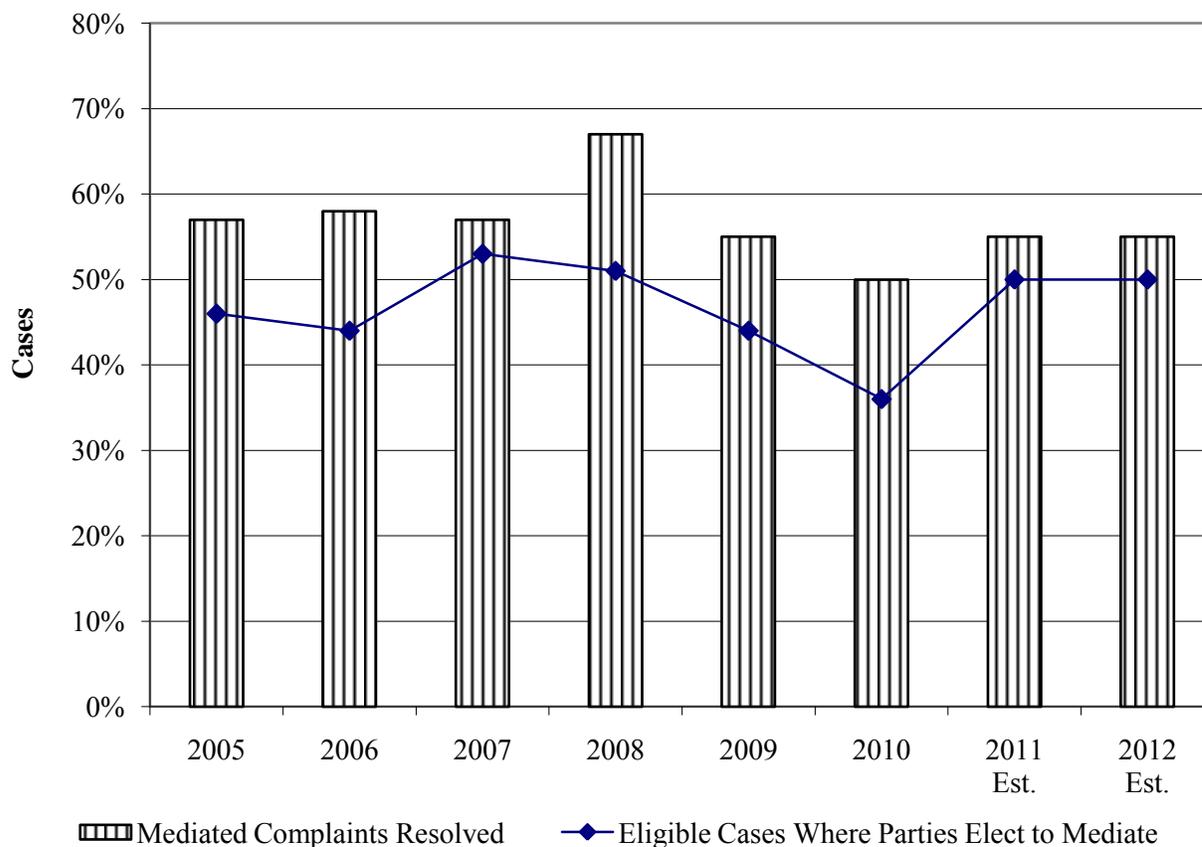
The key goal of MCHR is to improve equal opportunity in Maryland through the use of effective, creative, and efficient case processing activities and reduce, eliminate, or resolve instances of unlawful discrimination.

Performance Analysis: Managing for Results

Mediation is an important part of the work MCHR performs. Mediation allows conflicts to be resolved in a quick and efficient manner, preventing a case from being drawn out as it makes its way through the legal process. MCHR employs a non-adversarial method of mediation where the parties negotiate their own settlements. This practice allows both parties to feel a fair resolution was achieved compared to more directed mediation methods.

Exhibit 1 shows MCHR’s mediation rates from fiscal 2005 through the fiscal 2012 estimate. The percent of cases where parties elected to mediate fell eight percentage points between fiscal 2009 and 2010, to 36%. The commission explains that tight budgets and reduced staffing levels are the cause of this decline. The number of people managing and training the commission’s 120 pro bono mediators fell from four to one. While the percent of cases that went into mediation fell, the percent of cases resolved also fell, to 50%. This rate is consistent with the national average.

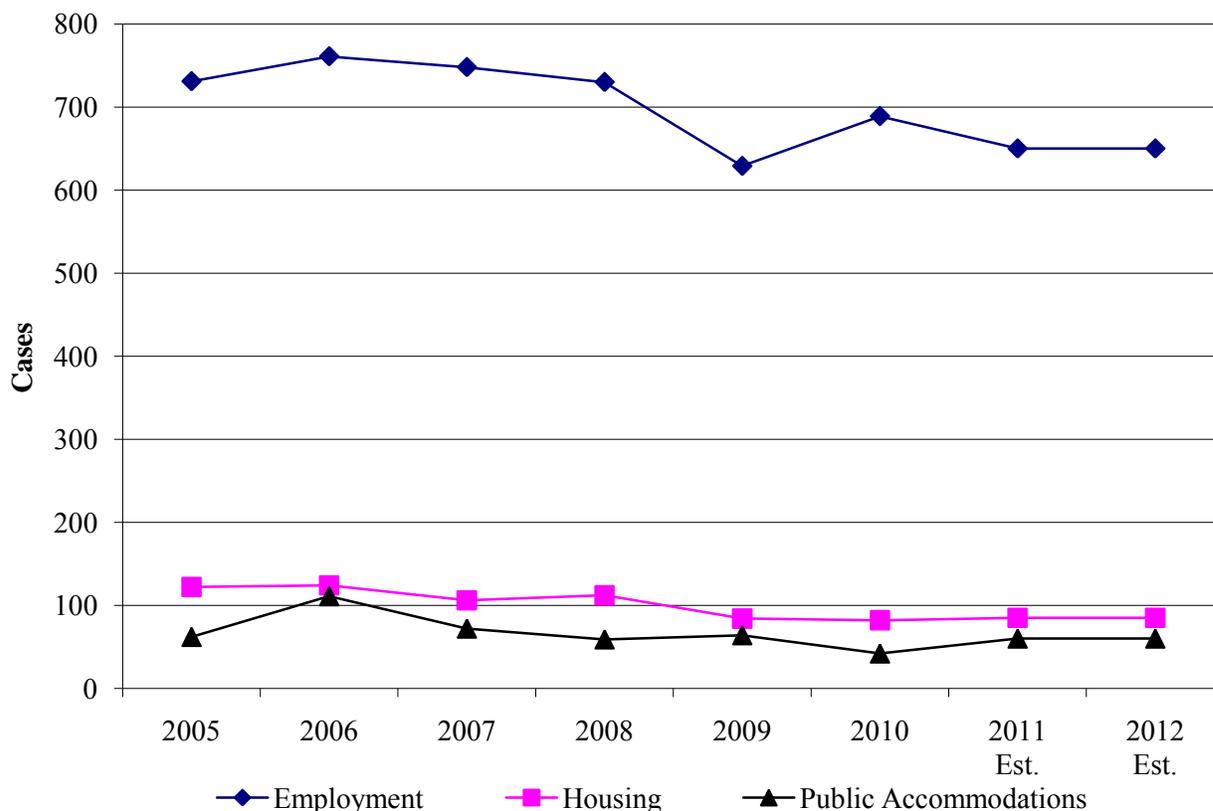
Exhibit 1
Mediation by the Maryland Commission on Human Relations
Fiscal 2005-2012 Est.



Source: Governor’s Budget Books, Fiscal 2012

MCHR handles three kinds of discrimination cases: employment, housing, and public accommodations. **Exhibit 2** shows the number of cases closed in each category between fiscal 2005 and 2012 (estimated). Employment, which declined by 101 cases in fiscal 2009, increased by 60 cases in fiscal 2010. Housing and public accommodations declined by 2 and 22 cases, respectively. The federal government helps fund housing and employment cases, and MCHR focuses resources in those areas so as to not exceed maximum day limits and spend State funds on activities that would otherwise be covered with federal funds. After a set number of days, the federal government stops covering costs for cases, and MCHR must use only State funds until they are resolved. As a result, although the number of public accommodations cases closed declined 34%, the number of employment and housing cases closed increased or were largely unchanged. **MCHR should comment on how federal funding influences how the commission assigns and pursues cases and operates in general.**

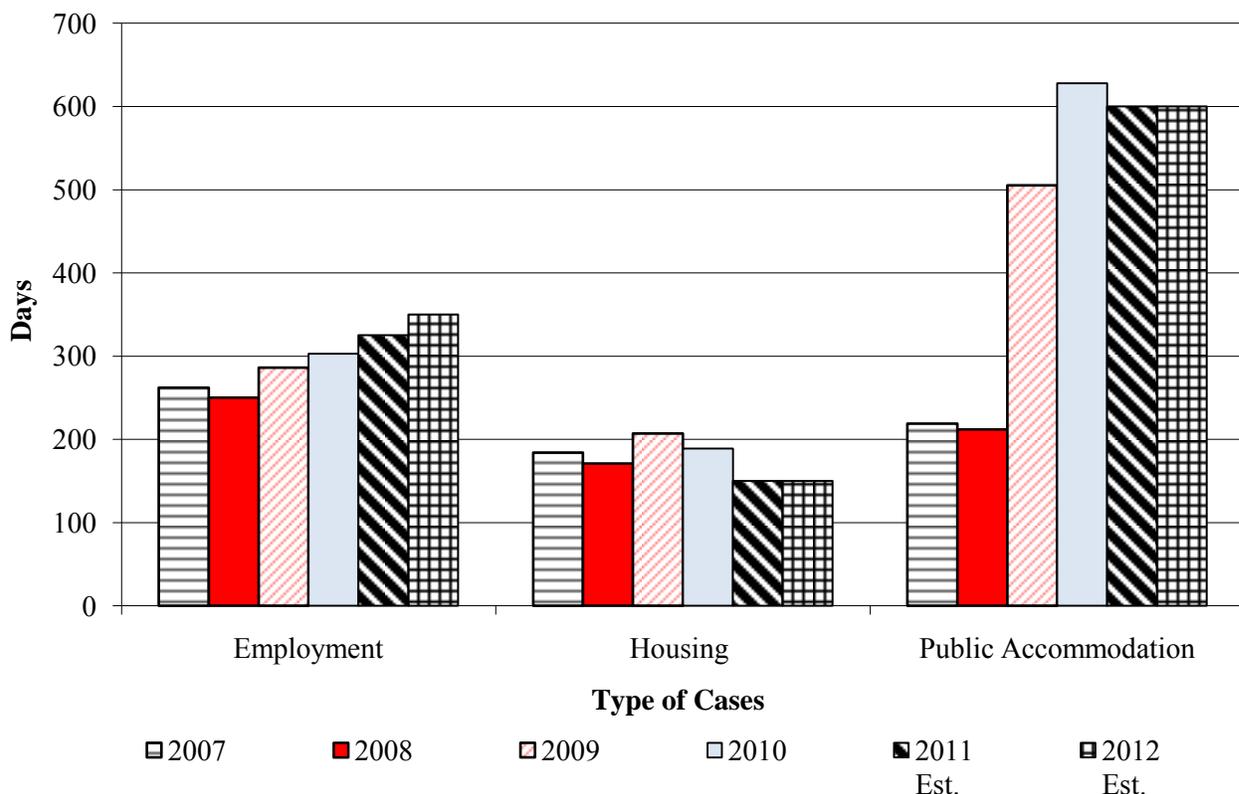
Exhibit 2
Cases Closed by Type
Fiscal 2005-2012 Est.



Source: Governor’s Budget Books, Fiscal 2012

This effect can also be seen in **Exhibit 3**, the number of days needed to process a case from start to finish. Housing cases declined by 18 days as HUD enforces stricter case day limits than EEOC. Employment cases increased by 17 days. Public accommodations continue to have significantly longer case lengths, although this is largely due to a concerted effort by MCHR to close long-standing cases. This measure includes only cases that were closed in each reporting period. The effort to close old cases is expected to continue in future years.

Exhibit 3
Average Days to Process a Case
Fiscal 2007-2012 Est.



Est.: estimate

Source: Governor’s Budget Books, Fiscal 2012

Proposed Budget

As shown in **Exhibit 4**, funding for MCHR increases by \$21,311 compared to the fiscal 2011 working appropriation. General funds increase by \$71,161 as federal funds decline by \$49,850. Federal funds are declining as a result of tighter enforcement of case day limits by HUD and EEOC.

The largest increase is for employee and retiree health insurance programs, which grows \$24,438 after accounting for contingent and across-the-board reductions assumed in the Governor’s fiscal 2012 budget plan. The largest decrease is in funding for engineering consultants, who serve as expert witnesses at trial. Usually assisting in public accommodations cases, they are able to suggest modifications to structures that are the subject of complaints.

Exhibit 4
Proposed Budget
Maryland Commission on Human Relations
(\$ in Thousands)

How Much It Grows:	General Fund	Federal Fund	Total
2011 Working Appropriation	\$2,509	\$680	\$3,189
2012 Allowance	<u>2,628</u>	<u>637</u>	<u>3,264</u>
Amount Change	\$119	-\$43	\$76
Percent Change	4.7%	-6.3%	2.4%
Contingent Reductions	-\$47	-\$7	-\$54
Adjusted Change	\$71	-\$50	\$21
Adjusted Percent Change	2.8%	-7.3%	0.7%

Where It Goes:

Personnel Expenses

Employee and retiree health insurance (net of contingent and across-the-board reductions).....	\$24
Salaries returning to pre-furlough levels.....	20
Employee retirement (net of contingent reductions).....	6
Turnover adjustments.....	-5
Workers' compensation.....	-8

Other Changes

Rent payments.....	8
Telecommunications expenses paid to the Department of Budget and Management.....	3
Reduced printing expenses.....	-1
Contractual employee turnover.....	-1
Capital lease payments.....	-1
Office of Administrative Hearings.....	-2
In-state travel.....	-8
Engineering consulting.....	-15

Total **\$21**

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

Impact of Cost

The fiscal 2012 budget reflects several across-the-board actions. In fiscal 2012, this agency's share of the reduction is \$9,215 in general funds and \$2,542 in federal funds in employee health insurance. Reductions contingent upon statutory changes include \$15,253 in general funds and \$4,208 in federal funds for retiree prescription drug benefits and \$22,997 in general funds for retirement benefits. To the extent that MCHR has positions abolished under the Voluntary Separation Program, additional reductions will be implemented by the Administration.

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

Current and Prior Year Budgets Maryland Commission on Human Relations (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2010					
Legislative Appropriation	\$2,661	\$0	\$756	\$0	\$3,417
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	0	0	0	0
Cost Containment	-117	0	0	0	-117
Reversions and Cancellations	0	0	0	0	0
Actual Expenditures	\$2,544	\$0	\$756	\$0	\$3,300
Fiscal 2011					
Legislative Appropriation	\$2,509	\$0	\$680	\$0	\$3,189
Budget Amendments	0	0	0	0	0
Working Appropriation	\$2,509	\$0	\$680	\$0	\$3,189

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

Fiscal 2010

The legislative appropriation was \$2,661,323 in general funds and \$756,165 in federal funds.

There were three rounds of Board of Public Works reductions in fiscal 2010, reducing MCHR's budget by \$116,994. The first reduction was an across-the-board reduction in general fund communications spending, \$190. The second was for \$80,308 in general funds, met by implementing the State's fiscal 2010 employee furlough and holding positions vacant. The final action reduced the budget by an additional \$36,496 in general funds, which was absorbed by deleting a vacant Intergroup Relations Representative position.

The commission had no unencumbered funds at the end of the fiscal year.

**Object/Fund Difference Report
Maryland Commission on Human Relations**

<u>Object/Fund</u>	<u>FY 10 Actual</u>	<u>FY 11 Working Appropriation</u>	<u>FY 12 Allowance</u>	<u>FY 11 - FY 12 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	40.60	38.60	38.60	0.00	0%
02 Contractual	1.00	1.00	1.00	0.00	0%
Total Positions	41.60	39.60	39.60	0.00	0%
Objects					
01 Salaries and Wages	\$ 3,075,945	\$ 2,977,530	\$ 3,069,320	\$ 91,790	3.1%
02 Technical and Spec. Fees	30,515	30,403	29,309	-1,094	-3.6%
03 Communication	49,188	49,376	51,298	1,922	3.9%
04 Travel	13,110	15,500	8,000	-7,500	-48.4%
07 Motor Vehicles	3,100	2,000	2,000	0	0%
08 Contractual Services	76,644	32,124	15,285	-16,839	-52.4%
09 Supplies and Materials	7,869	2,500	2,500	0	0%
10 Equipment – Replacement	0	500	0	-500	-100.0%
11 Equipment – Additional	-8,724	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	-12,220	0	0	0	0.0%
13 Fixed Charges	65,067	78,892	86,639	7,747	9.8%
Total Objects	\$ 3,300,494	\$ 3,188,825	\$ 3,264,351	\$ 75,526	2.4%
Funds					
01 General Fund	\$ 2,544,329	\$ 2,509,219	\$ 2,627,845	\$ 118,626	4.7%
05 Federal Fund	756,165	679,606	636,506	-43,100	-6.3%
Total Funds	\$ 3,300,494	\$ 3,188,825	\$ 3,264,351	\$ 75,526	2.4%

Note: The fiscal 2011 appropriation does not include deficiencies. The fiscal 2012 allowance does not include contingent reductions.