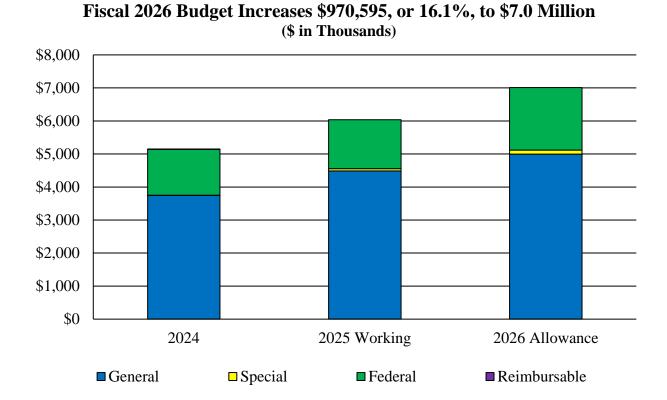
D27L00 Maryland Commission on Civil Rights

Program Description

The Maryland Commission on Civil Rights (MCCR) aims to prevent discrimination and promote equal opportunity in the areas of employment, housing, public accommodation, State contracts, health services, and commercial leasing. The commission engages in the investigation and resolution of claims of civil rights violations and conducts educational training programs aimed at increasing awareness and understanding of unlawful discrimination, along with solutions to address these issues. To enhance its efforts in employment and fair housing, MCCR has work-sharing agreements with the U.S. Equal Employment Opportunity Commission (EEOC) and the U.S. Department of Housing and Urban Development (HUD).



Operating Budget Summary

Note: The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency's budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

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• The majority of MCCR's expenditures are supported with general funds, which increase by 11.4% in the fiscal 2026 allowance compared to the fiscal 2025 working appropriation. The agency also receives federal funds from HUD and EEOC to investigate discrimination claims related to housing and employment.

Fiscal 2025

Proposed Deficiency

The fiscal 2026 budget includes two proposed deficiency appropriations for MCCR totaling \$689,147 (\$446,792 in general funds and \$242,355 in federal funds) to fund shortfalls in personnel expenditures in fiscal 2025. According to MCCR, personnel costs were underestimated because salary increases approved in fiscal 2023 and 2024 were not fully funded in the agency's fiscal 2025 budget due to the timing of approval and the absence of the fiscal officer. As a result, the agency overspent its fiscal 2024 salary and fringe benefits appropriation by \$447,181, requiring temporary accounting measures to close out the fiscal year. The \$689,147 appropriation addresses deficiencies from both fiscal years.

MCCR indicated that the fiscal 2026 budget includes all salary adjustments and ensures consistent funding splits (80% general and 20% federal) for all staff. However, after accounting for new positions, budgeted personnel costs decrease in fiscal 2026 compared to the fiscal 2025 working appropriation. MCCR noted that while the funding decrease from fiscal 2025 is a concern, the fiscal 2026 budget is expected to adequately cover staffing needs, as it reflects appropriate funding levels for both existing and new positions.

Fiscal 2026 Overview of Agency Spending

As shown in **Exhibit 1**, the fiscal 2026 allowance for MCCR totals \$7.0 million. Personnel expenses account for the largest share of the total budget (89%), supporting 50 regular positions and 3 contractual full-time equivalent positions. The remaining funding provides for services provided by the Department of Information Technology (3%), rent (1%) and a gala event (1%).

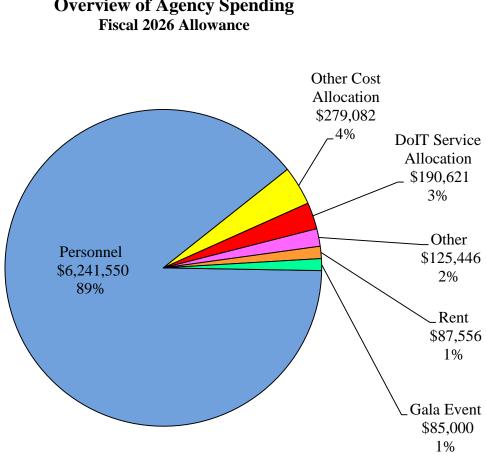


Exhibit 1 **Overview of Agency Spending**

DoIT: Department of Information Technology

Note: The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Governor's Fiscal 2026 Budget Books

Proposed Budget Change

As shown in Exhibit 2, the fiscal 2026 allowance increases by \$970,595, or 16.1% compared to the fiscal 2025 working appropriation. The primary factor contributing to this change is an increase of \$1.2 million in salary and fringe benefits for 11 new positions and 1 contractual conversion. This increase is partially offset by a reduction in salary and fringe benefits for existing staff after accounting for the proposed deficiencies covering fiscal 2024 and 2025 personnel costs.

Exhibit 2 Proposed Budget Maryland Commission on Civil Rights (\$ in Thousands)

How Much It Grows:	General <u>Fund</u>	Special <u>Fund</u>	Federal <u>Fund</u>	Reimb. <u>Fund</u>	<u>Total</u>
Fiscal 2024 Actual	\$3,746	\$7	\$1,387	\$5	\$5,145
Fiscal 2025 Working Appropriation	4,485	71	1,483	0	6,039
Fiscal 2026 Allowance	<u>4,998</u>	<u>119</u>	<u>1,892</u>	<u>0</u>	<u>7,009</u>
Fiscal 2025-2026 Amount Change	\$513	\$48	\$410	\$0	\$971
Fiscal 2025-2026 Percent Change	11.4%	67.8%	27.6%		16.1%

Where It Goes:

Personnel Expenses

Change

Salary and fringe benefits for 12 new positions, including 1 contractual conversion	\$1,162
Reclassification	19
Employee and retiree health insurance	14
Turnover rate increase from 2.25% to 6.76%	-200
Salaries and associated fringe benefits, including fiscal 2025 COLA and increments and proposed deficiency appropriations	-316
Other Changes	
Contractual personnel, driven by a net increase of 2.0 FTE positions	123
Supplies and equipment to replace aging IT equipment and procure new equipment for additional personnel	66
Gala event expenses increase due to timing of the gala, which results in costs being incurred across two fiscal years	53
Travel expenses	16
Other changes	34
Total	\$971

COLA: cost-of-living adjustment FTE: full-time equivalent IT: information technology

Note: Numbers may not sum to total due to rounding. The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency's budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

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	FY 24 <u>Actual</u>	FY 25 <u>Working</u>	FY 26 <u>Allowance</u>	FY 25-26 <u>Change</u>
Regular Positions	38.00	38.00	50.00	12.00
Contractual FTEs	4.00	1.00	3.00	2.00
Total Personnel	42.00	39.00	53.00	14.00
Vacancy Data: Regular Positi	ons			
Turnover and Necessary Vacan	cies. Excluding			
New Positions		2.57	6.76%	
Positions and Percentage Vacar	tt as of 12/31/24	2.00	5.26%	
Vacancies Below Turnover		0.57		

Personnel Data

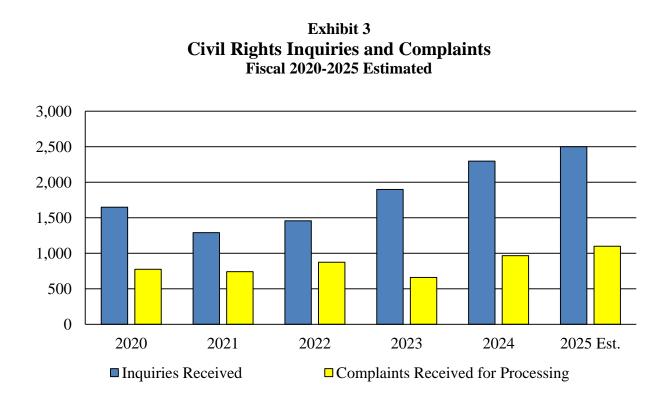
- MCCR's fiscal 2026 allowance includes 11 new positions and 1 contractual conversion to address its staffing shortage. The new positions include 3 education and outreach associates to expand public awareness efforts, 5 civil rights officers and 1 converted investigator to address a backlog of over 1,000 cases, 2 assistant general counsel positions to strengthen litigation capacity, and 1 administrative specialist to support operational needs.
- MCCR's 2 vacant positions as of December 31, 2024, have been vacant for less than six months.

Key Observations

1. Recent Patterns in Civil Rights Inquiries and Complaints

In recent years, MCCR has struggled with insufficient staffing, resulting in an accumulation of civil rights cases awaiting assignment to investigators. The agency has attributed delays in case processing and the persistent backlog to various factors, including limited staff resources, case complexity, cooperation among involved parties, and the volume of documentation requiring review.

As shown in **Exhibit 3**, civil rights inquiries handled by MCCR have shown a notable upward trend following an initial decline between fiscal 2020 and 2021 that resulted from the COVID-19 pandemic and related closures of offices and public spaces. Inquiries began to rise in fiscal 2022, reaching 1,458 as public operations resumed. This increase continued into fiscal 2023, with a total of 1,900 inquiries, and climbed further in fiscal 2024 to 2,297 inquiries. MCCR projects that inquiries will continue to increase and could reach 2,500 in fiscal 2025. MCCR attributes the rise in inquiries to the agency's enhanced education and outreach efforts. Inquiries refer to initial contacts or requests for assistance received by MCCR, whereas cases represent formal complaints that proceed through the agency's investigation and resolution process.



Source: Department of Budget and Management; Maryland Commission on Civil Rights

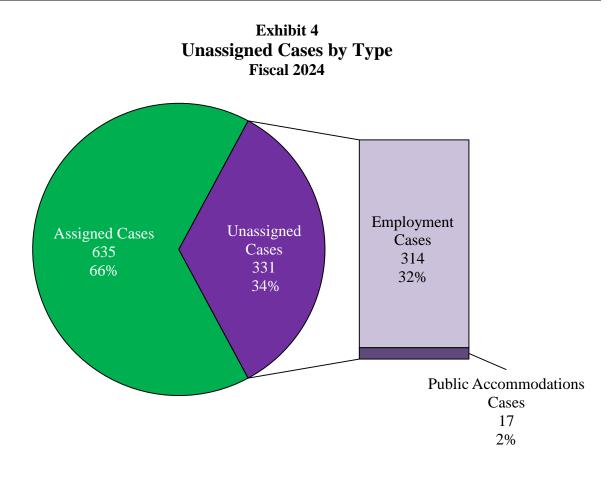
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From fiscal 2020 to 2024, the number of complaints received for processing has been less consistent. After a decrease to 741 complaints in fiscal 2021, the volume rose to 875 in fiscal 2022. In fiscal 2023, MCCR reported a reduction in complaints to 661, followed by a significant increase to 966 in fiscal 2024. MCCR estimates an increase to approximately 1,100 complaints in fiscal 2025, reflecting a possible increase in formal cases requiring review. The agency indicates that Maryland has seen a sharp increase in discrimination inquiries, especially in housing, driven by issues like source of income discrimination, in which landlords reject tenants based on lawful income sources such as housing choice vouchers and disability benefits. MCCR also reports rising harassment inquiries following the enactment of Chapter 222 of 2019 that extended protections to employees of small businesses and Chapter 657 of 2022 that lowered the threshold for harassment claims, broadening their scope and allowing complaints involving multiple intersecting protected characteristics.

Case Backlog and Status of Active Cases

Unassigned Cases

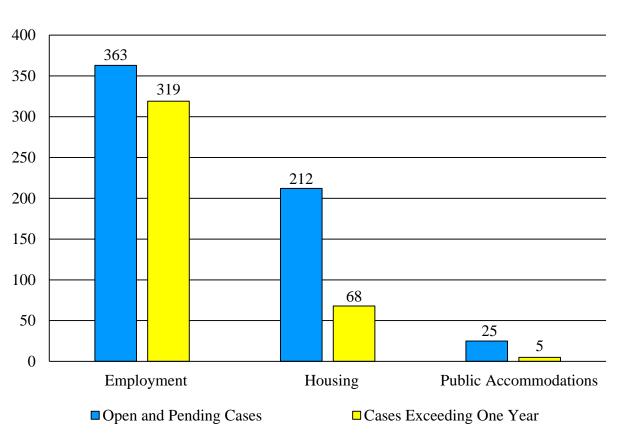
In fiscal 2024, MCCR reported that of 966 total cases, 331 cases (34%) remained unassigned. **Exhibit 4** shows that employment cases accounted for 314 unassigned cases, or 32% of the total complaints received for processing, while 2% of all cases were public accommodations cases. Employment cases encompass discrimination categorized under EEOC and MCCR, such as retaliation, disability, and harassment, among others. There were no unassigned housing cases, as these are assigned upon receipt in accordance with HUD statutory requirements.

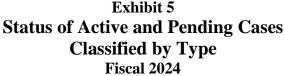


Source: Department of Budget and Management; Maryland Commission on Civil Rights

Open and Pending Cases and Cases Over One Year

In fiscal 2024, MCCR managed a total of 600 open and pending civil rights cases across various categories. **Exhibit 5** shows that employment cases made up the majority, with 363 cases (61%), followed by housing with 212 cases (35%) and public accommodations with 25 cases (4%). Among these cases, 392 had been open for more than one year, comprising approximately 65% of the current and pending inventory. Employment cases represented the largest share of those exceeding one year, with 319 cases (81% of the cases over one year), while housing accounted for 68 cases (17%) and public accommodations for 5 cases (1%).

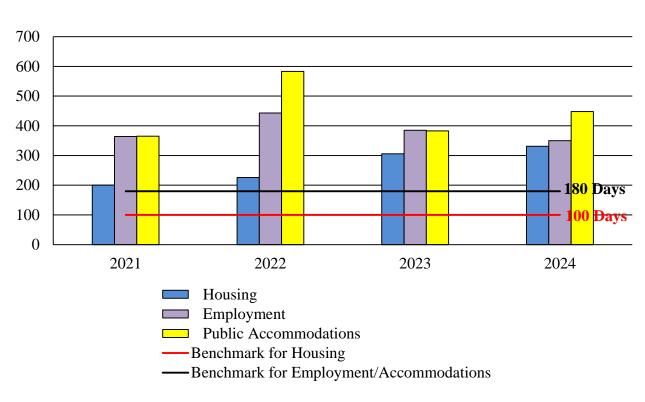




Source: Department of Budget and Management; Maryland Commission on Civil Rights

Processing Times by Case Type

To measure the efficiency of case processing, MCCR uses established benchmarks, targeting an average resolution time of 180 days or fewer for employment and public accommodation cases, and 100 days for housing cases, in line with HUD's standards. **Exhibit 6** shows that MCCR has not met these benchmarks from fiscal 2021 to 2024. The average processing time for housing cases has steadily increased each year, from 200 days in fiscal 2021 to 331 days in fiscal 2024. For employment cases, the average processing time initially rose from 364 days in fiscal 2021 to 443 days in fiscal 2022 but has since decreased to 350 days in fiscal 2024. Public accommodations cases showed the most significant fluctuations, reaching an average of 583 days in fiscal 2022, then declining to 448 days in fiscal 2024. Despite some improvements, MCCR continues to face challenges in meeting the established timelines across all case types.





Source: Department of Budget and Management; Maryland Commission on Civil Rights

Due to staffing limitations, MCCR has experienced ongoing challenges in processing cases, resulting in delays and a growing backlog. To address these concerns, 12 new positions, including 1 contractual conversion, have been added in fiscal 2026 to enhance the agency's investigative capabilities and improve case management. The Department of Legislative Services recommends adopting committee narrative requesting that MCCR submit a report evaluating the effect of adding 11 new positions and 1 contractual conversion on case assignment and backlog management.

2. Audit Overview of MCCR

In October 2024, the Office of Legislative Audits (OLA) published a fiscal compliance audit of MCCR, covering March 15, 2019, to June 16, 2023. OLA identified the following five findings that highlight challenges in case processing, internal controls, and financial accountability, and MCCR has implemented the listed actions.

• *Finding 1: Case Processing Delays:* MCCR faced delays in assigning cases and issuing findings for civil rights complaints due to staffing shortages. Some complaints took over 300 days to resolve and required supervisory reviews for complaint rejections were not always documented.

MCCR indicated that its internal guideline is to assign cases immediately upon authorization, but staffing shortages have caused delays. MCCR is reviewing its processes to improve efficiency and streamline case management. Additionally, MCCR is assessing staffing needs and exploring options to address these shortages effectively.

Furthermore, MCCR noted that complex cases often require more than 300 days to investigate thoroughly, as they involve extensive witness interviews, document requests, and onsite visits. Cases likely to show probable cause require an additional review process, further extending processing times. MCCR receives additional staff in the fiscal 2026 allowance, which the agency believes would enhance processing efficiency and reduce the time needed to issue written determinations.

• *Finding 2: Disbursement Documentation:* MCCR was unable to provide complete supporting documentation for some vendor payments. Procedures to ensure documentation alignment with State financial policies were recommended.

MCCR agreed with the recommendation and has committed to ensuring that all vendor disbursements include proper invoicing, detailed statements of charges or contracts, and an updated W-9 for vendor profiles. Documentation for all vendor payments will be retained for a minimum of five years.

• *Finding 3: Corporate Purchasing Card (CPC) Controls:* The audit noted lapses in oversight of CPCs, including inadequate documentation, delayed card cancellation for former employees, and questionable charges. Recommendations include improved recordkeeping, prompt deactivation of CPCs, and monthly level 3 data reviews to validate transactions.

MCCR acknowledged the issues and agreed to the recommendations. It has enhanced controls by requiring CPC cardholders to complete monthly logs with supporting documentation, including receipts and purchase requests. These logs must be signed by the cardholder, the assistant director (fiscal officer), and the executive director (or designee). Additionally, monthly supervisory reviews will be conducted, and discrepancies will be reconciled against bank statements and internal records. MCCR has resumed using level 3 data for monthly transaction monitoring and will ensure that all CPCs for departing employees are promptly canceled.

• *Finding 4: Gala Financial Accountability:* MCCR hosted a gala event but lacked sufficient controls over ticket revenue and expenses, leading to \$30,000 in federal funds being reallocated from investigative functions. The audit advised stronger tracking of funds and sponsorship revenue for future events.

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MCCR agreed with the audit findings and has taken steps to ensure proper accountability for future events. Procedures such as running monthly revenue reports from the payment portal used for ticket sales have been developed. These reports will be reconciled against State revenue reports to ensure accurate accounting. All sponsorship checks will be logged, and event-related expenditures will be processed solely using funds raised for the event. MCCR has also committed to ensuring that future bank accounts are approved by the State Treasurer's Office and that agreements with banks are properly executed.

• *Finding 5: Cash Receipt Controls:* The audit found that cash handling procedures were insufficiently documented, and checks were not adequately secured before deposit. Improved security and verification practices for all collections were recommended.

MCCR concurred with the findings and has implemented corrective actions to improve cash receipt controls. All checks will now be logged upon receipt, restrictively endorsed, and secured in a locked location until deposited. MCCR has discontinued the practice of allowing employees to take collections home prior to deposit. Deposits will be made within one business day of receipt, and monthly independent verifications will be conducted to ensure proper accounting.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Impact of New Positions on Case Assignment and Backlog Management: The Maryland Commission on Civil Rights (MCCR) has faced persistent challenges in case processing due to staffing limitations, contributing to delays and a backlog of cases awaiting assignment. In response to these issues, 12 new positions (including one contractual conversion) were added to support the agency's investigative functions and improve case management. The committees request that MCCR submit a report assessing the impact of the additional positions on case assignment and management, including:

- an analysis of changes in case backlog and case assignment timelines following the hiring of the new positions;
- metrics tracking case resolution outcomes, including average processing time, number of cases closed, and proportion of cases resolved within established benchmarks;
- a discussion of operational improvements, including any changes in workflow, investigator caseloads, or coordination with involved parties;
- an update on the status of hiring the new positions, including any challenges encountered in the recruitment process and any ongoing challenges in retaining existing staff; and
- recommendations for further action or resources, if necessary, to sustain or improve progress, including any plans or studies related to staffing levels to ensure sufficient staff moving forward.

Information Request	Author	Due Date
Report on the impact of new positions on case assignment and backlog management	MCCR	December 15, 2025

Appendix 1 2024 Joint Chairmen's Report Responses from Agency

The 2024 Joint Chairmen's Report requested that MCCR provide performance measures with the submission of the agency's annual Managing for Results (MFR) submission. Electronic copies of the fiscal 2026 MFR submission can be found on the Department of Budget and Management website.

Performance Measures Related to Open and Pending Cases and Backlogs: Beginning with the fiscal 2026 MFR submission, MCCR provided additional performance measures related to open and pending cases and backlogs classified by type and the count of open and pending cases exceeding one year from MCCR's receipt of the case, categorized by type. Further details are discussed in Key Observation 1 of this document.

Appendix 2 Audit Findings

Audit Period for Last Audit:	March 15, 2019 – June 16, 2023
Issue Date:	October 2024
Number of Findings:	5
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

- *Finding 1:* MCCR did not always assign employment and public accommodation complaints to an investigator and issue related written findings timely, and decisions to reject complaints were not always subject to supervisory review and approval.
- *Finding 2:* MCCR could not provide documentation to support the propriety of certain vendor disbursements.
- *Finding 3:* MCCR lacked required critical controls over CPCs, resulting in the improper use of certain cards after the cardholders left State service and numerous unsupported transactions.
- *Finding 4:* MCCR had not established adequate accountability and control over gala revenue and expenses resulting in the inability to account for certain funds or justify certain expenditures. As a result, federal funds intended for pursuing civil rights complaints were reallocated to cover certain gala expenses.
- *Finding 5:* MCCR had not established adequate accountability and control over collections.

Appendix 3 Object/Fund Difference Report Maryland Commission on Civil Rights

Object/Fund	FY 24 <u>Actual</u>	FY 25 Working <u>Appropriation</u>	FY 26 <u>Allowance</u>	FY 25 - FY 26 <u>Amount Change</u>	Percent <u>Change</u>
Positions					
01 Regular	38.00	38.00	50.00	12.00	31.6%
02 Contractual	4.00	1.00	3.00	2.00	200.0%
Total Positions	42.00	39.00	53.00	14.00	35.9%
Objects					
01 Salaries and Wages	\$ 4,308,324	\$ 4,622,563	\$ 5,990,130	\$ 1,367,567	29.6%
02 Technical and Special Fees	220,377	128,251	251,420	123,169	96.0%
03 Communication	52,850	34,020	39,520	5,500	16.2%
04 Travel	39,550	12,000	28,000	16,000	133.3%
07 Motor Vehicles	3,606	3,000	12,520	9,520	317.3%
08 Contractual Services	366,734	402,999	465,977	62,978	15.6%
09 Supplies and Materials	20,668	35,000	43,000	8,000	22.9%
10 Equipment – Replacement	15,666	1,000	58,874	57,874	5787.4%
11 Equipment – Additional	593	500	500	0	0%
12 Grants, Subsidies, and Contributions	0	0	8,800	8,800	N/A
13 Fixed Charges	116,401	110,180	110,514	334	0.3%
Total Objects	\$ 5,144,769	\$ 5,349,513	\$ 7,009,255	\$ 1,659,742	31.0%
Funds					
01 General Fund	\$ 3,745,732	\$ 4,038,524	\$ 4,998,075	\$ 959,551	23.8%
03 Special Fund	7,395	70,800	118,800	48,000	67.8%
05 Federal Fund	1,386,642	1,240,189	1,892,380	652,191	52.6%
09 Reimbursable Fund	5,000	0	0	0	0.0%
Total Funds	\$ 5,144,769	\$ 5,349,513	\$ 7,009,255	\$ 1,659,742	31.0%

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Note: The fiscal 2025 appropriation does not include deficiencies. The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.