Ohio Civil Rights Commission

Senate Finance and Financial Institutions Committee

Jamie L. Doskocil, Budget Analyst

Legislative Service Commission

May 3, 2005

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for the

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LSC Budget Spreadsheet By Line Item: Executive to House Passed

May 3, 2005

Ohio Civil Rights Commission

- GRF funding bump to slow depletion of federal funds reserve
- Series of budget reductions means three out of every ten staff positions eliminated over five years or so
- Cost-saving initiatives instituted
- Internet-based filing of discrimination complaints implemented

OVERVIEW

Mission

The Ohio Civil Rights Commission is charged with enforcing Chapter 4112. of the Revised Code, which prohibits discrimination in the following areas:

- Employment on the basis of race, color, sex, religion, national origin, age, ancestry, or disability;
- Places of public accommodation on the basis of race, color, sex, religion, national origin, age, ancestry, or disability;
- Housing on the basis of race, color, sex, religion, national origin, ancestry, disability, or familial status;
- Granting of credit on the basis of race, color, sex, religion, national origin, age, ancestry, disability, or marital status; and
- Higher education on the basis of disability.

The Commission was established in 1959 with the enactment of Am. S.B. 10 of the 103rd General Assembly. The Governor, with the advice and consent of the Senate, appoints five members to the Commission, not more than three of whom can be of the same political party, and at least one member of whom must be at least 60 years of age.

The Commission is a single-program series agency with two major activities. First, it receives, mediates, and investigates complaints and adjudicates discrimination charges filed by citizens of Ohio pertaining to discrimination in employment, housing, places of public accommodation, credit, and admission to, and participation in, activities sponsored by institutions of higher education. Second, in addition to its enforcement responsibilities, the Commission is mandated to conduct educational and public outreach programs.

The Commission receives approximately 5,000 official charges of discrimination each year, and thousands of inquiries from the public with questions and/or concerns regarding discrimination. State law mandates that investigations must be completed within one year. Over two-thirds of the Commission's GRF budget is allocated for staff that investigates and resolves charges of discrimination. Additional funding is provided with federal funds through contracts with two federal agencies: the Equal Employment Opportunity Commission (EEOC) and the Department of Housing and Urban Development (HUD).

The Task Force Initiative

In FY 2002, the Commission implemented the Task Force Initiative. This undertaking was, in effect, the first major work redesign of the investigative process in the history of the Commission. The resulting redesigned investigative process, referred to as the Task Force Initiative, uses a team of investigators, in concert with an assistant attorney general, to evaluate the merits of a discrimination charge before the investigation begins. The purpose of this preliminary evaluation is to ensure that the Commission expends only the amount of time and resources necessary to resolve a particular charge. The Commission intends to continue its systematic redesign of its investigative process and to examine and implement best practices from across the country during the upcoming biennium.

Attorney General's Civil Rights Section

The Commission provides funding for legal services performed by the Office of the Attorney General's Civil Rights Section. Under section 4112.10 of the Revised Code, the Civil Rights Section handles all litigation in which the Commission participates as a party pursuant to Chapter 4112. of the Revised Code. The Commission enters into an annual interagency agreement with the Office of the Attorney General to reimburse the Civil Rights Section for its legal services, including the equivalent of 5.5 full-time attorneys to prosecute discrimination cases. Historically, these reimbursement payments have covered approximately 30% of the Civil Rights Section's operating expenses, with the remaining 70% being covered by the Office of the Attorney General's GRF line item 055-321, Operating Expenses.

In addition to the legal services payments it makes to the Civil Rights Section, the Commission disburses over $100,000 annually to cover other litigation-related expenses, e.g., deposition costs and expert witness fees.

Mediation Services

The Commission offers mediation services as an alternative means of resolving a discrimination complaint. Mediation brings both the charging party and respondent together in an attempt to voluntarily settle disputes short of a full-scale investigation. Whereas the investigative process for a case can take between six months to a year to complete, mediation requires only 30 to 45 days to complete. Most successful mediations are resolved within one day. Discrimination complaints that cannot be successfully mediated are then investigated. In FY 2004, the Commission successfully mediated 671 cases, with a resolution rate of 78%.

Each of the Commission's six regional office employs one mediator. According to the Commission, one mediator in each regional office is an adequate level of staffing to meet the current demand for its mediation services. The Commission's regional offices are located in Akron, Cincinnati, Cleveland, Columbus, Dayton, and Toledo.

Education and Outreach

In addition to its enforcement responsibilities, the Commission is mandated to conduct educational and public outreach programs. In order to meet the requirements of the mandate, when possible, the Commission partners with the federal government (HUD and EEOC), which allows it to get maximum use of the federal moneys available for education and public outreach. According to the Commission, it has been involved in educational and outreach activities such as joint "Best Practices" forums with the EEOC, fair housing conferences, training seminars, and hate crime forums.

FYs 2004-2005 Highlights

Processing Statistics. During FY 2004, the Commission investigated 4,909 charges of discrimination, obtained $5,657,002 in monetary relief for victims of discrimination, and successfully mediated 671 cases, with a resolution rate of 78%.

Cost-Saving Measures. During the current biennium, the Commission implemented a number of cost-saving initiatives, including the following:

- Elimination of an entire level of middle management;
- Elimination of two senior staff positions;
- Continued an early retirement incentive plan (first implemented in FY 2003);
- Downsized office space at a cost savings of $160,000 a year;
- Reduced overtime; and
- Continued reduction of out-of-state travel.

Federal Funding. According to the Commission, previous budget reductions caused the agency to rely more heavily on a small reserve of federal funds. The percentage of federal funds comprising the overall budget of the Commission increased from 14% in FY 2001, to 33% in FY 2003, and finally to 35% in FY 2005. This reliance on federal fund reserves allowed the Commission to maintain a staffing level of 147 full-time equivalent (FTE) positions.

Quality Review. The Commission began a quality review of its charge intake process in FY 2004, with the goal being to result in a more efficient intake process. One major component of this redesign, that of submission of discrimination charges via the agency's web site, is already in place.

FYs 2006-2007 Budget Summary

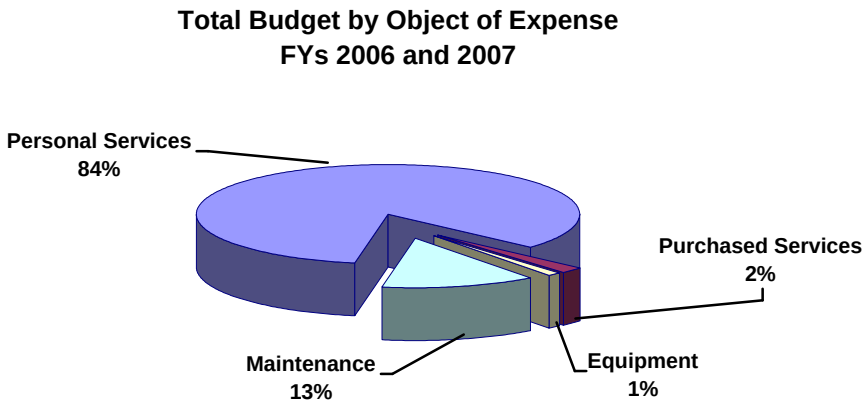
Although the budgetary constraints in effect for the last few fiscal years have forced the Commission to tap more heavily into its reserve of federal funding, it is still the case that it relies on the GRF for over 60% of the funding necessary to cover its annual costs of doing business. In FY 2005, the Commission's estimated level of total GRF expenditures is $7.0 million, or 65% of its totaled estimated FY 2005 expenditures, including federal funds.

The total level of executive-recommended GRF funding for FYs 2006 and 2007 is $7.3 million and $7.5 million, respectively. For FY 2006, that level of GRF funding represents 65.6% of the total amount of funding recommended for FY 2006, and for FY 2007, that level of GRF funding represents 67.4% of the total amount of funding recommended for FY 2007.

Also of note is the fact that the majority of the Commission's budget, about 97%, is dedicated to investigation and enforcement activities, and that 84% of the Commission's budget is dedicated to personal services.

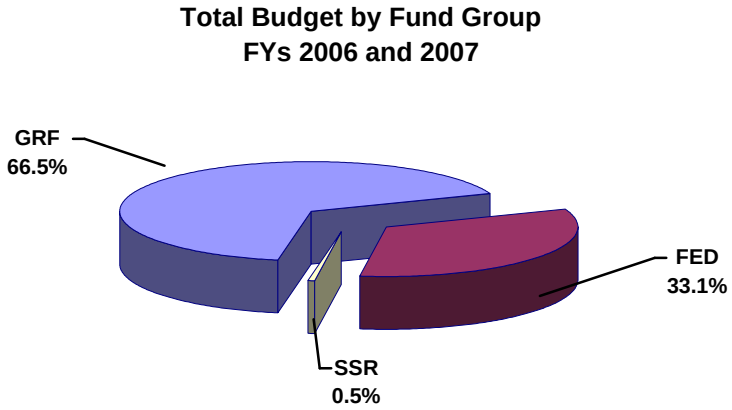
Expense by Object Summary

The pie chart immediately below shows the total recommended appropriations (FYs 2006 and 2007) by major object of expense. This information is shown for the GRF and for all funds.



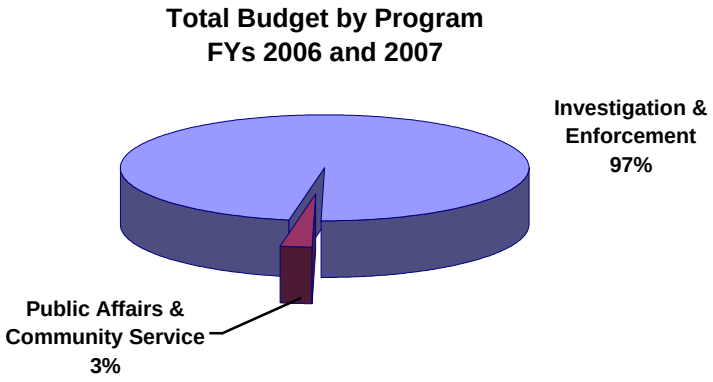
Expense by Fund Group Summary

The pie chart immediately below shows the total recommended appropriations (FYs 2006 and 2007) by fund group. This information is shown for the GRF and for all funds.



Expense by Program Summary

The pie chart immediately below shows the total recommended appropriations (FYs 2006 and 2007) by program. This information is shown for the GRF and for all funds.



Staffing Levels

As can be seen from the table below, as a result of budget reductions and various related actions taken to reduce costs, the Commission's number of FTEs has declined annually. Based on the Governor's budget recommendations for the next biennium (FYs 2006 and 2007), the Commission will be able to employ an annual workforce of around 140 or so FTEs. This means that, in the period of four to five years, the Commission will have eliminated 30%, or three out of every ten, staff positions. The Commission has made those staff reductions through a variety of mechanisms, including abolishing positions, implementing an early retirement incentive plan, downsizing by attrition, and ending the practice of using college interns.

Ohio Civil Rights Commission Staffing Levels by Fiscal Year*							
2000	2001	2002	2003*	2004	2005*	2006*	2007*
199	189	179	162	154	147	140	138

*The staffing levels displayed in the above table represent full-time equivalents (FTEs). The number of FTEs for FYs 2005, 2006, and 2007 are estimates.

FACTS AND FIGURES

Type of Cases Terminated by Fiscal Year							
Type of Case	**FY 1998**	**FY 1999**	**FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**
Employment	4,766	4,379	4,543	4,014	4,258	4,734	4,183
Housing	434	333	344	505	526	551	569
Public Accommodation	124	201	183	183	209	260	198
Credit	12	14	11	3	3	7	2
Disability in Education	6	8	11	7	4	11	13
Totals	**5,342**	**4,935**	**5,092**	**4,712**	**5,000**	**5,563**	**4,965**

Relative to the types of cases terminated by the Commission over the last seven fiscal years, as depicted in the above table, 84% to 90% involve charges of discrimination in matters related to employment. Over the same time period, the Commission has terminated, on average, around 5,100 discrimination cases annually.

Basis of Charges of Alleged Discrimination by Fiscal Year							
Discrimination Charge	**FY 1998**	**FY 1999**	**FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**
Race/Color	3,522	3,532	3,786	3,157	3,360	3,201	2,899
Sex	2,221	2,071	2,207	1,893	2,041	1,849	1,747
Disability	1,634	1,124	1,592	1,352	1,382	1,296	1,234
Age	970	1,486	833	715	811	1,185	841
Retaliation	1,476	1,979	1,538	1,424	1,434	1,391	1,296
National Origin	235	240	336	269	278	351	325
Religion	170	163	178	131	133	161	117
Totals	**10,228**	**10,595**	**10,470**	**8,941**	**9,439**	**9,434**	**8,459**

The above table shows that, over time, the charges filed annually with the Commission have gone beyond allegations of discrimination based solely on a single factor, e.g., race, sex, or disability. According to the Commission, filed charges more frequently allege that the complainant experienced discrimination as a function of multiple factors, e.g., their race and sex. Also of note is that the number of charges that have been filed annually on the basis that an individual has been "retaliated" against because of the filing of a prior charge of discrimination visibly increased in FYs 1998 and 1999 but have since leveled off.

Charges Filed by Region by Fiscal Year							
Region	**FY 1998**	**FY 1999**	**FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**
Akron	962	1,018	1,044	907	1,064	887	943
Cincinnati	722	691	707	682	697	651	597
Cleveland	644	930	1,007	860	873	670	722
Columbus	1,372	1,113	1,026	911	1,468	1,030	875
Dayton	459	524	538	552	551	546	572
Toledo	1,267	860	769	817	868	893	892
Totals	**5,426**	**5,136**	**5,091**	**4,729**	**5,521**	**4,677**	**4,601**

The above table shows the number of discrimination charges that have been filed annually in each of the Commission's six regional offices since FY 1998.

ANALYSIS OF EXECUTIVE PROPOSAL

Protection of Civil Rights

Purpose: This program series enables the Ohio Civil Rights Commission to protect the civil rights of Ohio's citizens as well as take a proactive approach through educating, training, and disseminating publications informing the public of their rights.

The following table shows the line items that are used to fund the Protection of Civil Rights program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	876-321	Operating Expenses	$7,253,075	$7,470,667
		General Revenue Fund Subtotal	**$7,253,075**	**$7,470,667**
Federal Special Revenue Fund				
334	876-601	Investigations	$3,760,000	$3,560,000
		Federal Special Revenue Fund Subtotal	**$3,760,000**	**$3,560,000**
State Special Revenue Services Fund				
217	876-604	Operations Support	$50,951	$50,951
		State Special Revenue Fund Subtotal	**$50,951**	**$50,951**
		Total Funding: Protection of Civil Rights	**$11,064,026**	**$11,081,618**

This analysis focuses on the following specific programs within the Protection of Civil Rights program series:

- ***Investigation and Enforcement***
- ***Public Affairs and Community Service***

Investigation and Enforcement

Program Description: This program receives, investigates, and prosecutes charges of unlawful discriminatory practices in the areas of employment, housing, places of public accommodation, credit, and higher education (disability only). Each year, the Commission processes approximately 5,000 discrimination charges, which include charge intake, field investigation, conciliation/settlement, case recommendations, public hearings, compliance reviews, and enforcement. Each year, the Commission pays approximately $400,000 to the Office of the Attorney General for the services of the equivalent of 5.5 full-time attorneys to prosecute discrimination cases. There are no fees that support the Investigation and Enforcement program.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	876-321	Operating Expenses	$7,253,075	$7,470,667
		General Revenue Fund Subtotal	**$7,253,075**	**$7,470,667**
Federal Special Revenue Fund				
334	876-601	Investigations	$3,475,000	$3,275,000

Fund	ALI	Title	FY 2006	FY 2007
		Federal Special Revenue Fund Subtotal	**$3,475,000**	**$3,475,000**
State Special Revenue Services Fund				
217	876-604	Operations Support	$50,951	$50,951
		State Special Revenue Fund Subtotal	**$50,951**	**$50,951**
		Total Funding: Protection of Civil Rights	**$10,779,026**	**$10,796,618**

Funding Source: (1) GRF, (2) federal reimbursement payments, and (3) payment for the provision of various goods and services, including copies of Commission documents

Line Items: See above table

Implication of Executive Recommendation: The Investigation and Enforcement program is fully funded by the executive recommendation. In fact, the executive recommendation for GRF funding was 3% above the Commission-requested amount for FY 2006 and approximately 6% above the Commission-requested amount for FY 2007. The Governor authorized this funding increase due to the fact that the Commission has depleted its federal funding reserve. It still may be possible that the Commission will lose additional personnel due to budgetary constraints, but at the time of this writing, it is hoped that any such cuts would occur through attrition.

The GRF funds around 65% of the program, with the remainder, or 35%, drawn largely from revenues generated through work sharing agreements between the Commission and both the U.S. Equal Employment Opportunity Commission (EEOC) and the U.S. Department of Housing and Urban Development (HUD). The EEOC contract is for a fixed dollar amount, subject to modification by EEOC. The HUD contract is variable depending upon the number of eligible cases processed the previous year. From the Commission's perspective, both sources of federal funding are somewhat unpredictable.

Temporary and Permanent Law Provisions: None

Public Affairs and Community Service

Program Description: This program provides technical assistance and other community service programs to inform the public about Ohio laws against discrimination. The Commission conducts, sponsors, and participates in workshops, seminars, and other types of training in order to educate the public about their rights, as well as to educate the community about their responsibilities to achieve voluntary compliance with anti-discrimination laws. The program also prepares educational materials for use by K-12 schools to eliminate prejudice and foster good will among Ohio's diverse citizenry.

Fund	ALI	Title	FY 2006	FY 2007
Federal Special Revenue Fund				
334	876-601	Investigations	$285,000	$285,000
		Federal Special Revenue Fund Subtotal	**$285,000**	**$285,000**
		Total Funding: Protection of Civil Rights	**$285,000**	**$285,000**

Funding Source: Federal funds designated specifically for technical assistance and community service programs

Line Items: See above table

Implication of Executive Recommendation: The executive recommendation fully funded this program, which should allow the Commission to maintain current service levels.

Temporary and Permanent Law Provisions: None

General Revenue Fund

GRF 876-100 Personal Services

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
$8,463,470	$7,454,000	$6,729,931	$6,600,000	**$0**	**$0**
	-11.9%	-9.7%	-1.9%	**-100.0%**	**N/A**

Source: GRF

Legal Basis: Section 28 of Am. Sub. H.B. 95 of the 125th G.A.; executive-recommended budget proposes to move this funding and related purpose to newly created GRF line item 876-321 (line item 876-100 originally established by Am. Sub. H.B. 831 of the 103rd G.A., the general appropriations act covering FYs 1960 and 1961, which funded the Commission following its creation pursuant to Am. S.B. 10 of the 103rd G.A., effective July 29, 1959)

Purpose: The line item provides funding for the Commission's expenses associated with payroll, fringe benefits, and personal services contracts. The executive-recommended budget contained in H.B. 66, the main appropriations act of the 126th G.A, proposes to combine GRF line items 876-100, 876-200, and 876-300 and their related purposes into newly created GRF line item 876-321, Operating Expenses.

GRF 876-200 Maintenance

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
$928,222	$822,092	$404,586	$400,000	**$0**	**$0**
	-11.4%	-50.8%	-1.1%	**-100.0%**	**N/A**

Source: GRF

Legal Basis: Section 28 of Am. Sub. H.B. 95 of the 125th G.A.; executive-recommended budget proposes to move this funding and related purpose to newly created GRF line item 876-321 (line item 876-200 originally established by Am. Sub. H.B. 831 of the 103rd G.A., the general appropriations act covering FYs 1960 and 1961, which funded the Commission following its creation pursuant to Am. S.B. 10 of the 103rd G.A., effective July 29, 1959)

Purpose: The line item provides funding for maintenance expenses of the Commission, which on occasion has included payments that partially support the Office of the Attorney General's Civil Rights Section. The executive-recommended budget contained in H.B. 66, the main appropriations act of the 126th G.A, proposes to combine GRF line items 876-100, 876-200, and 876-300 and their related purposes into newly created GRF line item 876-321, Operating Expenses.

GRF 876-300 Equipment

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
$109,431	$93,782	$59,091	$41,820	**$0**	**$0**
	-14.3%	-37.0%	-29.2%	**-100.0%**	**N/A**

Source: GRF

Legal Basis: Section 28 of Am. Sub. H.B. 95 of the 125th G.A.; executive-recommended budget proposes to move this funding and related purpose to newly created GRF line item 876-321 (line item 876-300 originally established by Am. Sub. H.B. 831 of the 103rd G.A., the general appropriations act covering FYs 1960 and 1961, which funded the Commission following its creation pursuant to Am. S.B. 10 of the 103rd G.A., effective July 29, 1959)

Purpose: The line item provides funding for the Commission's equipment purchases. The executive-recommended budget contained in H.B. 66, the main appropriations act of the 126th G.A, proposes to combine GRF line items 876-100, 876-200, and 876-300 and their related purposes into newly created GRF line item 876-321, Operating Expenses.

GRF 876-321 Operating Expenses

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
$0	$0	$0	$0	**$7,253,075**	**$7,470,667**
	N/A	N/A	N/A	**N/A**	**3.0%**

Source: GRF

Legal Basis: Newly created in Section 203.72 as part of the executive-recommended budget contained in H.B. 66, the main appropriations act of the 126th G.A.

Purpose: This proposed line item will provide funding for the Commission's expenses associated with payroll, personal services, maintenance, and equipment purchases. The executive-recommended budget contained in H.B. 66, the main appropriations act of the 126th G.A, proposes to combine GRF line items 876-100, 876-200, and 876-300 and their related purposes into line item 876-321, Operating Expenses.

Federal Special Revenue Fund Group

334 876-601 Investigations

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
$3,148,960	$4,144,123	$3,587,740	$3,789,999	**$3,760,000**	**$3,560,000**
	31.6%	-13.4%	5.6%	**-0.8%**	**-5.3%**

Source: FED: CFDA 30.002, Employment Discrimination; CFDA 14.401, Fair Housing Assistance Program

Legal Basis: Section 28 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Controlling Board in 1970)

Purpose: The fund's moneys consist of reimbursement payments from the United States Equal Employment Opportunity Commission (EEOC) and the Department of Housing and Urban Development (HUD), which are then used to offset the cost of investigating cases. These reimbursement payments do not, however, cover the full cost of processing the cases; the remainder of the cost must be absorbed by GRF funds. In the matter of EEOC cases, federal reimbursement covers approximately $500 per case for a fixed number of cases. In the matter of HUD cases, federal reimbursement covers approximately $1,800 per case based upon the number of eligible cases processed during the previous year.

It should be noted that the work sharing agreements between the Commission and these two federal agencies reduce duplication of effort, as the same cases are no longer simultaneously filed with both state and federal agencies. The Commission does not have the option of refusing to process these cases. Also of note is that the total amount of federal reimbursement earned by the Commission, as well as the timing of when it will be received, is fraught with some uncertainty. This uncertainty has been known to create cash flow problems for the Commission requiring it to rely more heavily on available GRF funding for a longer period of time than might have been assumed when a given annual operating budget was originally constructed.

State Special Revenue Fund Group

217 876-604 Operations Support

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
$29	$1,027	$14,984	$20,951	**$50,951**	**$50,951**
	3503.5%	1359.0%	39.8%	**143.2%**	**0.0%**

Source: SSR: (1) Moneys received by the Commission for copies of Commission documents and for other goods and services furnished by the Commission, and (2) all moneys received by the Commission, and all amounts awarded by a court to the Commission, for attorney's fees, court costs, expert witness fees, and other litigation expenses

Legal Basis: Section 28 of Am. Sub. H.B. 95 of the 125th G.A.; ORC 4112.15 (originally established by Am. Sub. H.B. 283 of the 123rd G.A.)

Purpose: Moneys deposited to the credit of the fund may only be used to pay operating costs of the Commission.

LSC Budget Spreadsheet by Line Item, FY 2006 - FY 2007

Fund	ALI	ALI Title	Estimated 2005	As Introduced 2006	House Passed 2006	% Change Est. 2005 to House 2006	As Introduced 2007	House Passed 2007	% Change House 2006 to House 2007
CIV	***Ohio Civil Rights Commission***								
GRF	876-100	Personal Services	$6,600,000	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
GRF	876-200	Maintenance	$400,000	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
GRF	876-300	Equipment	$41,820	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
GRF	876-321	Operating Expenses	$0	$ 7,253,075	$ 7,253,075	N/A	$ 7,470,667	$ 7,470,667	3.0%
General Revenue Fund Total			**$ 7,041,820**	**$ 7,253,075**	**$ 7,253,075**	**3.0%**	**$ 7,470,667**	**$ 7,470,667**	**3.0%**
334	876-601	Investigations	$3,789,999	$ 3,760,000	$ 3,760,000	-0.8%	$ 3,560,000	$ 3,560,000	-5.3%
Federal Special Revenue Fund Group Total			**$ 3,789,999**	**$ 3,760,000**	**$ 3,760,000**	**-0.8%**	**$ 3,560,000**	**$ 3,560,000**	**-5.3%**
217	876-604	Operations Support	$20,951	$ 50,951	$ 50,951	143.2%	$ 50,951	$ 50,951	0.0%
State Special Revenue Fund Group Total			**$ 20,951**	**$ 50,951**	**$ 50,951**	**143.2%**	**$ 50,951**	**$ 50,951**	**0.0%**
Total All Budget Fund Groups			***$ 10,852,770***	***$ 11,064,026***	***$ 11,064,026***	***1.9%***	***$ 11,081,618***	***$ 11,081,618***	***0.2%***