

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

**Ohio Civil Rights Commission**

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## READER'S GUIDE

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the Ohio Civil Rights Commission (CIV), which includes the following three sections.

1. Overview: Provides a description of the Commission's existing functions and staffing, and an overview of the Commission's executive recommended budget for the FY 2016-FY 2017 biennium, and notes other important budgetary matters.
2. Analysis of Executive Proposal: Provides a detailed analysis of the Commission's executive recommended budget, including the funding and purposes for each appropriated line item, and the services and activities that are financed by those appropriated moneys.
3. Attachments: Includes LSC's Catalog of Budget Line Items (COBLI), which describes each line item's purpose, revenue, and expenditures, and the LSC budget spreadsheet, which summarizes each line item's recent expenditure and appropriations history.

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# Ohio Civil Rights Commission

- Existing services to be maintained under executive recommendations
- Funding: GRF 65%/Federal 35%
- Discrimination filings continue to decrease

## OVERVIEW

### Duties and Responsibilities

The Ohio Civil Rights Commission is charged with enforcing R.C. Chapter 4112., which prohibits discrimination in employment, places of public accommodation, housing, granting of credit, and higher education on the basis of certain characteristics.

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's services and activities can be categorized into two distinct programs: (1) investigation and enforcement (receiving, mediating, investigating complaints, and adjudicating discrimination charges) and (2) public affairs/community service (conducting educational and public outreach programs).

### Appropriations Overview

The Commission's estimated FY 2015 expenditures are compared with the executive recommendations for FYs 2016 and 2017, by fund group, in Table 1 below.

Fund Group	FY 2015*	FY 2016	% change, FY 2015-FY 2016	FY 2017	% change, FY 2016-FY 2017
General Revenue	\$4,725,784	\$5,406,444	14.4%	\$5,406,444	0.0%
Internal Service Activity	\$4,000	\$4,000	0.0%	\$4,000	0.0%
Federal	\$2,772,896	\$2,802,760	1.1%	\$2,947,982	5.2%
<b>TOTAL</b>	<b>\$7,502,680</b>	<b>\$8,213,204</b>	<b>9.5%</b>	<b>\$8,358,426</b>	<b>1.8%</b>

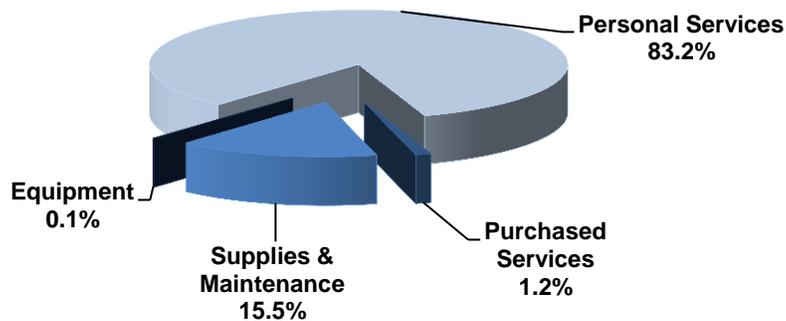
\*FY 2015 figures represent estimated expenditures.

Most notable in Table 1 above is the level of GRF funding recommended for FYs 2016 and 2017, annual amounts that are \$680,660, or 14.4%, higher than the estimated FY 2015 expenditures of \$4,725,784. This additional funding is being allocated to the Commission to pay for the space it occupies beginning FY 2016.

### Appropriations by Expense Summary

Chart 1 below shows the Commission's total recommended appropriations (FY 2016 and FY 2017) by major object of expense. All of these appropriated moneys will be allocated for operating expenses, most notably personal services, which are payroll-related costs. About 83% of the Commission's total budget will be allocated for personal services.

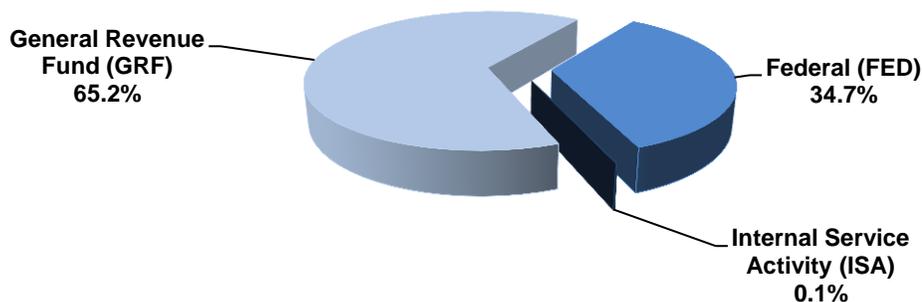
**Chart 1: Executive Biennial Budget Recommendations by Expense Category, FY 2016 and FY 2017**



### Appropriations by Fund Group Summary

Chart 2 below shows the Commission's total recommended appropriations (FY 2016 and FY 2017) by fund group. Money appropriated from the GRF will provide around 65% of the Commission's funding. Virtually all of the remaining funding (close to 35%) will be drawn from reimbursement contract payments received from two federal agencies: the Equal Employment Opportunity Commission (EEOC) and the Department of Housing and Urban Development (HUD). A small portion (\$8,000) appropriated from the Internal Service Activity Fund will be used for supplies and maintenance expenses.

**Chart 2: Executive Biennial Budget Recommendations by Fund Group, FY 2016 and FY 2017**



## Staffing Levels

As seen in Table 2 below, the Commission's number of full-time equivalent (FTE) staff positions has decreased by 47 FTEs, or 37.0%, since the FY 2008-FY 2009 biennium as a result of budget reductions and various related actions taken to reduce costs. The staff reductions were achieved through a variety of mechanisms, including abolishing positions, implementing an early retirement incentive plan, and downsizing by attrition. In FY 2015, the board filled five vacant administrative and investigative positions.

FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015*	FY 2016*	FY 2017*
124	127	94	94	75	75	75	80	80	80

\*The staffing levels displayed in the above table represent full-time equivalents (FTEs). The number of FTEs for FY 2015-FY 2017 are estimates.

## Cost-Saving Measures

In previous years, the Commission implemented numerous efficiency and cost-saving initiatives, while still remaining compliant with state and federal requirements. Those initiatives included the following:

- Eliminated an entire level of middle management.
- Implemented three Early Retirement Incentive programs.
- Abolished or left vacant numerous staff positions.
- Downsized office space.
- Merged the Dayton and Cincinnati regional offices.
- Eliminated nonessential travel and almost all overtime and compensation time.
- Switched to using information technology services available through the Department of Administrative Services.
- Switched over to Voice over Internet Protocol (VoIP) technology.

## Investigation and Enforcement

Anyone who lives or works in Ohio and feels that he or she has been subjected to unlawful discrimination can file a charge with one of the Commission's regional offices. Complaints must be filed within six months of the alleged act of discrimination. State law mandates that investigations must be completed within one year.

### Caseload Statistics

Table 3 below shows the number of discrimination charges that have been filed, by regional office, from FY 2006 through FY 2014. One notable feature is the change in the total number of charges filed statewide. After peaking at 6,144 total charges filed in

FY 2007, the number has steadily declined, closing at 3,125 in FY 2014. That is a decrease of 3,019, or 49.1%, in charges filed annually. The annual decline in charges filed for that seven-year period averaged 431, or 9.2%.

Region	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Akron	1,329	1,213	1,012	822	714	672	638	521	527
Cincinnati*	589	721	621	562	-----	-----	-----	-----	-----
Cleveland	967	1,026	810	770	699	686	587	485	470
Columbus	1,193	1,550	1,240	982	959	876	841	856	781
Dayton	568	692	626	502	960	844	741	695	705
Toledo	1,056	942	903	870	789	746	693	689	642
<b>TOTAL</b>	<b>5,702</b>	<b>6,144</b>	<b>5,212</b>	<b>4,508</b>	<b>4,121</b>	<b>3,824</b>	<b>3,500</b>	<b>3,246</b>	<b>3,125</b>

\*The Cincinnati and Dayton regional offices were merged in 2009.

Table 4 below shows the basis on which charges of alleged discrimination have been filed with the Commission over the period of time covering FY 2006-FY 2014. As seen in the table, the total number of filings noticeably exceeds the total number of filings in Table 3. For example, the total number of charges filed in FY 2014 in Table 3 was 3,125, while the analogous number in Table 4 was 4,869. What this difference signifies is that discrimination allegations are not necessarily based on a single factor, e.g., race, sex, or disability. According to the Commission, filed charges frequently allege that the complainant experienced discrimination as a function of multiple factors, e.g., their race and sex.

Discrimination Charge	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Race/Color	3,092	2,739	2,408	1,891	1,780	1,461	1,339	1,309	1,302
Sex	1,843	1,657	1,301	1,123	992	957	810	814	745
Disability	1,301	1,419	1,267	1,045	1,070	1,099	985	908	912
Familial Status	75	81	101	193	121	134	156	63	108
Age	886	902	736	739	653	652	563	508	513
Retaliation	1,367	1,547	1,323	1,075	1,005	970	1,064	938	1,009
National Origin	387	302	268	291	259	285	179	186	186
Religion	158	165	193	132	106	81	89	96	94
<b>TOTAL</b>	<b>9,109</b>	<b>8,812</b>	<b>7,597</b>	<b>6,489</b>	<b>5,986</b>	<b>5,639</b>	<b>5,185</b>	<b>4,822</b>	<b>4,869</b>

\*Effective March 24, 2008, military status was added as a protected class; 30 charges had been filed as of December 2014.

From FY 2006-FY 2014, as depicted in Table 5 below, charges of discrimination in matters related to employment accounted for between 75% and 85% of all cases terminated. Over that same nine-year span, the Commission terminated, on average,

around 4,492 discrimination cases annually. Each investigator currently completes an average of 90 cases per year. The Commission does not have the option to refuse to investigate a charge.

Type of Case	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Employment	4,381	4,908	4,814	4,198	3,410	3,129	2,818	2,613	2,409
Housing	620	661	602	571	549	663	621	649	581
Public Accommodation	210	290	257	312	185	244	184	176	151
Credit	14	14	8	4	11	4	0	2	4
Disability in Education	16	15	25	24	17	16	14	17	15
<b>TOTAL</b>	<b>5,241</b>	<b>5,888</b>	<b>5,706</b>	<b>5,109</b>	<b>4,172</b>	<b>4,056</b>	<b>3,637</b>	<b>3,457</b>	<b>3,160</b>

## Mediation Services

The Commission's Alternative Dispute Resolution Unit 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 and one year to complete, the mediation process requires only 30 days to 45 days. Most successful mediations are resolved within one day. Discrimination complaints that cannot be successfully mediated are then investigated. In FY 2014, the Commission successfully mediated 476 cases, with a resolution rate of 83%.

Each of the Commission's regional offices 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, Cleveland, Columbus, Dayton, and Toledo.

## Public Affairs and Community Service

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 money available for education and public outreach. According to the Commission, it has been involved in educational and outreach activities such as joint "Best Practices" and Technical Assistance Forums with the EEOC, fair housing conferences, training seminars, and hate crime forums.

The Commission generally expends a relatively small percentage of its annual operating budget to meet its statutorily mandated outreach and education obligations. The amount allocated for this purpose for the FY 2016-FY 2017 biennium will be about

\$92,000 annually, or 1.1%, of the Commission's total biennial budget. That amount includes payroll costs for one FTE in the amount of \$82,000 for FY 2016 and \$84,000 for FY 2017.

Current education and outreach services and activities include:

- Working with core constituent groups in identifying and addressing issues of discriminatory practices.
- Providing businesses and organizations with training on how to comply with the state's nondiscrimination laws.
- Developing and implementing training programs and public forums.
- Preparing and making available an educational program and related materials for grades K-12.

## **Federal and State Agency Partnerships**

### **Equal Employment Opportunity Commission (EEOC)**

The Commission has a work-sharing agreement with the U.S. Equal Employment Opportunity Commission for a specific number of cases agreed upon by both parties. EEOC permits the Commission to draw down 50% of the agreement in May or June and the remaining 50% in October or November, as long as the Commission meets the contracted number of cases submitted and approved by EEOC. The Commission is currently paid \$650 for every approved case submitted to EEOC, up to the agreed number of cases in the contract. The Commission does not receive payment for additional cases beyond the number detailed in the contract. Ohio is one of a handful of states that contract with the federal government to mediate cases filed with EEOC.

For federal FY 2015, EEOC increased the total number of cases to be processed by the Commission from 2,277 in federal FY 2014 to 2,459. As a result, the federal money generated by this contract annually will increase from \$1,480,050 to \$1,598,350, a gain of \$118,300, or 8%.

### **Department of Housing and Urban Development (HUD)**

The Commission also has a work-sharing agreement with the U.S. Department of Housing and Urban Development for the number of cases actually submitted and approved by HUD by September 30 of each year. HUD permits the Commission to draw down 100% of the agreed upon sum in October of each year.

The Commission processes, on average, 450 housing cases annually. In federal FY 2014, the Commission processed 411 cases. HUD pays the Commission \$2,300 for each approved case as long as the case is completed and submitted to HUD within the *Standards for Payments for Timeliness of Complaint Processing*. HUD's case payment is decreased if the Commission submits a case outside of the timeline requirements. Conversely, the Commission receives an additional \$1,000 per approved case if it is a

probable cause case. In federal FY 2014, the Commission received from HUD, on average, a payment of \$2,278 per case. For the FY 2016-FY 2017 biennium, the Commission estimates receiving close to \$1 million annually.

## ANALYSIS OF EXECUTIVE PROPOSAL

This section provides an analysis of the executive recommended funding for each line item in the Commission's budget, followed by a description of the services and activities that it delivers with those appropriated moneys. Table 6 below shows the executive recommended funding for each line item.

Executive Recommended Funding for the Commission				
Fund	ALI and Name		FY 2016	FY 2017
<b>General Revenue Fund (GRF)</b>				
GRF	876321	Operating Expenses	\$5,406,444	\$5,406,444
<b>Internal Service Activity (ISA) Group</b>				
2170	876604	Operations Support	\$4,000	\$4,000
<b>Federal Fund (FED) Group</b>				
3340	876601	Federal Programs	\$2,802,760	\$2,947,982
<b>Total Funding: Commission Operating Expenses</b>			<b>\$8,213,204</b>	<b>\$8,358,426</b>

### Operating Expenses (GRF line item 876321)

This GRF line item is the Commission's primary source of funding. The executive recommendation provides funding in the amount of \$5,406,444 in each of FYs 2016 and 2017, annual amounts that are \$680,600, or 14.4%, higher than the estimated FY 2015 expenditures of \$4,725,784. These funding levels should be sufficient for the Commission to maintain current service levels, as well as paying for space in state office buildings beginning FY 2016.

It is likely that close to 90% of the recommended amount in each fiscal year will be allocated for personal services, which means payroll-related costs (salaries, wages, fringe benefits, and other payroll charges). The remainder will be largely allocated for supplies and maintenance.

### Operations Support (ISA line item 876604)

This line item, which draws its appropriation from money collected by the Commission from various sources, e.g., copying charges and legal cost reimbursements, is used for the purpose of paying operating costs of the Commission. The executive recommendation fully funds the Commission requested appropriation of \$4,000 in each of FYs 2016 and 2017. The entire amount in each fiscal year will be allocated for supplies and maintenance.

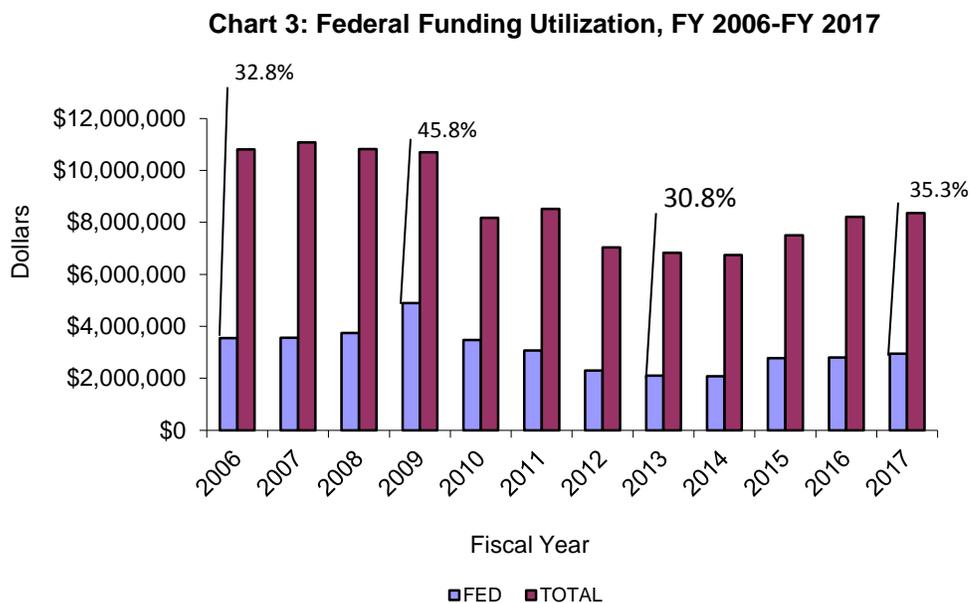
The Commission currently offers records and files to requestors on CD media at the cost of \$1 or one hard copy at the cost \$0.05 per page plus postage. According to the Commission, use of the CD media has resulted in an estimated annual savings of about

\$30,000, which includes approximately 1,040 hours of secretarial time and \$5,000 in paper and toning expenses. Historically, expenditures from this line item have been used for supply costs, such as paper and postage.

### Federal Programs (FED Line Item 876601)

This federal line item consists of reimbursement payments from the U.S. 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. The executive recommendation fully funds the Commission's request of \$2,802,760 in FY 2016 and \$2,947,982 in FY 2017. Around 75% in each fiscal year will be allocated for payroll, with the remainder largely being used for supplies and maintenance.

The percentage of federal funds comprising the overall budget of the Commission from FY 2006 projected through FY 2017 is depicted in Chart 3 below. The portion of federal funds comprising the overall budget of the Commission peaked at 45.8% in FY 2009 and was at its lowest of 30.8% in FY 2013. At the recommended funding levels, the federal fund portion of the budget is projected at around 35% during the next biennium.



Note: The figures used for FY 2015-FY 2017 are estimates.

# Ohio Civil Rights Commission

## General Revenue Fund

### GRF 876321 Operating Expenses

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$4,725,784	\$4,724,792	\$4,725,740	\$4,725,784	<b>\$5,406,444</b>	<b>\$5,406,444</b>
	0.0%	0.0%	0.0%	<b>14.4%</b>	<b>0.0%</b>

**Source:** General Revenue Fund

**Legal Basis:** Section 239.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. H.B. 66 of the 126th G.A.)

**Purpose:** This line item provides funding for the Commission's operating expenses.

## Internal Service Activity Fund Group

### 2170 876604 Operations Support

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$8,000	\$4,228	\$4,000	\$4,000	<b>\$4,000</b>	<b>\$4,000</b>
	-47.1%	-5.4%	0.0%	<b>0.0%</b>	<b>0.0%</b>

**Source:** Internal Service Activity Fund Group: (1) Copies of documents and other goods and services furnished by the Commission, and (2) attorney's fees, court costs, expert witness fees, and other litigation expenses received by the Commission or awarded by a court

**Legal Basis:** ORC 4112.15; Section 239.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. H.B. 283 of the 123rd G.A.)

**Purpose:** This line item is used to pay operating costs of the Commission.

## Federal Fund Group

### 3340 876601 Federal Programs

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$2,299,771	\$2,102,462	\$2,010,122	\$2,772,896	<b>\$2,802,760</b>	<b>\$2,947,982</b>
	-8.6%	-4.4%	37.9%	<b>1.1%</b>	<b>5.2%</b>

**Source:** Federal Fund Group: Reimbursement payments from (1) United States Equal Employment Opportunity Commission (CFDA 30.002, Employment Discrimination), and (2) Department of Housing and Urban Development (CFDA 14.401, Fair Housing Assistance Program)

**Legal Basis:** Section 239.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Controlling Board in 1970)

**Purpose:** This line item provides funding for the Commission's operating expenses.

# FY 2016 - FY 2017 Introduced Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2014	Estimate FY 2015	Introduced FY 2016	FY 2015 to FY 2016 % Change	Introduced FY 2017	FY 2016 to FY 2017 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Introduced</b>					
<b>CIV Ohio Civil Rights Commission</b>								
GRF	876321	Operating Expenses	\$ 4,725,740	\$ 4,725,784	\$ 5,406,444	14.40%	\$ 5,406,444	0.00%
<b>General Revenue Fund Total</b>			<b>\$ 4,725,740</b>	<b>\$ 4,725,784</b>	<b>\$ 5,406,444</b>	<b>14.40%</b>	<b>\$ 5,406,444</b>	<b>0.00%</b>
2170	876604	Operations Support	\$ 4,000	\$ 4,000	\$ 4,000	0.00%	\$ 4,000	0.00%
<b>Internal Service Activity Fund Group Total</b>			<b>\$ 4,000</b>	<b>\$ 4,000</b>	<b>\$ 4,000</b>	<b>0.00%</b>	<b>\$ 4,000</b>	<b>0.00%</b>
3340	876601	Federal Programs	\$ 2,010,122	\$ 2,772,896	\$ 2,802,760	1.08%	\$ 2,947,982	5.18%
<b>Federal Fund Group Total</b>			<b>\$ 2,010,122</b>	<b>\$ 2,772,896</b>	<b>\$ 2,802,760</b>	<b>1.08%</b>	<b>\$ 2,947,982</b>	<b>5.18%</b>
<b>Ohio Civil Rights Commission Total</b>			<b>\$ 6,739,862</b>	<b>\$ 7,502,680</b>	<b>\$ 8,213,204</b>	<b>9.47%</b>	<b>\$ 8,358,426</b>	<b>1.77%</b>