

**D27L00**  
**Maryland Commission on Human Relations**

***Operating Budget Data***

(\$ in Thousands)

	<b><u>FY 04</u></b> <b><u>Actual</u></b>	<b><u>FY 05</u></b> <b><u>Working</u></b>	<b><u>FY 06</u></b> <b><u>Allowance</u></b>	<b><u>FY 05-06</u></b> <b><u>Change</u></b>	<b><u>% Change</u></b> <b><u>Prior Year</u></b>
General Fund	\$2,478	\$2,542	\$2,321	-\$221	-8.7%
Federal Fund	<u>1,067</u>	<u>721</u>	<u>800</u>	<u>79</u>	<u>11.0%</u>
<b>Total Funds</b>	<b>\$3,545</b>	<b>\$3,263</b>	<b>\$3,122</b>	<b>-\$141</b>	<b>-4.3%</b>
Contingent & Back of Bill Reductions			-22	-22	
<b>Adjusted Total</b>	<b>\$3,545</b>	<b>\$3,263</b>	<b>\$3,100</b>	<b>-\$163</b>	<b>-5.0%</b>

- The Maryland Commission on Human Relations (MCHR) adjusted total fiscal 2006 budget allowance is \$3.1 million.
- General funds decrease by \$221,000, or 8.7%, while federal funds increase by \$79,000, or 11%, for a total budget decrease of \$163,000, or 5.0%. Savings reflect the abolition of 3.4 regular positions and 3.0 contractual positions.

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

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## ***Personnel Data***

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	<b><u>FY 04 Actual</u></b>	<b><u>FY 05 Working</u></b>	<b><u>FY 06 Allowance</u></b>	<b><u>FY 05-06 Change</u></b>
Regular Positions	47.50	45.00	41.60	-3.40
Contractual FTEs	<u>6.00</u>	<u>4.00</u>	<u>1.00</u>	<u>-3.00</u>
<b>Total Personnel</b>	<b>53.50</b>	<b>49.00</b>	<b>42.60</b>	<b>-6.40</b>

### ***Vacancy Data: Regular Positions***

Turnover, Excluding New Positions	1.02	2.46%
Positions Vacant as of 12/31/04	0.00	0.00%

- Since July 2003, MCHR has not had any vacant positions. MCHR must keep 1 vacant position in order to meet its budgeted turnover rate.
- The fiscal 2006 allowance abolishes 3.4 filled regular positions and 3.0 filled contractual positions.
- In the fiscal 2006 allowance, MCHR has a total of 42.6 positions. Since fiscal 2003, 12.9 positions have been eliminated.

## ***Analysis in Brief***

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### **Major Trends**

***Performance Declines with Position Abolitions and Funding Reductions:*** The number of anti-discrimination training sessions and the number of people trained are expected to decline significantly through fiscal 2006 amidst position abolitions and funding reductions. The number of employment, housing, and public accommodations cases closed is also expected to decrease through fiscal 2006, while the average number of days to process these cases increases for the same reasons.

### **Recommended Actions**

1. Concur with Governor's allowance.

*D27L00 – Maryland Commission on Human Relations*

*Analysis of the FY 2006 Maryland Executive Budget, 2005*

**D27L00**  
**Maryland Commission on Human Relations**

***Operating Budget Analysis***

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**Program Description**

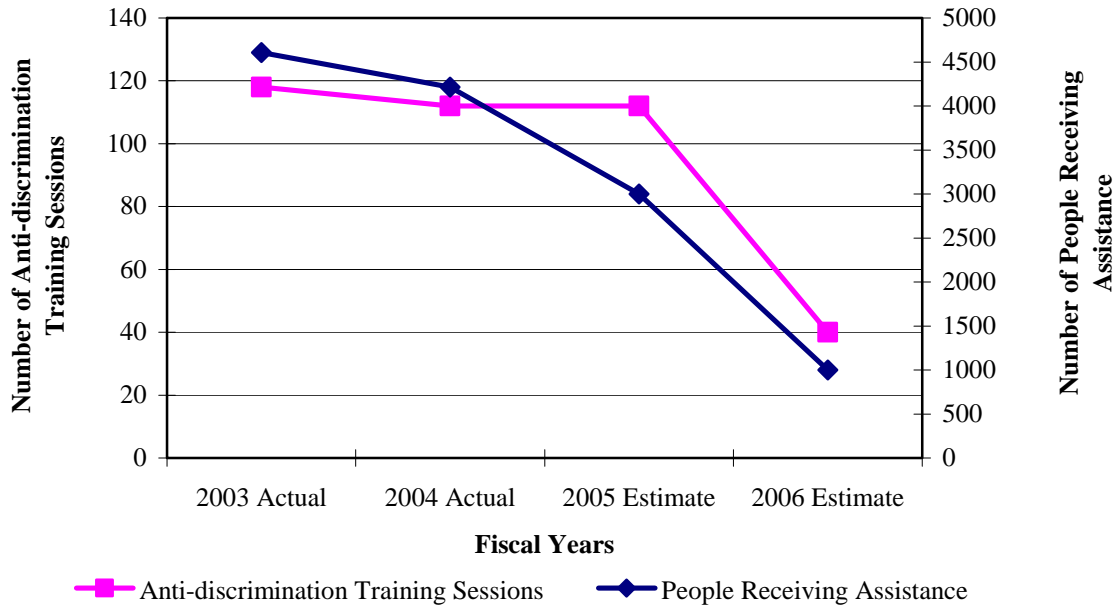
The Maryland Commission on Human Relations (MCHR) resolves allegations of discrimination by conciliation, mediation, investigation, and litigation in the areas of employment, housing, and public accommodations, based on race, color, creed, ancestry, religion, sex, age, sexual orientation, national origin, marital status, genetic information, and physical or mental disability. In addition, MCHR, through its educational and outreach efforts, improves community relations and fosters a better understanding of the law, thus reducing the potential number of complaints generated.

Efforts in fair employment practices and fair housing are supplemented by 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 having comparable interests and/or legal authority. 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**

Preventing and reducing discrimination and promoting compliance with anti-discrimination laws is an important component of MCHR's activities. However, as **Exhibit 1** shows, with position abolitions and funding reductions, the number of anti-discrimination training sessions and the number of people trained are expected to decline significantly through fiscal 2006. The reported impact will be to practically eliminate these services.

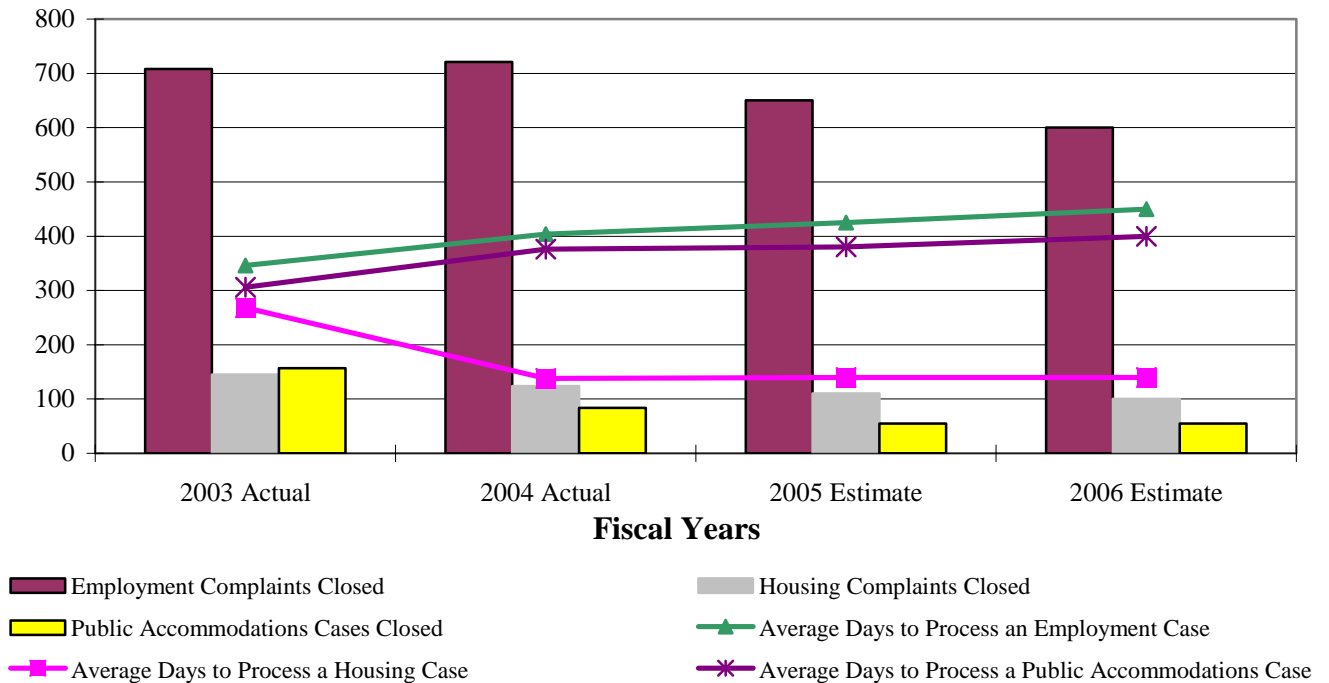
**Exhibit 1**  
**Anti-discrimination Training**  
**Fiscal 2003 – 2006**



Source: Maryland Commission on Human Relations

**Exhibit 2** shows that the numbers of employment, housing, and public accommodations cases closed are also expected to decrease through fiscal 2006 for the same reasons. It will, therefore, take longer to begin investigations of new cases, and the investigations themselves will take longer with fewer investigators. Additionally, future federal funding will be reduced, as federal funding is tied to the number of cases completed. The average number of days to process employment and public accommodations cases increases, also due to position abolitions and funding reductions. The average number of days to process a housing case decreased in fiscal 2004 and is expected to remain relatively low through fiscal 2006 because federal funding from HUD is directly tied to the average number of days to complete a case. Therefore, MCHR must keep this number low to maintain its level of federal funding.

**Exhibit 2**  
**Processing Complaints**  
**Fiscal 2003 – 2006**



Source: Maryland Commission on Human Relations

**Governor's Proposed Budget**

Exhibit 3 shows the major changes in MCHR's budget.

**Exhibit 3  
Governor's Proposed Budget  
Maryland Commission on Human Relations  
(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Federal Fund</b>	<b>Total</b>
2005 Working Appropriation	\$2,542	\$721	\$3,263
2006 Governor's Allowance	2,321	800	3,122
Contingent & Back of Bill Reductions	-16	-6	-22
<b>Adjusted Allowance</b>	<b><u>2,305</u></b>	<b><u>794</u></b>	<b><u>3,100</u></b>
Amount Change	-\$237	\$73	-\$163
Percent Change	-9.3%	10.2%	-5.0%
<b>Where It Goes:</b>			
<b>Personnel Expenses</b>			
Increments and other compensation .....			61
Turnover adjustments .....			21
Retirement costs.....			20
Abolish 3.4 filled positions in Public Affairs, Training, Reception, and Fiscal .....			-145
Employee and retiree health insurance .....			-27
Other fringe benefit adjustments .....			-9
<b>Other Changes</b>			
Telecommunications charges reflect actual costs .....			36
Abolish 3.0 filled contractual positions – investigator, law clerk, data entry operator .....			-82
Various contracts decrease due to cost-savings measures .....			-31
Rent.....			-5
Other .....			-2
<b>Total</b>			<b>-\$163</b>

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

### **Impact of Strategic Budget Reductions**

The major impact of strategic budget reductions will be felt by MCHR in the loss of 6.4 filled positions. The regular positions are:

- Administrator IV – Public Affairs Coordinator and Manager, Technical Assistance Services Unit;
- Training Specialist – Principle Trainer, member of Technical Assistance Services Unit;
- Office Clerk – Receptionist; and
- Fiscal Specialist – Fiscal Manager will become part-time position.

The contractual positions are:

- Case Processing Unit Investigator;
- Law Clerk - Legal Unit; and
- Data Entry Operator.

The loss of staff will lead to virtual elimination of training and technical assistance to MCHR's customers, the replacement of a live person with an automated system to answer telephone calls from the public, increased time to complete case processing, fewer completed investigations, and decreased federal funding.

***Recommended Actions***

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1. Concur with Governor's allowance.

## ***Current and Prior Year Budgets***

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

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2004</b>					
Legislative Appropriation	\$2,575	\$0	\$823	\$0	\$3,398
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	-1	0	392	0	391
Cost Containment	-96	0	0	0	-96
Reversions and Cancellations	0	0	-148	0	-148
<b>Actual Expenditures</b>	<b>\$2,478</b>	<b>\$0</b>	<b>\$1,067</b>	<b>\$0</b>	<b>\$3,545</b>
<b>Fiscal 2005</b>					
Legislative Appropriation	\$2,479	\$0	\$721	\$0	\$3,200
Budget Amendments	63	0	0	0	63
<b>Working Appropriation</b>	<b>\$2,542</b>	<b>\$0</b>	<b>\$721</b>	<b>\$0</b>	<b>\$3,263</b>

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

**Fiscal 2004**

In fiscal 2004, \$148,158 in federal funds reverted because the agency did not receive these federal funds until late in the fiscal year; these funds will be used during the first quarter of fiscal 2005. Budget amendments increased the federal fund appropriation by \$392,000 for HUD and EEOC programs. Budget amendments also reduced the general fund appropriation by \$97,014 for cost containment.

**Fiscal 2005**

In fiscal 2005 the general fund appropriation increased by \$30,456 for cost-of-living adjustments and by \$33,000 to provide two-grade salary adjustments for assistant general counsel positions, for a total general fund increase of \$63,456.

## ***Audit Findings***

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Audit Period for Last Audit:	May 11, 2000 – May 29, 2003
Issue Date:	October 2003
Number of Findings:	1
Number of Repeat Findings:	1
% of Repeat Findings:	100%
Rating: (if applicable)	

***Finding 1:*** Proper internal controls were not established over the processing of certain purchase and disbursement transactions.

\*Bold denotes item repeated in full or part from preceding audit report.

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

<u>Object/Fund</u>	<u>FY04 Actual</u>	<u>FY05 Working Appropriation</u>	<u>FY06 Allowance</u>	<u>FY05 - FY06 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	47.50	45.00	41.60	-3.40	-7.6%
02 Contractual	6.00	4.00	1.00	-3.00	-75.0%
<b>Total Positions</b>	<b>53.50</b>	<b>49.00</b>	<b>42.60</b>	<b>-6.40</b>	<b>-13.1%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 3,037,488	\$ 2,933,144	\$ 2,875,561	-\$ 57,583	-2.0%
02 Technical & Spec Fees	188,308	121,580	39,185	-82,395	-67.8%
03 Communication	54,502	57,746	93,929	36,183	62.7%
04 Travel	32,506	15,000	15,000	0	0%
07 Motor Vehicles	4,602	1,000	1,000	0	0%
08 Contractual Services	117,631	68,145	36,887	-31,258	-45.9%
09 Supplies & Materials	32,199	9,500	9,500	0	0%
10 Equip - Replacement	584	1,091	1,084	-7	-0.6%
11 Equip - Additional	1,105	0	0	0	0.0%
13 Fixed Charges	75,909	55,800	49,577	-6,223	-11.2%
<b>Total Objects</b>	<b>\$ 3,544,834</b>	<b>\$ 3,263,006</b>	<b>\$ 3,121,723</b>	<b>-\$ 141,283</b>	<b>-4.3%</b>
<b>Funds</b>					
01 General Fund	\$ 2,477,836	\$ 2,542,050	\$ 2,321,426	-\$ 220,624	-8.7%
05 Federal Fund	1,066,998	720,956	800,297	79,341	11.0%
<b>Total Funds</b>	<b>\$ 3,544,834</b>	<b>\$ 3,263,006</b>	<b>\$ 3,121,723</b>	<b>-\$ 141,283</b>	<b>-4.3%</b>

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.

**Fiscal 2006 Cost Containment Actions  
As Submitted by the Agency  
Estimated Fiscal 2006 Savings  
Compared to Fiscal 2005**

<u>Cost Saving Action/Efficiency Measure</u>	<u>Program Code</u>	<u>Estimated FY 2006 Savings Compared to FY 2005</u>			<u>Positions Reduced</u>	<u>Impact of Action</u>
		<u>Total Funds</u>	<u>General Funds</u>	<u>Special Funds</u>		
Reduce # Authorized PIN from 45 to 41.6	D27L00	\$57,583	\$57,583	\$0	3.4	
Reduce # Contractual Positions from 4 to 1		82,395	0	82,395	3	

PIN 002637 (Administrator IV) – served as agency’s Public Affairs Coordinator and Manager – Technical Assistance Services Unit.  
Impact: Training and technical assistance services to agency’s customers will be virtually eliminated.

PIN 077614 (Training Specialist) – served as agency’s principal trainer and member of Technical Assistance Services Unit.  
Impact: Training and technical assistance services to agency’s customers will be virtually eliminated.

PIN 052939 (Office Clerk) – served as agency’s receptionist.  
Impact: When calling the agency’s main public phone number customers will no longer get a live person but will now get an automated telephone tree/menu system.

PIN 002618 (Fiscal Specialist) – serves as agency Fiscal Manager (position reduced from 100% to 60% FTE status).

One of the contractual positions was a case processing unit investigator; one was a FTE law clerk position assigned to the agency’s legal unit and the other was a data entry position assigned to the agency’s now defunct systemic unit.  
Impact: The impact of losing *any* position in case processing or the legal unit is that it will take longer to assign a case for investigation because there will be fewer investigators to whom one could assign cases. This will result in longer overall time to complete an investigation from the time a complaint is filed with MCHR. Additionally, as fewer investigators means fewer completed investigations, fewer investigations means a lowering of federal funds, as the primary element of both our federal contracts is based upon *cases completed*.

FTE = Full-time Equivalent