

D27L00
Maryland Commission on Human Relations

Operating Budget Data

(\$ in Thousands)

	FY 05	FY 06	FY 07	FY 06-07	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$2,542	\$2,345	\$2,559	\$214	9.1%
Federal Fund	<u>800</u>	<u>798</u>	<u>905</u>	<u>107</u>	<u>13.4%</u>
Total Funds	\$3,342	\$3,144	\$3,465	\$321	10.2%

- The Maryland Commission on Human Relations' (MCHR) total fiscal 2007 allowance is \$3.5 million.
- General funds increase by \$213,731, or 9.1%, and federal funds increase by \$107,244, or 13.4%, for a total increase of \$320,975, or 10.2%. Increased spending is primarily for personnel and Office of Administrative Hearing expenditures.

Personnel Data

	FY 05	FY 06	FY 07	FY 06-07
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	45.00	41.60	41.60	0.00
Contractual FTEs	<u>4.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
Total Personnel	49.00	42.60	42.60	0.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	0.70	1.69%
Positions Vacant as of 12/31/05	0.00	0.00%

- MCHR did not have any vacancies on December 31, 2005. The agency must keep 0.70 full-time equivalent positions open during fiscal 2007 to meet the budgeted turnover.

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

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Analysis in Brief

Major Trends

Productivity Continues to Improve: Even though 2.5 regular positions were eliminated in fiscal 2005, the number of training sessions and people receiving assistance went up. The agency estimates that, even with an additional 3.4 regular and 3.0 contractual positions eliminated in fiscal 2006 due to cost containment, performance will continue to improve in these areas.

Recommended Actions

1. Concur with Governor's allowance.

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Operating Budget Analysis

Program Description

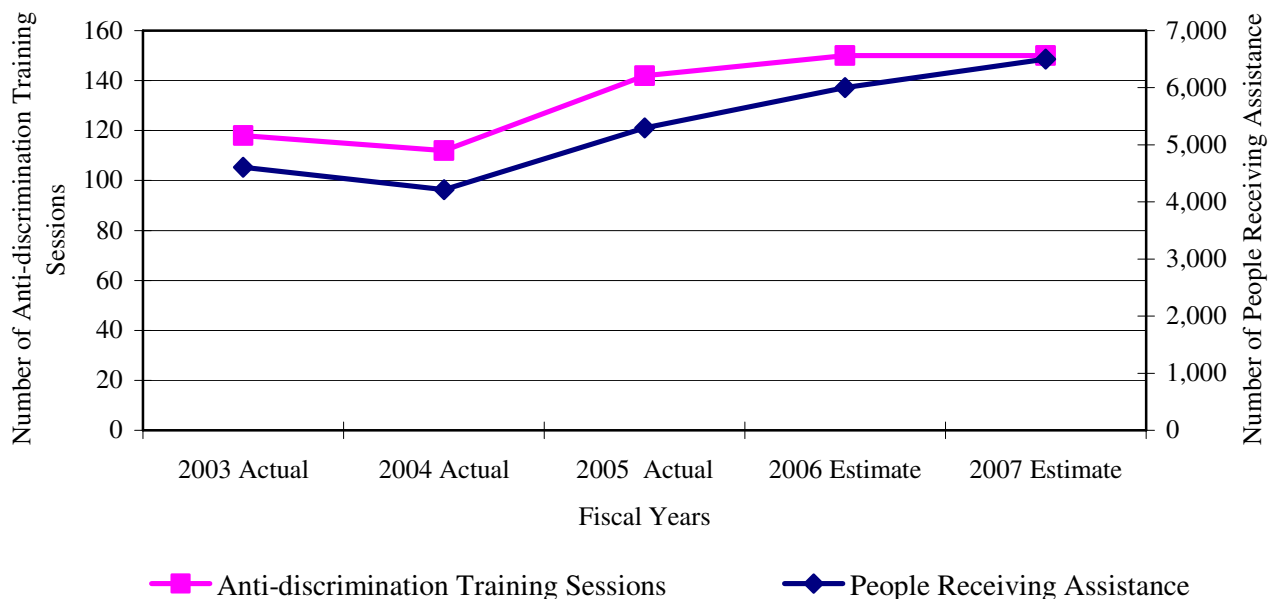
The Maryland Commission on Human Relations (MCHR) resolves allegations of discrimination by conciliation, mediation, investigation, and litigation in the areas of employment, housing, and public accommodations, based on race, color, creed, ancestry, religion, sex, age, sexual orientation, national origin, 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 are important components of MCHR's activities. Position abolitions in the fiscal 2006 budget raised concerns in the agency that the number of anti-discrimination training sessions and the number of people trained would decline significantly through fiscal 2006. The agency also experienced position reductions in fiscal 2005. However, after the fiscal 2005 performance data were tallied and showed strong results, the agency reassessed its expectations for fiscal 2006 and 2007, as demonstrated in **Exhibit 1**.

**Exhibit 1
Anti-discrimination Training
Fiscal 2003 – 2007**

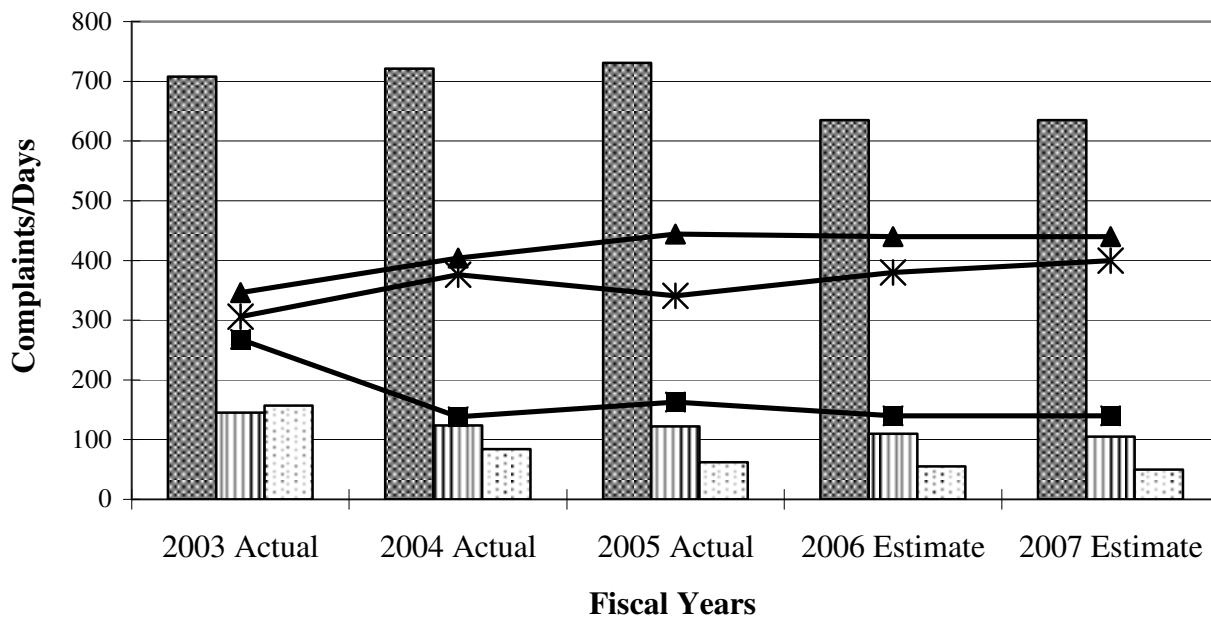


Source: Maryland Commission on Human Relations

Even though the size of the MCHR workforce has decreased since fiscal 2003, the number of complaints received for processing continued to increase. **Exhibit 2** shows that employment cases, the type most frequently received and closed, drives this increase. In contrast, the number of housing and public accommodation cases closed has decreased. Overall, the total number of cases closed declined from 1,624 in fiscal 2003 to 1,522 in fiscal 2005, primarily due to the large decrease in public accommodation cases.

The pressure created from a smaller workforce is evident in the average number of days needed to process employment and public accommodation cases, which have increased 29% from fiscal 2003 through fiscal 2005. In contrast, the average number of days to process housing cases decreased 40% from fiscal 2003 through 2005. The number of processing days for housing cases is expected to remain relatively low through fiscal 2007 because federal funding from HUD is directly tied to the average number of days to complete a case. The average number of days to process the two other types of complaints is expected to remain relatively constant through the budget year.

Exhibit 2
Processing Complaints
Fiscal 2003 – 2007



- Employment Complaints Closed
- Housing Complaints Closed
- Public Accommodations Cases Closed
- ▲ Average Days to Process an Employment Case
- Average Days to Process a Housing Case
- * Average Days to Process a Public Accommodations Case

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)

How Much It Grows:	<u>General Fund</u>	<u>Federal Fund</u>	<u>Total</u>
2006 Working Appropriation	\$2,345	\$798	\$3,144
2007 Governor's Allowance	<u>2,559</u>	<u>905</u>	<u>3,465</u>
Amount Change	\$214	\$107	\$321
Percent Change	9.1%	13.4%	10.2%

Where It Goes:

Personnel Expenses

Fiscal 2006 underfunding of employee and retiree health insurance	\$77
Fiscal 2007 budgeted increase in employee and retiree health insurance	62
Increments (the fiscal 2006 salary base is overstated by \$52,259, offsetting the cost of the anticipated increment increase)	9
Workers' compensation premium assessment (MCHR was not assessed in fiscal 2006)	46
Pensions	23
Turnover adjustments	21
Deferred compensation.....	7
Contractual payroll	-7

Other Changes

New server, 30 personal computers, software, and peripherals ¹	62
Changes for Administrative hearings	50
Department of Budget and Management paid telecommunication, reflecting actual costs	-21
Rent and subscriptions.....	-3
Supplies and materials	-3
Other	-3

Total **\$321**

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

¹MCHR's current information technology system, including the server and all desktop computers, has not been updated since April 2002 with the exception of fiscal 2005 funding for a firewall and a laptop for the agency director.

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 2005					
Legislative Appropriation	\$2,479	\$0	\$721	\$0	\$3,200
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	63	0	135	0	198
Reversions and Cancellations	0	0	-56	0	-56
Actual Expenditures	\$2,542	\$0	\$800	\$0	\$3,342
Fiscal 2006					
Legislative Appropriation	\$2,316	\$0	\$798	\$0	\$3,114
Budget Amendments	29	0	0	0	29
Working Appropriation	\$2,345	\$0	\$798	\$0	\$3,144

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

Fiscal 2005

In fiscal 2005, the general fund appropriation increased by \$30,456 for \$752 per employee general salary increases and by \$33,000 to provide two-grade salary adjustments for assistant general counsel positions, for a total general fund increase of \$63,456.

Federal funds increased in fiscal 2005 by \$135,000 for salaries and expenses related to implementation of EEOC employment discrimination programs.

Fiscal 2006

In fiscal 2006, the general fund appropriation increased by \$29,365 to cover a 1.5% general salary increase.

Audit Findings

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.

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

<u>Object/Fund</u>	<u>FY05 Actual</u>	<u>FY06 Working Appropriation</u>	<u>FY07 Allowance</u>	<u>FY06 - FY07 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	45.00	41.60	41.60	0	0%
02 Contractual	4.00	1.00	1.00	0	0%
Total Positions	49.00	42.60	42.60	0	0%
Objects					
01 Salaries and Wages	\$ 3,014,450	\$ 2,897,392	\$ 3,142,766	\$ 245,374	8.5%
02 Technical & Spec Fees	76,577	39,185	28,768	-10,417	-26.6%
03 Communication	75,872	93,929	73,575	-20,354	-21.7%
04 Travel	15,744	15,000	15,000	0	0%
07 Motor Vehicles	4,994	1,000	1,000	0	0%
08 Contractual Services	65,516	36,887	86,542	49,655	134.6%
09 Supplies & Materials	11,793	9,500	7,000	-2,500	-26.3%
10 Equip - Replacement	1,320	1,084	63,000	61,916	5711.8%
11 Equip - Additional	321	0	0	0	0.0%
13 Fixed Charges	75,443	49,577	46,878	-2,699	-5.4%
Total Objects	\$ 3,342,030	\$ 3,143,554	\$ 3,464,529	\$ 320,975	10.2%
Funds					
01 General Fund	\$ 2,541,926	\$ 2,345,305	\$ 2,559,036	\$ 213,731	9.1%
05 Federal Fund	800,104	798,249	905,493	107,244	13.4%
Total Funds	\$ 3,342,030	\$ 3,143,554	\$ 3,464,529	\$ 320,975	10.2%

Note: The fiscal 2006 appropriation does not include deficiencies, and the fiscal 2007 allowance does not reflect contingent reductions.