

Redbook

LBO Analysis of Executive Budget Proposal

Ohio Civil Rights Commission

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LBO Redbook

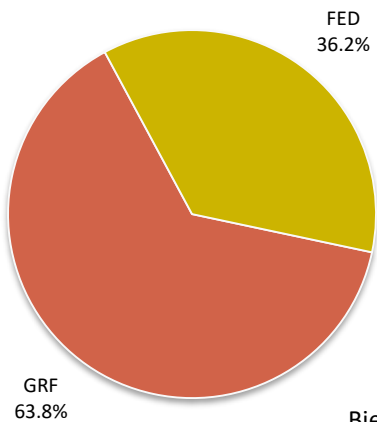
Ohio Civil Rights Commission

Quick look...

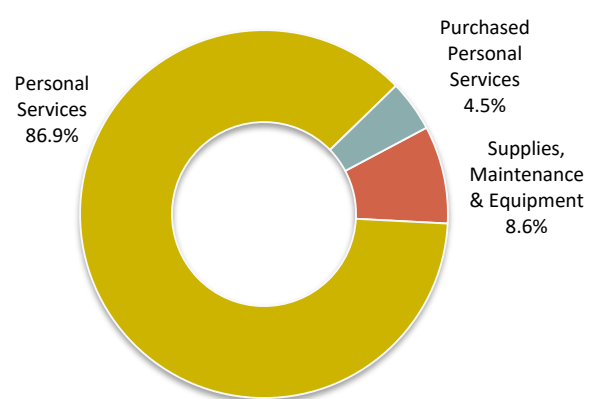
- The primary responsibility of the Ohio Civil Rights Commission (CIV) is to investigate and resolve charges of discrimination.
- In FY 2022, the Commission received 4,091 charges of discrimination, an increase of 31.7% from FY 2021. Of these cases, 2,841 (69.4%) were employment cases, 815 (19.9%) were housing cases, 395 (9.7%) were public accommodations cases, 26 (0.6%) were credit cases, and 14 (0.3%) were disability in higher education cases.
- Biennial recommendations total \$22.2 million: \$10.7 million for FY 2024 and \$11.4 million for FY 2025.
 - Source of the budget: GRF (63.8%) and federal (36.2%). A larger federal funding share will be supported by a revenue increase from an anticipated increase in federal partnership cases.
 - GRF increase of 3.0% in each of FY 2024 and FY 2025.
 - Largest expenses: personal services/payroll (86.9%), followed by supplies, maintenance and equipment (8.6%).

Fund Group	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
General Revenue (GRF)	\$6,241,302	\$6,760,846	\$6,963,000	\$7,172,000
Dedicated Purpose (DPF)	\$0	\$3,000	\$0	\$0
Federal (FED)	\$3,087,540	\$3,098,319	\$3,786,800	\$4,232,800
Total	\$9,328,842	\$9,862,165	\$10,749,800	\$11,404,800
% change	--	5.7%	9.0%	6.1%
<i>GRF % change</i>	--	<i>8.3%</i>	<i>3.0%</i>	<i>3.0%</i>

**Chart 1: CIV Budget by Fund Group
FY 2024-FY 2025 Biennium**



**Chart 2: CIV Budget by Expense Category
FY 2024-FY 2025 Biennium**



Biennial total: \$22.2 million

Agency overview

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 because of certain characteristics. The Commission's duties can be summarized as follows:

- Enforcing Ohio's anti-discrimination laws through the investigation of complaints and the determination of whether or not discrimination has occurred;
- Educating the public, employers, housing providers, and places of public accommodation about Ohio's anti-discrimination laws; and
- Offering alternative dispute resolution and mediation services to parties who have filed charges with the Commission.

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 currently served by 72 full-time employees. Their approved hiring ceiling is 84 positions and the Commission requested additional funding to raise the staffing ceiling to 94.

Analysis of FY 2024-FY 2025 budget proposal

Appropriation summary

The executive budget provides a total appropriation of \$10.7 million in FY 2024 and \$11.4 million in FY 2025 for a combined total of \$22.2 million for the biennium. The table and Chart 1 shown in the preceding "**Quick look**" section present the executive recommended appropriations by fund group. As shown in Chart 1, money appropriated from the GRF will provide 63.8% of the Commission's funding. All of the remaining funding (36.2%) will be drawn from reimbursement contract payments received from two federal agencies: the U.S. Equal Employment Opportunity Commission (EEOC) and Department of Housing and Urban Development (HUD).

Under the executive budget proposal for the FY 2024-FY 2025 biennium, the amount of GRF appropriated for the Commission's use is increased by 3.0% (\$202,154) in FY 2024 from the FY 2023 estimated expenditure and then again increases in FY 2025 (3.0%, or \$209,000), coupled with increases in the amount of money appropriated from Fund 3340 in each of FY 2024 (22.2%, or \$688,481) and FY 2025 (11.8%, or \$446,000). Fund 3340 is supported by federal reimbursement payments from EEOC and HUD.

Chart 2 in the "**Quick look**" section shows the executive recommended total biennial appropriation by object of expense. All of this appropriated money will be allocated for operating expenses, with 86.9% for personal services (payroll). Historically, this expense category typically comprises over 85% of the budget each year.

Operating Expenses (ALIs 876321, 876604, and 876601)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
GRF ALI 876321, Operating Expenses					
\$5,909,891	\$5,499,840	\$6,241,302	\$6,760,846	\$6,963,000	\$7,172,000
% change	-6.9%	13.5%	8.3%	3.0%	3.0%
DPF Fund 2170 ALI 876604, Operations Support					
\$0	\$378	\$0	\$3,000	\$0	\$0
% change	--	-100.0%	--	-100.0%	--
FED Fund 3340 ALI 876601, Federal Programs					
\$2,682,845	\$2,898,311	\$3,087,540	\$3,098,319	\$3,786,800	\$4,232,800
% change	8.0%	6.5%	0.3%	22.2%	11.8%

The table above shows the appropriation line items that together support the operating expenses of the Commission. As mentioned, the money appropriated from the GRF provides the largest share on the Commission's annual funding, with virtually all of the remaining funds appropriated from Federal Programs Fund (Fund 3340). The funding split is discussed in **"Federal Programs Fund (Fund 3340)."**

In FY 2021, the Commission made a series of GRF reductions in response to the COVID-19 pandemic, in accordance with targets at the end of the prior fiscal year established by the Governor. The Commission satisfied this reduction by postponing the filling of staff positions made vacant through attrition. The Commission utilized its federal cash reserve to bridge the GRF reductions. H.B. 110 of the 134th General Assembly provided the Commission an increase in GRF funding for FY 2022 and FY 2023. These additional funds were used to address two issues. First, they were used to address the operational deficit the Commission had experienced related to staffing, mentioned above. Second, they were used to provide necessary resources for the implementation of H.B. 352 of the 133rd General Assembly, which ensures that all allegations of employment discrimination under state law must first go to the Commission.¹

Under the executive budget, of the total amount appropriated in each of FY 2024 and FY 2025, 87% (\$9.6 million on average) is allocated for personal services (payroll). In the budget request submitted to the Office of Budget and Management, the Commission indicates that more staffing is necessary to meet demand for services, with the recent change to the procedure for filing employment discrimination charges contributing to a 31.7% increase in these filings from FY 2021 to FY 2022. The Commission anticipates the recommended funding levels will support the filling of current vacancies and four additional investigator positions to accommodate increasing caseloads and improve intake and case management. As previously mentioned, the Commission is currently staffed by 72 full-time employees; however, it is currently approved for 84.

¹ Effective April 15, 2021.

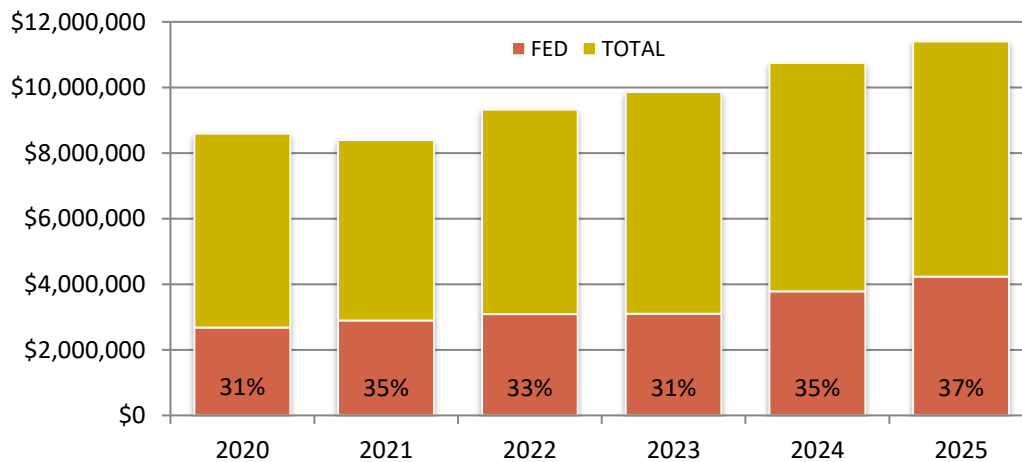
Federal Programs Fund (Fund 3340)

This fund consists of reimbursement payments from EEOC and HUD, which are then used to offset the cost of investigating cases. However, these reimbursement payments do not cover the full cost of processing the cases; the remainder of the cost must be absorbed by GRF funds.

The percentage of federal funds comprising the overall budget of the Commission from FY 2020 projected through the end of FY 2025 is depicted in Chart 3 below. As mentioned, reliance of federal funds increased in FY 2021 with reductions to the GRF as a consequence of executive ordered GRF reductions in response to the COVID-19 pandemic’s effect on the state’s economy and tax receipts.

At the recommended funding levels, the federal fund portion of the budget increases, projected at 35% and 37% for FY 2024 and FY 2025, respectively. According to the Commission, the target cash balance for this fund is around \$600,000. The anticipated revenue for FY 2023 and FY 2024 is \$3.5 million per year, an increase from the \$2.8 million average. This increase will primarily result from the additional \$200 per case closed under the HUD contract (an increase from \$3,000 to \$3,200). A more detailed description of federal and state agency partnerships can be found in the “**Facts and figures**” section below.

Chart 3: Federal Funding Share of Total Budget, FY 2020-FY 2025



Facts and figures

Any person living or working in Ohio who believes they have been subjected to unlawful discrimination can file a charge with one of the Commission’s regional offices, by mail, by telephone, or online. Charges must be based on the belief that the discriminatory act occurred on the basis of certain characteristics covered by the Ohio Civil Rights Law. The Commission also has the power to self-initiate an investigation in the areas of employment and housing.

Discrimination charges not involving housing employment or housing (public accommodation, credit discrimination, and disability in higher education) are required to be filed within six months of the alleged act of discrimination. Whereas employment discrimination charges may be filed within two years and housing charges one year.

Once a charge of discrimination is received, the case is assigned to an investigator who notifies the person filing the charge (charging party) and the company or person against whom the charge was filed (respondent). Generally, mediation is offered to resolve the complaint. If mediation is declined or unsuccessful, the Commission will determine whether it is probable that discrimination has occurred through a series of steps that may include witness interviews, document requests, and onsite visits. The Commission has one year from the date on which a charge was filed to complete the investigation. Typically, the number of completed cases averages around 90 cases per investigator each fiscal year. The Commission does not have the option to refuse to investigate a charge.

If the Commission determines that it is probable that illegal discrimination took place, the Commission initially attempts to conciliate these charges and reach a settlement. When conciliation attempts fail, the charge is referred to the Office of the Attorney General and, if necessary, a public hearing on the merits (administrative adjudication) is held.

Investigation and enforcement statistics

Charges filed

Table 1 shows the number of discrimination charges filed, by regional office, from FY 2018 through FY 2022. Table 2 shows the basis on which those charges were filed. As shown, the total number of charges filed statewide noticeably exceeds the analogous number in Table 1. The difference signifies that a single charge may allege discrimination on multiple bases, e.g., race and age, rather than a single factor.

Region	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Akron	558	618	491	492	696
Cleveland	634	607	548	583	987
Columbus	944	943	766	815	1,086
Dayton/Cincinnati*	782	789	735	717	837
Toledo	751	628	680	491	529
Total	3,669	3,585	3,220	3,098	4,135

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

Basis	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Race or Color	1,570	1,321	1,295	1,281	1,472
Sex/Pregnancy	953	787	644	616	799
Disability	1,127	1,087	1,080	1,054	1,430
Familial Status	89	81	75	77	87

Basis	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Age	508	499	394	404	484
Retaliation	1,428	1,410	1,208	1,193	1,474
National Origin/Ancestry	229	214	140	308	200
Religion	171	128	100	168	506
Military Status	23	8	1	12	4
Other	30	41	46	2	224
Total	6,128	5,576	4,983	5,115	6,680

Case closures

Table 3 shows case closures by area, or type of discrimination, from FY 2018 through FY 2022. Over this period, the Commission closed 3,393 cases annually on average. Discrimination in the area of employment (employment discrimination) consistently represents the largest share of case closures.

Discrimination Type (Area)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Employment	2,660 (72%)	2,628 (72%)	2,252 (67%)	1,872 (66%)	2,329 (68%)
Housing	670 (18%)	624 (17%)	695 (21%)	538 (19%)	666 (19%)
Public Accommodation	306 (8%)	346 (9%)	342 (10%)	387 (13%)	405 (11%)
Credit	19 (1%)	22 (1%)	23 (1%)	24 (1%)	27 (1%)
Disability in Education	19 (1%)	26 (1%)	32 (1%)	33 (1%)	22 (1%)
Total	3,674	3,646	3,344	2,854	3,449

In FY 2022, of the 3,449 total cases closed, 41.3% were closed after an investigation finds no probable cause that an unlawful discriminatory act occurred, including “no probable cause.” Table 4 below compares FY 2022 case closures to FY 2020 and FY 2021.

Category	FY 2020	FY 2021	FY 2022
Settlements	180 (5%)	106 (3%)	89 (3%)
Withdrawal with Benefits	385 (12%)	279 (9%)	382 (11%)
Successful Conciliation	75 (2%)	81 (3%)	89 (2%)
Probable Cause*	133 (4%)	138 (4%)	152
No Probable Cause	1,908 (57%)	1,548 (50%)	1,425 (41%)

Category	FY 2020	FY 2021	FY 2022
Withdrawal without Benefits	39 (1%)	43 (1%)	71 (2%)
No Jurisdiction	109 (3%)	128 (4%)	49 (1%)
Notice of Right to Sue	59 (2%)	74 (2%)	349 (10%)
Administrative Closures	78 (2%)	85 (3%)	39 (1%)
Unsuccessful Conciliation or Closed by Legal Unit	3 (0%)	7 (0%)	6 (0%)
Charging Party Failed to Cooperate	1 (0%)	2 (0%)	1 (0%)
Charging Party Failed to Provide Signed Charge Under Oath	368 (11%)	593 (19%)	421 (12%)
Total	3,344	3,089	3,449

*Note that "Probable Cause" is not a closure category, since these cases continue to conciliation or a hearings process.

Mediation services

The Commission's Alternative Dispute Resolution Unit offers mediation services as an alternative means of resolving a discrimination complaint. Mediation is usually the swiftest method of resolving a case and is also typically less costly, both for the parties to a case and for the state.

Each of the Commission's regional offices employs one mediator. Mediation requires both parties voluntarily agreeing to participate in the process and brings both the charging party and respondent together in an attempt to voluntarily settle disputes short of a full-scale investigation. The parties must confirm they want mediation. If mediation is successful, the case is closed and no further administrative action is taken. The Commission attempts to conclude the mediation process within 45 days. The Commission's success rate is roughly 85%.

Public affairs and community service

In addition to its enforcement responsibilities, the Commission is mandated to conduct educational and public outreach programs. Outreach and service activities generally 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

Over the FY 2024-FY 2025 biennium, the Commission projects Equal Employment Opportunity Commission and Department of Housing and Urban Development cases to increase approximately 12.6% and 6.7%, respectively.

Equal Employment Opportunity Commission

The Commission has a work-sharing agreement with the U.S. Equal Employment Opportunity Commission (EEOC) 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 \$830 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 2022, EEOC contracted for 1,880 cases to be processed by the Commission. As a result, the federal money generated by this contract annually was \$1,563,650.

Department of Housing and Urban Development

The Commission also has a work-sharing agreement with the U.S. Department of Housing and Urban Development (HUD) for the number of cases 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 fiscal year 2022, the Commission processed 313 cases that were eligible for payment from HUD. HUD pays the Commission approximately \$3,200 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 \$5,000 per approved case if it is litigated before the administrative law judge and \$8,000 if it is litigated in a court of common pleas. In federal FY 2022, the Commission received from HUD, on average, a payment of \$3,200 per case.

For the FY 2024-FY 2025 biennium, the Commission estimates that it will receive around \$1.3 million annually.