



**Budget Testimony of the Ohio Civil Rights Commission
Senate Agriculture and Natural Resources Committee
Fiscal Years 2024 – 2025
Angela Phelps-White, Executive Director
April 25, 2023**

The Ohio Civil Rights Commission strives to fulfill its mission of promoting positive human relations amongst Ohio's diverse population by carrying out the statutory mandates bestowed by the General Assembly.

Approximately 64 years ago, the General Assembly decided there should be no safe harbor for discrimination in our state as a matter of public policy and enacted the Ohio Civil Rights Act (R.C. Chapter 4112); thereby creating the Ohio Civil Rights Commission ("Commission"). The Commission was entrusted with powers and duties that evolved over time to, fairly and impartially, address charges of unlawful discrimination.

As a neutral state law enforcement agency, the Commission administers Ohio's strong public policy against discrimination by investigating charges filed alleging unlawful discriminatory practices and, when necessary, litigating the charges where unlawful discriminatory practices were found in the areas of employment, public accommodations, housing, credit, and disability in higher education.

The administrative investigative process is informal and cost effective for those who file charges and for the business community, compared to a privately filed court action, which is more formal and a more costly adversarial process. The Commission received 3,098 charges of discrimination in FY 2021 and 4,091 charges of discrimination in FY 2022 – an increase of more than 30%. The Commission closed 2,854 cases in FY 2021 and 3,499 cases in FY 2022.

In addition to administrative investigations, the Commission offers alternative dispute resolution services (mediation) as an effective and efficient means of resolving the parties' disputes in lieu of further governmental involvement and greater transaction costs to the parties. In approximately 85% of cases mediated over the past few years, the Commission reached voluntary, mutually agreed upon

settlements with an average total processing time of approximately 35 days. The mediation services provide quicker relief for victims of discrimination while providing all parties with an impartial, lower cost alternative to resolving disputes,

The Ohio Civil Rights Commission has put forth a valiant effort in enforcing Ohio's civil rights laws. The Commission secured more than \$3.0 million in monetary relief for aggrieved persons in FY 2021 and more than \$5.2 million in FY 2022. But our work is far from over. The Commission continues to see egregious cases of discrimination and harassment. There is still much to do to ensure that every Ohioan has the opportunity to live a quality life.

In addition to investigating, mediating, and adjudicating charges, the Commission routinely provides training and outreach to businesses and private and public organizations upon request to prevent discriminatory practices, explain discriminatory concepts, and encourage voluntary compliance with the law. The training and outreach the Commission provides is free and, more importantly, well received.

The Commission provides two privately funded annual public events - the Ohio Civil Rights Hall of Fame, now in its 15th year, which is designed to recognize diverse Ohio pioneers who have made significant and historic contributions to diversity and inclusion in our state, and the Dr. Martin Luther King, Jr. Art, Essay and Multimedia Contest for middle and high school students to inspire our youth to live up to our highest aspirations.

The Commission undertook a mental wellness project and released the "Mental Health Through the Eyes of Ohio's Youth" booklet. This is a compilation of artwork that addressed mental health issues among Ohio's youths. To offer the opportunity for the members of Ohio's community to learn how to navigate the Commission and to further understand the scope of the anti-discrimination laws, the Commission also hosted its first annual OCRC Academy.

Executive GRF Recommendation

The Executive recommendation for the general revenue fund (GRF) for the Commission is \$6,963,000 in FY 2024, for an increase of 3.0% and \$7,172,000 in FY 2025 which is also an increase of 3.0%. This means the Executive GRF recommendation will provide additional funding in the amounts of \$202,154 and \$209,000 in FYs 2024 and 2025, respectively. Additional funds may be used

to hire additional investigative and support staff necessary to handle the increasing caseload resulting from House Bill 352 of the 133rd General Assembly.

House Bill 352, passed by the 133rd General Assembly in December 2020, created a new system for allegations of employment discrimination under Ohio law. This new system, called “administrative exhaustion,” requires all charges to be filed with the Commission first before any action alleging unlawful discriminatory practice in employment. The Commission is required to issue a Notice of Right to Sue before a claimant can file a charge of employment discrimination in court. While it is difficult to determine exactly how many additional charges have been filed with the Commission due to House Bill 352, we estimate approximately 300 cases in FY 2022 case were filed due to House Bill 352. This represents approximately 10% of the increase in cases from FY 2021 to FY 2022. These increases have resulted in significant new administrative responsibilities and investigative caseloads.

The recommended appropriation levels provide additional funding to allow the Commission to continue to provide excellent service in the implementation of House Bill 352, which includes the much needed creation of additional staff to handle the increased administrative and investigative burden. These funds will be critical for the Commission to continue to effectively carry out its statutory responsibilities.

Federal Funding

For the last several biennia, rising personnel expenses in the form of negotiated pay and benefits increases have required the Commission to spend down its reserve of federal funds that had accrued over many years. Without these federal reserves or an increase in the GRF funds, the Commission would not be able to hire new investigative full-time employees and may need to layoff or postpone replacing much needed full-time employees. Any layoffs would drastically increase investigator caseloads, making it difficult to complete thorough and effective investigations while maintaining the statutory requirement to complete all investigations within a year. A decrease in case production could also have a collateral effect of reducing the Commission’s per-case contract payments from the Federal partners at the Equal Employment Opportunity Commission (EEOC) and the U.S. Department of Housing and Urban Development (HUD). Fewer payments from these federal sources resulting from fewer completed cases could further exacerbate the Commission’s funding issues, making it possible that even more layoffs or other cuts could be necessary.

It is with these potentially devastating consequences in mind that we request that the recommended appropriations be maintained. Such additional funding will prevent a potentially disastrous shortfall and provide resources necessary to further respond to the substantial changes resulting from House Bill 352.

Summary

In summary, the Commission has been prudent with its resources and will continue to be so. With the demands from the implementation of House Bill 352, the Commission has made and will continue to make the necessary adjustments to absorb all charges filed and to ensure that the integrity of the handling of these cases are maintained. The Ohio Civil Rights Commission will judiciously implement, educate, and enlighten the community on the state's civil rights laws and fulfill other mandates imposed by the Ohio Civil Rights Act making the Commission a valuable resource for the state as a whole.