

- Heavier reliance on federal funding continues
- Operating costs to be cut; more staff reductions forecast
- Series of budget reductions will mean three out of every ten staff positions eliminated in five years

## Civil Rights Commission, Ohio

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### ROLE

The Ohio Civil Rights Commission is charged with enforcing Chapter 4112. of the Revised Code, which prohibits discrimination in the following areas:

- Employment on the basis of race, color, sex, religion, national origin, age, ancestry, or disability;
- Places of public accommodation on the basis of race, color, sex, religion, national origin, age, ancestry, or disability;
- Housing on the basis of race, color, sex, religion, national origin, ancestry, disability, or familial status;
- Granting of credit on the basis of race, color, sex, religion, national origin, age, ancestry, disability, or marital status; and
- Higher education on the basis of disability.

The Commission is a single-program series agency with two major activities. First, it investigates complaints and adjudicates discrimination charges filed by citizens of Ohio pertaining to discrimination in employment, housing, places of public accommodation, credit, and admission to and participation in, activities sponsored by institutions of higher education. Second, in addition to its enforcement responsibilities, the Commission is mandated to conduct educational and public outreach programs.

The Commission receives approximately 5,000 official charges of discrimination each year, and thousands of inquiries from the public with questions and/or concerns regarding discrimination. State law mandates that investigations must be completed within one year. Over two-thirds of the Commission's GRF budget is allocated for staff that investigates and resolves charges of discrimination. Additional funding is provided with federal funds through contracts with two federal agencies: the Equal Employment Opportunity Commission (EEOC) and the Department of Housing and Urban Development (HUD).

<b>Agency In Brief</b>					
<b>Number of Employees*</b>	<b>Total Appropriations-All Funds</b>		<b>GRF Appropriations</b>		<b>Appropriation Bill(s)</b>
	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>	
154**	\$11.5 million	\$11.3 million	\$7.5 million	\$7.5 million	Am. Sub. H.B. 95

\*Employee head count obtained from the Department of Administrative Services (DAS) payroll reports as of June 28, 2003.

\*\*The Commission cannot support the above noted number of employees reported by DAS. In August 2003, the Commission reported that its number of employees had dropped to 151. Specifically, funding levels for this biennium will support only 140 of the Commission's August number of 151 full-time equivalent employees.

## OVERVIEW

The Commission originally requested \$9.4 million in GRF funding for FY 2004 and \$9.7 million in GRF funding for FY 2005. This level of GRF funding was sought solely to maintain current service levels. The Commission planned to undertake no program expansions or new initiatives. The enacted budget fell short of this requested level of GRF funding by \$1.9 million and \$2.2 million for FYs 2004 and 2005, respectively.

From the Commission's perspective, the implications of the enacted level of GRF funding are twofold. First, the Commission will not be able to support its August 2003 level of 151 full-time equivalent (FTE) staff over the course of the FY 2004-2005 biennium. This likely means that the Commission will have to find a way to cut an additional 11 FTE staff positions, presumably through some mix of attrition, early retirement incentives, and job abolishment. Second, the Commission will continue to rely more heavily on its federal funding and restrict maintenance and equipment spending in order to cover the payroll costs associated with its labor-intensive duties and responsibilities.

For historical context, the FY 2002-2003 operating budget essentially provided the Commission with no growth in GRF appropriations. At that time, the Commission anticipated difficulties in maintaining its FY 2001 level of services. Additional GRF funding reductions were instituted over the course of the FY 2002-2003 biennium. In response to these GRF funding reductions, the Commission implemented several cost cutting measures, including abolishing 11 FTE staff positions, leaving various staff positions vacant, suspending the practice of employing college interns, implementing an early retirement incentive plan, transferring the FY 2003 payroll costs associated with 20 FTEs out of the GRF by tapping into a surplus of federal funds built up over time, and postponing indefinitely a major computer database project.

## BUDGET ISSUES

### *FEDERAL FUNDING*

As stated above, the Commission will continue to place a heavier reliance on its federal funding sources. From the Commission's perspective, this could prove problematic for several reasons. First, the Commission cannot predict with any degree of certainty the availability of federal funds. Second, the amount of federal funding fluctuates from year to year based on available funding and the number of contracted cases. Third, the timeliness of the federal government's reimbursement payments is unpredictable. Fourth, there is no guarantee that federal funding will remain available at current levels, or at all for that matter. Finally, its federal funding covers only a portion of the Commission's cost involved

in handling discrimination charges; the remainder of the cost must then be absorbed by GRF funds. The Commission has no discretion in pursuing these cases and must investigate all charges of discrimination, regardless of its level of available funding.

### ***STAFFING LEVELS***

As can be seen in Table 1 below, the Commission's annual staffing level, as measured by the number of FTEs, remained relatively steady at around 200 between FYs 1998 and 2000. In subsequent fiscal years, as a result of budget reductions and various related actions taken to reduce costs, the Commission's number of FTEs has declined annually. The Commission has made those staff reductions through a variety of mechanisms, including abolishing positions, implementing an early retirement incentive plan, downsizing by attrition, and ending the practice of using college interns.

<b>Table 1: Ohio Civil Rights Commission Staffing Levels*</b>							
<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004*</b>	<b>2005*</b>
203	200	199	189	179	151	140	140

\*The staffing levels displayed in the above table represent full-time equivalents (FTEs). The number of FTEs for FYs 2004 and 2005 are estimates.

The Commission closed FY 2003 with a staffing level of 150-plus FTEs. Based on the enacted budget, the Commission has estimated that it will be able to afford a staffing level of 140 FTEs over the course of the FY 2004-2005 biennium. In order to reach that staffing level, the Commission will need to cut around 10 or so FTEs, a goal that will be realized through the abolishment of more positions, an ongoing early retirement incentive program, and the continued process of downsizing by attrition. Assuming that its staffing level was reduced to around 140 FTEs, this means that, in the period of four to five years, the Commission will have eliminated 30% of its workforce, or three out of every ten staff positions.

### ***GENERAL REIMBURSEMENT FUND***

The enacted budget amended preexisting permanent law to require moneys received by the Commission, and moneys awarded by a court to the Commission, for attorney's fees, court costs, expert witness fees, and other litigation expenses be deposited into the state treasury to the credit of the Commission's existing General Reimbursement Fund (Fund 217). It appears that, under preexisting permanent law and practice, if a court awarded such moneys, the moneys would be awarded to the Office of the Attorney General, which provides legal services to the Commission. As of this writing, the amount of additional revenue that might generate annually as a result of that amendment for deposit to the credit of the Commission's Fund 217 is uncertain.

Under preexisting permanent law, Fund 217 received all moneys collected by the Commission for copies of Commission documents and other goods and services furnished by the Commission. The purpose of the moneys deposited to the credit of Fund 217, which was unchanged by the amendment, is to pay the Commission's operating costs. Since its establishment in FY 2000, Fund 217's annual revenue stream has been in the range of around \$15,000 to \$25,000 or so.

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***REAL ESTATE COST REDUCTIONS***

In addition to staff reductions as a means to decrease annual operating costs, the Commission is working closely with the Department of Administrative Services to cut its annual real estate expenses by: (1) reducing the square footage of its central office in Columbus, and (2) reducing both the square footage and the lease rate for its regional office in Cincinnati. The Commission anticipates such reductions will save approximately \$250,000 in real estate expenses over the FY 2004-2005 biennium. 

**FY 2004 - 2005 Final Appropriation Amounts**

**All Fund Group**

**Line Item Detail by Agency**

**FY 2001:      FY 2002:      FY 2003:      FY 2004      % Change      FY 2005      % Change**  
**Appropriations:      Appropriations:      Appropriations:      2003 to 2004:      Appropriations:      2004 to 2005:**

**Report For: Main Operating Appropriations Bill**

**Version: Enacted**

**CIV Ohio Civil Rights Commission**

GRF	876-100	Personal Services	\$ 9,199,274	\$ 8,463,470	\$7,454,000	\$ 7,000,000	-6.09%	\$ 7,000,000	0.00%
GRF	876-200	Maintenance	\$ 1,080,499	\$ 928,222	\$822,092	\$ 400,000	-51.34%	\$ 400,000	0.00%
GRF	876-300	Equipment	\$ 126,946	\$ 109,431	\$93,782	\$ 91,298	-2.65%	\$ 91,298	0.00%
<b>General Revenue Fund Total</b>			<b>\$ 10,406,718</b>	<b>\$ 9,501,123</b>	<b>\$ 8,369,874</b>	<b>\$ 7,491,298</b>	<b>-10.50%</b>	<b>\$ 7,491,298</b>	<b>0.00%</b>
334	876-601	Federal Programs	\$ 1,727,386	\$ 3,148,960	\$4,144,123	\$ 3,965,000	-4.32%	\$ 3,790,000	-4.41%
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 1,727,386</b>	<b>\$ 3,148,960</b>	<b>\$ 4,144,123</b>	<b>\$ 3,965,000</b>	<b>-4.32%</b>	<b>\$ 3,790,000</b>	<b>-4.41%</b>
217	876-604	General Reimbursement	----	\$ 29	\$1,027	\$ 20,951	1,940.02%	\$ 20,951	0.00%
<b>State Special Revenue Fund Group Total</b>			<b>----</b>	<b>\$ 29</b>	<b>\$ 1,027</b>	<b>\$ 20,951</b>	<b>1,940.02%</b>	<b>\$ 20,951</b>	<b>0.00%</b>
<b>Ohio Civil Rights Commission Total</b>			<b>\$ 12,134,104</b>	<b>\$ 12,650,111</b>	<b>\$ 12,515,024</b>	<b>\$ 11,477,249</b>	<b>-8.29%</b>	<b>\$ 11,302,249</b>	<b>-1.52%</b>