

HHS COMMITTEE #2
April 25, 2016

Worksession

MEMORANDUM

April 21, 2016

TO: Health and Human Services Committee
FROM: Jean Arthur, ^{JCA} Legislative Analyst
SUBJECT: **Worksession – FY17 Operating Budget: Office of Human Rights**

Those expected to attend this worksession include:
James Stowe, Director, Office of Human Rights
Phil Weeda, OMB

Relevant pages from the FY17 Recommended Operating Budget are attached on ©1-4.

Budget Summary:

- The Executive has recommended an addition of \$50,000 to operating expenses for consultant services to plan an enforcement strategy for Bill 24-15.

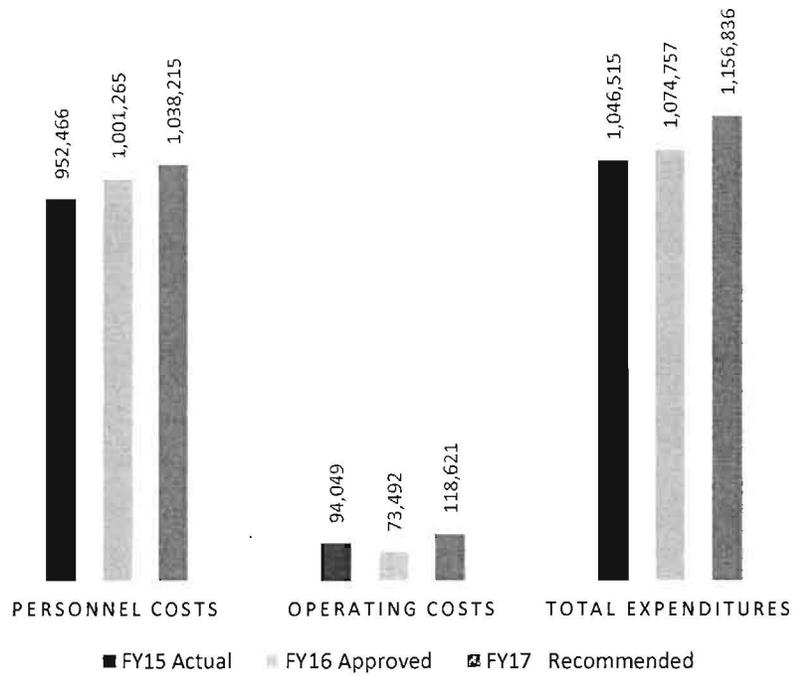
Council Staff Recommendation:

- **Approve as recommended by the County Executive.**

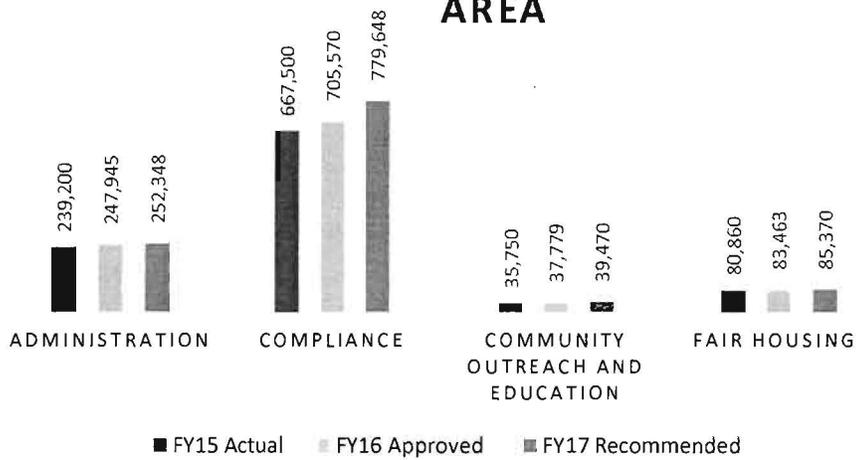
Overview

For FY17, the County Executive recommends a total of \$1,156,836 for OHR, an increase of \$82,079 or 7.64 percent from the FY16 approved budget of \$1,074,757. The budget has an increase of \$50,000 in operating expenses to provide funds to hire a consultant to plan enforcement strategy for enforcement of Bill 24-15, Minimum wage – Tipped employee. The remaining increase in the budget is attributable to compensation adjustments.

BUDGET SUMMARY



BUDGET SUMMARY BY PROGRAM AREA



Budget by Fund and Type

| | <i>FY15 Actual</i> | <i>FY16 Approved</i> | <i>FY17 Recommended</i> | <i>% Change FY16 - FY17</i> |
|-----------------------------|--------------------|----------------------|-----------------------------|---------------------------------|
| <i>Expenditures by fund</i> | | | | |
| General Fund | \$1,046,515 | \$1,074,75 | \$1,156,836 | 7.6% |
| <i>Expenditures by type</i> | | | | |
| Personnel Cost | 952,466 | \$1,019,108 | \$1,038,215 | 3.7% |
| Operating Expenses | \$94,049 | \$73,492 | \$118,621 | 61.4% |
| Total Expenditures | \$1,046,515 | \$1,074,757 | \$1,156,836 | 7.6% |
| <i>Positions</i> | | | | |
| Full-Time | 8 | 8 | 8 | - |
| Part-Time | | | | |
| FTEs | 8 | 8.6 | 8.6 | - |

FY16 Expenditure Issues

Increase: \$50,000 – Consultant to plan enforcement of Bill 24-15 – Minimum Wage/Tipped Employee

Bill 24-15 – Minimum Wage – Tipped Employee, modifies the way an employer uses the tip credit in calculating the minimum wage of a tipped employee. OHR intends to hire a consultant to plan an enforcement strategy for this law.

The Executive’s budget adds \$50,000 in operating expenses for consultant services on enforcing Bill 24-15.

The Department of Technology Services budget includes \$14,400 to help design an application to enforce this law.

Staffing Issues

In recent years, the Council has adopted other legislation which adds areas of enforcement under the jurisdiction of OHR.

- Bill 19-12, Human Rights and Civil Liberties – Displaced Service Workers – requires certain contractors to retain service workers for a transition period. That bill became effective on December 1, 2012 and provides for enforcement by OHR and the Human Rights Commission.

OHR has 14 cases filed and a number of inquiries. The office reports that the cases are quite complex and have required significant staff time and resources, particularly in the cases filed in which the employees have limited English proficiency.

- Bill 27-13, Human Rights and Civil Liberties – County Minimum Wage Dollar Amount – requires certain employers in the County to pay a minimum wage to certain employees working in the County and provides for enforcement by OHR and the Human Rights Commission. That bill became effective on October 1, 2014.

Enforcement of this bill has been transferred to Maryland Department of Labor, Licensing and Regulatory, Division of Labor and Industry.

- Bill 36-14, Human Rights and Civil Liberties – Fair Criminal Records Screening Standards – among other things, prohibits certain employers from performing a criminal background check or otherwise inquiring into an applicant’s criminal record before the conclusion of a first interview and provides for enforcement by OHR and the Human Rights Commission. That bill became effective on January 1, 2015.

OHR has had a number of inquiries but no filings yet. OHR is engaged in outreach to educate residents about the law.

- Bill 51-14, Discriminatory Employment Practices - Retaliation for Wage Disclosure – Prohibited. This bill prohibits an employer from retaliating against an employee for certain disclosures of an employee or another employee. This law went into effect on May 13, 2015 and is being enforced by OHR and the Human Rights Commission.

OHR has had inquiries about this law but no filings.

- Bill 60-14, Human Rights and Civil Liberties - Earned Sick and Safe Leave – requires certain employers in the County to provide earned sick and safe leave to certain employees working in the County. It goes into effect on October 1, 2016 and is to be enforced by OHR and the Human Rights Commission.

OHR already has started on outreach and workshops on this law.

FY17 Revenue

| EEOC Reimbursement | | <i>Changes</i> | |
|---------------------------|------------------|------------------|-------------|
| | FY16 App. | FY17 Rec. | \$ % |
| General Fund | | | |
| Grant Fund | | | |
| Other Fund | \$55,000 | \$55,000 | - |

The EEOC reimbursement is set by the Equal Employment Opportunities Commission for cases it delegates to Montgomery County for some complaints that originate here. EEOC has lost significant staff in the State and is forwarding an increasing number of cases here. The anticipated increase in revenue corresponds to an increase in the number of EEOC cases this office handles.

Performance

OHR investigates and resolves complaints of discrimination in housing, employment, public accommodations and real estate transactions. It uses both mediation and an adjudicatory process to resolve these issues.

OHR has been meeting its targets for clearing cases. OHR currently is closing 90 percent of its cases within twenty-four months. It aims to improve to 95 percent in FY17.

Accomplishments

The Office of Human Rights includes the Human Rights Commission and the Committee on Hate violence. Working with these two groups of volunteers, OHR:

- Held the third annual Friendship Picnic last September at Wheaton Regional Park. The picnic aims to bring together residents of various ethnic, religious, social and racial backgrounds to promote community unity and non-violence; over 1,500 people attended the event.
- Held a workshop on the minimum wage laws for employers;
- Held a workshop on common ownership and disability issues for housing providers;
- Held a one-stop fair housing workshop for interested parties on new requirements to promote fair housing.
- Held a one-stop employment workshop for employers and attorneys on new County employment laws.
- Conducted the Civil Rights Educational Freedom Tour for county and regional students and residents, a bus tour during spring break of locations in the South that are important in the birth of the civil rights movement; and
- Conducted the Human Rights Youth Diversity Camp for 5th graders throughout Montgomery County.



Human Rights

Mission Statement

The mission of the Office of Human Rights is to enforce Federal, State, and County anti-discrimination laws in housing, commercial real estate, employment, public accommodation & intimidation and promote increased understanding and tolerance among diverse groups.

Budget Overview

The total recommended FY17 Operating Budget for the Office of Human Rights is \$1,156,836, an increase of \$82,079 or 7.64 percent from the FY16 Approved Budget of \$1,074,757. Personnel Costs comprise 89.75 percent of the budget for eight full-time position(s) and no part-time position(s), and a total of 8.60 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 10.25 percent of the FY17 budget.

Linkage to County Result Areas

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ◆ A Responsive, Accountable County Government
- ◆ Vital Living for All of Our Residents

Department Performance Measures

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY16 estimates reflect funding based on the FY16 approved budget. The FY17 and FY18 figures are performance targets based on the FY17 recommended budget and funding for comparable service levels in FY18.

Accomplishments

- ✓ Held the one-stop fair housing workshop for housing providers, rental agents, and real estate professionals on new requirements for affirmatively furthering fair housing.
- ✓ Held the one-stop employment workshop for employers and respondent Counsel on new employment laws enacted in the County.
- ✓ Coordinated the 3rd annual Friendship Picnic with the Committee on Hate Violence advocating community unity and promoting the Partnership Fund which supports victims of hate violence incidents. The event was attended by over 1,500 residents.
- ✓ Successfully mediated and conciliated discrimination complaints, resulting in confidential, monetary settlements paid to complainants by respondents.
- ✓ Successfully completed the agency's Equal Employment Opportunity Commission (EEOC) contract for FY15.
- ✓ Successfully convened and carried out a number of educational and outreach activities to include a Human Rights youth diversity camp, a civil rights educational freedom tour, and a Montgomery County "Juneteenth" Celebration.

Program Contacts

Contact James Stowe of the Office of Human Rights at 240.777.8490 or Phil Weeda of the Office of Management and Budget at 240.777.2780 for more information regarding this department's operating budget.

Program Descriptions

Compliance

This program investigates and resolves formal complaints of discrimination in employment, housing commercial and residential real estate transactions, public accommodations and intimidations through a formal complaint process or mediation.

| Program Performance Measures | Actual FY14 | Actual FY15 | Estimated FY16 | Target FY17 | Target FY18 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Percent of cases that have completed their investigation within 24 months ¹ | 100% | 100% | 90% | 95% | 100% |
| Percent of cases that have a Letter of Determination issued within 30 days of completed investigation by investigator | 100% | 100% | 100% | 100% | 100% |
| Percent of referred cases that are mediated successfully | 65% | 50% | 50% | 50% | 50% |
| Percent reduction (or increase) in the average closeout time, of cases (formal complaints) over the prior year | 5% | 5% | 5% | 5% | 5% |
| Percent of cases in backlog status (cases not closed within 24 months) ² | 0% | 0% | 10% | 5% | 0% |

¹ Beginning in FY16, the Human Rights Commission will be changing the target in this measure from 24 months to 15 months.

² Beginning in FY16, the Human Rights Commission will be changing the target in this measure from 24 months to 15 months.

| FY17 Recommended Changes | Expenditures | FTEs |
|---|----------------|-------------|
| FY16 Approved | 705,570 | 6.00 |
| Enhance: Contractor Support for Implementation of Bill 24-15 - Minimum Wage / Tipped Employee | 50,000 | 0.00 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 24,078 | 0.00 |
| FY17 Recommended | 779,648 | 6.00 |

Community Outreach and Education

This program supports and promotes the Human Rights Commission and Committee on Hate Violence on their outreach and education efforts. Participate or, in partnership with other local/state/federal offices, conduct various forums to promote increased understanding and tolerance among diverse groups.

| Program Performance Measures | Actual FY14 | Actual FY15 | Estimated FY16 | Target FY17 | Target FY18 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Overall satisfaction of the Commissioners with the HRC's advocacy for human and civil rights issues (scale of 1-5) | 4.5 | 4.4 | 4.6 | 4.6 | 4.6 |

| FY17 Recommended Changes | Expenditures | FTEs |
|---|---------------|-------------|
| FY16 Approved | 37,779 | 0.50 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 1,691 | 0.00 |
| FY17 Recommended | 39,470 | 0.50 |

Monitor the County's Fair Housing Ordinance

This program monitors the County's Fair Housing Ordinance through the Interagency Fair Housing Work Group in order to coordinate the activity of County departments, offices, and agencies to prevent housing discrimination and to perform testing of housing providers.

| Program Performance Measures | Actual FY14 | Actual FY15 | Estimated FY16 | Target FY17 | Target FY18 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Percent of housing providers in full compliance with Fair Housing Laws based on the Office of Human Rights-selected matched pair testing ¹ | 83% | N/A | 80% | 90% | 95% |

¹ In FY15, testing was delayed pending new rules and training of testers regarding the source of income basis.

| FY17 Recommended Changes | Expenditures | FTEs |
|--------------------------|---------------|-------------|
| FY16 Approved | 83,463 | 1.10 |

| FY17 Recommended Changes | Expenditures | FTEs |
|---|---------------|-------------|
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 1,907 | 0.00 |
| FY17 Recommended | 85,370 | 1.10 |

Administration

This program provides overall direction of the office, administration of the budget, personnel, procurement, automation, and support services. Also provided in this program is funding for human relations awards.

| FY17 Recommended Changes | Expenditures | FTEs |
|---|----------------|-------------|
| FY16 Approved | 247,945 | 1.00 |
| Shift: Telecommunications to the Telecommunications Non-Departmental Account | (5,000) | 0.00 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 9,403 | 0.00 |
| FY17 Recommended | 252,348 | 1.00 |

Budget Summary

| | Actual FY15 | Budget FY16 | Estimate FY16 | REC FY17 | %Chg Bud/Rec |
|--|------------------|------------------|------------------|------------------|-----------------|
| COUNTY GENERAL FUND | | | | | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 737,033 | 776,128 | 798,048 | 807,958 | 4.1 % |
| Employee Benefits | 215,433 | 225,137 | 221,060 | 230,257 | 2.3 % |
| County General Fund Personnel Costs | 952,466 | 1,001,265 | 1,019,108 | 1,038,215 | 3.7 % |
| Operating Expenses | 94,049 | 73,492 | 63,492 | 118,621 | 61.4 % |
| County General Fund Expenditures | 1,046,515 | 1,074,757 | 1,082,600 | 1,156,836 | 7.6 % |
| PERSONNEL | | | | | |
| Full-Time | 8 | 8 | 8 | 8 | — |
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 8.60 | 8.60 | 8.60 | 8.60 | — |
| REVENUES | | | | | |
| EEOC Reimbursement | 0 | 55,000 | 55,000 | 55,000 | — |
| Miscellaneous Revenues | 52,235 | 0 | 0 | 0 | — |
| County General Fund Revenues | 52,235 | 55,000 | 55,000 | 55,000 | — |

FY17 Recommended Changes

| | Expenditures | FTEs |
|--|------------------|-------------|
| COUNTY GENERAL FUND | | |
| FY16 ORIGINAL APPROPRIATION | 1,074,757 | 8.60 |
| Changes (with service impacts) | | |
| Enhance: Contractor Support for Implementation of Bill 24-15 - Minimum Wage / Tipped Employee [Compliance] | 50,000 | 0.00 |
| Other Adjustments (with no service impacts) | | |
| Increase Cost: Annualization of FY16 Personnel Costs | 18,557 | 0.00 |
| Increase Cost: FY17 Compensation Adjustment | 17,143 | 0.00 |
| Increase Cost: Group Insurance Adjustment | 5,000 | 0.00 |
| Increase Cost: Printing and Mail | 129 | 0.00 |
| Decrease Cost: Retirement Adjustment | (3,750) | 0.00 |
| Shift: Telecommunications to the Telecommunications Non-Departmental Account [Administration] | (5,000) | 0.00 |

| | Expenditures | FTEs |
|-------------------------|------------------|-------------|
| FY17 RECOMMENDED | 1,156,836 | 8.60 |

Program Summary

| Program Name | FY16 APPR | | FY17 REC | |
|---|------------------|-------------|------------------|-------------|
| | Expenditures | FTEs | Expenditures | FTEs |
| Compliance | 705,570 | 6.00 | 779,648 | 6.00 |
| Community Outreach and Education | 37,779 | 0.50 | 39,470 | 0.50 |
| Monitor the County's Fair Housing Ordinance | 83,463 | 1.10 | 85,370 | 1.10 |
| Administration | 247,945 | 1.00 | 252,348 | 1.00 |
| Total | 1,074,757 | 8.60 | 1,156,836 | 8.60 |

Future Fiscal Impacts

| Title | CE RECOMMENDED (\$000s) | | | | | |
|--|-------------------------|--------------|--------------|--------------|--------------|--------------|
| | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 |
| COUNTY GENERAL FUND | | | | | | |
| EXPENDITURES | | | | | | |
| FY17 Recommended | 1,157 | 1,157 | 1,157 | 1,157 | 1,157 | 1,157 |
| No inflation or compensation change is included in outyear projections. | | | | | | |
| Labor Contracts | 0 | 22 | 22 | 22 | 22 | 22 |
| These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items. | | | | | | |
| Subtotal Expenditures | 1,157 | 1,179 | 1,179 | 1,179 | 1,179 | 1,179 |