

Merger of the Human Relations Commission with the Civil Rights Division Would Yield Limited Cost Savings

A presentation to the
Joint Legislative Program Evaluation Oversight Committee
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Overview: Our Charge

- 2012 Appropriations Act directed the Program Evaluation Division to
 - determine if there is unnecessary duplication of the duties and services of the Human Relations Commission (HRC) and Civil Rights Division (CRD)
 - recommend placement of HRC and CRD in the appropriate agency or agencies

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Overview: Findings

- There is no duplication of duties and services between HRC and CRD
- Combining HRC's housing discrimination duties and CRD's employment discrimination duties has limited cost savings
- North Carolina's fair employment laws could be clarified to reflect practices
- There is limited evidence to demonstrate the effectiveness of HRC's community relations activities



Overview: Recommendations

- Merger is not recommended at this time
- General Assembly should
 - require HRC and CRD to report annually on their activities
 - amend employment discrimination statutes to clarify CRD's enforcement authority



Background



Human Relations Commission

State oversight agency	Department of Administration
Major functions	<ul style="list-style-type: none">• Resolve complaints of housing discrimination made by private persons• Improve community relations by providing education, outreach, and training
FY 2011-12 positions	12 positions
FY 2011-12 expenditures	\$744,428

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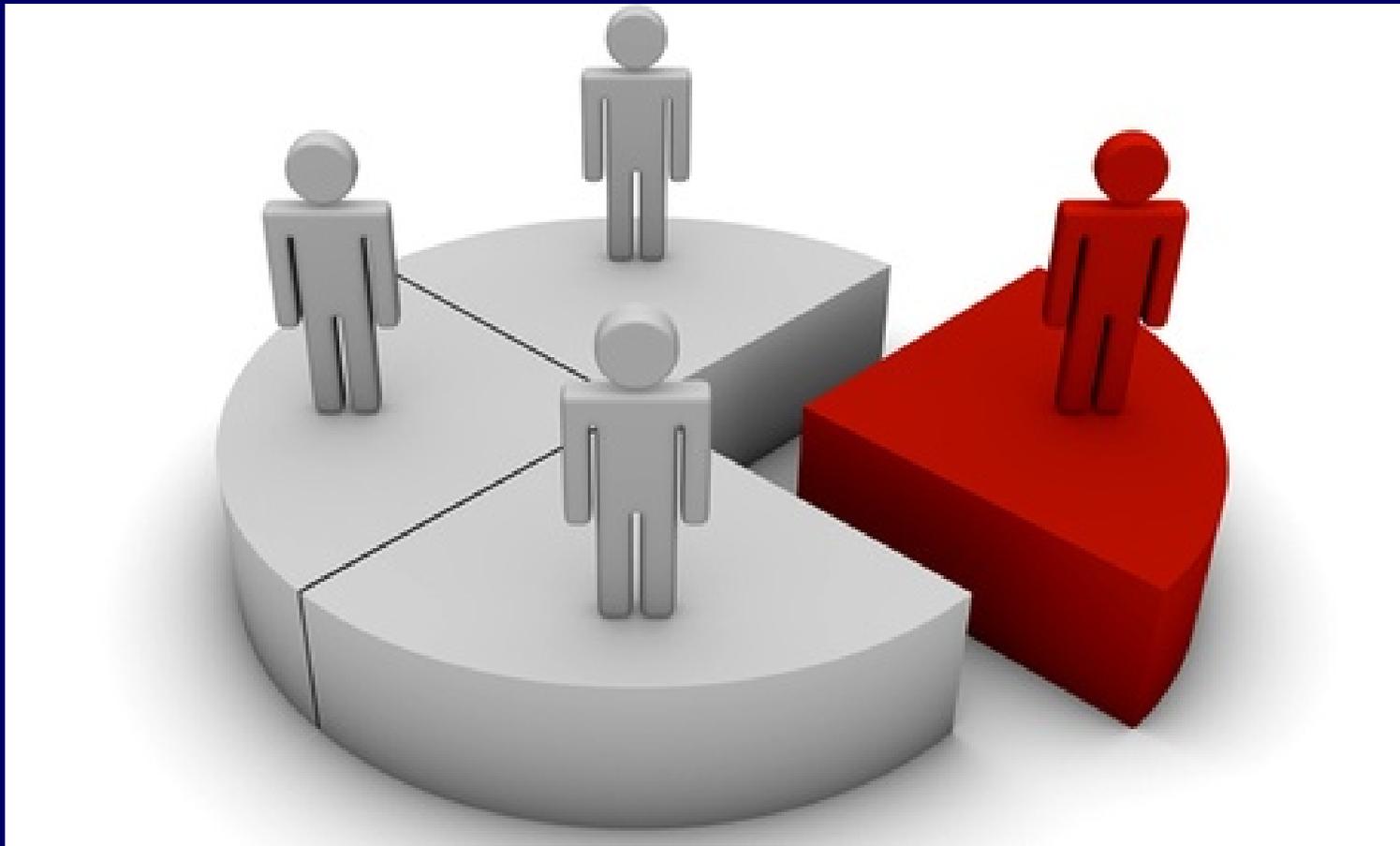
Civil Rights Division

State oversight agency	Office of Administrative Hearings
Major functions	<ul style="list-style-type: none">• Resolve complaints of employment discrimination made by state and county government employees
FY 2011-12 positions	9 positions
FY 2011-12 expenditures	\$801,232

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Findings



Finding 1.

There is no duplication of duties and services between HRC and CRD



Similarities between HRC and CRD

- Both conduct formal investigations of discrimination complaints
 - gather evidence through interviews and document review
 - write reports that determine whether there is probable cause to believe discrimination occurred
 - attempt to bring about successful conciliation

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Administer Different Laws

	HRC	CRD
Laws	<ul style="list-style-type: none">• Federal Fair Housing Act• State Fair Housing Act	<ul style="list-style-type: none">• Title VII of the Civil Rights Act of 1964• Age Discrimination in Employment Act• Title I of the Americans with Disabilities Act

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Certified by Different Federal Agencies

	HRC	CRD
Federal agency	U.S. Department of Housing and Urban Development	U.S. Equal Employment Opportunity Commission
% of FY 2012-13 budget from federal sources	21%	7%

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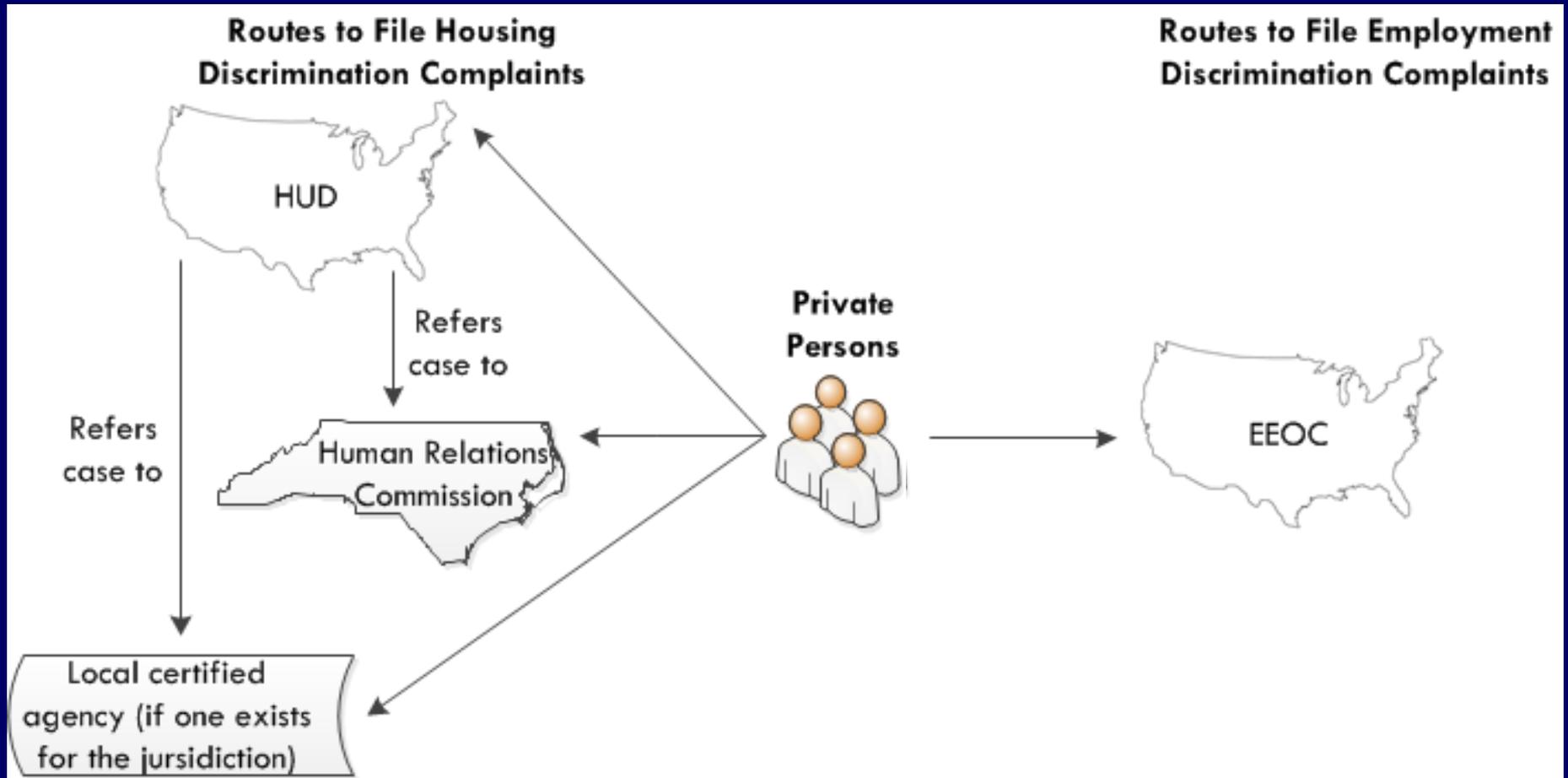
Cover Different Persons

	HRC	CRD
Covered persons	Private persons	State and county government employees

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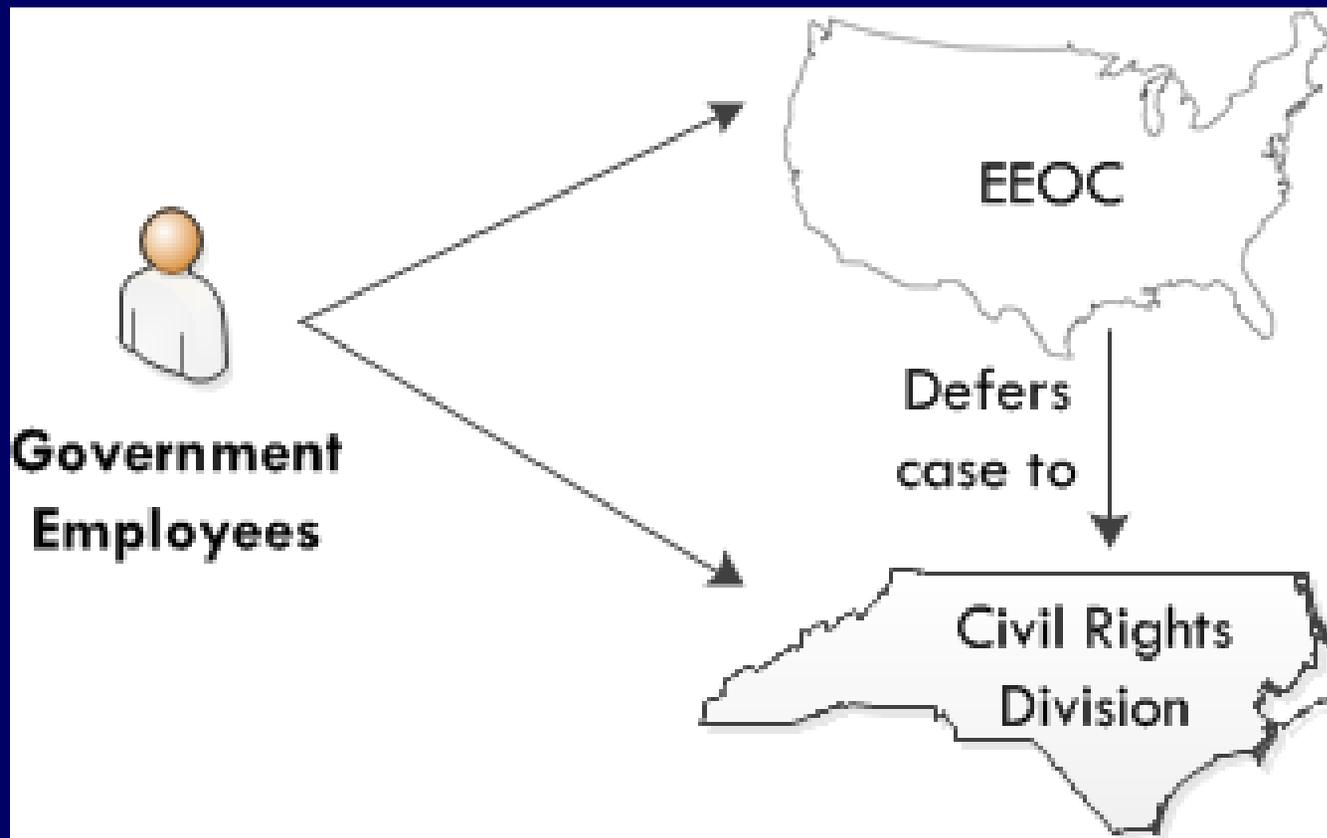
Routes to Filing Discrimination Complaints for Private Persons



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Routes to Filing Employment Discrimination Complaints for State and County Government Employees



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Different Litigation Responsibilities

	HRC	CRD
Litigation responsibilities	Yes	No

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Finding 2.

**Combining HRC's housing
discrimination duties and CRD's
employment discrimination duties
has limited cost savings**



Placement of CRD and HRC

- CRD should remain independent of executive branch agencies
- HRC does not have a potential conflict of interest regarding its placement
- This evaluation considered cost savings if HRC moved to CRD

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Placement of HRC Duties

- HRC's fair housing activities would be appropriate to move to CRD
- HRC's community relations activities would not be appropriate to move to CRD
- This evaluation considered cost savings if HRC's fair housing activities moved to CRD and its community relations activities stayed at DOA

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Potential Cost Savings

- Eliminating vacant HRC investigator position
- Downgrading HRC director to Human Relations Specialist I
- Keeping Administrative Assistant

Total recurring savings = \$67,453

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Potential Transfer Costs

	Year 1	Year 2
Cost savings from moving HRC's fair housing activities to CRD	\$67,453	\$67,453
One-time transfer cost from CRD becoming HUD certified	(\$130,203)	
Recurring transfer cost of creating office space for HRC staff	(\$51,563)	(\$51,563)
Total	(\$114,313)	\$15,890

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Finding 3.

North Carolina's fair employment laws could be clarified to reflect actual practices



Majority of States Have a Combined Agency

Structure of Fair Housing and Employment Agencies	Number of States
Combined fair housing and employment agency	38
Separate fair housing agency and fair employment agency for public employees only	5
Fair employment agency only	4
Fair housing agency only	1
No fair housing agency or fair employment agency	2

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HRC Lacks Enforcement Authority

- Equal Employment Practices Act authorizes HRC to receive charges of employment discrimination from EEOC
- However, HRC is not certified to receive EEOC cases and therefore only refers private persons to EEOC

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CRD Enforcement Authority is Unclear

- N.C.G.S. 7A-759 only refers to federal statutes, does not explicitly establish a law to prohibit discrimination against government employees
- Federal statutes do not authorize state agencies to enforce them
- Other states have an explicit law

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Finding 4.

There is limited evidence to demonstrate the effectiveness of HRC's community relations activities



Statutory Community Relations Duties

- Study problems concerning human relations
- Promote equality of opportunity for all citizens
- Promote understanding, respect, and goodwill among all citizens
- Provide channels of communication among the races

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Community Relations Activities

- Staff spends nearly a third of its time on community relations activities
- Activities include
 - Calls
 - Referrals
 - Consultations
 - Technical assistance

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Performance Measures

Measure	Implementation by HRC
Activities	●
Outputs	●
Outcomes	
Customer satisfaction	◐
Outcome assessments	○
<p>● = Fully implemented ◐ = Partially implemented ○ = Not implemented</p>	

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Recommendations



Recommendation 1.

General Assembly should direct HRC to strengthen performance measures for its community relations activities and report annually on all its activities



Performance Measures and Reporting

- Track fair-housing related community relations activities separately from general community relations activities
- Work with OSBM to strengthen customer satisfaction surveys and develop outcome assessments
- Report on activities annually to the Joint Legislative Commission on Government Operations and public

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Effectiveness of Community Relations

- After 2 years of reports, General Assembly should consider whether to continue its investment in this area
- Options to discontinue
 - Eliminate community relations activities alone
 - Eliminate community relations and merging HRC and CRD

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Recommendation 2.

**General Assembly should direct CRD to
report annually on its activities**



Strengthen Reporting of CRD

- Report on fair employment activities annually to the Joint Legislative Commission on Government Operations
- Make reports accessible to government agencies and employees

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Recommendation 3.

**General Assembly should amend the
Equal Employment Practices Act by
removing reference to HRC's
enforcement authority**



Statute Not Sufficient to Provide Enforcement Authority

- N.C.G.S. 143-422.3 authorizes HRC to receive charges of discrimination from EEOC, but EEOC has not authorized HRC to receive cases
- No reason for HRC to become EEOC certified
- General Assembly should remove N.C.G.S. 143-422.3

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Recommendation 4.

General Assembly should create a statute that explicitly prohibits employment discrimination against government employees and that authorizes CRD to enforce it



Statute Does Not Provide Enforcement Authority

- N.C.G.S. 7A-759 only refers to federal statutes
- Federal statutes do not authorize state agencies to enforce them
- General Assembly should create a statute that explicitly prohibits employment discrimination against public employees and that authorizes CRD to enforce it

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Summary: Findings

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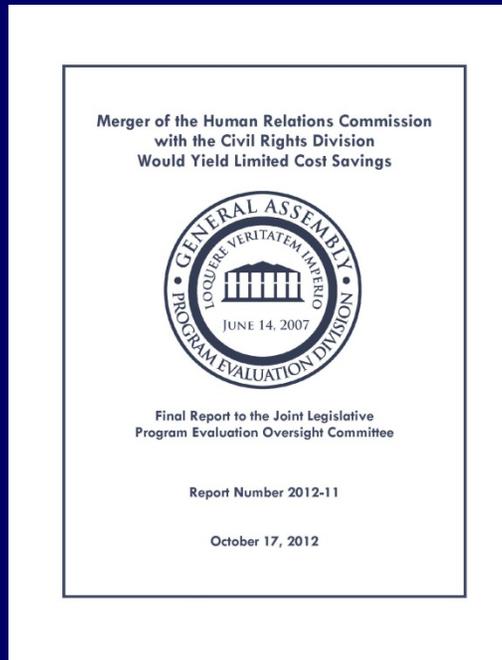


Legislative Options

- Accept the report
- Refer it to any appropriate committees
- Instruct staff to draft legislation based on any of the report's recommendations



**Report available online at
www.ncleg.net/PED/Reports/reports.html**



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