

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6236

BILL NUMBER: HB 1022

DATE PREPARED: Feb 14, 2001

BILL AMENDED: Feb 13, 2001

SUBJECT: Civil Rights Remedies and Age Discrimination.

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FUNDS AFFECTED: **GENERAL**
DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill transfers jurisdiction over age discrimination proceedings from the Commissioner of Labor to the Indiana Civil Rights Commission. The bill adds references to age discrimination to various statutes dealing with discriminatory activity.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) This bill transfers jurisdiction over age discrimination proceedings from the Commissioner of Labor to the Indiana Civil Rights Commission. The Department of Labor reports that, as the majority of age discrimination cases are filed at the federal level, fewer than 10 cases of age discrimination are filed each year. At the federal office, over 1,000 cases involving age discrimination are filed each year. While this proposal is not expected to decrease staffing expenses for the Department of Labor because the caseload is minimal and staff currently used to work on age discrimination cases would be used in other areas in the Department, it is expected to increase the administrative costs of the Civil Rights Commission.

It is estimated that transferring the jurisdiction over age discrimination proceedings from the Department of Labor to the Civil Rights Commission will cause an increase in the number of age discrimination cases. A primary reason for the expected increase is that the Commission is able to offer more reparations than the Department of Labor. (If the Commissioner of the Department of Labor finds that an employer has discriminated against an employee because of the employee's age, the only redress available to the Commissioner is to issue a finding. The Civil Rights Commission, on the other hand, can fully investigate discrimination claims, award back wages, and institute administrative changes within an offending entity.) Another cause in the expected increase in age discrimination filings with the Civil Rights Commission over what is currently filed with the Department of Labor is the fact that persons currently filing discrimination complaints in cases which would fall under federal and state jurisdiction often choose to have them resolved at the state level for the administrative efficiencies that a state filing may have over a federal filing.

The Commission estimates that it will incur the following additional costs in accommodating the bill's requirements:

2 entry-level staff at \$30,082 each	\$ 60,164
Fringe Benefits at 19.56%	11,756
Insurance Flat Rate for 2 Staff	<u>9,704</u>
Total Personnel Increases	\$ 81,624
2 Computers	\$ 3,595
Costs for Initial Set-up for 2 Telephones	500
Annual Cost for 2 Phone Lines	408
Voice Mail Charge for 2 Phones	<u>180</u>
Total Telephone Charges	\$ 1,088
Initial Administrative Increases to the Commission:	\$ 86,307
Annual Administrative Increases to the Commission:	\$ 82,212

The funds and resources required for the above could be supplied through a variety of sources, including: (1) existing resources not currently being used to capacity; (2) funds that, otherwise, would be reverted; or (3) new appropriations. As of June 30, 2000, there were 7 personnel vacancies within the Commission. The Commission reverted \$15,760 in FY 2000. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. The bill does not contain an appropriation.

Explanation of State Revenues: This bill could increase state revenue only to the extent that the Commission receives federal reimbursement for certain cases. If the proposal increases the number of cases for which the Commission receives federal reimbursement, revenues could increase. The impact is indeterminable.

Explanation of Local Expenditures: The above provision would affect local civil rights entities if the changes in the law encourage complainants to file at the state level as opposed to at the local level. Currently, a complainant may file locally or with the state.

Explanation of Local Revenues:

State Agencies Affected: Indiana Civil Right Commission; Department of Labor.

Local Agencies Affected: Local Civil Rights Commissions.

Information Sources: Joann Williams, David Pardo, Indiana Civil Rights Commission; Indiana Department of Labor.