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Minnesota Department of Human Rights

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<https://mn.gov/mdhr/>

AT A GLANCE

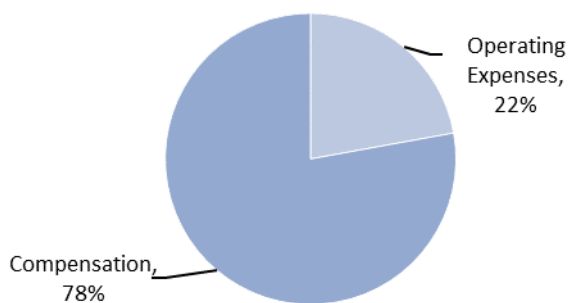
- The Minnesota Department of Human Rights (“MDHR” or the “Department”) is the state’s civil rights enforcement department and envisions a world where everyone can lead lives full of dignity and joy, free from discrimination.
- The Minnesota Human Rights Act (“the Act”) was signed into law in 1967 and protects the civil rights of all Minnesotans, in every county in the state.
- The Act protects Minnesotans and tasks this Department with important enforcement duties in employment, housing, education, credit, public accommodations, and public services based on their protected class, such as: race, religion, disability, national origin, sex, marital status, familial status, age, sexual orientation, and gender identity.
- The Act also tasks the Department with regulating State contractors to ensure men and women are compensated equally for equal work, and to ensure that contractors are making good faith efforts to maintain inclusive and equitable workforces so that the companies’ employees reflect Minnesota’s vibrant communities.
- Of the cases investigated by the Department during this period, disability discrimination was the most common charge, followed by race, sex, and age discrimination.

PURPOSE

The Minnesota Department of Human Rights is the state’s civil rights enforcement department and envisions a world where everyone can lead lives full of dignity and joy, free from discrimination.

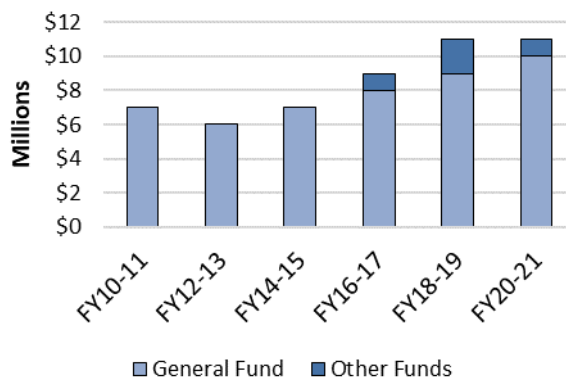
BUDGET

**Spending by Category
FY 2021 Actual**



Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Source: Consolidated Fund Statement

The Department’s budget primarily comes from the State’s General Fund, with a small amount of additional revenue generated from issuing Equal Pay and Workforce Certificates to state contractors and fees from educational offerings. The Department receives approximately \$200,000 annually under a workshare agreement with the Equal Employment Opportunity Commission (EEOC), as payment for investigation of employment discrimination cases. Most of the Department’s expenses (over 90%) are payroll, rent, and IT expenses.

STRATEGIES

The work of the Department falls into three broad areas:

- **Investigate Claims of Discrimination and Disparate Impact:** Since its establishment in 1967, the Department investigates complaints of discrimination and issues determinations as to whether probable cause exists that discrimination has occurred. At any point in the process, parties are offered voluntary mediation to attempt to settle their concerns without a full investigation. If that is unsuccessful, or parties choose not to participate, the Department conducts a full investigation into the case and issues a determination. When the Department finds probable cause of discrimination, the Department attempts to conciliate a settlement between the parties that will resolve the discriminatory practices, make the charging party whole, avoid future instances of discrimination, and avoid litigation. The Department’s civil rights investigation process is free and does not require representation by an attorney.
- **Ensure Equal Employment Opportunity with State Contractors:** Through the Office of Equity and Inclusion for Minnesota Businesses, the Department issues Workforce Certificates and Equal Pay Certificates to large state contract vendors. This ensures that such vendors comply with federal and state equal employment opportunity laws. The Department also monitors the good faith efforts of state contract vendors with a Workforce Certificate to implement equal employment opportunities. Since 2014, the Department has worked with contractors who hold Equal Pay Certificates to ensure that they are following all required equal pay laws, to prevent gender-based pay disparities. The Department has implemented a strategic compliance model to focus monitoring and compliance efforts on the most likely violations of state law.
- **Community Engagement and Education to Eliminate Discrimination & Disparate Treatment:** The Department uses community engagement, education, and outreach to educate community members and to find solutions to overt and subtle discriminatory practices in our systems and communities. The Department actively participates in interagency work as part of the Olmstead Subcabinet, the Minnesota Interagency Council on Homelessness, the Minnesota Emerging Entrepreneur Board, the Children’s Cabinet, Minnesota Council on Disability, and other areas.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Case investigations, determinations, and settlements that Changed Policies and Procedures to Prevent Discrimination (Mediation Settlements, Probable Cause Determinations, Conciliation Agreements and Settlements)	146	133	2020 to 2021
Quantity	Number of Discrimination Cases Mediated	59	124	2020 to 2021
Quality	Workforce and Equal Pay Certificate Response Within 15 days	100%	100%	2020 to 2021

The Minnesota Department of Human Rights is authorized under Minnesota Statutes, Chapter 363A
<https://www.revisor.mn.gov/statutes/cite/363A>

Ban the Box for Private Employers and MDHR’s jurisdiction is authorized under Minnesota Statutes, Chapter 364
<https://www.revisor.mn.gov/statutes/cite/364>

Human Rights

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	4,513	5,283	5,147	5,765	5,507	5,507	8,404	8,796
2000 - Restrict Misc Special Revenue	203	350	469	694	473	485	473	485
2001 - Other Misc Special Revenue	71	20	61					
2403 - Gift	11	5						
3000 - Federal	410							
3015 - ARP-State Fiscal Recovery			297	203				
Total	5,207	5,659	5,974	6,662	5,980	5,992	8,877	9,281
Biennial Change				1,770		(664)		5,522
Biennial % Change				16		(5)		44
Governor's Change from Base								6,186
Governor's % Change from Base								52

Expenditures by Program

Human Rights Enforcement	5,207	5,659	5,974	6,662	5,980	5,992	8,877	9,281
Total	5,207	5,659	5,974	6,662	5,980	5,992	8,877	9,281

Expenditures by Category

Compensation	4,164	4,400	4,500	4,991	4,845	4,797	7,587	8,011
Operating Expenses	1,039	1,252	1,467	1,661	1,129	1,189	1,284	1,264
Capital Outlay-Real Property	1		1					
Other Financial Transaction	3	7	6	10	6	6	6	6
Total	5,207	5,659	5,974	6,662	5,980	5,992	8,877	9,281

Full-Time Equivalent

	45.58	45.69	45.31	49.00	45.00	43.00	65.75	65.75
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Human Rights

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Balance Forward In		416		262				
Direct Appropriation	4,911	5,131	5,433	5,530	5,534	5,534	8,431	8,823
Transfers Out	13	166	24	27	27	27	27	27
Cancellations		98						
Balance Forward Out	386		262					
Expenditures	4,513	5,283	5,147	5,765	5,507	5,507	8,404	8,796
Biennial Change in Expenditures				1,116		102		6,288
Biennial % Change in Expenditures				11		1		58
Governor's Change from Base								6,186
Governor's % Change from Base								56
Full-Time Equivalents	39.14	42.57	42.05	45.40	41.40	39.40	62.15	62.15

2000 - Restrict Misc Special Revenue

Balance Forward In	615	600	817	1,090	898	927	898	927
Receipts	159	442	744	502	502	502	502	502
Transfers In		115						
Transfers Out	0							
Balance Forward Out	572	807	1,091	898	927	944	927	944
Expenditures	203	350	469	694	473	485	473	485
Biennial Change in Expenditures				611		(205)		(205)
Biennial % Change in Expenditures				111		(18)		(18)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.78	1.93	3.26	3.60	3.60	3.60	3.60	3.60

2001 - Other Misc Special Revenue

Balance Forward In		0	20	2				
Receipts	71	40	44					
Transfers Out				2				
Balance Forward Out	0	20	2					
Expenditures	71	20	61					
Biennial Change in Expenditures				(31)		(61)		(61)
Biennial % Change in Expenditures				(33)				

Human Rights

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents		0.16						

2403 - Gift

Balance Forward In	0	16	18	25				
Receipts	19	8	8					
Transfers In	7	0						
Transfers Out				25				
Balance Forward Out	16	18	26					
Expenditures	11	5						
Biennial Change in Expenditures				(16)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

3000 - Federal

Balance Forward In	354	115						
Receipts	171							
Transfers Out		115						
Balance Forward Out	115							
Expenditures	410							
Biennial Change in Expenditures				(410)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	4.66	1.03						

3015 - ARP-State Fiscal Recovery

Balance Forward In				203				
Direct Appropriation			500					
Balance Forward Out			203					
Expenditures			297	203				

Human Rights

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Biennial Change in Expenditures				500		(500)		(500)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

Human Rights

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Direct				
Fund: 1000 - General				
FY2023 Appropriations	5,530	5,530	5,530	11,060
Base Adjustments				
Current Law Base Change		4	4	8
Forecast Base	5,530	5,534	5,534	11,068
Change Items				
Maintain Current Service Levels		599	1,125	1,724
Transformational Investment in Civil Rights Enforcement		1,500	1,500	3,000
Civil Rights Mediator Stipends		20	20	40
Prohibit Source of Income Discrimination in Housing		383	394	777
Discrimination and Hate Data Gathering and Reporting		395	250	645
Total Governor's Recommendations	5,530	8,431	8,823	17,254
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	694	473	485	958
Forecast Base	694	473	485	958
Total Governor's Recommendations	694	473	485	958
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	502	502	502	1,004
Total Governor's Recommendations	502	502	502	1,004
Non-Dedicated				
Fund: 1000 - General				
Forecast Revenues	1	1	1	2
Total Governor's Recommendations	1	1	1	2

Minnesota Department of Human Rights

FY 2024-25 Biennial Budget Change Item

Change Item Title: Maintain Current Service Levels

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	599	1,125	1,125	1,125
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	599	1,125	1,125	1,125
FTEs	4	6	6	6

Recommendation:

The Governor recommends additional funding of \$599,000 in FY 2024 and \$1,125,000 in each subsequent year from the general fund to maintain the current level of service delivery at the Minnesota Department of Human Rights.

Rationale/Background:

Each year, the cost of doing business rises—employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and lease, utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. For the Minnesota Department of Human Rights the following efficiencies have been implemented to help offset rising operating costs:

- The Department has improved the complaint intake process, to ensure all charges meet prima facie legal standards before taking a charge.
- The Department has also greatly increased pre-investigation mediations, helping resolve many cases more quickly for parties while requiring fewer Department resources.
- The Department has fully implemented a triage process: “Charge Inventory Reduction Project” (ChIRP), which has increased the effectiveness and efficiency of cases that are in inventory, in addition to addressing cases that do not require significant investigation.

However, cost growth typically outstrips efficiencies, and without additional resources added to agency budgets, service delivery erodes.

For the Minnesota Department of Human Rights, operating cost pressures exist in multiple categories—increases in compensation and insurance costs at the agency, increasing costs to maintain our current staff complement in a challenging labor market, and increasing IT costs. If an operational increase is not provided, the services the Minnesota Department of Human Rights delivers to Minnesotans will be impacted. Some examples of potential impacts include:

- Without this operating adjustment, the Department would be forced to cut 3-4 positions in FY2024 and an additional 2-3 positions in FY2025, which would be a nearly 10%-15% reduction in total staffing. Given the Department's size and structure, these cuts would have to be from positions that directly serve Minnesotans.

Proposal:

The Governor recommends increasing agency operating budgets to support maintaining the delivery of current services. For the Minnesota Department of Human Rights, this funding will cover and anticipated employee compensation growth, known cost increases in rent and IT services.

Results:

This proposal is intended to allow the Minnesota Department of Human Rights to continue to provide current levels of service and information to the public.

Minnesota Department of Human Rights

FY 2024-25 Biennial Budget Change Item

Change Item Title: Transformational Investment in Civil Rights Enforcement

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,500	1,500	2,000	2,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,500	1,500	2,000	2,000
FTEs	12	12	16	16

Recommendation:

The Governor recommends a transformational increase in capacity for the Department of Human Rights across all areas of civil rights enforcement work, in particular investigations of complaints of discrimination and settlement monitoring.

Minnesota is a state with strong outcomes in education, employment, and economic success in some communities, while having some of the deepest racial disparities in the nation in employment, household income, education, and criminal justice. Minnesota’s collective success – economically, socially, and politically – is inexorably connected to our ability to address these disparities and eliminate discrimination.

State-level civil rights enforcement is critical to securing the civil rights of Minnesota, particularly when faced with increasingly unpredictable federal actions and growing national threats. Minnesota has long been a leader in civil rights protections in the Minnesota Human Rights Act, this proposal adds capacity to the Department to match those existing protections.

The proposal adds \$1,500,000 to the current annual base of \$5,530,000 for FY2024 and FY2025. In FY2026-FY2027, the proposal adds \$2,000,000 to the base budget as a transformational investment in Minnesota’s civil rights enforcement capacity. For FY2024, this is a 27% increase over the current base budget; this increase is needed to truly transform the capacity of the Human Rights Department in its efforts to proactively face Minnesota’s civil rights challenges.

Rationale/Background:

Since 1967, the Minnesota Human Rights Act has ensured Minnesotans are free from discrimination in the fundamental areas of their lives. The Act empowers the Minnesota Department of Human Rights to enforce civil rights protections in housing, education, employment, public services, and public places. Since the Act’s passage, it is regarded as one of the strongest civil rights laws in the country. But by 2022, the Department’s staffing and capacity is significantly less than it was 30 years ago. Strong legal protections must be backed up with the necessary enforcement capacity to be effective.

During the Walz-Flanagan Administration, the Department has exceeded its capacity and stepped up when called upon. The Department responded to a rise of hate and discrimination against Asian American and Pacific Islanders during the COVID-19 pandemic by finding new ways for community members to report incidents of bias and hate. The Department supported LGBTQ+ children by using impactful litigation to ensure that students in schools are allowed to use locker rooms that align with their gender identity. The Department has led in combatting

workplace sexual harassment by negotiating settlement agreements that strengthen employers' policies and procedures on reporting and accountability. And following the murder of George Floyd, the Department launched a ten-year pattern or practice investigation into the City of Minneapolis and Minneapolis Police Department and is now helping improve public safety through a court enforceable settlement agreement that will ensure the City's policing practices are non-discriminatory.

Today, the Department – with significantly less capacity than 30 years ago – is challenged to meet core responsibilities that the Act requires. For example, a Minnesotan who files a charge of discrimination can wait over two years for the Department to finish its investigation. With minimal staff, the Department oversees over 3,000 state contractors to support their efforts to diversify their workforces and enforce equal pay for equal work laws. With the budget for one staff person, the Department attempts to fulfill its statewide education and outreach responsibilities.

The Department needs a transformational budget to adequately fulfill its core responsibilities, while having the capacity to proactively address the civil rights challenges facing Minnesotans today. By providing a necessary capacity increase in each programmatic area, the Department will see results by better serving Minnesotans through two critical vantage points. The first is improved procedural justice, which Minnesotans will experience through reduced investigative wait times, amongst other department responsibilities. The second is civil rights enforcement, which Minnesotans will experience through impactful litigation, settlement monitoring, and equity-focused systems change.

Proposal:

This proposal would bring a transformational budget that would allow the Department to fulfill its civil rights statutory and programmatic responsibilities. By adding necessary staffing capacities across all programmatic areas, the Department will be able to fulfill its intended results of improved procedural justice and civil rights enforcement for Minnesotans. The Department's transformational budget – with 12 new FTEs in FY2024-FY2025 and an additional 4 FTEs in FY2026-2027 – will be broken down by the following:

Investigations – 5 New FTEs – \$625,000 annually in FY2024-FY2025; 3 New FTEs (8 FTEs total) - \$1,000,000 in FY2026-FY2027

Increasing MDHR's capacity to conduct thorough investigations of discrimination complaints is a key element of this budget proposal, making a major investment in this area. This proposal adds one assistant commissioner for investigations, one enforcement supervisor, five investigators, and one administrative support position. An adequately staffed investigative team will fulfill both of the Department's goals of procedural justice and civil rights enforcement.

A Minnesotan is not receiving procedural justice if they must wait, at times, over two years to receive a final determination on their discrimination investigation. Nor is it procedural justice if the Department's investigators have an average of 50 cases per portfolio. With a transformational budget, the Department will be able to directly reduce investigative wait times to meet statutory requirements of 365 days per case. In addition to this, the investigative team will be able to substantively reduce its overall case inventory by closing an additional 300-400 cases annually, close its cases that are over 365 days old, and provide better customer service to Minnesotans on both ends of a civil rights investigation.

With respect to civil rights enforcement, an adequately staffed investigative team will be able to intentionally move cases forward that strengthen the enforcement of civil rights laws in Minnesota. As it currently stands, with an understaffed investigative team, the Department does not have the capacity to go beyond investigating individual charges of discrimination. However, with a fully staffed team, the Department will have the ability to evaluate discrimination trends across different cases, and evaluate if any specific cases are exemplary of larger patterns that can be used in impactful litigation.

Settlement Monitoring, Mediation, Legal Support – 4 New FTEs - \$500,000 annually in FY2024-FY2025; maintain 4 FTEs – \$500,000 in FY2026-FY2027

A crucial component of the Department's transformational budget request, this proposal will create a new Settlement Monitoring and Enforcement Team that will be staffed with an Assistant Commissioner, a settlement monitoring director, and a paralegal. Additionally, the Department's existing legal team will add a needed assistant general counsel position.

For the Department to truly fulfill its civil rights enforcement goals, it is crucial for the Department to build capacity for meaningful oversight of settled discrimination cases, helping to ensure discrimination does not reoccur. At any point in time, the Department has roughly 60 settlement agreements that are being monitored, but the Department's existing capacity only allows for one paralegal to cover that work. Furthermore, the Department is entering into a court enforceable settlement agreement with the City of Minneapolis, which will systemically change the city's policing practices, policies, procedures, and trainings to be non-discriminatory. The agreement with the City will require significant staff time spent through intensive oversight and consultation. As a new, but crucial, responsibility for the Department, it is important for the promotion of public safety in Minnesota's largest city that this settlement agreement is properly overseen by the Department. By creating a new Settlement Monitoring and Enforcement Team, the Department will have the capacity to provide comprehensive oversight for its existing agreements, in addition to its new court enforceable agreement with the City of Minneapolis.

Finally, the additional assistant general counsel added to the Department's existing legal team will work closely with the Investigative Team to provide legal expertise and counsel on discrimination cases and investigations. The Department currently has one assistant general counsel helping provide support to 15 investigators. An additional position will allow the legal team to provide more dedicated time and assistance on complex legal discrimination issues.

Equity and Inclusion Team – 1 New FTE - \$125,000 annually in FY2024-FY2025; 1 New FTE (2 FTEs total) - \$250,000 in FY2026-FY2027

This proposal adds one additional Equity and Inclusion Officer in FY2024-FY2025 and a second Equity and Inclusion Officer in FY2026-FY2027. The Department has a statutory responsibility to oversee large state contractors as they make good faith efforts to diversify their workforces, in addition to enforcing existing equal pay for equal work laws. At current capacity, the Department is unable to fulfill this responsibility from a civil rights enforcement perspective. This proposal will allow the Department to provide dedicated trainings to state contractors that will help support their workforce recruitment and retention efforts. Additionally, with added capacity to do site visits, the Department will have the ability to provide hands-on technical assistance to state contractors that may need additional support to meet their workforce goals or equal pay requirements.

Process Improvement – 1 New FTE - \$125,000 annually in FY2024-FY2025; maintain 1 FTE - \$125,000 in FY2026-FY2027

The Department's Process Improvement Team is responsible for three main responsibilities: 1) standardizing agency operations with a goal of improved efficiency, 2) conducting training and oversight for the agency's computer systems (OnBase), and 3) analyzing agency operations through data. This unsung work is the backbone of the Department's ability to deliver procedural justice to Minnesotans. With an additional staff person, the Process Improvement Team will be able to dedicate consistent time to training both the Investigative Team and Equity and Inclusion Team on the Department's computer systems, rather than the ad hoc basis that currently exists. Regular trainings on the Department's complex computer systems will help in creating consistent data input on how investigative case information is uploaded and reduced reporting errors, all of which will pay long-term dividends in reduced staff time to correct errors and more efficient operations.

External Relations – 1 New FTE - \$125,000 in FY2024-FY2025; maintain 1 FTE - \$125,000 in FY2026-FY2027

A core responsibility for the Department is to conduct statewide education, outreach, and engagement on civil rights and discrimination. Currently, the Department has funding capacity for one Outreach Director. This proposal will help ameliorate that with an additional outreach staff support position.

This position is important for both procedural justice and civil rights enforcement. Additional outreach capacity will allow the Department to better engage with community members, organizations, and local units of government that need support in filing charges of discrimination with the Department, conducting Know Your Rights Trainings, and additional education on anti-discrimination laws. This will have long term civil rights enforcement benefits by being able to educate employers, educational institutions, and landlords on helping ensure their practices are non-discriminatory.

Funding for this proposal would be from the general fund allocation to MDHR, which is in one fund. This would fund the additional 12 FTEs in the proposal, bringing MDHR's total workforce to a total of 60 FTEs providing services to Minnesotans. MDHR currently averages an all-in cost of \$125,000 per FTE on average. This figure is used to calculate the cost of this proposal, as the composition of the additional positions would be similar to current agency positions. This covers compensation, but also factors in per user IT costs, rental costs, training, and other costs.

This proposal adds significant service delivery capacity to MDHR's operations, addressing the longstanding lack of capacity detailed in this proposal. If this funding is provided, MDHR would be able to quickly begin hiring and training these additional staff. Hiring an additional 12 FTEs would be a significant number of new employees, but MDHR has a robust system for hiring, with experienced hiring managers, up to date position descriptions, and recent experience hiring for these types of roles. The fact that these positions will be part of existing programs allows for a quicker implementation timeline than if this was work in new areas.

Impact on Children and Families:

Minnesota's children and families deserve to live lives full of dignity and joy, free from discrimination. This proposal adds needed capacity to the Department of Human Rights in order support its investigatory duties, settlement monitoring, outreach work, and other activities. Investing in the Department's investigative responsibilities will allow for faster investigations if a parent or guardian files charges on behalf of a child who has been discriminated against in education or another area of protection in the Minnesota Human Rights Act.

One example of MDHR's work to help children facing discrimination was a successful intervention in a lawsuit involving the largest school district in Minnesota, which ultimately lead to a court decision clarifying that transgender and nonbinary students must be allowed to access locker rooms and bathrooms consistent with their gender identity. This will protect students throughout Minnesota.

In 2020, the Minnesota Department of Human Rights settled a cast with West Lutheran High School in Plymouth, Minnesota with a consent decree to implement significant system changes that aim at ensuring students can live full lives, free from sexual assault, harassment, and bullying. That consent decree settled the Department's pending lawsuit against the school filed suit in 2019 because it found the school violated the Minnesota Human Rights Act when school officials failed to act after a student reported she was sexually harassed and assaulted multiple times by other students. A settlement like this helps protect all Minnesota students from sexual harassment and assault.

Adding capacity to the Department's work will help to ensure more cases like these are addressed, as well as more education and outreach is conducted about these issues.

Equity and Inclusion:

The Minnesota Department of Human Rights is the state’s civil rights enforcement office. The Department is responsible for investigating and making decisions around state charges of discrimination. This includes situations like enforcing the civil rights of a Minnesotan who is fired because they are pregnant, ensuring reasonable accommodations are provided for a Minnesotan with a disability, helping eliminate the systems that allow sexual harassment and assault in schools and workplaces, and investigating patterns or practices of race discrimination in public and private institutions.

In one recent case, MDHR investigated and settled a case involving a printing company in St. Cloud after finding the company violated the state’s civil rights law when it discriminated against a former employee because he is Black. MDHR’s investigation found that white employees at the company regularly harassed a Black employee and his son, who also worked at the company, because of their race. Employees made racist comments and used racial epithets when referring to Black people. One employee even refused to shake hands with the Black employee and his son because of their race. Although the Black employees repeatedly reported these incidents to management, they ignored and minimized the complaints, violating their own policy that requires the company to investigate reports of harassment.

Another example of a recent settlement involved a sexual harassment case leading to a settlement agreement with the University of Minnesota Board of Regents. MDHR’s investigation found that a professor used his position of power to sexually harass a graduate student. The professor made sexual comments in front of her, told her about sex he had with other women, and commented on her appearance in front of her classmates. The settlement requires the Humphrey School of Public Affairs to take action to prevent sexual harassment, pay a graduate student \$75,000, and allow the student to complete her degree tuition-free.

Cases like the ones referenced are just a few examples from the hundreds of cases MDHR investigates annually. Addressing discrimination is part of broader efforts to reduce inequalities based on race, sex, disability, and other factors. This proposal is a direct investment in capacity to provide these services to Minnesotans and to center the administration’s commitment to equity, inclusion, and civil rights.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

IT Costs:

There are no anticipated IT costs for this project.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Average caseload per investigator	50 cases/ investigator	July, 2022	50 cases/ investigator	25 cases/ Investigator	July, 2024
Quality	Average length of an investigation	559 days	July, 2022	559 days	365 days	July, 2025
Quality	OnBase Process Improvement trainings for investigators	1 per year	Jan., 2023	1 per year	12 per year	January, 2024
Quality	Number of cases appealed	40 cases	Jan., 2023	40 cases	12 cases	July, 2024
Results	Number of cases over 365 days old	220 cases	July, 2022	340 cases	80 cases	July, 2024
Results	Trainings for state contractors	0 per year	Jan., 2023	0 per year	5	July, 2024

Statutory Change(s):

None.

Minnesota Department of Human Rights

FY 2024-25 Biennial Budget Change Item

Change Item Title: Civil Rights Mediator Stipends

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	20	20	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	20	20	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends allocating \$20,000 in FY 2024 and FY 2025 to provide stipends to mediators working on cases brought before the Department of Human Rights. This one-time funding would be used to support these ongoing mediation efforts.

Providing stipends to mediators will support building a roster of trained and skilled mediators, who can help resolve discrimination complaints before they go to a full investigation. Resolving issues of discrimination early on, while there is still an on-going employment, housing, education, or service relationship, is an essential component of civil rights enforcement work.

This proposal would represent a 0.4% increase in the department’s general fund base budget of \$5,534,000 in both FY 2024 and FY 2025.

Rationale/Background:

The Minnesota Department of Human Rights' mediation program (Alternative Dispute Resolution, “ADR”) is an opportunity to broaden perspectives, build shared understanding, and repair relationships through creating a path forward together. In mediation, both parties meet with trained mediators to talk about possible ways to resolve their case.

Over the past several years, MDHR has built up an enhanced mediation program and is seeing significant interest by case parties in mediating disputes, as well as significant success resolving those matters.

This proposal would further support this strategy by allowing MDHR to provide a stipend to trained mediators who currently donate their time. This will allow more mediators to provide these valuable services to Minnesotans. Conducting these types of mediations more frequently also allows mediators to build further expertise that can be shared across the program.

Proposal:

This proposal would provide one-time funding to provide stipends to MDHR’s current volunteer mediators. Currently, MDHR has a roster of Rule 114 certified neutral mediators, who, in addition to MDHR’s Mediation Director, mediate discrimination cases where both parties agree to do so before a full investigation. Mediation is voluntary and confidential. If parties are unable to reach an agreement, the case is returned for investigations.

MDHR would provide stipends of a few hundred dollars for each mediation conducted. Mediations generally take several hours to a day and require preparation time on the part of the mediator. Providing a stipend to mediators will help them defray the cost of providing their time to this important work. This will help MDHR have a more geographically, demographically, and experientially diverse group of mediators who will be best equipped to handle each mediation for the best chances of finding common ground to address the issues at hand.

Impact on Children and Families:

The Minnesota Department of Human Rights is the state’s civil rights enforcement agency, working to ensure the civil rights of Minnesotans are protected, including children and families. MDHR is solely responsible for investigating and making decisions around charges of discrimination, such as if someone is fired because they get pregnant, how reasonable accommodations for a student with a disability are provided in school, and to investigate cases of racial discrimination across the state. When a claim like this is brought to MDHR, mediation can be a way to resolve the issue in a positive way. This work is critical to increasing equity and providing opportunities for children and families, helping them to lead lives free from discrimination.

Equity and Inclusion:

MDHR is the state’s civil rights enforcement agency, working to ensure the civil rights of Minnesotans are protected. MDHR is solely responsible for investigating and making decisions around charges of discrimination, such as if someone is fired because they get pregnant, how reasonable accommodations are discussed between employers and employees, to eliminate the systems that allow sexual harassment and assault in schools and workplaces, and to investigate cases of racial discrimination across the state. When a claim like this is brought to MDHR, mediation can be a way to resolve the issue in a positive way, before a full investigation is conducted.

By creating a mediator stipend program, MDHR will have the ability to better recruit and retain a racially diverse roster of volunteer mediators. Not all mediators have the resources and capacity to provide their services for free. By partially removing this barrier through a stipend program, MDHR will be able to reach more mediators than previously.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

IT Costs

There are no anticipated IT costs for this project.

Results:

MDHR tracks and reports on mediations (Alternative Dispute Resolution) in our semi-annual report to the legislature. If this proposal is funded, MDHR anticipates an increase in referrals to mediation, cases scheduled for mediation by agreement of the parties, and settlements driven by increased mediation capacity.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Cases Referred to Medication	133	FY 2022	133	150	FY 2024
Quality	Cases Schedule for Mediation	81	FY 2022	81	100	FY 2024
Results	Settlements from Mediations	60	FY 2022	60	75	FY 2024

Statutory Change(s):

None.

Minnesota Department of Human Rights

FY 2024-25 Biennial Budget Change Item

Change Item Title: Prohibit Source of Income Discrimination in Housing

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	383	394	394	394
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	383	394	394	394
FTEs	2.75	2.75	2.75	2.75

Recommendation:

The Governor recommends \$383,000 in FY2024 and \$394,000 in FY2025 and beyond to provide capacity for the Department of Human Rights to investigate charges of source of income discrimination in housing that would result from a proposed policy to expanded protections for individuals and families using rental assistance for housing. This change would be a 6.9% increase over the Department’s base funding in FY2024 and it would add 2.75 FTEs to the Department’s staff.

Rationale/Background:

All Minnesotans deserve fair and equal access to housing. In partnership with Minnesota Housing, the Department would enforce a policy proposal that prohibits source of income discrimination against Minnesotans who access financial support, such as federal housing choice vouchers, to help afford housing. Currently the Minnesota Human Rights Act prohibits discrimination based on public assistance status in housing, but courts have ruled that this does not require property managers to accept housing choice vouchers. This ultimately limits housing options for over 30,000 Minnesotans who currently access housing choice vouchers. This policy proposal would address that issue, helping ensure that more Minnesotans are able to access safe and secure housing.

Proposal:

This proposal would update public assistance status protections under the Minnesota Human Rights Act to require property managers to accept housing choice vouchers (“Section 8”) and other public assistance programs. This proposal will add investigative, legal, and administrative capacity to enable the investigation of additional cases of discrimination filed by Minnesotans due to this change in the law. These changes will support the Department’s vision of a Minnesota where everyone can lead lives filled with dignity and joy, free from discrimination.

Specifically, this proposal would add one investigator (1.0 FTE), one education coordinator (1.0 FTE), one half time associate general counsel (0.5 FTE), and a quarter time administrative support position (0.25 FTE) to implement this change. The education coordinator would provide ongoing education and training to property owners, community groups, and renters on this policy change. These staff will allow the Department to investigate the approximately 50 additional charges of discrimination annually that are anticipated to be filed due to this change. The associate general counsel position will deal with the novel legal issues involved with these expanded protections, providing technical assistance internally and externally, and providing training. The administrative support position will deal with charge processing, database support, and other related tasks.

Impact on Children and Families:

Minnesota’s children and families deserve to live lives full of dignity and joy, free from discrimination. This proposal would help ensure Minnesotans, including families with children, have access to housing options and provides the capacity for the Department of Human Rights to implement this change

Equity and Inclusion:

The Minnesota Department of Human Rights is the state’s civil rights enforcement office. The Department is solely responsible for investigating and making decisions around charges of discrimination. Ensuring that Minnesotans who access public assistance are not discriminated against in housing and other areas is a crucial part of this equity and inclusion work.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

IT Costs:

There are no anticipated IT costs for this project.

Results:

This proposal will support the Department of Human Rights existing investigative work, adding capacity to more efficiently and effectively conduct case investigations.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	New Discrimination Case Investigations Completed in Housing Based on Public Assistance Status	0	50	FY2023 - FY2024

Statutory Change(s):

Minnesota Statutes 363A.09

Minnesota Department of Human Rights

FY 2024-25 Biennial Budget Change Item

Change Item Title: Discrimination and Hate Data Gathering and Reporting

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	395	250	250	250
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	395	250	250	250
FTEs	2	2	2	2

Recommendation:

The Governor recommends \$395,000 in FY2024 and \$250,000 annually ongoing to improve the department’s ability to gather, analyze, and report on discrimination and hate incidents throughout Minnesota. The funds will be used to add two full time staff in addition to a one-time upgrade to the Department’s database system in order to improve the Department’s data tracking capabilities. There is currently a void with respect to tracking and reporting on both criminal and non-criminal discrimination and hate incidents. This request will improve the state’s understanding of where and how discrimination incidents are occurring in Minnesota so that actionable public policy steps can be taken to reduce it.

This proposal would represent a 7.1% increase in the department’s general fund base budget in FY2024, and a 4.5% increase in FY2025 and beyond.

Rationale/Background:

There is currently a void with respect to tracking and reporting on both criminal and non-criminal discrimination and hate incidents in Minnesota. Currently, the Federal Bureau of Investigation and the Minnesota Bureau of Criminal Apprehension collect hate and discrimination crime related data. Although critically important, not all hate or discrimination incidents rise to the level of crimes, and as such, Minnesota still lacks comprehensive hate and discrimination data collection that incorporates criminal and non-criminal incidents. Community based organizations have been increasingly vocal about the rise of discrimination and hate incidents occurring throughout Minnesota, particularly in communities of color, immigrant communities, LGBTQ+ communities, and religious communities. Improved data tracking is a critical tool to address the increase of hate and discrimination. This proposal’s intended result is to directly address the state’s lack of comprehensive data tracking and analysis with respect to discrimination and hate by providing the Department with resources and staff to conduct its own data gathering, analysis, and reporting in addition to collaborating alongside organizations that are already tracking discrimination and hate in Minnesota.

Proposal:

This proposal would be a new initiative for the Department, but would build off the Department’s existing Discrimination Helpline. The Walz-Flanagan administration launched the Discrimination Helpline within the Department of Human Rights as a first step to help address the rise of anti-Asian hate that has occurred during the COVID-19 pandemic. This proposal compliments the Department’s helpline, because it will act as a natural next step in the state’s response to address and help stop discrimination and hate in Minnesota. Currently, the Department does not have the necessary database software, or the required staff, to conduct comprehensive tracking and analysis of discrimination and hate in Minnesota. This proposal provides both a staffing increase (two

FTEs) and a one-time database upgrade. Both of these are required because this would be a new initiative for the Department.

The Department could anticipate hiring the required staff and making software updates by January 1, 2024 if all the funds are appropriated in the 2023 legislative session. Once effective, the Department would partner with organizations that presently track discrimination and hate incidents within their respective communities, in addition to local units of government, law enforcement agencies, schools, and religious organizations. The Department would gather, track, and analyze reports received from community partners and law enforcement, in addition to calls received through the Department's Discrimination Helpline. As part of the Department's tracking and analyzing responsibilities, there would be a yearly report presented to the legislature, which community partners could also benefit from. The report would include metrics including but not limited to: 1) the number of discrimination and hate incidents in Minnesota (broken down demographically and geographically), 2) criminal vs. non-criminal offenses, 3) LGBTQ+ status, and 4) how the data was gathered (i.e. through the Discrimination Helpline, through law enforcement, through community partners, etc.). The Department would rely on input from community partners to solidify the appropriate tracking and analyzing methods.

Ultimately, by improving the state's understanding of where and how discrimination and hate are occurring in Minnesota, policy makers will be able to develop legislation and build programs that will help address root causes with actionable solutions.

Impact on Children and Families:

This policy will be able to improve the lives of the next generation of Minnesotans through improved data gathering for hate related incidents in Minnesota, including in schools. As part of the broader proliferation of anti-Asian hate during the COVID-19 pandemic, children also experienced discrimination and hate in schools, educational settings, and places of recreation. No Minnesota child should face hate or discrimination in the places where they learn or play. This proposal will help the state improve its understanding of where discrimination and hate are occurring, so proper responses and interventions can be implemented.

Equity and Inclusion:

This proposal is specifically created to address racial, gender, and religious inequities with respect to discrimination and hate in Minnesota. There have been many publicly documented incidents of discrimination and hate in Minnesota over the last few years, including in mosques and synagogues, businesses owned by Minnesotans of color, and in public places such as parks, grocery stores, and sidewalks. The common thread amongst all of these incidents is that a Minnesotan of color, a religious minority, or an LGBTQ Minnesotan experienced the discrimination or hate incident.

This proposal will help address the lack of comprehensive data gathering, tracking, and analyzing of discrimination and hate in Minnesota. With an improved understanding, policy makers will be able to develop legislation and programs to help ensure that all Minnesotans can lead lives of dignity and joy, free from discrimination and hate.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

IT Costs

Implementing this proposal would require incremental updates to MDHR's existing database system, OnBase. This could be conducted by existing staff working with a vendor that MDHR has an ongoing contract with as of this proposal's submission.

<i>Category</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>
Payroll						
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software	130,000					
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
Total						
MNIT FTEs						
Agency FTEs						

Results:

This proposal will be a new initiative for the Department. However, it would build off the Department’s existing Discrimination Helpline. As such, the Department would incorporate the following metrics into its data gathering, tracking, and analyzing responsibilities: 1) the number of discrimination and hate incidents broken down demographically (protected class) and geographically, 2) criminal vs. non-criminal offenses, and 3) the source of the data (i.e. Discrimination Helpline, law enforcement agency, community partners, school district, etc.).

With respect to evaluating the work of the Department, MDHR would incorporate both quantity and quality performance measures. With respect to quantity, MDHR would plan to conduct a yearly report that both community organizations and legislators could utilize, that discusses the above metrics from MDHR’s data tracking and analysis. In addition to this, MDHR would plan to conduct yearly stakeholder surveys with community-based organizations and other relevant stakeholders. This survey would evaluate the types of metrics MDHR is utilizing, and if additional or different metrics would be more insightful.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Community Report	0	1	Yearly
Quality	Stakeholder Survey	0	1	Yearly

Statutory Change(s):

No statutory changes.

Human Rights

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actual	FY 2023 Budget	FY 2024 Base	FY 2025 Base	Required State Match or MOE?	FTEs
U.S. Department of the Treasury CFDA 21.027	Upgrade Technological Infrastructure (OnBase)	\$ 297	\$ 203	\$ -	\$ -	No	-
	ARP - State Fiscal Recovery [3015 Fund] – Agency Total	\$ 297	\$ 203	\$ -	\$ -		-

Narrative

The American Rescue Plan (ARP) State Fiscal Recovery funds are being used to upgrade technological infrastructure (OnBase), including to track intake calls especially as it relates to bias, discrimination, hate, and other COVID-related issues. Additionally, this project supports the department's efforts to track demographics to better understand who is being impacted by COVID related disability discrimination, and ensure the overall technological infrastructure is in place for these investigations.