

**UNITED STATES  
COMMISSION ON CIVIL RIGHTS**



**PERFORMANCE AND ACCOUNTABILITY REPORT (PAR)  
FOR FISCAL YEAR 2018**

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## MESSAGE FROM THE CHAIR



I attach the annual Performance and Accountability Report (PAR) for the U.S. Commission on Civil Rights for Fiscal Year 2018. This report reflects the agency’s program and financial accomplishments over the past year.

On November 14, 2017, we marked our 60th anniversary with a commemorative event at the Library of Congress. While each federal agency has a civil rights office, the Commission is the only independent federal entity charged with studying and reporting on civil rights issues and enforcement. Our first report, issued in 1959, stated that the “gap between the great American promise of equal opportunity and equal justice under law” and the “startlingly inadequate fulfillment in practice” has been a basic fact of American history.<sup>1</sup> Then, as now when we enter our seventh decade, we strive to close that gap, guiding the ongoing national movement to ensure and deliver full civil rights protection.

In FY 2018, the Commission held three briefings to assess the national state of important civil rights issues: The School-to-Prison Pipeline: The Intersections of Students of Color with Disabilities, An Assessment of Minority Voting Rights Access in the United States,

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<sup>1</sup> Report of the United States Commission on Civil Rights (1959), <http://www2.law.umaryland.edu/marshall/usccr/documents/cr11959.pdf> at 3.

and *In the Name of Hate: Examining the Federal Government's Role in Responding to Hate Crimes*.

In addition to our three briefings, the Commission published the following four reports: *Working for Inclusion: Time for Congress to Enact Federal Legislation to Address Workplace Discrimination Against Lesbian, Gay, Bisexual, and Transgender Americans*; *Public Education Funding Inequity in an Era of Increasing Concentration of Poverty and Resegregation*; *Contemporary Civil Rights Challenges: A View From the States, 2018 Survey of the State Advisory Committees*; and *An Assessment of Minority Voting Rights Access in the United States*.

We continue to enhance our engagement with and rely on the work of our State Advisory Committees. Commission State Advisory Committee members, working with regional office staff, held 31 fact-finding events in FY 2018, almost tripling the number of events held in FY 2017. In addition, State Advisory Committees published nineteen reports and memoranda in FY 2018, ten more than they did in FY 2017. The State Advisory Committees, through their fact-finding events and reports, covered a broad range of civil rights issues including voting rights, criminal justice debt, policing practices, hate crimes, school discipline disparities, solitary confinement, disability rights, fair housing, Native American civil rights, collateral consequences of criminal convictions, and civil asset forfeiture.

In addition to the strong programmatic output during FY 2018, the Commission received an unmodified opinion on the Commission Financial Statements. I look forward to continued effective financial and other management controls in operation at the Commission.

And I look forward to building on the Commission's FY 2018 performance to continue to advance civil rights through effective and comprehensive investigation, research, and analysis on issues of fundamental concern to the federal government and the public.



Catherine E. Lhamon  
Chair  
United States Commission on Civil Rights  
November 15, 2018

# MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) section explains our mission, describes our organizational structure, presents performance highlights, analyzes our internal control environment, identifies financial highlights, and discusses the limitation of financial statements.

## Mission

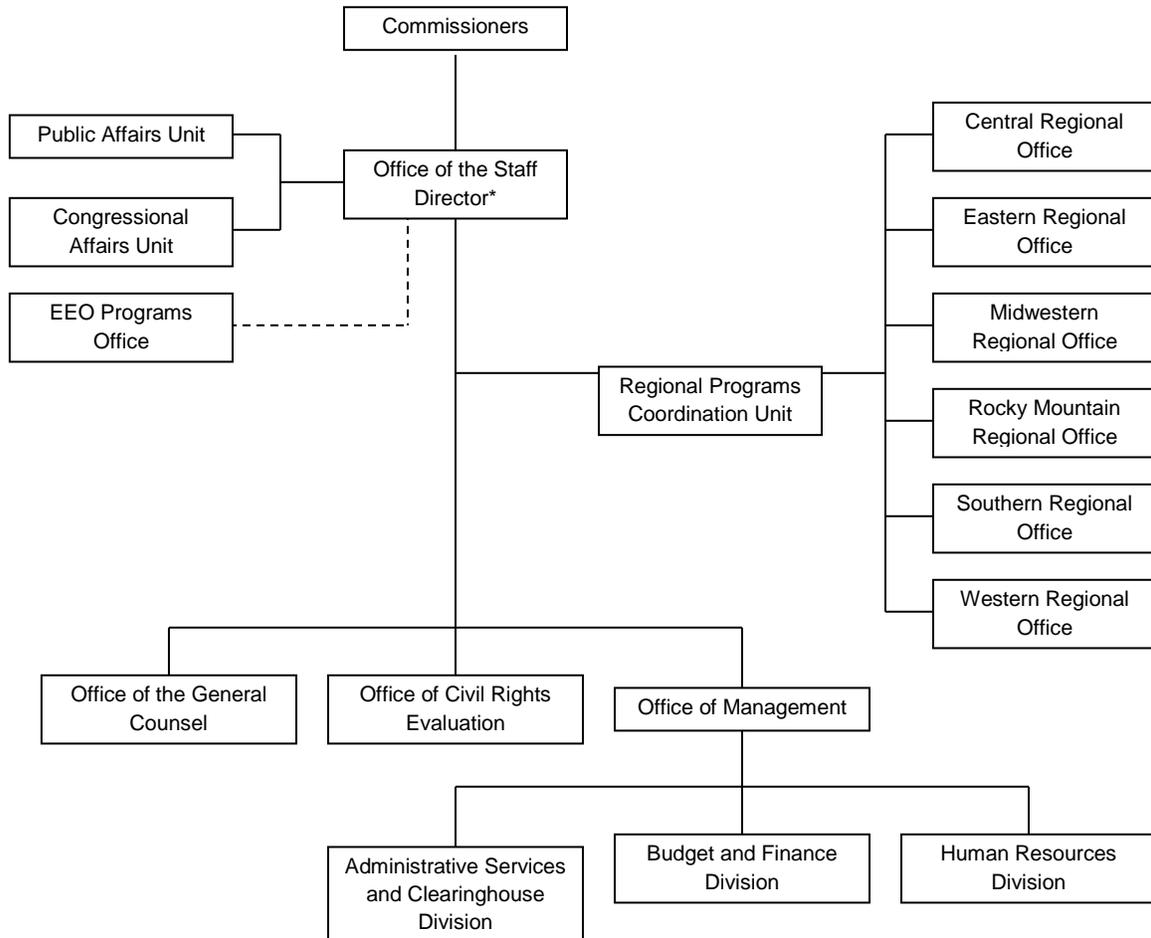
The mission of the United States Commission on Civil Rights is to inform the development of national civil rights policy and enhance enforcement of Federal civil rights laws. The Commission pursues this mission by investigating alleged deprivations of voting rights or allegations of discrimination based on race, color, religion, sex, age, disability, national origin, or in the administration of justice. The Commission also serves as a monitor of effective enforcement of civil rights laws by the Federal government. The Commission is committed to quality research that leads to findings and policy recommendations to inform the President, Congress, and the public on important civil rights issues.

## Organization

The Commission is an independent federal agency composed of eight appointed Commissioners whose responsibilities include studying and collecting information relating to discrimination or denials of equal protection of the laws because of color, race, religion, sex, age, disability, or national origin, or in the administration of justice; appraising the laws and policies of the federal government regarding these civil rights issues; serving as a national clearinghouse of information regarding civil rights; and preparing public service announcements and advertising campaigns to discourage discrimination or denials of equal protection. The Staff Director, appointed by the President with the concurrence of a majority of the Commissioners, is the administrative head of the agency. The organizational chart below shows our current structure.

# Organizational Structure

## U.S. Commission on Civil Rights



\* Although current agency regulations describe an "Office of the Deputy Staff Director," the Commission eliminated that office and the Deputy Staff Director position has been transferred to the Office of the Staff Director.

## Headquarters Organization

Descriptions of the key functions for each office and unit are below.

### Commissioners

By statute, the Commission is composed of eight Commissioners, not more than four of whom may be of the same political party. The President appoints four Commissioners, the President pro tempore of the Senate appoints two Commissioners, and the Speaker of the House of Representatives appoints two Commissioners. The Commissioners' responsibilities include:

- Investigating allegations of deprivations because of color, race, religion, sex, age, disability, or national origin;
- Investigating allegations of deprivations as a result of any pattern or practice of fraud or of the right of citizens of the United States to vote and have votes counted;
- Studying and collecting information relating to discrimination or denials of equal protection of the laws under the Constitution of the United States because of color, race, religion, sex, age, disability, national origin, or in the administration of justice;
- Making appraisals of federal laws and policies with respect to discrimination or denials of equal protection of the laws under the Constitution of the United States because of color, race, religion, sex, age, disability, national origin, or in the administration of justice;
- Serving as a national clearinghouse for information relating to discrimination or denials of equal protection of the laws under the Constitution of the United States because of color, race, religion, sex, age, disability, national origin, or in the administration of justice;
- Preparing public service announcements and advertising campaigns to discourage discrimination or denials of equal protection of the laws under the Constitution of the United States because of color, race, religion, sex, age, disability, national origin, or in the administration of justice;
- Submitting, at minimum, one report annually that monitors federal civil rights enforcement efforts in the United States; and
- Constituting at least one Advisory Committee for each state and the District of Columbia composed of citizens of that state or district.

The Chair, along with the Staff Director, serves as the Commission's designated spokesperson. In that capacity, the Chair communicates the official position of the Commission. The Commissioners are aided in their work by Special Assistants.

### Office of the Staff Director

The Office of the Staff Director (OSD), through the Staff Director, oversees the administrative operation and management of our agency including:

- disseminating policies established by the Commissioners to staff;
- recommending program activities and projects for approval by the Commissioners,
- managing agency-wide performance and evaluating program results;
- overseeing and coordinating the completion of the agency's substantive civil rights work;
- ensuring that the budget is executed in a manner consistent with established agency priorities; and
- serving as the liaison between the Commission and the Executive Office of the President, Congress, and other federal agencies.

### Office of the General Counsel

The Office of the General Counsel (OGC) provides the legal expertise and advice required to support our fact-finding and ensure the legal integrity of our written products. This office supports the lawful operation of the agency and advises agency leadership and managers on a range of legal matters. This advice and support may include analyzing proposed legislation, interpreting various laws and regulations, advising on ethics matters and the scope of the agency's jurisdiction, and representing the agency in contractual disputes. The General Counsel and his or her staff also represent the agency in personnel matters including litigation arising from equal employment discrimination complaints and other alleged employment violations. In addition, this office develops concepts for briefings and hearings on civil rights issues and generates related reports for Commissioner review and consideration.

### Office of Civil Rights Evaluation

The Office of Civil Rights Evaluation (OCRE) provides the subject matter and analytical expertise required to prepare evaluations of civil rights issues. This office monitors the activities of numerous federal agencies as well as national and regional civil rights trends. Based on information gathered through monitoring and other sources, this office develops concepts for, and conducts, civil rights studies and other projects, ultimately preparing documents that articulate the Commission's view and concerns regarding federal civil rights. In addition to these functions, this office receives, reviews, and refers civil rights complaints to other agencies for appropriate enforcement action.

### Office of Management

The Office of Management (OM) supports all of the agency's strategic goals and objectives by ensuring that human and financial capital are available, and administrative support is in place to achieve the agency's mission. The OM provides administrative support to all other Commission offices. Several divisions fall within this office: the Budget and Finance Division, the Human Resources Division, and the Administrative Services and Clearinghouse Division. The Administrative Services and Clearinghouse Division is responsible for information technology, procurement and acquisition, copying, printing, mail and distribution services, and the Rankin National Civil Rights Library.

### Congressional Affairs Unit

All staff positions in the Congressional Affairs Unit (CAU) are vacant. The public affairs unit performs the essential responsibilities of the congressional and public affairs units. The CAU serves as our liaison with Congress, responding to requests for specific information, identifying opportunities for our Commissioners and others to provide testimony and information to congressional members and their staff on civil rights matters, and ensuring the distribution of our studies and reports to all members. In addition, when staffed, CAU monitors the legislative activities of Congress and provides support in the conceptualization and production of studies and reports with information gathered via its monitoring activities.

### Public Affairs Unit

The Public Affairs Unit (PAU) serves as the public voice of the Commission and ensures that the public knows about our activities and publications. It is also responsible for coordinating and carrying out such activities as briefing reporters, holding press conferences, issuing press releases, arranging press interviews and speaking engagements for Commissioners and approved staff, and monitoring press activity regarding the Commission and civil rights issues. PAU deals directly with the public in responding to inquiries and by attending meetings of civil rights organizations.

### Equal Employment Opportunity Programs

All the staff positions in the Equal Employment Opportunity (EEO) Program Unit are vacant. The Commission uses staff in other offices to perform EEO functions, along with contractual services and interagency agreements to satisfy its EEO responsibilities. When staffed, EEO is responsible for the overall management of our equal employment opportunity compliance system. This system provides a means of review and appeal for applicants for employment and employees of the Commission, who believe that they were

victims of discrimination based on race, color, age, religion, national origin, sex (including sexual harassment), physical or mental disability, or reprisal in connection with EEO-related activities.

## **Regional Programs**

### Regional Programs Coordination Unit

The Chief of the Regional Programs Coordination Unit (RPCU) supervises the activities of the Commission's regional activities. The Chief of RPCU is responsible for coordinating, monitoring, and reporting on regional activities, and communicating national office policies and priorities to regional offices. The Chief of RPCU also serves as the agency's Committee Management Officer (CMO) regarding the agency's public reporting under the Federal Advisory Committee Act (FACA) on its 51 State Advisory Committees.

### Regional Activities: Organization and State Alignment

Regional staff provides critical support to the 51 State Advisory Committees required by our statute.

Presented below is our regional alignment.

- Central Region (CRO): Alabama, Arkansas, Iowa, Kansas, Louisiana, Mississippi, Missouri, Nebraska, and Oklahoma.
- Eastern Region (ERO): Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia.
- Western Region (WRO): Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Texas, and Washington.
- Southern Region (SRO): Florida, Georgia, Kentucky, North Carolina, South Carolina, and Tennessee.
- Rocky Mountain Region (RMRO): Colorado, Montana, New Mexico, North Dakota, South Dakota, Utah, and Wyoming.
- Midwestern Region (MWRO): Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.

## **Performance Highlights**

The Commission, its staff, and State Advisory Committee members have worked hard this year to achieve the goals, objectives, and performance measures set forth in our FY 2018

– FY 2022 Strategic Plan. In Fiscal Year 2018, the Commission has achieved all the performance targets established at the beginning of the year.

The Commission held three briefings to assess the national state of important civil rights laws:

- The School-to-Prison Pipeline: The Intersections of Students of Color with Disabilities;
- An Assessment of Minority Voting Rights Access in the United States; and
- In the Name of Hate: Examining the Federal Government’s Role in Responding to Hate Crimes.

The Commission published the following four reports:

- *Working for Inclusion: Time for Congress to Enact Federal Legislation to Address Workplace Discrimination Against Lesbian, Gay, Bisexual, and Transgender Americans.*
- *Contemporary Civil Rights Challenges: A View From the States, 2018 Survey of the State Advisory Committees;*
- *Public Education Funding Inequity in an Era of Increasing Concentration of Poverty and Resegregation;* and
- *An Assessment of Minority Voting Rights Access in the United States.*

The Commission’s State Advisory Committees:

- Held 31 fact-finding events;
- Conducted 187 planning meetings; and
- Published 19 reports and memoranda.

A detailed discussion of each strategic goal, our FY 2018 target performance, and our actual performance are in the section titled “Performance Report.”

## **Federal Managers’ Financial Integrity Act (FMFIA)**

OMB Circular A-123, Management’s Responsibility for Internal Control and the Federal Managers’ Financial Integrity Act (FMFIA) require Federal managers to improve accountability and effectiveness of Federal programs and operations by establishing, assessing, correcting, and reporting on internal controls. Commission management is responsible for establishing and maintaining an effective internal control and financial management system. The Commission’s Administrative Instruction 1-13 requires office

and division heads to complete an annual self-assessment of internal controls as of June 30 each year.

In FY 2018, all offices and division heads completed a self-assessment. The Commission identified one material weakness. The Agency lacks adequate controls to ensure reliability of Recoveries and Prior Year Obligations. The Commission is working on resolving this issue. Regional and headquarters' offices did identify several immaterial weaknesses. Based on this evaluation, the Commission is able to provide a statement of assurance that the internal controls except for Recoveries of Prior Year Obligations are compliant.

## **Financial Highlights**

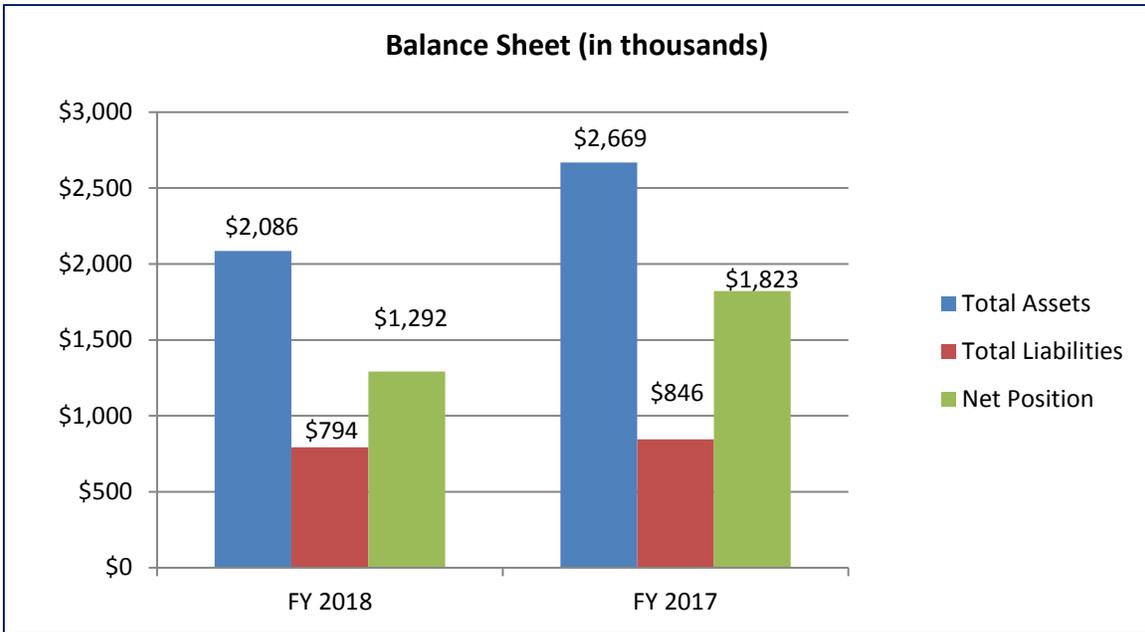
The Commission continues to use the U.S. Department of Agriculture's Office of the Chief Financial Officer Pegasys Financial Services (USDA OCFO) as its accounting shared services provider. USDA OCFO provides a broad range of financial and accounting services including:

- maintaining the agency's standard general ledger;
- using a system (Pegasys) that is compliant with federal government standards;
- generating required financial reports for the Commission; and
- requiring appropriate documentation of financial transactions prior to payment.

The Commission's FY 2018 financial statements were prepared in accordance with Office of Management and Budget (OMB) Circular A-136. The Commission prepares four financial statements: Balance Sheet, Statement of Net Costs, Statement of Changes in Net Position, and Statement of Budgetary Resources.

### Balance Sheet

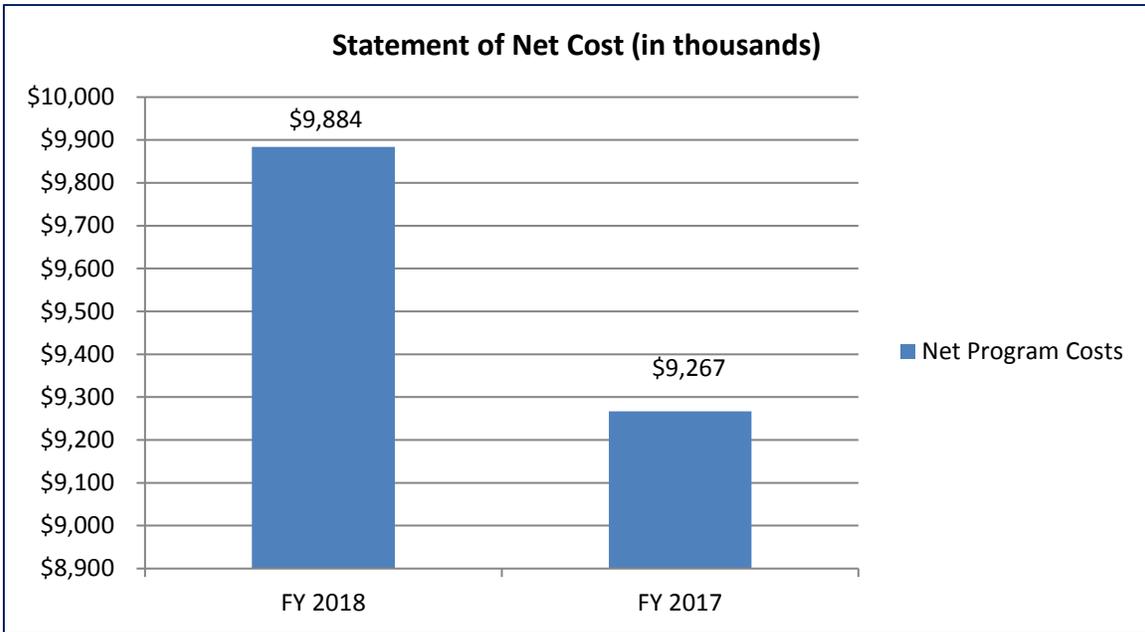
The balance sheet presents amounts of future economic benefits owned or managed by the reporting entity (assets), amounts owed by the entity (liabilities), and amounts which comprise the difference (net position).



The Commission's total assets decreased from \$2,669,085 in FY 2017 to \$2,086,359 in FY 2018. The Commission's assets consist mainly of Fund Balance with Treasury (FBWT) with minimal amounts in General Property, Plant, and Equipment. Total liabilities decreased from \$845,871 in FY 2017 to \$793,508 in FY 2018. Net Position decreased from \$1,823,214 in FY 2017 to \$1,292,851 in FY 2018.

Statement of Net Costs

The Statement of Net Cost presents the annual cost of operating the Commission's programs.

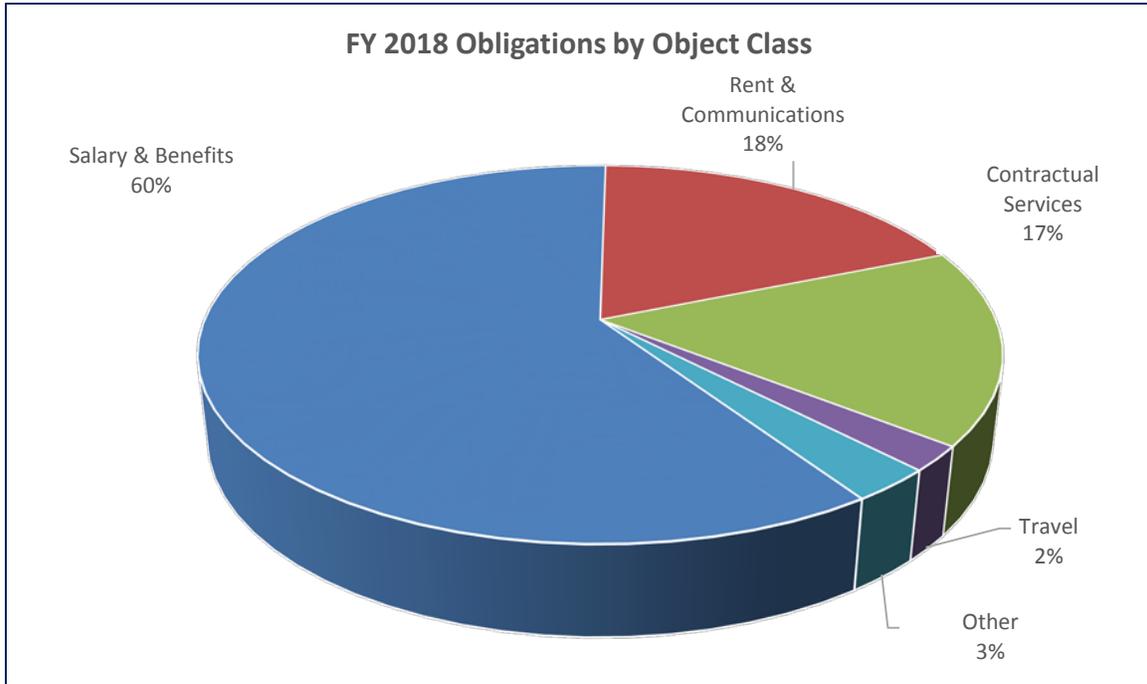


The Commission's net cost of operation increased from \$9,266,716 in FY 2017 to \$9,884,390 in FY 2018.

Statement of Budgetary Resources

The Statement of Budgetary Resources provides information on the sources of budgetary resources and their status at the end of the period. The Commission received \$9,700,000 in new budgetary authority in FY 2018. The Total Budgetary Resources and Status of Budget Resources decreased from \$10,975,306 in FY 2017 to \$10,721,544 in FY 2018.

## Resources by Major Object Class



During FY 2018, the Commission obligated \$9,617,133 of its FY 2018 appropriation of \$9,700,000 for an obligation rate of 99 percent. Salary and Benefits, Other Contractual Services, and Rent and Communications consume 95 percent of the Commission's obligations. The remaining 5 percent consists of travel, printing, supplies, equipment, and other miscellaneous items.

### **Limitations on Financial Statements**

The principal financial statements are prepared to report the financial position and results of operations of the reporting entity, pursuant to the requirements of 31 U.S.C. 3515 (b). The statements are prepared from the books and records of the entity in accordance with Federal GAAP and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government.

## **Management Statement of Assurance**

The U.S. Commission on Civil Rights is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). The Commission can provide reasonable assurance that its internal controls over financial reporting as of September 30, 2018 except for Recoveries of Prior Years Obligations were operating effectively in the design or operation of the internal control over financial reporting. The Commission identified lack of controls to ensure reliability of Recoveries of Prior Years Obligations as a material weakness.



UNITED STATES COMMISSION ON CIVIL RIGHTS

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**Statements of Assurance: Federal Managers' Financial Integrity Act, OMB Circular A-123, and the Federal Financial Managers Improvement Act of 1996**

The management of the U.S. Commission on Civil Rights is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). The Commission conducted its assessment of the effectiveness of internal control and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, Management's Responsibility for Internal Control. Based on the results of this evaluation, the Commission can provide reasonable assurance that our internal control over the effectiveness and efficiency of operations, and compliance with applicable laws and regulations as of September 30, 2017, were operating effectively and no material weaknesses were found in the design or operation of the internal controls.

In addition, the Commission conducted its assessment of the effectiveness of internal control over financial reporting. This includes safeguarding of assets and compliance with applicable laws and regulations. Based on the results of this evaluation, the Commission can provide reasonable assurance that its internal controls over financial reporting as of June 30, 2018 except for Recoveries of Prior Years Obligations were operating effectively in the design or operation of the internal control over financial reporting. The Commission identified lack of controls to ensure reliability of Recoveries of Prior Years Obligations as a material weakness.

The performance and financial data contained in this report, to the best of my knowledge, are complete and reliable.

A handwritten signature in cursive script that reads "Mauro Morales".

Mauro Morales  
Staff Director  
United States Commission on Civil Rights  
October 30, 2018

## PERFORMANCE REPORT

Our agency performs an important role in identifying emergent civil rights trends and evaluating federal agency civil rights enforcement programs. Our agency's strategic plan articulates the Commission's vision for executing our vital mission from FY 2018 through FY 2022. The plan contains three long-term strategic goals. Associated with each of these goals are one or more objectives or specific statements of what we plan to accomplish.

Our FY 2018 annual performance plan includes performance goals and targets that support the accomplishment of our strategic objectives. Below, we describe our FY 2018 annual performance targets. We evaluate and report our performance using these categories: Met and Not Met.

### Reliability of Performance Data

To ensure that the Commission's FY 2018 Performance Report is complete and reliable, the Commission identifies, verifies, and validates the sources of data used to assess performance measures. The Commission's staff verifies and validates that data to ensure that the information is accurate and complete. Agency senior leadership reviews the report for completeness and accuracy.

### **Strategic Goal A: The Commission will function as a monitor of effective federal enforcement of civil rights laws and inform national civil rights laws and policy. The Commission is aided in this endeavor by the work of its Advisory Committees.**

This fiscal year we met 100 percent of Strategic Goal A performance targets. To achieve this goal, the Commission established objectives, developed strategies, and set performance targets.

### **Objective 1: The Commission will assess the national state of important civil rights issues.**

The Commission plans to achieve this objective by using the following strategies: 1) the Commission will determine civil rights issues of national significance on which to conduct informative briefings and /or hearings; and 2) the Commission will keep the Advisory Committees engaged with the Commission's investigative projects.

<b>Strategy A.1.1 - The Commission will determine civil rights issues of national significance on which to conduct informative briefings and/or hearings.</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
A.1.1.1 - The Commission will develop proposals and investigative plans to conduct investigations into civil rights issues of national significance.	Two new projects	Met
A.1.1.2 - The Commission will hold at least two briefings and/or hearings each year.	Two briefings and/or hearings	Met

**Performance Measure A.1.1.1**

During FY 2018, the Commission developed proposals and investigative plans for investigations into civil rights issues of national significance. The Commission approved the following new projects:

**Women in Prison**

The Commission will review conditions of confinement of incarcerated women in prison systems around the country. The Commission will address the ways prison systems, primarily designed for male inmates, are able to protect and care for female prisoners. Among other issues, women are particularly vulnerable to sexual assault, have gender-specific health needs prisons do not always address, often face family disruption, and can face disparities in educational and vocational programming. The Commission seeks to determine how the civil rights of incarcerated women can be upheld and protected.

**Sexual Harassment in Federal Workplaces**

The #MeToo movement, and the public discussion and revelations about sexual harassment in workplaces that it has spurred, make this a compelling time to reassess federal efforts to prevent and redress this harm. This report will examine the Equal Employment Opportunity Commission’s (EEOC) Title VII enforcement efforts to combat sexual harassment in federal workplaces, including the frequency of such claims and findings of harassment, the resources dedicated to preventing and redressing harassment, and the impact and efficacy of these enforcement efforts. This report will also examine a selection of federal agencies to determine how they handle sexual harassment claims within the agency.

**Subminimum Wages for People with Disabilities**

The Commission will undertake an examination of the oversight by the Departments of Labor and Justice of a waiver program that allows employers to pay people with disabilities less than federal minimum wage. The Fair Labor Standards Act contains an exception to

the minimum wage applicable to individuals with disabilities working for certain eligible employers who obtain a waiver under section 14(c) of that Act. The Department of Labor reports more than 1,800 employers held such a waiver as of April 2018. These employers report over 150,000 workers eligible to receive compensation below minimum wage. Some reports have indicated these employees earn extremely low wages and do not gain marketable skills. The Commission will explore programs paying less than minimum wage to people with disabilities, employees' work experiences, their ability to register complaints, and existing possibilities for them to secure competitive employment, as well as any abuses that have occurred because of ineffective monitoring. In addition, the Commission will examine how the Department of Justice is working in this area to enforce the requirements of the Americans with Disabilities Act (ADA), which requires that people with disabilities be served in integrated settings. The Commission unanimously selected this project.

#### **Performance Measure A.1.1.2**

In FY 2018, we held three public briefings.

##### ***The School-to-Prison Pipeline: The Intersections of Students of Color with Disabilities***

On December 8, 2017, the Commission held a public briefing in Washington, DC to examine compliance with federal laws designed to protect students of color with disabilities from discrimination, and whether laws adequately protect these students from discriminatory disciplinary actions and policies. The briefing follows, and is informed by, recent SAC reports from Indiana and Oklahoma on related issues. The Commission heard presentations from diverse stakeholders. Members of the public also shared their views and experiences directly with the Commission.

##### ***An Assessment of Minority Voting Rights Access in the United States***

On February 2, 2018, the Commission held a public briefing in Raleigh, North Carolina, to assess the state of minority voting rights across the country. Testimony focused in large part on the state of federal voting rights enforcement under the Voting Rights Act of 1965 since the Supreme Court's *Shelby County v. Holder* decision in 2013. We heard from 23 distinguished speakers, including current and former state and federal government officials, legal experts, academics, and civil society actors. Members of the public also shared their views and experiences directly with the Commission.

***In the Name of Hate: Examining the Federal Government’s Role in Responding to Hate Crimes***

On May 11, 2018, the Commission held a public briefing in Washington, DC to examine best practices for local law enforcement on collecting and reporting hate crime data, and the role of the Education and Justice Departments in prosecution and prevention of hate crimes and bias-motivated incidents. The Commission heard from 21 distinguished speakers including law enforcement experts, state and federal policy makers, and the public about the federal and local responses to these heinous acts. The briefing focused on three key areas: reporting practices, investigations and prosecutions, and prevention efforts.

<b>Strategy A.1.2 - The Commission will keep the Advisory Committees engaged with the Commission’s investigative projects.</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
A.1.2.1 - The Commission will regularly inform the Advisory Committees of its own past and upcoming activities	Quarterly newsletter	Met
A.1.2.2 - The Commission will keep Advisory Committees apprised of investigative priorities so that Advisory Committees can determine whether there is any beneficial overlap or alignment in their agenda setting.	Include relevant SAC reports in Commission Reports	Met
A.1.2.3 - The Staff Director or Commissioners will attend (telephonically or in-person) Advisory Committee briefings or meetings in order to maintain the connection between headquarters and the Committees.	Three Meetings	Met

**Performance Measure A.1.2.1**

The Commission regularly informs its State Advisory Committees (SACs) of the Commission’s past and upcoming activities. The Commission issued four newsletters to SAC members, relaying messages from the Chair; describing the recent and upcoming activities of the Commission, including briefings, Speaker Series events, statements, and report releases; and detailing recent and upcoming activities of State Advisory Committees, including briefings and report releases. In addition, the Commission notifies SAC members when the Commission releases civil rights reports and holds briefings, inviting SAC members to participate.

**Performance Measure A.1.2.2**

The Commission keeps its State Advisory Committees (SACs) apprised of the Commission’s investigative priorities allowing SACs to decide whether to align their work with that of the Commission. The Commission’s report, *An Assessment of Minority Voting*

*Rights Access in the United States*, provides a summary of relevant SAC reports issued and briefings held between 2008 and June 2018. The Commission used pertinent information from these reports and briefings throughout the report. The following is a summary of SAC activity on voting rights that occurred during FY 2018:

- The Alabama SAC heard testimony from several voting rights experts.
- The Alaska SAC issued an Advisory Memorandum to the Commission regarding the Alaska Native voting rights.
- The Arizona SAC issued an Advisory Memorandum to the Commission regarding potential barriers to voting in Arizona.
- The Florida SAC conducted a study of the voting rights of persons with former felony convictions in Florida.
- The Illinois SAC submitted a report to the Commission about the state of voting rights in Illinois.
- The Indiana SAC held a conference call to hear testimony about voting rights in Indiana to determine if there are barriers to vote that exist in the state.
- The Louisiana SAC held a public meeting to discuss civil rights and barriers to voting in Louisiana.
- The Maine SAC convened a briefing on voting rights in Maine.
- The New Hampshire SAC issued a report on the effects of its recent election laws and examined whether these laws had a disparate impact on voters of color.
- The Ohio SAC heard testimony regarding voting rights in Ohio.
- The Rhode Island SAC held a web conference call to discuss voting access issues in Rhode Island.
- The Texas SAC convened a public briefing on the state of voting rights in Texas and specifically the barriers to voting based on race, color, disability status, national origin, and other protected classes.

In addition, the Commission incorporated information from SAC briefings and reports in the Commission's January 2018 report on school funding inequity and the Commission's report following the survey of State Advisory Committee members regarding their civil rights priorities focused specifically on SAC member views.

### **Performance Measure A.1.2.3**

To maintain a connection between headquarters and the SACs, the Staff Director or Commissioners attended eleven State Advisory Committee meetings or briefings.

Commissioners attended State Advisory Committee briefings in Delaware, Alabama, West Virginia, South Dakota, Nevada, and Maryland. In addition to sharing greetings from the Commission, the Commissioners also observed the panelist testimony on topics relevant to Commission investigations including on policing practices, voting rights,

collateral consequences of criminal convictions, Native American civil rights, and school discipline policies.

At planning meetings, Chair Lhamon shared information with the Advisory Committee members about the current and ongoing projects of the Commission.

**Objective 2: The Commission will publish reports, letters, and statements on important civil rights issues, following investigation and as informed by research, and distribute them to the President, Congress, and the American people.**

The Commission plans to achieve this objective by using the following strategy: The Commission will continuously monitor the state of civil rights and issues of national significance, and use its expertise to report its policy recommendations.

<b>Strategy A.2.1 - The Commission will continuously monitor the state of civil rights and issues of national significance, and use its expertise to report its policy recommendations.</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
A.2.1.1 - The Commission will issue reports, including its annual statutory enforcement report, to inform its stakeholders of policy recommendations.	Two reports	Met
A.2.1.2 - The Commission will issue statements and letters on current civil rights events and issues of concern.	Five statements and/or letters	Met

**Performance Measure A.2.1.1**

The Commission issued the following four reports to inform its stakeholders of policy recommendations:

***An Assessment of Minority Voting Rights Access in the United States***

This report examines the current and recent state of voter access and voting discrimination for communities of color, voters with disabilities, and limited-English proficient citizens. It also examines the enforcement record of the United States Department of Justice regarding the provisions of the Voting Rights Act of 1965 since the Act’s last reauthorization in 2006, and particularly since the Supreme Court decision in *Shelby County v. Holder* in 2013.

The Commission voted unanimously to reach key findings including the following: The right to vote is the bedrock of American democracy. It is, however, a right that has proven fragile and in need of both Constitutional and robust statutory protections. Racial discrimination in voting has been a particularly pernicious and enduring American

problem. Voter access issues, discrimination, and barriers to equal access for voters with disabilities and for voters with limited English proficiency continue today.

The Voting Rights Act works to dislodge and deter the construction of barriers by state and local jurisdictions that block or abridge the right to vote of minority citizens. Especially following the 2013 Supreme Court decision in *Shelby County v. Holder* precluding operation of certain parts of the Voting Rights Act, the narrowness of statutory mechanisms to halt discriminatory election procedures before they are instituted has resulted in elections with discriminatory voting measures in place. After an election takes place with discriminatory voting measures, it is often impossible adequately to remedy the violation even if the election procedures are subsequently overturned as discriminatory, not least because officeholders chosen under discriminatory election rules have lawmaking power and the benefits of incumbency to continue those rules.

In states across the country, voting procedures that wrongly prevent some citizens from voting—including but not limited to: voter identification laws, voter roll purges, proof of citizenship measures, challenges to voter eligibility, and polling places moves or closings—have been enacted and have a disparate impact on voters of color and poor citizens.

The Commission unanimously voted for key recommendations, including that: Congress should amend the Voting Rights Act to restore and/or expand protections against voting discrimination that are more streamlined and efficient than existing provisions of the Act. In establishing the reach of an amended Voting Rights Act coverage provision, Congress should include current evidence of voting discrimination as well as evidence of historical and persisting patterns of discrimination. A new coverage provision should account for evidence that voting discrimination tends to recur in certain parts of the country. It also should take account of the reality that voting discrimination may arise in jurisdictions that do not have extensive histories of discrimination since minority populations shift and efforts to impose voting impediments may follow. Importantly, Congress should provide a streamlined remedy to review certain changes with known risks of discrimination before they take effect—not after potentially tainted elections.

The Commission also unanimously calls on the United States Department of Justice to pursue more Voting Rights Act enforcement in order to address the aggressive efforts by state and local officials to limit the vote of citizens of color, citizens with disabilities, and limited English proficient citizens.

The report is available at the following website:

[https://www.usccr.gov/pubs/2018/Minority\\_Voting\\_Access\\_2018.pdf](https://www.usccr.gov/pubs/2018/Minority_Voting_Access_2018.pdf)

***Contemporary Civil Rights Challenges: A View from the States, 2018 Survey of the State Advisory Committees***

This report details the Commission’s survey of SAC members, capturing data on which civil rights issues SAC members believe should be prioritized. Some of the key conclusions in the report include that, of the eight areas of civil rights that comprise Commission’s jurisdiction (color, race, religion, sex, age, disability, national origin, and administration of justice), 35.8 percent of the survey respondents rank race/color as currently the area of highest importance, followed by 22.8 percent who rank the administration of justice as highest, and 16.6 percent who rate voting rights as the highest importance. High priority civil rights topics included education, criminal justice, freedom of expression, and civil rights enforcement.

The report is available at the following website:

<https://www.usccr.gov/pubs/2018/09-07-Contemporary-Civil-Rights-Challenges.pdf>

***Public Education Funding Inequity in an Era of Increasing Concentration of Poverty and Resegregation***

The report examines the funding of K-12 education and how the inequitable distribution of these funds negatively impacts the educational opportunities of low-income students and students of color.

The majority of the Commission voted for key findings including that quality education is critical to prepare students to be contributing members of a democratic society and competitive workers in a global economy. The Commission majority also found that vast funding inequities in our state public education systems factor significantly in rendering the education available to millions of American public school students profoundly unequal.

The Commission majority found that many students in the U.S. living in segregated neighborhoods and concentrations of poverty do not have access to high-quality schools simply because of where they live, and that there is potential for housing policy to help provide better educational opportunities for these students. Low-income students and students of color are often relegated to low-quality school facilities that lack equitable access to teachers, instructional materials, technology and technology support, critical facilities, and physical maintenance. These absences can negatively impact a student’s health and ability to be attentive and can exacerbate existing inequities in student outcomes.

As data on school spending become more accurate, some scholars believe there is concrete empirical evidence that funding is critical to positive student outcomes.

The majority of the Commission voted for key recommendations, including that Congress should prioritize incentivizing states to adopt equitable public school finance systems that provide meaningful educational opportunity, promote student achievement for all students,

and close achievement gaps where they exist; increase federal funding to supplement state funding with a goal to provide meaningful educational opportunity on an equitable basis to all students in the nation's public schools; and promote the collection, monitoring, and evaluation of school spending data to determine how funds are most effectively spent to promote positive student outcomes.

The Commission majority also calls on Congress to make clear that there is a federal right to a public education. Federal, state, and local government should develop incentives to promote communities that are not racially segregated and do not have concentrated poverty, which in turn would positively impact segregation and concentrated poverty in public schools and the educational challenges associated with such schools.

The report is available at the following website:

<https://www.usccr.gov/pubs/2018/2018-02-16-Briefing-Higher-Ed.pdf>

***Working for Inclusion: Time for Congress to Enact Federal Legislation to Address Workplace Discrimination Against Lesbian, Gay, Bisexual, and Transgender Americans***

The report examines the main social and economic arguments made for and against enacting federal legislation to provide federal nondiscrimination workplace protections for lesbian, gay, bisexual, and transgender (LGBT) employees. The majority of the Commission voted for key findings including that LGBT workers have faced a long, serious, and pervasive history of official and unofficial employment discrimination by federal, state, and local governments and private employers. Such discrimination persists and has wide-ranging, damaging implications for the quality of life for many LGBT Americans, their children and families, and communities. An inconsistent and irreconcilable patchwork of state laws against LGBT workplace discrimination and federal court decisions interpreting existing federal law render LGBT employees insufficiently protected from workplace discrimination.

Our primary recommendation is directed to Congress: In order to effectively and consistently protect LGBT employees from workplace discrimination, Congress should immediately enact a federal law explicitly banning discrimination in the workplace based on sexual orientation and gender identity. We also make particular recommendations that federal agencies should issue and—where relevant—reaffirm specific guidance for federal and private employers outlining protections for LGBT individuals in the workforce, including specifically enumerating protections for transgender persons; federal agencies should also collect workplace discrimination data about LGBT employees.

The report is available at the following website:

[https://www.usccr.gov/pubs/docs/LGBT\\_Employment\\_Discrimination2017.pdf](https://www.usccr.gov/pubs/docs/LGBT_Employment_Discrimination2017.pdf)

### **Performance Measure A.2.1.2**

During FY 2018, the Commission issued the following sixteen statements and letters on current civil rights issues:

#### **Subject: Sentencing Reform Legislation**

On November 13, 2017, the Commission, by majority vote, expressed the Commission's support for certain sentencing reduction provisions in the bipartisan Sentencing Reform and Corrections Act of 2017, recently introduced in the Senate. The bill proposes to reduce mandatory minimum sentences for particular nonviolent offenses and to return discretion to judges on sentencing in more cases. It moves sentencing levels down in many cases so that low-level crimes are adequately but not excessively punished. It also makes retroactive sentencing reductions in crimes involving crack cocaine, which, prior to the enactment of the Fair Sentencing Act of 2010, were punished with extreme sentences compared with crimes involving powder cocaine. The fair administration of justice requires criminal penalties to be proportional to the offense committed and for similar crimes to be subject to similar punishments. In addition, fair administration depends on public faith in the American justice system; this bipartisan bill takes important steps to restore the basis for that faith by addressing longstanding inequity.

The statement is available at the following website: <https://www.usccr.gov/press/2017/11-13-statement.pdf>.

#### **Subject: Alleged Abusive Labor Practices at Immigration Detention Centers**

On December 21, 2017, the Commission, by majority vote, called on the Department of Homeland Security and Congress to investigate alleged abusive labor practices at government and privately operated immigration detention centers and require fair wages for all detainees. Government and privately run detention centers have financial incentives to use detainee labor to cut costs. In the case of privately run detention centers, the Commission is concerned with the added pressure to coerce detainees to perform necessary labor in order to maximize profits, which is absent from government-operated facilities.

The statement is available at the following website: <https://www.usccr.gov/press/2017/12-21-PR.pdf>.

#### **Subject: Concern with Alleged Abusive Labor Practices at Immigration Detention Centers**

On January 2, 2018, the Commission wrote a letter to the Chairman and Ranking Member for the United States Senate Committee on the Judiciary and the Chairman and Ranking

Member for the United States House of Representatives Judiciary Committee. The Commission called on Congress to hold a hearing to investigate labor practices at immigration detention centers, pass legislation requiring all detention centers to pay a fair wage for detainees, and conduct greater oversight to protect the rights of working detainees.

The letter is available at the following website:

<https://www.usccr.gov/press/2018/01-02.pdf>

**Subject: Attorney General Jeff Sessions' Withdrawal of Critical Civil Rights Guidance**

On February 12, 2018, the Commission wrote a letter to the Honorable Jeff Sessions, U.S. Attorney General urging the Attorney General to correct an erroneous decision to rescind the Department of Justice's March 2017 Dear Colleague Letter on Enforcement of Fines and Fees, its January 2017 advisory on juvenile fines and fees, and multiple documents on the Americans with Disabilities Act.

The letter is available at the following website:

<https://www.usccr.gov/press/2018/02-14.pdf>

**Subject: Department of Justice's Office for Access to Justice**

On March 16, 2018, the Commission issued a statement, by majority vote, calling on Attorney General Jeff Sessions to ensure the Department of Justice's Office for Access to Justice [hereinafter "Office"] is fully operational and able to perform its functions. The Office safeguards access to justice on behalf of people who cannot afford lawyers so that the justice system delivers outcomes that are fair and accessible to all, regardless of income. The Commission is concerned about reports that the Attorney General has functionally closed the Office by reducing its staff and shifting its resources elsewhere within the Department. Attorney General Sessions should immediately reconstitute the Office with dedicated staff and to rescind any efforts otherwise.

The statement is available at the following website: <https://www.usccr.gov/press/2018/03-16-statement-DOJ.pdf>.

**Subject: Federal Civil Rights Enforcement Budgets for FY2019**

On March 16, 2018, the Commission issued a statement, by majority vote, urging Congress to prioritize civil rights in the Fiscal Year 2019 budget. The Commission expressed its dismay that the Administration's proposed budget for Fiscal Year 2019 again drastically cuts civil rights enforcement across key federal agencies.

The statement is available at the following website: <https://www.usccr.gov/press/2018/03-16-statement-2019-budget.pdf>.

**Subject: EPA Decision on Uniontown, Alabama**

On March 16, 2018, the Commission issued a statement, by majority vote, expressing deep concern over the Environmental Protection Agency’s decision to dismiss two Uniontown, Alabama civil rights investigations without violation findings. Sadly, these dismissals continue the EPA’s disturbing and longstanding track record—which this Commission documented—of not making a formal finding of discrimination or denying or withdrawing financial assistance from a recipient for civil rights violations.

The statement is available at the following website: <https://www.usccr.gov/press/2018/03-16-statement-EPA.pdf>.

**Subject: Placing Immigration Enforcement Officers at Public Courthouses**

On March 16, 2018, members of the Commission wrote a letter to Thomas D. Homan, Deputy Director and Senior Official Performing the Duties of the Director for U.S. Immigration and Customs Enforcement. The members wrote to express their continuing concern with U.S. Immigration and Customs Enforcement’s (ICE) policy allowing immigration enforcement actions inside courthouses and its dangerous consequences that undermine our judicial system.

The letter is available at the following website:  
<https://www.usccr.gov/press/2018/03-16-statement-ICE.pdf>

**Subject: Imposition of Immigration Judge Quotas**

On April 20, 2018, the Commission, by majority vote, issued a statement denouncing the imposition of immigration judge quotas by the U.S. Department of Justice. Although addressing the substantial immigration case backlog is critically important, imposing quotas is the wrong approach and will do little to address the problem. Quotas will negatively affect the quality of immigration decisions and increase judicial errors that have life-or-death consequences and will only create inefficiencies on the appellate level. In addition, measuring judges by the number of cases they close rather than the quantum of justice they deliver and the soundness of their decisions badly misses the mark for actual access to justice.

The statement is available at the following website: [www.usccr.gov/press/2018/04-20-Immigration-Quota-Statement.pdf](http://www.usccr.gov/press/2018/04-20-Immigration-Quota-Statement.pdf).

**Subject: 2020 Census Questionnaire**

On April 20, 2018, members of the Commission wrote a letter to the Honorable Wilbur Ross, Secretary of the U.S. Department of Commerce. The members wrote to express their deep civil rights concern with the recent decision to add a citizenship question to the 2020 Census Questionnaire, in response to a request from the Department of Justice, and urge the Secretary reconsider this decision.

The letter is available at the following website:

<https://www.usccr.gov/press/2018/04-20-Census-Letter.pdf>

**Subject: The Civil Rights Implications of “Broken Windows” Policing in New York City and General NYPD Accountability to the Public.**

On May 17, 2018, the Commission wrote a letter to Senator John Flanagan, the President and Majority Leader of the New York Senate and Senator Andrea Stewart-Cousins, Democratic Conference Leader of the New York State Senate. The Commission transmitted the New York Advisory Committee’s report, *The Civil Rights Implications of “Broken Windows” Policing in New York City and General NYPD Accountability to the Public*.

The letter is available at the following website:

<https://www.usccr.gov/press/2018/05-21-18.pdf>

**Subject: Civil Rights and Policing Practices in Minnesota**

On May 21, 2018, the Commission wrote a letter to Senator Paul E. Gazelka, Majority Leader; Senator Thomas M. Bakk, Minority Leader; and Senator Warren Limmer, Chair, of the Judiciary and Public Safety Finance and Policy Committee of the Minnesota Senate. The Commission transmitted the Minnesota Advisory Committee’s report, *Civil Rights and Policing Practices in Minnesota*.

The letter is available at the following website:

<https://www.usccr.gov/press/2018/05-24-18.pdf>

**Subject: Civil Rights and Voting in Illinois**

On June 1, 2018, the Commission wrote a letter to President John J. Cullerton, Speaker Michael J. Madigan, and Senator William E. Brady of the Illinois Senate and Rep. Jim Durkin of the Illinois House of Representatives. The Commission transmitted the Illinois Advisory Committee’s report, *Civil Rights and Voting in Illinois*.

The letter is available at the following website:  
<https://www.usccr.gov/press/2018/06-06-18.pdf>

**Subject: Separating Children from their Families after Crossing the Southern Border**

On June 15, 2018, the Commission wrote a letter to Honorable Jeff Sessions, U.S. Attorney General and the Honorable Kirstjen Nielsen, Secretary of U.S. Department of Homeland Security. The Commission urged the Departments of Justice and Homeland Security to stop separating children from their families after crossing our southern border.

The letter is available at the following website:  
<https://www.usccr.gov/press/2018/06-15-18-letter.pdf>

**Subject: Fines and Fees and Bail Reform**

On July 24, 2018, the Commission wrote a letter to Brian E. Frosh, Attorney General of Maryland. The Commission transmitted the Maryland Advisory Committee’s report, *Fines and Fees and Bail Reform*.

The letter is available at the following website:  
<https://www.usccr.gov/press/2018/08-03-18-letter.pdf>

**Subject: Supreme Court Decision in Muslim Ban Case**

On July 13, 2018, the Commission issued a statement, by majority vote, disagreeing with the Supreme Court’s 5-4 decision in *Trump v. Hawaii*. The decision upholds the Presidential Proclamation—otherwise known as the Muslim ban—restricting entry of nationals from eight countries, six of which are Muslim-majority. Last year, the Commission majority issued a statement of concern over the discriminatory implications of the Executive Order that preceded the Presidential Proclamation the Court eventually reviewed. *Trump v. Hawaii* adds another regrettable chapter to our nation’s history of unjustly decided cases. While we acknowledge the importance of the Supreme Court finally overturning its “gravely wrong” *Korematsu* decision, the Commission finds that it did so while simultaneously perpetuating the same mistake in giving too much deference to the President and dangerously ignoring the animus underlying both cases.

The statement is available at the following website: <https://www.usccr.gov/press/2018/07-13-18-Statement.pdf>.

**Objective 3: The Commission’s Advisory Committees as a group will hold briefings and meetings on civil rights concerns in their jurisdiction and issue publications on their concerns, providing recommendation for action on those issues.**

The Commission plans to achieve this objective by using the following strategies: 1) the Commission will maintain all 51 Advisory Committees; and 2) the Commission’s Advisory Committees will assess the state of civil rights, or a particular civil rights issue, in their jurisdiction.

<b>Strategy A.3.1 - The Commission will maintain all 51 Advisory Committees.</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
A.3.1.1 - The Commission will ensure that each Advisory Committee is promptly appointed after expiration.	90% currently appointed Advisory Committees	Met

**Performance Measure A.3.1.1**

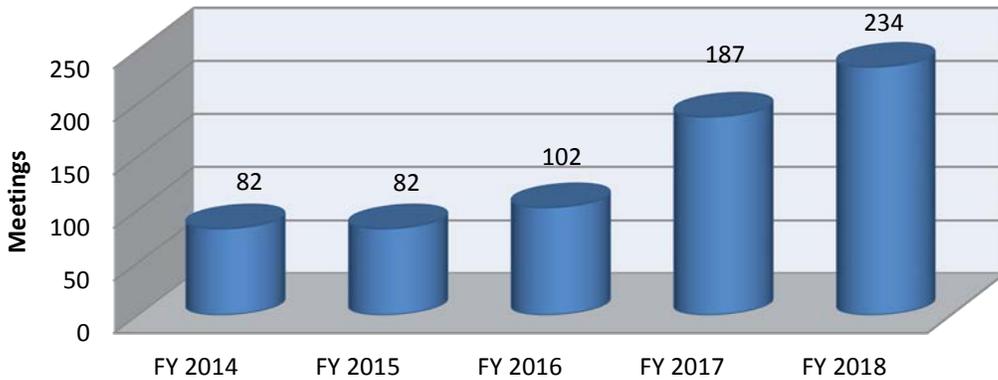
The Commission’s State Advisory Committees operate in compliance with the Federal Advisory Committee Act (FACA). FACA requires that agencies file federal advisory committee charters every two years. The charter for all advisory committees is current. Commissioners appoint members to advisory committees based on the Staff Director’s recommendations. Currently all 51 State Advisory Committees have appointed members.

<b>Strategy A.3.2 - The Commission’s Advisory Committees will assess the state of civil rights, or a particular civil rights issue, in their jurisdiction.</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
A.3.2.1 - Advisory Committees will develop proposals and investigative plans to conduct investigations into civil rights issues of significance in their jurisdiction.	Ten meetings	Met
A.3.2.2 - Advisory Committees will hold briefings, public forums, or another mechanism.	Five briefings or hearings	Met
A.3.2.3 - Advisory Committees will publish reports, statements, memoranda, or other publications to provide policy recommendations to the Commission.	Five publications	Met

**Performance Measure A.3.2.1**

State Advisory Committees develop proposals and investigative plans to conduct investigations into civil rights issues of significance in their jurisdiction. During FY 2018, SACs had 234 planning meetings. In FY 2017, the SACs had 187 planning meetings.

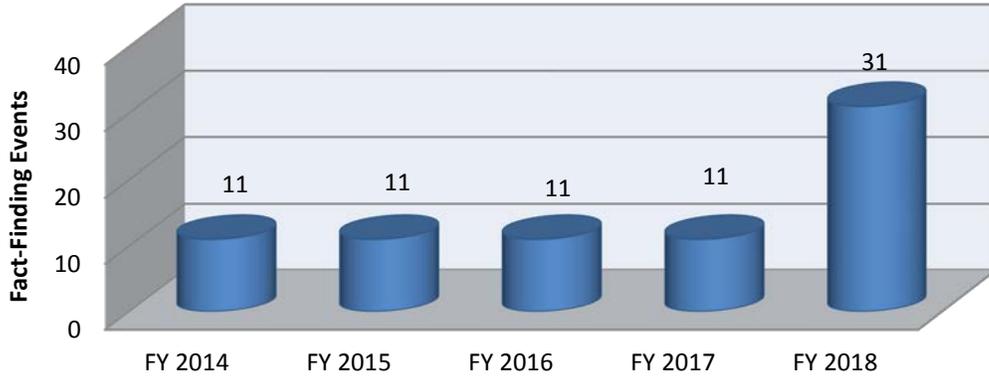
**Regional Office Planning Meetings**



**Performance Measure A.3.2.2**

State Advisory Committees held briefings and meetings to conduct investigations into civil rights issues. During FY 2018, SACs held 31 fact-finding events. In FY 2017, the SACs held 11 fact-finding events.

### Regional Office Fact-Finding Events



### Performance Measure A.3.2.3

State Advisory Committees, with the support of regional staff, publish reports, statements, and memoranda. In FY 2018, SACs published 19 reports and memoranda. In FY 2017, SACs published nine reports and memoranda.

### State Advisory Committee Reports and Memoranda



State Advisory Committees published the following reports and memoranda:

### **Summary and Analysis of Racial Discrimination in Criminal Prosecution and Sentencing in Maine**

On August 14, 2014, the Maine Advisory Committee to the U.S. Commission on Civil Rights convened a public briefing to gather information from government and elected officials, legal experts, and others regarding race-based disparities in sentencing and criminal prosecution in Maine. The Committee heard testimony about the status of fair sentencing and potential ways to address racial sentencing disparities, if found. The resulting Advisory Memorandum serves the following purposes: 1) outlines the background and national context for the Committee's project; 2) reports findings and themes from the August 14, 2014, public hearing; 3) lists the Committee's recommendations for systemic improvements in addressing racial disparities in Maine; and 4) concludes the Committee's project on the analysis of racial discrimination in criminal prosecution and sentencing in Maine.

The report or memorandum is available at the following website:  
<https://www.usccr.gov/pubs/docs/2017-12-07-Advisory-Memo.pdf>

### **Fees and Fines and Bail Reform in Maryland**

On April 25, 2017, the Maryland Advisory Committee to the U.S. Commission on Civil Rights convened a public briefing to gather information from government officials, legal experts, and others regarding the impact of fees, fines, and money bail on persons of limited means, on communities color, and on the administration of justice in the state of Maryland. Specifically, the Committee sought substantive information and understanding as to whether Maryland or its local jurisdictions use court-imposed financial penalties (fines and fees) and money bail in ways that may violate the constitutional and civil rights of persons on the basis of race, ethnicity, gender or disability, or in ways that may violate such rights of racial and ethnic minority groups, gender groups (particularly women) and those with disabilities who happen to be poor or otherwise live in poverty.

The report or memorandum is available at the following website:  
<https://www.usccr.gov/pubs/2018/2018-02-26-Fees-Fines-MD.pdf>

### **Civil Rights and Policing Practices in Minnesota**

On March 21, 2017, the Minnesota State Advisory Committee to the U.S. Commission on Civil Rights hosted a public hearing to obtain testimony from academics, community

leaders, judiciary and law enforcement, and policy-makers on the relationship between civil rights and police practices in Minnesota. The purposes of this report are: (1) to relay the civil rights concerns brought forth by the panelists as they relate to disparities in police practices; and (2) to lay out specific recommendations to the Commission regarding actions that can be taken to better understand and address these issues. The report begins with a brief account of recent events involving police and communities of color in Minnesota, specifically, and the U.S. more broadly. It then offers an analysis of the civil rights concerns presented in testimony during the hearing. It concludes with a series of specific findings and recommendations to the commission to further address these issues.

The report or memorandum is available at the following website:

<https://www.usccr.gov/pubs/2018/03-22-MN-Civil-Rights.pdf>

### **The Civil Rights Implications of "Broken Windows" Policing in NYC and General NYPD Accountability to the Public**

On March 20 and 21, 2017, the New York Advisory Committee to the U.S. Commission on Civil Rights convened a public briefing on “broken windows” policing in New York City, as well as the accountability structures and oversight mechanisms governing the New York City Police Department (NYPD). This report recommends that the New York Police Department abandon “broken windows” policing as a policy, in order to minimize the potential for discrimination against individuals of color; ensure line officers are not incentivized to punish low-level, nonviolent offenses; and reduce the path to prison for individuals of color. The Committee focused its inquiry on whether low-level NYPD enforcement disproportionately affects communities of color in New York City, and particularly the youth in those communities. The report calls for New York City to invest in community service or restorative justice programs as alternatives to criminal and civil summonses for all low-level, nonviolent crimes and violations, particularly for youth and those who are not repeat offenders. It also recommends that the NYPD rigorously enforce its recent “no quotas” directive.

The report or memorandum is available at the following website:

<https://www.usccr.gov/pubs/2018/03-22-NYSAC.pdf>

### **Voting Rights in New Hampshire**

On May 22, 2014, the New Hampshire Advisory Committee to the U.S. Commission on Civil Rights held a briefing to examine election laws to see how New Hampshire’s changes affect its voters—looking particularly for any evidence suggesting these changes might have a disparate impact on voters of color. The Committee found that for the purposes of guaranteeing equal access to voting, New Hampshire does a tremendous amount right. The

Committee is encouraged by New Hampshire's consistently high turnout and commitment towards making sure everyone's vote is counted on Election Day. Nonetheless, the Committee finds five areas in which New Hampshire voting procedures could be improved: voter identification, voter registration, voting absentee, training of election officials, and public awareness.

The report or memorandum is available at the following website:  
<https://www.usccr.gov/pubs/2018/05-16-NH-Voting-Rights.pdf>

### **Alaska Native Voting Rights**

On August 24, 2017, the Alaska Advisory Committee to the U.S. Commission on Civil Rights convened a public meeting to hear testimony regarding Alaska Native voting rights. The Committee's inquiry was two-fold: 1) to determine whether the State of Alaska is providing access to language minority Alaska Natives in accordance with the *Toyukak v. Mallott* settlement and court order, and 2) to determine the potential impact of mail-in voting on Alaska Native voters. This advisory memorandum begins with a brief background of the issue considered by the Committee, identifies primary findings as they emerged from this testimony, and recommendations for addressing related civil rights concerns.

The report or memorandum is available at the following website:  
<https://www.usccr.gov/pubs/2018/05-25-AK-Voting-Rights.pdf>

### **Voting Rights in Ohio**

On January 17, 2018, the Ohio Advisory Committee to the U.S. Commission on Civil Rights elected to undertake a study of voting rights in the state. Specifically, in support of the Commission's 2018 Statutory Enforcement Report on voting rights in the United States, the Committee sought to review related testimony received during a Committee briefing in 2006 to: (1) determine the extent to which voting rights concerns raised in 2006 remained challenges in Ohio in 2018; and (2) identify any new voting rights concerns that may have surfaced in Ohio since that time. As part of its review, the Committee held additional briefings on March 2, 2018 and March 9, 2018. Panelists who had presented to the Committee in 2006 on the topic of voting rights were invited to return to update their testimony. Additional panelists currently involved in voting administration and advocacy were also invited to participate. The advisory memorandum begins with a brief background of the issue considered by the Committee. It then identifies primary findings as they emerged from this testimony. Finally, it makes recommendations for addressing related civil rights concerns.

The report or memorandum is available at the following website:  
<https://www.usccr.gov/pubs/2018/06-27-OH-Voting-Rights.pdf>

### **Voting Rights in Maine**

On March 21, 2018, the Maine Advisory Committee to the U.S. Commission on Civil Rights had a briefing on the recent election law changes in Maine. The Committee examined election law changes and identifies whether there were efforts to suppress the vote. It invited experts and knowledgeable individuals to provide information to the Committee to help it better understand voting rights in Maine. The Committee heard from the Maine Secretary of State and representatives from the ACLU of Maine, Disability Rights Maine, the League of Women Voters of Maine, the Maine Heritage Policy Center, and the Portland Branch of the Maine National Association for the Advancement of Colored People. The Committee learned that in-person voter fraud is non-existent in Maine. The Committee also concludes that because voter fraud is essentially nonexistent (there has been only one case of voter fraud prosecuted in over 30 years), there is no basis for imposing Voter ID requirements.

The report or memorandum is available at the following website:  
<https://www.usccr.gov/pubs/2018/06-29-ME-Voting-Rights.pdf>

### **Civil Rights and Voting in Illinois**

On March 9, 2017, the Illinois Advisory Committee to the U.S. Commission on Civil Rights Committee convened a public meeting in Chicago, Illinois to hear testimony regarding challenges and recommendations to improve access to voting across Illinois. Specifically, the Committee sought to examine potential disparities regarding access to voting and discrimination based upon the protected categories of the electorate as designated by the Constitution. The Committee also sought to explore challenges to voting facing the incarcerated and formerly incarcerated, Limited English Proficient individuals, individuals with disabilities, and those experiencing homelessness. The report begins with a brief background of the issue considered by the Committee. It then presents an overview of the testimony received. Finally, it identifies primary findings as they emerged from this testimony, as well as recommendations for addressing related civil rights concerns.

The report or memorandum is available at the following website:  
<https://www.usccr.gov/pubs/2018/IL-Voting-Rights.pdf>

### **Voting Rights in Texas**

On March 13, 2018, the Texas Advisory Committee to the U.S. Commission on Civil Rights convened a public meeting to hear testimony regarding potential barriers to voting

in the state of Texas that may have a discriminatory impact on voters based on race, color, sex, disability status, and national origin. It begins with a brief background of state-specific voting rights issues, identifies primary findings as they emerged from this testimony, and recommendations for addressing related civil rights concerns. This memo is intended to focus specifically on potential barriers to voter registration, access to and administration of polling locations, and language access. While other important topics surfaced throughout the Committee's inquiry, those matters that are outside the scope of this specific civil rights mandate are left for another discussion.

The report or memorandum is available at the following website:  
<https://www.usccr.gov/pubs/2018/07-23-TX-Voting-Rights.pdf>

### **Voting Rights in Arizona**

On March 9, 2018, the Arizona Advisory Committee to the U.S. Commission on Civil Rights convened a public meeting to hear testimony regarding voting rights in Arizona. This advisory memorandum results from testimony provided during the March 9, 2018 meeting of the Committee, testimony submitted to the Committee in writing, and testimony received during the January 11, 2018 meeting of the Native American Voting Rights Coalition. The report begins with a brief background of issues considered by the Committee, identifies primary findings as they emerged from this testimony, and recommendations for addressing related civil rights concerns. The memo is intended to focus specifically on 1) potential barriers to voting in the areas of language access, bifurcated voter registration system, voter ID law, and restriction on mail-in ballots; and 2) the impact of the *Shelby County v. Holder* decision, specifically regarding access to polling locations.

The report or memorandum is available at the following website:  
<https://www.usccr.gov/pubs/2018/07-25-AZ-Voting-Rights.pdf>

### **Voting Rights in Indiana**

On March 9, 2018, the Indiana Advisory Committee to the U.S. Commission on Civil Rights convened a public meeting to hear testimony regarding voting rights in Indiana. This advisory memorandum begins with a brief background of the issue considered by the Committee. It then presents an overview of the testimony received. Finally, it identifies primary findings as they emerged from this testimony, as well as recommendations for addressing related civil rights concerns. This memo is intended to focus specifically on concerns of disparate impact regarding voting rights. While other important topics may have surfaced throughout the Committee's inquiry, those matters that are outside the scope of this specific civil rights mandate are left for another discussion.

The report or memorandum is available at the following website:  
<https://www.usccr.gov/pubs/2018/07-25-IN-Voting-Rights.pdf>

### **Access to Voting in Alabama**

On February 22, 2018, the Alabama Advisory Committee to the U.S. Commission on Civil Rights convened a public meeting to hear testimony on access to voting in Alabama, which may have a disparate impact on voters on the basis of race, color, national origin, disability status, or religion, or in the administration of justice. The objective of the study is to determine whether any changes in Federal law or policy are necessary to guarantee protected classes of individuals the right to vote. As one of the preclearance states under the Voting Rights Act of 1965, the Alabama Committee chose to examine the impact in the state of the *Shelby County v. Holder* decision, as well as any subsequent proliferation of restrictions on voter access. The Committee hopes that such information will lead to a better understanding of the current state of access to the franchise, as well as to specific recommendations for addressing identified problems. This summary of the February 22, 2018 hearing held in Montgomery, Alabama is intended to provide testimony to the Commission in hopes of providing a boots-on-the-ground view of the current status of access to voting in the state of Alabama.

The report or memorandum is available at the following website:  
<https://www.usccr.gov/pubs/2018/08-08-AL-Voting-Access.pdf>

### **Barriers to Voting in Louisiana**

On November 15, 2017 and December 6, 2017, the Louisiana Advisory Committee to the U.S. Commission on Civil Rights convened public meetings to hear testimony on barriers to voting in Louisiana. The Committee sought to discover what obstacles to voting, if any, exist in Louisiana. Additionally, the Committee questioned the impact, if any, of the *Shelby County* decision, which held Section 4(a) of the Voting Rights Act as unconstitutional, eliminating the preclearance requirement for changing voting laws in the state of Louisiana. The Committee also sought to discover the proliferation, if any, of restrictions on voter access in the state of Louisiana. This report documents civil rights concerns raised by panelists with respect to barriers to voting throughout the state of Louisiana and discusses possible strategies for improving voter access in Louisiana. Based on the findings of this report, the Committee offers to the Commission recommendations for addressing this issue of national importance.

The report or memorandum is available at the following website:  
<https://www.usccr.gov/pubs/2018/08-20-LA-Voting-Barriers.pdf>

## **Advisory Memorandum on Solitary Confinement in Connecticut**

On February 7, 2017, the Connecticut Advisory Committee to the U.S. Commission on Civil Rights convened a public briefing to hear testimony regarding civil rights concerns related to the use of solitary confinement in the state. The Committee held the briefing to examine whether there are disparities in solitary confinement practices and the underlying factors that contribute to such disparities. At the February briefing, the SAC heard from the Commissioner of the Department of Corrections, medical experts, advocates, and academicians. After the briefing, the Governor signed a law that prohibits solitary confinement in administrative segregations status (the harshest form of solitary confinement) and includes transparency provisions that require an annual report with detailed information about the number of inmates placed in solitary confinement during the preceding 12 months and the duration of the confinement. While the SAC recognizes that the legislation is a positive step in the right directions, the SAC is concerned that the eligibility criteria to be referred to administrative segregation remains broad and vague and the steps to be discharged from the program are also vague and do not guarantee successful completion.

The report or memorandum is available at the following website:

<https://www.usccr.gov/pubs/2018/09-07-CT-Solitary-Confinement.pdf>

## **The Civil Rights Implications of Tennessee's Civil Asset Forfeiture Laws and Practices**

On July 24, 2017, the Tennessee's Advisory Committee to the U.S. Commission on Civil Rights convened a public hearing to take testimony regarding the civil rights implications of asset forfeiture in Tennessee. The Committee heard testimony from invited panelists, including Tennessee law enforcement officials, state legislators, legal professionals, academic experts, community advocates, and individuals with experience related to civil forfeiture. In connection with its investigation, the Committee also examined new data on civil asset forfeiture in Tennessee that is now publicly available due to reforms enacted by the Tennessee General Assembly in 2016 and 2017. The Committee also conducted additional research and a cross-jurisdictional comparison of Tennessee's civil forfeiture practices. In light of the concerns raised through its investigation, the Committee recommends that the Tennessee General Assembly and the Governor consider the experiences of other states that have reformed their civil asset forfeiture laws to ensure due process. To that end, the Committee includes in this report recommendations for short-term, mid-term, and long-term reforms to Tennessee's civil forfeiture law. Such reforms would further the law's stated goals of protecting due process of law and the rights of

innocent property owners, while ensuring the fair and equitable administration of justice within the State of Tennessee.

The report or memorandum is available at the following website:

<https://www.usccr.gov/pubs/2018/09-12-TN-Civil-Laws.pdf>

### **Housing Discrimination in Vermont: A Handshake and a Smile**

On August 10, 2015, the Vermont Advisory Committee to the U.S. Commission on Civil Rights convened a public briefing on housing discrimination. The purpose of the briefing was to gather information and hear from government officials and advocates about the nature and extent of housing discrimination in Vermont and whether and how effectively the state is meeting its fair housing obligations. The Committee heard presentations from government officials, advocates, and private sector representatives. The issues and findings identified during the briefing include the following: Discrimination against people who are members of protected classes under state and federal law persists in Vermont; Today, this discrimination is more subtle, meaning some individuals do not realize they are being discriminated against; Complaints of discrimination on the basis of disability are the most frequently reported, followed by discrimination on the basis of familial status and receipt of public assistance; Discrimination may occur because landlords do not understand their legal obligations under federal and state fair housing laws; and Vermont has a shortage of affordable housing, especially accessible and affordable housing, and also lacks intermediate housing options for people who are ineligible for housing but cannot afford most middle-income apartments.

The report or memorandum is available at the following website:

<https://www.usccr.gov/pubs/2018/09-21-VT-Housing.pdf>

### **The Colorado Constitution's No Aid to Sectarian Institutions Clause and its Impact on Civil Rights**

On July 18, 2017, the Colorado Advisory Committee to the U.S. Commission on Civil Rights convened a public hearing on the Colorado constitution's no aid clause and its impact in Colorado. Five experts with diverse viewpoints testified and presented written reports. Members of the public also testified. The Advisory Committee investigated the past and present of a clause in the Colorado Constitution that prohibits any state aid to "sectarian" institutions. In December 2017, a draft report was published and made available to the public. Members of the public were invited to submit written comments. On January 24, 2018, the Colorado Advisory Committee held a public teleconference to discuss the public comments. This report details civil rights concerns relating to religious

discrimination in Colorado, as based on the anti-“sectarian” clause in the Colorado Constitution, Article IX, § 7.

The report or memorandum is available at the following website:

<https://www.usccr.gov/pubs/2018/09-27-CO-Sectarian.pdf>

### **Elder Abuse in New Mexico**

On June 24, 2016, the New Mexico Advisory Committee to the U.S. Commission on Civil Rights Committee convened an all-day public meeting to hear testimony on the issue of the abuse of elders and elder civil rights in New Mexico. Community stakeholders presented testimony followed by questions from Committee members. The Committee identified a concern in New Mexico over reported irregularities in the guardianship of elders. Elder abuse is a form of age discrimination through which individuals are disproportionately targeted for abuse. As such, elder abuse requires legal remedies and specific social and political solutions that involve structural and policy mechanisms designed to protect elders’ civil rights. To produce this report, members of the Committee reviewed the transcripts of oral and written testimony, and consulted public documents, media reports, and available population data. The Committee submits this report detailing the dynamics of elder abuse in New Mexico for consideration by the public and by the Commission, and urges the Commission to revisit elder abuse as an issue of national significance.

The report or memorandum is available at the following website:

<https://www.usccr.gov/pubs/2018/09-27-NM-Elder-Abuse.pdf>

**Strategic Goal B: The Commission will serve as a national clearinghouse to inform and raise awareness on civil rights issues amongst the general public.**

This fiscal year we met 100 percent of Strategic Goal B performance targets. To achieve this goal, the Commission established objectives, developed strategies, and set performance targets.

**Objective 1: The Commission will keep the public apprised of historical and current civil rights issues.**

The Commission plans to achieve this objective by using the following strategy: 1) the Commission will routinely host public speakers to share their experience and expertise on historical and current civil rights issues.

<b>Strategy B.1.1 - The Commission will routinely host public speakers to share their experience and expertise on historical and current civil rights issues.</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
B.1.1.1 - Holding Speaker Series sessions in conjunction with business meetings	Three Speaker Series' sessions	Met

**Performance Measure B.1.1.1**

During its regular scheduled business meetings, the Commission holds a Speaker Series where scholars and other experts present information about important civil rights events, history, or topics. These presentations help educate and inform the Commissioners, staff, and the public about current and historic civil rights issues and events.

**Commemoration of Women’s History Month**

On March 16, 2018, the Commission commemorated Women’s History Month with presentations by Page Harrington, Public Historian and Preservationist, and Fatima Goss Graves, President and CEO of the National Women’s Law Center. Page Harrington spoke on her work with women’s equality and Fatima Goss Graves discussed the history of advocacy for women’s rights.

**50 Years Later: Reflecting on the 1968 U.S. Commission on Civil Rights Hearings on the Civil Rights of Mexican-Americans**

On June 15, 2018, the Commission heard presentations by J. Richard Avena, Former Director, Commission’s then-Field Office, San Antonio; Robert Brischetto, Ph.D., Founding Executive Director, Southwest Voter Research Institute; and Candace Zepeda, Ph.D. Chair, Department of English, Mass Communication and Drama, Our Lady of the Lake University on the Commission’s public hearing on the civil rights of Mexican Americans, held in San Antonio in 1968. The speakers reflected on the impetus for the hearings in 1968, as well as the progress in the fifty years since.

**Healing Our Divided Society: Investing in America Fifty Years after the Kerner Report**

On July 13, 2018, the Commission heard a presentation from Alan Curtis, Ph.D., President and CEO of the Milton S. Eisenhower Foundation, on Healing Our Divided Society, the Foundation’s reexamination of the work still necessary to meet the goals of the Kerner Report, 50 years later. In 1967, President Johnson established the National Advisory

Commission on Civil Disorders, known as the Kerner Commission, to address unrest in Detroit and other American cities. In its 1968 report, the Commission stated “This is our basic conclusion: Our nation is moving toward two societies, one black, one white—separate and unequal.” The report recommended programs and large-scale investments to improve access to education, fair housing, employment training, and other dimensions, to tackle the vast inequalities it witnessed.

**Objective 2: The Commission will keep the public apprised of its activities, including the State Advisory Committees’ investigatory and fact-finding activities.**

The Commission plans to achieve this objective by using the following strategies: 1) expand press outreach; 2) increase access to Commission briefings, hearings, and business meetings; and 3) inform the Advisory Committees of activities by headquarters and of other Advisory Committees in different regions.

	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
<b>Strategy B.2.1 - Expand press outreach</b>		
B.2.1.1 - The Commission will regularly publicize Commission and Advisory Committee briefings and other events.	10 Press releases or media posts	Met
B.2.1.2 - The Commission will regularly publicize the release of reports or other publications by the Commission and its Advisory Committees.	10 Press releases or media posts	Met

**Performance Measure B.2.1.1**

The Commission regularly publicizes Commission and Advisory Committee briefings and other events through press releases, media advisories, information flyers, and website updates. During FY 2018, the Commission issued 54 press releases or media posts publicizing Commission and Advisory Committee briefings and other events.

**Performance Measure B.2.1.2**

The Commission regularly publicizes the release of reports and other publications by the Commission and Advisory Committees through press releases, media advisories, information flyers, and website updates. During FY 2018, The Commission issued 24 press releases or media posts publicizing Commission and Advisory Committee reports or other publications.

<b>Strategy B.2.2 - Increase access to Commission briefings, hearings, and business meetings</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
B.2.2.1 - The Commission will use technology, including live streaming, phone lines, and social media, to provide immediate public access to its meetings, briefings, publications, and other activities.	2 live streamed events	Met

**Performance Measure B.2.2.1**

The Commission uses technology to provide the public with access to its meetings, briefings, publications, and other activities. During FY 2018, the Commission live streamed its six in-person business meeting and three briefings. The public can view the video for these events following website: <https://www.youtube.com/user/USCCR>. The Commission also provides a call-in line for individuals who desire to listen to the Commission’s telephonic business meetings. In FY 2018, the Commission held three telephonic business meetings. The Commission advises the public of its meetings and briefings through its web page, press releases, Twitter, and Facebook.

<b>Strategy B.2.3 - Inform the Advisory Committees of activities by headquarters and of other Advisory Committees in different regions</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
B.2.3.1 - Ensure a regular update to Advisory Committees of activities by headquarters as well as the other Advisory Committees	Quarterly newsletter	Met

**Performance Measure B.2.3.1**

The Commission issued four quarterly newsletters to its State Advisory Committees.

**Objective 3: Elevate the public profile of the Commission as a national authority on civil rights issues**

The Commission plans to achieve this objective by using the following strategy: Expand the opportunities for the Chair or other designated spokesperson to speak directly to the public on civil rights issues.

<b>Strategy B.3.1 - Expand the opportunities for the Chair or other designated spokesperson to speak directly to the public on civil rights issues</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
B.3.1.1 - Ensure that the Chair or other designated spokesperson speaks directly to the public about civil rights	2 speaking engagements with national reach in the fiscal year	Met

**Performance Measure B.3.1.1**

In Fiscal Year 2018, Chair Lhamon has participated in numerous gatherings around the country with Commission stakeholders including Members of Congress, policy makers, civil rights advocates, academics, and community leaders. Chair Lhamon has communicated the perspective of the Commission on key civil rights issues as well as the Commission’s recent reports, current investigations, and upcoming projects.

In addition to the formal speaking engagements noted below, Chair Lhamon has also met with numerous advocacy groups and leaders to hear their civil rights concerns and share information about the Commission’s work. In addition, Chair Lhamon maintains an email list to communicate with stakeholders about activities of the Commission to share broadly information about Commission events, investigations, and other activities.

Chair Lhamon has also participated in extensive media outreach in order to reach a broader audience with the American public. This includes interviews with the following press outlets about the Commission’s work: ABA Journal, Associated Press, CBS, Christian Science Monitor, Fox News, LA Times, Ms. Magazine, national and local NPR stations, New York Times, Politico, PolitiFact, ProPublica, Vice News, Washington Post, and the 74. Additionally, Chair Lhamon interviewed with local press affiliates during the Commission’s field briefing in North Carolina.

The Chair has also communicated directly with the Commission’s State Advisory Committees through email correspondence, phone calls, appearing by video or phone at some Committee meetings, and attending Committee briefings in-person. She has also met with several State Advisory Committee members while attending speaking engagements around the country, and when members have visited the Commission’s headquarters in DC.

The Chair spoke at the following gatherings:

**October 26, 2017: Google Civil Rights Symposium**

Chair Lhamon spoke in conversation with Spencer Overton, President of the Joint Center for Political and Economic Studies, about voting rights and the longstanding role of the Commission in investigating the status of voting rights protections. The audience included approximately 200 Google employees, along with a number of people tuned in to a livestream.

**November 9, 2017: Summit on Civil Rights**

Chair Lhamon gave the keynote address to launch the Summit for Civil Rights at the University of Minnesota Law School, discussing the Commission's recently released report on fines and fees, Commission statements on current civil rights topics, as well as recent and upcoming Commission briefings. The audience included approximately 100 Minnesota Law School students, faculty, other civil rights leaders and advocates, union leadership, professors from other schools, and local government officials.

**November 10, 2017: Amherst College**

Chair Lhamon gave a lecture focused on the Commission's work on voting rights, discussing reports released since the founding of the Commission in 1957, as well as issues that would be covered in the then-upcoming briefing on voting rights. The audience included approximately 40-50 students and faculty members.

**November 14, 2017: Commission's 60<sup>th</sup> Anniversary**

Chair Lhamon gave opening remarks, introducing Carla Hayden, Librarian of Congress, and served on a panel alongside former Chairs at the Commission's event commemorating its 60<sup>th</sup> anniversary. The audience was approximately 75-100 people, including current and former Commissioners, current and former Commission staff, Congressional staff, and civil rights advocates.

**November 29, 2017: Release of Commission report, *Working for Inclusion: Time for Congress to Enact Federal Legislation to Address Workplace Discrimination against Lesbian, Gay, Bisexual, and Transgender Americans***

Chair Lhamon spoke on a press call about the release of the Commission's report on employment discrimination against LGBT Americans. Five members of national media outlets attended.

**January 11, 2018: Release of Commission report, *Public Education Funding Inequity in an Era of Increasing Concentration of Poverty and Resegregation***

Chair Lhamon spoke on a press call about the release of the Commission's report on education funding. Several members of national media outlets attended. In addition, Chair Lhamon spoke with several reporters on the day of the release, which resulted in several articles published about the report in national outlets with broad reach.

**February 1, 2018: DCORE Conversation on Voting Rights**

Chair Lhamon spoke on a panel for the Duke Council of Race and Ethnicity alongside Vice Chair Timmons Goodson, Commissioner Adegbile, and other voting rights experts, addressing the Commission's then-upcoming briefing on voting rights and the Commission's historical role in investigating voting rights protections. The audience included Duke University faculty and students, and members of the greater Durham community.

**February 16, 2018: Dr. Effie H. Jones Memorial Luncheon**

Chair Lhamon gave a keynote address at a memorial luncheon at the annual conference of the School Superintendents Association, addressing the Commission's recently released report on education equity. The audience included approximately 125 school administrators.

**February 27, 2018: Healing our Divided Society, National Kerner Fiftieth Report Card Forum**

Chair Lhamon gave the morning keynote address at an event commemorating the 50<sup>th</sup> anniversary of the Kerner Commission report, and provided the Commission perspective on how the nation has done in the 50 years since the release of the Kerner Report. She addressed the Commission's recently released report on education equity and other education-related work of the Commission. The audience included approximately 150 scholars, advocates, community leaders, and members of the media.

**March 3, 2018: Educators 4 Excellence**

Chair Lhamon addressed the annual summit for Educators 4 Excellence in Minnesota, discussing the Commission's recently released report on education equity and the Commission's other education-related work. The audience included approximately 150 educators from the Minneapolis-St. Paul area.

### **March 9, 2018: University of New Mexico Symposium**

Speaking on behalf of the Commission at Chair Lhamon's designation, Commissioner Adegbile gave the keynote address on the extensive history of the Commission's work on Native American civil rights. In Albuquerque, New Mexico, at the University of New Mexico School of Law, Law and Indigenous Peoples Program and Tribal Law Journal's symposium entitled, 50 Years of the Indian Civil Rights Act: Protection and Denial, Commissioner Adegbile addressed an audience of approximately 150 lawyers and practitioners of Indian law, judges, professors, tribal leaders, and other interested members of the community.

### **March 14, 2018: Equality Caucus Briefing**

In an event hosted by Representatives Jared Polis and Ileana Ros-Lehtinen and the Equality Caucus, Chair Lhamon spoke on a panel about the Commission's recent report on workplace discrimination against LGBT Americans. The audience included approximately 50 people, including Congressional staffers and advocates.

### **March 21, 2018: Charles Hamilton Houston Institute**

Chair Lhamon gave a lecture, titled Children Can't Wait: Why Congress Should Declare a Federal Right to Public Education, focusing on the Commission's recently released report on education equity. The audience included approximately 50 people, including students and faculty.

### **April 4, 2018: Arkansas Fair Housing Commission**

Chair Lhamon gave the keynote address at the annual conference hosted by the Arkansas Fair Housing Commission, addressing the Commission's recent work relevant to fair housing, including statements on the current administration as well as the Commission's education equity report and briefing on collateral consequences. The audience was approximately 150 people, including local, state, and national housing, lending, and development professionals; local, state, and federal government officials; and local, state, and federal fair housing and other civil rights advocates.

### **April 23, 2018: Disability Policy Seminar**

Chair Lhamon gave a keynote address at the Disability Policy Seminar, a policy conference hosted by The Arc, American Association on Intellectual and Developmental Disabilities (AAIDD), Association of University Centers on Disabilities (AUCD), National Association of Councils on Developmental Disabilities (NACDD), Self Advocates Becoming Empowered (SABE), and United Cerebral Palsy (UCP). Chair Lhamon

addressed the work of the Commission specific to disability rights, and also addressed the work of some of the Commission's State Advisory Committees relevant to disability rights, in voting, the school to prison pipeline, and policing practices. Chair Lhamon addressed over 1,000 attendees, who were people with disabilities and their families as well as disability rights advocates.

#### **April 26, 2018: Ninth Circuit Corrections Summit**

Commissioner Kladney addressed the 2018 Ninth Circuit Corrections Summit: Collaborating on Common Concerns as part of a panel discussion on gender in prison. Speaking on behalf of the Commission at Chair Lhamon's designation, he discussed the Commission's project on conditions of confinement for women in prison. Participants in the conference included approximately 150 state and federal corrections officials, judges, state deputy attorneys general, staff attorneys, formerly incarcerated people, academics, and plaintiffs' counsel.

#### **May 2, 2018: Leadership Conference on Civil and Human Rights**

Chair Lhamon keynoted the Leadership Conference-sponsored conference, All Children, Our Future: Civil Rights and Education Conference. She spoke about the Commission's report on education equity and other education-related work of the Commission. The audience was approximately 160 individuals, including staff from national and local civil rights organizations, educators, administrators, and education policy researchers.

#### **May 3, 2018: Educator Leaders of Color**

Chair Lhamon keynoted a gathering for the Educator Leaders of Color, discussing the Commission's report on education equity, recent and upcoming briefings, and the work of some of the Commission's State Advisory Committee relevant to education including in the school to prison pipeline. The audience included approximately 215 people who were primarily black and Latino school administrators, advocates, and teachers.

#### **May 6, 2018: Anti-Defamation League Summit**

Chair Lhamon spoke on a panel with other civil rights advocates about civil rights broadly in the current era, addressing the Commission's recently released reports as well as past and upcoming briefings, highlighting how ADL members could participate in upcoming Commission activity. The audience included approximately 60 civil rights advocates and community leaders from across the country.

### **May 16, 2018: Ed Writers Association**

Chair Lhamon spoke on a panel with other education advocates and scholars about the Commission's report on education equity. The audience included approximately 200 members of the media who write about or are interested in education, education researchers, and policy advocates.

### **June 1, 2018: Columbia Human Rights Institute**

Chair Lhamon gave the luncheon keynote address to a symposium hosted by the Columbia Human Rights Institute, discussing the Commission's recently issued reports, recently held briefings, and ongoing projects, particularly the FY19 statutory enforcement report and its review across federal agencies of effective enforcement of federal civil rights laws. The audience included approximately 125 lawyers and civil and human rights advocates, other non-profit and academic participants, and private law firm attorneys interested in civil and human rights.

### **June 8, 2018: American Constitution Society**

Chair Lhamon served on a plenary panel with other advocates and experts to discuss the #MeToo movement and sexual harassment. The audience included approximately 1,000 attendees of lawyers, academics, judges, policymakers, public interest advocates, and law students from around the country.

### **July 14, 2018: NAACP Daisy Bates Biennial Education Summit**

Chair Lhamon gave a keynote address to the NAACP's Education Summit, discussing the Commission's recently issued reports, including the report on education equity, and previous and upcoming briefings. The audience included approximately 75 attendees, who were NAACP staff and leadership, NAACP youth and college division leaders, and members of education and racial justice advocacy organizations

### **August 27, 2018: International Association of Official Human Rights Agencies (IAOHRA)**

Chair Lhamon keynoted IAOHRA's annual conference, speaking in front of an audience of approximately 150 local and community civil rights leaders. She spoke about the Commission's work, including recently released reports, upcoming briefings, and how local and community leaders could participate in the Commission's work via public comment at briefings. The audience of approximately 150 people included local and state human rights professionals, community leaders, and advocates.

**September 12, 2018: Release of Commission report, *An Assessment of Minority Voting Rights Access in the United States***

Chair Lhamon spoke on a press call about the release of the Commission's report on voting rights. Several members of national media outlets attended. In addition, Chair Lhamon spoke with several reporters after the release, which resulted in several articles published about the report in national outlets with broad reach.

**September 13, 2018: Congressional Black Caucus Foundation's Annual Legislative Conference, Education Braintrust**

Chair Lhamon gave introductory remarks on a panel about education equality and desegregation in front of an audience of approximately 100 people including Members of Congress, Congressional staff, and community advocates interested in education policy.

**September 13, 2018: Congressional Black Caucus Foundation's Annual Legislative Conference, Voting Rights Braintrust**

Speaking on behalf of the Commission at Chair Lhamon's designation, Commissioner Adegbile provided opening remarks on a panel about voting rights, to discuss the Commission's recently released report, *An Assessment of Minority Voting Rights Access in the United States*. The audience included approximately 100 people, including Members of Congress, Congressional staff, and community advocates interested in voting rights.

**September 27, 2018: TriCaucus Briefing on Voting Rights**

Chair Lhamon, alongside Vice Chair Timmons Goodson and Commissioner Adegbile, addressed Members of the Congressional Black Caucus, the Congressional Hispanic Caucus, and the Congressional Asian Pacific American Caucus and other Congressional leaders about the Commission's recently released report on voting rights. Nine Members of Congress attended the briefing, as well as nearly 50 Congressional staffers and other individuals interested in voting rights.

**Strategic Goal C: The Commission will continue to strengthen the Commission's financial and operational controls and advance the Commission's mission through management excellence, efficiency, and accountability.**

This fiscal year we met 100 percent of Strategic Goal C performance targets. To achieve this goal, the Commission established objectives, developed strategies, and set performance targets.

**Objective 1: The Commission will strengthen its human resources, financial, budget, and performance policy, procedures, and reports.**

The Commission plans to achieve this objective by using the following strategies: 1) align the Commission’s budget submissions with the Agency’s strategic plan and annual performance plan; 2) monitor and report on the Commission’s progress in achieving its annual performance plan goals and objectives; 3) update and implement the Commission’s Human Capital Plan to ensure the agency has a highly skilled and flexible workforce to carry out its mission; and 4) conduct and analyze Employee Satisfaction surveys and develop specific strategies to address issues.

<b>Strategy C.1.1 - Align the Commission’s budget submissions with the Agency’s strategic plan and annual performance plan.</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
C.1.1.1 - Compliance with OMB Circular A-11.	Budget is compliant with OMB Circular A-11	Met

**Performance Measure C.1.1.1**

The Commission’s budget submissions were aligned with its strategic plan and annual performance plan and compliant with OMB Circular A-11.

<b>Strategy C.1.2 - Monitor and report on the Commission’s progress in achieving its annual performance plan goals and objectives.</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
C.1.2.1 - Submit a Performance and Accountability Report that adheres to all relevant guidance.	PAR adheres to relevant guidance.	Met

**Performance Measure C.1.2.1**

The Commission’s Performance and Accountability Report adheres to all relevant guidance.

<b>Strategy C.1.3 - Update and implement the Commission's Human Capital Plan to ensure the agency has a highly skilled and flexible workforce to carry out its mission.</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
C.1.3.1 - Implementation of Commission's and Office of Personnel Management's Human Capital Plan program, strategies, and initiatives.	Implement Human Capital Plan	Met

### Performance Measure C.1.3.1

The Commission continues to implement its Human Capital Plan.

<b>Strategy C.1.4 - Conduct and analyze Employee Satisfaction surveys and develop specific strategies to address issues.</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
C.1.4.1 - Results of the Employee Satisfaction surveys	Increase response rate in one or more categories	Met

### Performance Measure C.1.4.1

The Federal Employee Viewpoint Survey (FEVS) is a tool that measures employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies. It allows the Commission's employees to share their opinions about what matters most to them, and gives them the opportunity to let their leadership know how they feel about their job, their supervisor, and their agency. The Commission showed the largest increase in five categories.

Questions	2017	2018	Increase
Q64: How satisfied are you with the information you receive from management on what's going on in your organizations?	13%	61%	48%
Q29: My work unit has the job-relevant knowledge and skills necessary to accomplish organizational goals.	56%	91%	35%
Q63: How satisfied are you with your involvement in decisions that affect your work.	26%	58%	32%
Q12: I know how my work relates to the agency's goals.	68%	100%	32%
Q31: Employees are recognized for providing high quality products and services.	43%	74%	31%

**Objective 2: The Commission will improve administrative and clearinghouse services including information technology, acquisition, and library functions.**

The Commission plans to achieve this objective by using the following strategies: 1) comply with federal information security requirements, and 2) leverage information technology to enhance the productivity and efficiency of the workforce.

<b>Strategy C.2.1 - Comply with federal information security requirements</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
C.2.1.1 - Conduct an annual FISMA Audit	FISMA Audit	Met

**Performance Measure C.1.2.1**

The Commission conducted its annual FISMA Audit.

<b>Strategy C.2.2 - Leverage information technology to enhance the productivity and efficiency of the workforce.</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
C.2.2.1 - Compliance with OMB Cloud Computing initiatives.	Compliant with Cloud Computer Initiatives	Met

**Performance Measure C.2.2.1**

The Commission is compliant with OMB Cloud Computing initiatives.

**Objective 3: The Commission will improve the efficiency, effectiveness, and accountability of its organization.**

The Commission plans to achieve this objective by using the following strategy: 1) improve organization structure and reduce real property inventory.

<b>Strategy C.3.1 - Improve organization structure and reduce real property inventory.</b>	<b>FY 2018 Target</b>	<b>FY 2018 Results</b>
C.3.1.1 - Implement Agency Reform Plan by FY 2020.	Achieve Agency Report Plan milestones as outline in the approve schedule.	Met

**Performance Measure C.3.1.1**

The Commission is on target with its plan to improve its organization structure and reduce real property inventory. The Commission terminated its Atlanta office lease in FY 2018.

## **Other Information Related to Annual Performance Reporting**

The Government Performance and Results Act of 1993 requires that the Annual Performance Report include information on program evaluations that are relevant to an agency's efforts to attain its goals and objectives as identified in its Strategic Plan or to performance measures and goals reported at the agency level. There were no program evaluations conducted during the fiscal year that meet the criteria established by OMB's Program Assessment Rating Tool (PART) guidance.

No significant contribution to the preparation of our annual performance report was made by a non-federal entity.

## **AUDITORS REPORT AND FINANCIAL STATEMENTS**

This section demonstrates our commitment to effective stewardship over our funds and compliance with applicable federal financial management laws and regulations. It includes Independent Auditors' Report – an independent opinion on the Financial Statements; Financial Statements and Notes to the Financial Statements; and Required Supplemental Information.

# Auditor's Report, Financial Statements & Notes

CCR – 2018 Financial Statement Audit  
Contract: CR80-0144

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**Commission on Civil Rights (CCR)  
Fiscal Year 2018 Financial Statement Audit**

**Final Independent Auditors' Report**

*Submitted for review and acceptance to:*  
John Ratcliffe  
Contracting Officer's Representative (COR)  
Commission on Civil Rights  
1331 Pennsylvania Avenue, NW  
Washington, DC 20425

*Submitted by:*  
Jason L. Allmond CPA, CGFM, CISA, CISM  
Member  
Allmond & Company, LLC  
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Landover, MD 20785  
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**Final Independent Auditors' Report**  
Prepared under contract to the Commission on Civil Rights (CCR) to provide financial auditing services

UNITED STATES COMMISSION ON CIVIL RIGHTS  
AUDIT REPORT  
SEPTEMBER 30, 2018



ALLMOND & COMPANY, LLC  
Certified Public Accountants  
8181 Professional Place, Suite 250  
Landover, Maryland 20785  
(301) 918-8200



## Independent Auditors' Report

The Honorable Catherine E. Lhamon  
Chairperson  
United States Commission on Civil Rights:

### Report on the Financial Statements

We have audited the accompanying financial statements of the United States Commission on Civil Rights (the "Commission"), which comprise the balance sheets as of September 30, 2018 and 2017; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years ended; and the related notes to the financial statements (hereinafter referred to as the financial statements).

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the fiscal year 2018 and 2017 financial statements of the Commission based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 19-01, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 19-01 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the U.S. Commission on Civil Rights as of September 30, 2018 and 2017, and its net costs, changes in net position, and budgetary resources for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

The information in the *Chairperson's Message, Management and Discussion Analysis* section, and *Other Information* section of this report is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the Commission's financial statements. However we did not audit this information and, accordingly, we express no opinion on it

**Other Reporting Required by Government Auditing Standards**

*Internal Control over Financial Reporting*

In planning and performing our audit of the Commission's financial statements as of and for the year ended September 30, 2018, in accordance with generally accepted government auditing standards, we considered the Commission's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the Commission's internal controls over financial reporting. We limited internal control testing to those necessary to achieve the objectives described in OMB Bulletin No. 19-01. We did not test all internal control relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

Our consideration of internal control over financial reporting was for the limited purpose as described in the paragraph above and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Exhibit 1, we identified certain deficiencies in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination

of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in Exhibit I to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit the attention by those charged with governance.

Exhibit III presents the status of prior year findings and recommendations.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Commission's fiscal year 2018 and 2017 financial statements are free of material misstatements, we performed tests of the Commission's compliance with certain provisions of laws and regulations, with which noncompliance could have a direct and material effect on the determination of the consolidated financial statement amounts, and certain provisions of other laws specified in OMB Bulletin No. 19-01. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or OMB Bulletin No. 19-01 and which are described in the Exhibit II.

***Commission's Response to Findings***

Commission's responses to the findings identified in our engagement are described immediately following Exhibit I. Commission's responses were not subjected to the auditing procedures applied in the engagement to audit the financial statements and, accordingly, we express no opinion on the responses.

***Purpose of the Other Reporting Required by Government Auditing Standards***

The purpose of the communication provided in the Other Reporting Required by Government Auditing Standards section is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This communication is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control and compliance with provisions of laws and regulations which could have a material effect on the Commission's financial statements. Accordingly, this communication is not suitable for any other purpose.

***Allmond & Company, LLC***

Landover, MD  
November 15, 2018

**Lack of Sufficient Internal Controls over Financial Reporting for Undelivered Orders**

**CONDITION:**

CCR's internal controls over financial reporting lacks sufficient internal controls to ensure the reliability of its Undelivered Orders balance. Specifically, we noted that the recorded Undelivered Orders and Upward Adjustments and Downward Adjustments of Prior year Obligations was not properly supported by sufficient and appropriate documentation. CCR is in the process of reconciling the UDO balance in the general ledger to the supporting documentation; however, CCR's service provider has not made all the necessary adjustments in the general ledger to present an accurate UDO balance in the general ledger. We noted the following exceptions during our review of obligations:

- Two instances in the amount of \$7,705 where collect refunds were incorrectly recorded as recoveries of prior year unpaid obligations to USSGL Account 487100.
- Eleven instances where unsupported transactions of \$16,034 are being recorded to USSGL account 487100 from changes that do not increase or decrease the value of the original contract.
- One disbursement transaction in the amount of \$83,700 where the payment did not liquidate the proper obligation.
- Four instances in the amount of \$12,383 where the UDO balances per the supporting documentation did not agree to the UDO balances in the general ledger.

**CRITERIA:**

The U.S Standard General Ledger (USSGL) Section III: Account Transactions, Transaction Code C132, states, "To record the refunds collected, a downward adjustment to prior year paid delivered orders, for assets purchased and expenses incurred in a prior year that create budgetary resources. These refunds were not previously accrued as receivables.

<b>"Budgetary Entry</b>		
Debit	497200	Downward Adjustments of Prior- Year Delivered Orders
		Obligations Refunds Collected
Credit	445000	Unapportioned Authority
Credit	462000	Unobligated Funds Exempt from Apportionment
Credit	465000	Allotments – Expired Authority
<b>Proprietary Entry</b>		
Debit	101000	Fund Balance with Treasury
Credit	610000	Operating Expenses/Program Costs"

The Government Accountability Office (GAO), Standards for Internal Controls in the Federal Government, (issued September 2014), Principle 10 – Design of Appropriate Types of Control Activities,

10.03, Accurate and Timely Recording of Transactions, states on page 54, "Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded."

The Government Accountability Office (GAO), Standards for Internal Controls in the Federal Government, (issued September 2014), Principle 10 – Design of Appropriate Types of Control Activities, 10.03, Appropriate Documentation of Transactions and Internal Control, states on page 54, "Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained."

**CAUSE:**

The above conditions were caused by the following:

The Pegasys system used by USDA/OCFO, CCR's service provider, does not have the functionality to know the correct way to record a particular refund nor determine valid recoveries of prior year obligations.

The Commission's service provider uses account 487100 to transfer document types in the general ledger in order to process payments.

The Commission has not implemented policies and procedures to require the review of the credit card postings to validate disbursements are posted against the correct obligation or errors are detected and corrected within a timely manner.

The Commission does not have policies and procedures in place to review the Undelivered Orders balance in Pegasys and make the necessary updates in a timely manner.

**EFFECT:**

The lack of financial reporting internal controls can lead to potential misstatements to the financial statements or line items not being properly classified in accordance with generally accepted accounting principles.

**RECOMMENDATION:**

We recommend that:

The Commission management enhances current review process, by working with its service provider to ensure all transactions are recorded completely, accurately and in compliance with the USSGL.

The Commission with the assistance of its service provider design and implement a policy and procedure to identify on a quarterly basis upward adjustments and downward adjustments that should not recorded to the general ledger so that adjustments can be recorded to properly state ending balances.

The Commission design and implement a policy and procedure to ensure that payments are liquidated against the correct purchase orders.

The Commission with assistance of its service provider design and implement a policy and procedures to reconcile the UDO balance with the supporting documentation and make any necessary adjustments to Pegasys in a timely manner.

**MANAGEMENT RESPONSE:**

Management agrees with this material weakness. We will work to resolve this weakness in the future.

**Differences between the Financial Statements and GTAS Submission**

**CONDITION:**

During our review of the September Government Wide Treasury Account Symbol (GTAS) submission, we noted differences between the September 30, 2018 Financial Statements and the GTAS Adjusted Trial Balance (ATB) for several USSGL accounts:

Specifically, we identified 2 instances where there was a difference between the CCR trial balance and GTAS ATB. The differences were noted in the following USSGL accounts: (1) Account #4610 (\$83,700); and (2) Account #4650 (\$83,700).

**CRITERIA:**

*Office of Management and Budget (OMB) Circular No. A-11, Preparation, Submission, and Execution of the Budget, section 82.12, states, "When year-end GTAS information is submitted, the information must not only pass a number of GTAS edit-checks, but a person separate from the "preparer" (i.e. data entry person) named a "certifier" must certify that the information is correct. In addition, GAO requires your auditors to determine whether controls exist to ensure that the amounts in your systems and the amounts submitted via GTAS agree."*

*Treasury Financial Manual, Chapter 4700 – Agency Reporting Requirements for the Financial Report of the United States Government, Section 4701 – Scope and Applicability, states, "Please note that agency data reported in GFRS must be consistent with the agency's audited financial statements, as well as the agency GTAS ATB submission."*

*Treasury Financial Manual, Chapter 4707 – GTAS Requirements, Section 4707.10b – GTAS Requirements, Adjusted Trial Balance, states, "The GTAS ATBs must include USSGL accounts with the required attributes, and USSGL account balances must reflect the pre-closing adjusting entries needed to produce financial statements."*

**CAUSE:**

The Commission was unable to enter in their on-top worksheet adjustments used to prepare the financial statements into GTAS.

**EFFECT:**

Differences between financial statements and balances submitted to GTAS could result in inaccurate reporting to Treasury.

**RECOMMENDATION:**

We recommend that the Commission develop and implement policies and procedures to ensure that the

on-top adjustments are recorded in the general ledger and agree to the balances in GTAS.

**MANAGEMENT RESPONSE:**

Management agrees with this material weakness. The Commission was unable to update GTAS due to GTAS limitations that require GTAS cash balances to match Treasury cash balances for each Treasury Account Symbol as of September 30<sup>th</sup>.

**Lack of Compliance with Provisions of Prompt Payment Act**

**CONDITION:**

The Prompt Payment Act requires federal agencies to make payments for property or services by the due date specified in the related contract or, if a payment date is not specified in the contract, generally 30 days after the invoice for the amount due are received. If payments are not made within the appropriate timeframe, the agency must pay an interest penalty to the vendor. We noted one instance of noncompliance with this provision of the Prompt Payment Act, where CCR did not make payments within the specified days and did not pay the correct interest payment.

**CRITERIA:**

*U.S. Code Title 31, Subtitle III, Chapter 39* states that under regulations prescribed under section 3903 of this title, the head of an agency acquiring property or service from a business concern, who does not pay the concern for each complete delivered item of property or service by the required payment date, shall pay an interest penalty to the concern on the amount of payment due.

*Prompt Payment Act enacted by Congress August 25, 1982:§ 1315.10 Late payment interest penalties,* states, "(a) Application and calculation. Agencies will use the following procedures in calculating interest due on late payments: (1) Interest will be calculated from the day after the payment due date through the payment date at the interest rate in effect on the day after the payment due date; (2) Adjustments will be made for errors in calculating interest; (3) For up to one year, interest penalties remaining unpaid at the end of any 30 day period will be added to the principal and subsequent interest penalties will accrue on that amount until paid; (4) When an interest penalty is owed and not paid, interest will accrue on the unpaid amount until paid, except as described in paragraph (a)(5) of this section"

**CAUSE:**

The Commission relies on a service provider to make its vendor payments timely however the Commission maintains responsibility for its financial reporting and compliance with laws and regulations.

**EFFECT:**

Inadequate monitoring of payments made by its service provider could result in continued noncompliance with the Prompt Payment Act.

**RECOMMENDATION:**

We recommend that the Commission management review the payments subjected to the Prompt Payment Act made by its service provider to monitor the timeliness and accuracy of the interest amounts paid to vendors. As well as forward a copy of vendor invoices to its service provider within five business days of receipt and acceptance of the invoice.

**MANAGEMENT RESPONSE:**

Management agrees with the non-compliance with the Prompt Payment Act. We made progress this year in reducing the instances of noncompliance. We will continuing to work to eliminate this non-compliance in the future.

The following table provides the fiscal year (FY) 2018 status of all recommendations included in the Audit Report on the Commission on Civil Rights FY 2017 Financial Statements (November 15, 2017).

FY 2017 Finding	FY 2017 Recommendation	FY 2018 Status
<p>Lack of Sufficient Internal Control over Financial Reporting for Undelivered Orders</p>	<p><b>Recommendation:</b></p> <ol style="list-style-type: none"> <li>1. The Commission with the assistance of its service provider design and implement a policy and procedure to identify any disbursements processed as recoveries and make the necessary adjustments to the general ledger.</li> <li>2. The Commission with the assistance of its service provider design and implement a policy and procedure to identify on a quarterly basis upward adjustments and downward adjustments that should not recorded to the general ledger so that adjustments can be recorded to properly state ending balances.</li> <li>3. The Commission establishes a deadline for their service provider to make the necessary adjustments to inactive obligations in the general ledger.</li> <li>4. The Commission design and implement a policy and procedure to ensure that credit card payments are liquidated against the correct purchase orders.</li> <li>5. The Commission with the assistance of its service provider design and implement a policy and procedures to have someone other than the preparer review new obligation activities to verify that transactions are being recorded in the general ledger correctly.</li> </ol>	<p>Open</p>
<p>Lack of Review over Journal Vouchers and Financial Statements</p>	<p><b>Recommendation:</b></p> <ol style="list-style-type: none"> <li>1. Design and implement policies and procedures that document the computation of imputed costs on a quarterly basis. The policy and procedure should also include someone other than the preparer reviewing the computation for completeness and accuracy.</li> <li>2. Design and implement policies and procedure to separate the duties of the preparer and the reviewer of the financial</li> </ol>	<p>Closed</p>

FY 2017 Finding	FY 2017 Recommendation	FY 2018 Status
	statements and worksheet adjustments to validate the completeness and accuracy of financial information and verify amounts are presented in accordance with financial reporting requirements.	
Differences between the Financial Statements and GTAS Submission	Recommendation:  1. We recommend that the Commission develop and implement policies and procedures to ensure that the on-top adjustments are recorded in the general ledger and agree to the balances in GTAS.	Open
Lack of Compliance with Provisions of the Prompt Payment Act	Recommendation:  1. We recommend that the Commission management review the payments subjected to the Prompt Payment Act made by its service provider to monitor the timeliness and accuracy of the interest amounts paid to vendors. As well as forward a copy of vendor invoices to its service provider within five business days of receipt and acceptance of the invoice.	Open

UNITED STATES COMMISSION ON CIVIL RIGHTS

Fiscal Year 2018  
Financial Statements



## UNITED STATES COMMISSION ON CIVIL RIGHTS

### BALANCE SHEET

As of September 30, 2018 and 2017

(Dollars)

	2018	2017
<b>Assets:</b>		
Intragovernmental:		
Fund Balance With Treasury	(Note 2) \$ 2,055,767	\$ 2,589,006
Total Intragovernmental	<u>2,055,767</u>	<u>2,589,006</u>
Assets With The Public:		
Accounts Receivable, net	(Note 3) \$ 2,496	\$ -
General Property, Plant and Equipment, net	(Note 4) 28,096	80,079
Total Assets	<u>\$ 2,086,359</u>	<u>\$ 2,669,085</u>
<b>Liabilities:</b>		
Intragovernmental:		
Accounts Payable	(Note 5) \$ 48,482	\$ 41,115
Other:	(Note 6)	
Employer Contributions and Payroll Taxes Payable	44,484	50,882
Total Intragovernmental	<u>92,966</u>	<u>91,997</u>
Liabilities With the Public		
Accounts Payable	\$ 167,441	\$ 227,309
Other:	(Note 6)	
Accrued Funded Payroll and Leave	178,311	201,569
Employee Contributions and Payroll Taxes Payable	7,285	-
Unfunded Leave	347,505	324,996
Total Liabilities	<u>\$ 793,508</u>	<u>\$ 845,871</u>
<b>Net Position:</b>		
Unexpended Appropriations - All Other Funds	\$ 1,609,763	\$ 2,068,131
Cumulative Results of Operations - All Other Funds	(316,912)	(244,917)
Total Net Position	<u>1,292,851</u>	<u>1,823,214</u>
Total Liabilities and Net Position	<u>\$ 2,086,359</u>	<u>\$ 2,669,085</u>

The accompanying notes are an integral part of these statements.

**UNITED STATES COMMISSION ON CIVIL RIGHTS**  
**STATEMENT OF NET COST**  
As of September 30, 2018 and 2017  
(Dollars)

	2018	2017
<b>Program Costs:</b>		
Gross Cost	\$ 9,884,390	\$ 9,266,716
Net Program Cost	<u>9,884,390</u>	<u>9,266,716</u>
Net Cost of Operations	<u>\$ 9,884,390</u>	<u>\$ 9,266,716</u>

The accompanying notes are an integral part of these statements.

**UNITED STATES COMMISSION ON CIVIL RIGHTS**  
**STATEMENT OF CHANGES IN NET POSITION**

As of September 30, 2018 and 2017  
(Dollars)

	2018	2017
<b>Unexpended Appropriations:</b>		
Beginning Balances	\$ 2,068,131	\$ 2,366,206
Beginning balance, as adjusted	<u>2,068,131</u>	<u>2,366,206</u>
<b>Budgetary Financing Sources:</b>		
Appropriations received	\$ 9,700,000	\$ 9,200,000
Other adjustments	(666,373)	(450,962)
Appropriations used	<u>(9,491,995)</u>	<u>(9,047,113)</u>
Total Budgetary Financing Sources	<u>(458,368)</u>	<u>(298,075)</u>
<b>Total Unexpended Appropriations</b>	<b>\$ 1,609,763</b>	<b>\$ 2,068,131</b>
<b>Cumulative Results of Operations:</b>		
Beginning Balances	\$ (244,917)	\$ (226,396)
Beginning balance, as adjusted	<u>(244,917)</u>	<u>(226,396)</u>
<b>Budgetary Financing Sources:</b>		
Appropriations used	<u>9,491,995</u>	<u>9,047,113</u>
<b>Other Financing Sources (Non-Exchange):</b>		
Imputed Financing Sources (Note 9)	<u>320,400</u>	<u>201,082</u>
Total Financing Sources	<u>9,812,395</u>	<u>9,248,195</u>
Net Cost of Operations	<u>(9,884,390)</u>	<u>(9,266,716)</u>
Net Change	<u>(71,995)</u>	<u>(18,521)</u>
<b>Cumulative Results of Operations</b>	<b><u>(316,912)</u></b>	<b><u>(244,917)</u></b>
<b>Net Position</b>	<b><u>\$ 1,292,851</u></b>	<b><u>\$ 1,823,214</u></b>

The accompanying notes are an integral part of these statements.

**UNITED STATES COMMISSION ON CIVIL RIGHTS**  
**STATEMENT OF BUDGETARY RESOURCES**  
As of September 30, 2018 and 2017  
(Dollars)

	2018	2017
<b>BUDGETARY RESOURCES</b>		
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	\$ 1,021,544	\$ 1,775,306
Appropriations (discretionary and mandatory)	<u>9,700,000</u>	<u>9,200,000</u>
Total budgetary resources	<u>\$ 10,721,544</u>	<u>\$ 10,975,306</u>
<b>STATUS OF BUDGETARY RESOURCES</b>		
New obligations and upward adjustments (Note 8)	\$ 9,766,785	\$ 9,488,109
Unobligated balance, end of year: Apportioned, unexpired account	82,867	85,690
Expired unobligated balance, end of year	<u>\$ 871,892</u>	<u>\$ 1,401,507</u>
Unobligated balance, end of year	<u>954,759</u>	<u>1,487,197</u>
Total budgetary resources	<u>\$ 10,721,544</u>	<u>\$ 10,975,306</u>
<b>BUDGET AUTHORITY AND OUTLAYS, NET</b>		
Outlays, net (total) (discretionary and mandatory)	\$ 9,566,866	\$ 8,998,451
Agency outlays, net (discretionary and mandatory)	<u>\$ 9,566,866</u>	<u>\$ 8,998,451</u>

The accompanying notes are an integral part of these statements.

## U.S. COMMISSION ON CIVIL RIGHTS GENERAL FUND

### GENERAL FUND

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies utilized in the preparation of the financial statements is as follows:

##### *Basis of Presentation*

The Commission's financial statements are prepared from the official accounting records and general ledger in conformity with U.S. general accepted accounting principles and follows the presentation guidance established by Office of Management and Budget (OMB) in OMB Circular No. A-136, "Financial-Reporting Requirements", as revised. U.S. GAAP for Federal entities are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated the official accounting standards-setting body for the federal government by the American Institute of Certified Public Accountants (AICPA).

OMB Circular No. A-136 requires agencies to prepare basic statements, which include a balance sheet, statement of net cost, statement of changes in net position and a statement of budgetary resources. The balance sheets present, as of September 30, 2018 and 2017, amounts of future economic benefits owned or managed by the Commission (assets), amounts owed by the Commission (liabilities), and amounts which comprise the difference (net position). The statements of net cost report the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within the Commission. The statement of budgetary resources reports the Commission's budgetary activity.

##### *Basis of Accounting*

The Commission prepares financial statements to report its financial position and results of operations pursuant to the requirements of 31 U.S.C. 3515(b), the Chief Financial Officers Act of 1990 (P. L. 101-576), as amended by the Government Management Reform Act of 1994, and presented in accordance with the requirements in OMB Circular No. A-136, as revised. These statements have been prepared from the Commission's financial records using an accrual basis in conformity with GAAP. The generally accepted accounting principles (GAAP) for federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB) and recognized by the AICPA as Federal GAAP. These statements are, therefore, different from financial reports prepared pursuant to other OMB directives that are primarily used to monitor and control the Commission's use of budgetary resources.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Transactions are recorded on an accrual and budgetary basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when resources are consumed, without regard to the payment of cash. Budgetary accounting principles, on the other hand, are designed to recognize the obligation of funds according to legal requirements, which in many cases is prior to the occurrence of an accrual based transaction. The recognition of budgetary accounting transactions is essential for compliance with legal constraints and controls over the use of federal funds. The Commission uses the cash basis of accounting for some programs with an accrual adjustment made by recording year-end estimates of unpaid liabilities.

*Use of Estimates*

The preparation of financial statements in conformity with GAAP in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

*Fund Balance with Treasury*

The Commission maintains its available funds with the Department of the Treasury (Treasury). The fund balance with Treasury is available to pay current liabilities and finance authorized purchases. Cash receipts and disbursements are processed by Treasury and are reconciled with those of Treasury on a regular basis. Note 2, Fund Balance with Treasury, provides additional information.

*General Property and Equipment*

General property and equipment (PP&E) consists of equipment used for general operations and internal use software. The basis for recording purchased PP&E is full cost, which includes all costs incurred to bring the PP&E to a form and location suitable for its intended use. The cost of PP&E acquired through donation is the estimated fair market value when acquired. All PP&E with an initial acquisition cost of \$5,000 or more and an estimated useful life of two years or more are capitalized, except for internal use software discussed below.

The PP&E is depreciated using the straight-line method over the estimated useful life of the asset. Normal maintenance and repair costs are expensed as incurred. Statement of Federal Financial Accounting Standards (SFFAS) No. 10, Accounting for Internal Use Software, requires that the capitalization of internally-developed, contractor-developed and commercial off-the-shelf (COTS) software begin in the software development phase.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

For amortization purposes, the estimated useful life for internal use software was determined to be five years. SFFAS No. 10 also requires that amortization begin when the asset is placed in use. Costs below the threshold levels are expensed. Software is depreciated for a period of time consistent with the estimated useful life used for planning and acquisition purposes.

*Liabilities*

Liabilities are recognized for amounts of probable and measurable future outflows or other sacrifices of resources as a result of past transactions or events. Since the Commission is a component of the U.S. Government, a sovereign entity, its liabilities cannot be liquidated without legislation that provides resources to do so. Payments of all liabilities other than contracts can be abrogated by the sovereign entity. In accordance with public law and existing federal accounting standards, no liability is recognized for future payments to be made on behalf of current workers contributing to the Medicare Health Insurance Trust Fund, since liabilities are only those items that are present obligations of the government. The Commission's liabilities are classified as covered by budgetary resources or not covered by budgetary resources.

Liabilities Covered by Budgetary Resources are Liabilities incurred which are covered by realized budgetary resources as of the Balance Sheet date. Budgetary resources encompass not only new budget authority but also other resources available to cover liabilities for specified purposes in a given year. Available budgetary resources include:

(1) new budget authority, (2) unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year, (3) spending authority from offsetting collections (credited to an appropriation or fund account), and (4) recoveries of unexpired budget authority through downward adjustments of prior year obligations. Liabilities are considered covered by budgetary resources if they are to be funded by permanent indefinite appropriations, which have been enacted and signed into law and are available for use as of the Balance Sheet date, provided that the resources may be apportioned by OMB without further action by the Congress and without a contingency having to be met first.

Liabilities Not Covered by Budgetary Resources are liabilities, which are not considered to be covered by budgetary resources. Liabilities Not Covered by Budgetary Resources are combined with liabilities covered by budgetary resources with liabilities on the face of the Balance Sheet.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Accounts Payable*

Accounts payable primarily consists of amounts due for goods and services received in progress in contract performance, interest due on accounts payable, and other *miscellaneous payables*.

*Accrued Payroll and Benefits*

Accrued payroll and benefits consist of salaries, wages, leave and benefits earned by employees, but not disbursed as of September 30. Liability for annual and other vested compensatory leave is accrued when earned and reduced when taken. At the end of each fiscal year, the balance in the accrued annual leave liability account is adjusted to reflect current pay rates. Annual leave earned but not taken is considered an unfunded liability since this leave will be funded from future appropriations when it is actually taken by employees. Sick leave and other types of leave are not accrued and are expensed when taken.

*Revenue and Financing Sources*

The Commission receives the funding needed to support its programs through an annual Congressional appropriation. The United States Constitution prescribes that no money may be expended by a federal agency unless and until funds have been made available by Congressional appropriation. Appropriations are recognized as financing sources when related expenses are incurred or assets are purchased.

The Commission receives an annual appropriation that may be used within statutory limits. For example, funds for general operations are generally made available for one fiscal year. The Statement of Budgetary Resources presents information about the resources appropriated to the Commission.

*Federal Employee Benefits*

Most Commission employees participate in either the Civil Service Retirement System (CSRS) – a defined benefit plan, or the Federal Employees Retirement System (FERS) - a defined benefit and contribution plan. For employees covered under CSRS the Commission contributes a fixed percentage of pay. Most employees hired after December 31, 1983, are automatically covered by FERS. FERS employees contribute .8 percent of their salary for the FERS Basic Benefit pension plan. Employees hired after 1/1/2013 and before 1/1/2014 (FERS-Revised Annuity Employees) contribute 3.1 percent of gross pay for the FERS Basic Benefit pension plan. Employees hired after 1/1/2014 (FERS-Further Revised Annuity Employees) contribute 4.41 percent of gross pay for the FERS Basic Benefit pension plan.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The U.S. Office of Personnel Management is the administering agency for both of these benefit plans and, thus, reports CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities applicable to federal employees. Therefore, the Commission does not recognize any liability on its balance sheet for pensions, other retirement benefits, and other post-employment benefits.

*Changes to SBR Presentations*

Activity and balances reported in the FY 2017 Statement of Budgetary Resources have been reclassified to conform to the updated guidance provided in OMB Circular A-136 issued July 30, 2018.

**NOTE 2 FUND BALANCE WITH TREASURY**

The fund balance with the Treasury is as follows at September 30:

	2018	2017
1. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	82,867	85,690
b) Unavailable	871,892	1,401,507
2) Obligated Balance not yet Disbursed	<u>1,101,008</u>	<u>1,101,809</u>
<b>Total</b>	<b><u>\$ 2,055,767</u></b>	<b><u>\$ 2,589,006</u></b>

In fiscal year 2018, the Commission cancelled its fiscal 2013 remaining funds and returned the balance of \$666,373 to the Treasury.

**NOTE 3 ACCOUNTS RECEIVABLE, NET**

The accounts receivable is due to payroll corrections. The direct write-off method is used for uncollectible receivables. The receivable will be collected through salary offset.

	2018	2017
Gross Receivables	\$ 2,496	\$ -
Allowance for Uncollectible Accounts	<u>-</u>	<u>-</u>
<b>Account Receivables, Net</b>	<b><u>\$ 2,496</u></b>	<b><u>\$ -</u></b>

**NOTE 4 GENERAL PROPERTY, PLANT AND EQUIPMENT**

Property and equipment consisted of the following at September 30:

	2018	2017
Equipment	\$ 293,070	\$ 293,070
Internal-Use-Software	<u>7,684</u>	<u>7,684</u>
<b>Total</b>	<b>\$ 300,754</b>	<b>\$ 300,754</b>
Less: Accumulated depreciation		
Equipment	264,974	214,122
Internal-Use-Software	<u>7,684</u>	<u>6,552</u>
<b>Total</b>	<b>\$ 272,658</b>	<b>\$ 220,674</b>
<b>Property and Equipment Net</b>	<b>\$ 28,096</b>	<b>\$ 80,079</b>

Depreciation and amortization expense for the fiscal years ended September 30, 2018 and 2017 was \$51,983 and \$54,204, respectively

**NOTE 5 LIABILITIES NOT COVERED BY BUDGETARY RESOURCES**

Liabilities of the Commission are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2018, the Commission had liabilities covered by budgetary resources of \$446,003 and liabilities not covered by budgetary resources of \$347,505. As of September 30, 2017, the Commission had liabilities covered by budgetary resources of \$520,875 and liabilities not covered by budgetary resources of \$324,996.

	2018	2017
Intragovernmental		
Accounts Payable	\$ 48,482	\$ 41,115
Other:		
Employer Contributions and Payroll Taxes	<u>44,484</u>	<u>50,882</u>
<b>Total Intragovernmental</b>	<b>\$ 92,966</b>	<b>\$ 91,997</b>
With the Public		
Accounts Payable	167,441	227,309
Accrued Funded Payroll and Leave	178,311	201,569
Employer Contributions	7,285	0
Unfunded Leave	<u>347,505</u>	<u>324,996</u>
<b>Total with the Public</b>	<b>\$ 700,542</b>	<b>\$ 753,874</b>
<b>Total Liabilities</b>	<b>\$ 793,508</b>	<b>\$ 845,871</b>
Total Liabilities covered by budgetary resources	\$ 446,003	\$ 520,875

Total Liabilities not covered by budgetary resources with the public other (unfunded leave liability)		<u>347,505</u>	<u>324,996</u>
<b>Total Liabilities</b>	<b>\$</b>	<b>793,508</b>	<b>\$ 845,871</b>

**NOTE 6 OTHER LIABILITIES -**

Other liabilities with the public for the years ended September 30, 2018 and 2017 consist of Employer Contributions and Payroll Taxes, Accrued Funded Payroll and Unfunded Leave in the amounts shown below.

	Non-Current	Current	2018 Total
<b>Intragovernmental</b>			
Employer Contributions and Payroll Taxes	\$ -	\$ <u>44,484</u>	\$ <u>44,484</u>
<b>Total Intragovernmental</b>	-	<b>44,484</b>	<b>44,484</b>
<b>Liabilities with the Public</b>			
Accrued Funded Payroll and Leave	\$ -	178,311	\$ 178,311
Unfunded Leave	347,505	-	347,505
Employer Contributions	<u>0</u>	<u>7,285</u>	<u>7,285</u>
<b>Total Other Liabilities</b>	<b>\$ 347,505</b>	<b>\$ 230,080</b>	<b>\$ 577,585</b>

	Non-Current	Current	2017 Total
<b>Intragovernmental</b>			
Employer Contributions and Payroll Taxes	\$ -	\$ <u>50,882</u>	\$ <u>50,882</u>
<b>Total Intragovernmental</b>	-	<b>50,882</b>	<b>50,882</b>
<b>Liabilities with the Public</b>			
Accrued Funded Payroll and Leave	-	201,569	201,569
Unfunded Leave	<u>324,996</u>	<u>-</u>	<u>324,996</u>
<b>Total Other Liabilities</b>	<b>\$ 324,996</b>	<b>\$ 252,451</b>	<b>\$ 577,447</b>

**NOTE 7 OPERATING LEASES**

The Commission has various Federal leases for offices and branches throughout the United States. The longest of those obligations extends through 2027. Certain leases contain renewal options and escalation clauses. No leases include restrictions on the Commission's activities. The aggregate rent expense totaled \$1,452,406 and

\$1,473,508 for fiscal years ended September 30, 2018 and 2017, respectively. Future minimum rent payments for the fiscal years ended September 30, are as follows:

	<b>2018</b>	
2019	\$	1,461,824
2020	\$	1,422,854
2021	\$	1,440,486
2022	\$	1,033,524
2023	\$	135,335
Thereafter	\$	<u>448,563</u>
<b>Total</b>	<b>\$</b>	<b>5,942,586</b>

**NOTE 8 APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS: DIRECT VS REIMBURSABLE OBLIGATIONS**

Obligations of the Commission represent direct new obligations and upward adjustments against amounts apportioned under category A on the latest Apportionment and Reapportionment Schedule.

	<b>2018</b>		<b>2017</b>	
Category A	\$	9,766,785	\$	9,488,109

**NOTE 9 UNDELIVERED ORDERS AT THE END OF THE PERIOD**

The amount of budgetary resources obligated for undelivered orders was \$655,004 and \$580,934 as of September 30, 2018 and 2017 respectively.

	<b>Paid</b>		<b>Unpaid</b>		<b>Total 2018</b>	
<b>FY 2018 Undelivered Orders</b>						
Federal	\$	-	\$	47,448	\$	47,448
Non-Federal		-		<u>607,556</u>		<u>607,556</u>
<b>Total Undelivered Orders</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>655,004</b>	<b>\$</b>	<b>655,004</b>

**NOTE 10 PENSIONS, OTHER RETIREMENT BENEFITS, AND OTHER POST RETIREMENT BENEFITS**

The Commission recognizes as imputed financing, the cost of future benefits, which include health benefits, life insurance, pensions, and post-retirement benefit expense for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the fiscal years ended September 30, 2018 and 2017, imputed financing was as follows:

	2018	2017
Office of Personnel Management	\$ 320,400	\$ 201,082

**NOTE 11 EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE UNITED STATES GOVERNMENT**

SFFAS No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the Budget of the United States Government (Budget). The Budget that will include FY 2018 actual budgetary execution information is scheduled for publication in February 2019, which will be available through OMB's website at <http://www.whitehouse.gov/omb>. Accordingly, information required for such disclosure is not available at the time of publication of these financial statements. Balances reported in the FY 2017 SBR and the related President's Budget reflected the following:

	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 11	\$ 9	\$ -	\$ 9
Expired Unobligated Balances	(2)		-	0
Budget of the U.S. Government	\$ 9	\$ 9	\$ -	\$ 9

The difference is caused by Expired Unobligated Balances being reported in the Statement of Budgetary Resources but not in the Budget of the United States Government.

**NOTE 12 RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET**

Budgetary resources obligated are obligations for personnel, goods, services, benefits, etc. made by the Commission in order to conduct operations or acquire assets. (i.e., non-budgetary) financing resources are also utilized by the Commission in its program (proprietary) operations. For example, spending authority from offsetting collections and recoveries are financial resources from the recoveries of prior year obligations (e.g., the completion of a contract where not all the funds were used) and refunds or other collections (i.e., funds used to conduct operations that were previously budgeted). An imputed financing source is recognized for future federal employee benefits costs incurred for the Commission employees that will be funded by OPM. Changes in budgetary resources obligated for goods, services, and benefits ordered but not yet provided represents the difference between the beginning and ending balances of undelivered orders (i.e., good and services received during the year based on obligations incurred the prior year represent a cost of operations not funded from budgetary resources). Resources that finance the acquisition of assets are budgetary resources used to finance assets and not cost of operations (e.g., increases in accounts receivables or capitalized assets). Financing sources yet to be provided represents financing that will be provided in future periods for future costs that are recognized in determining the net cost of operations for the present period. Finally, components not requiring or generating resources are costs included in the net cost of operations that do not require resources (e.g., depreciation and amortized expenses of assets previously capitalized).

A reconciliation between budgetary resources obligated and net cost of operations (i.e., providing an explanation between budgetary and financial (proprietary) accounting) is as follows (note: in prior years, this information was presented as a separate financial statement, the Statement of Financing):

	<b>2018</b>	<b>2017</b>
Budgetary Resources Obligated	\$ 9,766,785	\$ 9,488,109
Spending Authority from Recoveries and Offsetting Collections	(200,720)	(323,646)
Changes in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	(74,070)	(117,351)
Resources that Fund Expenses in Prior Periods	(2,496)	-
Imputed Financing from Costs Absorbed by Others	320,400	201,082
Financing Sources Yet to be Provided	22,508	(35,683)
Components Not Requiring or Generating Resources	<u>51,983</u>	<u>54,204</u>
<b>Net Cost of Operations</b>	<b>\$ 9,884,390</b>	<b>\$ 9,266,716</b>

# OTHER ACCOMPANYING INFORMATION

## Summary of Financial Statement Audit and Management Assurances

### Summary of Financial Statement Audit

Audit Opinion: Unmodified  
 Restatement: Yes

<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
Total Material Weaknesses	3	0	1	0	0	2

### Summary of Management Assurances

#### Effectiveness of Internal Control over Financial Reporting - Federal Managers' Financial Integrity Act (FMFIA) 2

Statement of Assurance: Unmodified

<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
Total Material Weaknesses	1	0	0	0	0	1

#### Effectiveness of Internal Control over Operations - FMFIA 2

Statement of Assurance: Unmodified

<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
Total Material Weaknesses	0	0	0	0	0	0

#### Conformance with Financial Management System Requirements - FMFIA 4

Statement of Assurance: Systems Conform

<b>Non-Conformance</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
Total Non-Conformance	0	0	0	0	0	0

## **Improper Payments Information Act Reporting Details**

The Improper Payments Information Act (IPIA) of 2002, as amended by the Improper Payments Elimination and Recovery Act (IPERA) of 2010, requires agencies to review all programs and activities they administer, and identify those programs that are susceptible to significant erroneous payments. Significant erroneous payments are defined as annual erroneous payments in the program exceeding both \$10 million and 2.5 percent or \$100 million of total annual program payments.

### Risk Assessment

Due to the Commission's mission and size, the Commission does not separate its mission into individual programs. We conducted a risk assessment for all relevant payments. The Commission evaluated the following risk factors: whether the program or activity was new to the agency; the complexity of the program; the volume of payments; how eligibility decisions are made; recent major changes in funding, authorities, practices, and procedures; the level and experience of personnel; and significant deficiencies in audit reports. The risk assessment determined that the risk of significant improper payments was low. Furthermore, since the Commission's total budget is less than the \$10 million threshold for significant improper payments, it is virtually impossible for the Commission to have improper payments over \$10 million. Based on the risk assessment, we determined that the Commission does not have significant improper payments.

### Payment Recapture Audits

Section 2(H) of the Improper Payments Elimination and Recovery Act requires agencies to conduct payment recapture audits for each program and activity that expends \$1 million or more annually if conducting such an audit is cost-effective. Since the Commission's payments as defined in OMB Circular A – 123, Appendix C exceed the \$1 million threshold, we conducted a cost-benefit analysis for the entire agency. To determine if it was cost effective for the Commission to engage in a Payment Recapture Audit, we estimated improper payments, determined the anticipated collections, examined the costs of a recapture audit, and applied OMB's criteria to make a decision. Based on our analysis, we have determined that the costs of a payment recapture audit at the Commission would exceed the benefits. In accordance with OMB Circular A – 123, Appendix C, we provided OMB with our analysis and notified them that we decided that a payment recapture audit is not cost-effective.

### Improper Payment Reporting

The Commission did not have an improper payment in Fiscal Year 2018.