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**[Before the Subcommittee On Justice, State, Commerce and the
Judiciary and Related Agencies of the House Committee on
Appropriations]**

J. Clay Smith Jr.

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STATEMENT OF
J. CLAY SMITH, JR., ACTING CHAIRMAN
U.S EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

before the

SUBCOMMITTEE ON JUSTICE, STATE, COMMERCE AND
THE JUDICIARY AND RELATED AGENCIES

of the

HOUSE COMMITTEE ON APPROPRIATIONS
FEBRUARY 25, 1982

Mr. Chairman and members of the subcommittee, I am J. Clay Smith, Jr., Acting Chairman of the Equal Employment Opportunity Commission. With me are Issie L. Jenkins, Acting Executive Director and Lefford B. Fauntleroy, Special Assistant. Both of these individuals have played an active and important role in the preparation of this budget request.

The Commission's budget request as presented for Fiscal Year (FY) 1983 is for \$144,937,000 and 3,327 staff years. This budget is constructed to meet the Commission's objectives of vigorously and efficiently enforcing various employment discrimination statutes (Title VII of the Civil Rights Act of 1964, as amended; the Age Discrimination in Employment Act of 1967, as amended; the Equal Pay Act of 1963 and Section 501 of the Rehabilitation Act of 1973 - Federal sector only) and of exercising oversight and coordination in the Federal government so as to eliminate duplication, inconsistency and unnecessary paperwork burdens imposed on the respondent community.

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This is the President's budget and reflects his limits on both budget authority and employment ceilings. While this budget represents level funding, the purchasing power is over \$5 million less and the staff years have been reduced by 49. This will make it difficult to continue the achievements of past years. In spite of these reductions, I have tried to accommodate both the needs of the public and Congressional intent while staying within the limitations of the President -- but I was not able to do this without reducing the Commission's enforcement efforts.

I have been Acting Chairman for one year, during which time I have had to implement a reduction-in-force, and address other belt-tightening measures resulting from budgetary restrictions. I have also had to initiate corrective actions addressing deficiencies identified by the General Accounting Office. This included training, staffing of key vacant positions, closely monitoring the collection of unused travel advances, resolution of errors in the accounting system, and the timely collection, depositing and payment of funds.

All personnel, particularly top management personnel, have been informed verbally and in writing of their responsibilities in the obligation of and accountability for appropriate funds.

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I must also highlight some of the Commission's FY 81 accomplishments, ^{1/} expected FY 82 accomplishments, and reflect a little on some of the Commission's achievements which have not been widely publicized.

- o We have for the past two years and will continue to effectively and efficiently enforce EEOC-administered employment discrimination laws through a Management Accountability System designed to ensure that managers achieve planned goals in accordance with agency policy.

- o The final interpretations under the Age Discrimination in Employment Act have been published. Other procedural and implementing compliance manual sections are being completed which will facilitate charge and case processing, particularly in the agency's newest jurisdictions.

1/ I have enclosed a copy of the Special Analysis "J" on Civil Rights Activities to the President's Budget, which is illustrative of EEOC activities.

- o A memorandum of understanding with the Office of Federal Contract Compliance Programs, Department of Labor was developed and will be implemented to eliminate duplication and assure consistency of the enforcement effort of the two agencies chiefly responsible for enforcing equal employment opportunity laws.

- o EEOC will maintain the expedited charge-processing systems designed to achieve timely settlement of charges and complaints.

We are justifiably proud of our performance in carrying out the mission of this agency, as indicated by the following:

- o By FY 81, 85% of the Title VII backlog had been eliminated; over 93% will have been eliminated by the end of FY 82. The Commission defines backlog charges as those that were filed prior to January 26, 1979.^{2/} (Page 13 EEOC's FY 83 Budget)

^{2/} See pp. 18 Table 4 EEOC Title VII Backlog charges received before January 26, 1979.

- o 43% of the Title VII charges undergoing rapid charge processing are being settled. A 23% settlement rate for ADEA charges and 26% settlement rate for Equal Pay Act claims have also been achieved.

- o In FY 81, charge settlements accrued benefits for an estimated 38,000 people; dollar benefits reached almost \$92 million.^{3/} In FY 82, over 35,000 people are expected to be benefitted and an estimated \$74 million^{4/} should be obtained in back pay and future relief.

- o In FY 81, productivity of the Title VII rapid charge processing staff increased 10%. (Item #4 page 14 of the Budget)

- o Productivity for ADEA and EPA processing increased 20% and 23%, respectively, in FY 81.

3/ This amount includes one settlement for \$13.6 million.

4/ #3 page 13, of EEOC's FY 83 Budget.

- o In FY 81, there were 1,389 Systemic and ELI cases initiated (including Commission initiated cases) and 1,400 are projected for FY 82.

- o In FY 81, 440 lawsuits were authorized, and in early February 1982, 410 were projected for FY 82; 237 consent decrees and settlements were entered into in FY 81, with 214 consent decrees and settlements projected for FY 82. (Table #7, pp. 21 EEOC's FY 83 Budget)

- o By the end of FY 82 the backlogged inventory of Commissioner charges will be resolved administratively or referred for litigation.

- o In FY 81 a total of 143 Commission and amicus curiae appellate briefs were filed, while 134 are expected for FY 82. (Item #10, pp. 14, EEOC's FY 83 Budget)

- o In FY 82, a total of 36,800 charges will be closed by the State and local agencies but an increase is expected in the backlog of charges not resolved. (Table #9, pp. 28, EEOC's FY 83 Budget)

- o All field administrative support functions are being evaluated for efficiency and effectiveness of service delivery, particularly in light of resources reductions, with improved accountability systems being implemented in FY 82. (Item #4, pp. 30, EEOC's FY 83 Budget)

- o Draft regulations, which include a proposed rapid-charge processing system for all Federal agencies so as to aid agencies in processing EEO complaints, are under review.

- o The Multi-year affirmative action plans for Federal agencies have been implemented, with FY 82 plans currently being reviewed.

I know that in spite of the increases in production mentioned, the overall improvements in the agency's operation and its ever growing credibility with both protected classes and the employer and union community, we simply cannot improve upon our productivity at a rate which would be required to off-set our diminishing resources caused by the annual increases in payroll cost; the 10% to 30% increases in the GSA established cost of office space and telephones and the annual increase in postage, etc.

Level funding in the Federal government results in reductions in staff and/or logistical supports, which translate into the delivery of fewer services, i.e., a corresponding reduction in charges resolved a larger backlog of unresolved charges and decreased enforcement through the courts.

The current budget process has made it difficult to plan our enforcement programs in the most efficient manner. The resource levels have ranged between \$123 million and \$139 million.

This fiscal year (1982) I have established operating budgets for three different periods of operations based on the 1st, 2nd and 3rd continuing resolutions.

It is extremely taxing to try to plan a Commission operation for FY 83 when the FY 82 base is still uncertain.

The number of charges EEOC receives is expected to increase during FY 83. While the historical Title VII "backlog" will be eliminated during FY 83 the frontlog of charges received since January 26, 1979 is increasing.^{5/} Approximately 5,800 more charges will carry over at the end of FY 82 than at the end of FY 81. That number is expected to increase to 7,500 charges at the end of FY 83.

^{5/} Charge intake has increased (See Table 2, page 16, FY 83 Budget) while the staff is being reduced from 3,777 in FY 80 to 3,327 in FY 83.

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The processing time required to resolve the charge inventory is expected to increase from 6 1/2 months in FY 81 to 7 1/2 months in FY 82. This increase is projected to continue if increased costs beyond our control are not funded.

The ADEA inventory will increase from 5,500 charges in FY 82 to 6,600 charges in FY 83 or from a 7 1/2 month to 8 1/2 month inventory. The inventory of EPA charges will level from FY 82 to FY 83; however, the number of unresolved charges is expected to increase during the budget out years.

This budget will also impact on the legal enforcement activity. The number of class investigations initiated will remain stable from FY 82 to FY 83; however, the number of law suits filed is projected to be further reduced in FY 83; the number of consent decrees and settlements is expected to decrease from 237 to 200 in FY 83.

I am fully aware of my responsibility as the Acting Chairman and the responsibilities with which this Commission is charged. However, with level funding, options are severely restricted. A careful review and analysis of the resource allocation of FY 83 funds on page 32 of the Commission's FY 83 budget will indicate:

- o That the Commission is labor intensive. 77.1% of our resources excluding State and local grants are for payroll costs.

- o An allocation of \$18,967, 000 for space, telephone, postage, copying and word processing equipment, etc. This is a \$2,930,000 increase in the cost of space alone.
- o A substantial reduction percentage-wise in funds for shipping and printing at a time when the real cost of both is increasing.
- o A reduction in the funds available for supplies and subscriptions.
- o Virtually no funds available for new equipment.
- o \$18 million restricted for grants.

This leaves the agency with \$5,132,000 for other services, out of which we must fund litigation support, surveys, the management accountability system and other contract/support activity.

This represents \$3 million less than in FY 82; with respect to litigation supports costs alone, we expect an inability to fund new cases and will find it exceedingly difficult to support cases already in litigation.

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If a pay increase is granted next October 1982 at the 5 percent level, the additional cost to this Commission will be an estimated \$4,895,000, and the Commission will be unable to absorb it.

Just one last comment and I will try to reply to your questions. EEOC is in the midst of change and uncertainty. It is my hope that existing vacancies and leadership will be filled as soon as possible, so that enforcement direction and planning can move forward.

Enclosure

SPECIAL ANALYSIS J

CIVIL RIGHTS ACTIVITIES

The Budget of the United States Government, 1983

Note.—All years referred to are fiscal years, unless otherwise noted. Details in the tables, text, and charts of this booklet may not add to totals because of rounding.

**OFFICE OF MANAGEMENT AND BUDGET
EXECUTIVE OFFICE OF THE PRESIDENT**

February 1982

SPECIAL ANALYSES

- A. Current Services Estimates**
- B. Federal Transactions in the National Income Accounts**
- C. Funds in the Budget**
- D. Investment, Operating, and Other Budget Outlays**
- E. Borrowing and Debt**
- F. Federal Credit Programs**
- G. Tax Expenditures**
- H. Federal Aid to State and Local Governments**
- I. Civilian Employment in the Executive Branch**
- J. Civil Rights Activities**
- K. Research and Development**

Each Special Analysis listed above can be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

SPECIAL ANALYSIS J

CIVIL RIGHTS ACTIVITIES

" . . . Let us talk today about the needs of the future, not the misunderstandings of the past; about new ideas, not old ones . . . and while our communication should always deal with current issues of importance, it must never stray far from our national commitment to battle against discrimination and increase our knowledge of each other. . . ."—RONALD REAGAN, June 29, 1981¹

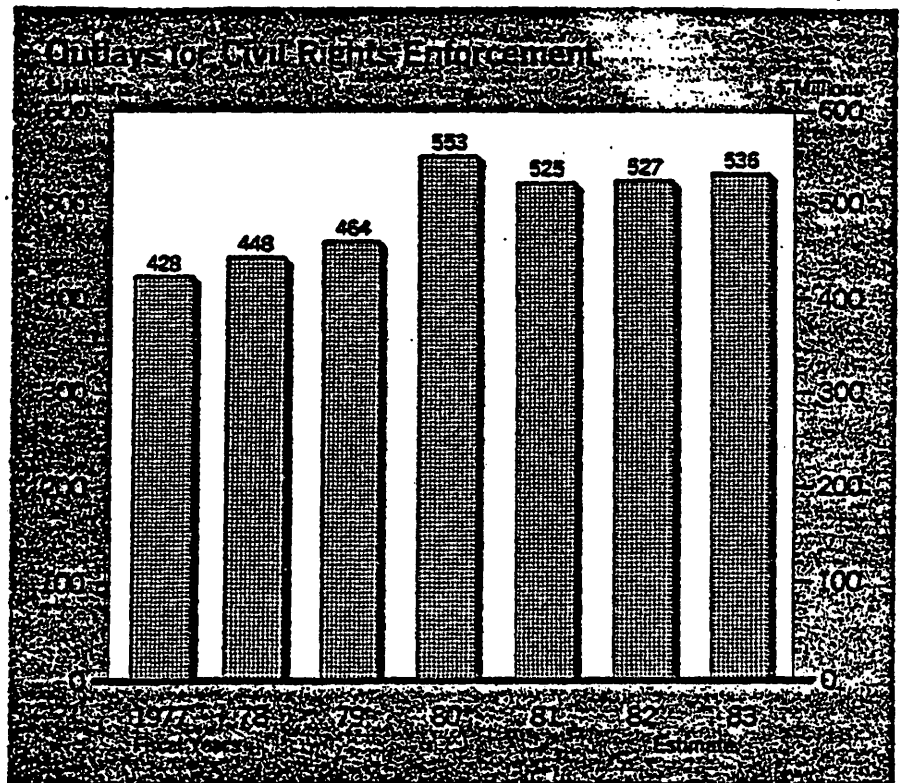
TO ADDRESS THE NEEDS OF THE FUTURE

Coverage and scope.—As the President emphasized, the American ideal of equality of individual rights and opportunity has long since become a national commitment. In addition to the basic guarantees and protections embodied in the Constitution, this commitment is now expressed in more than 100 Federal statutes. These laws prohibit discrimination based on race, color, religion, sex, national origin, age, or handicap in such basic areas as employment, housing, voting, education, public accommodations, access to credit, and jury service. Implementation of these statutes is spread among all Federal agencies. Each of the 107 separate Federal agencies is responsible for assuring nondiscrimination in its own actions. In addition, 37 agencies have some civil rights enforcement responsibilities.

In combination with the voluntary efforts of individuals, private institutions, States and municipalities, much of this Federal involvement has facilitated progress toward realizing our national commitment. However, this proliferation of statutes and authorities has not been without problems endemic to the rapid, frequently uncoordinated and poorly planned, expansion of the Federal presence in recent years. These problems went unaddressed. As a result, the promises of progress implicit in past expenditures for civil rights programs too often proved hollow.

The President's determination to continue America's civil rights progress is, therefore, reflected in more than his proposed expenditures for those activities in 1983. More fundamentally, it is demonstrated by his administration's efforts to improve the effectiveness of those expenditures, and to assure that the national commitment to civil rights and equal opportunity is not only pursued, but realized.

¹This and other quotations throughout the text are excerpted from the President's remarks before the 1981 NAACP National Convention held in St. Louis, Missouri.



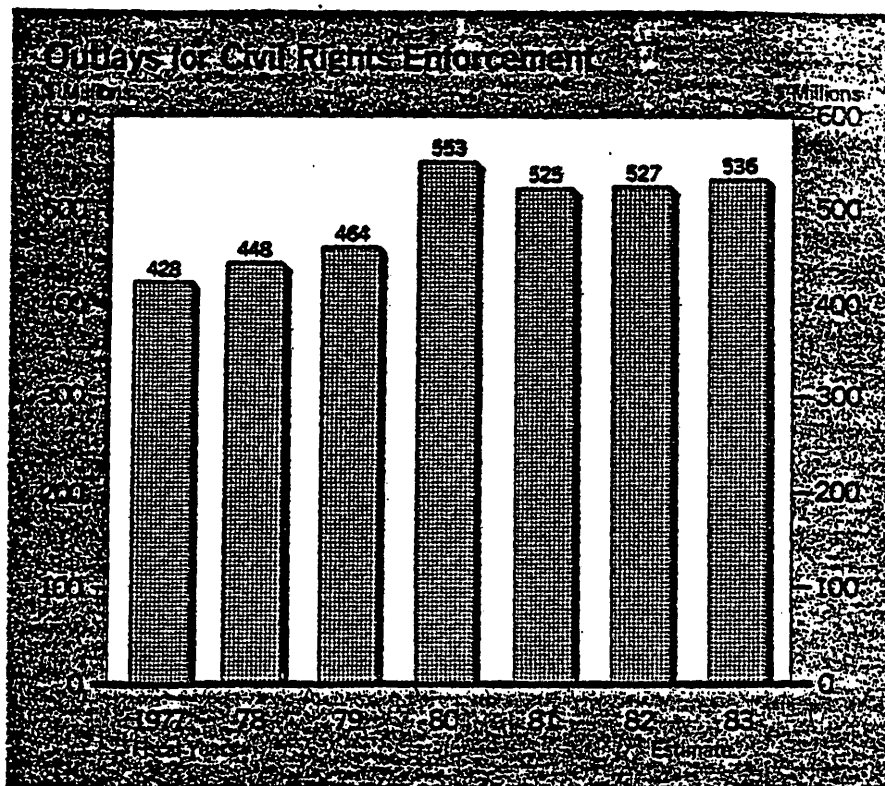
This Special Analysis begins with an overview of the obstacles to effective implementation of Federal civil rights guarantees, and the administration's efforts to overcome them. This is followed by more detailed discussions of accomplishments; challenges, and projected 1983 outlays in Federal activities to protect constitutional rights; eliminate discrimination by Government and activities supported by Government funds; implement Federal guarantees of equality of treatment; and help States, localities, and the private sector develop new solutions to civil rights problems.

Overview.—The administration found that the rapid growth of Federal efforts to assure civil rights had frequently interfered with their success:

- Many of the 130 Federal civil rights statutes duplicated each other, creating overlapping agency enforcement. State and local governments, businesses, and other organizations experienced contradictory requirements and duplicate reviews, investigations, and reporting requirements. This did not multiply protections for individuals. Because several agencies investigated some discrimination complaints, other citizens' complaints were never investigated at all.
- The costs and effectiveness of programs were frequently unrelated. Too many agency programs had been funded at ever increasing levels based on their intentions rather than their

results. Indeed, because they were unable to measure effectiveness, some agencies gauged the progress of these programs solely in terms of increased expenditures. Far from furthering civil rights objectives, such inattention to cost effectiveness more often subordinated those objectives to organizational self-interest. The suspicion that some who "came to do good" in these programs had simply "stayed to do well" was, therefore, widespread.

- Just as each dollar spent did not advance civil rights objectives, neither did each rule promulgated. The reasons were myriad. Inflexible and unduly prescriptive regulations precluded alternative approaches more likely to attain regulatory objectives. Reporting requirements exceeded not only agencies' need for data but their capacity to process it, and serious violations went unresolved while agencies processed paper. Failure to differentiate between compliance requirements appropriate to large and small organizations imposed burdens that exceeded benefits. Essential regulatory objectives were lost in disputes over such minutiae as the placement of posters or wording of policy statements. Some regulations simply substituted new problems and inequities for those they were intended to eliminate. Others had provisions so convoluted that they could be, and were, cited to justify lack of progress toward nondiscrimination.
- Not all programs evolved as needs and circumstances changed. Some programs were devoting the resources of the 1980's to the problems of the 1960's (paradoxically failing to acknowledge their own successes). Others, betraying similar regulatory inertia, failed to modify approaches that had proven unsuccessful. Locked into the confrontational style of the 1960's, programs built neither on the willingness of most businesses and institutions in the 1980's to voluntarily comply with civil rights laws nor on State and local capabilities to resolve problems without Federal interference. Because they viewed civil rights problems exclusively as enforcement problems, programs failed to coordinate with related public and private activities (such as job training programs) that could have helped businesses and others meet civil rights objectives. Thus, both opportunities and dollars were wasted.
- In its efforts to do many things, the Federal Government did not always devote sufficient attention and resources to its most important and basic role in civil rights: protecting the fundamental civil rights guaranteed individual citizens by the Constitution. Worse, in its concentration on the problems of other institutions, government at all levels had failed to address its own role in creating or perpetuating civil rights problems:



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either directly, through overtly discriminatory laws, or indirectly, through laws unnecessarily restricting access to occupational or other opportunities.

These and other problems led many who dealt with civil rights regulations to conclude that, all too often, a dream bureaucratized is a dream deferred. While few of these problems were peculiar to agency civil rights activities, they were of particular concern in programs intended to protect individuals against discrimination. Moreover, ineffective programs and inflexible regulations compounded civil rights problems by imposing unproductive costs, contributing to economic stagnation. Periods of economic stagnation and decline are historically characterized by increased racial and religious prejudice. And, in addition to limiting opportunities for all persons, a static economy generates a "zero sum" psychology that especially harms such traditional victims of discrimination as minorities, women, older workers, and the handicapped.

The administration therefore initiated a program to correct these problems in all Federal activities. At the most basic level, the President's Program for Economic Recovery is creating a basis for the single most effective guarantee of individual opportunities and civil rights, economic growth, by comprehensively addressing existing fiscal and regulatory constraints. This broader effort mandated more specific initiatives in civil rights and other programs. These included new leadership and improved management, increased technical assistance and incentives for voluntary compliance, greater involvement of State and local governments in assuring civil rights guarantees, and other "fine tuning." More fundamentally, searching examinations were conducted of the programs themselves. These examinations looked beyond program's intentions to whether those intentions are realized or distorted in practice, and to the burdens and benefits of their regulations and the way they are implemented. Also, there was renewed emphasis on protecting civil rights guaranteed individuals by the Constitution, and on avoiding discrimination by Government itself.

This reexamination and renewal of Federal civil rights activities has not been without controversy. Not every program and not every regulation, come to judgment before the bar of efficacy, has been found to justify its costs or the burdens it imposes. Not every policy has been found to promote the broader equities it seeks, or the consensus it requires for success. And not every program or policy found wanting has been without its sincere and forceful advocates. But this ongoing review has not strayed from its intent to pursue and strengthen our national commitment to battle against discrimination. Nor, as the President has promised, will it.

TO GUARANTEE THE CONSTITUTIONAL RIGHTS OF ALL CITIZENS

"Recently, in some places in the Nation there's been a disturbing reoccurrence of bigotry and violence. . . . To those individuals who persist in such conduct . . . I would say 'You are the ones who willfully violate the meaning of the dream which is America. And this country, because of what it stands for, will not stand for your conduct.' My administration will vigorously investigate and prosecute those who, by violence or intimidation, would attempt to deny Americans their constitutional rights."—RONALD REAGAN, June 29, 1981

To be secure in one's person and property and to enjoy the freedoms guaranteed each individual by the Constitution are the most basic of civil rights. Any violations of these rights offend the American spirit. However, as the President forcefully remarked, they are particularly repugnant when based on an individual's religion, race, color, or national origin. Protecting individuals against such violations has always been a fundamental responsibility of Government. The increased activities of individuals and terrorist groups bent on violating civil rights, however, have given that responsibility a renewed importance.

The Department of Justice enforces the Federal statutes guaranteeing these rights. These statutes include the Voting Right Act of 1965, as amended (43 U.S.C. 1973 et seq. and the Overseas Citizens Voting Rights Act (42 U.S.C. 1973 dd) (which guarantee the opportunity to register and vote to all qualified citizens, without discrimination on account of race, color, membership in a language minority group, age, or absence from legal residence), and the following criminal statutes:

—Title 18 of the United States Code, which prohibits deprivations of rights and privileges guaranteed under the Constitution and the laws of the United States, including 18 U.S.C. 241 (conspiracy against the rights of citizens), 18 U.S.C. 242 (deprivation of rights under color of law), 18 U.S.C. 245 (interference with federally protected rights), 18 U.S.C. 1581 (prohibition against peonage), 18 U.S.C. 1584 (prohibition against involuntary servitude).

—42 U.S.C. 3631, which prohibits interference with housing rights.²

Although not widely known as an agency with substantial civil rights responsibilities, the Department of Justice's Federal Bureau of Investigation devotes significant resources to investigating alleged violations of Federal civil rights guarantees. During the first 11 months of 1981, the Bureau received 8,757 requests for investigations of alleged violations of these statutes, and completed 8,914 investigations. Given recent increases in criminal violations of indi-

² Thirty other civil rights criminal statutes are enforced by the Civil Rights Division, but are not as frequently used as the above.

viduals' civil rights; the Bureau estimates that such investigations will substantially increase this year and remain at that higher level in 1983 (with requests for 11,000 investigations per year). The President's budget for 1983 provides for outlays of \$7.7 million for the Bureau's investigations of civil rights violations in 1983.

The Criminal Section of the Department of Justice's Civil Rights Division prosecutes criminal civil rights violations. In 1981, the Section initiated 2,542 and closed 2,461 investigations of alleged criminal violations of Federal civil rights laws. It obtained 30 indictments and filed 3 criminal informations against 63 persons alleged to have violated the civil rights of individuals. Twenty-seven trials were completed, resulting in the conviction of 29 defendants. An additional 15 defendants entered guilty pleas.

The cases brought by the Department of Justice demonstrate the range and severity of threats to the civil rights it protects. One case, for example, involved the enslavement of three migratory farm workers under conditions resulting in the death of one of the men. The Department's efforts resulted in the indictment and conviction of the persons responsible for these acts. Another widely reported case emphasized the Department's increased prosecution of matters involving racial violence. Joseph Paul Franklin was convicted and sentenced to two consecutive life terms for the racially motivated slaying of two black men in Salt Lake City, Utah.

This emphasis on cases of racial violence, particularly those involving terrorist groups, will continue in 1983. The President's Budget for 1983 provides for outlays of \$5.9 million by the Civil Rights Division to prosecute criminal civil rights violations.

The Voting Rights Section of the Civil Rights Division is primarily responsible for enforcing statutes guaranteeing the right to vote. In addition, the Office of Personnel Management (OPM) provides observers to monitor elections for compliance with the Act. During 1981, the Voting Rights Section received 1,556 submissions involving 4,887 proposed changes in laws affecting voting for clearance under section 5 of the Voting Rights Act. It interposed objections to 14 of these submissions (including plans for redistricting the Virginia legislature). During the first months of the current fiscal year, the section also interposed an objection to a plan for redistricting the New York City Council. To reduce uncertainty and make it easier for jurisdictions to comply with the Voting Rights Act, the section issued revised guidelines reflecting court interpretations of the Act during the ten years since the original guidelines were issued. The President's budget for 1983 provides for outlays of \$2.6 million by the Department of Justice for general enforcement of the Voting Rights Act, and \$689 thousand by OPM to monitor elections.

Similarly, the Department of Justice's Community Relations Service (CRS) worked in 1981 to help States and communities prevent deprivations of civil rights and defuse tensions which could have given rise to such violations. For example, the CRS worked closely with the Mayor of Atlanta to develop civic unity programs in which white and black citizens worked together to demonstrate that concern over the murders and disappearances of black children in Atlanta was shared by citizens of both races. The CRS was also active in reducing tensions resulting from the resettlement of refugees from Southeast Asia and the Caribbean, the growth in activities by anti-Semitic and racist groups, and the increased incidence of harassment and intimidation of religious and ethnic minorities. For example, CRS mediated disputes between Indochinese residents and other citizens over employment opportunities in Minneapolis and fishing rights in Texas and other gulf coast States, and helped officials and community groups in West Virginia and Maryland develop programs combating racial and religious harassment and intimidation. The President's Budget provides for outlays of \$5.7 million for CRS's activities in 1983.

Thus, the President's budget for 1983 assures continuance and expansion of the Federal Government's renewed emphasis on protecting basic civil rights. To further enhance these protections, the President has requested that Congress renew the Voting Rights Act, with modifications enabling jurisdictions currently covered by the preclearance provisions of the Voting Rights Act, with records of complying with the Act, to petition for removal of the preclearance requirement. This not only would provide an incentive for jurisdictions to comply with the Act, but also would permit the Civil Rights Division to focus more of its resources on substantive violations of the Act (as noted above, the Division was required to review over 1,500 proposed changes to local election laws in fiscal year 1981, only 14 of which were determined to be potentially discriminatory).

TO ROOT OUT DISCRIMINATION BY GOVERNMENT

"My administration will root out any case of government discrimination . . . we will not retreat on the Nation's commitment to equal treatment of all citizens."—RONALD REAGAN, June 29, 1981

Equal in importance to protecting Constitutional rights is the Federal Government's obligation to assure that its own activities and statutes are not discriminatory. During 1981, the administration initiated major improvements in efforts to assure that Federal dollars are spent in a nondiscriminatory manner. It also initiated, in cooperation with the States, an effort to, once and for all, get all

levels of government out of the business of mandating invidious discrimination based on sex.³

Eliminating invidious sex discrimination from Government mandates.—Based on his experience as Governor of California (where he signed 14 pieces of legislation eliminating sexually discriminatory regulations and statutes), the President recognized that the statutes and regulations of Government itself are significant sources of discrimination against women. The President therefore initiated major efforts to eliminate such mandates.

To address this problem at the Federal level, the President issued Executive Order 12336 establishing the Task Force on Legal Equity for Women. Composed of representatives of 21 Federal departments and agencies, the Task Force is conducting a comprehensive review of Federal regulations to identify provisions that, by purpose or effect, invidiously discriminate based on sex. The Department of Justice is providing staff support for this effort. In addition, the President is supporting elimination of Social Security provisions that discriminate against women who work outside the home.

To assist States in making similar efforts, the President initiated the Fifty States Project. Coordinated by a special assistant in the White House and by representatives appointed by each of the Nation's 50 governors, the Fifty States Project is a cooperative effort to identify, in every State and territory, statutory provisions that discriminate against women. The Women's Bureau is also providing staff support for this project.

These efforts were in addition to passage of the Omnibus Budget Reconciliation Act of 1981, which included provisions significantly expanding protections against sex discrimination in federally assisted programs (see below).

Nondiscrimination in federally assisted programs.—Since the Federal Government is supported by taxes levied on citizens without discrimination, it is fundamental that activities it funds must be conducted without discrimination. This principle is embodied in a substantial body of legislation including in addition to numerous program-specific statutory provisions prohibiting discrimination:

- Title VI of the Civil Rights Act of 1964 prohibits discrimination in federally assisted programs and activities based on race, color, or national origin.
- Title IX of the Education Amendments of 1972 prohibits discrimination based on sex in federally assisted educational programs and activities.

³ Federal agency efforts to assure that their employment practices are nondiscriminatory are discussed below with equal employment efforts generally.

—Section 504 of the Rehabilitation Act of 1973, as amended, prohibits discrimination based on handicap in federally assisted programs and activities.

—The Age Discrimination Act of 1975 prohibits discrimination based on age in federally assisted programs and activities.

While discrimination based on race, color, national origin, age, or handicap is prohibited in all federally assisted programs, the only "crosscutting" statute prohibiting sex discrimination is title IX, which applies only to educational programs. During 1981, the President alleviated this problem by securing inclusion of prohibitions against sex discrimination in several titles of the Omnibus Budget Reconciliation Act of 1981. For example, all of the Block Grants administered by the Department of Health and Human Services include such prohibitions. This extended this protection to a wide array of federally assisted activities in which sex discrimination was previously not prohibited.

Because each agency is responsible for enforcing the "crosscutting" nondiscrimination statutes in regard to each of its grants of Federal assistance, enforcement authority is widely distributed:

Table J-1. DISPERSION OF ENFORCEMENT AUTHORITY UNDER STATUTES REQUIRING NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

<i>Statute</i>	<i>Number of enforcement agencies</i>
Title VI, Civil Rights Act of 1964.....	37
Section 504, Rehabilitation Act of 1973.....	All
Title IX, Education Act Amendments of 1972.....	28
Age Discrimination Act of 1975.....	37

Thus, assuring nondiscrimination by recipients of Federal assistance is the most widely dispersed Federal civil rights enforcement program. The basic complexity of administering legislative mandates enacted over the years with disparate purposes and applications is further complicated by a large body of judicial and administrative interpretation, much of it quite abstruse. As a result, agencies' efforts to enforce these laws exhibited many of the problems discussed in the overview:

—Because institutions commonly receive assistance from more than one agency, recipients of Federal assistance were subjected to multiple reporting requirements and duplicate agency investigations and reviews.

—Individual agencies determined resource levels for these programs with little central coordination. Therefore, resources devoted to combating discrimination in given programs sometimes bore little relationship to the extent discrimination was actually a problem. This resulted in expenditures by agencies and recipients on procedures of dubious value (e.g., one agency

reported conducting over 6,700 preapproval reviews of prospective recipients, none of which identified any noncompliance). Complaints that compliance reviews and other activities focused on procedural minutiae, not the substance of nondiscrimination, were frequent.

- Some agencies imposed additional regulatory requirements unrelated to statutory mandates. Others shifted their focus from nondiscrimination in services and benefits to nondiscrimination in employment, duplicating the activities of the EEOC and other agencies.
- Agencies with minimal responsibilities under these statutes were required to spend resources on developing regulations and other procedural requirements that could be more economically performed on an inter-agency basis (e.g., one agency's sole expenditure on this program in 1981 was \$35 thousand to develop regulations).
- Legitimate regulatory ends (e.g., nondiscrimination on the basis of handicap) were sometimes obscured in unduly detailed prescriptions of means, imposing unnecessary costs and precluding more effective methods.
- Agencies frequently made little effort to obtain compliance through cooperative approaches. They provoked unnecessary confrontations, and seldom involved State governments in compliance activities in any meaningful way.

A number of efforts to eliminate these problems were initiated in 1981. The administration implemented Executive Order 12250 assigning extensive new responsibilities for coordinating enforcement of these statutes⁴ to the Department of Justice. The staff of the Civil Rights Division's Coordination and Review Section, responsible for implementing Executive Order 12250, was increased by 11 persons. The section implemented an automated system for monitoring agency activities to identify and eliminate duplication.

The section is working with the President's Task Force on Regulatory Relief and the Office of Management and Budget (OMB) to develop regulations implementing Executive Order 12250. These regulations, to be published in 1982, will:

- Assign a "lead agency" for each type of recipient, ending overlapping agency activities once and for all. Other agencies providing assistance will delegate compliance and investigative functions to the lead agencies. Resources will be conformed to program needs, and economical interagency approaches to developing regulations and implementing other statutory requirements will be adopted.

⁴ Except the Age Discrimination Act, which assigns coordination responsibility to the Department of Health and Human Services.

- Permit recipients to adopt the methods that most efficiently and effectively assure nondiscrimination in their programs by requiring that regulations emphasize compliance objectives, not extensive prescriptions of methodology.
- Preclude data requirements and other compliance burdens not clearly necessary to assure nondiscrimination by programs receiving Federal assistance.
- Emphasize technical assistance and other approaches which maximize opportunities and incentives for recipients to comply voluntarily.
- Increase opportunities for States to participate in assuring compliance with nondiscrimination requirements.

After these Coordination Regulations are issued, the Section will begin a major review of existing agency regulations and implementing issuances (such as guidelines, compliance manuals, and training materials) for conformance with these principles. OMB's Office of Information and Regulatory Affairs will cooperate in this review.

A regulation developed jointly by the EEOC and the Department of Justice will also be published in 1982. This regulation will eliminate another serious problem of overlapping jurisdictions by requiring agencies to refer most employment discrimination complaints under these statutes to the EEOC for investigation.

Individual agencies also made significant progress in eliminating the problems discussed above. The Department of Education's Office of Civil Rights (OCR), a prototype of these deficiencies in the past, in 1981 became a prototype for efforts to eliminate them. Under aggressive new leadership, OCR enhanced compliance with nondiscrimination laws by substituting cooperation for coercion, expanding technical assistance, and exploring means of increasing State involvement in resolving civil rights problems.

As a result, OCR resolved longstanding controversies with the State university systems of Florida, North Carolina, South Carolina, Louisiana, Delaware, West Virginia, and Missouri. Improved management enabled OCR to reduce its backlog of pending complaints by 17% during the first 9 months of 1981, and its compliance reviews and investigations helped to assure equal opportunities for over 5.6 million beneficiaries of institutions receiving Federal assistance.

In cooperation with OMB, the Department worked to eliminate data and regulatory requirements superfluous to achieving equal opportunity. Examples include the Department's rescission of a form requiring school districts to spend 46,000 hours to provide data already available to OCR; and its withdrawal of unreasonably prescriptive guidelines on bilingual education. The latter provided school districts greater freedom to adopt approaches that most

effectively assure equal educational opportunities for children in their jurisdictions whose primary language is not English.

Similarly, the Department of Transportation acted to guarantee that handicapped persons benefit equally from Federal assistance to public transportation, while eliminating requirements that made the cost of doing so prohibitive. The Department's interim regulations enable recipients to implement the most efficient and effective methods for providing transportation to handicapped persons in their localities. In 1982 the Department will issue final regulations incorporating improvements suggested by the public.

As noted above, the Age Discrimination Act is not covered by Executive Order 12250. However, the statute largely precludes duplication by requiring that agencies refer all complaints under the Act to the Federal Mediation and Conciliation Service, which attempts to mediate the disputes. The Service is successful in resolving most complaints, expediting service to complainants while minimizing burdens on recipients.

The General Litigation Section of the Department of Justice's Civil Rights Division litigates violations of these statutes. Most of this litigation alleges denials of equal educational opportunities. In 1981 the Division obtained comprehensive desegregation plans for three southern school districts (in Baton Rouge, Shreveport, and Monroe, Louisiana), and negotiated a partial consent decree covering junior colleges in Mississippi. However, most of its cases concerned jurisdictions outside the South. The Division successfully litigated cases involving the public schools in Indianapolis, Indiana, St. Louis, Missouri, Kansas City, Kansas, and Tucson, Arizona; and negotiated consent decrees covering the school districts of Chicago, Illinois, South Bend, Indiana; and Flint, Michigan. The Division also filed three new suits alleging denials of equal educational opportunity based on race or national origin, and pursued suits alleging violations of title IX by a secondary school system and two universities.

The Department of Justice also announced a new policy for litigation and remedies to assure equal elementary and secondary educational opportunities. Henceforth, in addition to cases involving illegal segregation, the Department will litigate against jurisdictions which discriminate in the quality of education they provide based on race or national origin. Remedies will be designed to assure that all children have an equal opportunity to obtain a quality education. Both litigation and remedies will seek not mandatory busing, but the more permanent mobility provided by equal access to a quality education.

The President's Budget for 1983 provides for total agency outlays of \$71.9 million to implement statutes requiring nondiscrimination in federally assisted programs, in addition to \$3.3 million for co-

ordination and legal enforcement of these statutes by the Department of Justice.

TO GUARANTEE EQUALITY OF TREATMENT

"... because guaranteeing equality of treatment is government's proper function."—RONALD REAGAN, June 29, 1981

During 1981, the administration also initiated several improvements in Federal efforts to guarantee equality of treatment in employment, housing, and credit.

Equal employment.—The principal statutes and Executive orders prohibiting discrimination in employment are:

- Title VII of the Civil Rights Act, which prohibits employment discrimination based on race, color, religion, national origin, or sex.
- The Equal Pay Act (EPA), as amended, which prohibits discrimination in compensation based on sex.
- The Age Discrimination in Employment Act (ADEA), which prohibits discrimination against persons aged 40 through 70 based on age.
- Executive Order 11246, as amended, section 503 of the Rehabilitation Act of 1973, and section 402 of the Vietnam Veterans Readjustment Act, prohibit employment discrimination by Federal contractors based on race, color, sex, national origin, religion, handicap, service-connected disability, or Vietnam era military service, and require Federal contractors to take affirmative action to assure that such discrimination does not occur.

The EEOC enforces the Equal Pay Act and the Age Discrimination in Employment Act. It also enforces all aspects of title VII (except litigation involving State and local governments). The Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) enforces Executive Order 11246, section 503 of the Rehabilitation Act, and section 402 of the Vietnam Era Veterans Readjustment Act. The Federal Enforcement Section of the Department of Justice's Civil Rights Division litigates all employment discrimination cases under Executive Order 11246 and the statutes prohibiting discrimination by federally assisted programs. It also litigates alleged violations of title VII by State and local governments. The Equal Employment Opportunity Act of 1972 and Executive Order 12067 require the EEOC to coordinate enforcement of all Federal statutes and regulations prohibiting employment discrimination. Each of these agencies effected major management and policy improvements during 1981.

At the EEOC, the administration tightened management procedures and increased productivity. One of the first actions of EEOC's new management was to request a General Accounting Office audit

of the Commission's financial management system. The General Accounting Office found evidence of unreliable accounting records, reports, and fund controls; mismanagement of payments; and inadequate financial controls, including an internal audit office that was severely understaffed: "For example . . . EEOC was still recording obligations against its 1980 appropriation in June 1981 and had charged some of its fiscal 1980 travel costs against the 1981 appropriation." The Commission is currently taking action to eliminate these problems, and will increase the size of its internal audit staff to prevent their recurrence.

While confronting these management problems, the EEOC both improved its productivity and achieved savings in personnel and other resources. Charges filed with EEOC rose to 58,754 during 1981, a 4% increase over charges filed in 1980 (charges under the Age Discrimination in Employment Act increased by the highest percentage, 9%). The Commission processed 71,690 charges during 1981—25% more than in 1980. Especially significant increases occurred in Rapid Charge Processing (34% more charges processed than in 1980) and Continued Investigations and Conciliation (75% more than 1980). The Commission's emphasis on closing cases through negotiated agreements acceptable to all parties is evident in the high percentages of cases closed through settlement during 1981: 43% of all title VII, 23% of all ADEA, and 26% of all EPA cases. Settlements provided remedies for over 38,000 charging parties—15% more than in 1980. Total backpay and other compensation for victims of discrimination also increased dramatically over 1980: from \$57.3 million to \$91.7 million, an increase of 60%. The increases in dollar benefits negotiated in processing complaints under ADEA (+128%) and EPA (60%) reflect improvement in EEOC's enforcement of these statutes (responsibility EEOC acquired in 1979). Monetary benefits resulting from ADEA and EPA litigation similarly increased by 36%. The Commission continued to litigate where voluntary remedies for discrimination could not be negotiated. The Commission filed 368 suits during 1981, an increase of 13%. Suits settled by voluntary agreement increased by 23%, to 237.

The EEOC has led Federal civil rights agencies in involving State and local agencies in resolving discrimination complaints. During 1981, the Commission provided over \$17.5 million in grants to State and local nondiscrimination agencies. These grants enabled those agencies to process 39,471 charges, and the Commission accepted their findings in over 97% of those cases. During 1982, these grants are projected to increase to \$18.5 million, enabling State and local agencies to process 40,300 charges. Moreover, a certification procedure will be implemented for agencies whose complaint processing

has consistently been of high quality, eliminating routine reviews of their findings for sufficiency by EEOC.

The President's budget for 1983 provides for outlays of \$142 million by the EEOC, maintaining the 5% increase over its 1981 level granted by the President for 1982. In a period of budgetary stringency and general reductions, this indicates the administration's commitment to EEOC's mission, and to continuing the management and productivity improvements initiated in 1981.

Of the administration's efforts to improve Federal equal employment enforcement, those involving the OFCCP were perhaps the most widely noticed. Established by Executive Order over 20 years ago, OFCCP's basic premise was a simple one: To expand equal employment opportunities for women and minorities by requiring that Federal contractors act affirmatively to assure that qualified minorities and women were recruited and considered for vacancies, and that their procedures for filling those vacancies were nondiscriminatory in fact as well as precept. During the 1970's, Congress expanded this "affirmative action" mandate to include handicapped persons and Vietnam era veterans. Contractors were required to develop plans detailing the recruitment and other efforts they would undertake to assure equal opportunity. The administration found that this simple premise had evolved into a regulatory morass, criticized both by Federal contractors and the intended beneficiaries of OFCCP's regulations.

The most serious concerns regarded OFCCP's requirements for affirmative action plans:

—There was no clear answer to the basic question of what constituted compliance with the affirmative action requirements: was compliance based on contractors' good faith efforts to recruit women and minorities and assure that employee selection was nondiscriminatory, or did OFCCP disregard these considerations in a single-minded focus on whether employment goals were met? Many believed that such goals, originally intended as yardsticks of progress, had been distorted in practice into quotas.

—Requirements for drafting the plans were, at once, overly prescriptive and insufficiently clear. Contractors were required to produce voluminous affirmative action plans and supporting data, with no assurance that the resulting product would be found acceptable during a compliance review. Compliance reviews frequently degenerated into mindless confrontations over which job titles belonged in which "job group", or how the 8 factors for determining the "availability" of minorities and women for jobs should be considered in arriving at overall "availability" figures.

—Requirements did not consider differences in the size of contractors or their individual establishments. The same level of detail was required in an affirmative action plan for a contractor employing only 50 persons as for a contractor employing thousands; and for a contractor's plan for a small retail sales outlet as for the same contractor's plan for a large manufacturing plant.

—These frustrations with the requirements themselves were compounded by OFCCP's adversarial approach to enforcing them. The potential that contractors attempting in good faith to comply might nevertheless be found in noncompliance was inherent in the ambiguity of OFCCP's regulations. Due to OFCCP's approach, many contractors feared that this potential would be fully realized.

During 1981, the new leadership at the Department of Labor developed and published for public comment a comprehensive proposal for reforming OFCCP's regulations. These proposed amendments were designed to:

- Assure equal employment opportunities for minorities, women, the handicapped, and Vietnam era veterans without imposing inequities on others;
- Change the program's emphasis to generating opportunities, not paperwork, by pruning the lush overgrowth of regulatory minutiae and by emphasizing equal employment objectives instead of extensive prescriptions of methodology;
- Tailor program requirements to the size of contractors and their establishments;
- Clarify the remaining requirements so that they can be understood by all. This will eliminate guesswork by Federal contractors—and OFCCP's compliance officers.

The Department also requested public comment on alternative approaches to several thorny regulatory issues. After incorporating these suggestions and comments, the Department of Labor will publish final amended regulations in 1982.

Significant improvements were also made in OFCCP's management, including:

- A program to eliminate a backlog of some 250 appeals of discrimination complaints under section 503 of the Rehabilitation Act and prevent its recurrence.
- Expedited procedures for resolving individual complaints under section 503. These procedures emphasize detection of meritless or nonjurisdictional charges before they consume resources; and rapid resolution of issues through face-to-face discussions with complainants and contractors. Successfully tested in 1981, these procedures will be implemented throughout the agency in 1982.

- Scheduling of compliance reviews based on contractor's individual records, discontinuing the practice of "targeting" entire industries for reviews.
- Expanded technical assistance and other efforts to develop closer, nonadversarial relations with Government contractors. Contractor advisory committees were formed to institutionalize this partnership.
- Increased emphasis on bringing contractors together with local organizations (government and private) that can provide persons with required skills or facilitate upward mobility by their present employees through training. Previously, many opportunities for substantial and voluntary employment gains by minorities, women, and the handicapped were lost because OFCCP personnel failed to apprise contractors of such programs (including those funded by the Department of Labor itself).

While instituting these reforms, OFCCP completed 2,136 complaint investigations and 3,137 compliance reviews during 1981. Of these, 521 investigations and 1,781 compliance reviews produced relief for identified victims of discrimination, including \$7.9 million in backpay for 4,754 persons. 867 identified victims of discrimination were placed in or restored to the positions they were denied, and 500 contractors agreed to changes in their personnel practices that will preclude future discrimination. Further improvements through fiscal year 1983 will continue these accomplishments while lowering their cost. A number of area offices will be consolidated to reduce overhead and increase management control. The Voluntary Compliance Project will enable small contractors to meet their obligations while substantially reducing compliance burdens. Non-adversarial approaches to assuring nondiscrimination will be substantially expanded, including a 500% increase in contractors receiving technical assistance activities.

The President's budget provides for outlays of \$40.7 million for OFCCP's nondiscrimination efforts in 1983.

The Department of Justice announced equally significant policy improvements. The Civil Rights Division will continue to seek appropriate relief for identified victims of discrimination. However, the remedies sought to preclude future discrimination by employers will be substantially improved. Previously, the Department asked courts to impose arbitrary employment quotas on employers found to have discriminated. While acceptable to some as a short term expedient, employment quotas cannot assure equal access in the long term as it is impossible to, at once, open a door for some while slamming it shut on others. Henceforth, the Department will seek remedies that are more equitable, and more permanent. These remedies will require specific, result-oriented programs that assure

that persons of the race, color, religion, national origin, or sex employers previously discriminated against are among those considered for future employment opportunities. They also will assure that genuinely nondiscriminatory procedures are used in selecting from the resulting pool of eligibles. By institutionalizing nondiscrimination, such remedies are more likely to produce lasting gains in employment for women and minorities than court imposed numbers, forgotten by employers after decrees have expired.

During 1981, there were substantial litigative accomplishments as well. The Civil Rights Division's Federal Employment Section won favorable decisions in cases involving the Virginia State Police; the Jefferson County, Ala. and Garfield Heights, Ohio, Boards of Education; the Philadelphia, St. Louis, New York City, and Jefferson County, Alabama, police departments; and the government of Fairfax County, Va.

The President's Budget provides for outlays of \$2.53 million for equal employment litigation by the Civil Rights Division in 1983.

Through 1983, remaining vestiges of duplication in Federal equal employment enforcement activities will be eliminated. In 1982, a regulation published jointly by the Department of Justice and the EEOC will substantially alleviate this problem by requiring that agencies refer most employment discrimination complaints filed under statutes prohibiting discrimination based on race, color, religion, sex, or national origin in federally assisted programs to the EEOC for investigation. However, miscellaneous, small scale agency equal employment programs based on program-specific statutory provisions will continue to pose potential problems of duplication. In 1981, OMB and the EEOC's Office of Interagency Coordination identified and eliminated several reports required by these small programs that duplicated those of other agencies. One such form required State and local governments to spend 15,000 hours producing data already provided to EEOC. OMB and EEOC will be examining these programs as a whole to determine whether they address needs that would otherwise be unmet or duplicate activities more efficiently performed by OFCCP, EEOC, or the Department of Justice. Improvements in coordinating the activities of the EEOC and OFCCP are also possible. OMB will be working with these agencies to assure, through improved implementation of their Memorandum of Understanding, that past problems of duplication do not recur.

Federal employment.—As the servant of all Americans, and as an institution responsible for enforcing laws requiring equal employment by other institutions, the Federal Government has a particular obligation to assure nondiscrimination in its own employment. Moreover, especially in this period of reduced resources, Federal agencies simply cannot afford to hire or promote employees on any

bases other than their job-related abilities and demonstrated diligence in applying them. Congress has, therefore, mandated that each Federal department and agency make special efforts to assure that their employment decisions are made without regard to race, color, religion, national origin, sex, age, or handicap; and the President has reiterated his determination that agencies implement this mandate.

Under the Equal Employment Opportunity Act of 1972, as amended, the EEOC is responsible for coordinating these efforts. In addition OPM, under the Civil Service Reform Act, coordinates agency efforts under the Federal Equal Opportunity Recruitment Program (FEORP) to assure that qualified minorities and women are among the applicants for positions in which they are under-represented.

Despite reductions in total employment, minorities and women continue to be well represented in the overall Federal workforce. The additional economies achieved in this Budget will decrease the total employment levels of most agencies and result in some near term dislocations that will affect all Federal employees, including minorities and women. However, they also hold the potential for long term gains through upward mobility for Federal employees in clerical positions and lower pay grades generally, many of whom are women or minorities. The necessity that Federal managers maximize the productivity of their employees will require many of them to look anew at traditional divisions between clerical and professional tasks, resulting in new opportunities for job enrichment, skill acquisition, and advancement through newly created paraprofessional and other bridge positions. The fact that the same managers can no longer afford to "carry" unproductive higher graded employees will produce still more advancement opportunities for the deserving. Federal equal employment efforts in 1983 will build on this potential for increased upward mobility.

During its final hours, the previous administration submitted a proposed consent decree requiring replacement of the Professional and Administrative Career Examination ("PACE") now used to examine applicants for most white collar positions within the Federal civil service. During 1981, the Department of Justice's new leadership negotiated substantial modifications to that decree. While the amended decree neither embodied all provisions desirable under different circumstances nor resolved all attendant controversies, the administration succeeded in removing several elements widely criticized as threatening the basic principle of nondiscrimination in filling Federal jobs. The administration will, insofar as possible, seek to implement the resulting agreement in a manner that enhances that principle.

Federal agencies, under the leadership of OPM, will devote considerable effort and expense to developing alternatives to PACE designed to measure applicants for Federal employment in terms of the particular abilities and traits required to successfully perform the jobs they apply for. The PACE examination although not without its critics, was widely considered to be a fair and cost effective instrument for selecting candidates for the Federal service. Replacing it with several alternative examinations is therefore not without its potential pitfalls. While Governor of California, however, the President successfully implemented a voluntary transition to more job-specific selection criteria that improved performance in State government jobs while increasing the number of minorities who held them several fold. The administration will seek to implement the terms of the decree in a manner that similarly realizes the potential, inherent in more job-specific criteria, for improving performance and opportunities in the Federal service.

In addition to the challenge of implementing this consent decree, the administration will be exploring more cost effective alternatives of assuring equal employment opportunity in the Federal Government. As noted in Table J-3, even with economies already achieved, the Federal Government's total expenditures on activities to assure equal employment for Federal employees will exceed the combined outlays of the EEOC and the OFCCP to implement equal employment guarantees in the private sector.

Much of this disparity results from the cumbersome procedures currently used by Federal agencies to process discrimination complaints against them. During 1981, these procedures cost an average of more than \$8,000 per closed complaint—over ten times the average cost for EEOC's processing of charges involving other employers. Despite the high costs of current procedures for processing these complaints, they satisfy neither Federal agencies nor the complainants themselves. Further unnecessary costs are imposed by current data and other requirements for developing agency affirmative action plans (characterized by several of the defects in OFCCP's current requirements). The administration is investigating alternatives for effecting cost saving improvements in both of these areas in 1983.

Fair housing.—Title VIII of the Fair Housing Act of 1968, as amended, prohibits discrimination based on race, color, religion, sex, or national origin in the sale, rental, or financing of housing or provisions of brokerage services. Two Federal agencies are responsible for enforcing title VIII:

—The Department of Housing and Urban Development's Office for Fair Housing and Equal Opportunity investigates complaints alleging violations of title VIII. Where it concludes that

violations of title VIII have occurred, HUD attempts to resolve them through informal conference, conciliation, and persuasion.

—The General Litigation Section of the Department of Justice's Civil Rights Division brings suits to enjoin alleged patterns and practices of discrimination prohibited by title VIII. The Section brings cases based both on referrals by HUD and its own investigations.

During 1981, HUD significantly improved the efficiency of its complaint processing by implementing "Rapid Response" procedures in all of its regional offices. Under this approach, time consuming field investigations are reduced by quickly bringing the parties together to discuss and settle the issues informally. As a result, HUD received 2,410 complaints and closed 2,710 complaints and by the end of the year had only 85 complaints in its inventory over 90 days old. Increased processing efficiency will increase closures to 4,510 in 1982 while enabling HUD to reduce the number of staff years required for complaint processing.

Title VIII provides for deferral of complaints filed with HUD to State and local fair housing agencies with equivalent statutory authority. During 1981 HUD aggressively worked to expand the involvement of State and local agencies in assuring Fair Housing. HUD provided technical assistance to increase their complaint handling capacities through "Rapid Response" and other means, and \$3.7 million in grants to defray processing costs. These efforts increased the number of State and local agencies participating in charge processing by 30% (to 42). Through 1983, further efforts will increase the number of participating State and local agencies to 70—more than doubling the number in the program at the beginning of 1981. As a result, the number of title VIII complaints processed at the State and local rather than the Federal level will more than triple in 1982 (to 2,025), with further increases in 1983. In addition, HUD will increase efforts to preclude violations of title VIII through technical assistance.

During 1981, the Civil Rights Division's General Litigation Section initiated 60 investigations of suspected patterns and practices of housing discrimination, and completed 45. Litigation by the Division resulted in court orders and settlements mandating future nondiscrimination in the sale or rental of over 9,000 housing units. The Division currently has 94 suits in progress to enjoin alleged patterns and practices of housing discrimination.

The President's 1983 Budget provides for total outlays of \$16 million to enforce Fair Housing guarantees, including \$15 million for complaint processing and technical assistance by HUD and \$1 million for litigation by the Department of Justice.

Equal credit opportunity.—The Equal Credit Opportunity Act of 1974 (ECOA) prohibits discrimination in credit transactions based on race, color, national origin, sex, marital status, age or derivation of part or all of one's income from public assistance. The Act assigns administrative enforcement responsibilities to 12 different Federal agencies, and requires the Federal Reserve Board to coordinate their activities. In addition, the General Litigation Section of the Department of Justice's Civil Rights Division is responsible for litigating alleged violations of ECOA.

Since the act's passage, the Department of Justice has worked closely with the other agencies responsible for enforcing ECOA, and has filed significant suits involving alleged violations in non-housing lending by banks, small loan companies, and retail creditors; as well as alleged violations by real estate appraisers and mortgage lenders. Litigation involving non-housing lending has been selective rather than extensive, designed to eliminate violations with widespread impacts (e.g., one defendant processes 4,000,000 loan applications each year). During 1981 the Department resolved three cases through court orders or negotiated settlement and initiated two additional cases. Five equal credit cases are currently in progress.

ECOA's wide dispersal of enforcement authority among agencies, while not consistent with reducing proliferation of agency responsibilities for enforcing civil rights laws, has not produced the problems of duplication present in other areas of dispersed responsibility. Because the structure for enforcing ECOA reflects the division of responsibility for financial regulation generally, it enables agencies to review compliance with ECOA and other financial regulations at the same time.

The budget for 1983 provides for outlays of \$524 thousand for ECOA litigation by the Department of Justice and \$5.9 million for the ECOA enforcement activities of the various Federal entities with responsibilities under the act. As several of those entities are not required to submit their budgets to OMB for review, the latter figure is incomplete.

TO SEEK NEW SOLUTIONS . . .

"Let us issue a call for exciting programs to spring America forward toward the next century, an America full of new solutions to old problems."—RONALD REAGAN, June 29, 1981.

As catalogued above, the administration initiated efforts in each area of major Federal civil rights responsibility during 1981 to substitute new solutions for past approaches that have proven ineffective. These were in addition to advances in related areas. For example, the President signed Executive Order 12320, directing agencies to make special efforts to assist historically black colleges,

and has requested a record \$552 million for minority business development programs in 1983 by the Small Business Administration and the Minority Business Development Administration.

All of these efforts involve increased technical assistance to build on the genuine desire of most Americans to implement our national civil rights commitment. Toward this end, the administration initiated a major reorientation of the two agencies primarily responsible for civil rights research: the Commission on Civil Rights, and the Women's Bureau of the Department of Labor. The President's budget for 1983 provides for outlays of \$11.7 million by the Commission on Civil Rights and \$3.5 million by the Women's Bureau.

Congress established the Commission on Civil Rights in 1957 to study the enforcement of laws guaranteeing civil rights regardless of race, color, religion, or national origin. During the 1970's, the Commission's mandate was expanded to cover civil rights issues related to sex, age, and handicap. Since its inception, the Commission has focused its energies on research demonstrating the existence of civil rights problems.

This emphasis was appropriate to the early years of the Commission's existence. However, the questions of the 1980's involve not whether civil rights problems exist, but how to most effectively resolve them. The President believes that the Commission's contributions to answering those questions can be more substantial and original than they have been. He therefore appointed leadership that will renew the Commission's relevance.

Many employers and institutions have instituted effective programs for resolving civil rights problems. The Commission will devote increased emphasis to identifying these initiatives and sharing them with others who can benefit from them. It will also provide significant "backup" support for the technical assistance efforts of other civil rights agencies. As part of this renewal, the Commission will initiate a study in 1983 of how the role of State and local agencies in civil rights enforcement can be expanded.

The Women's Bureau of the Department of Labor, on the other hand, is already making substantial contributions to answering the questions of the 1980's, both by assisting States, municipalities, and the private sector in developing solutions to civil rights problems affecting women, and by sharing those solutions with others. As previously noted, the Women's Bureau is providing staff support for the President's Fifty States Project, an effort to help States identify sexually discriminatory provisions in their statutes. During 1981, the Bureau completed a preliminary study of the progress already made by the various States in eliminating such provisions, and shared the study's results with the State officials designated to work on the President's project. Closer to home, the

Bureau is playing a leading role in the Secretary of Labor's initiative to eliminate sex bias from the Department's own regulations.

The new leadership of the Women's Bureau is exploring innovative ways of cooperating with businesses and State and local governments to improve employment opportunities for women who work outside the home. In one noteworthy effort already underway, the Women's Bureau is drawing upon the experience of women who have been successful in business. Through a series of regional meetings, the Women's Bureau is obtaining direct input from women who hold top level management jobs, are directors of corporations, or own their own businesses. In 1983, the Women's Bureau will make similar efforts to tap the knowledge and experience of the private sector in developing solutions to job-related problems of women at all levels of employment.

From these and similar efforts to seek new solutions rather than to document the misunderstandings of the past will come the exciting programs demanded by the President to address the needs of the future and to win, once and for all, America's battle against discrimination.

Table J-2. CIVIL RIGHTS OUTLAYS BY DEPARTMENT AND AGENCY

(in millions of dollars)

	1981 actual	1982 estimate	1983 estimate
Department of Agriculture.....	7.9	8.9	9.0
Department of Commerce.....	4.6	3.9	4.0
Department of Defense.....	94.8	85.7	89.6
Department of Education.....	43.8	42.1	*43.2
Department of Energy.....	2.3	2.2	*2.1
Department of Health and Human Services.....	32.9	30.9	32.6
Department of Housing and Urban Development.....	15.2	18.5	16.5
Department of the Interior.....	10.3	9.6	9.9
Department of Justice.....	38.2	41.6	43.9
Department of Labor.....	52.4	46.3	45.7
Department of State.....	.8	.84	.93
Department of Transportation.....	11.1	12.2	12.8
Department of the Treasury.....	8.6	11.2	11.9
Equal Employment Opportunity Commission.....	134.2	143	142
Commission on Civil Rights.....	12.1	11.9	11.7
Office of Personnel Management.....	3.3	3.0	3.0
Small Business Administration.....	2.7	2.7	2.8
Veterans Administration.....	12.1	14.9	15.7
All other Executive agencies ¹	21.8	20.6	20.6
(U.S. Postal Service) ²	14.8	15.76	16.81
(Legislative Branch ² —GAO, GPO).....	.86	.99	1.0
Total.....	524.6	526.8	535.8

*The Departments of Education and Energy are scheduled for termination in 1983. Civil rights and other functions of these departments will be distributed among other agencies.

¹Includes outlays by 49 agencies.

²U.S. Postal Service and Legislative Branch outlays appear in the Annexed Budget and are included here for memorandum purposes only.

Table J-3. TOTAL ESTIMATED FEDERAL CIVIL RIGHTS EXPENDITURES BY CATEGORY, FISCAL YEAR 1983

(in millions of dollars)

Category	Total estimated expenditures
Federal Civilian and Military Equal Employment Opportunity.....	180.7
Private Sector and non-Federal Public Sector Equal Employment Opportunity	173
Fair Housing.....	13.1
Nondiscrimination, Federally Assisted Programs	75.2
Equal Credit Opportunity.....	5.9
Voting Rights.....	3.3
Other Civil and Constitutional Rights.....	29.1
Research.....	15.2

Table J-4. TOTAL FULL-TIME PERMANENT CIVIL RIGHTS STAFF BY EXECUTIVE DEPARTMENT AND AGENCY, FISCAL YEAR 1983 (ESTIMATE)

	Total *	Internal EEO	External programs *
Department of Agriculture.....	165	94	71
Department of Commerce.....	55	52	3
Department of Defense.....			
Department of Education **.....	1,084	** 14	** 1,070
Department of Energy **.....	21	** 9	** 12
Department of Health and Human Services.....	806	282	524
Department of Housing and Urban Development.....	476	25	451
Department of the Interior.....	230	195	30
Department of Justice.....	867	8	859
Department of Labor.....	1,091	50	1,041
Department of State.....	17	17	0
Department of Transportation.....	199	144	55
Department of the Treasury.....	254	213	41
Equal Employment Opportunity Commission.....	3,316	18	3,215
Commission on Civil Rights.....	215	2	213
Office of Personnel Management.....	60	60	0
Small Business Administration.....	57	16	38
Veterans Administration.....	71	57	14
All other Executive agencies.....			
Total	11,369	3,566	7,633

* Agency totals for FTP Internal EEO and FTP External program staff in some cases are less than figures for total civil rights FTP because some personnel have duties in both areas.

** Scheduled for termination in 1983.

Table J-5. DISTRIBUTION AMONG PROGRAM CATEGORIES, FTP CIVIL RIGHTS PERSONNEL OF EXECUTIVE DEPARTMENTS AND AGENCIES, FISCAL YEAR 1983 ESTIMATE

	Total FTE
Federal service and military service equal employment opportunity.....	3,566
Private sector and non-Federal public sector equal employment opportunity	4,409
Fair Housing.....	402
Nondiscrimination, federally assisted programs.....	1,907
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