

RECOMMENDATIONS OF THE WORKERS' COMPENSATION BUDGET ADVISORY COMMITTEE

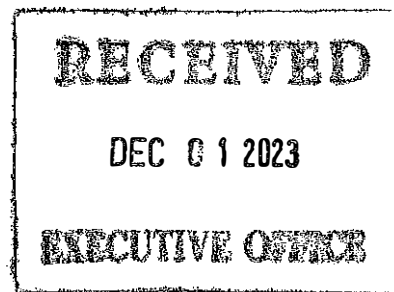
FY 2025

Labor and Employment Article, Section 9-318(d)

Maryland Workers' Compensation Commission

December 5, 2023

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Workers' Compensation Budget Advisory Committee

10 East Baltimore Street, 7th Floor, Baltimore, MD 21202-1641 Phone (410) 864-5161

November 27, 2023

The Honorable Wes Moore
Governor of Maryland
State House
100 State Circle
Annapolis, MD 21401-1925

Re: Report of Budget Advisory Committee for the
Workers' Compensation Commission for Fiscal Year 2025 Budget

Dear Governor Moore:

The Budget Advisory Committee has completed its review and analysis of the draft proposed budget for the Maryland Workers' Compensation Commission for fiscal year 2025. Pursuant to the requirements of Chapter 487, Laws of 2002, Senate Bill 772-2002, Md. Code Ann., Lab. & Empl. § 9-318, the Committee hereby provides you with its recommendations and annual report.

We are an 11 member advisory committee charged with the duty to review the annual proposed budget of the Commission. You have appointed the Committee with the advice and consent of the Senate and the statute provides that each geographic region of the State be represented. The composition of the Committee must also represent business, labor, the insurance industry, the vocational rehabilitation industry, the medical profession, the claimant's bar and the defense bar. Members of the Committee receive no compensation but are entitled to standard State travel reimbursement.

By September 1 of each year, the Commission must prepare its tentative operating budget and submit it to the Committee for review as was done this year. The Commission must give due consideration to the Committee's recommendations prior to submitting its final budget to you.

By December 1, the Committee is required to submit a report to you and the General Assembly on the recommendations it made to the Commission regarding the Commission's budget. The statute requires that you give due consideration to the Committee's recommendations.

As part of our analysis of the FY 2025 budget, including a review of detailed budget documents, the Committee met on October 12, 2022 with Chairwoman Maureen Quinn and Mary K. Ahearn, Chief Executive Officer, along with three key members of the Commission's staff, David E. Jones, Chief Financial Officer, Theresa Cornish, Chief Operating Officer and James Moore, Director of Fiscal Services.

Based upon our meeting with those essential persons, the Committee was able to develop a better understanding of the day-to-day operations of the Commission, the interactions of the various departments and the needs of the departments in regard to personnel and equipment. In addition, the Committee was apprised of the budgetary recommendations of the State Department of Budget and Management and was advised that the proposed FY 2025 budget met the target established by the Department of Budget and Management.

The FY 2025 Budget Request of \$23,215,094 reflects an increase of \$615,677 over the FY 2024 Legislative Appropriation. This increase is attributable to increases to employee salaries due to annualization costs approved for the Cost-of-Living-Adjustment (COLA) that became effective January 1, 2023 and salary increments, increases to software maintenance for Microsoft 365 licensing, and adjustments to the funding of the on-going Enterprise Modernization Major Information Technology Project.

The number of authorized permanent positions for FY 2025 reflects a total of 115.0 Full Time Equivalent (FTE) positions. This total number of permanent positions remained unchanged from the prior fiscal year. The number of FTE contractual positions reflects a total of 11.25 FTE's. This total remained unchanged from the prior fiscal year, however an over the target request will request an additional 7.0 FTE contractual positions.

A Over the Target Request is included for an amount over the target budget amount to provide an increase to the number of contractual positions and the subsequent salary funding for additional security officers required to operate and maintain metal detectors that have been installed in the main headquarters location of the WCC in Baltimore City and its five regional hearings sites located throughout the state. This request is in line with the public safety initiatives your current

Wes Moore, Governor
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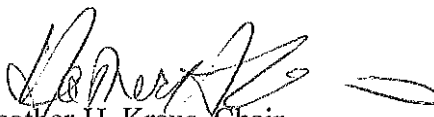
budget plan includes to invest in expanding professional law enforcement in an effort to support state agencies in their mission to secure workers and the citizens who benefit from the services provided by those agencies.

The Committee is pleased that the first phase of the Commission's ongoing initiative to update and modernize the agency's major information technology systems, the Enterprise Modernization Project, has now been launched. The Commission has worked tirelessly to respond to questions and support the community as the new data base, CompHub, has rolled out. The Committee recognizes that the Commission has faced turnover in personnel, particularly in the information technology personnel so critical to the Enterprise Modernization Project and commends the Commission for the ongoing progress despite these challenges. The ongoing updates to the information technology systems continue to benefit the people of Maryland. The continued updates anticipated in the coming months and years will allow for ongoing adaptations to meet the challenges ahead. The Committee also applauds the Commission's steps to provide enhanced safety protections for persons visiting the hearing sites throughout the State.

The Committee is confident and satisfied with the status of the Commission's budget situation and recommends approval of the FY 2025 Budget Request as presented.

The Committee wishes to express its gratitude to Chairwoman Quinn and the Commission Staff for their full cooperation in the Budget Review process. The Committee requested the Commission to incorporate our recommendations in the development of its final budget for submission to you.

Respectfully Submitted
Budget Advisory Committee,


Heather H. Kraus, Chair

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cc: The Honorable Bill Ferguson
President of the Maryland Senate

The Honorable Adrienne A. Jones
Speaker of the Maryland House of Delegates

The Honorable Maureen Quinn
Chairwoman, Workers' Compensation Commission