

RECOMMENDATIONS OF THE WORKERS' COMPENSATION BUDGET ADVISORY COMMITTEE

FY 2026

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

Maryland Workers' Compensation Commission

February 14, 2025

Wes Moore, Governor
December 5, 2024
Page 1

Workers' Compensation Budget Advisory Committee

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

December 5, 2024

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 2026 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 2026. 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 a 12-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 2026 budget, including a review of detailed budget documents, the Committee met on September 30th, 2024, with Chairwoman Maureen Quinn, along with three key members of the Commission's staff, David E. Jones, Chief Financial Officer, Theresa

Wes Moore, Governor

December 5, 2024

Page 2

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 2026 budget met the target established by the Department of Budget and Management.

The FY 2026 Budget Request of \$24,777,506 reflects an increase of \$1056323 over the FY 2025 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 July 1, 2024, and salary increments, reclassification actions, increases to software maintenance for Microsoft 365 licensing, and adjustments to the funding of the on-going maintenance and management cost for the recently completed Enterprise Modernization Major Information Technology Project.

The funding amounts reflected in most subobjects of the FY 2026 request column, reflect the same level of funding as the FY2025 Appropriation. With respect to subobjects where the FY2026 request differs from the FY 2025 appropriation, the funding amount was calculated by using the actual expenditures from FY 2025 and adding a modest inflation factor.

The number of authorized permanent positions for FY 2026 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 18.25 FTE's. This total increased by 7.0 FTE's from the prior fiscal year, due to an approved over the target request in the FY 2025 Budget Request. These additional contractual FTE's have been filled to complete the agency's initiative to hire additional security officers who are required to operate and maintain metal detectors that have been installed at all hearing sites. The turnover rate used for budgeted positions was 4.5%. The salaries and fringe benefits reflected in the Budget Request are consistent with DBM's 2026 Budget instructions.

The FY 2026 Budget Request includes the final funding for the agency's major information technology development project to modernize the agency's information technology systems. The funding request for this project includes funding for an additional year of the central procurement of this project that was approved by the Board of Public Works on August 22, 2018, and the transfer of development funding to on-going maintenance and management costs. This was a multi-year project ending in FY 25 (December 2024) which totaled approximately \$25 Million.

The Committee is confident and satisfied with the status of the Commission's budget situation and recommends approval of the FY 2026 Budget Request as presented.

The Committee would like to make the following recommendations to the Commission:

1. Consider a request to the Department of General Services Capitol Police to provide security officers for the agency's headquarters and regional hearing sites

noting that the need will be less than a full day.

2. Expand the Interpreter Services Program to include contracts with additional language interpretation companies in the hopes to improve the success of finding interpreters for the more obscure/difficult languages as improve the reliability of interpreters showing up for hearings.
3. Speak with the Department of Budget and Management regarding flexibility around hiring and retention rules for the Commission which is funded through Special Funds. Specifically, investigate the ability to offer hiring and retention bonuses for those hard to hire/retain positions, those for key staff members, and to speed up the selection process via direct hiring authorities.

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.


Anthonia St John Esq. Chair

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