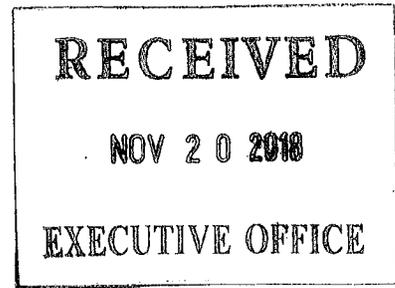


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**Workers' Compensation  
Budget Advisory Committee**

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November 19, 2018

The Hon. Lawrence J. Hogan, Jr.  
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 2020 Budget

Dear Governor Hogan:

The Budget Advisory Committee has completed its review and analysis of the draft proposed budget for the Maryland Workers' Compensation Commission for fiscal year 2020. 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 (which I do not think anyone has ever pursued).

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 2020 budget, including a review of detailed budget documents, the Committee met with Chairman R. Karl Aumann and Mary K. Ahearn, Chief Executive Officer, along with two key members of the Commission's staff, David E. Jones, Chief Financial Officer and James E. Moore, III, Deputy Director of Financial Services. A quorum of the Committee attended with Nathan J. Cavey, Sandra I. Dorsey, and Melinda Hayes absent.

Based upon our meetings 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 2020 budget met the target established by the Department of Budget and Management.

The FY 2020 Budget Request is flat relative to the FY 2019 Budget with no approved increases to salaries.

The most significant recent development impacting the Commission's ability to successfully serve the citizens of Maryland was the approval by the Board of Public Works on August 22, 2018 of the central procurement process to update and modernize the agency's major information technology systems. This projected \$10,001,752 multi-year project, awarded to VersaTech, Inc. of Columbia, Maryland

after a request for proposals process, will eventually result in the much-needed upgrade of the Commission's dated computer systems.

The Committee is confident and satisfied with the status of the Commission's budget situation and recommends approval of the FY 2020 Budget Request as presented.

The Committee wishes to express its gratitude to the Chairman 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,

A handwritten signature in black ink, appearing to read "Michael G. Comeau", written in a cursive style.

Budget Advisory Committee  
Michael G. Comeau, Chair

CC: President, Maryland Senate  
Speaker, Maryland House of Delegates  
Chairman, Maryland Workers' Compensation Commission