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Workers' Compensation Budget Advisory Committee

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October 30, 2019

Hon. R. Karl Aumann, Chairman
Workers' Compensation Commission
10 E. Baltimore Street
Baltimore, MD 21201

Re: Report of Budget Advisory Committee for the
Workers' Compensation Commission for Fiscal Year 2021 Budget

Dear Chairman Aumann:

The Budget Advisory Committee has completed its review and analysis of the draft proposed budget for fiscal year 2021. Pursuant to the requirements of Chapter 487, Laws of 2002, Senate Bill 772-2002, codified as Sec. 9-318, Md. Labor & Employment Code Ann., we the Committee are hereby providing you with our recommendations.

As you are aware, in preparation for our review of the FY 2021 budget, the Committee met with you as Chairman and Mary K. Ahearn, Chief Executive Officer, along with two key members of your staff, David E. Jones, Chief Financial Officer and James E. Moore, III, Director of Fiscal Services on October 8th. A quorum of the Committee attended with Mary Larkin and Adrienne M. Ray absent.

Based on our meetings with those essential persons, the Committee was able to develop an understanding of the day-to-day operations and trends of the Commission, the interactions of the various departments and the needs of the departments regarding personnel and equipment. In addition, the Committee was made aware of the budgetary recommendations of the State

Department of Budget and Management and that the proposed FY 2021 budget once again met the target established by the Department of Budget and Management.

The FY 2021 Budget Request of \$18,833,781 reflects an increase of \$308,615 relative to the FY 2020 Budget with the increase attributed to an increase in commissioner salaries as scheduled by Joint Resolution 3-2018 and the across the board 3% Cost of Living adjustment effective July 1, 2019.

It should be noted that the total number of authorized permanent positions (115) and contractual positions (11.25) has remained virtually unchanged in recent years. Retirements and turnover, particularly in the Information Technology Division, has resulted in 12 new employees and 12 new contractors.

The Committee remains very confident and satisfied with the status of the Commission's budget situation and accepts the FY 2021 Budget Request as presented.

The Committee is pleased that the Commission's ongoing initiative to update and modernize the agency's major information technology systems, the enterprise modernization project, continues to move forward. It appears that as soon as early 2020, the Commission and the people of Maryland will start to see the benefits from the upgrade of the Commission's dated computer system as some of the improved systems will start to be phased in.

The Committee wishes to express its gratitude to the Chairman and the Commission staff for its full cooperation in the Budget Review process. The Committee respectfully requests that the Commission incorporate the Committee's recommendations in the development of its final budget for submission to the Governor.

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