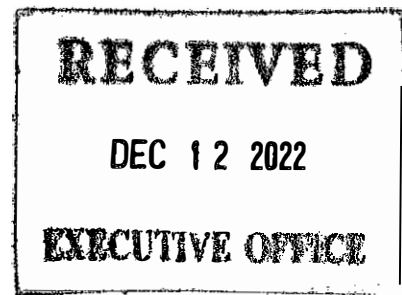


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**Workers' Compensation
Budget Advisory Committee**

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

December 1, 2022

The Honorable 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 2024 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 2024. 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 status 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 2024 budget, including a review of detailed budget documents, the Committee met on October 6, 2022 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 Commissioner Maureen Quinn. A quorum of the Committee was not present at the meeting on October 6, 2022 and as such the Committee subsequently met virtually on October 17, 2022 where a quorum was achieved.

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 2024 budget met the target established by the Department of Budget and Management.

The FY 2024 Budget Request of \$21,696,714 reflects an increase of \$583,492 relative to the FY 2023 Budget with the most significant increase attributed to an increase in funding of the ongoing Enterprise Modernization Information Technology Project.

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.

The Committee is pleased to learn that the Commission has eliminated the backlog of claims requiring hearings which resulted from the COVID-19 pandemic. We note 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. 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 progress despite these challenges. The ongoing updates

to the information technology systems continue to benefit the people of Maryland, as the Commission continues to respond to the ongoing and unique challenges of the COVID-19 health crisis with virtual hearings, electronic filings, and evolving protocols for in-person hearings with the use of the updated technology. The future updates anticipated in the coming months and years will allow for ongoing adaptations to meet the challenges ahead. The Commission is to be commended for outstanding work in these most difficult times.

The Committee is confident and satisfied with the status of the Commission's budget situation and recommends approval of the FY 2024 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.

Budget Advisory Committee,



Heather H. Kraus, Chair

HHK/wbg

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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 R. Karl Aumann
Chairman, Workers' Compensation Commission