

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 489 (Delegate Miller, *et al.*)
Economic Matters

Workers' Compensation Commission - Decisions and Orders - Requirements

This bill requires that a decision or order of the Workers' Compensation Commission (WCC) include written findings of fact and conclusions of law setting forth the rationale for the decision or order.

Fiscal Summary

State Effect: Potential significant increase in special fund expenditures for increased WCC administrative expenses and a corresponding increase in special fund revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: WCC administers the State workers' compensation laws. WCC receives reports of accidents, conducts hearings of contested cases, and adjudicates claims for compensation arising under the law. WCC is required by law to issue a final order within 30 days of a hearing.

The Administrative Procedures Act requires that a final decision or order contain separate statements of the findings of fact and the conclusions of law. The Act does not apply to WCC.

State Fiscal Effect: Special fund expenditures and revenues could significantly increase as a result of WCC providing a written finding of fact and conclusions of law for each

order or decision. WCC's expenditures are recovered from an annual maintenance assessment on insurance companies that issue workers' compensation insurance policies, the Injured Worker's Insurance Fund, and employers that self-insure. With no actual experience under the bill's provisions, the actual increase in expenditures and corresponding revenues cannot be reliably estimated at this time but could be significant.

WCC asserts that providing written findings of fact and conclusions of law setting forth the rationale for orders would require the hiring of the equivalent of an additional 54 commissioners. The estimate assumes between 8 and 20 hours of additional time per order. With the current 9 commissioners issuing approximately 16,000 orders per year, adding 8 hours per order would require 54 additional commissioners. According to WCC, the eight-hour estimate is based on information provided to them from the Administrative Office of the Courts about the number of written opinions circuit court judges typically issue per year.

However, DLS does not believe that the bill would require the amount of work indicated by WCC. It seems more likely that the written statements of fact and conclusions of law for each WCC order may require no more than an hour or two of administrative time and only unusual cases would require additional time. Given the commission's extensive knowledge in the area of workers' compensation law, it is assumed that limited legal research would be needed to document findings of fact and conclusions of law which are sufficient to set forth the rationale for decisions.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Workers' Compensation Commission, Department of Legislative Services

Fiscal Note History: First Reader - February 14, 2005
mam/jr

Analysis by: Karen S. Benton

Direct Inquiries to:
(410) 946-5510
(301) 970-5510