



STATE OF MAINE
WORKERS' COMPENSATION BOARD
Board of Directors' Business Meeting

August 28, 2024

A business meeting of the Maine Workers' Compensation Board of Directors was conducted remotely via Zoom and in person at the Board's Bangor Regional Office at 396 Griffin Road Drive, Suite 105, Bangor, on Wednesday, August 28, 2024.

BOARD MEMBERS PRESENT: John Rohde (*Executive Director/Chair*), Penny Picard, Glenn Burroughs, Ron Green, Serina DeWolfe, Paul Gendreau, and Lynne Gaudette (*Directors*), and Richard Hewes (*General Counsel*) attended in person.

CALL TO ORDER

Executive Director Rohde called the meeting to order at 10:02 a.m. with over 35 people participating in person and via Zoom. Executive Director Rohde reviewed the hybrid meeting format, remote participation procedures, and welcomed everyone attending in person. Board members and staff introduced themselves for the recording.

I. APPROVAL OF MINUTES

1. Draft Minutes of 7/9/2024 Board of Director's Business Meeting

Director Burroughs MOVED TO ACCEPT THE MINUTES OF THE JULY 9, 2024 BOARD MEETING AS WRITTEN; Director Gaudette SECONDED. **MOTION PASSED 7-0.**

II. SUBCOMMITTEE REPORTS

1. IME Subcommittee

The IME committee will meet to finalize a draft rule change and set up interviews with the randomly chosen examiners for this year.

Director Burroughs MOVED TO APPROVE THE APPLICATION OF DAVID MEUSE TO BE APPOINTED TO THE LIST OF BOARD-APPROVED VOCATIONAL REHABILITATION PROVIDERS FOR A TWO-YEAR TERM BEGINNING AUGUST 28, 2024. Director Gaudette SECONDED. **MOTION PASSED 7-0.**

2. Personnel Subcommittee

The Personnel Subcommittee has met twice since the July Board meeting. Senior Staff members joined those meetings to discuss various issues and provide more insight into what each department does. Director Picard reported that there are consistent themes being reported such as recruitment and retention challenges and frustration with

Department of Administrative and Financial Services (DAFS) processes. Executive Director Rohde and Deputy General Counsel Crasnick will meet with DAFS about these issues. The Subcommittee will continue their conversations with Senior Staff in September.

The mediator/troubleshooter position in the Caribou Regional Office will be posted soon.

3. Framework Subcommittee

The Framework Subcommittee is finalizing the update that must be sent to the legislature at the end of this month as required by Resolves 2023, c. 139 (“LD 1896”). The subcommittee needs to collect more information to complete the report and is working to digest additional information recently submitted by insurers. At this stage, the Subcommittee is looking at how inflation is impacting benefits and will expand the inquiry to examine how a COLA might affect employer costs. It is a large and complex project. Director Gaudette reiterated that the goal is to be mindful of both employer costs and lost wage benefits and to provide recommendations that balance those as much as possible.

III. EXECUTIVE DIRECTOR REPORT

1. Updates

- CompCon is on September 4th and 5th. The Board’s presentation will take place during lunch and will be about 30-40 minutes.
- Team Day is set for September 19th at the Wolfe’s Neck Center in Freeport. WCB staff will be gathered for a full day of training.
- The September Board meeting will be held at the Lewiston Regional Office on September 10th.

IV. GENERAL COUNSEL REPORT

1. Personnel

The two vacant advocate positions in Portland have recently been filled. Once they are on board, which will be in September, all advocate billets will be filled. The legal secretary position in Portland has been filled.

V. OLD BUSINESS

1. Vacancy Provision

Executive Director Rohde has spoken with both the Chamber of Commerce and the AFL about language revisions to §151(3) that will provide a process for unexpected director vacancy to be filled to finish out unexpired terms. There will be more discussion on the language of this proposal at the September Board meeting.

VI. NEW BUSINESS

1. Biennial Budget

The biennial budget submission is due on September 1st. Director Gendreau summarized that the Budget Subcommittee has reviewed the information and noted there are a number of increases. Director Green reiterated that a significant amount of the increase is out of the control of the Workers' Compensation Board. Personal Services is about 80% of the budget and that is impacted by wage increases negotiated in a collective bargaining process between the Governor's Office and employee unions. In All Other, costs and fees for rent, insurance, computers, and technology have gone up.

Deputy Director Adams, Executive Director Rohde, and Deputy Director Lizzotte answered questions posed by directors and other participants from the viewing audience. Specific items such as additional funding for a technical contractor (through MaineIT) to help enhance the electronic payment process (EDI) for insurers were discussed in detail. The EDI payments project has been in the works for many years and ensures more accurate filings by those who pay claims.

Several questions regarding the amount of time to review and approve the budget were fielded. Deputy Director Adams reminded participants the Board does not get initial information from the Bureau of the Budget until August 1st and the Budget is due by September 1st. During August, the Board has to wait to receive several key pieces of information from other agencies. The Board cannot change the State of Maine's budget process. Executive Director Rohde and Deputy Director Adams both noted that the current Board is more actively involved with decision making throughout the year than previous Boards have been. The agency operates very conservatively and is always looking for efficiencies.

Director Green MOVED TO APPROVE A BUDGET IN THE PROJECTED AMOUNTS OF \$15,950,000.00 FOR FISCAL YEAR 2026 AND \$16,640,000.00 FOR FISCAL YEAR 2027; Director Burroughs SECONDED.

Director Picard requested a caucus at 11:26 a.m. The Board was back on the record at 11:38 a.m. and discussion continued.

Executive Director Rohde reviewed the motion on the table: TO APPROVE A BUDGET IN THE PROJECTED AMOUNTS OF \$15,950,000.00 FOR FISCAL YEAR 2026 AND \$16,640,000.00 FOR FISCAL YEAR 2027. **MOTION PASSED 4-3.** (*Directors Gaudette, Picard, and Gendreau opposed.*)

Executive Director Rohde asked the Management representatives where the Board falls short with respect to reaching consensus on the budget and if there was an alternative budget proposal. Director Picard noted she'd like to have the data sooner and be able to have in-depth conversations. Director Gendreau suggested that the full Board should be involved right from the start of the budget process instead of just the subcommittee getting the initial information and then presenting it to the other directors.

Director Green asked if there was a budget proposal that Management would support or what cuts should be made to reduce the budget submittal that is on the table. Director Picard said that the directors did not have a counter proposal. They did not have enough time to review the information that is available. She reiterated that the full Board should be involved in the budget process from the outset instead of the subcommittee. Director Green noted that he was not sure how to solve the issue because the goal posts always seem to be moving.

Executive Director Rohde noted that while the goal is consensus and specific questions can be delved into further, the budget submittal is due on September 1st. There must be a Board vote today. Discussion continued about Board involvement and what areas that Board can control within the lines of the State of Maine's overall budget process. A second caucus was requested at 11:56 a.m. The Board was back on the record at 12:08 p.m.

2. 39-A MRSA 154 (6)(A) Language

Director Green MOVE TO AMEND 39-A M.R.S.A. §154(6)(A) TO READ:

A. The assessments levied under this section may not be designed to produce more than \$14,700,000 beginning in the 2023-24 fiscal year revenue than is sufficient for expenditures allocated pursuant to subsection 2 and to maintain a reserve of up to 1/4 of the board's annual budget. Assessments collected that exceed ~~the~~ this limit by a margin of more than 10% must be used to reduce the assessment that is paid by insured employers pursuant to subsection 3. Any amount collected above the board's allocated budget and within the 10% margin must be used to create a reserve of up to 1/4 of the board's annual budget.

Director Burroughs SECONDED. Discussion continued.

LD 2176 was not signed in the last legislative session. It was one of the bills removed from the special appropriations table on veto day. None of those bills were signed into law.

Executive Director Rohde explained the legislation ties the assessment cap to the allocation approved by the Legislature. Director Green noted the proposal addressed a management concern that the cap and the budget be in line with each other.

MOTION PASSED 4-3. *(Directors Gaudette, Picard, and Gendreau opposed.)*

VII. ADJOURNMENT

Director Burroughs MOVED TO ADJOURN; Director Gaudette SECONDED.
MOTION PASSED 5-2. *(Directors Green and Burroughs opposed.)*

The meeting formally adjourned at 12:14 p.m.