

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
**WORKERS' COMPENSATION BOARD**

OFFICE OF EXECUTIVE DIRECTOR  
442 CIVIC CENTER DRIVE, SUITE 100  
27 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0027

JANET T. MILLS  
GOVERNOR

JOHN C. ROHDE  
EXECUTIVE DIRECTOR

January 31, 2019

Honorable Troy D. Jackson  
President of the Senate  
3 State House Station  
Augusta, Maine 04333

Honorable Sara Gideon  
Speaker of the House  
2 State House Station  
Augusta, Maine 04333

Dear President Jackson and Speaker Gideon:

Pursuant to 5 M.R.S.A., Section 12023, please consider this the letter of transmittal for the required report from the Workers' Compensation Board due by February 1, 2019.

Please contact me if you have any questions or need additional information.

Thank you.

Sincerely,

John C. Rohde  
Executive Director

cc: Grant T. Pennoyer, Executive Director of the Legislative Council  
(via e-mail: [quasiagencyreports@legislature.maine.gov](mailto:quasiagencyreports@legislature.maine.gov))





JANET T. MILLS  
GOVERNOR

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JOHN C. ROHDE  
ACTING EXECUTIVE DIRECTOR

January 31, 2019

Senator Shenna Bellows, Chair  
Representative Michael Sylvester, Chair  
Joint Standing Committee on Labor and Housing  
100 State House Station  
Augusta, ME 04333-0100

**Re: Annual Report of the Workers' Compensation Board Pursuant to 5 M.R.S.A.  
§12023(2)**

Dear Senator Bellows and Representative Sylvester:

I am submitting this annual report on behalf of the Workers' Compensation Board ("Board") pursuant to 5 M.R.S.A. § 12023(2).

I. Introduction

Although technically a quasi-independent agency, the Board has, since its inception in 1993, worked under the auspices of the relevant divisions within the Department of Administrative and Financial Services ("DAFS"). The Board, after enactment of Title 5, Ch. 379, subchapter 3, decided to continue working under the oversight of DAFS. The reasoning, which holds true today, is that our relationship with DAFS has been, and continues to be, the most efficient and effective way for the Board to operate.

In response to last year's report, the Chairs of the Joint Standing Committee on Labor, Commerce, Research and Economic Development (the "Chairs") made a number of suggestions, including a request that the Board include tables detailing relevant information. These tables, and the other suggestions, are included/addressed in the following sections.

II. Procurements (5 M.R.S.A. § 12022(3))

With respect to procurements in excess of \$10,000 for which competitive bidding was waived, the Board continues to adhere to the comprehensive bidding procedures established by the Division of Purchases. Included within these procedures is a requirement that the Board submit for approval a Waiver of Competitive Bidding Form. Approval by the Division of Purchases must be received before the Board can enter into a contract that is not the result of the competitive bidding process. Because the Board follows the Division of Purchases' procedures, it also submits a waiver request for any procurement greater than \$5,000 for which competitive bidding is waived.

As required by 5 M.R.S.A. § 12022(3) and the request of the Chairs, the following table contains information pertaining to procurements exceeding \$10,000 in the preceding year for which competitive procurement was waived.

Vendor	Justification for Waiver of Competitive Bidding	Dollar Amount of Procurement
West Publishing	The Board’s staff is required by statute to mediate disputes, hear administrative law cases, write orders and/or provide legal advice and representation to individuals in the workers’ compensation system. Board staff uses the Maine Revised Statutes Annotated, and its pocket part updates, to perform legal research, write trial and appellate briefs and administrative law decisions necessary to performing their required duties. Based on experience, Board staff has determined these publications are necessary for them to provide up-to-date legal analysis, opinions and decisions. Also, Board staff has not found a source for annotations to the Maine Revised Statutes with updates available in state government or other governmental entities.	This is a subscription service that includes procurements in excess of \$10,000. The total amount, for the separate procurements, is \$45,829.

III. Membership Dues (5 M.R.S.A. § 12022(4))

In its letter, the Chairs noted the Board has policies that are generally consistent with the requirements of the law with respect to membership dues. The Chairs pointed out the Board does not have written policies requiring that membership dues be paid to organizations that relate directly to the Board’s mission nor does it have a written policy requiring these costs to be approved and accounted for separately. The Board, pursuant to 39-A M.R.S.A. § 152(3), approves the agency’s annual budget which includes membership dues only if they pertain to the Board’s mission. However, the Board will clarify this process during an upcoming Board meeting.

The following chart sets forth the relevant information regarding membership dues:

Organization	Justification	Amount
International Association of Industrial Accident Boards and Commissions (IAIABC)	IAIABC is an organization that provides information and resources to workers’ compensation systems across the country	\$1,545 per calendar year
Workers’ Compensation Research Institute (WCRI)	WCRI conducts research and publishes reports analyzing issues of importance to workers’ compensation systems.	\$775 per calendar year
Southern Association of	SAWCA is similar to IAIABC	\$250 annually (October –

Workers' Compensation Administrators (SAWCA)	but is regional instead of countrywide.	September)
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IV. Gifts, donations and sponsorships (5 M.R.S.A. § 12022(4))

The Board does not spend money on gifts, donations or sponsorships. The Chairs noted the Board does not have a formal written policy pertaining to gifts, donations and sponsorships. The Board will be addressing this during an upcoming meeting.

V. Travel, meals and entertainment (5 M.R.S.A. § 12022(4))

With respect to travel, meals and entertainment, the Board operates within the policies and procedures established by the Controller's Office. The Chairs noted the adoption of the Controller's written policies is generally consistent with expectations. The Chairs also noted the Board does not have specific written policies to supplement the Controller's policies. The Chairs also pointed out the costs did not appear to be budgeted separately and the Board of Directors was not required to approve the annual costs for these items.

With respect to the latter point, the Board of Directors is responsible, by statute (39-A M.R.S.A. § 152(13)) for approving and administering the agency's budget. The Board does, therefore, already provide the required approval. As to the supplemental policies, the Board will be addressing that suggestion during an upcoming Board meeting.

I am available to answer any questions you may have regarding this report.

Sincerely,

John C. Rohde  
Acting Executive Director  
Workers' Compensation Board

Cc: Senator Stacey Guerin  
Senator Mark Lawrence  
Representative Susan Austin  
Representative Dick Bradstreet  
Representative Anne Carney  
Representative Scott Cuddy  
Representative Donna Doore  
Representative Lawrence Lockman  
Representative Joshua Morris  
Representative Ann Peoples  
Representative Deane Rykerson  
Henry Fouts, Legislative Analyst  
Rachel Tremblay, OFPR Analyst  
Safiya Khalid, Committee Clerk