

AGENCY NAME:	Workers' Compensation Commission		
AGENCY CODE:	R080	SECTION:	



**Fiscal Year 2025-26
Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2025-26, my agency is (mark "X"):		
	<input type="checkbox"/>	Requesting General Fund Appropriations.	
	<input type="checkbox"/>	Requesting Federal/Other Authorization.	
	<input checked="" type="checkbox"/>	Not requesting any changes.	
NON-RECURRING REQUESTS (FORM B2)	For FY 2025-26, my agency is (mark "X"):		
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.	
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.	
	<input checked="" type="checkbox"/>	Not requesting any changes.	
CAPITAL REQUESTS (FORM C)	For FY 2025-26, my agency is (mark "X"):		
	<input type="checkbox"/>	Requesting funding for Capital Projects.	
	<input checked="" type="checkbox"/>	Not requesting any changes.	
PROVISOS (FORM D)	For FY 2025-26, my agency is (mark "X"):		
	<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.	
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).	
	<input checked="" type="checkbox"/>	Not requesting any proviso changes.	

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Gary M Cannon	803-737-5740	gcannon@wcc.sc.gov
SECONDARY CONTACT:	Kristen McRee	803-737-5761	kmcree@wcc.sc.gov

I have reviewed and approved the enclosed FY 2025-26 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE:	<i>Agency Director</i>	<i>Board or Commission Chair</i>
TYPE/PRINT NAME:	Gary M Cannon	T. Scott Beck

This form must be signed by the agency head – not a delegate.

Agency Name:	Workers' Compensation Commission
Agency Code:	R080
Section:	74

<u>BUDGET REQUESTS</u>			<u>FUNDING</u>					<u>FTES</u>				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	FTE Conversion - Earmarked to General Funds	0	0	0	0	0	37.00	0.00	-37.00	0.00	0.00
TOTALS			0	0	0	0	0	37.00	0.00	-37.00	0.00	0.00

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY
PRIORITY

1

Provide the Agency Priority Ranking from the Executive Summary.

TITLE

FTE Conversion - Earmarked to General Funds

Provide a brief, descriptive title for this request.

AMOUNT

General: \$0

Federal: \$0

Other: \$0

Total: \$0

What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS

0.00

Please provide the total number of new positions needed for this request.

FACTORS
ASSOCIATED
WITH THE
REQUEST

Mark “X” for all that apply:

☐

Change in cost of providing current services to existing program audience

☐

Change in case load/enrollment under existing program guidelines

☐

Non-mandated change in eligibility/enrollment for existing program

☐

Non-mandated program change in service levels or areas

☐

Proposed establishment of a new program or initiative

☒

Loss of federal or other external financial support for existing program

☐

Exhaustion of fund balances previously used to support program

☐

IT Technology/Security related

☒

HR/Personnel Related

☐

Consulted DTO during development

☐

Related to a Non-Recurring request – If so, Priority #

STATEWIDE
ENTERPRISE
STRATEGIC
OBJECTIVES

Mark “X” for primary applicable Statewide Enterprise Strategic Objective:

☐

Education, Training, and Human Development

☐

Healthy and Safe Families

☐

Maintaining Safety, Integrity, and Security

☐

Public Infrastructure and Economic Development

☒

Government and Citizens

ACCOUNTABILITY
OF FUNDS

The requested transfer of the funding source for the positions listed in the attached will have no effect on the agency's Performance Measurement in the Accountability Report.

Transfer expenditures for positions from Earmarked (Other) Fund to the General Fund.

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF

Employees in the form of salaries.

FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

**JUSTIFICATION OF
REQUEST**

The Commission is requesting the same level of funding as in FY24-25. We are requesting to transfer (37 FTE's) existing funded positions from the Earmarked Fund to the General Fund. This is required because of the elimination of the Commission's authority to retain 50% of Self-Insurance Tax, or \$2.5 million annually for the operations of the Commission.

The FY24-25 Budget Appropriation Act included an additional funding of \$3 million in the General Fund Appropriation and the elimination \$2.5 million of Self Insurance Tax revenues used by the agency to fund the operations of the agency. The shift in funding requires the transfer of positions from the Earmarked Fund to the General Fund Appropriations to the agency.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$178,191
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	Transfer two positions from the General Fund to the Earmarked Fund. The General Counsel and Attorney II. Total salary and associated fringe totals \$214,955.
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	The legal department in the agency. The change is the source of funding for the two positions.
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What programs or activities are supported by the General Funds identified?

SUMMARY	<p>This activity provides legal counsel to the agency, by reviewing legal issues with disputed claims before a Commissioner, writes orders for Appellate Panel decisions, assist outside counsel with litigation matters, legal research, prepares proposed changes to regulations and statutes, reviews contracts with outside parties, and performs other legal counsel as necessary.</p> <p>No impact on the program or activity in the agency. Activity will continue, funding for activity will come from Earmarked Fund revenues generated by filing fees and fines.</p>
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

<p>AGENCY COST SAVINGS PLANS</p>	<p>Transfer two positions from the General Fund to the Earmarked Fund. The General Counsel and Attorney II. Total salary and associated fringe total equals \$214,955. Funding for activity will come from Earmarked Fund revenues generated by filing fees and fines.</p>
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What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Reduction in copy cost and fines
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	<p>The agency has updated the Information Technology Legacy System, which is the backbone of the agency's business processes for serving citizens and stakeholders. Changes have been implemented to eliminate the cost of paper copies of documents for attorneys and other parties to a case. Parties to a case can now electronically view and download case documents. This will result in an estimated savings of \$75,000 per year by eliminating charges for copies of records.</p> <p>Changes to the IT Legacy System will also allow insurance carriers to submit required reports electronically rather than on paper forms through the US Postal Service. The change will reduce the cost of fines assessed for failure to file reports by the required due date. As a result of this change the savings to stakeholders is estimated to be \$400,000 annually.</p>
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What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark "X" for all that apply:</p> <table> <tr> <td><input type="checkbox"/></td><td>Repeal or revision of regulations.</td></tr> <tr> <td><input checked="" type="checkbox"/></td><td>Reduction of agency fees or fines to businesses or citizens.</td></tr> <tr> <td><input type="checkbox"/></td><td>Greater efficiency in agency services or reduction in compliance burden.</td></tr> <tr> <td><input type="checkbox"/></td><td>Other</td></tr> </table>	<input type="checkbox"/>	Repeal or revision of regulations.	<input checked="" type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.	<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.	<input type="checkbox"/>	Other
<input type="checkbox"/>	Repeal or revision of regulations.								
<input checked="" type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.								
<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.								
<input type="checkbox"/>	Other								

METHOD OF CALCULATION	Historical data of number of requests for copies of paper documents and related costs and number of Form 18s filed and fines assessed.
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	Form 18 fines assessed for failure to file by required deadline. Fine revenue collected in FY2024 for failure to file Form 18 by the required deadline at \$200 per incident was \$495,050.
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	No regulations will be amended or deleted.
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

	<p>The agency has updated the IT Legacy System, which is the backbone of the agency's business processes for serving citizens and stakeholders. Changes have been implemented to eliminate the cost of paper copies of documents for attorneys and other parties to a case. Parties to a case can now electronically view and download case documents. This will result in an estimated savings of \$75,000 per year by eliminating charges for copies of records.</p> <p>Changes to the IT Legacy System will also allow insurance carriers to submit required reports electronically rather than on paper forms through the US Postal Service. The change will reduce the cost of fines assessed for failure to file reports by the required due date. As a result of this change the savings to stakeholders is estimated to be \$400,000 annually.</p> <p>No effect on agency operations.</p>
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SUMMARY

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?