

# Legislative Budget Office of the Legislative Service Commission

## BWC & OIC Budgets in Brief

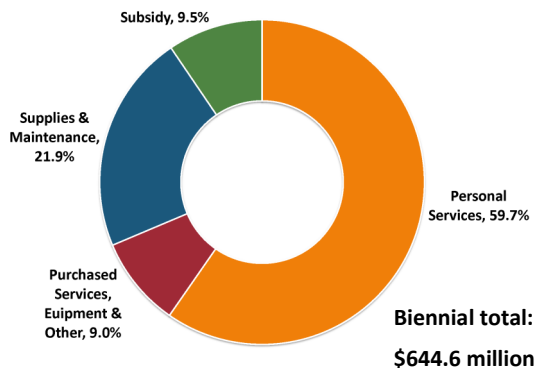
### House Bills 79 & 80 – As Enacted

[www.lsc.ohio.gov/Budget Central](http://www.lsc.ohio.gov/BudgetCentral)

- ◇ R.C. 101.532 requires the Bureau of Worker’s Compensation (BWC) and the Ohio Industrial Commission (OIC) each have its own budget bill, separate from the main operating budget bill.
- ◇ BWC and OIC budgets receive no GRF funding. They are primarily funded by administrative assessments charged to employers. A small portion of the BWC budget is supported by federal grants.
- ◇ BWC administers the largest *exclusive* workers’ compensation system in the country. Under such a system, the state, not private insurers, provides workers’ compensation insurance to all public and private employers except for those that qualify for self-insurance.
  - \* Insuring approximately 240,600 Ohio employers, BWC policies cover about 60% of the state’s workforce.
  - \* The bulk of medical and lost-time benefits paid to injured workers are made from the State Insurance Fund, a trust fund that is not subject to appropriations by the General Assembly.
  - \* BWC is governed by an 11-member Board of Directors who are appointed by the Governor.
- ◇ OIC hears appeals of workers’ compensation claim decisions made by BWC and self-insured employers.
  - \* OIC is governed by a panel of three commissioners who are appointed by the Governor.

#### BWC Budget by Expense Category

##### FY 2020-FY 2021 Biennium



- ◇ As of May 2019, BWC employed 1,722 full-time permanent staffers. Personal services or payroll comprises the largest share of its budget, accounting for 59.7% of the FY 2020-FY 2021 biennial budget.
- ◇ In FY 2018, BWC paid \$1.46 billion in total benefits, consisting of \$0.53 billion in medical and \$0.94 billion in lost time benefits.
- ◇ At the end of FY 2018, BWC had about 672,000 pending claims, including about 85,000 claims that were filed in that year.

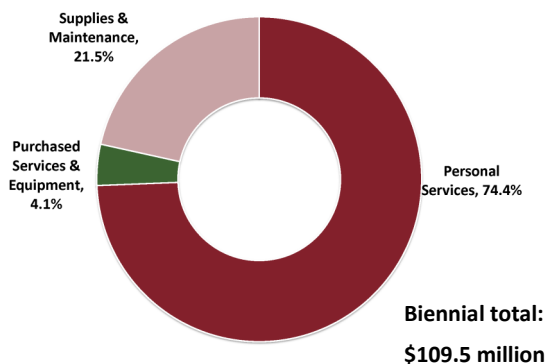
**Workplace health and safety grant (subsidy) funding totals \$28.1 million in FY 2020 and \$33.1 million in FY 2021, including the following:**

- ◇ Substance Use Recovery and Workplace Safety Program (ALI 855618): Funding for this grant program is increased from \$2.5 million in FY 2019 to \$5.0 million in FY 2020 and \$10.0 million in FY 2021.
- ◇ Safety Grants (ALI 855610): This appropriation item is flat funded at \$20.0 million per year.

**BWC’s 30-day interim budget (S.B. 172) was superseded by H.B. 80 on July 22 when the Governor signed that bill into law.**

#### OIC Budget by Expense Category

##### FY 2020-FY 2021 Biennium



- ◇ As of May 2019, OIC employed 332 full-time permanent staffers. Personal services or payroll is the largest area of its budget, accounting for 74.4% of the FY 2020-FY 2021 biennial budget.
- ◇ OIC operates five regional and seven district offices across the state to adjudicate disputed claims through three levels of hearings: district hearing officers, staff hearing officers, and the Commission.
- ◇ In FY 2018, OIC heard 112,250 claim appeals, of which 79,055 were heard by district hearing officers (first level), 32,936 by staff hearing officers (second level), and 259 by the Commission. The majority of appeal claims were filed through the Industrial Commission Online Network (ICON).
- ◇ In FY 2018, on average, it took 38 days for a first-level hearing to occur and 35 days for a second-level hearing to occur while the statutory requirement is 45 days to adjudicate the first- and second-level appeals.

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Fund	ALI	ALI Title	FY 2018 Actual	FY 2019 Estimate	FY 2020 As Enacted	FY 2021 As Enacted
<b>H.B. 80, As Enacted - BWC budget</b>						
<b>Dedicated Purpose Fund Group</b>						
7023	855407	Claims, Risk and Medical Management	\$107,957,594	\$119,353,057	\$120,939,816	\$124,329,031
7023	855408	Fraud Prevention	\$12,802,628	\$12,945,330	\$14,095,916	\$14,231,413
7023	855409	Administrative Services	\$104,133,380	\$110,241,072	\$117,250,236	\$116,025,396
7023	855410	Attorney General Payments	\$4,621,850	\$4,621,850	\$4,621,850	\$4,621,850
8220	855606	Coal Workers' Fund	\$150,931	\$162,931	\$186,632	\$188,487
8230	855608	Marine Industry	\$48,396	\$65,140	\$78,188	\$78,698
8250	855605	Disabled Workers Relief Fund	\$49,097	\$174,332	\$193,419	\$195,709
8260	855609	Safety and Hygiene Operating	\$21,080,114	\$22,317,031	\$24,079,350	\$23,745,661
8260	855610	Safety Grants	\$9,127,504	\$20,000,000	\$20,000,000	\$20,000,000
8260	855611	Health and Safety Initiative	\$1,245,189	\$6,000,000	\$6,000,000	\$6,000,000
8260	855612	Safety Campaign	\$843,000	\$1,624,355	\$1,500,000	\$1,500,000
8260	855613	Research Grants	\$0	\$2,000,000	\$2,000,000	\$2,000,000
8260	855618	Substance Use Recovery and Workplace Safety Program	\$0	\$2,500,000	\$5,000,000	\$10,000,000
8260	855619	Safety and Health Center of Excellence	\$0	\$0	\$2,000,000	0
<b>Dedicated Purpose Fund Group subtotal</b>			<b>\$262,059,683</b>	<b>\$302,005,098</b>	<b>\$317,945,407</b>	<b>\$322,916,245</b>
<b>% change</b>			<b>--</b>	<b>15.2%</b>	<b>5.3%</b>	<b>1.6%</b>
<b>Federal Fund Group</b>						
3490	855601	OSHA Enforcement	\$1,630,654	\$1,676,000	\$1,676,000	\$1,676,000
3FW0	855614	BLS SOII Grant	\$132,393	\$195,104	\$195,104	\$195,104
3FW0	855615	NIOSH Grant	\$150,347	\$200,000	\$24,995	\$0
<b>Federal Fund Group sub-total</b>			<b>\$1,913,394</b>	<b>\$2,071,104</b>	<b>\$1,896,099</b>	<b>\$1,871,104</b>
<b>% change</b>			<b>--</b>	<b>8.2%</b>	<b>-8.4%</b>	<b>-1.3%</b>
<b>BWC all-funds budget total</b>			<b>\$263,973,077</b>	<b>\$304,076,202</b>	<b>\$319,841,506</b>	<b>\$324,787,349</b>
<b>% change</b>			<b>--</b>	<b>15.2%</b>	<b>5.2%</b>	<b>1.5%</b>
<b>H.B. 79, As Enacted - OIC budget</b>						
<b>Dedicated Purpose Fund Group</b>						
5W30	845321	Operating Expenses	\$41,276,260	\$47,223,650	\$49,697,274	\$49,885,128
5W30	845402	Rent - William Green Building	\$1,017,838	\$1,150,000	\$1,150,000	\$1,150,000
5W30	845410	Attorney General Payments	\$3,793,650	\$3,793,650	\$3,793,650	\$3,793,650
<b>OIC budget total</b>			<b>\$46,087,747</b>	<b>\$52,167,300</b>	<b>\$54,640,924</b>	<b>\$54,828,778</b>
<b>% change</b>			<b>--</b>	<b>13.2%</b>	<b>4.7%</b>	<b>0.3%</b>
<b>H.B. 79 &amp; H.B. 80, As Enacted</b>						
<b>BWC &amp; OIC budget grand total</b>			<b>\$310,060,824</b>	<b>\$356,243,502</b>	<b>\$374,482,430</b>	<b>\$379,616,127</b>
<b>% change</b>			<b>--</b>	<b>14.9%</b>	<b>5.1%</b>	<b>1.4%</b>