

Redbook

LBO Analysis of Executive Budget Proposal

Bureau of Workers' Compensation Ohio Industrial Commission

Ruhaiza Ridzwan, Senior Economist
February 2021

TABLE OF CONTENTS

Quick look.....	1
Overview.....	2
Agency overview	2
Bureau of Workers' Compensation.....	2
Ohio Industrial Commission	2
Appropriation summary.....	3
Staffing levels	3
Analysis of FY 2022-FY 2023 budget proposal for BWC	5
Introduction	5
Category 1: Claims Management.....	6
C1:1: Claims, Risk and Medical Management (ALI 855407)	6
C1:2: Fraud Prevention (ALI 855408)	8
Category 2: Administration	8
C2:1: Administrative Services (ALI 855409)	8
C2:2: Attorney General Payments (ALI 855410)	9
Category 3: Special Benefit Funds	9
C3:1: Coal Workers' Fund (ALI 855606)	10
C3:2: Marine Industry (ALI 855608)	10
C3:3: Disabled Workers Relief Fund (ALI 855605)	10

Category 4: Safety and Hygiene Programs	11
C4:1: Safety and Hygiene Operating (ALI 855609).....	11
C4:2: Safety Grants (ALI 855610)	12
C4:3: Health and Safety Initiative (ALI 855611)	13
C4:4: Safety Campaign (ALI 855612)	13
C4:5: Research Grants (ALI 855613).....	13
C4:6: Substance Use Recovery and Workplace Safety Program (ALI 855618)	14
C4:7: Safety and Health Center of Excellence (ALI 855619)	14
C4:8: OSHA Enforcement (ALI 855601).....	15
C4:9: BLS SOII Grant (ALI 855614).....	15
C4:10: COVID Response – BWC Indoor Air Quality Assistance (ALI 855620).....	16
Analysis of FY 2022-FY 2023 budget proposal for OIC	17
Operating Expenses (ALI 845321)	17
Rent – William Green Building (ALI 845402)	17
Attorney General Payments (ALI 845410)	17
Facts and Figures	19
Workers’ Compensation Claims Statistics	19
Average collectible rate for private employers and public employers	19
Excess surplus (dividends) payments.....	21
OIC hearings	21

Attachments:

- BWC Catalog of Budget Line Items
- BWC Appropriation Spreadsheet
- OIC Catalog of Budget Line Items
- OIC Appropriation Spreadsheet

LBO Redbook

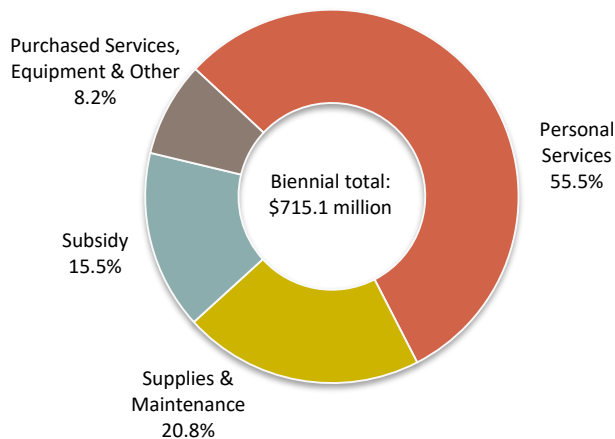
Bureau of Workers' Compensation Ohio Industrial Commission

Quick look...

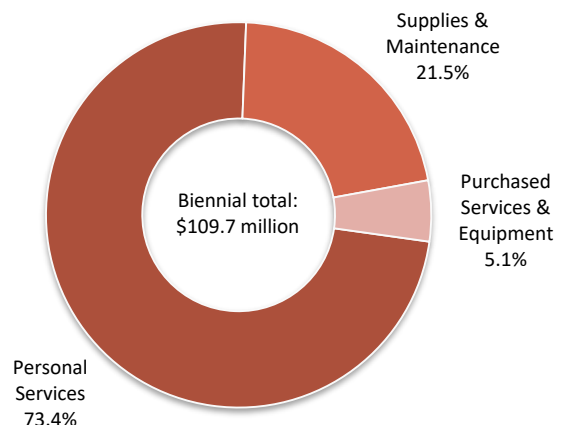
- The workers' compensation system in Ohio consists of (1) the Bureau of Workers' Compensation (BWC) – the insurance provider and administrator, and (2) the Ohio Industrial Commission (OIC) – the adjudicator of disputed workers' compensation claims.
 - BWC also operates workplace safety consulting services, safety and hygiene training, and other programs for Ohio employers to support them in providing safe and healthy workplaces.
- BWC and OIC receive no GRF funding. Workers' compensation coverage is funded by premiums paid by employers to BWC while BWC's and OIC's operations are paid by employers' assessments.
- In January 2021, BWC and OIC had 1,670 and 312 employees, respectively.
- The BWC Administrator and an 11-member Board of Directors are appointed by the Governor.
- The OIC is headed by three commissioners appointed by the Governor.

Agency/Fund Group	FY 2020 Actual	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
BWC: Dedicated Purpose & Federal	\$297,672,098	\$406,957,349	\$353,222,861	\$361,906,643
% change	--	36.7%	-13.2%	2.5%
OIC: Dedicated Purpose	\$46,581,460	\$49,586,332	\$54,828,778	\$54,828,778
% change	--	6.5%	10.6%	0.0%
BWC & OIC total	\$344,253,558	\$456,543,681	\$408,051,639	\$416,735,421
% change	--	32.6%	-10.6%	2.1%

**Chart 1: BWC Budget by Expense Category
FY 2022-FY 2023 Biennium**



**Chart 2: OIC Budget by Expense Category
FY 2022-FY 2023 Biennium**



Overview

Agency overview

Bureau of Workers' Compensation

The Ohio Bureau of Workers' Compensation (BWC) is the largest exclusive workers' compensation system in the nation¹ with approximately \$25.89 billion in assets as of June 30, 2020. An exclusive workers' compensation system is a system in which the state is the sole insurance provider, not private insurers. The Bureau provides workers' compensation insurance to all public and private employers in Ohio, except for certain companies that have sufficient financial and administrative resources and thus qualify for self-insurance programs. BWC has oversight authority over those self-insured companies. BWC-issued workers' compensation insurance policies cover approximately 60% of Ohio's workforce, including private, state, and local government employees. In FY 2020, over 249,000 employers maintained policies with the Bureau while over 1,100 employers qualified for self-insurance. BWC paid about \$1.35 billion in wage loss and medical benefits, and approved about 72,000 new injury claims in FY 2020. BWC also returned about \$7.88 billion in excess workers' compensation premiums (commonly referred to as "dividends")² to public and private employers in calendar year (CY) 2020 to lessen the economic impact of the COVID-19 pandemic. The BWC Board of Directors represents employers, employees, and labor unions, entities that have an interest in workers' compensation in Ohio. There are five board subcommittees devoted to oversight of BWC's actuarial, audit, governance, investment, and medical services and safety policies. In addition to its main office in Columbus, BWC operates 11 customer service offices throughout the state.

Ohio Industrial Commission

The Ohio Industrial Commission (OIC) hears worker and employer appeals of disputed workers' compensation claims made by BWC and self-insured employers. Disputed claims typically involve conflicts over the extent of medical services provided or lost-time (otherwise known as indemnity) benefits. Disputed claims are heard at three levels: (1) the first hearing is made before district hearing officers (DHOs), (2) if the DHO's hearing is appealed, the second hearing is conducted by staff hearing officers (SHOs), and (3) if that is appealed, the third hearing is held at the Commission's level. Hearings take place at 12 OIC offices statewide. In FY 2020, the Commission heard about 95,500 disputed claims at all three levels, a decrease from approximately 113,300 disputed claims heard in FY 2019; the decrease was primarily related to pandemic-related business closures and restricted operating hours in the spring of 2020. The average time for a first-level hearing and a second-level hearing from their filing date was 36 days and 35 days, respectively. The statutory requirement to adjudicate the first and second-level hearings is 45 days. OIC operations are funded through an administrative assessment that is

¹ Currently, there are three other states with exclusive workers' compensation systems – North Dakota, Washington, and Wyoming.

² Under existing law, BWC is required to develop a procedure for the return of excess workers' compensation premiums to employers if the Board of Directors determines that the surplus of earned premiums over losses is larger than needed to maintain solvency of the State Insurance Fund.

added to employers' workers' compensation premiums paid to BWC and transferred to OIC. The Commission is led by a panel of three commissioners. Each commissioner must have at least six years of experience in workers' compensation and at least one member must be licensed to practice law in Ohio. One member represents employees, one represents employers, and one represents the public.

Appropriation summary

The table in the **"Quick look"** section shows the executive budget recommendations for BWC and OIC contained in H.B. 75 and H.B. 76, respectively. Neither agency receives funding from the GRF. Funding for their operations is primarily derived from assessments paid by employers. In addition, BWC receives some federal grants. In FY 2021, the estimated expenditures for BWC and OIC are \$407.0 million and \$49.6 million, respectively.

The executive's recommended total funding for BWC is \$353.2 million for FY 2022. This amount is \$53.7 million (13.2%) lower than estimated expenditures in FY 2021. BWC's recommended total funding for FY 2023 is \$361.9 million, which is \$8.7 million (2.5%) higher than that of FY 2022. Decreases in BWC's recommended funding in FY 2022 are largely due to decreases in line items 855620, COVID Response – BWC Indoor Air Quality Assistance (which is not funded in the biennium); 855407, Claims, Risk and Medical Management; 855610, Safety Grants; 855611, Health and Safety Initiative; and 855618, Substance Use Recovery and Workplace Safety Program. The executive budget also provides BWC with federal funding of approximately \$2.1 million each in FY 2022 and FY 2023. This amount is about \$193,000 higher than the estimated federal funding of \$1.9 million in FY 2021. The increase in recommended federal funding for the FY 2022-FY 2023 biennium is primarily due to an increase in a federal grant from the U.S. Department of Labor.

The executive's recommended funding for OIC is \$54.8 million each in FY 2022 and FY 2023. This amount is \$5.2 million higher than estimated expenditures in FY 2021, due to increases in line item 845321, Operating Expenses, which accounts for about 91% of OIC's total budget in each fiscal year.

Charts 1 and 2 provide recommended appropriations by expense category for BWC and OIC, respectively. The largest expense category for BWC and OIC is the "Personal Services" category, which includes payroll and benefit costs for BWC's and OIC's employees, followed by "Supplies & Maintenance." "Subsidies" is BWC's third largest category, which includes grants associated with the Safety Grants, Drug-Free Safety Program, and Workplace Wellness Grant Program. The smallest category for BWC and OIC is the "Purchased Services, Equipment & Other," which includes contract services, equipment, and transfers.

Staffing levels

As of January 2021, BWC and OIC employed 1,670 and 312 employees, respectively. BWC's programs are organized into the following 12 areas in Table 1, while all the employees of OIC work in claim adjudication. Full-time equivalent (FTE) staffing levels data below are from each agency, which include full-time and part-time staff and interns. BWC anticipates the number of employees to increase in the next biennium. OIC also anticipates the number of employees to increase in the next biennium due to a need to replace retiring employees, which may create a

short-term overlap for certain positions to facilitate the “knowledge transfer” between new hires and retiring employees.

Table 1. BWC Staffing Levels, by Program, FY 2020-FY 2021

Program Name	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate
Field Operations	594	596	629	639
Injury Management Services	105	103	115	120
Employer Services	183	177	201	201
Self-Insured Services	28	28	28	28
Safety Violation Investigations	8	7	9	9
Special Investigations	116	117	132	132
Safety & Hygiene	165	175	207	207
Special Benefit Funds	4	4	4	4
Customer Contact Center	55	54	54	54
Communications	19	21	21	21
Ombudsman	8	8	8	8
Program Management	459	486	492	494
Total FTEs	1,744	1,776	1,900	1,917

Table 2. OIC Staffing Levels, by Program, FY 2020-FY 2023

Program Name	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate
Claims Adjudication	324	329	348	348
Total FTEs	324	329	348	348

Analysis of FY 2022-FY 2023 budget proposal for BWC

Introduction

This section provides an analysis of the Governor's recommended funding for each appropriation line item (ALI) in BWC's budget. For organizational purposes, these ALIs are grouped into four major categories based on their funding purposes. The analysis for an ALI with a lower category or subcategory designation will appear before that for an ALI with a higher category or subcategory designation. That is, the analysis for an ALI with a category designation of C1:8 will appear before the analysis for an ALI with a category designation of C2:1 and the analysis for an ALI with a category designation of C1:3 will appear before the analysis for an ALI with a category designation of C1:8.

To aid the reader in locating each ALI in the analysis, the following table shows the category in which each ALI has been placed, listing the ALIs in order within their respective fund groups and funds. This is the same order the ALIs appear in the BWC budget bill.

In the analysis, each appropriation item's estimated expenditures for FY 2021 and recommended appropriations for FY 2022 and FY 2023 are listed in a table. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that are proposed by the Governor.

Categorization of BWC's Appropriation Line Items for Analysis of FY 2022-FY 2023 Budget Proposal				
Fund	ALI	ALI Name		Category
Dedicated Purpose Fund Group				
7023	855407	Claims, Risk and Medical Management	1	Claims Management
7023	855408	Fraud Prevention	1	Claims Management
7023	855409	Administrative Services	2	Administration
7023	855410	Attorney General Payments	2	Administration
8220	855606	Coal Workers' Fund	3	Special Benefit Funds
8230	855608	Marine Industry	3	Special Benefit Funds
8250	855605	Disabled Workers Relief Fund	3	Special Benefit Funds
8260	855609	Safety and Hygiene Operating	4	Safety and Hygiene Programs
8260	855610	Safety Grants	4	Safety and Hygiene Programs
8260	855611	Health and Safety Initiative	4	Safety and Hygiene Programs
8260	855612	Safety Campaign	4	Safety and Hygiene Programs
8260	855613	Research Grants	4	Safety and Hygiene Programs
8260	855618	Substance Use Recovery and Workplace Safety Program	4	Safety and Hygiene Programs
8260	855619	Safety and Health Center of Excellence	4	Safety and Hygiene Programs
Federal Fund Group				
3490	855601	OSHA Enforcement	4	Safety and Hygiene Programs
3FW0	855614	BLS SOII Grant	4	Safety and Hygiene Programs
5CV1	855620	COVID Response – BWC Indoor Air Quality Assistance	4	Safety and Hygiene Programs

Category 1: Claims Management

This category of appropriation line items provides funding for BWC's claims management functions. These items also fund oversight and communications related to the Bureau's managed care system under which medical claims are handled. In addition, this category includes funding for BWC's fraud prevention and detection efforts.

C1:1: Claims, Risk and Medical Management (ALI 855407)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
7023 ALI 855407, Claims, Risk and Medical Management	\$124,329,031	\$118,006,090	\$121,583,115
% change	--	-5.1%	3.0%

The executive recommended funding for FY 2022 is \$6.3 million lower than the estimated expenditures for FY 2021. The decrease is due largely to shifting in the next biennium of appropriations for Safety Violation Investigation and Special Investigations divisions from this line item to line item 855408, Fraud Prevention. Recommended funding for FY 2023 is \$3.6 million higher than the recommended funding for FY 2022. This line item accounts for about 33% and 34% of BWC's proposed budget in FY 2022 and FY 2023, respectively.

This line item supports personnel, maintenance, and equipment costs associated with BWC's claims, risk, and medical management programs, including Injury Management, Employer Services, and Customer Service operations. This line item also supports BWC's Ombudsman's Office. This office answers inquiries and investigates complaints made concerning the processing of claims by employers, injured workers, and medical providers. The various functions funded by the appropriation, as well as the proposed funding levels for each, are listed in the table below.

Table 3. Uses of Fund 7023 ALI 855407, Claims, Risk and Medical Management

Function	FY 2022	% of Total	FY 2023	% of Total
Field Operations	\$68,629,744	58.2%	\$70,960,157	58.4%
Injury Management Services	\$18,563,554	15.7%	\$19,005,270	15.6%
Employer Services	\$22,190,125	18.8%	\$22,717,800	18.7%
Customer Contact Center	\$4,728,962	4.0%	\$4,939,070	4.1%
Self-Insured Services	\$3,131,058	2.7%	\$3,185,658	2.6%
Ombudsman	\$762,647	0.6%	\$775,160	0.6%
Total	\$118,006,090	100.0%	\$121,583,115	100.0%

Field Operations

Field Operations accounts for the largest portion of appropriations each fiscal year, and is responsible for providing claims services to injured workers and employers. In addition to providing initial determinations of claims, Field Operations handles additional allowances in

medical-only claims and processes requests for claims to receive hearings by OIC. During FY 2020, Field Operations managed about 82,000 injured worker claims.

Injury Management Services

Injury Management Services oversees the Bureau's medical, pharmaceutical, and vocational rehabilitation providers, including managed care organizations (MCOs) currently certified to manage injury claims. The program also manages the enrollment and credentialing of providers, including overseeing plans providers' and nursing professionals' education, training, and development. The program serves roughly 250,000 active claims per year, but the number of claims fell to 234,000 in FY 2020, likely as a result of the pandemic. In FY 2020, the Bureau paid \$430.4 million in medical benefits from the State Insurance Fund.

Employer Services

Employer Services is responsible for developing, implementing, and monitoring workers' compensation insurance products and providing underwriting and technical support for employers. Employer Services also assists employers with risk strategies to enable reductions in accidents and severity of such accidents. This operation annually manages approximately 250,000 employer policies relative to statewide coverage initiation, policy maintenance, and payroll processing.

Customer Contact Center

The Customer Contact Center provides information regarding BWC's processes, law, policies, and procedures to employers, injured workers, health care providers, and MCOs. It assists new employers in obtaining BWC coverage, and helps employers that already have coverage with policy account information regarding invoices, payroll data, and other issues. The Center fields approximately 400,000 customer inquiries annually.

Self-Insured Services

The Self-Insured Services section ensures self-insuring employers maintain a self-administered workers' compensation program and evaluates prospective employers' ability to self-administer a workers' compensation program. The program audits employers for compliance with the Workers' Compensation Law and BWC administrative rules. Additionally, this section processes assessment invoices for self-insured employers and assumes responsibility for the administration of claims in cases of default or bankruptcy of self-insured employers. About 1,100 employers self-insured against workers' compensation liability in FY 2020.

Ombudsman

BWC's Ombudsman's Office is responsible for answering inquiries and investigating complaints made about the processing of claims. The Office utilizes a standard call center program, the ePowerCenter, to answer customers' (employers, injured workers, and medical providers) calls. In FY 2020, BWC received 16,847 calls, 540 website customer chats, 200 website-generated emails, and 307 email inquiries from a public email inbox.

C1:2: Fraud Prevention (ALI 855408)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
7023 ALI 855408, Fraud Prevention	\$14,231,413	\$15,936,735	\$18,011,577
% change	--	12.0%	13.0%

The executive recommended funding for FY 2022 is \$1.7 million or 12% higher than the estimated expenditures for FY 2021. The proposed funding for FY 2023 is \$2.1 million or 13.0% higher than the recommended funding for FY 2022. Increases in the executive budget are largely due to an estimated increase in personnel costs due to anticipated filled positions, and the shifting of funding for Safety Violation Investigation and Special Investigations units to this line item, from line item 855407, Claims, Risk and Medical Management (in the FY 2020-FY 2021 biennium, appropriations for this program were contained within ALI 855407). Thus, ALI 855408, Fraud Prevention will now support BWC's Safety Violations Program, which prepares reports concerning alleged safety violations that OIC uses to determine Violations of Specific Safety Requirements (VSSRs) and actions required to correct any violations.

This item supports the Special Investigations Department, which is responsible for investigating and deterring fraud committed by employers, injured workers, or medical service providers. The Department is also responsible for asset protection of all state property located in all BWC facilities. The Special Investigations staff works closely with local and state prosecutors, including the Ohio Attorney General. The line item also provides for security services at BWC's facilities throughout the state. In FY 2020, 1,515 fraud cases were closed, which was 12.5% lower than the corresponding total in FY 2019.

Category 2: Administration

This category of appropriation line items provides funding for the administrative functions related to management of the workers' compensation system in the state, including constructing sound actuarial and investment strategies for the State Insurance Fund and other funds that support injured workers. This category also includes appropriations for payments that BWC makes to cover the operating expenses of the Workers' Compensation Section within the Attorney General's Office.

C2:1: Administrative Services (ALI 855409)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
7023 ALI 855409, Administrative Services	\$116,025,396	\$124,325,665	\$129,108,432
% change	--	7.2%	3.9%

The recommended funding for this line item accounts for about 35% and 36% of the executive budget in FY 2022 and FY 2023, respectively; and the growth each year is largely due to regular inflationary increases to maintain current operations, estimated increase in personnel costs due to anticipated filled positions, and additional costs of projects that will allow BWC to

continue to improve and help serve injured workers and employers. This item supports general administrative duties within the Bureau in seven divisions: (1) Fiscal and Planning, (2) Actuarial, (3) Investments, (4) Human Resources, (5) Legal, (6) Infrastructure and Technology, and (7) Internal Audit. The Fiscal and Planning Division oversees fiscal management, general accounting, payroll, and other fiscal functions. This Division is also responsible for receipt and distribution of agency funds including benefits payable to injured workers. The Actuarial Division maintains the stability of the State Insurance Fund by setting premium rates and claims reserves and assists Employer Services in the creation of ratings plans. The Investments Division invests the assets of the State Insurance Fund according to the investment policy established by BWC's Board of Directors. The Human Resources Division provides leadership and guidance to BWC management and staff in areas of equal employment opportunity, employee and labor relations, payroll and benefits, and quality services. The Legal Division provides legal advice to BWC on claims procedures and policy, and represents the State Insurance Fund in administrative appeals. The Infrastructure and Technology Division is responsible for all computer equipment and software maintenance. Internal Audit evaluates the effectiveness of BWC's internal controls; validates agency compliance with policies, applicable laws, and regulations; and evaluates business processes to ensure that risks are mitigated and agency objectives can be met.

C2:2: Attorney General Payments (ALI 855410)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
7023 ALI 855410, Attorney General Payments	\$4,621,850	\$6,080,080	\$6,080,080
% change	--	31.6%	0.0%

The recommended funding for this item in FY 2022 is \$1.4 million, 31.6% higher than the estimated spending in FY 2021. The recommended funding for FY 2023 is identical to the amount in FY 2022. The increase in the next biennium is expected to be used to support additional legal resources by the Attorney General's Office to BWC.

This appropriation line item supports half of the cost of the legal services of the Attorney General's Workers' Compensation Section. The remaining half is paid by OIC. The Workers' Compensation Section provides legal counsel to BWC and OIC. Most cases are appeals of workers' compensation claims filed in county common pleas courts. In addition, temporary law included within the executive budget requires that up to \$828,200 be used specifically to pay the expenses of the Workers' Compensation Fraud Unit of the Attorney General's Office. In contrast with other costs split with OIC, the Bureau pays all costs associated with the Fraud Unit.

Category 3: Special Benefit Funds

This category of appropriation line items supports BWC operating costs associated with policies and claims offered through the following three special funds. The recommended funding for the three line items in FY 2022 is slightly higher than the estimated spending in FY 2021. The increase is largely related to payroll costs to maintain current operations.

The special funds provide cost-of-living adjustments and supplemental benefits to certain injured workers. The additional workers' compensation coverage for coal workers and maritime

workers are required by federal law. However, BWC is not obligated to provide such coverage; employers that hired coal workers and maritime workers may obtain the federally required coverage through BWC's special funds or private insurers. In addition, the Disabled Workers Relief Fund provides cost-of-living adjustments and supplements benefits for permanently and totally disabled workers. Sources of funding for the Special Benefit Funds are additional assessments on specified employers.

C3:1: Coal Workers' Fund (ALI 855606)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
8220 ALI 855606, Coal Workers' Fund	\$188,487	\$190,090	\$190,100
% change	--	0.9%	0.0%

This item is used to pay operating costs associated with the Coal Workers' Pneumoconiosis Fund (Fund 8220), which provides benefits for workers who are disabled due to pneumoconiosis, or "black lung" disease, as dictated by the federal Coal Mine Health and Safety Act of 1969. The fund is maintained through a premium charge, in addition to regular State Insurance Fund premiums, paid by coal operators, including certain other employers engaged in coal mine construction, maintenance, and coal transportation that elect to insure payment of benefits required by the federal Act. This fund provided coverage for 26 employers in FY 2020.

C3:2: Marine Industry (ALI 855608)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
8230 ALI 855608, Marine Industry	\$78,698	\$79,273	\$79,276
% change	--	0.7%	0.0%

This item is used to pay operating costs associated with the Marine Industry Fund (Fund 8230), which provides benefits to injured dock workers and other maritime employees that are not seamen, as required by the Longshoreman's and Harbor Workers' Compensation Act Amendments of 1972. The fund is maintained through a premium charge, in addition to regular State Insurance Fund premiums, that is paid by marine industry employers who elect to insure payment of benefits required by this Act. In FY 2020, this fund provided services to 129 employers.

C3:3: Disabled Workers Relief Fund (ALI 855605)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
8250 ALI 855605, Disabled Workers Relief Fund	\$195,709	\$197,612	\$197,621
% change	--	1.0%	0.0%

This item pays operating costs associated with the Disabled Workers Relief Fund (DWRF). The fund provides supplemental cost-of-living benefits to permanently and totally disabled workers. Approximately 12,584 permanently and totally disabled individuals are receiving benefits from the DWRF.

Category 4: Safety and Hygiene Programs

This category of appropriation line items provides funding for BWC programs geared toward ensuring that employers meet applicable safety standards and laws. The funding is also used to provide safety training to employers. The bulk of operating revenue for the Division of Safety and Hygiene, which oversees the various programs within this category of appropriations, comes from an assessment charged to employers. The assessment is 1.0% of paid premiums for private employers, and 0.75% of paid premiums for public employers. The Division also operates using a small portion of federal funding.

C4:1: Safety and Hygiene Operating (ALI 855609)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
8260 ALI 855609, Safety and Hygiene Operating	\$24,215,661	\$25,343,000	\$25,085,000
% change	--	4.7%	-1.0%

The recommended funding for this item in FY 2022 is \$1.1 million or 4.7% higher than the estimated spending in FY 2021. The proposed funding for FY 2023 is \$258,000 or 1.0% lower than the amount in FY 2022. The increase in FY 2022 is expected to be used to support regular inflationary increases to maintain current operations, estimated increase in personnel costs due to anticipated filled positions, and additional costs of projects that will allow BWC to continue to improve and help serve injured workers and employers. In FY 2020, BWC partnered with the Ohio Department of Developmental Disabilities to fund online training courses targeted to employers and employees of direct service providers who care for disabled children and adults. BWC covered about \$147,000, or 46% of the total cost of the services and training. The partnership is expected to be renewed in the next biennium. This line item is also used for state matching requirements for federal grants in line item 855601, OSHA Enforcement and line item 855614, BLS SOII Grant.

This item supports the operations of the Division of Safety and Hygiene. The Division is responsible for ensuring that employers offer safe work environments through the investigation of industrial accidents and occupational disease, and programs designed to prevent these problems. The Division's responsibilities include (1) making targeted visits to employers with high frequency of accidents to educate them in risk and safety management, (2) providing safety and health consultative services to Ohio's public employers, (3) administering the Safety Grants Program (see below) that assists employers with the cost of implementing programs designed to reduce cumulative stress disorder and other injuries, and (4) supporting local safety councils, which offer educational resources for safety and health in the workplace.

C4:2: Safety Grants (ALI 855610)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
8260 ALI 855610, Safety Grants	\$71,800,000	\$35,000,000	\$35,000,000
% change	--	-51.2%	0.0%

The recommended funding for this item in FY 2022 and in FY 2023 is \$35.0 million, 51.2% lower than the estimated spending in FY 2021. The Controlling Board approved an increase in funding for this line item from \$35.0 million to \$71.8 million on September 14, 2020, for the distribution of face masks to Ohio employers. The proposed appropriation for FY 2022 implies the face mask distribution was a nonrecurring event.

This appropriation item supports the Safety Grants Program. The program offers private and public State Insurance Fund employers funding for training, wellness programs, and equipment intended to reduce workplace injuries and illnesses. The program also provides funding for safety grant programs for Ohio police departments, schools, and state agencies. It includes the following programs: Safety Intervention Grant (SIG), Firefighter Exposure to Environmental Elements Grant (FEEEG), Employers Working with Persons with Developmental Disabilities Grant (EWPDD), School Safety and Security Grant (SSSG), Drug-Free Safety Grant Program (DFSP), Workplace Wellness Grant Program (WWGP), and Trench Safety Grant (TSG).

The SIG Program provides financial assistance to buy ergonomic or safety-enhancing equipment. In FY 2020, 345 SIG grants were awarded totaling \$8.6 million to 339 employers. The FEEEG Program is available only to Ohio firefighter employers; eligible employers may receive up to \$15,000 for the duration of the grant program. In FY 2020, the FEEEG Program awarded 120 grants totaling \$1.1 million to 117 employers. The EWPDD Grant Program is used to assist employers with ensuring the safety of their staff when carrying out the services for developmentally disabled children and adults; eligible Ohio employers may receive up to \$20,000 for the duration of the grant program. In FY 2020, a total of \$0.6 million was awarded under the EWPDD Program to 52 employers. The SSSG Program is used to provide assistance to Ohio employers with ensuring the safety of their staff who instruct children in the state. In FY 2020, a total of \$12.2 million was awarded under the SSSG Program to 407 employers. The SSSG Program is available only to Ohio employers that operate licensed preschool through twelfth grade educational facilities; eligible employers may receive up to \$40,000 for the duration of the grant program. The TSG Program, implemented in February 2020, provides grants to employers that perform trenching and excavating; eligible employers may receive up to \$12,000 for the duration of the TSG Program. In FY 2020, 98 grants were awarded to 98 employers totaling \$1.0 million.

The Safety Grant Program also provides grants under the Drug-Free Safety Program (DFSP) Grants and the Workplace Wellness Grant Program (WWGP). DFSP assists employers in developing and implementing drug-free workplace programming. In FY 2020, a total of \$1,890 was awarded under DFSP to two employers. WWGP helps employers in developing workplace health promotion programs, including health risk appraisals and biometric screening, as well as fitness programs provided by outside vendors. In FY 2020, 63 employers participated in WWGP and received a total of \$139,475.

C4:3: Health and Safety Initiative (ALI 855611)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
8260 ALI 855611, Health and Safety Initiative	\$6,000,000	\$3,000,000	\$3,000,000
% change	--	-50.0%	0.0%

The recommended funding for this item in each year of the biennium is \$3.0 million, 50.0% lower than the estimated spending in FY 2021. The decrease in funding in this line item the next biennium, is due to a better alignment of funding needs with participation and expenditures related to administering the program.

This item is used for a health and wellness program ("Better You, Better Ohio!") that provides health and wellness resources and services to employees and injured workers who do not have access to these services through their employers. The program began in FY 2018 and serves employers in high-risk industries; currently it serves employers with less than 150 employees, and all employers that participate in the Substance Use Recovery and Workplace Safety Program (SURWSP). In FY 2020, 377 new employers enrolled in the program with 7,406 workers.³

C4:4: Safety Campaign (ALI 855612)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
8260 ALI 855612, Safety Campaign	\$1,500,000	\$1,500,000	\$1,500,000
% change	--	0.0%	0.0%

ALI 855612, Safety Campaign, is flat-funded in this executive budget. This item is used for the operation of a statewide safety awareness and education campaign dealing with the avoidance of slips, trips and falls, overexertion, and motor vehicle accidents. This campaign also involves online and mobile training tools that address workplace safety. During the COVID-19 pandemic, it is also used for the campaign to promote the use of facial coverings for the purpose of preventing workplace illnesses.

C4:5: Research Grants (ALI 855613)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
8260 ALI 855613, Research Grants	\$2,000,000	\$3,000,000	\$1,000,000
% change	--	50.0%	-66.7%

³ At the end of FY 2020, 20,004 Ohioans were enrolled in the program. Of these workers, 9,386 were active members. These active members engaged in online coaching, biometric screening, and/or a health assessment.

The recommended funding for this item in FY 2022 is \$1.0 million or 50.0% higher than the estimated spending in FY 2021. The recommended funding for FY 2023 is \$2.0 million or 66.7% lower than the recommended appropriation for FY 2022. The increase in FY 2022 is due to funding for a research grant focusing on genetic markers for opioid addiction, which is expected to be awarded and completed within the biennium. BWC also indicated that a research program that has existed for several years is reducing in size with a funding need of \$1 million in each fiscal year in the next biennium.

This item is used to pay for the competitive Ohio Occupational Safety and Health Research Program, which focuses on maximizing the impact research efforts in the areas of occupational safety and health have on the overall safety, health, productivity, and competitiveness of Ohio's workforce. The program provides up to \$250,000 for each selected research project. The duration of each research project is limited to 12 to 24 months. Only colleges, universities, and not-for-profit research institutions located within the state of Ohio are eligible. This line item also supports the Governor's RecoveryOhio initiative to combat the opioid crisis and to build recovery-friendly communities that support and promote health and wellness. Generally, workplace prevention of injuries and illness would help in reducing claims costs for BWC and premium costs for Ohio employers.

C4:6: Substance Use Recovery and Workplace Safety Program (ALI 855618)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
8260 ALI 855618, Substance Use Recovery and Workplace Safety Program	\$10,000,000	\$3,500,000	\$4,000,000
% change	--	-65.0%	14.3%

The recommended funding for this item in FY 2022 is \$6.5 million or 65.0% lower than the estimated spending in FY 2021, due to anticipated lower employer participation, thus reducing funding demand. The recommended funding for FY 2023 is \$0.5 million or 14.3% lower than the recommended funding in FY 2022.

This item is used to pay for the operation of the SURWSP to assist employers in keeping employees in recovery at work and to help employers hiring and managing employees in recovery. The program pays for reimbursements to local addiction and mental health (ADAMH) boards to assist in hiring and managing workers in recovery. Additionally, the program supports the Governor's RecoveryOhio initiative.

C4:7: Safety and Health Center of Excellence (ALI 855619)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
8260 ALI 855619, Safety and Health Center of Excellence	\$1,900,000	\$15,000,000	\$15,000,000
% change	--	689.5%	0.0%

The recommended funding in each year of the biennium is \$13.1 million higher than the estimated spending in FY 2021. The increase is due to the anticipated funding for personnel costs and related administrative costs for dedicated staff working for the Center of Excellence. Funding for the Center was appropriated in the previous budget, but went unspent due to COVID-19-related budget cuts. Funding will be used to award competitive grants to Ohio universities and not-for-profit research institutions in the next biennium. This line item is used to promote the safety and health of Ohio's workforce, and will provide resources and fund research and development efforts by Ohio research institutions and universities.

C4:8: OSHA Enforcement (ALI 855601)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2021 Introduced
3490 ALI 855601, OSHA Enforcement	\$1,676,000	\$1,869,212	\$1,876,338
% change	--	11.5%	0.4%

This item is used to support the Occupational Safety and Health Administration's (OSHA) On-Site Consultation Program, which provides small private employers with services relating to workplace safety and health. Services are provided to employers with fewer than 250 employees at fixed sites and with no more than 500 employees corporate-wide. Under the program, employers can learn about potential hazards at their workplaces, improve their safety and health management systems, and may qualify for an exemption from routine OSHA inspections. State matching funds for the program are provided by Fund 8260 line item 855609, Safety and Hygiene Operating. The increase in recommended funding in FY 2022 is due to a federal grant increase approved by the U.S. Department of Labor. BWC reportedly will use the increase for operating expenses and reduce the required state matching funds from line item 855609, Safety and Hygiene Operating.

C4:9: BLS SOII Grant (ALI 855614)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
3FW0 ALI 855614, BLS SOII Grant	\$195,104	\$195,104	\$195,104
% change	--	0.0%	0.0%

This item is used to fund BWC's participation in the U.S. Bureau of Labor Statistics (BLS) Survey of Occupational Injuries and Illnesses (SOII). SOII is an establishment-based survey used to estimate incidence rates and counts of workplace injuries and illnesses and is a cooperative effort between the U.S. Department of Labor and agencies in participating states.⁴ Funding for this line item comes from BLS. State matching funds for the program are provided by Fund 8260 line item 855609, Safety and Hygiene Operating.

⁴ This survey is the only comprehensive measure of work-related injuries and illnesses in American workplaces. As such, it is relied on by employers, employees, public policy makers, and researchers.

C4:10: COVID Response – BWC Indoor Air Quality Assistance (ALI 855620)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
5CV1 ALI 855620, COVID Response – BWC Indoor Air Quality Assistance	\$28,000,000	\$0	\$0
% change	--	-100.0%	0.0%

The executive budget does not provide funding for this item in the next biennium. Funding in this line item in FY 2021 came from the Federal Coronavirus Relief Fund, made available under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. This item is used to fund BWC's COVID-19 Indoor Air Quality Assistance Program. Under the program, eligible employers may apply for reimbursements related to eligible costs of indoor heating, ventilation, and air conditioning (HVAC) systems for the purpose of controlling the spread of COVID-19.

On November 23, 2020, the Controlling Board approved \$28.0 million for the COVID-19 Indoor Air Quality Assistance Grant for those purposes. This program is intended to improve the indoor air quality and reduce potential infection due to COVID-19 at eligible nonprofit or for-profit nongovernmental nursing homes, assisted living centers, adult daycares, and individuals within Ohio. Grant assistance is provided in two areas: "Facility Inspection and Assessment" and "Facility Maintenance and Improvement" to provide support for maintenance, ventilation, and filtration activities. BWC is to disperse one grant per facility and eligible applicants will receive up to \$15,000 in grant money to improve indoor air quality. Funds may also be used to provide enhancements to the HVAC systems or purchase equipment to improve ventilation and indoor air quality.

Analysis of FY 2022-FY 2023 budget proposal for OIC

The Ohio Industrial Commission's (OIC) budget consists of three line items, all of which are supported by administrative assessments paid by Ohio employers that are paid in addition to workers' compensation premium payments. Assessments are collected by BWC and transferred upon receipt to the Industrial Commission Operating Fund (Fund 5W30).

Operating Expenses (ALI 845321)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
5W30 ALI 845321, Operating Expenses	\$44,727,198	\$49,885,128	\$49,885,128
% change	--	11.5%	0.0%

Appropriations in this line item represent about 91% of OIC's total recommended funding for the biennium. This item supports the claims adjudication function within the state's workers' compensation system. Disputed claims typically involve the extent of medical services provided or lost-time benefits. The Commission's operations are organized geographically within five regions: Akron, Cincinnati, Cleveland, Columbus, and Toledo. Within these regions, there are district offices at 12 locations. The increase in the executive budget in FY 2022 is largely related to payroll costs, including fringe benefits. It will also be used to improve IT infrastructure, including the migration of legacy systems to state-of-the-art platforms, and the efficiency of the electronic hearing process.

Rent – William Green Building (ALI 845402)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
5W30 ALI 845402, Rent	\$1,065,484	\$1,150,000	\$1,150,000
% change	--	7.9%	0.0%

This item is used to pay rent and miscellaneous maintenance costs for OIC's offices located in the William Green Building in Columbus. Proposed funding in the FY 2022-FY 2023 biennium is slightly higher than the estimated spending in FY 2021 due to the anticipated increase in costs related to maintenance of the building.

Attorney General Payments (ALI 845410)

Fund/ALI	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
5W30 ALI 845410, Attorney General Payments	\$3,793,650	\$3,793,650	\$3,793,650
% change	--	0.0%	0.0%

Funding for this line item is unchanged in the biennium. This item pays for OIC's portion of the costs related to the legal services of the Attorney General's Workers' Compensation

Section. The remaining portion of the cost is paid by BWC. The Attorney General provides investigative and other legal services related to workers' compensation cases.

Facts and Figures

Workers' Compensation Claims Statistics

Table 4 below provides Workers' Compensation Claims Statistics in the last three fiscal years. It shows total benefits paid, number of new allowed claims, and number of open claims, all of which have decreased in FY 2020.

Table 4. Workers' Compensation Claims Statistics			
	FY 2018	FY 2019	FY 2020
Benefits Paid			
Medical	\$526,379,567	\$490,034,666	\$430,417,629
Lost Time	\$937,002,675	\$916,735,020	\$919,667,034
Total	\$1,463,382,242	\$1,406,769,686	\$1,350,084,663
Number of New Allowed Claims			
Total	85,136	84,364	71,519
Number of Open Claims			
Total	672,188	646,379	609,965

Average collectible rate for private employers and public employers

The rate an employer pays to insure an employee is based on the industry type of the employer. BWC assigns manual classifications, to the employer, that correspond with the work being done and the risk of injury due to hazards associated with that work. For example, the classification for an office worker would carry a lower premium rate than the classification for a construction worker. Charts 3 and 4 below show the average collectible rate and the percentage change in that rate for all private employers and all public employers, respectively. Thus, the average collectible rate in both charts represents the annual average rate for all classes of public employers or private employers.

Chart 3: Average Collectible Rate, Private Employers

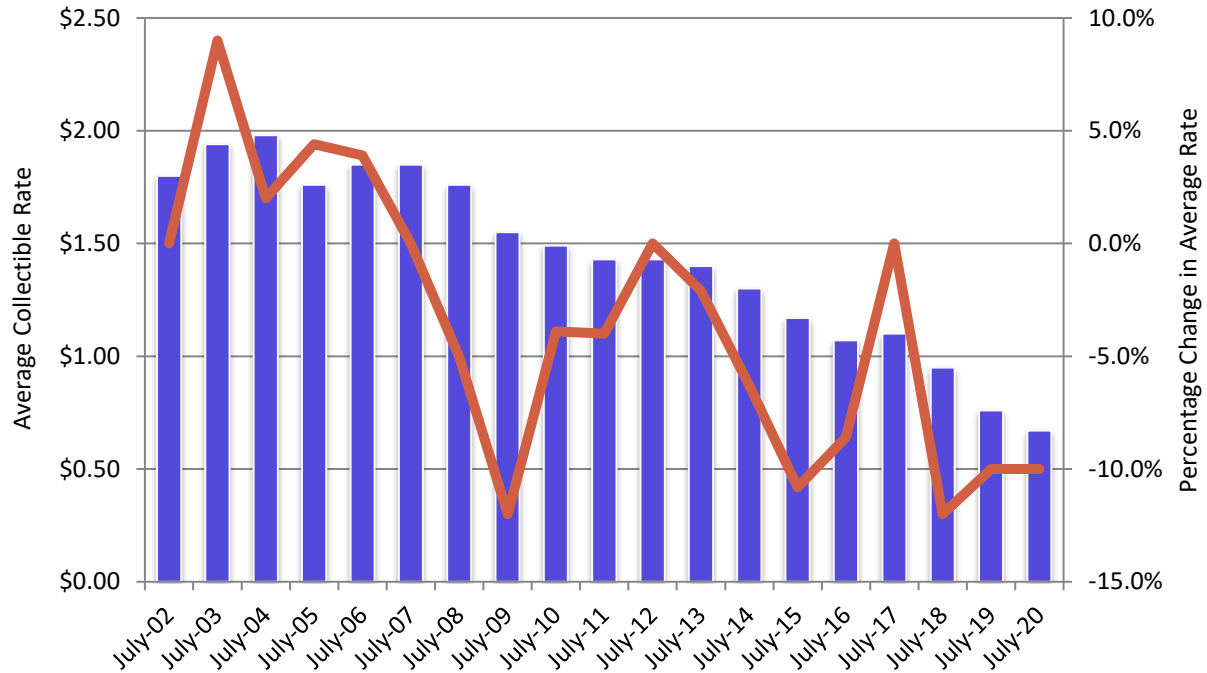
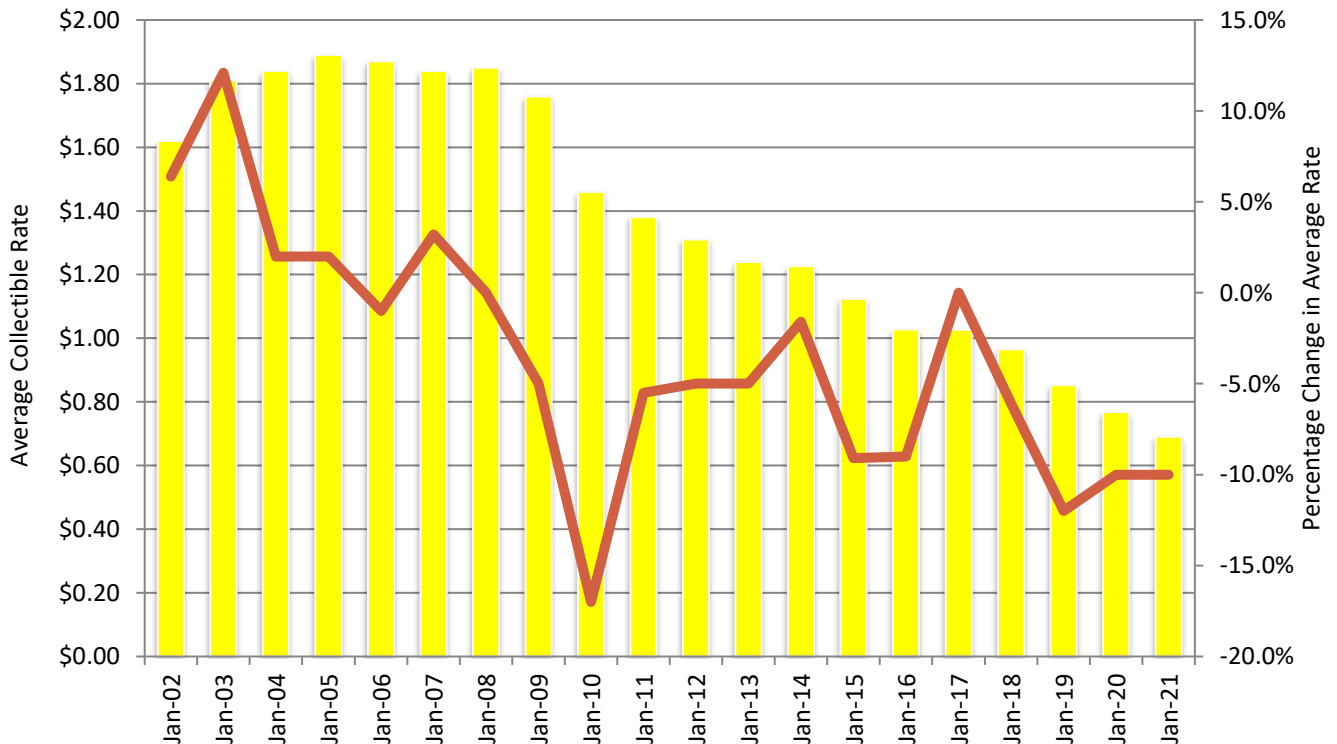


Chart 4: Average Collectible Rate, Public Employers



Excess surplus (dividends) payments

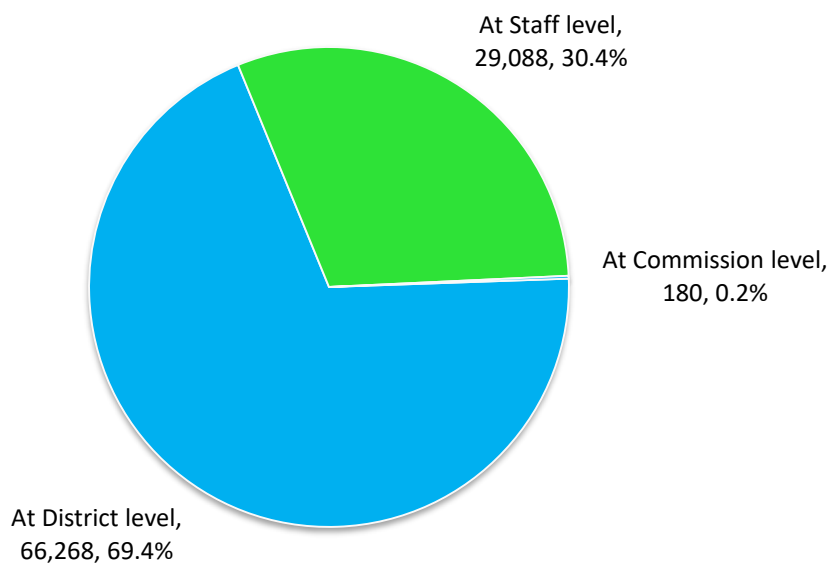
In general, BWC specifies a procedure for returning excess workers' compensation premiums to employers, if the BWC Board of Directors determines that the surplus of earned premiums over losses is larger than needed to maintain solvency of the State Insurance Fund. Table 5 provides dividends paid to private and public employers in the last three calendar years. In 2020, BWC paid a total of \$7.88 billion in dividends from the fund to both private and public employers that maintained workers' compensation coverage under the fund. The total amount returned to employers in 2020 dwarfs those of the previous two years.

Table 5. Dividends Paid to Employers from BWC State Insurance Fund		
Calendar Year	Public Employers (\$ in millions)	Private Employers (\$ in millions)
2018	\$157	\$1,105
2019	\$172	\$1,252
2020	\$1,055	\$6,823

OIC hearings

As stated in the "**Agency overview**," disputed claims are heard at the staff level, at the district level, and by Commission members. Chart 5 below provides hearing statistics at the various levels in FY 2020. As shown in the chart, few cases reach the Commission level.

Chart 5: OIC Hearings in FY 2020



Bureau of Workers' Compensation

Dedicated Purpose Fund Group

5CV1 855620 COVID Response - BWC Indoor Air Quality Assistance

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$0	\$0	\$0	\$28,000,000	\$0	\$0
% change	N/A	N/A	N/A	-100%	N/A

Source: Dedicated Purpose Fund Group: Money from the Federal Coronavirus Relief Fund made available under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act

Legal Basis: Established by the Controlling Board on November 23, 2020. (The line item receives funding from Fund 5CV1; the Fund was established by the Controlling Board on April 13, 2020.)

Purpose: This line item is used to provide reimbursements under the COVID-19 Indoor Air Quality Assistance Program. Under the Program, eligible employers may apply for reimbursements for eligible costs related to indoor heating, ventilation, and air conditioning (HVAC) systems to control the spread of COVID-19.

7023 855407 Claims, Risk and Medical Management

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$107,957,594	\$116,138,603	\$114,790,527	\$124,329,031	\$118,006,090	\$121,583,115
% change	7.6%	-1.2%	8.3%	-5.1%	3.0%

Source: Dedicated Purpose Fund Group: Assessments paid by employers

Legal Basis: Section 1 of H.B. 80 of the 133rd G.A.

Purpose: This line item funds personnel, maintenance, and equipment costs associated with BWC's claims, risk, and medical management programs, including Injury Management, Employer Management, and Customer Service operations. The line item also supports BWC's Safety Violations program, which prepares reports concerning alleged safety violations that the Industrial Commission uses to determine Violations of Specific Safety Requirements (VSSRs) and actions required to correct any violations, as well as the Ombudsperson's Office, which answers inquiries and investigates complaints made by employers, injured workers, and medical providers concerning the processing of claims.

Bureau of Workers' Compensation

7023 855408 Fraud Prevention

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$12,802,628	\$13,007,705	\$13,468,690	\$14,231,413	\$15,936,735	\$18,011,577
% change	1.6%	3.5%	5.7%	12.0%	13.0%

Source: Dedicated Purpose Fund Group: Assessments paid by employers

Legal Basis: Section 1 of H.B. 80 of the 133rd G.A.

Purpose: This line item funds personnel, maintenance, and equipment costs for investigating workers' compensation fraud. Fraud investigations are necessary for detecting and preventing fraudulent claims on the part of claimants, employers, and health care providers.

7023 855409 Administrative Services

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$104,133,380	\$105,545,131	\$105,821,923	\$116,025,396	\$124,325,665	\$129,108,432
% change	1.4%	0.3%	9.6%	7.2%	3.8%

Source: Dedicated Purpose Fund Group: Assessments paid by employers

Legal Basis: Section 1 of H.B. 80 of the 133rd G.A.

Purpose: This line item funds personnel, maintenance, and equipment costs associated with the oversight of general administrative functions at BWC, including finance, actuarial, investments, human resources, legal, and infrastructure and technology. For the FY 2020-FY 2021 biennium, H.B. 80 earmarks \$212,500 in each fiscal year to pay the Bureau's share of the cost that the Inspector General incurs for the activities of the Deputy Inspector General for the Bureau of Workers' Compensation and the Industrial Commission. These amounts are deposited into the Deputy Inspector General for the Bureau of Workers' Compensation and Industrial Commission Fund (Fund 5FT0) under the Inspector General's budget.

Bureau of Workers' Compensation

7023 855410 Attorney General Payments

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$4,621,850	\$4,523,726	\$4,399,430	\$4,621,850	\$6,080,080	\$6,080,080
% change	-2.1%	-2.7%	5.1%	31.6%	0.0%

Source: Dedicated Purpose Fund Group: Assessments paid by employers

Legal Basis: Section 1 of H.B. 80 of the 133rd G.A.

Purpose: This line item funds 50% of the costs related to the legal services of the Attorney General's Workers' Compensation Section. This includes expenses related to workers' compensation fraud investigation. The Ohio Industrial Commission pays the remaining portion of these expenses. Both agencies make alternating quarterly payments during the fiscal year. For the FY 2020-FY 2021 biennium, H.B. 80 earmarks \$828,200 in each fiscal year, to be distributed in equal amounts at the beginning of each quarter, specifically to cover expenses for the Attorney General's workers' compensation fraud unit.

8220 855606 Coal Workers' Fund

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$150,931	\$147,330	\$154,047	\$188,487	\$190,090	\$190,100
% change	-2.4%	4.6%	22.4%	0.9%	0.0%

Source: Dedicated Purpose Fund Group: Additional assessments paid by coal industry employers as required under Title IV of the Federal Coal Mine Health and Safety Act of 1969

Legal Basis: ORC 4131.03; Section 1 of H.B. 80 of the 133rd G.A.

Purpose: This line item funds the administrative costs that BWC incurs for handling claims under the Coal Workers' Pneumoconiosis Fund, which is in the custody of the Treasurer of State. The fund provides workers' compensation benefits to employees in the coal industry as directed by the Federal Coal Mine Health and Safety Act of 1969.

Bureau of Workers' Compensation

8230 855608 Marine Industry

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$48,396	\$51,465	\$52,296	\$78,698	\$79,273	\$79,276
% change	6.3%	1.6%	50.5%	0.7%	0.0%

Source: Dedicated Purpose Fund Group: Additional assessments charged to marine industry employers under requirements of the Longshoremen's and Harbor Workers' Compensation Act Amendments of 1972

Legal Basis: ORC 4131.13; Section 1 of H.B. 80 of the 133rd G.A.

Purpose: This line item funds the administrative costs of the Marine Industry Fund, which is in the custody of the Treasurer of State. The fund provides benefits as prescribed by the Longshoremen's and Harbor Workers' Compensation Act, as amended in 1972.

8250 855605 Disabled Workers Relief Fund

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$49,097	\$159,104	\$171,643	\$195,709	\$197,612	\$197,621
% change	224.1%	7.9%	14.0%	1.0%	0.0%

Source: Dedicated Purpose Fund Group: Additional assessments paid by employers calculated at \$0.10 per \$100 of payroll and 0.01% of the basic premium rate

Legal Basis: ORC 4123.412; Section 1 of H.B. 80 of the 133rd G.A.

Purpose: This line item is used to pay payroll and other operating expenses of the Disabled Workers' Relief Fund (DWRF), as well as costs related to providing the supplemental benefits provided under the fund to eligible recipients. The fund is in the custody of the Treasurer of State. DWRF benefits are cost-of-living adjustments granted to permanently and totally disabled workers.

Bureau of Workers' Compensation

8260 855609 Safety and Hygiene Operating

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$21,080,114	\$22,339,237	\$22,441,798	\$24,215,661	\$25,343,000	\$25,085,000
% change	6.0%	0.5%	7.9%	4.7%	-1.0%

Source: Dedicated Purpose Fund Group: Assessments charged to employers calculated as a percentage of paid workers' compensation premiums (1.0% for private employers and public employer taxing districts and state agency employers) that are transferred from the State Insurance Fund

Legal Basis: ORC 4121.37; Section 1 of H.B. 80 of the 133rd G.A.

Purpose: This line item provides all operating funds for the Division of Safety and Hygiene. The Division's responsibilities include making workplace inspections, providing safety training to employers, operating the Public Employment Risk Reduction Program (PERRP), running the OSHA On-Site Consultation Program, and hosting the annual Ohio Safety Congress and Expo. The amounts appropriated in each fiscal year equal the annual cash transfers that the Treasurer of State is to make from the State Insurance Fund to the Safety and Hygiene Fund (Fund 8260) under uncoded law.

8260 855610 Safety Grants

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$9,127,504	\$21,830,183	\$28,754,809	\$71,800,000	\$35,000,000	\$35,000,000
% change	139.2%	31.7%	149.7%	-51.3%	0.0%

Source: Dedicated Purpose Fund Group: Transfers from the State Insurance Fund

Legal Basis: Section 1 of H.B. 80 of the 133rd G.A.

Purpose: This line item funds the Division of Safety and Hygiene's Safety Intervention Grant Program. These grants are available to State Insurance Fund employers (private and public) that wish to purchase equipment that substantially reduces or eliminates injuries and illnesses associated with tasks or operations particular to their industry. Of the annual total available for grants, \$2.0 million in each fiscal year is set aside for fire departments to buy protective equipment that minimizes exposure to harmful environmental elements, and \$2.0 million in each fiscal year is set aside for employers that provide social and health care services to disabled children and adults. Under the grant program, every dollar contributed by the employer is matched by BWC, up to a maximum BWC contribution of \$40,000 toward the equipment purchase.

Bureau of Workers' Compensation

8260 855611 Health and Safety Initiative

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$1,245,189	\$4,177,034	\$3,486,405	\$6,000,000	\$3,000,000	\$3,000,000
% change	235.5%	-16.5%	72.1%	-50.0%	0.0%

Source: Dedicated Purpose Fund Group: Transfers from the State Insurance Fund

Legal Basis: Section 1 of H.B. 80 of the 133rd G.A.

Purpose: This line item is used to implement an employer health and wellness program that targets small employers (150 or fewer employees) in specific high-risk industries, as well as injured workers with certain types of injuries. The initiative also includes smoking cessation programs, health coaching, and chronic disease management.

8260 855612 Safety Campaign

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$843,000	\$1,356,858	\$1,401,679	\$1,500,000	\$1,500,000	\$1,500,000
% change	61.0%	3.3%	7.0%	0.0%	0.0%

Source: Dedicated Purpose Fund Group: Transfers from the State Insurance Fund

Legal Basis: Section 1 of H.B. 80 of the 133rd G.A.

Purpose: This line item is used for the creation and operation of a statewide safety awareness and education campaign dealing with the avoidance of slips, trips and falls, overexertion, and motor vehicle accidents. This campaign also involves online and mobile training tools that address workplace safety.

8260 855613 Research Grants

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$0	\$224,969	\$999,076	\$2,000,000	\$3,000,000	\$1,000,000
% change	N/A	344.1%	100.2%	50.0%	-66.7%

Source: Dedicated Purpose Fund Group: Transfers from the State Insurance Fund

Legal Basis: Section 1 of H.B. 80 of the 133rd G.A. (originally, created by the Controlling Board on September 10, 2018.)

Purpose: This line item is used to fund the competitive Ohio Occupational Safety and Health Research Program, which focuses on maximizing the impact research efforts in the areas of occupational safety and health have on the overall safety, health, productivity and competitiveness of Ohio's workforce. The program provides up to \$250,000 for each selected research project. The duration of each research project is limited to 12 to 24 months. Only colleges/universities and not-for-profit research institutions located within the state of Ohio are eligible for funding.

Bureau of Workers' Compensation

8260 855618 Substance Use Recovery and Workplace Safety Program

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$0	\$215,582	\$160,319	\$10,000,000	\$3,500,000	\$4,000,000
% change	N/A	-25.6%	6,137.6%	-65.0%	14.3%

Source: Dedicated Purpose Fund Group: Transfers from the State Insurance Fund

Legal Basis: Section 1 of H.B. 80 of the 133rd G.A. (originally created by the Controlling Board on September 24, 2018)

Purpose: This line item is used to assist employers in keeping employees in substance recovery at work, help employers hiring and managing employees in substance recovery, and operate the opioid workplace safety program.

8260 855619 Safety and Health Center of Excellence

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$0	\$0	\$0	\$1,900,000	\$15,000,000	\$15,000,000
% change	N/A	N/A	N/A	689.5%	0.0%

Source: Dedicated Purpose Fund Group: Transfers from the State Insurance Fund

Legal Basis: Section 1 of H.B. 80 of the 133rd G.A.

Purpose: This line item was to be used in FY 2020 to establish a center of excellence at the Ohio Center of Occupational Safety and Health.

Federal Fund Group

3490 855601 OSHA Enforcement

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$1,630,654	\$1,678,966	\$1,378,548	\$1,676,000	\$1,869,212	\$1,876,338
% change	3.0%	-17.9%	21.6%	11.5%	0.4%

Source: Federal Fund Group: Cooperative agreement with the Occupational Safety and Health Administration under CFDA 17.504, OSHA Consultation Agreements

Legal Basis: Section 1 of H.B. 80 of the 133rd G.A.

Purpose: This line item is used to support OSHA's On-Site Consultation Program, which provides small private employers with services relating to workplace safety and health. Services are provided to employers with fewer than 250 employees at fixed sites and with no more than 500 employees corporate-wide. Under the program, employers can learn about potential hazards at their workplaces, improve their safety and health management systems, and may qualify for an exemption from routine OSHA inspections. State matching funds for the program are provided by Fund 8260 line item 855609, Safety and Hygiene Operating.

Bureau of Workers' Compensation

3FW0 855614 BLS SOII Grant

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$132,393	\$143,106	\$169,714	\$195,104	\$195,104	\$195,104
% change	8.1%	18.6%	15.0%	0.0%	0.0%

Source: Federal Fund Group: CFDA 17.005: U.S. Bureau of Labor Statistics Survey of Occupational Injuries and Illnesses Grant

Legal Basis: Section 1 of H.B. 80 of the 133rd G.A.

Purpose: This line item is used to fund BWC's participation in the U.S. Bureau of Labor Statistics (BLS) Survey of Occupational Injuries and Illnesses (SOII).

3FW0 855615 NIOSH Grant

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$150,347	\$164,519	\$21,197	\$0	\$0	\$0
% change	9.4%	-87.1%	-100%	N/A	N/A

Source: Federal Fund Group: CFDA 93.262: U.S. National Institute for Occupational Safety and Health Grants

Legal Basis: Section 1 of H.B. 80 of the 133rd G.A. (originally established by Controlling Board in September 2016)

Purpose: This funding from the National Institute for Occupational Safety and Health (NIOSH) goes toward an initiative that uses BWC claim and policy systems for surveillance and prevention of occupational injuries, illnesses, fatalities and exposures to occupational hazards. This data is then analyzed to develop rates of claim of injury per FTE by employer size and injury sector.

FY 2022 - FY 2023 Appropriations - As Introduced

All Fund Groups

Line Item Detail by Agency			OBM Estimate	Introduced	FY 2021 to FY 2022	Introduced	FY 2022 to FY 2023	
			FY 2020	FY 2021	FY 2022	% Change	FY 2023	% Change
Report For: BWC Budget			Version: As Introduced					
BWC Bureau of Workers' Compensation								
5CV1	855620	COVID Response - BWC Indoor Air Quality Assistance	\$ 0	\$ 28,000,000	\$0	N/A	\$0	N/A
7023	855407	Claims, Risk and Medical Management	\$ 114,790,527	\$ 124,329,031	\$ 118,006,090	-5.09%	\$ 121,583,115	3.03%
7023	855408	Fraud Prevention	\$ 13,468,690	\$ 14,231,413	\$ 15,936,735	11.98%	\$ 18,011,577	13.02%
7023	855409	Administrative Services	\$ 105,821,923	\$ 116,025,396	\$ 124,325,665	7.15%	\$ 129,108,432	3.85%
7023	855410	Attorney General Payments	\$ 4,399,430	\$ 4,621,850	\$ 6,080,080	31.55%	\$ 6,080,080	0.00%
8220	855606	Coal Workers' Fund	\$ 154,047	\$ 188,487	\$ 190,090	0.85%	\$ 190,100	0.01%
8230	855608	Marine Industry	\$ 52,296	\$ 78,698	\$ 79,273	0.73%	\$ 79,276	0.00%
8250	855605	Disabled Workers Relief Fund	\$ 171,643	\$ 195,709	\$ 197,612	0.97%	\$ 197,621	0.00%
8260	855609	Safety and Hygiene Operating	\$ 22,441,798	\$ 24,215,661	\$ 25,343,000	4.66%	\$ 25,085,000	-1.02%
8260	855610	Safety Grants	\$ 28,754,809	\$ 71,800,000	\$ 35,000,000	-51.25%	\$ 35,000,000	0.00%
8260	855611	Health and Safety Initiative	\$ 3,486,405	\$ 6,000,000	\$ 3,000,000	-50.00%	\$ 3,000,000	0.00%
8260	855612	Safety Campaign	\$ 1,401,679	\$ 1,500,000	\$ 1,500,000	0.00%	\$ 1,500,000	0.00%
8260	855613	Research Grants	\$ 999,076	\$ 2,000,000	\$ 3,000,000	50.00%	\$ 1,000,000	-66.67%
8260	855618	Substance Use Recovery and Workplace Safety Program	\$ 160,319	\$ 10,000,000	\$ 3,500,000	-65.00%	\$ 4,000,000	14.29%
8260	855619	Safety and Health Center of Excellence	\$ 0	\$ 1,900,000	\$ 15,000,000	689.47%	\$ 15,000,000	0.00%
Dedicated Purpose Fund Group Total			\$ 296,102,640	\$ 405,086,245	\$ 351,158,545	-13.31%	\$ 359,835,201	2.47%
3490	855601	OSHA Enforcement	\$ 1,378,548	\$ 1,676,000	\$ 1,869,212	11.53%	\$ 1,876,338	0.38%
3FW0	855614	BLS SOII Grant	\$ 169,714	\$ 195,104	\$ 195,104	0.00%	\$ 195,104	0.00%
3FW0	855615	NIOSH Grant	\$ 21,197	\$ 0	\$0	N/A	\$0	N/A
Federal Fund Group Total			\$ 1,569,459	\$ 1,871,104	\$ 2,064,316	10.33%	\$ 2,071,442	0.35%
Bureau of Workers' Compensation Total			\$ 297,672,098	\$ 406,957,349	\$ 353,222,861	-13.20%	\$ 361,906,643	2.46%

Ohio Industrial Commission

Dedicated Purpose Fund Group

5W30 845321 Operating Expenses

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$41,276,260	\$41,840,053	\$41,800,650	\$44,727,198	\$49,885,128	\$49,885,128
% change	1.4%	-0.1%	7.0%	11.5%	0.0%

Source: Dedicated Purpose Fund Group: Assessments paid by employers and transferred to the Industrial Commission Operating Fund

Legal Basis: ORC 4121.021; Section 1 of H.B. 79 of the 133rd G.A.

Purpose: This line item pays for the operating expenses of the Industrial Commission. The Commission hears worker and employer appeals of workers' compensation claim decisions made by the Bureau of Workers' Compensation.

5W30 845402 Rent - William Green Building

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$1,017,838	\$1,031,507	\$1,044,667	\$1,065,484	\$1,150,000	\$1,150,000
% change	1.3%	1.3%	2.0%	7.9%	0.0%

Source: Dedicated Purpose Fund Group: Assessments paid by employers and transferred to the Industrial Commission Operating Fund

Legal Basis: Section 1 of H.B. 79 of the 133rd G.A.

Purpose: This line item is used to pay rent and miscellaneous maintenance costs for the Commission's offices located in the William Green Building in downtown Columbus.

5W30 845410 Attorney General Payments

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 OBM Estimate	FY 2022 Introduced	FY 2023 Introduced
\$3,793,650	\$3,793,650	\$3,736,142	\$3,793,650	\$3,793,650	\$3,793,650
% change	0.0%	-1.5%	1.5%	0.0%	0.0%

Source: Dedicated Purpose Fund Group: Assessments paid by employers and transferred to the Industrial Commission Operating Fund

Legal Basis: Section 1 of H.B. 79 of the 133rd G.A.

Purpose: This line item funds the Ohio Industrial Commission's share of costs related to legal services provided by the Attorney General's Workers' Compensation Section. The Bureau of Workers' Compensation pays the remaining portion. Both agencies make alternating quarterly payments for this purpose during the fiscal year.

FY 2022 - FY 2023 Appropriations - As Introduced

All Fund Groups

Line Item Detail by Agency			FY 2020	OBM Estimate FY 2021	Introduced FY 2022	FY 2021 to FY 2022 % Change	Introduced FY 2023	FY 2022 to FY 2023 % Change
Report For: OIC Budget			Version: As Introduced					
OIC	Ohio Industrial Commission							
5W30	845321	Operating Expenses	\$ 41,800,650	\$ 44,727,198	\$ 49,885,128	11.53%	\$ 49,885,128	0.00%
5W30	845402	Rent - William Green Building	\$ 1,044,667	\$ 1,065,484	\$ 1,150,000	7.93%	\$ 1,150,000	0.00%
5W30	845410	Attorney General Payments	\$ 3,736,142	\$ 3,793,650	\$ 3,793,650	0.00%	\$ 3,793,650	0.00%
Dedicated Purpose Fund Group Total			\$ 46,581,460	\$ 49,586,332	\$ 54,828,778	10.57%	\$ 54,828,778	0.00%
Ohio Industrial Commission Total			\$ 46,581,460	\$ 49,586,332	\$ 54,828,778	10.57%	\$ 54,828,778	0.00%