

- Funding in FY 2004 and FY 2005 is equal to funding for FY 2003
- The Industrial Commission Operating Fund is created to separate OIC's assessment revenue from BWC's
- OIC receives no GRF funding

## Industrial Commission, Ohio

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### ROLE

The Ohio Industrial Commission (OIC) hears worker and employer appeals of workers' compensation claims decisions made by the Bureau of Workers' Compensation (BWC). Disputed claims typically involve conflicts over medical decisions or lost time benefits. Commission operations are funded through an assessment that is added to employer workers' compensation premiums and then transferred to the Industrial Commission Operating Fund.

Hearings of disputed claims take place at three levels. Initial hearings take place before district hearing officers, and if disputes remain, at a second level before staff hearing officers. District and staff level hearings take place at Commission offices, located throughout the state, and must occur within 45 days of a claimant or employer filing an appeal. Third-level hearings are held in Columbus before the three-member panel of commissioners. Commission level hearings are held on a discretionary basis only and deal with cases the Commission believes warrant further review. Otherwise, appealed cases proceed to the court system.

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2004	2005	2004	2005	
541	\$60.0 million	\$60.0 million	\$0	\$0	Am. H.B. 92

\*Employee head count obtained from the Department of Administrative Services (DAS) payroll reports as of June 28, 2003.

### OVERVIEW

Appropriations for FY 2004 and FY 2005 total \$59,999,383 each year. This amount is equivalent to the total appropriated in FY 2003 and is \$8,899,559 more than actual expenditures for FY 2003. Funding levels over the 2003-2005 biennium match those requested by the Commission and recommended by the Executive.

## **BUDGET ISSUES**

### ***INDUSTRIAL COMMISSION OPERATING FUND***

Prior to the passage of Sub. H.B. 91, the 2003-2005 biennial budget act for the Bureau of Workers' Compensation, both OIC and BWC received funding through one assessment added to employer workers' compensation premiums and deposited to the Administrative Cost Fund (Fund 023). Assessment revenue was shared proportionately between OIC and BWC. Sub. H.B. 91 created the Industrial Commission Operating Fund (Fund 5W3) and specified that moneys in the fund were to be used for costs that are solely attributable to the activities of the Commission. Under section 4123.342 of the Revised Code, the Administrator of BWC is to separately calculate employers' assessments for those costs solely attributable to OIC and for those costs solely attributable to BWC, and then is to divide the assessments collected into two separate administrative assessment accounts within the State Insurance Fund. Upon authorization from the Commission, the Administrator is then to transfer moneys from the assessment account designated for the Industrial Commission to the newly created Industrial Commission Operating Fund.

Creating the Industrial Commission Operating Fund will allow OIC and BWC to maintain direct control over their respective operating funds and will more clearly differentiate the costs of the services provided by the two agencies by showing employers what portion of their assessment goes toward OIC and what portion goes toward BWC.

### **Fund Balance Transfers**

In keeping with the creation of the Industrial Commission Operating Fund, Am. H.B. 92, the 2003-2005 biennial budget act for the Industrial Commission, includes language that requires the Director of Budget and Management to transfer cash balances from the Administrative Cost Fund (Fund 023) to the Industrial Commission Operating Fund (Fund 5W3). The Director is also required to transfer cash from Fund 023 to Fund 5W3 in amounts equal to existing encumbrances in OIC's three line items that were formerly part of Fund 023. 

**FY 2004 - 2005 Final Appropriation Amounts**

**All Fund Group**

**Line Item Detail by Agency**

*FY 2001:*      *FY 2002:*      *FY 2003:*      **FY 2004**      *% Change*      **FY 2005**      *% Change*  
*Appropriations:*      *Appropriations:*      *Appropriations:*      *2003 to 2004:*      *Appropriations:*      *2004 to 2005:*

**Report For: OIC Budget**

**Version: Enacted**

**OIC Ohio Industrial Commission**

5W3	845-321	Operating Expenses	\$ 40,523,001	\$ 42,589,470	\$42,783,719	\$ 50,716,383	18.54%	\$ 50,370,800	-0.68%
5W3	845-402	Rent-William Green Building	\$ 4,729,465	\$ 4,858,461	\$5,058,583	\$ 5,670,883	12.10%	\$ 6,016,466	6.09%
5W3	845-410	Attorney General Payments	\$ 3,020,270	\$ 3,264,855	\$3,152,382	\$ 3,454,984	9.60%	\$ 3,454,984	0.00%
821	845-605	Service Account	\$ 102,369	\$ 4,833	\$105,140	\$ 157,133	49.45%	\$ 157,133	0.00%
<b>Workers' Compensation Fund Group Total</b>			<b>\$ 48,375,104</b>	<b>\$ 50,717,619</b>	<b>\$ 51,099,824</b>	<b>\$ 59,999,383</b>	<b>17.42%</b>	<b>\$ 59,999,383</b>	<b>0.00%</b>
<b>Ohio Industrial Commission Total</b>			<b>\$ 48,375,104</b>	<b>\$ 50,717,619</b>	<b>\$ 51,099,824</b>	<b>\$ 59,999,383</b>	<b>17.42%</b>	<b>\$ 59,999,383</b>	<b>0.00%</b>