

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
Municipalities, Townships, and Fire and Ambulance Districts			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase for workers' compensation premiums	Potential minimal increase for workers' compensation premiums	Potential minimal increase for workers' compensation premiums

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- Municipalities, townships, and fire and ambulance districts that employ firefighters and EMS workers would likely experience a minimal increase in the premiums they pay to BWC due to the presumption of certain diseases being caused by their job duties. Because they employ the most firefighters and EMS employees, municipalities would probably incur the highest premium increases if this bill leads to higher allowed claims.

Detailed Fiscal Analysis

The bill creates a legal presumption that firefighters and emergency medical services (EMS) workers who are diagnosed with certain types of cancer and other diseases contracted their conditions in the line of duty for the purposes of benefits from the Bureau of Workers' Compensation (BWC) and the Ohio Police and Fire Pension Fund. The bill supposes that any such disease or evidence of a disease that was not discovered by a physical examination prior to a person's entry into the Police and Fire Pension Fund was contracted in the course of the person's duties. For workers' compensation, the bill presumes that a disease was contracted in the line of duty unless there is affirmative evidence proving otherwise.

Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund may incur an increase in its liability for disability and death benefit payments under the bill. The Fund pays benefits to regularly employed municipal firefighters or their dependents, as well as to volunteer firefighters and their dependents if a political subdivision employs a volunteer fire department or contracts with a volunteer fire department that has elected to participate in the Volunteer Firefighters' Dependent Fund. Actual costs to the Police and Fire Pension Fund would depend on the amount of disability and death benefits attributable to diseases contracted by firefighters in the line of duty.

Bureau of Workers' Compensation

Depending on the number of firefighters and EMS workers employed in the state, and the number of those who meet the criteria for diseases presumed to have been contracted in the line of duty, there would likely be an increase in claims for workers' compensation and medical benefits from the State Insurance Fund. The amount of benefits paid to claimants under the provisions of the bill would likely depend on the stage and severity of each claimant's illness and the associated medical costs that would be incurred.

According to BWC, it is likely that premiums would increase at some point as a result of the presumption created by the bill. As many firefighters are employed by municipalities and townships, as well as fire and ambulance districts, it is possible that these local subdivisions may see an increase in expenditures to pay workers' compensation premiums. The actual fiscal impact on these local entities would depend on the number of firefighters employed and the extent to which they have contracted illnesses attributable to their duties. As a majority of firefighters in the state are employed by cities, these jurisdictions would bear the greatest share of any additional premium costs to local governments. However, it does not appear likely that such an increase in premiums would cause the costs to local jurisdictions to increase beyond a minimal amount. LSC is attempting to compile data on the number of county, municipal, and township jurisdictions that would be affected, and will update this fiscal note when this information is available.

It should be noted that because many smaller local governments, including rural townships and fire districts, utilize the services of volunteer firefighters, who may or may not be paid, the costs to these entities may vary. Under section 4123.01 of the Revised Code, individuals employed in public service by a local political subdivision, whether paid or unpaid, are considered to be employees for the purposes of workers' compensation. This includes local entities employing their own volunteer firefighting forces and EMS workers. Many local jurisdictions also contract with volunteer firefighting companies and private ambulance companies and would not automatically pay workers' compensation for these individuals. Rather, private volunteer firefighting companies and ambulance companies would be responsible for their own workers' compensation premiums. However, section 4123.03 of the Revised Code allows local entities that employ or otherwise secure the special services of individuals that are not otherwise defined as employees for the purposes of workers' compensation, including volunteer firefighters, to contract with BWC to have such individuals covered.

BWC is likely to experience a minimal increase in administrative costs related to the implementation of the presumptive language in the bill. Such costs are paid out of the Workers' Compensation Fund (Fund 023), which is used for BWC's core operating expenses related to processing claims for workers' compensation and medical benefits. Any increase in these costs would depend on the number of additional claims resulting from diseases that meet the qualifications for presumption of having been contracted by firefighters and EMS workers in the line of duty.

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