

Redbook

LBO Analysis of Executive Budget Proposal

Bureau of Workers' Compensation

Ohio Industrial Commission

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Attachments:

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

LBO Redbook

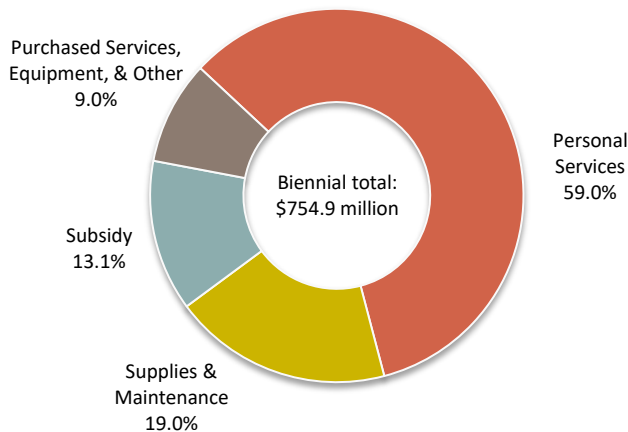
Bureau of Workers' Compensation Ohio Industrial Commission

Quick look...

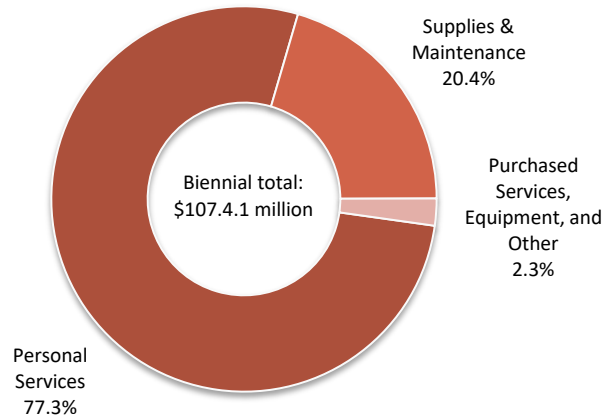
- The workers' compensation system in Ohio consists of (1) the Bureau of Workers' Compensation (BWC) as the insurance provider and administrator, and (2) the Ohio Industrial Commission (OIC) as the adjudicator of disputed workers' compensation claims.
- BWC and OIC receive no GRF funding. Workers' compensation coverage is funded by premiums paid by employers to BWC while BWC's and OIC's operations are paid by employers' assessments.

Agency/Fund Group	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
BWC: Dedicated Purpose & Federal	\$327,539,895	\$377,700,605	\$373,631,781	\$381,250,605
% change	--	15.3%	-1.1%	2.0%
OIC: Dedicated Purpose	\$46,331,637	\$55,606,639	\$53,146,066	\$54,296,699
% change	--	20.0%	-4.4%	2.2%
BWC & OIC total	\$373,871,533	\$433,307,244	\$426,777,847	\$435,547,304
% change	--	15.9%	-1.5%	2.1%

**Chart 1: BWC Budget by Expense Category
FY 2026-FY 2027 Biennium**



**Chart 2: OIC Budget by Expense Category
FY 2026-FY 2027 Biennium**



Overview

Agency overview

Bureau of Workers' Compensation (BWC)

BWC is one of the largest exclusive workers' compensation systems in the nation¹ with approximately \$23.0 billion in assets as of June 30, 2024. An exclusive workers' compensation system is a system in which the state is the sole insurance provider, not private insurers. BWC 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. Nevertheless, BWC has oversight authority over those self-insured companies. BWC serves over 259,000 public and private employers. BWC paid about \$1.27 billion in compensation and medical benefits and approved about 66,300 new injury claims in FY 2024. The BWC Board of Directors represents employers, employees, labor unions, and entities that have an interest in workers' compensation in Ohio. There are five board subcommittees devoted to oversight of BWC's actuarial, audit, governance, investments, and medical services and safety policies. In addition to its main office in Columbus, BWC operates seven customer service offices throughout the state.

Ohio Industrial Commission (OIC)

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 district level, (2) staff level, and (3) the Commission level. In FY 2024, the Commission heard over 88,000 disputed claims at all three levels. OIC operations are funded through an administrative assessment that is added to employers' workers' compensation premiums paid to BWC and transferred to OIC. The Commission is led by a panel of three commissioners. 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. 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 2025, the estimated expenditures for BWC and OIC are \$377.7 million and \$55.6 million, respectively.

The executive's recommended total funding for BWC is \$373.6 million for FY 2026. This amount is \$4.1 million (1.1%) lower than estimated expenditures in FY 2025. BWC's recommended total funding for FY 2027 is \$381.3 million, or \$7.6 million (2.0%) higher than that of FY 2026.

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

The executive budget recommends eliminating appropriation line item (ALI) 855613, Research Grants, which is used to pay for the competitive Ohio Occupational Safety and Health Research Program that focuses on maximizing the impact of research efforts in the areas of occupational safety and health on the overall safety, health, productivity, and competitiveness of Ohio's workforce. The program under ALI 855613 will be discontinued at the end of FY 2025, but the program serves a similar population to the Workplace Safety Innovation Center, and this program will continue in FY 2026 and FY 2027.

The executive budget recommends eliminating ALI 855618, Substance Use Recovery and Workplace Safety Program, which is used to pay for the operation of the Substance Use Recovery and Workplace Safety Program (SURWSP). Beginning in FY 2026, the program will be directly funded from the State Insurance Fund and does not require appropriation. The executive budget also consolidates ALI 855408, Fraud Prevention with ALI 855409, Administrative Services.

The recommended funding for OIC is \$53.1 million in FY 2026 and \$54.3 million in FY 2027. The FY 2026 amount is almost \$2.5 million lower than estimated spending in FY 2025, primarily because of a decrease in ALI 845321, Operating Expenses, which accounts for about 92% of OIC's total budget in each fiscal year.

Charts 1 and 2 (above) 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.

Analysis of FY 2026-FY 2027 budget proposal for the Bureau of Workers' Compensation

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 2025 and recommended appropriations for FY 2026 and FY 2027 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 2026-FY 2027 Budget Proposal

Fund	ALI	ALI Name	Category
Dedicated Purpose Fund Group			
7023	855407	Claims, Risk and Medical Management	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	855619	Safety and Health Workforce Safety Innovation Center	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

Category 1: Claims Management

This ALI category provides funding for BWC's claims management functions. The category also funds oversight and communications related to the department'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 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
7023 ALI 855407, Claims, Risk and Medical Management	\$127,366,065	\$123,887,269	\$128,050,202
% change	--	-2.7%	3.4%

This line item supports personnel, maintenance, and equipment costs associated with BWC's Claims Services, Employer Services, and Medical Services areas. The Employer Services Program develops, executes, and monitors BWC's products, services, processes, and programs. It also supports BWC's self-insured program that evaluates the ability of employers to self-administer a workers' compensation program. Medical Services manages BWC's Health Partnership Program that coordinates BWC's health care through a network of providers and managed care organizations. The decrease in the recommended funding in FY 2026 is due to the amount anticipated to complete projects directly related to the functions within this line item.

Category 2: Administration

This category of ALIs 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 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
7023 ALI 855409, Administrative Services	\$142,777,652	\$167,215,851	\$168,637,822
% change	--	17.1%	0.9%
7023 ALI 855408, Fraud Prevention	\$18,486,443	\$0	\$0
% change	--	-100.0%	N/A
Total	\$161,264,095	\$167,215,851	\$168,637,822
	--	3.7%	0.9%

The executive budget recommends consolidating ALI 855408, Fraud Prevention with ALI 855409, Administrative Services. ALI 855408 supports the Special Investigations Unit, the Employee Safety and Integrity Unit, and the Safety Violations Investigations Unit. Together, these units protect the State Insurance Fund by ensuring that only those who are eligible for workers' compensation benefits receive them and employers that are required to contribute to the system are doing so. Funding is 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.

ALI 855409 currently supports general administrative functions including finance, facilities, actuarial, human resources, communications, legal, information technology, internal audit, strategy, and investments. Funding under this line item primarily supports payroll and benefits costs, and supplies and maintenance for these functions.

The recommended funding for ALI 855409 accounts for about 44% of the total executive budget for BWC during the FY 2026-FY 2027 biennium. The recommended funding increase in FY 2026 is due to payroll and project funding as well as an increase in funding for the Attorney General.

C2:2: Attorney General Payments (ALI 855410)

Fund/ALI	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
7023 ALI 855410, Attorney General Payments	\$6,080,080	\$6,384,084	\$6,607,527
% change	--	5.0%	3.5%

This ALI supports 60% of the cost of the legal services of the Attorney General's Workers' Compensation Section. The remaining 40% 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 \$869,610 in FY 2026 and \$900,046 in FY 2027 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 department pays all costs associated with the Fraud Unit.

Category 3: Special Benefit Funds

This category of ALIs supports BWC operating costs associated with policies and claims offered through three special funds. The special funds provide cost-of-living adjustments and supplemental benefits to certain injured workers. Although federal law requires the additional workers' compensation coverage for coal workers and maritime workers, 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. Positions in this program category are partially handled by staff in BWC's Legal, Central Claims, Employer Services, and Actuarial divisions.

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

Fund/ALI	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
8220 ALI 855606, Coal Workers' Fund	\$195,832	\$197,040	\$197,040
% change	--	0.6%	0.0%

This ALI 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. The recommended funding increase in FY 2026 is due to a small increase in payroll.

C3:2: Marine Industry (ALI 855608)

Fund/ALI	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
8230 ALI 855608, Marine Industry	\$81,508	\$75,000	\$75,000
% change	--	-8.0%	0.0%

This ALI 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. The decrease in FY 2026 recommended funding is due to a decrease in payroll.

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

Fund/ALI	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
8250 ALI 855605, Disabled Workers Relief Fund	\$204,981	\$201,000	\$201,000
% change	--	-1.9%	0.0%

This ALI pays operating costs associated with the Disabled Workers Relief Fund. The fund provides supplemental cost-of-living benefits to permanently and totally disabled workers.

Category 4: Safety and Hygiene Programs

This category of ALIs 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.

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

Fund/ALI	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
8260 ALI 855609, Safety and Hygiene Operating	\$24,486,602	\$21,471,244	\$23,281,721
% change	--	-12.3%	8.4%

This ALI 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.

In FY 2025, this ALI is also used to support BWC's partnership 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. Both agencies intend to renew this arrangement in the next biennium. Finally, the ALI is used for state matching requirements for federal grants in line item 855601, OSHA Enforcement and line item 855614, BLS SOII Grant. The decrease in the recommended funding in FY 2026 is due to a reduction in project funding after completion of a project in the current biennium and reduced continuing level of service costs.

The ALI is capitalized via remittances from the State Insurance Fund to the Safety and Hygiene Fund (Fund 8260) under temporary law included in the introduced budget.

C4:2: Safety Grants (ALI 855610)

Fund/ALI	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
8260 ALI 855610, Safety Grants	\$35,000,000	\$34,300,000	\$34,300,000
% change	--	-2.0%	0.0%

This ALI provides funding for the Outreach Programs & Services Department managing grants. The program also provides funding for several grants including the Safety Intervention Grant (SIG), Firefighters Exposure to Environmental Elements Grant (FEEEG), School Safety and Security Grant (SSSG), and Ohio Law Enforcement Body Armor (OLEBA) grant. The purpose of the SIG Program is to provide funds to employers for the purchase of equipment designed to eliminate workplace hazards, thus decreasing injuries/illnesses, and reducing claims costs.

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

Fund/ALI	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
8260 ALI 855611, Health and Safety Initiative	\$3,000,000	\$3,000,000	\$3,000,000
% change	--	0.0%	0.0%

This ALI 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 serves employers in high-risk industries.

C4:4: Safety Campaign (ALI 855612)

Fund/ALI	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
8260 ALI 855612, Safety Campaign	\$1,500,000	\$250,000	\$250,000
% change	--	-83.3%	0.0%

This ALI is used for the operation of a statewide safety awareness and education campaign. The campaign funds were strategically allocated to support targeted Ohio farming communities through the Agricultural Safety advertising initiative in collaboration with the Ohio Farm Bureau and invested in the creation and distribution of high-quality promotional and marketing items. The decrease in the recommended funding in FY 2026 is due to changes in the purpose of the message and approach to deliver the campaign.

C4:5: Safety and Health Workforce Safety Innovation Center (ALI 855619)

Fund/ALI	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
8260 ALI 855619, Safety and Health Workforce Safety Innovation Center	\$15,000,000	\$14,700,000	\$14,700,000
% change	--	-2.0%	0.0%

Funding for this ALI supports proof-of-concept work in the creation of new technologies and applications for the prototyping of protective equipment and other innovations. The funding will be used to award competitive grants to Ohio universities and not-for-profit research institutions.

C4:6: OSHA Enforcement (ALI 855601)

Fund/ALI	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
3490 ALI 855601, OSHA Enforcement	\$1,876,338	\$1,751,293	\$1,751,293
% change	--	-6.7%	0.0%

This federally funded ALI 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, priority being given to employers in high-hazard industries. 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. The federal grant supporting the program requires a 30% state match. That state funding comes from Fund 8260 ALI 855609, Safety and Hygiene Operating. The decrease in the recommended funding in FY 2026 is due to an initiated decrease in award by the U.S. Department of Labor.

C4:7: BLS SOII Grant (ALI 855614)

Fund/ALI	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
3FW0 ALI 855614, BLS SOII Grant	\$195,104	\$199,000	\$199,000
% change	--	2.0%	0.0%

This ALI 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. In Ohio, this involves data culled from a sample of approximately 4,600 private and public sector establishments out of about 250,000 overall in the state. 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.

Analysis of FY 2026-FY 2027 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 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
5W30 ALI 845321, Operating Expenses	\$51,498,298	\$48,801,400	\$49,840,500
% change	--	-5.2%	2.1%

Appropriations under this ALI represent about 92% of OIC's total recommended funding for the biennium. It primarily covers payroll costs and other administrative costs of the claims adjudication function within the state's workers' compensation system. A portion of the funding is also used to cover rent expenses of OIC's offices in Portsmouth and Cleveland. In addition to payroll and rent, this line item will also be used for OIC's ongoing efforts to improve information technology infrastructure. The decrease in the recommended funding in FY 2026 is due to the completion of OIC's footprint reduction project and replacement of outdated laptops.

Rent – William Green Building (ALI 845402)

Fund/ALI	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
5W30 ALI 845402, Rent – William Green Building	\$1,073,421	\$1,158,000	\$1,158,000
% change	--	7.9%	0.0%

This ALI is used to pay rent and miscellaneous maintenance costs for OIC's offices located in the William Green Building in Columbus. Monthly lease payments are remitted to BWC as set out in a lease approved by both BWC and OIC. The increase in the recommended funding in FY 2026 is due to increasing rent that more closely aligns with fair market rental rates.

Attorney General Payments (ALI 845410)

Fund/ALI	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
5W30 ALI 845410, Attorney General Payments	\$3,034,920	\$3,186,666	\$3,298,199
% change	--	5.0%	3.5%

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. Reimbursement for costs is paid by OIC (40%) and BWC (60%).

Bureau of Workers' Compensation

Dedicated Purpose Fund Group

5CV1 855620 COVID Response - BWC Indoor Air Quality Assistance

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$7,574,419	\$0	\$0	\$0	\$0	\$0
% change	-100.0%	N/A	N/A	N/A	N/A

Source: Dedicated Purpose Fund Group: FAL 21.019, Coronavirus Relief Fund

Legal Basis: Discontinued line item (originally established by the Controlling Board on November 23, 2020)

Purpose: This line item was used to provide reimbursements under the COVID-19 Indoor Air Quality Assistance Program. Under the Program, eligible employers received 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 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$109,989,354	\$103,412,267	\$110,933,935	\$127,366,065	\$123,887,269	\$128,050,202
% change	-6.0%	7.3%	14.8%	-2.7%	3.4%

Source: Dedicated Purpose Fund Group: Assessments paid by employers

Legal Basis: Section 200.10 of H.B. 31 of the 135th G.A.

Purpose: This line item funds personnel, maintenance, and equipment costs associated with BWC's claims, risk, and medical management programs. The line item also supports BWC's health partnership program that coordinates BWC's health care through a network of providers and managed care organizations. Additionally, this line item maintains responsibility of the self-insured program which evaluates the ability of certain employers to self-administer a workers' compensation program.

7023 855408 Fraud Prevention

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$15,335,426	\$15,157,672	\$15,697,353	\$18,486,443	\$0	\$0
% change	-1.2%	3.6%	17.8%	-100.0%	N/A

Source: Dedicated Purpose Fund Group: Assessments paid by employers

Legal Basis: Section 200.10 of H.B. 31 of the 135th G.A.

Purpose: This line item pays for administrative costs for the Special Investigations Unit, the Employee Safety and Integrity Unit, and the Safety Violations Investigations Unit. These units are responsible for investigating and deterring fraud committed by employers, injured workers, or medical service providers, and responsible for asset protection of state property located in all BWC facilities. This line item also funds BWC's safety violation programs and related investigations.

Bureau of Workers' Compensation

Dedicated Purpose Fund Group

7023 855409 Administrative Services

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$103,706,596	\$105,721,564	\$118,711,929	\$142,777,652	\$167,215,851	\$168,637,822
% change	1.9%	12.3%	20.3%	17.1%	0.9%

Source: Dedicated Purpose Fund Group: Assessments paid by employers

Legal Basis: Section 200.10 of H.B. 31 of the 135th G.A.

Purpose: This line item funds general administrative duties within the BWC, including finance, facilities, actuarial, human resources, communications, legal, information technology, internal audit, strategy, and investments.

7023 855410 Attorney General Payments

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$5,695,552	\$5,490,244	\$5,945,906	\$6,080,080	\$6,384,084	\$6,607,527
% change	-3.6%	8.3%	2.3%	5.0%	3.5%

Source: Dedicated Purpose Fund Group: Assessments paid by employers

Legal Basis: Section 200.10 of H.B. 31 of the 135th G.A.

Purpose: This line item funds about 60% 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 2024-FY 2025 biennium, H.B. 31 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 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$126,187	\$117,116	\$160,249	\$195,832	\$197,040	\$197,040
% change	-7.2%	36.8%	22.2%	0.6%	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: R.C. 4131.03; Section 200.10 of H.B. 31 of the 135th 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

Dedicated Purpose Fund Group

8230 855608 Marine Industry

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$61,122	\$42,871	\$53,807	\$81,508	\$75,000	\$75,000
% change	-29.9%	25.5%	51.5%	-8.0%	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: R.C. 4131.13; Section 200.10 of H.B. 31 of the 135th 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 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$162,775	\$177,045	\$118,130	\$204,981	\$201,000	\$201,000
% change	8.8%	-33.3%	73.5%	-1.9%	0.0%

Source: Dedicated Purpose Fund Group: Additional assessments paid by employers calculated according to administrative rule

Legal Basis: R.C. 4123.412; Section 200.10 of H.B. 31 of the 135th 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

Dedicated Purpose Fund Group

8260 855609 Safety and Hygiene Operating

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$20,156,972	\$19,801,534	\$20,305,164	\$24,486,602	\$21,471,244	\$23,281,721
% change	-1.8%	2.5%	20.6%	-12.3%	8.4%

Source: Dedicated Purpose Fund Group: Assessments charged to employers calculated as a percentage of paid workers' compensation premiums (not to exceed 1.0% for private employers and public employer taxing districts and state agency employers) that are transferred from the State Insurance Fund

Legal Basis: R.C. 4121.37; Section 200.10 of H.B. 31 of the 135th G.A.

Purpose: This line item provides all operating funds for the Division of Safety and Hygiene. 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 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.

8260 855610 Safety Grants

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$4,311,268	\$18,997,538	\$45,643,360	\$35,000,000	\$34,300,000	\$34,300,000
% change	340.6%	140.3%	-23.3%	-2.0%	0.0%

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

Legal Basis: Section 200.10 of H.B. 31 of the 135th G.A.

Purpose: This line 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 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), Ohio Law Enforcement Body Armor (OLEBA), 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).

Bureau of Workers' Compensation

Dedicated Purpose Fund Group

8260 855611 Health and Safety Initiative

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$2,429,410	\$2,208,125	\$2,664,754	\$3,000,000	\$3,000,000	\$3,000,000
% change	-9.1%	20.7%	12.6%	0.0%	0.0%

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

Legal Basis: Section 200.10 of H.B. 31 of the 135th G.A.

Purpose: 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 250 employees, and all employers that participate in the Substance Use Recovery and Workplace Safety Program (SURWSP).

8260 855612 Safety Campaign

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$0	\$208,236	\$138,194	\$1,500,000	\$250,000	\$250,000
% change	N/A	-33.6%	985.4%	-83.3%	0.0%

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

Legal Basis: Section 200.10 of H.B. 31 of the 135th 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 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$74,792	\$520,173	\$893,334	\$1,000,000	\$0	\$0
% change	595.5%	71.7%	11.9%	-100.0%	N/A

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

Legal Basis: Section 200.10 of H.B. 31 of the 135th G.A.

Purpose: This line item is used to fund the 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 duration of each research project is limited to 12 months. Only not-for-profit higher education institutions and research organizations located within the state of Ohio are eligible for funding.

Bureau of Workers' Compensation

Dedicated Purpose Fund Group

8260 855618 Substance Use Recovery and Workplace Safety Program

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$216,873	\$779,455	\$459,165	\$450,000	\$0	\$0
% change	259.4%	-41.1%	-2.0%	-100.0%	N/A

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

Legal Basis: Section 200.10 of H.B. 31 of the 135th G.A.

Purpose: This line item is used to pay for the operation of the Substance Use Recovery and Workplace Safety Program (SURWSP), which assists employers to keep employees in recovery at work and helps employers hire and manage 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.

8260 855619 Safety and Health Workforce Safety Innovation Center

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$68,125	\$2,631,457	\$4,008,837	\$15,000,000	\$14,700,000	\$14,700,000
% change	3,762.7%	52.3%	274.2%	-2.0%	0.0%

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

Legal Basis: Section 200.10 of H.B. 31 of the 135th G.A.

Purpose: This line item is used for personnel costs and related administrative costs for dedicated staff working for the Workforce Safety Innovation Center (initial funding for the Center was appropriated in the FY 2020 - FY 2021 biennium, but unspent due to COVID-19-related budget cuts). Funding also provides competitive grants for the research and development of new, cutting-edge personal protective equipment and personal protective technology. To be eligible for a grant, applicants must be from an Ohio non-profit higher education institution or standalone research organization.

Bureau of Workers' Compensation

Federal Fund Group

3490 855601 OSHA Enforcement

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$1,786,804	\$1,655,622	\$1,625,914	\$1,876,338	\$1,751,293	\$1,751,293
% change	-7.3%	-1.8%	15.4%	-6.7%	0.0%

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

Legal Basis: Section 200.10 of H.B. 31 of the 135th 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. The federal grant supporting the program requires a 30% state match. State matching funds for the program are provided by Fund 8260 line item 855609, Safety and Hygiene Operating.

3FW0 855614 BLS SOII Grant

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$179,442	\$165,570	\$179,865	\$195,104	\$199,000	\$199,000
% change	-7.7%	8.6%	8.5%	2.0%	0.0%

Source: Federal Fund Group: FAL 17.005, U.S. Bureau of Labor Statistics' (BLS) Survey of Occupational Injuries and Illnesses (SOII) Grant

Legal Basis: Section 200.10 of H.B. 31 of the 135th G.A.

Purpose: This line item is used to fund BWC's participation in the BLS SOII, which is a federal-state cooperative program that collects data on workplace injuries and illnesses.

**FY 2026 - FY 2027 Appropriations - As Introduced
All Fund Groups - Detail**

BWC Budget

Detail by Agency			FY 2024	Estimate FY 2025	Introduced FY 2026	Introduced FY 2027	FY 2025 to FY 2026 % Change	FY 2026 to FY 2027 % Change
BWC Bureau of Workers' Compensation								
7023	855407	Claims, Risk and Medical Management	\$110,933,935	\$127,366,065	\$123,887,269	\$128,050,202	-2.73%	3.36%
7023	855408	Fraud Prevention	\$15,697,353	\$18,486,443	\$0	\$0	-100.00%	N/A
7023	855409	Administrative Services	\$118,711,929	\$142,777,652	\$167,215,851	\$168,637,822	17.12%	0.85%
7023	855410	Attorney General Payments	\$5,945,906	\$6,080,080	\$6,384,084	\$6,607,527	5.00%	3.50%
8220	855606	Coal Workers' Fund	\$160,249	\$195,832	\$197,040	\$197,040	0.62%	0.00%
8230	855608	Marine Industry	\$53,807	\$81,508	\$75,000	\$75,000	-7.98%	0.00%
8250	855605	Disabled Workers Relief Fund	\$118,130	\$204,981	\$201,000	\$201,000	-1.94%	0.00%
8260	855609	Safety and Hygiene Operating	\$20,305,164	\$24,486,602	\$21,471,244	\$23,281,721	-12.31%	8.43%
8260	855610	Safety Grants	\$45,643,360	\$35,000,000	\$34,300,000	\$34,300,000	-2.00%	0.00%
8260	855611	Health and Safety Initiative	\$2,664,754	\$3,000,000	\$3,000,000	\$3,000,000	0.00%	0.00%
8260	855612	Safety Campaign	\$138,194	\$1,500,000	\$250,000	\$250,000	-83.33%	0.00%
8260	855613	Research Grants	\$893,334	\$1,000,000	\$0	\$0	-100.00%	N/A
8260	855618	Substance Use Recovery and Workplace Safety Program	\$459,165	\$450,000	\$0	\$0	-100.00%	N/A
8260	855619	Safety and Health Workforce Safety Innovation Center	\$4,008,837	\$15,000,000	\$14,700,000	\$14,700,000	-2.00%	0.00%
Dedicated Purpose Fund Group Subtotal			\$325,734,117	\$375,629,163	\$371,681,488	\$379,300,312	-1.05%	2.05%
3490	855601	OSHA Enforcement	\$1,625,914	\$1,876,338	\$1,751,293	\$1,751,293	-6.66%	0.00%
3FW0	855614	BLS SOII Grant	\$179,865	\$195,104	\$199,000	\$199,000	2.00%	0.00%
Federal Fund Group Subtotal			\$1,805,779	\$2,071,442	\$1,950,293	\$1,950,293	-5.85%	0.00%
Bureau of Workers' Compensation Total			\$327,539,895	\$377,700,605	\$373,631,781	\$381,250,605	-1.08%	2.04%
BWC Budget Total			\$327,539,895	\$377,700,605	\$373,631,781	\$381,250,605	-1.08%	2.04%

Ohio Industrial Commission

Dedicated Purpose Fund Group

5W30 845321 Operating Expenses

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$42,067,494	\$40,653,704	\$42,698,303	\$51,498,298	\$48,801,400	\$49,840,500
% change	-3.4%	5.0%	20.6%	-5.2%	2.1%

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

Legal Basis: R.C. 4121.021; Section 1 of H.B. 32 of the 135th G.A.

Purpose: This line item pays for the operating expenses of the Ohio 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 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$1,045,569	\$1,042,496	\$1,149,837	\$1,073,421	\$1,158,000	\$1,158,000
% change	-0.3%	10.3%	-6.6%	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. 32 of the 135th 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 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
\$2,957,791	\$3,034,920	\$2,483,497	\$3,034,920	\$3,186,666	\$3,298,199
% change	2.6%	-18.2%	22.2%	5.0%	3.5%

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

Legal Basis: Section 1 of H.B. 32 of the 135th G.A.

Purpose: This line item funds the Ohio Industrial Commission's share of costs (40%) 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 2026 - FY 2027 Appropriations - As Introduced
All Fund Groups - Detail**

OIC Budget

Detail by Agency	FY 2024	Estimate FY 2025	Introduced FY 2026	Introduced FY 2027	FY 2025 to FY 2026 % Change	FY 2026 to FY 2027 % Change
OIC Ohio Industrial Commission						
5W30 845321 Operating Expenses	\$42,698,303	\$51,498,298	\$48,801,400	\$49,840,500	-5.24%	2.13%
5W30 845402 Rent - William Green Building	\$1,149,837	\$1,073,421	\$1,158,000	\$1,158,000	7.88%	0.00%
5W30 845410 Attorney General Payments	\$2,483,497	\$3,034,920	\$3,186,666	\$3,298,199	5.00%	3.50%
Dedicated Purpose Fund Group Subtotal	\$46,331,637	\$55,606,639	\$53,146,066	\$54,296,699	-4.42%	2.17%
Ohio Industrial Commission Total	\$46,331,637	\$55,606,639	\$53,146,066	\$54,296,699	-4.42%	2.17%
OIC Budget Total	\$46,331,637	\$55,606,639	\$53,146,066	\$54,296,699	-4.42%	2.17%