As Passed by the Senate

135th General Assembly

Regular Session 2023-2024

Am. H. B. No. 31

Representative Edwards

Cosponsors: Representatives Abdullahi, Barhorst, Blackshear, Brennan, Brent, Brewer, Carruthers, Cross, Dell'Aquila, Denson, Dobos, Galonski, Grim, Humphrey, Jarrells, John, Jones, Lampton, Lightbody, Liston, Mathews, Miller, A., Miller, J., Miranda, Mohamed, Oelslager, Ray, Robinson, Rogers, Russo, Schmidt, Williams

Senators Antonio, Cirino, Craig, DeMora, Hackett, Hicks-Hudson, Ingram, Johnson, Landis, Lang, Reineke, Rulli, Schaffer, Smith, Wilkin

A BILL

То	amend sections 4121.021, 4123.30, 4123.34,	1
	4123.341, 4123.342, and 4123.36 of the Revised	2
	Code to make appropriations for the Bureau of	3
	Workers' Compensation for the biennium beginning	4
	July 1, 2023, and ending June 30, 2025, to	5
	provide authorization and conditions for the	6
	operation of the Bureau's programs, to make	7
	changes to the Workers' Compensation Law, and to	8
	enact a three-day interim budget.	9

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 101.01. That sections 4121.021, 4123.30, 4123.34,	10
4123.341, 4123.342, and 4123.36 of the Revised Code be amended	11
to read as follows:	12
Sec. 4121.021. The industrial commission operating fund is	13
hereby created in the state treasury. The fund shall consist of	14

all moneys transferred to the fund pursuant to division (C) (B) 15 of section 4123.342 of the Revised Code. Revenues credited to 16 the fund shall be used for those costs solely attributable to 17 the activities of the commission.

Sec. 4123.30. Money contributed by public employers 19 constitutes the "public fund" and the money contributed by 20 private employers constitutes the "private fund." Each such fund 21 shall be collected, distributed, and its solvency maintained 22 without regard to or reliance upon the other. Whenever in this 23 24 chapter reference is made to the state insurance fund, the 25 reference is to such two separate funds but such two separate funds and the net premiums contributed thereto by employers 26 after adjustments and dividends, except for the amount thereof 27 which is set aside for the investigation and prevention of 2.8 industrial accidents and diseases pursuant to Section 35 of 29 30 Article II, Ohio Constitution, any amounts set aside for actuarial services authorized or required by sections 4123.44 31 and 4123.47 of the Revised Code, and any amounts set aside to 32 reinsure the liability of the respective insurance funds for the 33 following payments, constitute a trust fund for the benefit of 34 employers and employees mentioned in sections 4123.01, 4123.03, 35 and 4123.73 of the Revised Code for the payment of compensation, 36 medical services, examinations, recommendations and 37 determinations, nursing and hospital services, medicine, 38 rehabilitation, death benefits, funeral expenses, and like 39 benefits for loss sustained on account of injury, disease, or 40 death provided for by this chapter, the administrative costs of 41 the industrial commission, bureau of workers' compensation board 42 of directors, and bureau of workers' compensation to administer 4.3 Chapters 4121., 4123., 4125., 4127., 4133., and 4167. of the 44 Revised Code pursuant to section 4123.342 of the Revised Code, 4.5

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and for no other purpose. This section does not prevent the deposit or investment of all such moneys intermingled for such purpose but such funds shall be separate and distinct for all other purposes, and the rights and duties created in this chapter shall be construed to have been made with respect to two separate funds and so as to maintain and continue such funds separately except for deposit or investment. Disbursements shall not be made on account of injury, disease, or death of employees of employers who contribute to one of such funds unless the moneys to the credit of such fund are sufficient therefor and no such disbursements shall be made for moneys or credits paid or credited to the other fund.

58 Sec. 4123.34. It shall be the duty of the bureau of workers' compensation board of directors and the administrator 59 of workers' compensation to safeguard and maintain the solvency 60 of the state insurance fund and all other funds specified in 61 this chapter and Chapters 4121., 4127., and 4131. of the Revised 62 Code. The administrator, in the exercise of the powers and 63 discretion conferred upon the administrator in section 4123.29 64 of the Revised Code, shall fix and maintain, with the advice and 65 consent of the board, for each class of occupation or industry, 66 the lowest possible rates of premium consistent with the 67 maintenance of a solvent state insurance fund and the creation 68 and maintenance of a reasonable surplus, after the payment of 69 legitimate claims for injury, occupational disease, and death 70 that the administrator authorizes to be paid from the state 71 insurance fund for the benefit of injured, diseased, and the 72 dependents of killed employees. In establishing rates, the 73 administrator shall take into account the necessity of ensuring 74 sufficient money is set aside in the premium payment security 75 fund to cover any defaults in premium obligationsadministrative 76

costs of the industrial commission, board, and bureau of
workers' compensation to administer this chapter and Chapters
4121., 4125., 4127., 4133., and 4167. of the Revised Code. The
administrator shall observe all of the following requirements in
fixing the rates of premium for the risks of occupations or
industries:

- (A) The administrator shall keep an accurate account of 83 the money paid in premiums by each of the several classes of 84 occupations or industries, and the losses on account of 85 injuries, occupational disease, and death of employees thereof, 86 and also keep an account of the money received from each 87 individual employer and the amount of losses incurred against 88 the state insurance fund on account of injuries, occupational 89 disease, and death of the employees of the employer. 90
- (B) A portion of the money paid into the state insurance 91 fund shall be set aside for the creation of a surplus fund 92 account within the state insurance fund. Any references in this 93 chapter or in Chapter 4121., 4125., 4127., or 4131. of the 94 Revised Code to the surplus fund, the surplus created in this 95 division, the statutory surplus fund, or the statutory surplus 96 of the state insurance fund are hereby deemed to be references 97 to the surplus fund account. The administrator may transfer the 98 portion of the state insurance fund to the surplus fund account 99 as the administrator determines is necessary to satisfy the 100 needs of the surplus fund account and to quarantee the solvency 101 of the state insurance fund and the surplus fund account. In 102 addition to all statutory authority under this chapter and 103 Chapter 4121. of the Revised Code, the administrator has 104 discretionary and contingency authority to make charges to the 105 surplus fund account. The administrator shall account for all 106 charges, whether statutory, discretionary, or contingency, that 107

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the administrator may make to the surplus fund	d account. A 10	8 C
revision of basic rates shall be made annually	y on the first day 10	9
of July.	1:	10

For policy years commencing prior to July 1, 2016, 111 revisions of basic rates for private employers shall be in 112 accordance with the oldest four of the last five calendar years 113 of the combined accident and occupational disease experience of 114 the administrator in the administration of this chapter, as 115 shown by the accounts kept as provided in this section. For a 116 policy year commencing on or after July 1, 2016, revisions of 117 basic rates for private employers shall be in accordance with 118 the oldest four of the last five policy years combined accident 119 and occupational disease experience of the administrator in the 120 administration of this chapter, as shown by the accounts kept as 121 provided in this section. 122

Revisions of basic rates for public employers shall be in accordance with the oldest four of the last five policy years of the combined accident and occupational disease experience of the administrator in the administration of this chapter, as shown by the accounts kept as provided in this section.

In revising basic rates, the administrator shall exclude 128 the experience of employers that are no longer active if the 129 administrator determines that the inclusion of those employers 130 would have a significant negative impact on the remainder of the 131 employers in a particular manual classification. The 132 administrator shall adopt rules, with the advice and consent of 133 the board, governing rate revisions, the object of which shall 134 be to make an equitable distribution of losses among the several 135 classes of occupation or industry, which rules shall be general 136 in their application. 137

(C) The administrator may apply that form of rating system	138
that the administrator finds is best calculated to merit rate or	139
individually rate the risk more equitably, predicated upon the	140
basis of its individual industrial accident and occupational	141
disease experience, and may encourage and stimulate accident	142
prevention. The administrator shall develop fixed and equitable	143
rules controlling the rating system, which rules shall conserve	144
to each risk the basic principles of workers' compensation	145
insurance.	146
(D) The administrator, from the money paid into the state-	147
insurance fund, shall set aside into an account of the state	148
insurance fund titled a premium payment security fund sufficient-	149
money to pay for any premiums due from an employer and	150
uncollected.	151
The use of the moneys held by the premium payment security	152
fund account is restricted to reimbursement to the state	153
insurance fund of premiums due and uncollected.	154
(E) The administrator may grant discounts on premium rates	155
for employers who meet either of the following requirements:	156
(1) Have not incurred a compensable injury for one year or	157
more and who maintain an employee safety committee or similar	158
organization or make periodic safety inspections of the	159
workplace.	160
(2) Successfully complete a loss prevention program	161
prescribed by the superintendent of the division of safety and	162
hygiene and conducted by the division or by any other person	163
approved by the superintendent.	164
$\frac{(F)(1)}{(E)(1)}$ In determining the premium rates for the	165
construction industry the administrator shall calculate the	166

employers' premiums based upon the actual remuneration	167
construction industry employees receive from construction	168
industry employers, provided that the amount of remuneration the	169
administrator uses in calculating the premiums shall not exceed	170
an average weekly wage equal to one hundred fifty per cent of	171
the statewide average weekly wage as defined in division (C) of	172
section 4123.62 of the Revised Code.	173
(2) Division $\frac{(F)(1)}{(E)(1)}$ of this section shall not be	174
construed as affecting the manner in which benefits to a	175
claimant are awarded under this chapter.	176
(3) As used in division $\frac{(F)}{(E)}$ of this section,	177
"construction industry" includes any activity performed in	178
connection with the erection, alteration, repair, replacement,	179
renovation, installation, or demolition of any building,	180
structure, highway, or bridge.	181
$\frac{(G)}{(F)}$ The administrator shall not place a limit on the	182
length of time that an employer may participate in the bureau of	183
workers' compensation drug free workplace and workplace safety	184
programs.	185
Sec. 4123.341. The administrative costs of the industrial	186
commission, the bureau of workers' compensation board of	187
directors, and the bureau of workers' compensation shall be	188
those costs and expenses that are incident to the discharge of	189
the duties and performance of the activities of the industrial	190
commission, the board, and the bureau under this chapter and	191
Chapters 4121., 4125., 4127., 4131., 4133., and 4167. of the	192
Revised Code, and all such costs shall be borne by the state and	193
by other employers amenable to this chapter as follows:	194

(A) In addition to the contribution required of the state 195

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under sections 4123.39 and 4123.40 of the Revised Code, the	196
state shall contribute the sum determined to be necessary under	197
section 4123.342 of the Revised Code.	198

- (B) The director of budget and management may allocate the state's share of contributions in the manner the director finds most equitably apportions the costs.
- (C) The counties and taxing districts therein shall 202 contribute such sum as may be required under section 203 4123.34, 4123.342, and 4123.41 of the Revised Code. 204
- (D) The private employers shall contribute the sum 205 required under section 4123.34 and 4123.342 of the 206 Revised Code. 207

Sec. 4123.342. (A) The administrator of workers' 208 compensation shall allocate among counties and taxing districts 209 therein as a class, the state and its instrumentalities as a 210 class, private employers who are insured under the private fund 211 as a class, and self-insuring employers as a class their fair 212 shares of the administrative costs which are to be borne by such 213 employers under division (D) of section 4123.341 of the Revised 214 215 Code, separately allocating to each class those costs solely attributable to the activities of the industrial commission and 216 those costs solely attributable to the activities of the bureau 217 of workers' compensation board of directors, and the bureau of 218 workers' compensation in respect of the class, allocating to any 219 combination of classes those costs attributable to the 220 activities of the industrial commission, board, or bureau in 221 respect of the classes, and allocating to all four classes those 222 costs attributable to the activities of the industrial 223 commission, board, and bureau in respect of all classes. The 224 administrator shall separately calculate each employer's 225

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assessment in the class, except self-insuring employers, on the-	226
basis of the following three factors: payroll, paid	227
compensation, and paid medical costs of the employer for those	228
costs solely attributable to the activities of the board and the	229
bureau. The administrator shall separately calculate each	230
employer's assessment in the class, except self-insuring	231
employers, on the basis of the following three factors: payroll,	232
paid compensation, and paid medical costs of the employer for	233
those costs solely attributable to the activities of the	234
industrial commission. The administrator shall separately	235
calculate each self-insuring employer's assessment in accordance-	236
with section 4123.35 of the Revised Code for those costs solely-	237
attributable to the activities of the board and the bureau. The	238
administrator shall separately calculate each self-insuring	239
employer's assessment administrative costs in accordance with	240
section 4123.35 of the Revised Code—for those costs solely—	241
attributable to the activities of the industrial commission. In	242
a timely manner, the industrial commission shall provide to the	243
administrator, the information necessary for the administrator	244
to allocate and calculate, with the approval of the chairperson	245
of the industrial commission, for each class of employer as	246
described in this division, the costs solely attributable to the	247
activities of the industrial commission.	248
(B) The administrator shall divide the administrative cost	249
assessments collected by the administrator into two	250
administrative assessment accounts within the state insurance	251

fund. One of the administrative assessment accounts shall-

administrator for the industrial commission. One of the

administrative assessment accounts shall consist of the

consist of the administrative cost assessment collected by the

administrative cost assessments collected by the administrator

for the bureau and the board. The administrator may invest the	257
administrative cost assessments in these accounts on behalf of-	258
the bureau and the industrial commission as authorized in-	259
section 4123.44 of the Revised Code. In a timely manner, the	260
administrator shall provide to the industrial commission the	261
information and reports the commission deems necessary for the-	262
commission to monitor the receipts and the disbursements from-	263
the administrative assessment account for the industrial	264
commission.	265
(C)—The administrator or the administrator's designee	266
shall transfer moneys <u>from the state insurance fund</u> as necessary	267
from the for the administrative assessment account identified	268
for costs of the bureau and the board to the workers'	269
compensation fund for the use of the bureau and the board. As	270
necessary and upon the authorization of the industrial	271
commission, the administrator or the administrator's designee	272
shall transfer moneys from the administrative assessment account	273
identified for the industrial commission state insurance fund	274
for the commission's administrative costs to the industrial	275
commission operating fund created under section 4121.021 of the	276
Revised Code. To the extent that the moneys collected by the	277
administrator in any fiscal biennium of the state equal the sum-	278
appropriated by the general assembly for administrative costs of	279
the industrial commission, board, and bureau for the biennium,	280
the moneys shall be paid into the workers' compensation fund and	281
the industrial commission operating fund of the state, as-	282
appropriate, and any remainder shall be retained in those funds-	283
and applied to reduce the amount collected during the next-	284
biennium.	285
(C) Sections 4123.41, 4123.35, and 4123.37 of the Revised	286

Code apply to the collection of assessments from public and

Section 200.10. All items in this act are hereby

appropriated out of any moneys in the state treasury to the

credit of the designated fund. For all appropriations made in

this act, those in the first column are for fiscal year 2024,

and those in the second column are for fiscal year 2025.

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A BWC BUREAU OF WORKERS' COMPENSATION

B Dedicated Purpose Fund Group

C 7023 855407 Claims, Risk and Medical \$126,096,491 \$127,366,065

Management

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D	7023	855408	Fraud Prevention	\$19,099,498	\$18,486,443
Ε	7023	855409	Administrative Services	\$137,585,121	\$142,777,652
F	7023	855410	Attorney General Payments	\$6,080,080	\$6,080,080
G	8220	855606	Coal Workers' Fund	\$195,832	\$195 , 832
Н	8230	855608	Marine Industry	\$81,508	\$81,508
Ι	8250	855605	Disabled Workers Relief	\$204,981	\$204,981
J	8260	855609	Safety and Hygiene Operating	\$23,613,361	\$24,486,602
K	8260	855610	Safety Grants	\$35,000,000	\$35,000,000
L	8260	855611	Health and Safety Initiative	\$3,000,000	\$3,000,000
М	8260	855612	Safety Campaign	\$1,500,000	\$1,500,000
N	8260	855613	Research Grants	\$1,000,000	\$1,000,000
0	8260	855618	Substance Use Recovery and Workplace Safety Program	\$4,000,000	\$4,000,000
P	8260	855619	Safety and Health Workforce Safety Innovation Center	\$15,000,000	\$15,000,000
Q	TOTAL	DPF Dedi	cated Purpose Fund Group	\$372,456,872	\$379,179,163

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R	Federal Fund Group			
S	3490 855601 OSHA Enforcement	\$1,876,339	\$1,876,338	
Т	3FW0 855614 BLS SOII Grant	\$195,104	\$195,104	
U	TOTAL FED Federal Fund Group	\$2,071,443	\$2,071,442	
V	TOTAL ALL BUDGET FUND GROUPS	\$374,528,315	\$381,250,605	
	WORKERS' COMPENSATION FRAUD UNIT			309
	Of the foregoing appropriation item 855	5410, Attorney		310
Ge	neral Payments, \$828,200 in each fiscal year	ar shall be used	to	311
fu	nd the expenses of the Workers' Compensation	on Fraud Unit wi	thin	312
th	the Attorney General's Office. These payments shall be processed			
at	at the beginning of each quarter of each fiscal year and			314
deposited into the Workers' Compensation Section Fund (Fund			315	
1950) used by the Attorney General.			316	
	SAFETY AND HYGIENE			317
	Notwithstanding section 4121.37 of the	Revised Code, t	he	318
Tr	easurer of State shall remit \$23,613,361 c	ash in fiscal ye	ar	319
20	24 and \$24,486,602 cash in fiscal year 202	5 from the State		320
In	surance Fund to the state treasury to the	credit of the Sa	fety	321
an	d Hygiene Fund (Fund 8260).			322
	SAFETY GRANTS			323
	Notwithstanding section 4121.37 of the	Revised Code, t	he	324
Tr	easurer of State shall remit \$35,000,000 c.	ash in fiscal ye	ar	325
20	24 and \$35,000,000 cash in fiscal year 202	5 from the State		326
In	surance Fund to the state treasury to the	credit of the Sa	fety	327
an	and Hygiene Fund (Fund 8260) to be used for Safety Grants.			328

HEALTH AND SAFETY INITIATIVE	329
Notwithstanding section 4121.37 of Revised Code, the	330
Treasurer of State shall remit \$3,000,000 cash in fiscal year	331
2024 and \$3,000,000 cash in fiscal year 2025 from the State	332
Insurance Fund to the state treasury to the credit of the Safety	333
and Hygiene Fund (Fund 8260). These amounts shall be used under	334
appropriation item 855611, Health and Safety Initiative, for the	335
purpose of operating a health and wellness program.	336
SAFETY CAMPAIGN	337
Notwithstanding section 4121.37 of the Revised Code, the	338
Treasurer of State shall remit \$1,500,000 cash in fiscal year	339
2024 and \$1,500,000 cash in fiscal year 2025 from the State	340
Insurance Fund to the state treasury to the credit of the Safety	341
and Hygiene Fund (Fund 8260). These amounts shall be used under	342
appropriation item 855612, Safety Campaign, for the purpose of	343
operating a statewide safety awareness and education campaign.	344
FEDERAL GRANT PROGRAMS	345
The foregoing appropriation item 855609, Safety and	346
Hygiene Operating, may be used to provide the state match for	347
federal grant funding received by the Division of Safety and	348
Hygiene.	349
VOCATIONAL REHABILITATION	350
The Bureau of Workers' Compensation and the Opportunities	351
for Ohioans with Disabilities Agency may enter into an	352
interagency agreement for the provision of vocational	353
rehabilitation services and staff to mutually eligible clients.	354
The Bureau may provide funds from the State Insurance Fund to	355
fund vocational rehabilitation services and staff in accordance	356
with the interagency agreement.	357

RESEARCH GRANTS	358
Notwithstanding section 4121.37 of the Revised Code, the	359
Treasurer of State shall remit \$1,000,000 cash in fiscal year	360
2024 and \$1,000,000 cash in fiscal year 2025 from the State	361
Insurance Fund to the state treasury to the credit of the Safety	362
and Hygiene Fund (Fund 8260). These amounts shall be used under	363
appropriation item 855613, Research Grants, for the purpose of	364
operating the occupational safety and health research program.	365
SUBSTANCE USE RECOVERY AND WORKPLACE SAFETY PROGRAM	366
Notwithstanding section 4121.37 of the Revised Code, the	367
Treasurer of State shall remit \$4,000,000 cash in fiscal year	368
2024 and \$4,000,000 cash in fiscal year 2025 from the State	369
Insurance Fund to the state treasury to the credit of the Safety	370
and Hygiene Fund (Fund 8260). These amounts shall be used under	371
appropriation item 855618, Substance Use Recovery and Workplace	372
Safety Program, for the purpose of operating a substance use	373
recovery and workplace safety program.	374
SAFETY AND HEALTH WORKFORCE SAFETY INNOVATION CENTER	375
Notwithstanding section 4121.37 of the Revised Code, the	376
Treasurer of State shall remit \$15,000,000 cash in fiscal year	377
2024 and \$15,000,000 cash in fiscal year 2025 from the State	378
Insurance Fund to the state treasury to the credit of the Safety	379
and Hygiene Fund (Fund 8260). These amounts shall be used under	380
appropriation item 855619, Safety and Health Workforce Safety	381
Innovation Center, for the purpose of funding a workforce safety	382
innovation center program.	383
ADMINISTRATIVE COST FUND	384
Notwithstanding section 4123.341 of the Revised Code, the	385
Treasurer of State shall remit up to \$25,000,000 cash in fiscal	386

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organization for which an operating appropriation was made in,	416
or accounted for as though made in, H.B. 110 of the 134th	417
General Assembly, including the legislative and judicial	418
branches and their respective agencies, out of money in the	419
state treasury to the credit of the respective funds of the	420
state from which appropriations were made for the 2023 fiscal	421
year, for each specific item for which an appropriation was made	422
by the 134th General Assembly, taking into account any	423
Controlling Board actions, an amount equal to the following:	424
(1) One hundred per cent of three three hundred sixty-	425
fifths of each item's expenditure levels for the 2023 fiscal	426
year.	427
(2) Amounts necessary to reappropriate the unexpended	428
balance of operating appropriation or reappropriation that a	429
state agency lawfully encumbered prior to the close of fiscal	430
year 2023.	431
(3) Amounts necessary to support mission critical	432
expenditures through July 3, 2023, that are not otherwise	433
authorized in this section.	434
(B) There is also hereby appropriated amounts necessary to	435
pay any debt service and financing costs on general obligation	436
bonds and notes, lease rental payments pursuant to lease	437
agreements on bonds and notes, or other obligations of the state	438
issued under the Ohio Constitution and acts of the General	439
Assembly for fiscal year 2024.	440
(C) The Director of Budget and Management shall make any	441
determinations necessary to decide to effectuate this section.	442
Any expenditures authorized by the Director of Budget and	443

Management under this section are hereby appropriated. The

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