

*Ohio House Public Insurance and Pensions Committee
February 26, 2025
House Bill 80
Ohio Industrial Commission Biennial Budget Request*

Chairman Peterson, Vice Chair Teska, Ranking Member Brennan, and members of the Ohio House Public Insurance and Pensions Committee. My name is Jim Hughes and I am the Chairman and Chief Executive Officer of the Ohio Industrial Commission (OIC). Thank you for the opportunity to appear before you today. It is my pleasure to present to you House Bill 80, the Ohio Industrial Commission's 2026 and 2027 Biennial Budget Request.

The OIC is responsible for providing a forum for fair and impartial resolutions of disputed workers' compensation claims. We adjudicate claims including but not limited to: allowances, temporary total disability compensation, treatment, permanent partial disability, applications for additional awards for violation of specific safety requirements, and determination of eligibility for permanent total disability benefits. We serve the injured workers and employers of Ohio across a footprint of 12 offices and through an internet portal with a clear mission of customer service.

To provide you with additional background information about the OIC, I have included a Fact Sheet regarding the OIC's Hearing Process, a statewide map to show the OIC offices throughout the state, and the 2026-2027 Biennial Budget Quick Facts document. Also for your convenience, I have provided the biographies of myself and my fellow Commissioners at the end of my testimony.

The OIC will continue to focus this biennium on utilizing technology to improve the injured worker experience. As part of that process, the OIC will research and explore options for offering additional remote hearings for certain cases, which would allow for significant savings in both time and expenses. Additionally, the OIC will continue its investments in the electronic hearing process to ensure that it remains user-friendly.

As we enter the new biennium and beyond, the OIC faces two main areas of challenge: the potential retirement of highly experienced staff, and the continued enhancement of our IT infrastructure. In the next biennium, the OIC will face a continued maturation of its workforce and a potential workforce "retirement wave." By January of 2026, nearly 40 percent of the OIC's current workforce will be eligible for retirement.

To avoid disruptions in customer service while continuing to meet statutory timeframe mandates, the OIC plans to onboard new hires while the retiring employees are still active, facilitating an effective transfer of knowledge as new employees enter, and retirees exit. The requested level of funding for payroll will support the OIC as we fill currently posted positions and pursue ongoing hiring to prepare for anticipated retirements. Furthermore, the OIC's Human Resources and Communications Departments are intensifying marketing and recruitment efforts to better attract and retain talent.

Lastly, continued modernization will enable the OIC to benefit from advancements in technology that will improve business processes. Investments will be made to move core business processes off legacy systems and dated technologies to up-to-date platforms that offer needed business capabilities and improved user-experience. Legacy applications critical to the hearing process must be updated as resources required to support existing systems are increasingly expensive and difficult to find.

As a non-GRF agency, the OIC is funded by an Administrative Cost Fund surcharge applied to the workers' compensation insurance base premium coverage rate. Prudent fiscal management has enabled the OIC to maintain a stable environment for Administrative Cost rates for our Ohio employer group stakeholders as Ohio Bureau of Workers' Compensation (BWC) base rates have been reduced significantly over the decade. We intend to maintain an optimal rate structure through the end of the next biennial budget period to fund operations and benefit employers.

House Bill 80 has three non-GRF line items for your consideration:

5W30 845321 – Operating Expenses: \$48,801,400 for FY 2026 and \$49,840,500 for FY 2027

- To fund the day-to-day operations of the OIC, including but not limited to: Employee salaries, benefits, supplies, utilities, information technology, rents for OIC offices throughout the state, and contract employee services. Payroll is the OIC's largest expenditure, accounting for 77.3% of agency expenses.

5W30 845402 – Rent, William Green Building: \$1,158,000 for each Fiscal Year

- For rent and operating expenses for the space occupied by the OIC in the William Green Building in Columbus, Ohio.

5W30 845410 – Payments to the Ohio Attorney General's Office: \$3,186,666 for FY 2026 and \$3,298,199 for FY 2027



- The OIC and BWC split payments to the Attorney General's Office for applicable legal services. These payments are divided into roughly a 62%/38% split between the BWC and OIC respectively.

Overall, our budget request for this biennium is \$53,146,066 for FY 2026 and \$54,296,699 for FY 2027, totaling \$107,442,765 for the biennium. This total request is a 3.3% decrease from the total OIC FY 2024/FY 2025 budget.

The Ohio Industrial Commission's 2026 and 2027 Biennial Budget Request will allow the OIC to continue providing injured workers and employers with a timely, impartial, high-quality resolution of their workers' compensation appeals while remaining on a path of fiscal prudence and outstanding customer service.

Your valuable consideration of our budget request is appreciated. Thank you, Chairman Peterson and members of the House Public Insurance and Pensions Committee. I will be happy to take any questions at this time.



Jim Hughes, Chairman

Dates of Service: July 2019 – June 2025

Employee Member

Jim Hughes has spent his career demonstrating his passion for public service.

He was appointed by Governor Mike DeWine to be the chairman and employee member of the Ohio Industrial Commission for a term that began on July 1, 2019.

Jim brings decades of legal knowledge and public policy experience to his role as chairman. He began his career as a bailiff and court constable in the Franklin County Court of Common Pleas. He later served as assistant prosecutor in the City of Columbus Prosecutor's Office and then as assistant prosecutor for Franklin County. He also worked previously as an attorney and partner at the Isaac Wiles law firm in Columbus.

In 2000, he was appointed to the Ohio House of Representatives and was later elected to the Ohio House of Representatives in 2000, 2002, 2004, 2006, and 2016; and the Ohio Senate in 2008 and 2012. During his 18 years in the Ohio General Assembly, Jim supported legislation that toughened criminal penalties, protected children, reformed taxes, streamlined regulations, and incentivized businesses to settle in Ohio. He also served on many legislative committees including Civil Justice, Insurance and Financial Institutions, Energy and Public Utilities, Transportation and Public Safety, and Criminal Justice.

Jim has received numerous accolades from several groups over the course of his career. He has been named Legislator of the Year by the FOP Capital City Lodge No. 9, the Ohio Fire Chief's Association, the Ohio Nurses Association, the Ohio Association of Professional Firefighters and the AMVETS Department of Ohio. In addition, he has received the Ohio Association for Justice Workers Compensation Outstanding Service Award, and the Watchdog of the Treasury Award, among others.

Jim earned his Juris Doctorate at Capital University Law School after completing his bachelor's degree in business administration at The Ohio State University. He and his wife Susan live in Upper Arlington, and have a daughter, Kaela.



Cheri L. Hottinger

Dates of Service: July 2023 – June 2029

Public Member

Cheri Hottinger has dedicated most of her career to helping a wide variety of constituencies, with a particular focus on public service.

Throughout her career, Cheri has accumulated vast business knowledge, beginning in 1995 when she led the operations of the Jay Company, Inc., an industrial electrical contractor, in partnership with the IBEW, Local 1105. In addition to her administrative duties, she worked closely with labor representatives, while serving on the Health & Welfare Board of Local 1105.

Cheri was also involved with matters that included evaluating internal workers' compensation claims, oversight of premiums, safety compliance and risk assessment.

Cheri later entered public service when she was elected Councilwoman-At-Large for the City of Newark, Ohio, a position she held from 2000-2003 and, again, from 2021-2023.

In the summer of 2004, Cheri expanded her civic engagement, when she was named President & CEO of the Newark Area Chamber of Commerce – a position she held for the next 12 years. Cheri's role included facilitating safety councils, training seminars and program development. To help improve the workers' compensation system for both employers and employees, Cheri was instrumental in bringing the BWC Group Rating Program to the Chamber and its 900+ members. While Cheri was President, the Chamber grew into the Licking County Chamber of Commerce, and was listed as the largest Chamber in Central Ohio. During Cheri's tenure, the Chamber was honored with numerous BWC Safety Council of the Year awards, including first, second, and third place designations. Additionally, Cheri was named Chamber Executive of the Year by the Chamber of Commerce Executives of Ohio.

Cheri was also a co-founder of Grow Licking County Community Improvement Corporation and Newark Development Partners Community Improvement Corporation. Cheri served as a board member and treasurer for Grow Licking County CIC, and focused on the economic development and growth of the county. A significant portion of her efforts involved attracting new businesses to Licking County, while working to retain and expand operations of existing employers. Cheri pursued similar economic development efforts with Newark Development Partners CIC, with a particular focus on the City of Newark. One of the most important projects during Cheri's tenure was the renovation of downtown Newark, a public-private partnership that has revitalized the local economy.

In 2016, Cheri made a career change by joining Park National Bank as a Vice President and Business Development Officer for the Commercial Loan Department. She continued to serve the Licking County community in this new role.

Currently, in addition to her duties at the Industrial Commission, Cheri serves as the Chairperson of the Self-Insuring Employers Evaluation Board.

Cheri and her husband, Jay, live in Newark and have three daughters and a granddaughter. Cheri is an avid Buckeyes fan and can frequently be found at the stadium on game days.



Daniel J. Massey

Dates of Service: July 2021 – June 2027

Employer Member

Dan brings decades of experience both within and outside state government.

He began his career as an Ohio assistant attorney general where his practice was both in litigation and agency representation. During his tenure, Dan's clients included the Ohio Department of Transportation, the Ohio Department of Commerce, and the Ohio Department of Insurance. He also represented various boards and commissions, including the Ohio State Dental Board and the Ohio State Racing Commission.

While working in state government, he also headed the legislative program within the Ohio Attorney General and was involved in the enactment of the Ohio Consumer Sales Practice Act and the lobbying disclosure law.

After leaving government service, he practiced law in Columbus. He maintained both a legislative and corporate practice and was instrumental in the passage of the alternate retirement system legislation, which allows certain public employees to join a private, defined contribution plan. He also served as a hearing officer for the Ohio State Racing Commission.

Prior to his appointment at the Ohio Industrial Commission, Dan worked at the law firm of Murray, Murphy, Moul and Basil in Columbus.

He has both a bachelor's degree and law degree from Capital University. He and his wife, Marilyn, live in Columbus. They have two children and four grandchildren.



Where the Process Begins

The Ohio Bureau of Workers' Compensation (BWC) administers the collection of premiums from employers and the payment of compensation and medical benefits to injured workers who have been determined to have compensable claims. Some large employers may qualify with the state to be self-insured for workers' compensation and administer their own programs. Self-insured employers bypass the BWC but are still obligated to the Industrial Commission (IC) hearing process.

About the Commission

The State of Ohio charges the IC with the responsibility of resolving disputes over the payment of compensation and medical benefits in claims filed for work-related injuries and occupational diseases. The IC conducts hearings at its offices throughout Ohio for the convenience of injured workers and employers and makes decisions in all contested workers' compensation claims.

Hearings Before the Commission

Hearings before the IC are informal in nature and legal representation is not required. However, parties may choose to be represented by an attorney or other authorized person.

The Commission encourages the free exchange of information prior to the hearing, in accordance with Rule 4121-3-09(A)(1)(a) which states, "The parties or their representatives shall provide to each other, as soon as available and prior to hearing, a copy of the evidence the parties intend to submit at a Commission proceeding."

The Appeals Process

There are three levels at which a contested claim may be heard within the Industrial Commission.

District Level - If a workers' compensation claim is contested, it is set for a hearing before a district hearing officer (DHO). A hearing will be held at the Commission office nearest the injured worker's residence. If either party is dissatisfied with the decision of the DHO, an appeal must be made in writing or online and filed within 14 days of receipt of that decision.

Staff Level - Appeals from the DHO's decision will result in a second hearing before a staff hearing officer (SHO). The law guarantees injured workers and employers the right to appeal a DHO's decision to the SHO level.

Commission Level - If an injured worker or employer is dissatisfied with the decision of an SHO, they may file an appeal to the Commission level. The appeal must be made in writing or online and filed within 14 days of receipt of the decision. The three Commissioners may either refuse to hear the appeal or accept it for a hearing.

Beyond the Commission - If the injured worker or employer is not satisfied with the decision of the IC Commissioners (or if Commissioners refuse to hear the appeal), they may file a challenge to the IC decision in the appropriate state court.

NOTE: Injured workers, employers, and their authorized representatives may review their active claims information through the Industrial Commission website at www.ic.ohio.gov. Once on the home page of the website, please click ICON and follow the instructions for obtaining a password. Once you have obtained a password, you should be able to access your active claim(s). If you have difficulty obtaining a password, please contact the Industrial Commission's IT Helpdesk at (614) 644-6595 or (877) 218-4810, between 8 a.m. and 5 p.m. weekdays.

If you have a disability that requires special accommodations at a hearing, please contact the IC in advance of your hearing. Interpreter services for language or deaf and hard of hearing are available through Customer Service.

Questions About the Hearing Process

Does every claim require a hearing?

No. Hearings are held only if there is a dispute between the injured worker, employer, or BWC.

When will parties be notified of a hearing?

Notification will be mailed at least 14 days prior to a hearing. The notice will state the time, date, and location of the hearing and the issue(s) in dispute.

Should the injured worker and employer attend a hearing?

Attendance is not mandatory, but it is recommended that all parties be present to give their side of the disputed issue(s).

How should the parties prepare for a hearing?

Gather and prepare any documents pertinent to the issue set for hearing like current medical reports, written

witness statements, etc. These documents should be submitted prior to or at the hearing. You should also keep a copy of any paperwork filed with the IC or BWC for your records. After the hearing, an order announcing the decision will be mailed to all parties.

Is legal representation required?

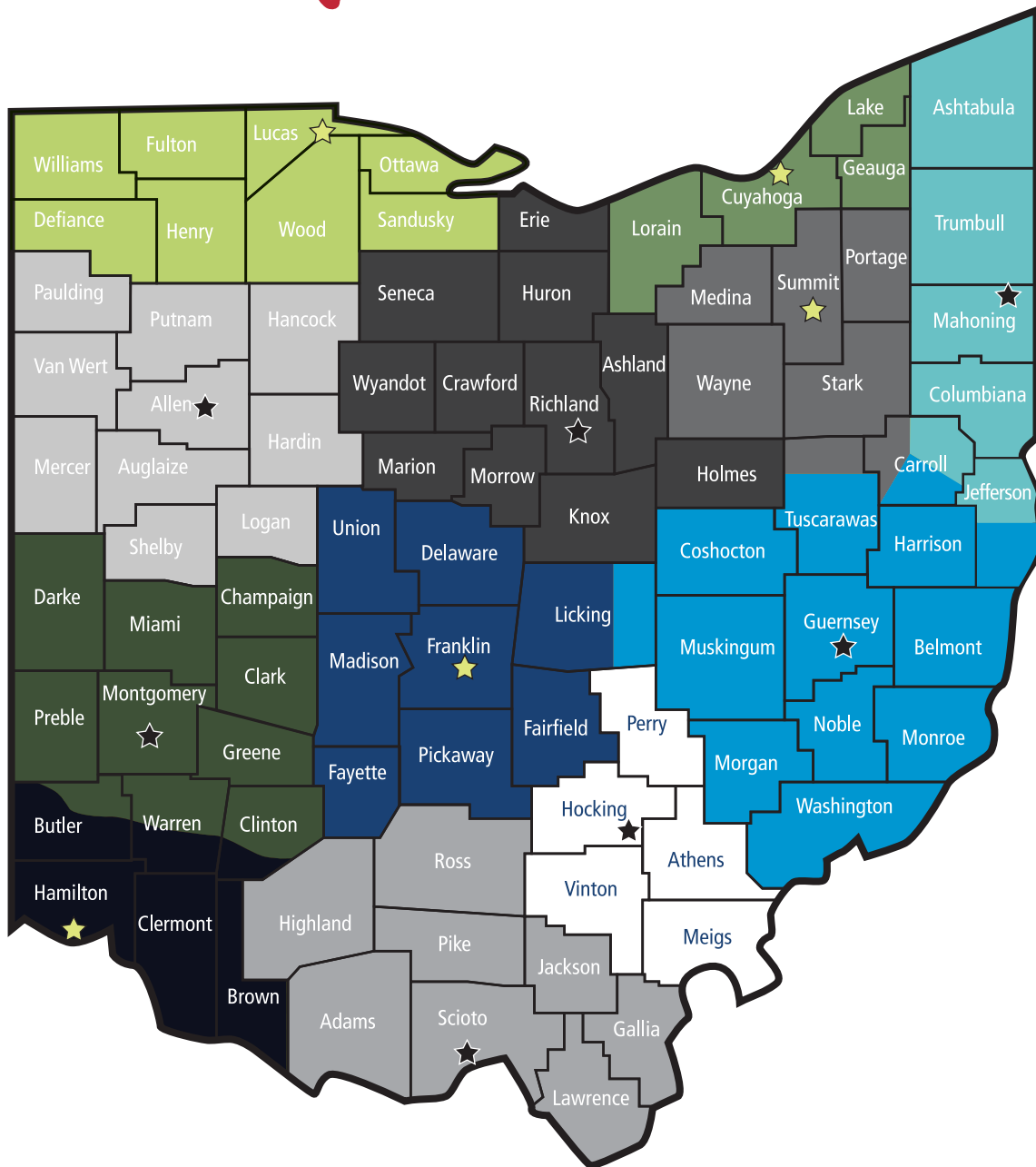
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How is an appeal filed?

An employer or injured worker may file an appeal from an order of the BWC, or a district or staff hearing officer of the IC. Form IC-12, located at local offices or on the IC's website, should be used for this purpose.



Industrial Commission



Offices Servicing Each County

Akron	Columbus	Mansfield
Cambridge	Dayton	Portsmouth
Cincinnati	Lima	Toledo
Cleveland	Logan	Youngstown

★ OIC District Office Location ☆ OIC Regional Office Location

FY 2026/FY 2027 Ohio Industrial Commission Biennial Budget Quick Facts

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The OIC serves the injured workers and employers of Ohio across a footprint of 12 local offices and through an internet portal with a clear mission of customer service. We continue to implement customer focused improvements to enhance the injured worker experience and will continue investing in the electronic hearing process to ensure efficiency, effectiveness, and overall customer satisfaction.

As a non-GRF agency, the OIC is funded by an Administrative Cost Fund surcharge applied to the workers' compensation insurance base premium coverage rate. Prudent fiscal management has enabled the OIC to maintain a stable environment for Administrative Cost rates for our Ohio employer group stakeholders as Ohio Bureau of Workers' Compensation (BWC) base rates have been reduced significantly over the decade. We intend to maintain an optimal rate structure through the end of the next biennial budget period to fund operations and benefit employers.

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