As Passed by the House

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

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 Department's programs, and to	7
	make changes to the Workers' Compensation Law.	8

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

Section 101.01. That sections 4121.021, 4123.30, 4123.34,	9
4123.341, 4123.342, and 4123.36 of the Revised Code be amended	10
to read as follows:	11
Sec. 4121.021. The industrial commission operating fund is	12
hereby created in the state treasury. The fund shall consist of	13
all moneys transferred to the fund pursuant to division $\frac{(C)-(B)}{(C)}$	14
of section 4123 342 of the Revised Code Revenues credited to	15

the fund shall be used for those costs solely attributable to 16 the activities of the commission.

Sec. 4123.30. Money contributed by public employers 18 constitutes the "public fund" and the money contributed by 19 private employers constitutes the "private fund." Each such fund 20 shall be collected, distributed, and its solvency maintained 21 without regard to or reliance upon the other. Whenever in this 22 chapter reference is made to the state insurance fund, the 23 reference is to such two separate funds but such two separate 24 25 funds and the net premiums contributed thereto by employers 26 after adjustments and dividends, except for the amount thereof which is set aside for the investigation and prevention of 27 industrial accidents and diseases pursuant to Section 35 of 28 Article II, Ohio Constitution, any amounts set aside for 29 actuarial services authorized or required by sections 4123.44 30 and 4123.47 of the Revised Code, and any amounts set aside to 31 reinsure the liability of the respective insurance funds for the 32 following payments, constitute a trust fund for the benefit of 33 employers and employees mentioned in sections 4123.01, 4123.03, 34 and 4123.73 of the Revised Code for the payment of compensation, 35 medical services, examinations, recommendations and 36 determinations, nursing and hospital services, medicine, 37 rehabilitation, death benefits, funeral expenses, and like 38 benefits for loss sustained on account of injury, disease, or 39 death provided for by this chapter, the administrative costs of 40 the industrial commission, bureau of workers' compensation board 41 of directors, and bureau of workers' compensation to administer 42 Chapters 4121., 4123., 4125., 4127., 4133., and 4167. of the 43 Revised Code pursuant to section 4123.342 of the Revised Code, 44 and for no other purpose. This section does not prevent the 45 deposit or investment of all such moneys intermingled for such 46

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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.

Sec. 4123.34. It shall be the duty of the bureau of 57 workers' compensation board of directors and the administrator 58 of workers' compensation to safeguard and maintain the solvency 59 of the state insurance fund and all other funds specified in 60 this chapter and Chapters 4121., 4127., and 4131. of the Revised 61 Code. The administrator, in the exercise of the powers and 62 discretion conferred upon the administrator in section 4123.29 63 of the Revised Code, shall fix and maintain, with the advice and 64 consent of the board, for each class of occupation or industry, 65 the lowest possible rates of premium consistent with the 66 maintenance of a solvent state insurance fund and the creation 67 and maintenance of a reasonable surplus, after the payment of 68 legitimate claims for injury, occupational disease, and death 69 that the administrator authorizes to be paid from the state 70 insurance fund for the benefit of injured, diseased, and the 71 dependents of killed employees. In establishing rates, the 72 administrator shall take into account the necessity of ensuring-7.3 sufficient money is set aside in the premium payment security 74 fund to cover any defaults in premium obligationsadministrative 7.5 costs of the industrial commission, board, and bureau of 76 workers' compensation to administer this chapter and Chapters 77

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 82 the money paid in premiums by each of the several classes of 83 occupations or industries, and the losses on account of 84 injuries, occupational disease, and death of employees thereof, 85 and also keep an account of the money received from each 86 individual employer and the amount of losses incurred against 87 the state insurance fund on account of injuries, occupational 88 disease, and death of the employees of the employer. 89
- (B) A portion of the money paid into the state insurance 90 fund shall be set aside for the creation of a surplus fund 91 account within the state insurance fund. Any references in this 92 chapter or in Chapter 4121., 4125., 4127., or 4131. of the 93 Revised Code to the surplus fund, the surplus created in this 94 division, the statutory surplus fund, or the statutory surplus 9.5 of the state insurance fund are hereby deemed to be references 96 to the surplus fund account. The administrator may transfer the 97 portion of the state insurance fund to the surplus fund account 98 as the administrator determines is necessary to satisfy the 99 needs of the surplus fund account and to quarantee the solvency 100 of the state insurance fund and the surplus fund account. In 101 addition to all statutory authority under this chapter and 102 Chapter 4121. of the Revised Code, the administrator has 103 discretionary and contingency authority to make charges to the 104 surplus fund account. The administrator shall account for all 105 charges, whether statutory, discretionary, or contingency, that 106 the administrator may make to the surplus fund account. A 107 revision of basic rates shall be made annually on the first day 108

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of July.

For policy years commencing prior to July 1, 2016, 110 revisions of basic rates for private employers shall be in 111 accordance with the oldest four of the last five calendar years 112 of the combined accident and occupational disease experience of 113 the administrator in the administration of this chapter, as 114 shown by the accounts kept as provided in this section. For a 115 policy year commencing on or after July 1, 2016, revisions of 116 basic rates for private employers shall be in accordance with 117 the oldest four of the last five policy years combined accident 118 and occupational disease experience of the administrator in the 119 administration of this chapter, as shown by the accounts kept as 120 provided in this section. 121

Revisions of basic rates for public employers shall be in 122 accordance with the oldest four of the last five policy years of 123 the combined accident and occupational disease experience of the 124 administrator in the administration of this chapter, as shown by 125 the accounts kept as provided in this section. 126

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

(C) The administrator may apply that form of rating system 137 that the administrator finds is best calculated to merit rate or 138

individually rate the risk more equitably, predicated upon the	139
basis of its individual industrial accident and occupational	140
disease experience, and may encourage and stimulate accident	141
prevention. The administrator shall develop fixed and equitable	142
rules controlling the rating system, which rules shall conserve	143
to each risk the basic principles of workers' compensation	144
insurance.	145
(D) The administrator, from the money paid into the state	146
insurance fund, shall set aside into an account of the state	147
insurance fund titled a premium payment security fund sufficient	148
money to pay for any premiums due from an employer and	149
uncollected.	150
The use of the moneys held by the premium payment security	151
fund account is restricted to reimbursement to the state-	152
insurance fund of premiums due and uncollected.	153
(E) The administrator may grant discounts on premium rates	154
for employers who meet either of the following requirements:	155
(1) Have not incurred a compensable injury for one year or	156
more and who maintain an employee safety committee or similar	157
organization or make periodic safety inspections of the	158
workplace.	159
(2) Successfully complete a loss prevention program	160
prescribed by the superintendent of the division of safety and	161
hygiene and conducted by the division or by any other person	162
approved by the superintendent.	163
$\frac{(F)(1)-(E)(1)}{(E)(1)}$ In determining the premium rates for the	164
construction industry the administrator shall calculate the	165
employers' premiums based upon the actual remuneration	166
construction industry employees receive from construction	167

industry employers, provided that the amount of remuneration the	168
administrator uses in calculating the premiums shall not exceed	169
an average weekly wage equal to one hundred fifty per cent of	170
the statewide average weekly wage as defined in division (C) of	171
section 4123.62 of the Revised Code.	172
(2) Division $\frac{(F)(1)}{(E)(1)}$ of this section shall not be	173
construed as affecting the manner in which benefits to a	174
claimant are awarded under this chapter.	175
(3) As used in division $\frac{(F)}{(E)}$ of this section,	176
"construction industry" includes any activity performed in	177
connection with the erection, alteration, repair, replacement,	178
renovation, installation, or demolition of any building,	179
structure, highway, or bridge.	180
$\frac{(G)}{(F)}$ The administrator shall not place a limit on the	181
length of time that an employer may participate in the bureau of	182
workers' compensation drug free workplace and workplace safety	183
programs.	184
Sec. 4123.341. The administrative costs of the industrial	185
commission, the bureau of workers' compensation board of	186
directors, and the bureau of workers' compensation shall be	187
those costs and expenses that are incident to the discharge of	188
the duties and performance of the activities of the industrial	189
commission, the board, and the bureau under this chapter and	190
Chapters 4121., 4125., 4127., 4131., 4133., and 4167. of the	191
Revised Code, and all such costs shall be borne by the state and	192
by other employers amenable to this chapter as follows:	193
(A) In addition to the contribution required of the state	194
under sections 4123.39 and 4123.40 of the Revised Code, the	195

state shall contribute the sum determined to be necessary under

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section	4123.342	$\circ f$	the	Revised	Code
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- (B) The director of budget and management may allocate the 198 state's share of contributions in the manner the director finds 199 most equitably apportions the costs. 200
- (C) The counties and taxing districts therein shall 201 contribute such sum as may be required under section 202 4123.34, 4123.342, and 4123.41 of the Revised Code. 203
- (D) The private employers shall contribute the sum required under <u>section sections 4123.34 and 4123.342</u> of the Revised Code.

Sec. 4123.342. (A) The administrator of workers' 207 compensation shall allocate among counties and taxing districts 208 therein as a class, the state and its instrumentalities as a 209 class, private employers who are insured under the private fund 210 as a class, and self-insuring employers as a class their fair 211 shares of the administrative costs which are to be borne by such 212 employers under division (D) of section 4123.341 of the Revised 213 Code, separately allocating to each class those costs solely 214 attributable to the activities of the industrial commission and 215 those costs solely attributable to the activities of the bureau 216 of workers' compensation board of directors, and the bureau of 217 workers' compensation in respect of the class, allocating to any 218 combination of classes those costs attributable to the 219 activities of the industrial commission, board, or bureau in 220 respect of the classes, and allocating to all four classes those 221 costs attributable to the activities of the industrial 222 commission, board, and bureau in respect of all classes. The 223 administrator shall separately calculate each employer's 224 assessment in the class, except self-insuring employers, on the 225 basis of the following three factors: payroll, paid 226

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

(B) The administrator shall divide the administrative cost-248 assessments collected by the administrator into two-249 administrative assessment accounts within the state insurance 250 fund. One of the administrative assessment accounts shall 251 consist of the administrative cost assessment collected by the 252 administrator for the industrial commission. One of the 253 administrative assessment accounts shall consist of the 254 administrative cost assessments collected by the administrator 255 for the bureau and the board. The administrator may invest the 256 administrative cost assessments in these accounts on behalf of-257

the bureau and the industrial commission as authorized in	258
section 4123.44 of the Revised Code. In a timely manner, the	259
administrator shall provide to the industrial commission the	260
information and reports the commission deems necessary for the-	261
commission to monitor the receipts and the disbursements from-	262
the administrative assessment account for the industrial	263
commission.	264
(C)—The administrator or the administrator's designee	265
shall transfer moneys <u>from the state insurance fund</u> as necessary	266
from the for the administrative assessment account identified	267
for costs of the bureau and the board to the workers'	268
compensation fund for the use of the bureau and the board. As	269
necessary and upon the authorization of the industrial	270
commission, the administrator or the administrator's designee	271
shall transfer moneys from the administrative assessment account	272
identified for the industrial commission state insurance fund	273
for the commission's administrative costs to the industrial	274
commission operating fund created under section 4121.021 of the	275
Revised Code. To the extent that the moneys collected by the	276
administrator in any fiscal biennium of the state equal the sum-	277
appropriated by the general assembly for administrative costs of	278
the industrial commission, board, and bureau for the biennium,	279
the moneys shall be paid into the workers' compensation fund and	280
the industrial commission operating fund of the state, as-	281
appropriate, and any remainder shall be retained in those funds-	282
and applied to reduce the amount collected during the next-	283
biennium.	284
(C) Sections 4123.41, 4123.35, and 4123.37 of the Revised	285
Code apply to the collection of assessments from public and	286
private employers respectively, except that for boards of county	287

hospital trustees that are self-insuring employers, only those

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рі	covision	ns applid	cable to the collection of	assessments for		289
pı	rivate e	employers	s apply.			290
	Sec	. 4123.3	36. Whenever an employer f	ails to pay a prem	ium	291
dι	ue and t	the admin	nistrator of workers' comp	ensation determine	:S	292
tł	ne emplo	oyer's ac	ccount to be uncollectible	e, the administrato	or	293
sł	nall cov	ver the d	default by transfer of mo r	ney from the premiu	m-	294
pa	ayment :	security	fund account to the state	e insurance fund.		295
Tł	nereafte	er, the	employer shall be consider	red a noncomplying		296
er	mployer	under th	nis chapter and shall not	be entitled to the	:	297
be	enefits	and prot	tection of this chapter.			298
	Sec	tion 101	02. That existing section	ns 4121.021, 4123.	30,	299
41	123.34,	4123.343	1, 4123.342, and 4123.36 d	of the Revised Code	are	300
he	ereby re	epealed.				301
	Sec	tion 200	0.10. All items in this ac	t are hereby		302
appropriated out of any moneys in the state treasury to the						303
Cl	redit of	f the des	signated fund. For all app	propriations made i	.n	304
tł	nis act,	, those :	in the first column are fo	or fiscal year 2024	• •	305
ar	nd those	e in the	second column are for fis	scal year 2025.		306
						307
	1	2	3	4	5	
А			BWC BUREAU OF WORKERS	COMPENSATION		
В	Dedica	ated Purp	pose Fund Group			
С	7023	855407	Claims, Risk and Medical Management	\$126,096,491	\$127,366,065	
D	7023	855408	Fraud Prevention	\$19,099,498	\$18,486,443	

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R Federal Fund Group

E	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
I	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
Р	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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	44 056 000	44 056 000		
S 3490 855601 OSHA Enforcement	\$1,876,339	\$1,876,338		
T 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			308	
Of the foregoing appropriation item 8	355410, Attorney		309	
General Payments, \$828,200 in each fiscal	year shall be used	to	310	
fund the expenses of the Workers' Compensa	tion Fraud Unit wi	thin	311	
the Attorney General's Office. These payme	nts shall be proce	ssed	312	
at the beginning of each quarter of each f	iscal year and		313	
deposited into the Workers' Compensation S	ection Fund (Fund		314	
1950) used by the Attorney General.				
SAFETY AND HYGIENE			316	
Notwithstanding section 4121.37 of the	ne Revised Code, tl	ne	317	
Treasurer of State shall remit \$23,613,361 cash in fiscal year				
2024 and \$24,486,602 cash in fiscal year 2025 from the State				
Insurance Fund to the state treasury to th	e credit of the Sa	fety	320	
and Hygiene Fund (Fund 8260).			321	
SAFETY GRANTS			322	
Notwithstanding section 4121.37 of the	ne Revised Code, tl	ne	323	
Treasurer of State shall remit \$35,000,000	cash in fiscal ye	ar	324	
2024 and \$35,000,000 cash in fiscal year 2025 from the State				
Insurance Fund to the state treasury to the credit of the Safety				
and Hygiene Fund (Fund 8260) to be used fo	r Safety Grants.		327	
HEALTH AND SAFETY INITIATIVE			328	

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RESEARCH GRANTS

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

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

year 2024 and \$25,000,000 cash in fiscal year 2025 from the

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when this act becomes law.

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