

John R. Kasich, Governor
Thomas H. Bainbridge, *Chairman*
Jodie M. Taylor, *Member*
Karen L. Gillmor, Ph.D., *Member*
Tim Adams, *Executive Director*

May 24, 2017

**The Ohio Industrial Commission
Biennial Budget Request for Fiscal Years 2018 & 2019
The Ohio Senate—H.B. 28 (Brinkman)**

Chairman LaRose, Vice-Chairman Kunze, Ranking Minority Member Schiavoni and Members of the Senate Transportation, Commerce and Workforce Committee: Good morning, I am Tim Bainbridge, Chairman of the Industrial Commission of Ohio.

It is my pleasure to share the Industrial Commission's Biennial Budget Request for Fiscal Years 2018 & 2019, which is **1.3% less** than the previous adjusted biennial budget. Additionally, I would like to highlight information regarding the Industrial Commission operations.

The Ohio Industrial Commission Biennium Budget Request for Fiscal Years 2018-2019 totals **\$103.6MM**, which, as stated, is a **1.3% decrease** from the Fiscal Years 2016-2017 adjusted appropriation of **\$105.0MM**.

As a non-general revenue fund agency, funded by an Administrative Cost Fund (ACF) surcharge to the employers' workers' compensation coverage base rate, the Industrial Commission continues to pass along savings in our daily operations to our customers.

In the next biennium, the IC will face a continued maturing of its workforce and the potential for an increased "retirement wave." While the volume of retirements over the past three fiscal years has increased, that level as a percentage of the total workforce remains modest at 2.9%.

As an example of our efficiency, the Ohio Industrial Commission District Hearing Officers and Staff Hearing Officers heard claims and issued orders, on average, within **35** days, with **91%** meeting the statutory **52** day time frame.

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The Ohio Industrial Commission adjudicated more than **127,000** claims in Fiscal Year 2016, of which only **69** were advanced through a writ of mandamus to the Tenth District Court of Appeals. In Calendar Year **2016**, the Tenth District issued **48** decisions, **39** affirmed the Industrial Commission, giving the Commission an **83% affirmation rate**. The Tenth District has issued **26** decisions so far this year, **22** affirmed the Industrial Commission, giving the Commission an **85% affirmation rate**.

Additionally, in Calendar Year **2016**, there were **18** appeals filed with the Supreme Court. The Supreme Court issued **8** decisions, **7** of which affirmed the Industrial Commission, giving the Commission an **88% affirmation rate**.

The Industrial Commission has **reduced staff by 44%** through attrition and technology upgrades from **643** positions in 1997 to **360** positions at the end of Calendar Year 2016. Since Fiscal Year 2008, these decreases have **saved nearly \$46MM** in cumulative payroll without sacrificing the quality of service to our customers.

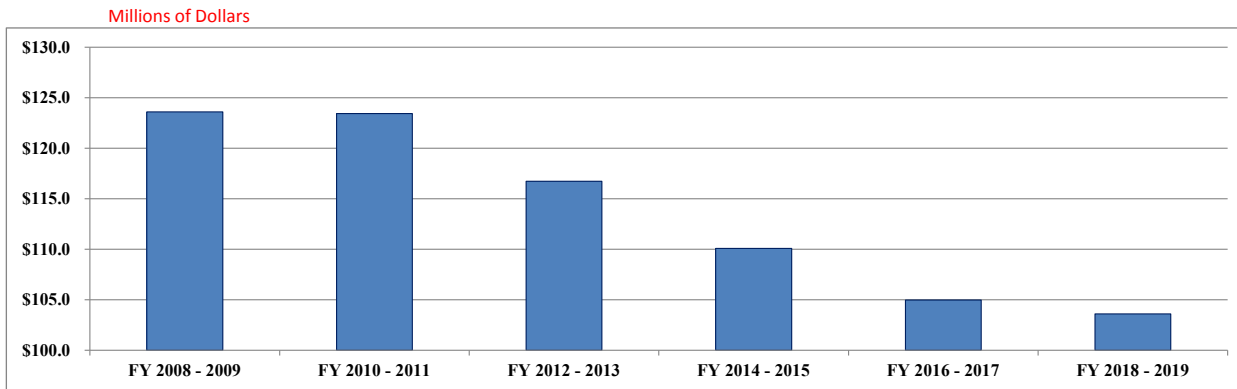
Much of this reduction, all through attrition and no layoffs, relates to laborsaving, claim- processing automation and process standardization statewide. Despite this reduction, the IC maintains a significantly high level of compliance of **93%** or better with statutory hearing order time frames across the DHO and SHO levels.

As we face the challenges in the next Fiscal Year and beyond, your valuable consideration of our budget request is appreciated.

Thank you Chairman LaRose and members of the Senate Transportation, Commerce and Workforce Committee for your time; our Chief Financial Officer, Brian Kelly and the rest of our staff will be happy to answer any questions you may have at this time.

Exhibit B

Biennium Appropriations Fiscal Year 2008/2009 – Fiscal Year 2018/2019



Average Biennium Change Over the Period: -3.44%

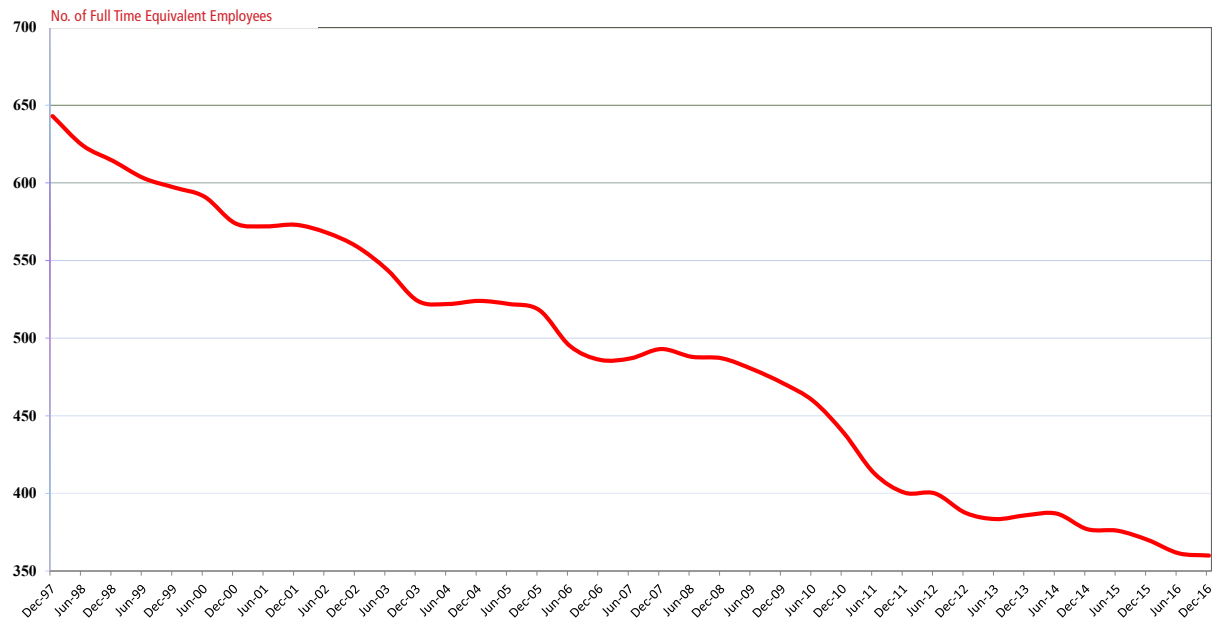
Proposed Biennium Amount vs. Current Biennium Amount: -1.31%

Biennium Years	Biennium Budgets	Biennium to Biennium Change
FY 2008-2009	\$123.6 Million	
FY 2010-2011	\$123.4 Million	-0.14%
FY 2012-2013	\$116.7 Million	-5.43%
FY 2014-2015	\$110.1 Million	-5.71%
FY 2016-2017	\$105.0 Million	-4.63%
FY 2018-2019	\$103.6 Million	-1.31%

**Decrease in Biennium
Request over the Period** **\$20 Million** **-16.18%**

Exhibit C

Full Time Equivalent Employment Levels December 1997 through December 2016



Current FTE count as of January 30, 2017 is 362.