

The Industrial Commission of Ohio Biennial Budget Request for Fiscal Years 2014 & 2015

Chairman Bacon, Members of the Senate Commerce and Labor Committee:
Good morning.

I am Jodie M. Taylor, Chairperson and Chief Executive Officer of the Industrial Commission of Ohio.

It is my pleasure to present to you the Industrial Commission's 2014 and 2015 Biennial Budget Request.

Ours is an agency of process innovation and a commitment to quality.

These innovations have allowed the Industrial Commission to reduce staff through attrition from 643 positions in 1997 to 400 positions at the end of 2012, without sacrificing the quality of service. As a result, the Industrial Commission's budget has been reduced from a ten-year high of \$62.6 million in FY 2011 to \$58.4 million in FY 2013.

Looking ahead, our budget request is \$55.6 million in FY 2014 falling to \$54.4 million in FY 2015. Our proposed budget for Fiscal Years 2014-2015 is less than the current budget for Fiscal Years 2012-2013. In fact, the FY 2014 budget is 4.9 percent less than the FY 2012, and the proposed FY 2015 budget is 6.0 percent less than the original FY 2013 budget. Consequently, Administrative Cost rates for three of four Ohio employer groups were cut for 2013. The fourth group, while not realizing a reduction, remained stable with no rate increase. We intend to maintain the lowest possible rate structure through the end of the next biennial budget period.

Decision quality is also of paramount importance. Our 93 hearing officers, licensed attorneys all, adjudicated nearly 150,000 claims in 2011, of which only 122 were advanced through a writ of mandamus to the Tenth District Court of Appeals. This was a 25 percent decrease from 2010. The IC's decisions were affirmed 73 percent of the time. In 2012, there were 89 new mandamus cases filed which was a 37 percent decrease from the 122 new cases filed in 2011. The 89 new cases is the lowest number of new mandamus cases filed in many years. Of these court decisions rendered in 2012, the Court of Appeals denied the writ – or, in other words, affirmed the Commission – in 78 percent of the cases. To put this achievement in

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perspective, 248 of these cases were filed in 2005 and 295 such cases were filed in 2001. Appeals to court are now at an all-time low.

The IC intends to maintain our momentum by continuing to upgrade our technological systems and focusing on the assurance of quality decisions while building on our history of fiscal prudence through realized savings.

Your valuable consideration of our budget request is appreciated. Thank you Chairman Bacon and members of the Senate Commerce and Labor Committee. I will be happy to take any questions at this time.