

**REPORT ON THE STATUS OF
THE SAFETY EDUCATION AND TRAINING ASSESSMENT**

as required by

1974 PA 154 SECTION 55(7) AS AMENDED BY 1991 PA 105

FISCAL YEAR ENDING SEPTEMBER 30, 2013

**REPORT ON THE STATUS OF
THE SAFETY EDUCATION AND TRAINING ASSESSMENT**

FISCAL YEAR 2013

This report is submitted as required by Section 55(7) of the Michigan Occupational Safety and Health (MIOSH) Act, Act 154 of the Public Acts of 1974, as amended. Section 55(7) of the Act provides:

"To enable full and complete legislative review of the assessment process, the department of labor, not later than September 30 of each year, shall submit to the regulatory subcommittees of the house and senate appropriations committees and the house and senate committees that consider labor matters a written report on the status of the safety education and training assessment required by this section. The report shall include, but is not limited to, information on the amount of assessment, the percentage of assessment as compared to losses, an explanation of all expenditures from the safety education and training fund, and the balance of money in the safety education and training fund."

1. AMOUNT OF ASSESSMENT

During FY2013 (October 1, 2012 through September 30, 2013), the amount of the Safety Education and Training (SET) assessment was \$9,552,097. This amount was 1.27 percent of the total workers' disability compensation losses, excluding medical payments paid in 2012 by employers under the Workers' Disability Compensation Act of 1969, Act No. 317 of Public Acts of 1969, as amended, being sections 418.101 to 418.941 of the Michigan Compiled Laws. As shown in Table 1, for the fiscal year period ending on September 30, 2013, a total of \$9,546,761 of the SET assessment has been collected as of December 11, 2013 from the \$9,552,097 assessment for the fiscal year. As explained under Item 2 of this report for FY2014, a total assessment of \$5,659,000 is projected.

The total SET Fund available revenue for FY2013, was \$16,881,205. The total available revenue includes the beginning fund balance of \$7,287,365 and \$9,593,840 in revenues, which includes the net collection from the SET assessment, interest, and other miscellaneous (Table 4). Pursuant to Section 36(3), no civil penalties are credited to the SET Fund.

2. PERCENTAGE OF ASSESSMENT COMPARED TO LOSSES

In 2012, the total workers' disability compensation losses, excluding medical payments, were \$754,510,038. The SET assessment compared to these losses was 1.27 percent or \$9,552,097 of which \$9,546,761 has been collected as of December 11, 2013, as shown in Table 2. This amounts to 90.9 percent of the SET appropriation for FY2013.

Assuming that the workers' disability compensation losses in 2013 will be about the same as 2012, the assessment for FY2014 as a percentage of losses is estimated to be 0.75 percent. The SET fund balance as of October 1, 2013 is \$6,577,259. The SET Fund balance is explained under Item 4 of this report.

The total estimated SET Fund expenditure for FY2014 is \$10,928,238, as shown in Table 5. On the basis of estimated monthly expenditures, the balance in the SET Fund is expected to be less than \$1,500,000 during the third quarter of FY2014. This condition will trigger the requirement under Section 55(4) of Act 154 of 1974, as amended; namely that "the assessment shall equal the total fiscal year appropriation of safety education and training funds" if the fund balance falls below \$1,500,000 at any time during the fiscal year in which the assessment is made. An assessment at 100 percent of the SET Fund appropriation would be greater than 0.75 percent of losses, assuming that the 2013 losses are about the same as in 2012. The assessment would then total the maximum 0.75 percent.

3. EXPLANATION OF SET FUND EXPENDITURES

During FY2013, SET restricted fund expenditures totaled \$10,303,946. Major expenditures of the SET restricted fund for FY2013 included \$8,931,210 for MIOSHA consultation, education and training programs and sub grants. Further details are provided in Table 3.

4. SET FUND BALANCE

As of September 30, 2012, the SET Fund balance was \$7,287,365. As of October 1, 2013, the FY2013 SET Fund revenue total was \$9,593,840. This fiscal year revenue added to the beginning balance provided available revenue of \$16,881,204 for FY2013.

Taking away FY2013 SET Fund expenditures of \$10,303,946 leaves a SET Fund balance of \$6,577,259 at the beginning of FY2014. Details are shown in Table 4. This balance will not be sufficient to cover the projected SET Fund

expenditure of \$10,928,238 during FY2014 as shown in Table 5. The implication of this insufficient balance on the SET assessment rate is explained under Item 2 of this report.

5. CONSULTATION EDUCATION AND TRAINING (CET) ACTIVITY SUMMARY

The following is a summary of the MIOSHA Consultation, Education & Training (CET) Division activities during FY2013, as shown in Table 6.

Take a Stand Day

MIOSHA held their ninth annual "Take a Stand Day" (one-on-one consultation with no citations and no penalties) on August 14, 2013. The event generated 200 requests.

MIOSHA Training Institute (MTI) at Macomb Community College

The mission of the MTI is to provide access to consistent, credible, and interactive learning that improves and promotes workplace safety and health for public and private entities that utilizes experiences, new technologies, and best practices that will lead to certificate programs and degrees. Participants can receive:

- Level One certification in two tracks
 - General Industry Safety and Health; or
 - Construction Safety and Health.
- Level Two certification in three tracks
 - Safety & Health Management System (both general industry and construction);
 - MIOSHA compliance for general industry and construction; or
 - MIOSHA Occupational Health (new in FY2013)

In FY2009, the MTI scholarship program was launched providing \$18,000 in scholarships to MTI students. Due to its popularity, the amount has increased and in FY2013 \$35,851 was awarded to 521 students. Scholarships pay half of any MTI class.

By the end of FY 2013, there were 14,886 participants and the following certificates were awarded: 641 Level One; 96 Level Two, and 13 occupational health.

Expos and Conferences

In FY2013, MIOSHA participated in 19 expositions/conferences in conjunction with associations and safety organizations.

CET Initiatives

During FY2013, CET promoted the following initiatives related to significant changes in MIOSHA standards or emerging safety and health issues:

- Global Harmonized System (GHS)
- Residential Fall Prevention/Protection
- Protecting Workers from the Effects of Heat
- Preventing Electrocutions
- Connecting MIOSHA to Industry
- Special emphasis areas including hair straightening and grain handling.

Michigan Voluntary Protection Program (MVPP)

The Michigan Voluntary Protection Program (MVPP) assists employers and employees by providing a mechanism and a set of criteria designed to evaluate and recognize exemplary safety and health management systems. In FY2013, there were a total of 29 MVPP Star sites, one MVPP Rising Star site, and two MVPP for Construction Star sites. There were four sites added in FY2013.

Michigan Safety and Health Achievement Recognition Program (MSHARP)

The MSHARP provides support to smaller, high-hazard employers to develop, implement and continuously improve the effectiveness of their workplace safety and health programs. During FY2013, MIOSHA added three new employers to the MSHARP Program for a total of 27 companies.

CET Awards

The CET Division recognizes Michigan companies that have successfully established comprehensive safety and health programs. The companies recognized are awarded plaques at ceremonies attended by LARA and MIOSHA officials. The CET Division awarded a total of five CET awards in FY2013.

Partnerships/Alliances

Partnerships are voluntary, cooperative relationships between MIOSHA and individual employer, employees, and/or their representatives or a group of employers, employees and/or their representatives who come together to achieve a significant and measurable reduction in workplace deaths, injuries, and illnesses. In FY2013, there were five new partnerships signed. At the end of FY2013, MOSHA had 16 alliances and eight partnerships.

CET Grant Program

The CET Grant program strives to protect Michigan's working men and women by providing workplace safety and health training and services for employers and employees not receiving services through the traditional CET programs. In FY2013, 19 CET grants were awarded. Most of the grants focused on performance goals identified in the MIOSHA strategic plan, with a particular emphasis on hazard recognition and prevention for high-hazard manufacturing industries.

PROGRAM EFFECTIVENESS – FY2013

Program performance measures and outcomes defining CET activities are listed in Table 6. In addition, customer comment cards used to rate services indicate:

- 98.5% rated their overall experience with MIOSHA as useful.
- 99% found staff to be knowledgeable about employee safety and health issues.
- 95.3 indicated staff explained how to correct the safety and health hazards they identified.

The following tables provide information on SET Fund assessment status for prior years, appropriations, expenditures, and projected assessment level. The tables also include information on MIOSHA CET Division activities for the last fiscal year.

TABLE 1

**SAFETY EDUCATION AND TRAINING FUND
AMOUNT OF ASSESSMENT COLLECTED
FY 2004 TO FY 2013, WITH FY 2014 ESTIMATES**

FY	BEGINNING BALANCE	ASSESSMENT COLLECTED	WORK COMP. LOSSES	ASSESS. AS % OF WORK COMP. LOSSES
FY 2004	\$4,860,928	\$6,873,480	\$919,749,542	0.75%
FY 2005	\$5,286,873	\$6,958,627	\$929,475,590	0.75%
FY 2006	\$5,198,563	\$6,643,568	\$914,738,044	0.73%
FY 2007	\$3,738,231	\$8,974,244	\$909,889,549	0.99%
FY 2008	\$4,053,939	\$9,054,923	\$949,674,345	0.95%
FY 2009	\$5,252,822	\$9,161,918	\$880,971,151	1.04%
FY 2010	\$5,704,207	\$8,098,309	\$837,564,731	0.97%
FY 2011	\$5,821,821	\$9,526,331	\$739,500,580	1.29%
FY 2012	\$7,020,356	\$10,300,474	\$783,460,083	1.31%
FY 2013	\$7,287,365	\$9,546,761	\$754,510,038	1.27%
FY 2014 EST	*\$6,577,259	**\$5,659,000	***\$755,000,000	0.75%

* This amount is based on LARA Financial Services Division data as of 12/11/2013.

** Calculated at 100% of FY 2013 appropriations, not to exceed .75% of 2012-13 Worker's Compensation losses.

*** Assumes a similar amount of Worker's Compensation losses as in FY 2013. This amount was obtained from LARA Funds Administration.

TABLE 2

**SAFETY EDUCATION AND TRAINING FUND
AMOUNT OF ASSESSMENT COMPARED TO APPROPRIATION
FY 2004 TO FY 2014, WITH FY 2014 ESTIMATES**

FY	PRIOR FY BALANCE AS OF 9/30	SET FUND APPROPRIATION	SET ASSESSED /COLLECTED	% OF APPROP. ASSESSED	% OF LOSSES ASSESSED
FY 2004	\$4,860,928	\$7,676,300	\$6,873,480	89.5%	0.74%
FY 2005	\$5,286,873	\$7,951,400	\$6,958,627	87.5%	0.74%
FY 2006	\$5,198,563	\$8,371,800	\$6,643,568	79.4%	0.72%
FY 2007	\$3,738,231	\$8,916,100	\$8,974,244	100.7%	0.98%
FY 2008	\$4,053,939	\$9,010,200	\$9,054,923	100.5%	0.94%
FY 2009	\$5,252,822	\$9,272,600	\$9,161,918	98.8%	1.06%
FY 2010	\$5,704,207	\$9,341,700	\$8,098,309	86.7%	0.97%
FY 2011	\$5,821,821	\$9,560,400	\$9,526,331	99.6%	1.29%
FY 2012	\$7,020,356	\$10,132,400	\$10,300,474	101.7%	1.31%
FY 2013	\$7,287,365	\$10,504,600	\$9,546,761	90.9%	1.27%
FY 2014 EST	\$6,577,259	\$10,801,500	*\$5,658,825	52.4%	0.75%

* This estimate is based on LARA Financial Services Division data as of 12/11/2013.

TABLE 3

**SAFETY EDUCATION AND TRAINING FUND
RESTRICTED FUND EXPENDITURES
FISCAL YEAR 2013***

1. Unclassified Salaries	\$	8,452.18
2. Executive Director Programs	\$	87,800.00
3. Office of Regulatory Reinvention	\$	34,500.00
4. Administrative Services	\$	152,681.77
5. Rent	\$	27,381.36
6. Property Management	\$	330,567.00
7. Worker's Compensation	\$	109,200.00
8. Occupational Safety and Health	\$	8,931,210.40
9. IT Services and Projects	\$	416,355.14
10. Treasury Fee	\$	1,100.00
11. 1% Civil Service Fee	\$	125,638.00
12. State Employee Lump-Sum Payment	\$	79,060.43
Total	\$	10,303,946.28

*Source: LARA Financial Services Division data as of December 11, 2013

TABLE 4

**SAFETY EDUCATION AND TRAINING FUND
RESTRICTED FUND STATUS**

FISCAL YEAR 2013*

1. Fund Balance September 30, 2012		\$ 7,287,364.71
2. Fiscal Year 2013 Revenue		\$ 9,593,840.19
SET Levy	\$ 9,546,760.70	
Common Cash Earnings	\$ 5,095.14	
Correction of Prior Year Expenditure	\$ 41,984.35	
Refund of Prior Year Expenditure	\$ -	
3. Available Revenue (1 + 2)		\$ 16,881,204.90
4. Total Expenditures (Table 3)		\$ 10,303,946.28
5. Fund Balance* September 30, 2013 (3 - 4)		\$ 6,577,258.62

*Source: LARA Financial Services Division data as of December 11, 2013

TABLE 5

**SAFETY EDUCATION AND TRAINING FUND
RESTRICTED FUND PROJECTED EXPENDITURES
FISCAL YEAR 2014***

1. Unclassified Salaries	\$	65,000.00
2. Executive Director Programs	\$	87,800.00
4. Administrative Services	\$	168,700.00
5. Rent	\$	75,000.00
6. Property Management	\$	331,600.00
7. Worker's Compensation	\$	111,000.00
8. Occupational Safety and Health	\$	9,284,000.00
9. IT Services and Projects	\$	678,400.00
10. Treasury Fee	\$	1,100.00
11. 1% Civil Service Fee	\$	125,638.00
Total		\$ 10,928,238.00

*Source: LARA Financial Services Division data as of December 11, 2013

TABLE 6 MIOSHA CONSULTATION EDUCATION AND TRAINING ACTIVITIES FISCAL YEAR 2013		
Activities		Measures
1	Employer and Employee Safety and Health Consultations	3,971
2	Seminars/Workshops/10-Hour Construction Courses	260
3	Onsite Surveys	928
4	Safety and Health Evaluations	653
5	Pieces of Literature Distributed	100,631
6	Safety Videos Loaned	1,662
7	Total Training Sessions Conducted	2,478
8	Total Employers/Employees Trained	23,306

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