

**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, 2011

REPORT ON THE STATUS OF THE SAFETY EDUCATION AND TRAINING ASSESSMENT

FISCAL YEAR 2011

This report is submitted as required by Section 55(7) of the Michigan Occupational Safety and Health Act (MIOSHA), 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 FY2011 (October 1, 2010 through September 30, 2011), the amount of the Safety Education and Training (SET) assessment was \$9,583,928. This amount was 1.3 percent of the total workers' disability compensation losses, excluding medical payments paid in 2010 by employers under the Worker's 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, 2011, a total of \$9,526,331 of the SET assessment has been collected as of December 20, 2011 from the \$9,583,928 assessment for the fiscal year. As explained under Item 2 of this report for FY2012, a total assessment of \$5,547,000 is projected.

The total SET Fund available revenue for FY2011, was \$15,419,834. The total available revenue includes the beginning fund balance of \$5,821,821 and \$9,598,014 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 2010, the total workers' disability compensation losses, excluding medical payments, were \$739,500,580. The SET assessment compared to these losses was 1.3 percent or \$9,583,928 of which \$9,526,331 has been collected as of December 20, 2011, as shown in Table 2. This amounts to 99.6% of the SET appropriation for FY2011.

Assuming that the workers' disability compensation losses in 2011 will be about the same as 2010, the assessment for FY2012 as a percentage of losses is estimated to be 0.75 percent. The SET fund balance as of October 1, 2011 is \$7,020,356. The SET Fund balance is explained under Item 4 of this report.

The total estimated SET Fund expenditure for FY2012 is \$9,858,831, 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 second quarter of FY2012. 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% of the SET Fund appropriation would be greater than 0.75 percent of losses, assuming that the 2011 losses are about the same as in 2010. The assessment would then total the maximum 0.75%.

3. EXPLANATION OF SET FUND EXPENDITURES

During FY2011, SET restricted fund expenditures totaled \$8,399,479. Major expenditures of the SET restricted fund for FY2011 included \$7,056,510 for MI-OSHA consultation, education and training programs and sub grants. Further details are provided in Table 3.

4. SET FUND BALANCE

As of September 30, 2010, the SET Fund balance was \$5,821,821. As of October 1, 2011, the FY2011 SET Fund revenue total was \$9,598,014. This fiscal year revenue added to the beginning balance provided available revenue of \$15,419,834 for FY2011.

Taking away FY2011 SET Fund expenditures of \$8,399,479, leaves a SET Fund balance of \$7,020,356 at the beginning of FY2012. Details are shown in Table 4. This balance will not be sufficient to cover the projected SET Fund expenditure of \$9,770,800 during FY2012 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 FY2011, as shown in Table 6.

Take a Stand Day

MIOSHA held their seventh annual “Take a Stand Day” (one-on-one consultation with no citations and no penalties) on June 8, 2011. The event generated 209 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 certification programs and degrees. In FY 2009, CET further developed and piloted Level Two programs which include in-depth information on the administration and management of workplace safety and health systems and technical training on MIOSHA standards. FY2011 continued the development and piloting of Level Two classes consisting of a management track and two compliance tracks.

On August 1, 2009, the MTI scholarship program was launched providing \$18,000 in scholarships to MTI students. Due to its popularity, the amount was increased and over \$60,000 in safety and health training scholarships were awarded for MIOSHA Training Institute (MTI) courses in FY 2011. Scholarships pay up to half the cost of any MTI class. Unemployed workers are only charged the database fee. By the end of FY 2011, there were 9,428 participants; 385 Level One certifications awarded; and 8 Level Two certifications awarded.

Expos and Conferences

In FY2011, MIOSHA participated in 18 expositions/conferences in conjunction with associations and safety organizations.

CET Initiatives

During FY 2011, CET promoted the following initiatives related to significant changes in MIOSHA standards or emerging safety and health issues:

- Residential Fall Prevention/Protection
- Protecting Workers from the Effects of Heat
- Preventing Electrocutions
- Safety Pays

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. There are a total of 27 MVPP sites, including one added in FY2011. In FY2010, the first construction company qualified for the MVPPC Star Award. In FY2011, there were three MVPPC sites, including one added in FY2011.

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 FY2011, MIOSHA added seven new employers to the MSHARP Program for a total of 26 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 DELEG and MIOSHA officials. The CET Division awarded a total of 14 CET awards in FY2011.

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 FY2011, there were three new partnerships signed. At the end of FY2011, MIOSHA had 14 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 FY2011, twenty three 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 – FY2011

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

- 97.2% rated their overall experience with MIOSHA as useful
- 97.2% found staff to be knowledgeable about employee safety and health issues; and
- 86.8% 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 2002 TO FY 2011, WITH FY 2012 ESTIMATES

FY	BEGINNING BALANCE	ASSESSMENT COLLECTED	WORK COMP. LOSSES	ASSESS. AS % OF WORK COMP. LOSSES
FY 2002	\$3,451,028	\$6,867,423	\$972,695,599	0.71%
FY 2003	\$3,839,451	\$7,235,978	\$965,835,899	0.75%
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 EST	*\$7,020,356	**\$5,547,000	***\$740,000,000	0.75%

* This amount is based on LARA Financial Services Division data as of 12/20/2011.

** Calculated at 100% of FY 2011 appropriations, not to exceed .75% of 2010-11 Worker's Compensation losses.

*** Assumes a similar amount of Worker's Compensation losses as in FY 2011. This amount was obtained from LARA Funds Administration.

TABLE 2

SAFETY EDUCATION AND TRAINING FUND
AMOUNT OF ASSESSMENT COMPARED TO APPROPRIATION
FY 2002 TO FY 2011, WITH FY 2012 ESTIMATES

FY	PRIOR FY BALANCE AS OF 9/30	SET FUND APPROPRIATION	SET ASSESSED /COLLECTED	% OF APPROP. ASSESSED	% OF LOSSES ASSESSED
FY 2002	\$3,451,028	\$7,068,600	\$6,867,423	97.2%	0.70%
FY 2003	\$3,839,451	\$7,585,800	\$7,235,988	95.4%	0.74%
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 EST	\$7,020,356	\$9,770,800	*\$5,547,000	56.8%	0.75%

* This estimate is based on LARA Financial Services Division data as of 12/20/2011.

TABLE 3

**SAFETY EDUCATION AND TRAINING
RESTRICTED FUND EXPENDITURES
FISCAL YEAR 2011***

1. Executive Director Programs	\$ 48,577.73
2. Administrative Hearings and Rules	\$ 44,141.98
3. Administrative Services	\$ 100,493.85
4. Rent	\$ 2,623.79
5. Property Management	\$ 304,100.00
6. Worker's Compensation	\$ 130,300.00
7. Occupational Safety and Health	\$ 7,056,510.44
8. Info Technology Services and Projects	\$ 624,700.00
9. Treasury Fee	\$ 800.00
10. 1% Civil Service Fee	\$ 87,231.00
Total	\$ 8,399,478.79

*Source: LARA Financial Services Division data as of December 20, 2011

TABLE 4

**SAFETY EDUCATION AND TRAINING
RESTRICTED FUND STATUS**

FISCAL YEAR 2011*

1. Fund Balance September 30, 2010		\$ 5,821,820.62
2. Fiscal Year 2011 Revenue		\$ 9,598,013.79
SET Levy	\$ 9,526,330.65	
Common Cash Earnings	\$ 7,868.56	
Correction of Prior Year Ex- penditure	\$ 46,880.82	
Refund of Prior Year Expendi- ture	\$ 16,933.76	
3. Available Revenue (1 + 2)		\$ 15,419,834.41
4. Total Expenditures (Table 3)		\$ 8,399,478.79
5. Fund Balance* September 30, 2011 (3 - 4)		\$ 7,020,355.62

*Source: LARA Financial Services Division data as of December 20, 2011

TABLE 5

**SAFETY EDUCATION AND TRAINING
RESTRICTED FUND PROJECTED EXPENDITURES
FISCAL YEAR 2012***

1. Executive Director Programs	\$ 55,600.00
2. Office of Regulatory Reinvention	\$ 29,000.00
3. Administrative Services	\$ 160,800.00
4. Rent	\$ 75,000.00
5. Property Management	\$ 312,300.00
6. Worker's Compensation	\$ 116,100.00
7. Occupational Safety and Health	\$ 8,397,300.00
8. Information Technology	\$ 624,700.00
9. Treasury Fee	\$ 800.00
10. 1% Civil Service Fee	\$ 87,231.00

Total \$ 9,858,831.00

*Source: LARA Financial Services Division data as of December 20, 2011

TABLE 6 MIOSHA CONSULTATION EDUCATION AND TRAINING ACTIVITIES FISCAL YEAR 2011		
Activities		Measures
1	Employer and Employee Safety and Health Consultations (23g) and (21d)	3,508
2	Seminars/Workshops/10-Hour Construction Courses	210
3	Onsite Surveys (23g) and (21d)	829
4	Safety and Health Evaluations	673
5	Pieces of Literature Distributed	134,719
6	Safety Videos Loaned	1,800
7	Total Training Sessions Conducted	1,333
8	Total Employers/Employees Trained	15,128