

**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, 2015

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

FISCAL YEAR 2015

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 fiscal year (FY) 2015 (October 1, 2014 through September 30, 2015), the amount of the Safety Education and Training (SET) assessment was \$9,644,330. This amount was 1.64 percent of the total workers' disability compensation losses, excluding medical payments, paid in 2014 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, 2015, a total of \$9,570,797 of the SET assessment has been collected as of December 9, 2015, from the \$9,644,330 assessment for the fiscal year. As explained under Item 2 of this report for FY 2016, a total assessment of \$4,411,000 is projected.

The total SET Fund available revenue for FY 2015, was \$16,204,966. The total available revenue includes the beginning fund balance of \$6,629,642 and \$9,575,324 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 2014, the total workers' disability compensation losses, excluding medical payments, were \$588,068,948. The SET assessment compared to these losses was 1.64 percent or \$9,644,330 of which \$9,570,797 has been collected as of December 9, 2015, as shown in Table 2. This amounts to 85.7 percent of the SET appropriation for FY 2015.

Assuming that the workers' disability compensation losses in 2015 will be about the same as 2014, the assessment for FY 2016 as a percentage of losses is estimated to be .75 percent. The SET fund balance as of October 1, 2015, is \$5,883,896. The SET Fund balance is explained under Item 4 of this report.

The total estimated SET Fund expenditure for FY 2016 is \$11,243,500, 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 FY 2016. 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 2015 losses are about the same as in 2014. The assessment would then total the maximum 0.75 percent.

3. EXPLANATION OF SET FUND EXPENDITURES

During FY 2015, SET restricted fund expenditures totaled \$10,321,070. Major expenditures of the SET restricted fund for FY 2015 included \$9,390,310 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, 2014, the SET Fund balance was \$6,629,642. As of October 1, 2015, the FY 2015 SET Fund revenue total was \$9,575,324. This fiscal year revenue added to the beginning balance provided available revenue of \$16,204,966 for FY 2015.

Taking away FY 2015 SET Fund expenditures of \$10,321,070 leaves a SET Fund balance of \$5,883,896 at the beginning of FY 2016. Details are shown in Table 4. This balance will not be sufficient to cover the projected SET Fund

expenditure of \$10,987,800 during FY 2016 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 and Training (CET) Division activities during FY 2015, as shown in Table 6.

Take a Stand Day

MIOSHA held their 11th eleventh annual “Take a Stand Day” (one-on-one consultation with no citations and no penalties) on August 12, 2015. The event generated 163 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 and Health Management System (both general industry and construction);
 - MIOSHA Compliance for General Industry and Construction; or
 - MIOSHA Occupational Health

In FY 2009, the MTI scholarship program was launched providing \$18,000 in scholarships to MTI students. Due to its popularity, the amount has increased and in FY 2015 \$32,625 was awarded to 471 students. Scholarships pay half of the registration fee of any MTI class.

By the end of FY 2015, there were 19,866 participants and the following certificates were awarded: 844 Level One; 200 Level Two, and 37 Occupational Health.

Expos and Conferences

In FY 2015, MIOSHA participated in 23 expositions/conferences in conjunction with associations and safety organizations.

CET Initiatives

During FY 2015, CET promoted the following initiatives related to significant changes in MIOSHA standards or emerging safety and health issues:

- Residential Construction
- Agriculture Outreach
- Air Contaminants
- Temporary Workers
- Special emphasis areas included water towers and siding, structural steel and pre-cast concrete.

Michigan Voluntary Protection Program (MVPP)

The 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 FY 2015, there were a total of 26 MVPP Star sites, and two MVPP for Construction Star sites. There were seven sites reevaluated in FY 2015.

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. In FY 2015, there were a total of 29 MSHARP companies including five new companies and nine that were reevaluated.

Partnerships/Alliances

Partnerships are voluntary, cooperative relationships between MIOSHA and individual employers, 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 FY 2015, there were four new partnerships signed. At the end of FY 2015, MIOSHA had 10 partnerships and 16 alliances. The Alliance Program webpage was updated in FY 2015. Each active MIOSHA alliance now has its own dedicated page on our website. Each page uses the same template to create consistent content. The new MIOSHA alliance web pages introduce the alliance partner, identify the goals of the alliance, and provide access to resources that have been created as products of the alliance. The new page template has six sections:

1. Home: This section includes the description of the alliance and key goals as described in the alliance agreement.
2. Milestones and Successes: This section is a record of significant events and serves as a brief history of the alliance.
3. Related Documents: This section is set aside for the inclusion of the initial alliance agreement, any alliance renewal agreements, annual alliance reports, and alliance press releases.
4. Activities and Events: This section will be updated quarterly and will serve as a look ahead to alliance related activities and events. Items that might be listed here include Coffee with MIOSHA events, exhibitions, shows, safety stand downs, or other events that promote the goals of the alliance.
5. Products and Resources: This section will be a hyperlinked list of publications, videos, fact sheets, tool box talks, or other alliance created materials.
6. Areas of Emphasis: This section serves to identify the market or industry segments that the alliance was created to represent.

Each alliance web page also includes areas for the inclusion of pictures, logos, and captions to help personalize and create a more visually appealing document for public viewing.

Video Streaming

MIOSHA maintains a free video loan service for use by Michigan employers and employees. The only charge is the cost of returning the borrowed items. Over 300 safety and health videos were available on a free-loan basis. Video loans average about 1,650 uses a year but there has been a decline in use over the past two years.

In FY 2015, agreements were entered into with three different vendors to make videos available for streaming to our customers. The first opportunity was with Summit Training Source for 1,000 credits for ten titles. The second pilot was with The Training Network who made unlimited downloads available to ten titles for thirty establishments from the accommodations industry – one of our strategic plan high hazard industries. A third vendor is currently being used – American Training Resources. They made available 3,000 credits to essentially their entire catalog. We hope to decide in FY 2016 which vendor to use on a more permanent basis.

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 FY 2015, 20 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 – FY 2015

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

- 100% rated their overall experience with MIOSHA as useful.
- 100% found staff to be knowledgeable about employee safety and health issues.
- 100% 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 2006 TO FY 2015, WITH FY 2016 ESTIMATES

FY	BEGINNING BALANCE	ASSESSMENT COLLECTED	WORK COMP. LOSSES	ASSESS. AS % OF WORK COMP. LOSSES
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	\$6,577,259	\$9,827,102	\$699,578,421	1.40%
FY 2015	\$6,629,642	\$9,570,797	\$588,068,948	1.63%
FY 2016 EST	*\$5,883,896	**\$9,755,000	***\$589,000,000	1.66%

* This amount is based on LARA Financial Services Division data as of 12/9/2015.

** Calculated at 100% of FY 2015 appropriations, not to exceed .75% of FY 2015 Workers' Compensation losses.

*** Assumes a similar amount of Workers' Compensation losses as in FY 2015. This amount was obtained from LARA Funds Administration.

TABLE 2

SAFETY EDUCATION AND TRAINING FUND
AMOUNT OF ASSESSMENT COMPARED TO APPROPRIATION
FY 2006 TO FY 2015, WITH FY 2016 ESTIMATES*

FY	PRIOR FY BALANCE AS OF 9/30	SET FUND APPROPRIATION	SET ASSESSED /COLLECTED	% OF APPROP. ASSESSED	% OF LOSSES ASSESSED
FY 2006	\$5,198,563	\$8,585,900	\$6,643,568	77.4%	0.73%
FY 2007	\$3,738,231	\$8,876,100	\$8,974,244	101.1%	0.99%
FY 2008	\$4,053,939	\$8,969,100	\$9,054,923	101.0%	0.95%
FY 2009	\$5,252,822	\$9,292,800	\$9,161,918	98.6%	1.04%
FY 2010	\$5,704,207	\$9,283,400	\$8,098,309	87.2%	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	\$10,538,600	\$9,546,761	90.6%	1.27%
FY 2014	\$6,577,259	\$10,861,500	\$9,827,102	90.5%	1.40%
FY 2015	\$6,629,642	\$11,166,000	\$9,570,797	85.7%	1.63%
FY 2016 EST	\$5,883,896	\$10,986,800	\$9,755,000	88.8%	1.66%

* This estimate is based on LARA Financial Services Division data as of 12/9/2015.

TABLE 3

SAFETY EDUCATION AND TRAINING FUND
 RESTRICTED FUND EXPENDITURES
 FISCAL YEAR 2015*

1.	Executive Director Programs	\$ 122,891.42
2.	Michigan Administrative Hearing System	\$ 28,071.56
3.	Administrative Services	\$ 92,984.23
4.	Rent	\$ 36,314.55
5.	Property Management	\$ 199,993.60
6.	Workers' Compensation	\$ 148.13
7.	Occupational Safety and Health	\$ 9,390,309.94
8.	Information Technology Services and Projects	\$ 449,357.01
9.	Treasury Fee	\$ 1,000.00
Total		\$ 10,321,070.44

*Source: LARA Financial Services Division data as of December 9, 2015.

TABLE 4

SAFETY EDUCATION AND TRAINING FUND
 RESTRICTED FUND STATUS
 FISCAL YEAR 2015*

1.	Fund Balance September 30, 2014		\$ 6,629,642.34
2.	Fiscal Year 2015 Revenue		\$ 9,575,323.87
	SET Levy	\$ 9,570,796.88	
	Common Cash Earnings	\$ 3,560.35	
	Refund/Correction of Prior Year Expenditures	\$ 966.64	
3.	Available Revenue (1 + 2)		\$ 16,204,966.21
4.	Total Expenditures (Table 3)		\$ 10,321,070.44
5.	Fund Balance* September 30, 2015 (3 - 4)		\$ 5,883,895.77

*Source: LARA Financial Services Division data as of December 9, 2015.

TABLE 5

**SAFETY EDUCATION AND TRAINING FUND
RESTRICTED FUND PROJECTED EXPENDITURES
FISCAL YEAR 2016***

1.	Unclassified Salaries	\$ 64,700.00
2.	Executive Director Programs	\$ 132,000.00
3.	Michigan Administrative Hearing System	\$ 60,000.00
4.	Administrative Services	\$ 116,300.00
5.	Property Management	\$ 321,600.00
6.	Workers' Compensation	\$ 107,200.00
7.	Occupational Safety and Health	\$ 9,554,100.00
8.	Information Technology Services and Projects	\$ 630,900.00
9.	Treasury Fee	\$ 1,000.00
Total		\$ 10,987,800.00

*Source: LARA Financial Services Division data as of December 9, 2015.

TABLE 6		
MIOSHA CONSULTATION EDUCATION AND TRAINING ACTIVITIES FISCAL YEAR 2015		
	Activities	Measures
1	Employer and Employee Safety and Health Consultations	2,618
2	Seminars/Workshops/10-Hour Construction Courses	226
3	Onsite Surveys	320
4	Safety and Health Evaluations	227
5	Pieces of Literature Distributed	64,331
6	Safety Videos Loaned	1,485
7	Total Training Sessions Conducted	1,614
8	Total Employers/Employees Trained	19,349