

**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, 2012

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

FISCAL YEAR 2012

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 FY2012 (October 1, 2011 through September 30, 2012), the amount of the Safety Education and Training (SET) assessment was \$10,239,823. This amount was 1.3 percent of the total workers' disability compensation losses, excluding medical payments paid in 2011 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, 2012, a total of \$10,300,474 of the SET assessment has been collected as of January 8, 2012 from the \$10,239,823 assessment for the fiscal year. As explained under Item 2 of this report for FY2013, a total assessment of \$5,876,000 is projected.

The total SET Fund available revenue for FY2012, was \$17,326,000. The total available revenue includes the beginning fund balance of \$7,020,356 and \$10,305,644 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 2011, the total workers' disability compensation losses, excluding medical payments, were \$783,460,083. The SET assessment compared to these losses was 1.3 percent or \$10,239,823 of which \$10,300,474 has been collected as of January 8, 2013, as shown in Table 2. This amounts to 101.7 percent of the SET appropriation for FY2012.

Assuming that the workers' disability compensation losses in 2012 will be about the same as 2011, the assessment for FY2013 as a percentage of losses is estimated to be 0.75 percent. The SET fund balance as of October 1, 2012 is \$7,287,365. The SET Fund balance is explained under Item 4 of this report.

The total estimated SET Fund expenditure for FY2013 is \$10,595,340, 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 FY2013. 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 2012 losses are about the same as in 2011. The assessment would then total the maximum 0.75 percent.

3. EXPLANATION OF SET FUND EXPENDITURES

During FY2012, SET restricted fund expenditures totaled \$10,038,635. Major expenditures of the SET restricted fund for FY2012 included \$8,875,349 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, 2011, the SET Fund balance was \$7,020,356. As of October 1, 2012, the FY2012 SET Fund revenue total was \$10,305,644. This fiscal year revenue added to the beginning balance provided available revenue of \$17,326,000 for FY2012.

Taking away FY2012 SET Fund expenditures of \$10,038,635, leaves a SET Fund balance of \$7,287,365 at the beginning of FY2013. Details are shown in Table 4. This balance will not be sufficient to cover the projected SET Fund

expenditure of \$10,595,340 during FY2013 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 FY2012, as shown in Table 6.

Take a Stand Day

MIOSHA held their eighth annual “Take a Stand Day” (one-on-one consultation with no citations and no penalties) on August 8, 2012. The event generated 233 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. In FY2009, CET further developed and piloted Level Two programs which included 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 \$70,000 in safety and health training scholarships was awarded for MIOSHA Training Institute (MTI) courses in FY2012. Scholarships pay up to half the cost of any MTI class. Unemployed workers are only charged the database fee.

In FY2012, the first-ever three-week MIOSHA Training Institute “Boot Camp” was held. Twenty-three students successfully completed the requirements for their MTI Level One Certificate in General Industry. By the end of FY 2012, there were 12,050 participants; 503 Level One certificates awarded; 53 Level Two certificates awarded, and one occupational health certificate.

Expos and Conferences

In FY2012, MIOSHA participated in 25 expositions/conferences in conjunction with associations and safety organizations.

CET Initiatives

During FY2012, 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 28 MVPP Star sites, five MVPP Rising Star sites, one MVPP for Construction Star site; and one MVPP for Construction Rising Star site. There were six sites added in FY2012.

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 FY2012, MIOSHA added one new employer 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 six CET awards in FY2012.

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 FY2012, there were three new partnerships signed. At the end of FY2012, MIOSHA had 13 alliances and seven 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 FY2012, 22 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 – FY2012

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

- 98.8% rated their overall experience with MIOSHA as useful.
- 100% found staff to be knowledgeable about employee safety and health issues.
- 95.1 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 2003 TO FY 2012, WITH FY 2013 ESTIMATES

FY	BEGINNING BALANCE	ASSESSMENT COLLECTED	WORK COMP. LOSSES	ASSESS. AS % OF WORK COMP. LOSSES
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	\$7,020,356	\$10,300,474	\$783,460,083	1.31%
FY 2013 EST	*\$7,287,365	**\$5,876,000	***\$783,000,000	0.75%

* This amount is based on LARA Financial Services Division data as of 1/7/2013.
 ** Calculated at 100% of FY2013 appropriations, not to exceed .75% of 2011-12 Workers' Compensation losses.
 *** Assumes a similar amount of Workers' Compensation losses as in FY2012. This amount was obtained from LARA Funds Administration.

TABLE 2

SAFETY EDUCATION AND TRAINING FUND
 AMOUNT OF ASSESSMENT COMPARED TO APPROPRIATION
 FY2003 TO FY2012, WITH FY2013 ESTIMATES

FY	PRIOR FY BALANCE AS OF 9/30	SET FUND APPROPRIATION	SET ASSESSED /COLLECTED	% OF APPROP. ASSESSED	% OF LOSSES ASSESSED
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	\$7,020,356	\$10,132,400	\$10,300,474	101.7%	1.31%
FY 2013 EST	\$7,287,365	\$10,504,600	*\$5,876,000	55.9%	0.75%

* This estimate is based on LARA Financial Services Division data as of 1/8/2013.

TABLE 3

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

1. Executive Director Programs	\$	69,100.00
2. Office of Regulatory Reinvention	\$	30,100.00
3. Administrative Services	\$	127,094.29
4. Rent	\$	26,397.66
5. Property Management	\$	265,039.68
6. Workers' Compensation	\$	116,100.00
7. Occupational Safety and Health	\$	8,875,349.02
8. Information Technology Services and Projects	\$	438,714.43
9. Treasury Fee	\$	1,000.00
10. 1% Civil Service Fee	\$	89,740.00
Total		\$ 10,038,635.08

*Source: LARA Financial Services Division data as of January 8, 2013.

TABLE 4

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

FISCAL YEAR 2012*

1. Fund Balance September 30, 2011		\$ 7,020,355.62
2. Fiscal Year 2012 Revenue		\$10,305,644.17
SET Levy	\$10,300,474.15	
Common Cash Earnings	\$ 5,006.82	
Correction of Prior Year Expenditure	\$ 163.20	
Refund of Prior Year Expenditure	\$ ---	
3. Available Revenue (1 + 2)		\$17,325,999.79
4. Total Expenditures (Table 3)		\$10,038,635.08
5. Fund Balance* September 30, 2012 (3 - 4)		\$ 7,287,364.71

*Source: LARA Financial Services Division data as of January 8, 2013.

TABLE 5

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

1. Executive Director Programs	\$	87,800.00
2. Office of Regulatory Reinvention	\$	34,500.00
3. Administrative Services	\$	160,800.00
4. Rent	\$	75,000.00
5. Property Management	\$	331,600.00
6. Workers' Compensation	\$	109,200.00
7. Occupational Safety and Health	\$	8,959,600.00
8. Information Technology Services and Projects	\$	667,100.00
9. State Employee Lump Sum Payment	\$	79,000.00
10. Treasury Fee	\$	1,000.00
11. 1% Civil Service Fee	\$	89,740.00
	Total	\$ 10,595,340.00

*Source: LARA Financial Services Division data as of January 8, 2013.

TABLE 6		
MIOSHA CONSULTATION EDUCATION AND TRAINING ACTIVITIES FISCAL YEAR 2012		
Activities		Measures
1	Employer and Employee Safety and Health Consultations 23(g) and 21(d)	3,487
2	Seminars/Workshops/10-Hour Construction Courses	239
3	Onsite Surveys 23(g) and 21(d)	718
4	Safety and Health Evaluations	568
5	Pieces of Literature Distributed	125,894
6	Safety Videos Loaned	1,746
7	Total Training Sessions Conducted	1,786
8	Total Employers/Employees Trained	17,395