



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION  
BARTON G. PICKELMAN, CIH  
DIRECTOR

SHELLY EDGERTON  
DIRECTOR

December 28, 2016

Senator Ken Horn, Chair  
Senate Economic Development and  
International Investment Committee

Representative Joseph Graves, Chair  
House Commerce and Trade Committee

Senator Marty Knollenberg, Chair  
Senate Appropriations Subcommittee on  
Licensing and Regulatory Affairs

Representative Chris Afendoulis, Chair  
House Appropriations Subcommittee on  
Licensing and Regulatory Affairs

Dear Members of the Legislature:

The enclosed 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.

The report covers information on the amount of the Safety Education and Training (SET) assessment, the percentage of the assessment compared to workers' disability compensation losses, an explanation of all expenditures, the balance remaining in the SET fund, and a projection of assessment needs.

The report also provides a brief summary of MIOSHA education and training activities. Continued participation in these activities by Michigan employers and employees and their positive evaluations are testimony to the high quality services provided by this program. These activities underscore the state's commitment to safer and more healthful workplaces in Michigan.

Sincerely,

Barton G. Pickelman  
Director

BP:kb  
Enclosure

cc: Governor Snyder  
Shelly Edgerton, Director  
Allan Pohl, Chief Deputy Director

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**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, 2016**

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

**FISCAL YEAR (FY) 2016**

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 FY 2016 (October 1, 2015 through September 30, 2016), the amount of the Safety Education and Training (SET) assessment was \$11,060,542. This amount was 2.09 percent of the total workers' disability compensation losses, excluding medical payments, paid in 2015 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 FY period ending on September 30, 2016, a total of \$11,072,848 of the SET assessment has been collected as of December 5, 2016 from the \$11,060,542 assessment for the FY. As explained under Item 2 of this report for FY 2017, a total assessment of \$3,968,000 is projected.

The total SET Fund available revenue for FY 2016, was \$16,976,073. The total available revenue includes the beginning fund balance of \$5,883,896 and \$11,092,177 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 2015, the total workers' disability compensation losses, excluding medical payments, were \$528,706,630. The SET assessment compared to these losses was 2.09 percent or \$11,060,542 of which \$11,072,848 has been collected as of December 5, 2016, as shown in Table 2. This amounts to 100.8 percent of the SET appropriation for FY 2016.

Assuming that the workers' disability compensation losses in 2016 will be about the same as 2015, the assessment for FY 2017 as a percentage of losses is estimated to be 0.75 percent. The SET Fund balance as of October 1, 2016, is \$7,024,536. The SET Fund balance is explained under Item 4 of this report.

The total estimated SET Fund expenditure for FY 2017 is \$11,233,400, 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 2017. 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 FY 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 2016 losses are about the same as in 2015.

### **3. EXPLANATION OF SET FUND EXPENDITURES**

During FY 2016, SET restricted fund expenditures totaled \$9,951,537. Major expenditures of the SET restricted fund for FY 2016 included \$9,007,060 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, 2015, the SET Fund balance was \$5,883,896. As of October 1, 2016, the FY 2016 SET Fund revenue total was \$11,092,177. This FY revenue added to the beginning balance provided available revenue of \$16,976,073 for FY 2016.

Taking away FY 2016 SET Fund expenditures of \$9,951,537 leaves a SET Fund balance of \$7,024,536 at the beginning of FY 2017. Details are shown in Table 4. This balance will not be sufficient to cover the projected SET Fund expenditure of \$11,233,400 during FY 2017 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 are highlights of the MIOSHA CET Division activities during FY 2016. A summary of all CET activities is show in Table 6.

#### **Take a Stand Day**

MIOSHA held their 12<sup>th</sup> annual "Take a Stand Day" (one-on-one consultation with no citations and no penalties) on August 10, 2016. The event generated 238 requests.

#### **MIOSHA Training Institute (MTI)**

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
  - 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
  - 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 2016 \$27,525 was awarded to 409 students. Scholarships pay half of the registration fee of any MTI class.

By the end of FY 2016, there were 22,499 participants and the following certificates were awarded: 970 Level One; 245 Level Two, and 51 Occupational Health.

### **Expos and Conferences**

In FY 2016, MIOSHA participated in 29 expositions/conferences in conjunction with associations and safety organizations.

### **CET Initiatives**

During FY 2016, CET promoted the following initiatives related to significant changes in MIOSHA standards or emerging safety and health issues:

- Agriculture Outreach
- Air Contaminants
- Hazardous Drug Outreach
- Temporary Worker
- Part 62 – Injection Molding – Rule Change
- Special emphasis areas included water towers and siding, structural steel, and pre-cast concrete.

### **Michigan Voluntary Protection Program (MVPP)/Michigan Voluntary Protection Program for Construction (MVPPC)**

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 2016, there was total of 26 MVPP Star sites; one was a new MVPP site and six sites were reevaluated by CET staff. In FY 2016, there were two MVPPC sites; one of which was reevaluated by CET staff.

### **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 2016, there were a total of 24 MSHARP companies, including one new company and three that were reevaluated by CET staff.

### **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. At the end of FY 2016, MIOSHA had 12 partnerships

and 13 alliances. Each active MIOSHA alliance has its own dedicated page on the MIOSHA website. Each alliance web page introduces the alliance partner, identifies the goals of the alliance, and provides access to resources that have been created as products of the alliance.

### **Video Library and 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 225 safety and health videos are available on a free-loan basis. In FY 2016, over 1,000 requests to use the videos were received and honored. In addition, the CET Division contracted with Safety Source Productions to provide videos to stream from their extensive library in May 2016; over 6,000 titles have been streamed since then.

### **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 2016, 21 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.

### **Outreach**

MIOSHA has three GovDelivery lists: CET with 11,065 subscribers; MTI with 11,570 subscribers; and Standards with 11,008 subscribers. In addition, the CET Division maintains a Facebook page with 1,733 followers; a Twitter account with 1,044 followers and a YouTube account with 150 followers.

### **PROGRAM EFFECTIVENESS – FY 2016**

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 2007 TO FY 2016, WITH FY 2017 ESTIMATES**

<i>FY</i>	<i>BEGINNING BALANCE</i>	<i>ASSESSMENT COLLECTED</i>	<i>WORK COMP. LOSSES</i>	<i>ASSESS. AS % OF WORK COMP. LOSSES</i>
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	\$5,883,896	\$11,072,848	\$528,706,630	2.09%
FY 2017 EST	*\$7,024,536	**\$3,968,000	***\$529,000,000	0.75%

\* This amount is based on LARA Financial Services Division data as of 12/5/2016.

\*\* Calculated at 100% of FY 2017 appropriations, not to exceed 0.75% of FY 2016 Workers' Compensation losses.

\*\*\* Assumes a similar amount of Workers' Compensation losses as in FY 2016. This amount was obtained from LARA Funds Administration.

**TABLE 2**  
**SAFETY EDUCATION AND TRAINING FUND**  
**AMOUNT OF ASSESSMENT COMPARED TO APPROPRIATION**  
**FY 2007 TO FY 2016, WITH FY 2017 ESTIMATES**

<i>FY</i>	<i>PRIOR FY BALANCE AS OF 9/30</i>	<i>SET FUND APPROPRIATION</i>	<i>SET ASSESSED /COLLECTED</i>	<i>% OF APPROP. ASSESSED</i>	<i>% OF LOSSES ASSESSED</i>
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	\$5,883,896	\$10,986,800	\$11,072,848	100.8%	2.09%
FY 2017 EST	\$7,024,536	\$11,232,400	*\$3,968,000	35.3%	0.75%

\* This estimate is based on LARA Financial Services Division data as of December 5, 2016.

**TABLE 3****SAFETY EDUCATION AND TRAINING FUND  
RESTRICTED FUND EXPENDITURES****FISCAL YEAR 2016\***

1.	Executive Director Programs	\$ 172,500.45
2.	Michigan Administrative Hearing System	\$ 28,524.54
3.	Financial and Administrative Services	\$ 94,599.87
4.	Property Management	\$ 245,448.58
5.	Workers' Compensation	\$ 252.28
6.	Occupational Safety and Health	\$ 9,007,059.56
7.	Information Technology Services and Projects	\$ 402,152.19
8.	Treasury Fee	\$ 1,000.00
<b>Total</b>		<b>\$ 9,951,537.47</b>

\*Source: LARA Financial Services Division data as of December 5, 2016.

**TABLE 4****SAFETY EDUCATION AND TRAINING FUND  
RESTRICTED FUND STATUS****FISCAL YEAR 2016\***

1.	Fund Balance September 30, 2015		\$ 5,883,895.77
2.	Fiscal Year 2016 Revenue		\$ 11,092,177.44
	SET Levy	\$ 11,072,848.46	
	Common Cash Earnings	\$ 10,372.16	
	Refund/Correction of Prior Year Expenditures	\$ 8,956.82	
3.	Available Revenue (1 + 2)		\$ 16,976,073.21
4.	Total Expenditures (Table 3)		\$ 9,951,537.47
5.	Fund Balance* September 30, 2016 (3 - 4)		\$ 7,024,535.74

\*Source: LARA Financial Services Division data as of December 5, 2016.

**TABLE 5**

**SAFETY EDUCATION AND TRAINING FUND  
RESTRICTED FUND PROJECTED EXPENDITURES  
FISCAL YEAR 2017\***

1.	Unclassified Salaries	\$ 66,300.00
2.	Executive Director Programs	\$ 148,700.00
3.	Michigan Administrative Hearing System	\$ 61,500.00
4.	Administrative Services	\$ 118,800.00
5.	Property Management	\$ 323,400.00
6.	Workers' Compensation	\$ 145,600.00
7.	Occupational Safety and Health	\$ 9,728,600.00
8.	Information Technology Services and Projects	\$ 639,500.00
9.	Treasury Fee	\$ 1,000.00
<b>Total</b>		<b>\$ 11,233,400.00</b>

\*Source: LARA Financial Services Division data as of December 5, 2016.

**TABLE 6**

**MIOSHA CONSULTATION EDUCATION AND TRAINING ACTIVITIES  
FISCAL YEAR 2016**

<b>Activities</b>		<b>Measures</b>
1.	Employer and Employee Safety and Health Consultations	2,457
2.	Seminars/Workshops/10-Hour Construction Courses	206
3.	Onsite Surveys	720
4.	Safety and Health Evaluations	102
5.	Pieces of Literature Distributed	41,232
6.	Safety Videos Loaned	1,097
7.	Total Training Sessions Conducted	1,293
8.	Total Employers/Employees Trained	16,313