

**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, 2017

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

FISCAL YEAR (FY) 2017

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 2017 (October 1, 2016 through September 30, 2017), the amount of the Safety Education and Training (SET) assessment was \$11,306,747. This amount was 2.37 percent of the total workers' disability compensation losses, excluding medical payments, paid in 2016 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, 2017, a total of \$11,327,508 of the SET assessment has been collected as of December 5, 2017, from the \$11,306,747 assessment for the FY. As explained under Item 2 of this report for FY 2018, a total assessment of \$3,584,000 is projected.

The total SET Fund available revenue for FY 2017, was \$18,415,137. The total available revenue includes the beginning fund balance of \$7,024,536 and \$11,390,601 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 2016, the total workers' disability compensation losses, excluding medical payments, were \$477,884,496. The SET assessment compared to these losses was 2.37 percent or \$11,306,747 of which \$11,327,508 has been collected as of December 5, 2017, as shown in Table 2. This amounts to 100.8 percent of the SET appropriation for FY 2017.

Assuming that the workers' disability compensation losses in 2017 will be about the same as 2016, the assessment for FY 2018 as a percentage of losses is estimated to be 0.75 percent. The SET Fund balance as of October 1, 2017, is \$8,402,904. The SET Fund balance is explained under Item 4 of this report.

The total estimated SET Fund expenditure for FY 2018 is \$11,035,700, 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 2018. 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 2017 losses are about the same as in 2016.

3. EXPLANATION OF SET FUND EXPENDITURES

During FY 2017, SET restricted fund expenditures totaled \$10,012,233. Major expenditures of the SET restricted fund for FY 2017 included \$9,227,204 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, 2016, the SET Fund balance was \$7,024,536. As of October 1, 2017, the FY 2017 SET Fund revenue total was \$11,390,601. This FY revenue added to the beginning balance provided available revenue of \$18,415,137 for FY 2017.

Taking away FY 2017 SET Fund expenditures of \$10,012,233 leaves a SET Fund balance of \$8,402,904 at the beginning of FY 2018. Details are shown in Table 4. This balance will not be sufficient to cover the projected SET Fund expenditure of \$11,035,700 during FY 2018 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 2017. A summary of all CET activities are shown in Table 6.

Take a Stand Day

MIOSHA held their 13th annual "Take a Stand Day" (one-on-one consultation with no citations and no penalties) on August 9, 2017. The event generated 94 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 and 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 2017, \$38,730 was awarded to 592 students. Scholarships pay half of the registration fee of any MTI class.

By the end of FY 2017, there were 25,098 participants and the following certificates were awarded: 1,085 Level One; 284 Level Two, and 74 Occupational Health.

Expos and Conferences

In FY 2017, MIOSHA participated in 27 expositions/conferences in conjunction with associations and safety organizations.

CET Initiatives

During FY 2017, CET promoted the following initiatives related to significant changes in MIOSHA standards or emerging safety and health issues:

- Agriculture Outreach
- Air Contaminants
- Temporary Worker
- Part 62 – Injection Molding – Rule Change
- Silica
- Special emphasis areas including fall prevention.

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 2017, there was total of 25 MVPP Star sites (one new and one re-evaluated) and one new MVPP Rising Star site. In FY 2017, there were two MVPPC Star sites including one re-evaluated and one new MVPPC Rising Star site.

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 2017, there was a total of 15 MSHARP companies, including 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 2017, MIOSHA had 6 partnerships and 14 alliances.

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 2017, nearly 900 videos were loaned out and more than 10,000 were streamed.

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 2017, 20 CET grants were awarded for a total of \$865,000. 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 six GovDelivery lists: CET with 11,925 subscribers; MTI with 12,383 subscribers; Standards with 11,536 subscribers; Worker Death Notification with 1,688 subscribers; MIOSHA News and MIOSHA eNews with 9,348 subscribers; and Radiation with 5,744 subscribers. In addition, the CET Division maintains a Facebook page with 1,924 followers; a Twitter account with 1,270 followers, and a YouTube account with 164 followers.

PROGRAM EFFECTIVENESS – FY 2017

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 2008 TO FY 2017, WITH FY 2018 ESTIMATES**

FY	BEGINNING BALANCE	ASSESSMENT COLLECTED	WORK COMP. LOSSES	ASSESS. AS % OF WORK COMP. LOSSES
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	\$7,024,536	\$11,327,508	\$477,884,496	2.37%
FY 2018 EST	*\$8,402,904	**\$3,584,000	***\$478,000,000	0.75%

* This amount is based on LARA Financial Services Division data as of 12/5/2017.

** Calculated at 100% of FY 2018 appropriations, not to exceed .75% of FY 2017 Workers' Compensation losses.

*** Assumes a similar amount of Workers' Compensation losses as in FY 2017. This amount was obtained from LARA Funds Administration.

TABLE 2

SAFETY EDUCATION AND TRAINING FUND
AMOUNT OF ASSESSMENT COMPARED TO APPROPRIATION
FY 2008 TO FY 2017, WITH FY 2018 ESTIMATES

FY	PRIOR FY BALANCE AS OF 9/30	SET FUND APPROPRIATION	SET ASSESSED /COLLECTED	% OF APPROP. ASSESSED	% OF LOSSES ASSESSED
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	\$7,024,536	\$11,232,400	\$11,327,508	100.8%	2.37%
FY 2018 EST	\$8,402,904	\$11,034,700	*\$3,584,000	32.4%	0.75%

* This estimate is based on LARA Financial Services Division data as of December 5, 2017.

TABLE 3

SAFETY EDUCATION AND TRAINING FUND
 RESTRICTED FUND EXPENDITURES
 FY 2017*

1. Unclassified Salaries	\$ 22,049.96
2. Executive Director Programs	\$ 190,700.00
3. Michigan Administrative Hearing System	\$ 61,500.00
4. Financial and Administrative Services	\$ 110,480.52
5. Property Management	\$ 125,168.67
6. Workers' Compensation	\$ 359.64
7. Occupational Safety and Health	\$ 9,227,203.59
8. Information Technology Services and Projects	\$ 273,870.61
9. Treasury Fee	\$ 900.00

Total \$ 10,012,232.99

*Source: LARA Financial Services Division data as of December 5, 2017.

TABLE 4

SAFETY EDUCATION AND TRAINING FUND
RESTRICTED FUND STATUS
FY 2017*

1. Fund Balance September 30, 2016		\$ 7,024,535.74
2. Fiscal Year 2017 Revenue		\$ 11,390,601.40
SET Levy	\$ 11,327,507.90	
Common Cash Earnings	\$ 37,980.13	
Refund/Correction of Prior Year Expenditures	\$ 25,113.37	
3. Available Revenue (1 + 2)		\$ 18,415,137.14
4. Total Expenditures (Table 3)		\$ 10,012,232.99
5. Fund Balance* September 30, 2017 (3 - 4)		\$ 8,402,904.15

*Source: LARA Financial Services Division data as of December 5, 2017.

TABLE 5
 SAFETY EDUCATION AND TRAINING FUND
 RESTRICTED FUND PROJECTED EXPENDITURES
 FY 2018*

1. Unclassified Salaries	\$ 67,000.00
2. Executive Director Programs	\$ 149,900.00
3. Administrative Services	\$ 118,800.00
4. Michigan Administrative Hearing System	\$ 61,500.00
5. Property Management	\$ 324,900.00
6. Workers' Compensation	\$ 119,800.00
7. Information Technology Services and Projects	\$ 392,800.00
8. Michigan Occupational Safety and Health Administration	\$ 9,800,000.00
9. Treasury Fee	\$ 1,000.00
Total	\$ 11,035,700.00

*Source: LARA Financial Services Division data as of December 5, 2017.

TABLE 6
MIOSHA CONSULTATION EDUCATION AND TRAINING
ACTIVITIES
FY 2017

Activities		Measures
1.	Employer and Employee Safety and Health Consultations	2,609
2.	Seminars/Workshops/10-Hour Construction Courses	269
3.	Onsite Surveys	612
4.	Safety and Health Evaluations	235
5.	Pieces of Literature Distributed	25,650
6.	Safety Videos Loaned Safety Videos Streamed	877 >10,000
7.	Total Training Sessions Conducted	1,181
8.	Total Employers/Employees Trained	15,546