

**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, 2018

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

FISCAL YEAR (FY) 2018

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 2018 (October 1, 2017 through September 30, 2018), the amount of the Safety Education and Training (SET) assessment was \$11,102,873. This amount was 2.43 percent of the total workers' disability compensation losses, excluding medical payments, paid in 2017 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, 2018, a total of \$11,127,248 of the SET assessment has been collected as of December 5, 2018 from the \$11,102,873 assessment for the FY. As explained under Item 2 of this report for FY 2019, a total assessment of \$3,440,000 is projected.

The total SET Fund available revenue for FY 2018, was \$19,652,329. The total available revenue includes the beginning fund balance of \$8,402,904 and \$11,249,424 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 2017, the total workers' disability compensation losses, excluding medical payments, were \$458,606,912. The SET assessment compared to these losses was 2.43 percent or \$11,102,873 of which \$11,127,248 has been collected as of January 17, 2019, as shown in Table 2. This amounts to 100.8 percent of the SET appropriation for FY 2018.

Assuming that the workers' disability compensation losses in 2018 will be about the same as 2017, the assessment for FY 2019 as a percentage of losses is estimated to be 0.75 percent. The SET Fund balance as of October 1, 2018, is \$9,610,044. The SET Fund balance is explained under Item 4 of this report.

The total estimated SET Fund expenditure for FY 2019 is \$11,234,000, 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 2019. 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 2019 losses are about the same as in 2018.

3. EXPLANATION OF SET FUND EXPENDITURES

During FY 2018, SET restricted fund expenditures totaled \$10,042,284. Major expenditures of the SET restricted fund for FY 2018 included \$9,175,476 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, 2018, the SET Fund balance was \$8,402,904. As of October 1, 2018, the FY 2018 SET Fund revenue total was \$11,249,424. This FY revenue added to the beginning balance provided available revenue of \$19,652,329 for FY 2018.

Taking away FY 2018 SET Fund expenditures of \$10,042,284 leaves a SET Fund balance of \$9,610,044 at the beginning of FY 2019. Details are shown in Table 4. This balance will not be sufficient to cover the projected SET Fund expenditure of \$11,234,000 during FY 2019 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 is show in Table 6.

Take a Stand Day

MIOSHA held their 14th annual "Take a Stand Day" (one-on-one consultation with no citations and no penalties) on August 8, 2018. The event generated 139 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 2018 \$34,830 was awarded to 825 students. Scholarships pay half of the registration fee of any MTI class.

By the end of FY 2018, there were 27,427 participants and the following certificates were awarded: 1,163 Level One, 340 Level Two, and 91 Occupational Health.

Expos and Conferences

In FY 2018, MIOSHA participated in 36 expositions/conferences in conjunction with associations and safety organizations.

CET Initiatives

During FY 2018, CET promoted the following initiatives related to significant changes in MIOSHA standards or emerging safety and health issues:

- Revisions to Michigan’s workplace lead standards
- Walking/Working Surfaces
- 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 2018, there was total of 25 MVPP Star sites and one MVPP Rising Star site. In FY 2018, there were two MVPPC Star sites and one MVPPC Rising Star.

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 2018, there were 11 MSHARP companies.

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 2018, MIOSHA had 6 partnerships and 16 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 2018, 565 videos were loaned out and 12,892 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 2018, 20 CET grants were awarded for a total of \$872,000. 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 two GovDelivery lists: CET with 17,361 subscribers and MTI with 12,960 subscribers. In addition, the CET Division maintains a Facebook page with 2,098 followers, a Twitter account with 1,471 followers, and a YouTube account with 187 followers.

PROGRAM EFFECTIVENESS – FY 2018

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 2009 TO FY 2018, WITH FY 2019 ESTIMATES

FY	BEGINNING BALANCE	ASSESSMENT COLLECTED	WORK COMP. LOSSES	ASSESS. AS % OF WORK COMP. LOSSES
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	\$8,402,904	\$11,127,248	\$458,606,912	2.43%
FY 2019 EST	*\$9,610,044	**\$3,440,000	***\$459,000,000	0.75%

* This amount is based on LARA Financial Services Division data as of 1/17/2019.

** Calculated at 100% of FY 2019 appropriations, not to exceed .75% of FY 2018 Worker's Compensation losses.

*** Assumes a similar amount of Worker's Compensation losses as in FY 2018. This amount was obtained from LARA Funds Administration.

TABLE 2

SAFETY EDUCATION AND TRAINING FUND
AMOUNT OF ASSESSMENT COMPARED TO APPROPRIATION
FY 2009 TO FY 2018, WITH FY 2019 ESTIMATES

FY	PRIOR FY BALANCE AS OF 9/30	SET FUND APPROPRIATION	SET ASSESSED /COLLECTED	% OF APPROP. ASSESSED	% OF LOSSES ASSESSED
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	\$8,402,904	\$11,034,700	\$11,127,248	100.8%	2.37%
FY 2019 EST	\$9,610,044	\$11,234,000	*\$3,440,000	30.6%	0.75%

* This estimate is based on LARA Financial Services Division data as of January 17, 2019.

TABLE 3

SAFETY EDUCATION AND TRAINING FUND
RESTRICTED FUND EXPENDITURES
FISCAL YEAR 2018*

1. Executive Director Programs	\$168,314.93
2. Administrative Services	\$130,567.20
3. Michigan Administrative Hearing System	\$61,500.00
4. Property Management	\$113,366.65
5. Worker's Compensation	\$259.88
6. Information Technology Services and Projects	\$392,800.00
7. Occupational Safety and Health	\$9,175,476.09
	\$10,042,284.75

*Source: LARA Financial Services Division data as of January 17, 2019

TABLE 4
 SAFETY EDUCATION AND TRAINING FUND
 RESTRICTED FUND STATUS
 FISCAL YEAR 2018*

1.	Fund Balance September 30, 2017	\$8,402,904.15
2.	Fiscal Year 2018 Revenue	\$11,249,424.86
	SET Levy	\$11,127,247.91
	Common Cash Earnings	\$68,315.83
	Freedom of Information Act Fees	\$24,960.23
	Refund/Correction of Prior Year Expenditures	\$28,900.89
3.	Available Revenue (1 + 2)	\$19,652,329.01
4.	Total Expenditures (Table 3)	\$10,042,284.75
5.	Fund Balance* September 30, 2018 (3-4)	\$19,652,329.01

*Source: LARA Financial Services Division data as of January 17, 2019

TABLE 5

SAFETY EDUCATION AND TRAINING FUND
RESTRICTED FUND PROJECTED EXPENDITURES
FISCAL YEAR 2019*

1. Unclassified Salaries	\$67,500.00
2. Executive Director Programs	\$237,200.00
3. Administrative Services	\$121,000.00
Michigan Administrative Hearing	
4. System	\$62,600.00
5. Property Management	\$324,900.00
6. Worker's Compensation	\$100,200.00
Information Technology Services and	
7. Projects	\$398,400.00
Michigan Occupational Safety and	
8. Health Administration	\$9,922,200.00
	\$11,234,000.00

*Source: LARA Financial Services Division data as of January 17, 2019

TABLE 6
MIOSHA CONSULTATION EDUCATION AND TRAINING
ACTIVITIES
FISCAL YEAR 2018

Activities		Measures
1.	Employer and Employee Safety and Health Consultations	2,318
2.	Seminars/Workshops/10-Hour Construction Courses	227
3.	Onsite Surveys	607
4.	Safety and Health Evaluations	204
5.	Pieces of Literature Distributed	21,313
6.	Safety Videos Loaned Safety Videos Streamed	565 12,892
7.	Total Training Sessions Conducted	3,652
8.	Total Employers/Employees Trained	13,443