



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION
BARTON G. PICKELMAN, DIRECTOR

JEFF DONOFRIO
DIRECTOR

September 8, 2020

Senator Ken Horn, Chair
Senate Committee on Economic and Small Business Development
Senate Appropriations Subcommittee on LEO/MEDC

Representative Steve Marino, Chair
House Committee on Commerce and Tourism

Representative Mark Huizenga, Chair
House Appropriations Subcommittee on General Government

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 safety and more healthful workplaces in Michigan.

Sincerely,

Barton G. Pickelman
Director

Enclosure

cc: Governor Whitmer
Members, Senate Committee Economic and Small Business Development
Members, Senate Appropriations Subcommittee on LEO/MEDC
Members, House Committee on Commerce and Tourism
Members, House Appropriations Subcommittee on General Government

**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, 2019

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

FISCAL YEAR (FY) 2019

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 2019 (October 1, 2018 through September 30, 2019), the amount of the Safety Education and Training (SET) assessment was \$9,552,980. This amount was 2.20 percent of the total workers' disability compensation losses, excluding medical payments, paid in 2018 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, 2019, a total of \$9,548,578 of the SET assessment has been collected as of February 3, 2020, from the \$9,552,980 assessment for the FY. As explained under Item 2 of this report for FY 2020, a total assessment of \$3,260,000 is projected.

The total SET Fund available revenue for FY 2019, was \$19,287,077. The total available revenue includes the beginning fund balance of \$9,610,044 (Table 1) and \$9,677,033 (Table 4) 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 2019, the total workers' disability compensation losses, excluding medical payments, were \$433,652,404 (Table 1). The SET assessment compared to these losses was 2.20 percent or \$9,540,353 of which \$9,548,578 (Table 1) has been collected as of February 3, 2020. This amounts to 100.1 percent of the SET appropriation for FY 2019.

Assuming that the workers' disability compensation losses in 2019 will be about the same as 2018, the assessment for FY 2020 as a percentage of losses is estimated to be 0.75 percent. The SET Fund balance as of October 1, 2019, is \$9,610,044 (Table 1). The SET Fund balance is explained under Item 4 of this report.

The total estimated SET Fund expenditure for FY 2020 is \$11,366,900 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 2020. 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 2020 losses are about the same as in 2019.

3. EXPLANATION OF SET FUND EXPENDITURES

During FY 2019, SET restricted fund expenditures totaled \$10,310,136 (Table 4). Major expenditures of the SET restricted fund for FY 2019 included \$9,729,319 (Table 3) for MIOSHA consultation, education and training programs and subgrants. Further details are provided in Table 3.

4. SET FUND BALANCE

As of September 30, 2019, the SET Fund balance was \$9,610,044 (Table 1). As of October 1, 2019, the FY 2019 SET Fund revenue total was \$9,548,578 (Table 1). This FY revenue added to the beginning balance provided available revenue of 19,287,077 for FY 2019.

Taking away FY 2019 SET Fund expenditures of \$10,310,136 leaves a SET Fund balance of \$8,976,941 at the beginning of FY 2020. Details are shown in Table 4. This balance will not be sufficient to cover the projected SET Fund expenditure of \$11,366,900 during FY 2020 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 2019:

Take a Stand Day

MIOSHA held their 15th annual "Take a Stand Day" (one-on-one consultation with no citations and no penalties) on August 14, 2019. The event generated 89 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 2019, CET:

- Offered 162 seminars across the state.
- Continued to provide MTI outreach through printed seminar brochures. Printed and mailed 72,000 seminar brochures.
- Continued to conduct MTI outreach while participating at expositions, meetings and conferences. Provided MTI seminar brochures at 22 events in FY 2019.
- Continued to promote the MTI Scholarship Program to increase MTI attendance when funding is available. In 2019, a total of \$32,280 was paid out for 656 scholarships.
- Routinely communicated with MIOSHA stakeholders through listserv, MIOSHA eNews, Facebook and Twitter announcements to keep them aware of the MTI offerings. In 2019, there were 20 MTI emails.
- Two Level 2 boot camps were held in FY 2019. Based on positive attendee feedback, will continue to offer Level 2 boot camps in FY 2020.
- MTI Accomplishments: Since its inception, close to 30,000 participants have been trained. 1,280 MTI students have earned Level One certificates for General Industry and Construction; 407 students have earned Level Two certificates; and 114 students have earned Occupational Health certificates.
- MIOSHA and Oakland University Form Alliance – On September 21, 2017, MIOSHA and Oakland University formed a new alliance establishing the MTI to Bachelor of Science in Environmental Health and Safety (EHS) Degree Program. The new program is available to those who have a valid MTI Level Two Safety and Health Management Systems certificate. These individuals will be granted up to 11 credits through a course competency by examination process to satisfy part of the minimum course requirements towards the EHS Bachelor of Science Degree from Oakland University.

Expos and Conferences

In FY 2019, MIOSHA participated in 22 expositions/conferences in conjunction with associations and safety organizations.

CET Initiatives

During FY 2019, CET promoted the following initiatives related to significant changes in MIOSHA standards or emerging safety and health issues:

- Fall Prevention
- Excavation and Trenching
- Work in Roadways
- Silica

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 2019, there was total of 30 MVPP Star sites and one MVPP Rising Star site. In FY 2019, there were two MVPPC Star sites and one 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 2019, there were seven 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 2019, MIOSHA had four 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 2019, 565 videos were loaned out and 22,892 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 2019, 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 17,243 subscribers and MTI with 13,001 subscribers. In addition, the CET Division maintains a Facebook page with 2,430 followers, a Twitter account with 1,892 followers, and a YouTube account with 219 followers.

PROGRAM EFFECTIVENESS – FY 2019

MIOSHA sends out comment cards to their customers to allow them to evaluate the services that are provided. The results for FY 2019 indicate:

- 99.4% rated their overall experience with MIOSHA as useful.
- 100% found staff to be knowledgeable about employee safety and health issues.
- 99.3% 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. Table 6 includes information on MIOSHA CET Division activities for the last fiscal year.

TABLE 1

SAFETY EDUCATION AND TRAINING FUND
 AMOUNT OF ASSESSMENT COLLECTED
 FY 2010 TO FY 2019, WITH FY 2020 ESTIMATES

FY	BEGINNING BALANCE	ASSESSMENT COLLECTED	WORK COMP. LOSSES	ASSESS. AS % OF WORK COMP. LOSSES
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	\$9,610,044	\$9,548,578	\$433,652,444	2.20%
FY 2020 EST	*\$8,976,941	**\$3,260,000	***\$434,000,000	0.75%

* This amount is based on LEO Administrative Services Division data as of 2/3/2020.

** Calculated at 100% of FY 2020 appropriations, not to exceed .75% of FY 2019 Workers' Compensation losses.

*** Assumes a similar amount of Workers' Compensation losses as in FY 2019. This amount was obtained from LARA Funds Administration.

TABLE 2

SAFETY EDUCATION AND TRAINING FUND
 AMOUNT OF ASSESSMENT COMPARED TO APPROPRIATION
 FY 2010 TO FY 2019, WITH FY 2020 ESTIMATES

FY	PRIOR FY BALANCE AS OF 9/30	SET FUND APPROPRIATION	SET ASSESSED/ COLLECTED	% OF APPROP. ASSESSED	% OF LOSSES ASSESSED
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	\$9,610,044	\$11,234,000	\$9,548,578	85.0%	2.37%
FY 2020 EST	\$8,976,941	\$11,366,900	*\$3,260,000	30.6%	0.75%

* This estimate is based on LEO Administrative Services Division data as of February 3, 2020.

TABLE 3

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

	Unclassified		
1.	Salaries	\$	23,163.39
2.	Executive Director Programs	\$	93,363.40
	Administrative		
3.	Services	\$	1,959.16
	Property		
4.	Management	\$	116,549.82
	Workers'		
5.	Compensation	\$	15,005.65
	Information Technology Services		
6.	and Projects	\$	330,775.72
7.	Occupational Safety and Health	\$	9,729,319.28
	Total	\$	10,310,136.42

*Source: LEO Administrative Services Division data as of February 3, 2020.

TABLE 4

SAFETY EDUCATION AND TRAINING FUND
RESTRICTED FUND STATUS
FISCAL YEAR 2019*

1.	Fund Balance September 30, 2018	\$9,610,044.26
2.	Fiscal Year 2019 Revenue	\$9,677,032.84
	SET Levy	\$9,548,578.49
	Common Cash Earnings	\$104,335.68
	Freedom of Information Act Fees	\$24,118.67
3.	Available Revenue (1 + 2)	\$19,287,077.10
4.	Total Expenditures (Table 3)	\$10,310,136.42
5.	Fund Balance* September 30, 2019 (3 - 4)	\$8,976,940.68

*Source: LEO Administrative Services Division data as of February 3, 2020.

TABLE 5

SAFETY EDUCATION AND TRAINING FUND
RESTRICTED FUND PROJECTED EXPENDITURES
FISCAL YEAR 2020*

1. Unclassified Salaries	\$	70,300.00
2. Executive Direction and Operations Property	\$	359,800.00
3. Management Workers' Compensation Board of	\$	324,900.00
4. Magistrates Information Technology Services and	\$	62,600.00
5. Projects Michigan Occupational Safety and	\$	404,200.00
6. Health Administration	\$	10,145,100.00
Total	\$	11,366,900.00

*Source: LEO Administrative Services Division data as of February 3, 2020.

TABLE 6		
MIOSHA CONSULTATION EDUCATION AND TRAINING ACTIVITIES FISCAL YEAR 2019		
Activities		Measures
1.	Employer and Employee Safety and Health Consultations	2,217
2.	Seminars/Workshops/10-Hour Construction Courses	227
3.	Onsite Surveys	564
4.	Safety and Health Evaluations	450
5.	Pieces of Literature Distributed	16,347
6.	Safety Videos Loaned Safety Videos Streamed	405 21,964
7.	Total Training Sessions Conducted	1,270
8.	Total Employers/Employees Trained	12,596