

2007 SPECIAL REPORT: Impact and Funding of State Occupational Safety and Health Programs

Purpose

The purpose of this document is to provide information to Congress on the impact and funding of state-operated programs for occupational safety and health. **State Plan Programs** are highly successful, but have experienced significant funding deficiencies for the past seven years.



CHART 1
Federal OSHA Budget
(in millions of dollars)

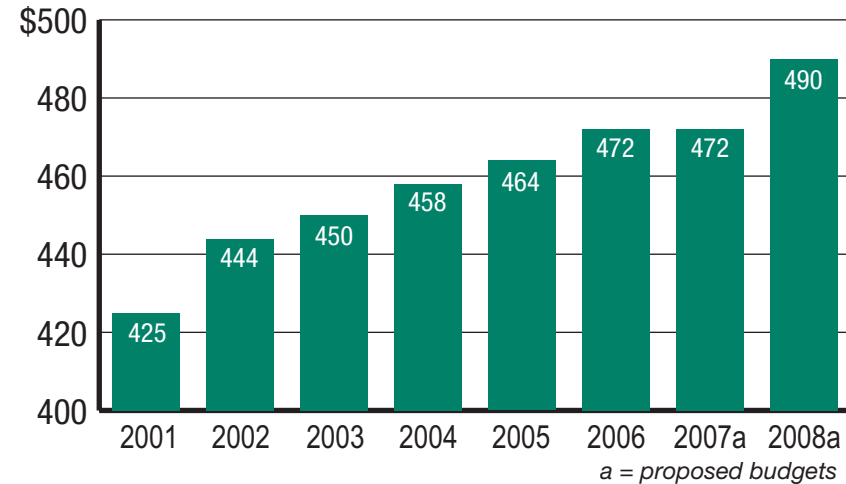
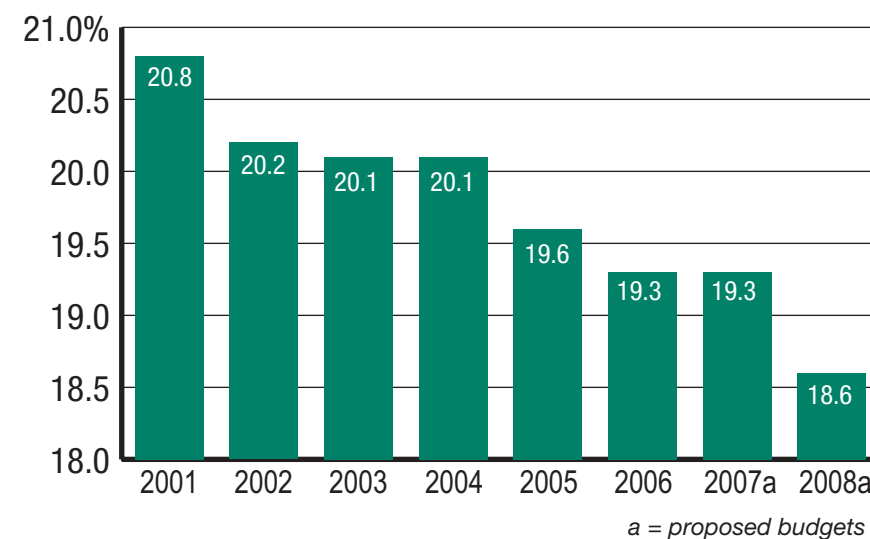


CHART 2
OSHA Budget for State Plans 23(g)
(as percent of total OSHA budget)



Occupational Safety and Health Administration (OSHA)

In establishing OSHA, Congress specifically encouraged states to develop their own safety and health plans, which would provide enforcement and compliance assistance activities. Section 18 of the Occupational Safety and Health Act, signed into law on December 29, 1970, authorized states to administer a state-operated program for occupational safety and health, provided the programs are “at least as effective” as federal OSHA.

Congress envisioned a comprehensive national program that would provide safety and health protection in all U.S. states and territories. Prior to the creation of OSHA, many states were already operating programs to protect their workers. Today there are 26 states and territories that operate a State Plan Program for workplace safety and health, and work together through the Occupational Safety and Health State Plan Association (OSHSPA).

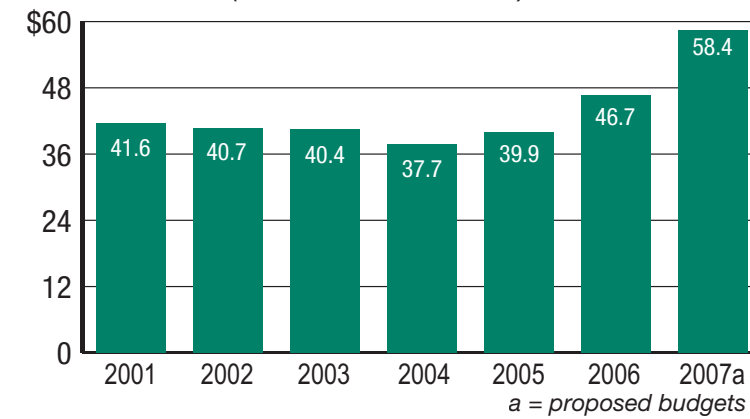
State Plan OSHA Funding

States choosing to operate a State Plan Program contribute a significant amount toward funding the program. Congress established a 50 percent funding level to encourage states to operate their own programs and to develop innovative approaches to workplace safety and health issues. Because states must provide at least a 50 percent match, every federal dollar is doubled – which multiplies OSHSPA state plan efforts.

While Congress envisioned that the partnership between federal OSHA and the state plans would include federal funding of 50 percent of the costs – the federal portion for State Plan Programs has diminished significantly over the years. Some key issues:

- During the past seven years, federal funding has increased more than 15 percent – while state plan funding has increased only about three percent. (Charts 1 & 2)
- States received 19.3 percent of the overall federal OSHA budget in FY 2006, compared to 20.8 percent in FY 2001. (Chart 2)

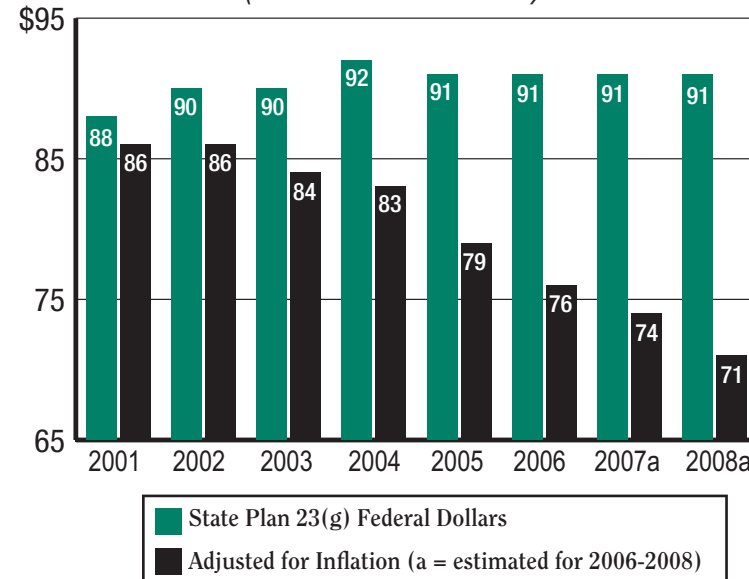
CHART 3
Contribution by State Plans
(in millions of dollars)



- States are required to match federal funds. In addition, states contributed “overmatch” funds of more than \$46.7 million in FY 2006 and will contribute an estimated \$58.4 million in FY 2007. (Chart 3)
- The “real dollars” available to states have significantly decreased when considering inflation. The \$91 million in federal funds equates to \$71 million when adjusted for inflation since 2001. (Chart 4)
- Initially, federal OSHA was able to fund states at a level up to 50 percent of the program costs. As program demands have increased, the states have not been provided the necessary federal OSHA financial resources to “keep up.”

Federal OSHA and the state plans jointly developed a formula to more effectively distribute to states additional funding that becomes available. However, this formula is not a mechanism for addressing the fundamental problem of inadequate funding of State Plan Programs.

CHART 4
**OSHA Funding for State Plans 23(g)
and Impact of Inflation**
(in millions of dollars)



Proposed Funding Solution

A process must be established to accurately and fairly address the budgetary requirements of State Plan Programs. Funding for state plans is a separate line in the OSHA budget and must be specifically addressed. An increase in the OSHA budget does not increase the portion provided to state-operated programs.

Federal OSHA does not involve the state plans in its budgetary process, or address declining state plan funding as a budget priority. Therefore, OSHSPA must educate Congress on the importance of this issue.

OSHSPA states are a Congressional success story, and are effective and efficient users of state and federal tax dollars. The strong partnership with OSHA has placed State Plan Programs in a perfect position to develop successful grassroots solutions with representatives of labor, industry, professional and academic organizations, and the public.

At a minimum, State Plan Programs should be currently funded at an amount that would be in place had state plan funding kept pace with federal OSHA funding over the last several years. Based on the original intent of Congress and the output of the state plans, the long-term goal should be to reach full 50 percent funding.

Impact of State Plan Programs

State Plan Programs cover approximately 40 percent of private-sector workers nationally. In addition, they extend coverage to more than 10 million workers in the public sector, which includes state and local governments, municipalities, colleges and universities. In all, it’s estimated the OSHSPA states cover more than 2.9 million workplaces and 58 million workers. In FY 2006, state plans conducted nearly 60,000 inspections, identified over 120,000 hazards and assessed over \$70 million in penalties. (Charts 5 and 6)

CHART 5
Program Funding & Penalties Assessed
(in millions of dollars for FY 2006)

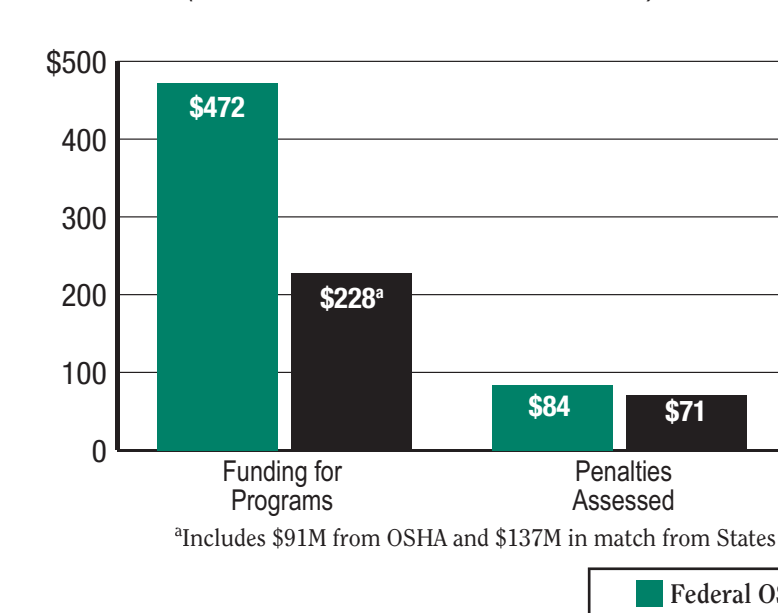
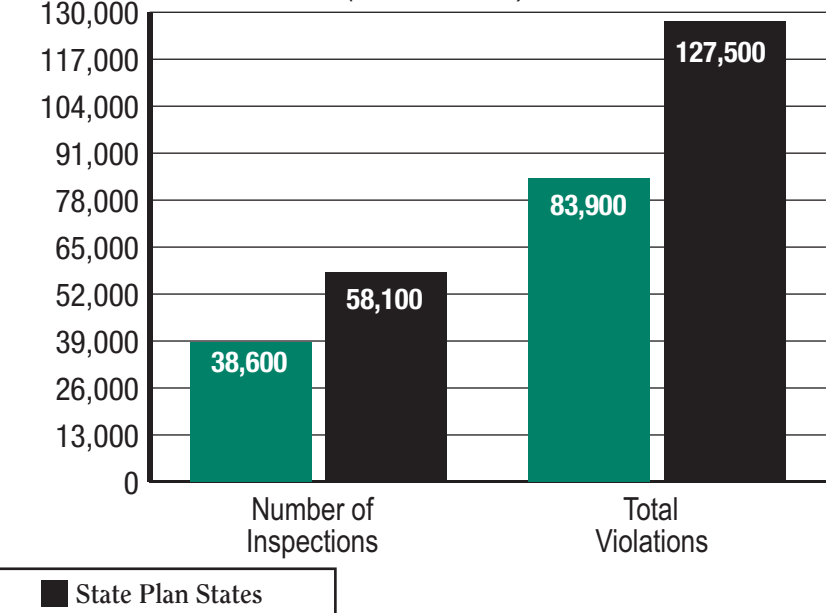


CHART 6
Program Inspections and Violations
(for FY 2006)

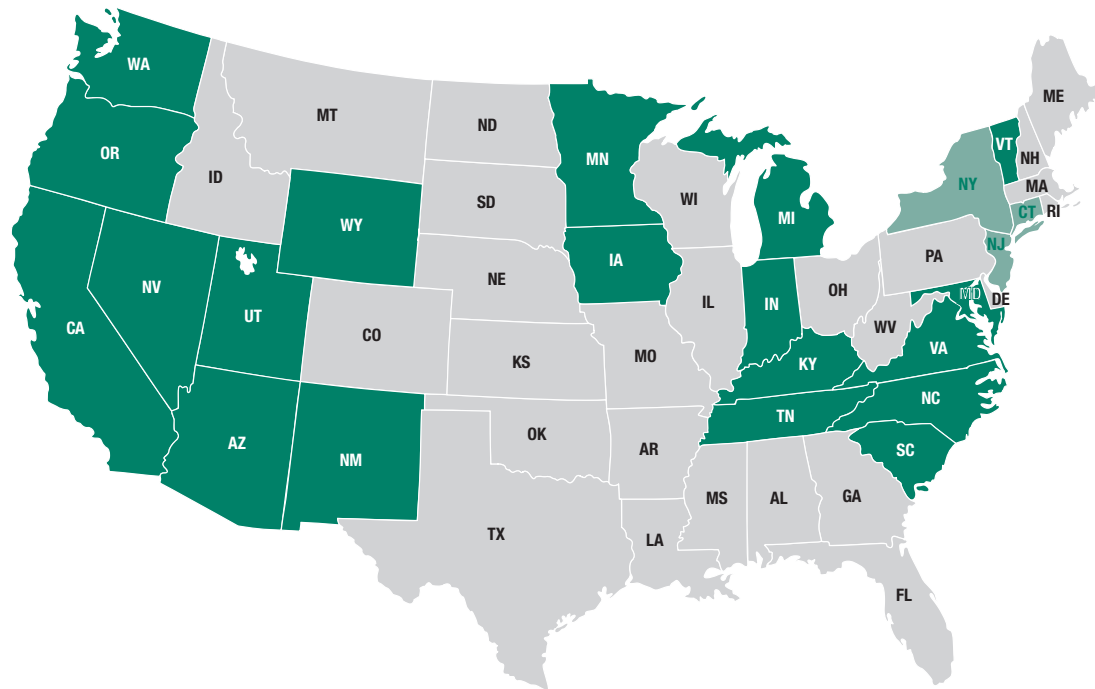


State Plan Programs bring unique strengths and flexibility to the administration of occupational safety and health programs in this nation. The OSHSPA states serve as “laboratories of innovation.” Because the programs are locally based, it is easier to develop and implement new programs and innovations, pilot alternative approaches, and experiment with new methods for achieving a safe and healthy work environment.

Since federal OSHA was enacted in 1970, workplace fatalities have decreased by 60 percent and injury/illness rates are down 40 percent. Working together with federal OSHA, State Plan Programs continually identify new ways to encourage employer investment in workplace safety and health. Federal OSHA estimates employers realize a \$4 – \$6 return on every \$1 invested in worker safety and health. This investment is significant because workplace injuries, illnesses and fatalities are estimated to cost the country more than \$170 billion per year.

Although the number of employers and employees continue to increase in many states, the net resources to address workplace hazards in state plans have declined due to inflation and unfunded mandates from OSHA. The potential impacts if this trend continues are reduced enforcement and outreach capabilities and smaller reductions in injuries, illnesses and fatalities. Without more resources, it may become very difficult for some states to maintain a program that is at least as effective as federal OSHA, which is a mandatory requirement for state plan programs.

Federal OSHA has long recognized State Plan Programs for their innovative approaches to protect working men and women across America. Together, OSHSPA State Plan Programs and federal OSHA will continue to share the message that it pays to invest in safety and health – with the primary goal that workers across the country return home from work safe and healthy at the end of the day.



**State Plan Programs
Covering Private and Public Sectors**

- Alaska
- Arizona
- California
- Hawaii
- Indiana
- Iowa
- Kentucky
- Maryland
- Michigan
- Minnesota
- Nevada
- New Mexico
- North Carolina
- Oregon
- Puerto Rico
- South Carolina
- Tennessee
- Utah
- Vermont
- Virginia
- Washington
- Wyoming

**States Covered by Federal OSHA
Private Sector Only**

- Alabama
- Arkansas
- Colorado
- Connecticut
- Delaware
- Dist. of Columbia
- Florida
- Georgia
- Idaho
- Illinois
- Kansas
- Louisiana
- Maine
- Massachusetts
- Mississippi
- Missouri
- Montana
- Nebraska
- New Hampshire
- New Jersey
- New York
- North Dakota
- Ohio
- Oklahoma
- Pennsylvania
- Rhode Island
- South Dakota
- Texas
- Virgin Islands
- West Virginia
- Wisconsin

**State Plan Programs
Covering Public Sector Only**

- Connecticut
- New Jersey
- New York
- Virgin Islands

State Plan Programs

Currently, there are 26 states and territories with state-operated programs for worker safety and health. Twenty-one states and one territory have plans covering the private and public sectors. Three states and one territory have programs covering the public sector only. OSHSPA links the 26 state-plan jurisdictions, federal OSHA jurisdictions and Congress.

State Plan Programs have historically led efforts to create multidisciplinary approaches for workplace safety and health. In addition to compliance activity, most states devote significant resources for outreach, including consultative services and training resources to employers and workers.

The OSHSPA states have established a strategic planning process that measures program outcomes based on each state's unique knowledge of local work activity and hazards. This approach is consistent with the requirements of the Government Performance and Results Act (GPRA). Each state's strategic plan provides objective information for determining budget levels, and enhances public confidence by showing program activities and results.

- Alaska
- Arizona
- California
- Connecticut
- Hawaii
- Indiana
- Iowa
- Kentucky
- Maryland
- Michigan
- Minnesota
- Nevada
- New Jersey
- New Mexico
- New York
- North Carolina
- Oregon
- Puerto Rico
- South Carolina
- Tennessee
- Utah
- Vermont
- Virgin Islands
- Virginia
- Washington
- Wyoming

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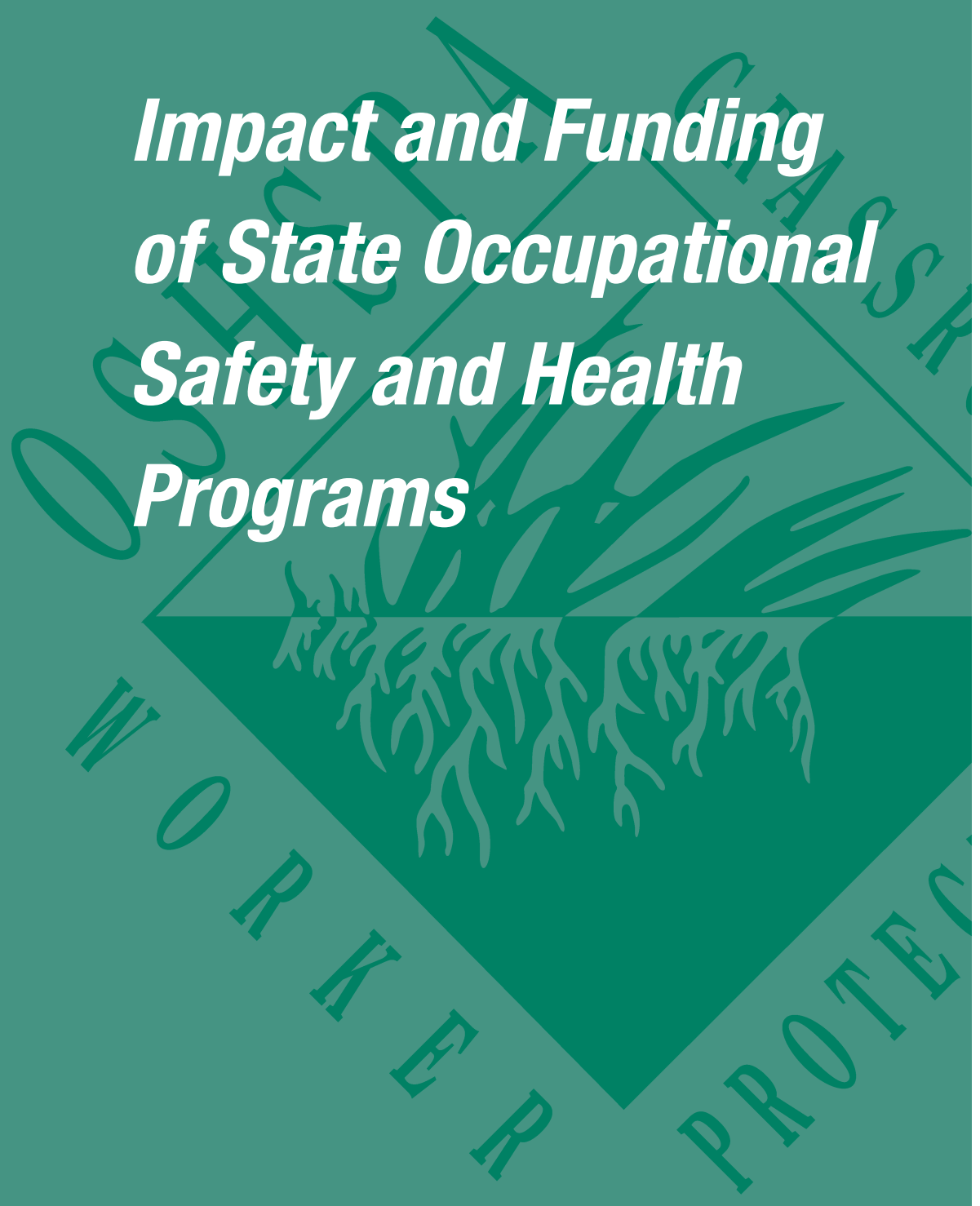
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- Washington
- Wyoming