

2009 SPECIAL REPORT: Impact and Funding of State Occupational Safety and Health Programs

Purpose

The purpose of this document is to provide information to Congress and others 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. OSHSPA is working with OSHA to address these deficiencies.



CHART 1
Federal OSHA Budget
(in millions of dollars)

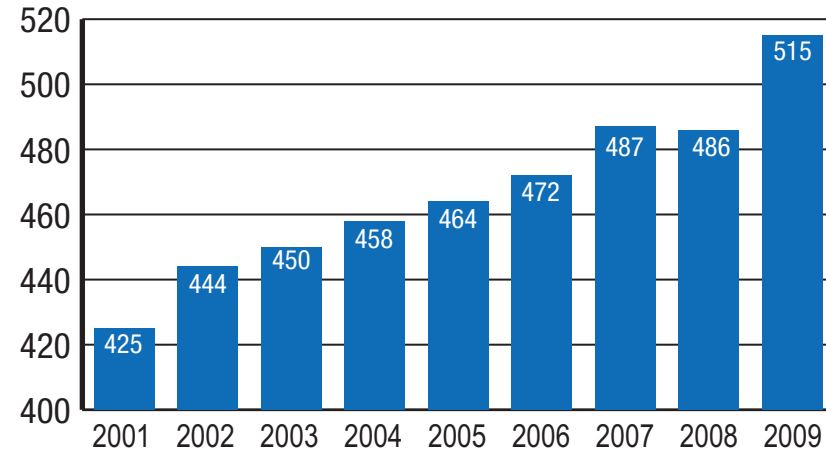
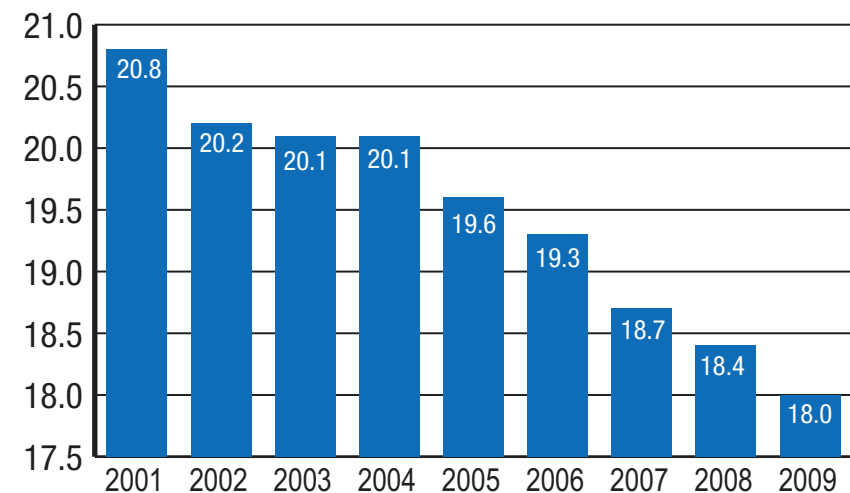


CHART 2
OSHA Budget for State Plans 23(g)
(as percent of total OSHA budget)



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 27 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)**.

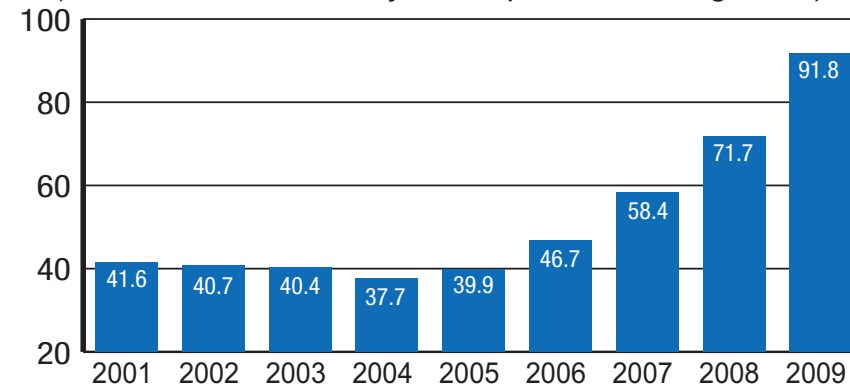
State Plan OSHA Funding

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 nine years, federal OSHA funding has increased more than 21 percent – while state plan funding has increased less than five percent. (Charts 1 & 2)
- States received 18.0 percent of the overall federal OSHA budget in FY 2009, compared to 20.8 percent in FY 2001. (Chart 2)

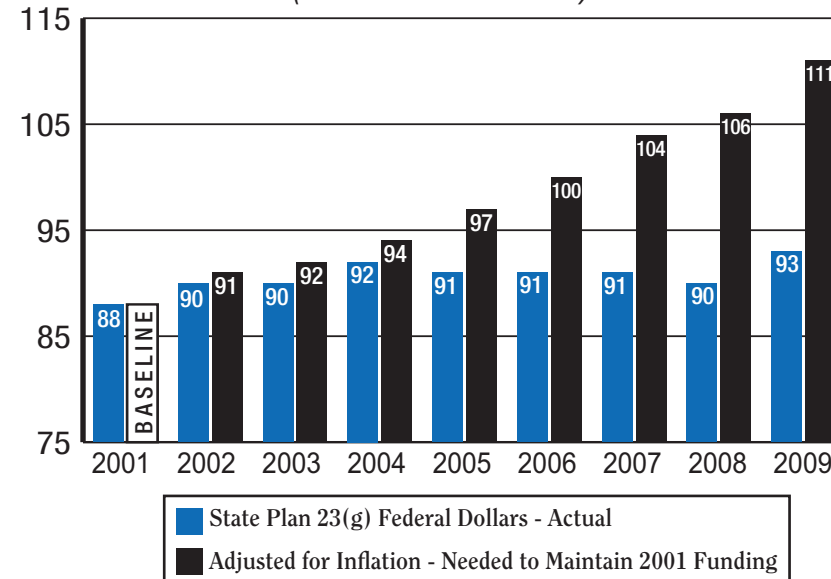
CHART 3
“Overmatch” Contribution by State Plans
(in millions of dollars beyond required matching funds)



- States are required to match federal funds. In addition, state plans states contributed “overmatch” funds of more than \$71.7 million in FY 2008 and \$91.8 million in FY 2009. (Chart 3)
- The “real dollars” available to states have significantly decreased when considering inflation. Since 2001, the budget for the state plans has remained stagnant at about \$91 million per year. In order to fund the same level of services in FY 2009, the budget would need to increase to \$111 million. (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.”

In FY 2009, the total OSHA budget (including state plan funding) was increased to \$515 million (Chart 1). The increase was \$29 million – yet state plans gained only \$1.5 million. (This extra funding was designated for a new public-sector program in Illinois.) The state plan portion of OSHA’s budget dropped to 18.0 percent, an all-time low.

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.

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.

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.

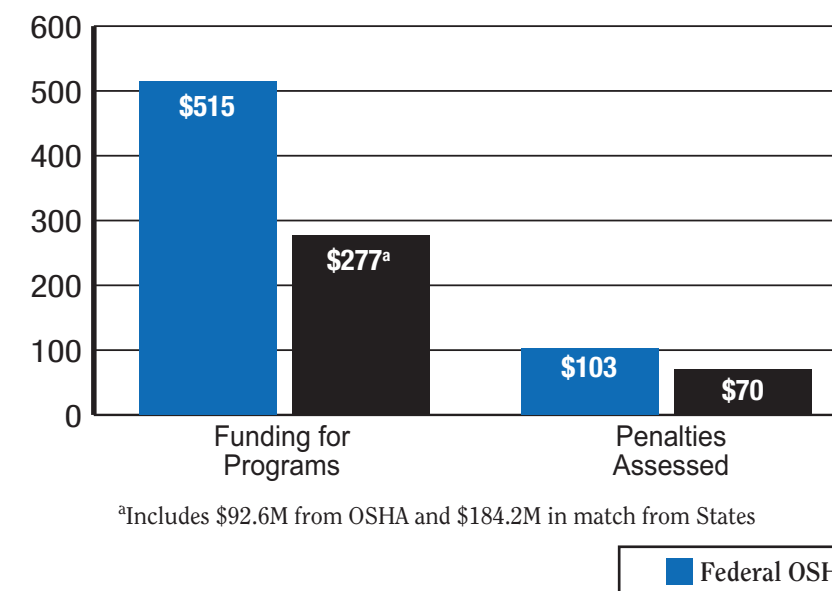
Federal agency budgets contain automatic cost-of-living adjustments (COLAs), including federal OSHA. State Plan States perform the same functions as federal OSHA, and should receive the same budget adjustments.

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. **President Obama’s proposed 2010 budget increase of 15 percent for State Plan States goes a long way to meet this goal.**

Impact of State Plan Programs

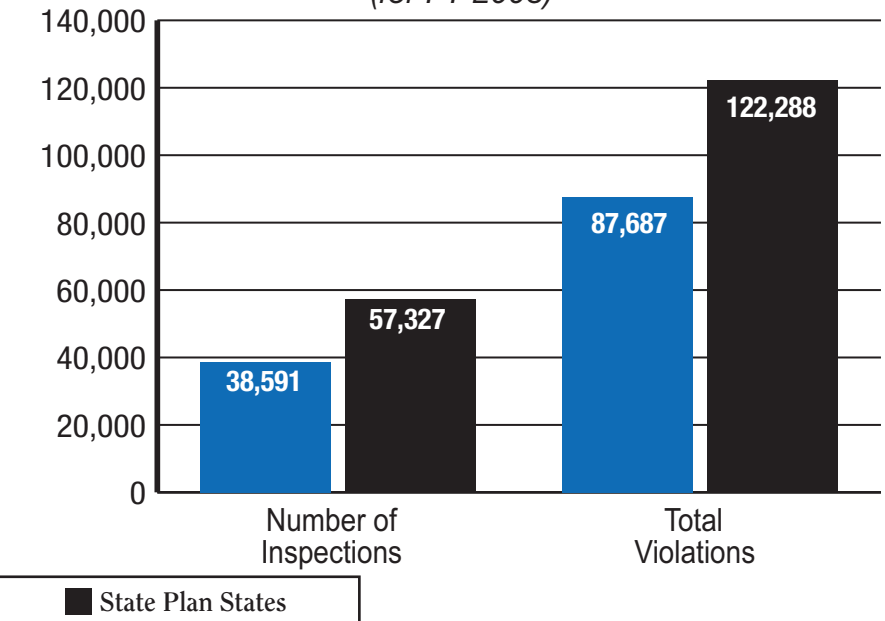
State Plan Programs cover about 40 percent of private-sector workers nationally. In addition, they cover more than 10 million workers in the public sector, which includes state and local governments, municipalities, colleges and universities. In all, it’s estimated the OSHSPA states cover more than 2.9 million workplaces and 58 million workers. In FY 2008, state plans conducted over 57,000 inspections, identified over 122,000 hazards and assessed over \$70 million in penalties. (Charts 5 and 6)

CHART 5
Program Funding & Penalties Assessed
(in millions of dollars for FY 2008)



*Includes \$92.6M from OSHA and \$184.2M in match from States

CHART 6
Program Inspections and Violations
(for FY 2008)

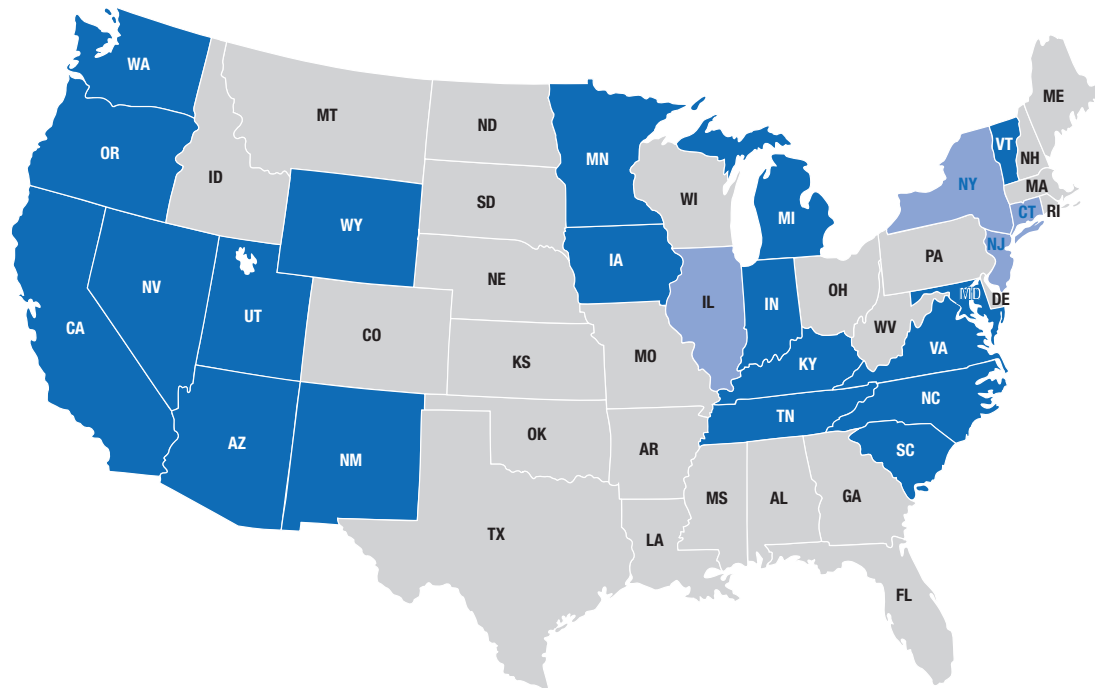


State Plan Programs bring unique strengths and flexibility to the administration of occupational safety and health programs in this nation. The OSHSPA states serve as “laboratories of innovation.” Because the programs are locally based, it is easier to develop and implement new programs and innovations,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

Since the federal *Occupational Safety and Health Act* 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 most 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
- North Dakota
- Ohio
- Oklahoma
- Pennsylvania
- Rhode Island
- South Dakota
- Texas
- Virgin Islands
- West Virginia
- Wisconsin

**State Plan Programs
Covering Public Sector Only**

- Connecticut
- Illinois
- New Jersey
- New York
- Virgin Islands

State Plan Programs

Currently, there are 27 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. Four states and one territory have programs covering the public sector only. OSHSPA links the 27 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
- Illinois
- 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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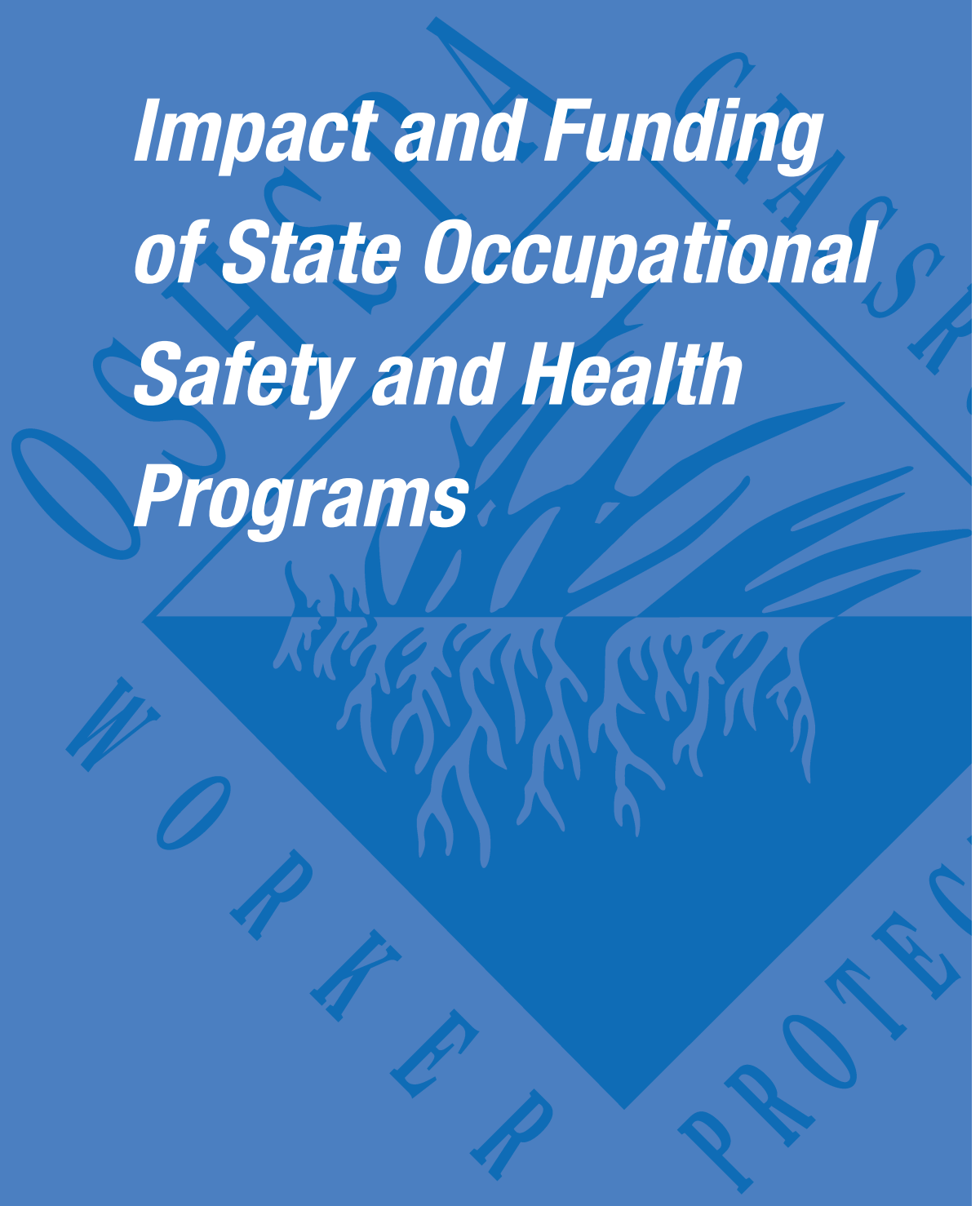
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