

# State OSHA – FUNDING

Erin Weisgerber  
Employment Relations Division  
MT Department of Labor & Industry  
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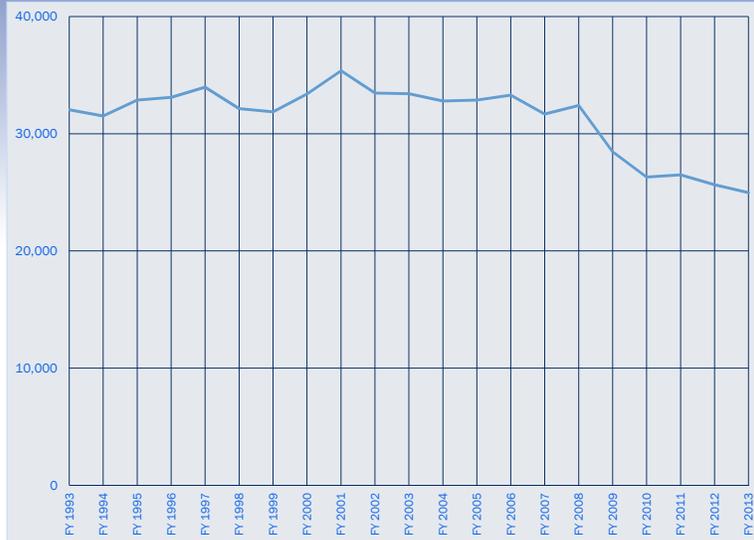
# Overview

- Montana Claim Counts
- State Overview for State OSHA Funding
- Necessary funding needed if State OSHA is implemented
- Assessment Rate affect when implementing a State OSHA



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## Montana Claim Counts All Plans Included



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## State OSHA Funding

	# States	Same Funding As WC	Separate Assessment	Unclear
<b>State Plan OSHA:</b>	25	8	5	12
<b>Federal OSHA:</b>	25	11	1	13

- States often include safety programs in budget calculations because they are in worker's compensation statutes.
  - This is the case for both State and Federal OSHA
- Some states have separate assessments to fund safety programs
- Unclear:
  - Safety programs exist but unclear funding
  - No safety program associated with work comp

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## Estimated Expenditures

### FY 2014 Projected Expenditures

<b>Estimated FY14 Expenditures</b>	
<b>Statutory Program/Admin Expenses</b>	\$5,274,136
Legal, WC Court, Hearings, WC Database, Claims Mediation, Medical Regs Self-Insurance, Carrier Compliance Mine Inspections Computer applications and Websites Financial Management and Accounting	
<b>Authorized Program/Admin. Expenses</b>	<u>\$1,045,779</u>
Public Facility Inspections OSHA On-Site Grant Match MT Safety Culture Act SafetyFests, Outreach and Training	
<b>TOTAL EXPENDITURES</b>	<b>\$6,319,915</b>

### FY 2015 Projected Expenditures

<b>Estimated FY15 Expenditures</b>	
<b>Statutory Program/Admin Expenses</b>	\$5,970,483
Legal, WC Court, Hearings, WC Database, Claims Mediation, Medical Regs Self-Insurance, Carrier Compliance Mine Inspections Computer applications and Websites Financial Management and Accounting	
<b>Authorized Program/Admin. Expenses</b>	<u>\$1,184,090</u>
Public Facility Inspections OSHA On-Site Grant Match MT Safety Culture Act SafetyFests, Outreach and Training	
<b>TOTAL EXPENDITURES</b>	<b>\$7,154,573</b>

\*Amount assessed upon for Authorized Program/Admin Expenses would be \$1,045,779; 50% of total dollar amount needed to offer current services. If State OSHA program is in place, other 50% would be funded through Federal program.

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## FY2014 Safety Assessments

- Safety Assessment Rate – State OSHA = 0.46%  
(0.67% with no State OSHA)
- Safety Surcharge Rate – State OSHA = 0.3208%  
(0.4672% with no State OSHA)

- \*These rates calculated using Medical in Excess of \$400K cap and exclude Plan 3 Old Fund paid benefits

## Safety Assessment on Budget – FY2014

Effect on Self-Insureds (Plan 1)

Self Insured	FY2014 Projected Safety Assessment – No State OSHA	FY2014 Projected Safety Assessment – with State OSHA	Difference between safety assessment when including a State OSHA program
Self Insured 1	\$33,260	\$22,835	(\$10,425)
Self Insured 2	\$42,972	\$29,503	(\$13,469)
Self Insured 3	\$1,962	\$1,386	(\$576)
Self Insured 4	\$0	\$0	\$0
Self Insured 5	\$1,449	\$995	(\$454)

## Assessment on Budget – FY2014

Effect on Plan 2 and Plan 3 Customers

Premium Amount	FY2014 Projected Safety Assessment 0.4672% - No State OSHA	FY2014 Projected Safety Assessment 0.3208% - with State OSHA	Difference between safety assessment when including a State OSHA program
\$1,000	\$5	\$3	(\$2)
\$2,500	\$12	\$8	(\$4)
\$5,000	\$23	\$16	(\$7)
\$10,000	\$47	\$32	(\$15)
\$25,000	\$117	\$80	(\$37)
\$50,000	\$234	\$160	(\$74)
\$100,000	\$467	\$321	(\$146)
\$500,000	\$2,336	\$1,604	(\$732)

## FY2015 Safety Assessments

- Safety Assessment Rate – State OSHA = 0.53%  
(0.86% with no State OSHA)
- Safety Surcharge Rate – State OSHA = 0.3555%  
(0.5768% with no State OSHA)
- \*These rates calculated using Medical in Excess of \$400K cap and including Plan 3 Old Fund paid benefits

## Safety Assessment on Budget – FY2015

Effect on Self-Insureds (Plan 1)

Self Insured	FY2015 Projected Safety Assessment – No State OSHA	FY2015 Projected Safety Assessment – with State OSHA	Difference between safety assessment when including a State OSHA program
Self Insured 1	\$41,307	\$25,456	(\$15,851)
Self Insured 2	\$53,363	\$32,886	(\$20,477)
Self Insured 3	\$632	\$389	(\$243)
Self Insured 4	\$0	\$0	\$0
Self Insured 5	\$1,058	\$652	(\$406)

## Assessment on Budget – FY2015

Effect on Plan 2 and Plan 3 Customers

Premium Amount	FY2015 Projected Safety Assessment 0.5768% - No State OSHA	FY2015 Projected Safety Assessment 0.3555% - with State OSHA	Difference between safety assessment when including a State OSHA program
\$1,000	\$6	\$4	(\$2)
\$2,500	\$14	\$9	(\$5)
\$5,000	\$29	\$18	(\$11)
\$10,000	\$58	\$36	(\$22)
\$25,000	\$144	\$89	(\$55)
\$50,000	\$288	\$178	(\$110)
\$100,000	\$577	\$356	(\$221)
\$500,000	\$2,884	\$1,778	(\$1,106)

## Total Assessment Comparison

Workers' Compensation Assessment and Safety Assessment

FY 2014				
	No State OSHA	State OSHA	No State OSHA (excluding Old Fund)	State OSHA (excluding Old Fund)
Plan 1 Assessment Rate	2.92%	2.71%	3.0%	2.79%
Plan 2 & 3 Surcharge Rate	2.0362%	1.8898%	2.0920%	1.9456%

FY 2015				
	No State OSHA	State OSHA	No State OSHA (excluding Old Fund)	State OSHA (excluding Old Fund)
Plan 1 Assessment Rate	3.45%	3.12%	3.54%	3.21%
Plan 2 & 3 Surcharge Rate	2.3139%	2.0926%	2.3743%	2.1530%

## Summary

- Montana Claim Counts declining with increased safety efforts
- Various funding mechanisms for State OSHA programs
- Per U.S. Department of Labor, Montana could expect 50% of State OSHA funding from Federal Program
- Federal funding of State OSHA program would reduce the assessment needed across all plans

## Questions?