

Where does OSHA get its Money?

By Steven D. High, CSP, ARM, EMT
President High Safety Consulting Services, LTD.

Over the past year or so it has become apparent to me that a rumor is running rampant regarding OSHA's funding mechanism! OSHA is **NOT** self-funded.

I have heard many participants in the safety programs we instruct at ABC, time and time again telling me that they heard that OSHA is now self-funded. It's just not so -- and thank goodness!

Consider, for instance, OSHA's operating budget for 1999 -- \$353 Million. Now compare this to the total dollar federal citations issued in approximately the same time frame (10/98 to 9/99) -- \$90.8 Million.

If we back out the \$80 Million allocated for state programs, federal OSHA would still need to increase it's income (penalties) by three-fold, just to meet budget. In addition, the \$90.8 Million represents the penalties issued. We all know that many of these are reduced through settlement agreements causing the \$90.8 Million to be over-stated from the actual revenue generated by this agency. The math just doesn't work!

In reality the OSHA penalty funds are channeled to the General Fund. This structure was set-up about ten years ago to help reduce the budget deficit (when we had one!). Recently codified was the requirement that CSOs (Compliance Safety & Health Officers) not be evaluated by the number of citations issued. (Although, I am sure there is still an internal awareness of performance in this area).

Perhaps the confusion has developed from some proposals that have come out of the House and Senate on the reorganization of OSHA. A few of these had proposed that OSHA be a self-funded agency. None of these proposals, however, have ever come to pass.

It is true that some states operate their own OSHA program. These states take over the role of federal OSHA with federal OSHA's blessing. A state OSHA program must be at least as stringent as the federal program and may be more stringent (most are). They are also obligated to cover all of the state employees (currently exempt under federal OSHA). OSHA State programs receive funding from the federal government, and are supplemented through state funding.

The OSHA budget for 2000 is \$388.1 Million -- about a 10% increase from 1999. Where are the biggest increases? The largest percentage increases are in Safety and Health Statistics, Administration, and Compliance Assistance. The largest dollar increases are in Compliance Assistance, Safety and Health Statistics and Enforcement.

So now you know, the next time the OSHA inspector shows up at your site, he's not there to cover his salary. Please spread the word, and let's kill this nasty rumor -- lest OSHA hears it and believes that it is a good idea!

**Occupational Safety & Health Administration
Budget**

\$ millions

	1999	2000	% Change
Safety & Health Standards	12.3	13.1	6.50%
Enforcement	133.9	142.2	6.20%
State Programs	80.1	83.5	4.24%
Technical Support	18.2	17.8	-2.20%
Compliance Assistance	45.7	57.8	26.48%
State Consultation Grants	40.9	40.9	0.00%
Statistics	15.2	23.7	55.92%
Executive Direction & Administration	6.7	9	34.33%
Totals	353	388	9.92%

Chart & Data Source: <http://www.osha.gov/media/oshnews/feb99/budgetchart.html>