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Report to the Chairman, Subcommittee on Workforce Protections, Committee on Education and the Workforce, House of Representatives

March 2004

WORKPLACE SAFETY AND HEALTH

OSHA's Voluntary Compliance Strategies Show Promising Results, but Should Be Fully Evaluated before They Are Expanded

GAO-04-378

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OSHA's Voluntary Compliance Strategies Show Promising Results, but Should Be Fully Evaluated before They Are Expanded

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Highlights

Highlights of GAO-04-378, a report to the Chairman, Subcommittee on Workforce Protections, Committee on Education and the Workforce, House of Representatives

Why GAO Did This Study

Because the Occupational Safety and Health Administration (OSHA) can inspect only a fraction of 7 million U.S. worksites each year in its efforts to ensure safe and healthy working conditions, the agency has increasingly supplemented enforcement with "voluntary compliance strategies" to reach more employers and employ its resources most effectively. GAO assessed the types of strategies used, the extent of their use, and their effectiveness. GAO also obtained suggestions from specialists for additional voluntary compliance strategies.

What GAO Recommends

To strengthen OSHA's use of its voluntary compliance strategies, GAO recommends that the Secretary of Labor direct the Assistant Secretary for Occupational Safety and Health to (1) identify cost-effective methods of assessing the effectiveness of OSHA's voluntary compliance programs and (2) develop a strategic framework that articulates the priorities and resource allocations for the agency's voluntary compliance programs before further expanding the use of these strategies.

In its written comments on the draft report, OSHA generally agreed with our findings, conclusions, and recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-04-378.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Bob Robertson at (202) 512-7215 or robertsonr@gao.gov.

What GAO Found

OSHA has implemented four voluntary programs, using a mix of strategies, that have extended its reach to a growing number of employers. For example, one program recognizes more than 1,000 worksites with exemplary records and practices while another focuses on hazardous industries, encouraging more than 200 employers to eliminate serious hazards. The agency plans to significantly expand its voluntary compliance programs over the next few years, although such expansion may tax its limited resources.

OSHA's voluntary compliance programs appear to have yielded many positive outcomes, but the agency does not yet have adequate data to assess their individual and relative effectiveness. Employers and employees at nine worksites we visited attested to reductions in injuries and illnesses and improved relationships with one another and with OSHA. However, the agency has just begun to evaluate its programs and much of its data are insufficient for evaluation. For example, data on one program are inconsistent, making comparisons difficult, and goals for another program are individually developed and not readily measurable. The lack of such data makes it difficult for OSHA to articulate priorities and necessary resource allocations. The additional strategies that researchers and specialists suggested generally fell into four categories: providing more incentives to encourage additional employers to voluntarily improve workplace safety and health; promoting more systematic approaches to workplace safety and health; focusing more specifically on high-hazard, high-injury workplaces; and using third-party approaches to achieve voluntary compliance.

Growth in Voluntary Compliance Programs, 1993 to 2003

Source: OSHA.

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Abbreviations

OSH	Occupational Safety and Health
OSHA	Occupational Safety and Health Administration
SAFE Act	Safety Advancement for Employees Act of 1999
SHARP	Safety and Health Achievement Recognition Program
VPP	Voluntary Protection Programs

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G A O
Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

March 19, 2004

The Honorable Charles Norwood
Chairman, Subcommittee on Workforce Protections
Committee on Education and the Workforce
House of Representatives

Dear Mr. Chairman:

Workplace injuries and illnesses affect millions of workers each year, often changing their lives and reducing employers' profitability through higher costs and lowered productivity. Ensuring safe and healthy conditions at the 7 million U.S. worksites that employ 114 million workers is the responsibility of the Occupational Safety and Health Administration (OSHA). The agency's enforcement program—primarily conducting inspections of employers' worksites—has been the foundation of its efforts to ensure compliance with federal laws and regulations. However, OSHA can only inspect a small fraction of all worksites each year. In 2002, for example, the agency and its state counterparts conducted almost 96,000 inspections. Furthermore, the growth in the number of worksites over time, as well as changes in the workplace, have added to OSHA's challenge. To help meet its responsibilities, the agency has increasingly supplemented its enforcement efforts with "voluntary compliance strategies." These are initiatives in which OSHA invites employers to work cooperatively with the agency to protect the safety and health of workers. While in the past enforcement has been the agency's predominant approach to achieving its mission, voluntary strategies may provide important opportunities to extend the agency's influence.

Given the desirability of reaching additional employers and employing OSHA's resources most effectively, you asked us to provide you with information on (1) the types of voluntary compliance strategies OSHA uses to improve workplace safety and health and the extent to which it reaches employers through these strategies, (2) the effectiveness of these voluntary compliance strategies, and (3) additional strategies that could further OSHA's mission to protect the safety and health of workers. We focused our review on OSHA's four voluntary compliance programs: the

Voluntary Protection Programs (VPP), the State Consultation Program, the Strategic Partnership Program, and the Alliance Program.[1]

To address these objectives, we reviewed the agency's strategic management plan as it relates to these voluntary compliance programs; analyzed budgetary, participant, and other data on program trends; and reviewed the policies and procedures for each program, including data reporting requirements. We reviewed evaluations of OSHA's voluntary compliance programs as well as published research about these programs. In addition, we obtained information about each program from officials at OSHA headquarters and selected regional and area offices. To further our understanding of the Alliance Program, we interviewed representatives from several trade and professional organizations that participate in the program. To further our understanding of the other three programs, we visited participants in three geographically dispersed federal OSHA states that represented different OSHA regions: Georgia, Illinois, and Massachusetts. In each state, we visited three employers—one that participated in the VPP, one in the State Consultation Program, and one in the Strategic Partnership Program. At each of these employers, we interviewed management and members of the safety committee and conducted a focus group of employees not directly involved with safety and health issues. Finally, we interviewed a broad range of researchers and specialists from universities, professional and trade associations, employee and employer organizations, and consulting firms about the implementation and effectiveness of OSHA's voluntary compliance strategies and analyzed their suggestions for additional strategies for voluntary compliance. We conducted our work in accordance with generally accepted government auditing standards between March 2003 and February 2004.

Results in Brief

OSHA has implemented its voluntary compliance strategies through four programs, and compliance assistance activities, that have extended its reach to a growing number of employers. While worksites directly involved in these programs represent a small fraction of the 7 million sites over which OSHA has authority, their numbers suggest an expansion in the number of employers the agency is able to reach through enforcement.

[1]The State Consultation and the Strategic Partnership programs are sometimes referred to by slightly different names. The State Consultation Program is also known as the Onsite Consultation Program and the Consultation Program and the Strategic Partnership Program is also known as OSHA Strategic Partnerships for Worker Safety and Health.

OSHA's four voluntary compliance programs have involved employers both directly and indirectly through trade and professional associations. These programs represent a mix of strategies designed to reach different types of employers, including those that recognize employers with exemplary safety and health practices and programs designed to address serious hazards in workplaces. The State Consultation Program—a state-run, but largely OSHA-funded, program—provides consultations, usually confidentially, to small businesses in high-hazard industries and exempts worksites that meet certain standards from routine inspections. Almost 29,000 consultation visits were made in 2003 as a part of this program. The VPP recognizes employers with exemplary safety records and practices by exempting them from routine inspections. The VPP has grown substantially over the past decade and currently includes over 1,000 worksites. The Strategic Partnership Program encourages employers in hazardous industries to develop measures for eliminating serious hazards. To date, there are more than 200 partnerships. In the Alliance Program, OSHA has collaborated with more than 160 organizations, such as trade and professional associations, to promote better safety and health practices for their members. To support all of its voluntary compliance strategies, OSHA has increased the proportion of resources dedicated to them from about 20 percent of its total budget in fiscal year 1996 to about 28 percent in 2003. The agency also plans to expand its voluntary compliance programs in the future, although national and regional OSHA officials we interviewed acknowledged that doing so would be difficult given the agency's current resources. For example, OSHA plans an eight-fold increase in the number of worksites for the VPP, from 1,000 to 8,000.

OSHA's voluntary compliance programs have reduced injuries and illnesses and yielded other benefits, according to participants, OSHA officials, and occupational safety and health specialists, but the lack of comprehensive data makes it difficult to fully assess the effectiveness of these programs. Participants we interviewed in the three states and nine worksites we visited told us they have considerably reduced their rates of injury and illness. They also attributed better working relationships with OSHA, improved productivity, and decreased worker compensation costs to their involvement in the voluntary compliance programs. However, much of the information on program success was anecdotal, and OSHA's own evaluation of program activities and impact has been limited to date. OSHA currently does not collect complete, comparable data that would enable a full evaluation of the effectiveness of its voluntary compliance programs. For example, OSHA requires participants in the Strategic Partnership Program to file annual reports but does not collect consistent information about each partnership. The agency has begun planning but

has yet to develop performance measures to use in evaluating the programs and a strategic framework that will allow it to set priorities and effectively allocate its resources.

Researchers, safety and health practitioners, and other specialists we interviewed suggested additional strategies for protecting the safety and health of workers, some of which might require legislative changes. Some might help OSHA leverage its existing resources; others could require additional resources to implement. In broad terms, these strategies would (1) provide incentives designed to encourage more employers to voluntarily improve safety and health in the workplace; (2) promote more systematic approaches to workplace safety and health; (3) focus more of OSHA's voluntary efforts on high-hazard, high-injury workplaces; and (4) use third-party approaches to conduct safety and health evaluations or develop voluntary safety and health standards. While these strategies were offered as being potentially useful, the specialists also acknowledged that some could necessitate additional safeguards, oversight, and enforcement. For example, using financial incentives such as tax credits could encourage employers to make safety and health improvements, but they could also entail lost tax revenue and "improvements" whose safety or health outcomes are difficult to substantiate. Furthermore, in its efforts to implement similar strategies in the past, OSHA experienced regulatory and legal challenges that would have to be considered carefully in implementing some of these strategies.

We are recommending that the Secretary of Labor direct the Assistant Secretary for Occupational Safety and Health to strengthen OSHA's voluntary compliance strategies by identifying cost-effective ways of obtaining data for evaluation and by developing a strategic framework that sets priorities and identifies resource allocations among these programs, before further expanding them. We are not making recommendations on any strategies proposed by researchers and specialists we interviewed.

In its written comments on our draft report, OSHA generally agreed with our findings, conclusions, and recommendations. In addition, we received technical comments from OSHA officials, which we incorporated in the report as appropriate.

Background

Congress passed the Occupational Safety and Health (OSH) Act in 1970 to ensure safe and healthy working conditions for every worker in the nation. OSHA has responsibility for enforcing the provisions of the act, including overseeing most worksites, with the exception of some small employers in

low-hazard industries and small farming operations. OSHA has direct enforcement responsibility for about half the states; the remainder have been granted authority for their own enforcement. At present, 22 states have been approved by OSHA to operate their own programs covering all worksites; 4 are approved for covering public sector employee worksites only; and OSHA directly oversees all worksites in the remaining states.[2]

OSHA uses two approaches to ensure compliance with federal safety and health laws and regulations—enforcement and voluntary compliance. Enforcement, which represents the preponderance of agency activity, is carried out primarily by using compliance officers to inspect employer worksites. Worksites and employers whose conditions fail to meet federal safety and health standards face sanctions, such as paying penalties for violations of health and safety standards. In this enforcement capacity, OSHA targets employers for inspection using injury and illness rates for industries and specific worksites. For example, it has targeted the construction industry for inspections because of high injury and illness rates. OSHA also conducts inspections when employers report fatalities or serious injuries and when workers file complaints about serious safety and health hazards. The voluntary compliance approach, in contrast, invites employers to collaborate with the agency and uses a variety of incentives to encourage them to reduce hazards and institute practices that will foster safer and healthier working conditions. Such incentives include free consultations, exemption from routine inspections, and recognition for exemplary safety and health systems.

To participate in voluntary compliance programs, employers must also meet certain requirements, which often include the adoption of some form of safety and health management program—a program that takes a systems approach to preventing and controlling workplace hazards.[3] OSHA has four basic requirements for a safety and health management program:

(1) **Management Leadership and Employee Involvement**—Top-level management must be committed to carrying out written comprehensive

[2]States that are granted authority for their own enforcement are referred to as "state-plan states." Under the OSH Act, "state" is defined to include the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands. *See* 29 U.S.C. §652(7).

[3]OSHA established guidelines for voluntary safety and health programs in 1989.

safety and health programs. Employees must be actively involved in the execution of the program.

(2) **Worksite Analysis**—Employers must have a thorough understanding of all hazardous situations to which employees may be exposed, as well as the ability to recognize and correct these hazards.

(3) **Hazard Prevention and Controls**—The program must have clear procedures for preventing and controlling hazards identified through worksite analysis, such as a hazard tracking system and a written system for monitoring and maintaining workplace equipment.

(4) **Safety and Health Training**—Training is necessary to reinforce and complement management's commitment to safety and health and to ensure that all employees understand how to avoid exposure to hazards.

To keep pace with the increasing demands on OSHA staff to help administer and promote voluntary compliance programs, in 2001 OSHA created the new position of "compliance assistance specialist." According to OSHA officials, funding for this position was authorized in fiscal year 2002. Compliance assistance specialists provide general information about OSHA standards and promote voluntary compliance programs, as well as OSHA's compliance assistance resources, such as training and Web site resources. They also respond to requests for help from a variety of groups and participate in numerous seminars, workshops, and speaking events. Most specialists are former OSHA compliance officers who conducted inspections of employers' worksites. In their new positions, the specialists are not involved in OSHA's enforcement activities. There is one Compliance Assistant Specialist position in each OSHA area office in states under federal jurisdiction, with a total of 65 in fiscal year 2003.

OSHA's strategic management plan identifies particular safety and health problems and industries on which to focus the agency's efforts. In its current 5-year plan for years 2003 through 2008, one of the agency's three goals is to promote a safety and health culture through compliance assistance, cooperative programs, and strong leadership. This goal includes increasing the number of participants in voluntary compliance programs and improving the programs' effectiveness. Another goal is to reduce occupational hazards by, for example, reducing the rate of workplace injuries and illnesses by 5 percent annually. OSHA's third goal focuses on strengthening the agency's capabilities and infrastructure, including improving the agency's access to accurate, timely data, and enhancing its measures for assessing the effectiveness of its programs.

OSHA Has Employed a Variety of Voluntary Compliance Strategies, Which Has Extended the Agency's Reach to a Growing Number of Employers

OSHA's voluntary compliance strategies—four programs plus compliance assistance activities such as education and outreach—have expanded the agency's reach to a growing number of employers. The agency's four programs reach a range of employers and use a mix of strategies. They target both exemplary worksites and hazardous ones, and they influence employers directly by implementing safety and health programs and indirectly through collaboration with trade and professional associations. Some programs offer employers incentives to participate, such as a reduced chance of on-site inspection or special recognition for safety and health programs. Two of the programs were officially introduced in the last decade, adding to the number of participants engaged in voluntary compliance. OSHA plans to dramatically increase the number of employers and organizations participating in voluntary compliance programs. However, OSHA officials expressed concerns that such plans for expansion could tax the agency's limited resources.

Voluntary Compliance Programs Are Designed to Reach a Range of Employers

OSHA's voluntary compliance programs have been implemented incrementally to reach different employers and worksites in various ways. They represent a mix of strategies to help improve workplace conditions (see table 1).[4]

[4]The VPP and Strategic Partnership programs discussed in this report primarily apply to states directly under OSHA authority, known as federal OSHA states. These programs have also been implemented in some state-plan states, although their requirements may vary from those in federal OSHA states. In state-plan states, program safety and health standards, and the enforcement of such standards, must be at least as effective as federal OSHA programs. See 29 U.S.C. §667(C)(2).

Table 1: Summary of OSHA's Four Voluntary Compliance Programs

Program/year established	Target participants	Program description	OSHA oversight
State Consultation Program 1975	Small businesses in high-hazard industries.	Free, usually confidential reviews of employers' worksites to identify hazards and abatement techniques.	Program operates in all states and is run by state governments, but funded mainly by OSHA.
Voluntary Protection Programs 1982	Single worksites typically with injury and illness rates below average for their industry sector.	Recognizes worksites that have safety and health programs with specific features that exceed OSHA standards.	Employers must pass a weeklong on-site worksite review by OSHA personnel. Participants complete yearly self-evaluations. OSHA recertifies worksites every 1 to 5 years.
Strategic Partnership Program[a] 1998	Priority for participation is given to groups of employers and employees in high-hazard workplaces, with a focus on employers working at multiple worksites.	Flexible agreements between OSHA and partners to address a specific safety and health problem.	OSHA conducts verification inspections for a percentage of partner worksites to ensure compliance with the partnership agreement.
Alliance Program 2002	Trade and professional organizations, employers, labor unions, governmental organizations.	Agreements with organizations that focus on training, outreach, and promoting the consciousness of safety and health issues.	OSHA meets quarterly with participants to ensure progress toward alliance goals is being met.

Source: GAO analysis.

[a]While OSHA had partnership agreements prior to 1998, the Strategic Partnership Program was not formalized until that year.

In addition to these formal programs, OSHA conducts other compliance assistance activities, such as outreach and training activities, to aid employers in complying with OSHA standards and to educate employers on what constitutes a safe and healthy work environment.

State Consultation Program

The State Consultation Program, begun in 1975, operates in every state. Its primary focus is to help small businesses employed in high-hazard industries comply with OSHA standards and address their methods for dealing with worksite safety.[5] The agency funds all state governments to carry out the program. In fiscal year 2003, OSHA provided $53 million to state governments. States provide free consultation visits at employers' requests to identify safety and health hazards and discuss techniques for

[5]The State Consultation Program defines a small business as one with fewer than 250 workers at the workplace where the consultation is conducted and no more than 500 workers companywide.

their abatement. In fiscal year 2003, state agents conducted about 28,900 consultation visits.[6] The names of employers receiving consultation visits are kept confidential and separate from OSHA enforcement officials.[7] Depending on an employer's request, a state consultant may conduct a full safety and health hazard assessment of all working conditions, equipment, and processes at the worksite, or he or she may focus solely on one particular hazard or work process. Employers receive a detailed written report of the consultation findings and agree upon a time frame for eliminating the hazards.

Small employers receiving consultation visits may qualify for recognition in the Safety and Health Achievement Recognition Program (SHARP), which exempts them from general, scheduled inspections for 1 or 2 years as models for good safety and health practices.[8] Participants in SHARP must have safety and health programs, which are management programs, in place to prevent and control occupational hazards. In fiscal year 2003, there were 699 SHARP worksites in both federal OSHA states and state-plan states. Although SHARP worksites are exempt from scheduled inspections, they are still subject to inspections resulting from employee complaints and other serious safety and health problems, such as fatalities.

[6]Program data for the State Consultation Programs in this report refer to the states operating State Consultation Programs under section 21(d) of the OSH Act of 1970 (29 U.S.C. 670(d)). These include 48 states, the District of Columbia, Guam, the Northern Marianas, and the Virgin Islands. Kentucky, Washington, and Puerto Rico operate consultation programs under other authority.

[7]Consultation visits are not kept confidential in situations where imminent danger or serious hazards are not corrected as agreed upon or where the employer participates in state's inspection deferral or recognition and exemption program.

[8]Each state operating a State Consultation Program under section 21(d) of the OSH Act must operate a recognition and exemption program, but programs operating in state-plan states may use program names other than SHARP.

Figure 1: Example of a SHARP Worksite

We visited a SHARP worksite that employed approximately 40 workers involved in the manufacture of equipment and facilities used to produce hydrogen. The facility's impetus for joining SHARP was a push from new corporate management that saw the facility's safety processes as not adequate. Additionally, management at the facility was increasingly recognizing that their clients were interested in their safety records and that it was an important means of attracting new work. Since joining the program, the company has undergone significant changes in its safety and health procedures and has made significant improvements to the facility. For example, the facility installed an expensive sprinkler system in a new building on the worksite that was not required by the fire department because of a suggestion made by a state consultant. Although the facility's management did not think the building posed a safety threat to workers, the SHARP status meant enough to them that they chose to install the expensive system. Employees at the facility commented that the SHARP status is a source of pride for them and that employees remind each other about the importance of safety issues.

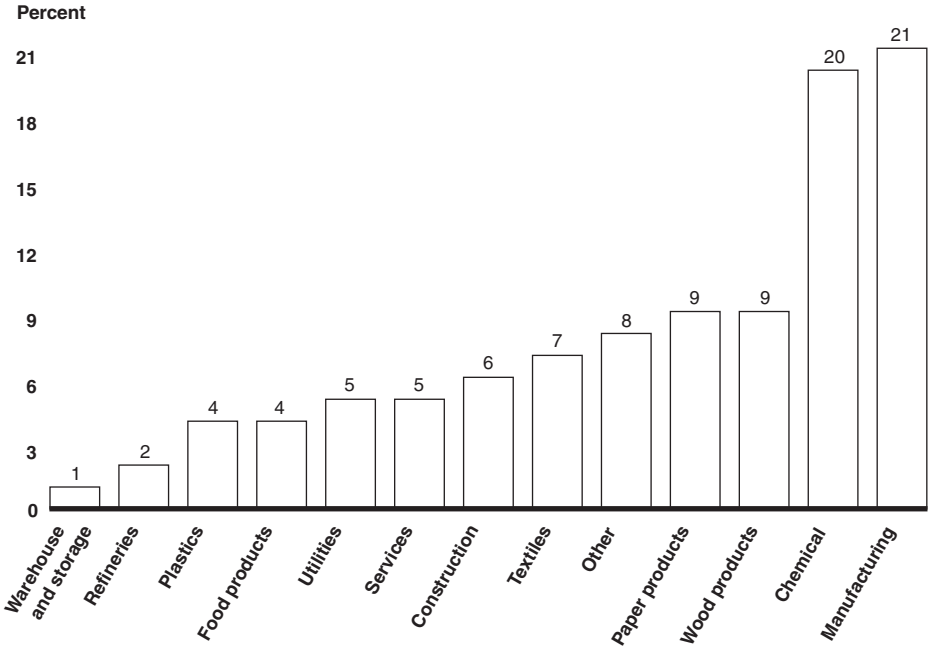
Source: GAO analysis.

Voluntary Protection Programs

The Voluntary Protection Programs, established in 1982, are designed to recognize single worksites with exemplary safety and health programs. As of September 30, 2003, there were a total of 1,024 VPP worksites in both federal OSHA and state-plan states.[9] The manufacturing and chemical industries comprise 21 percent and 20 percent of these recognized worksites, respectively (see fig. 2).

[9]As of February 29, 2004, the number of VPP worksites in both federal OSHA and state-plan states had increased to 1,053 worksites.

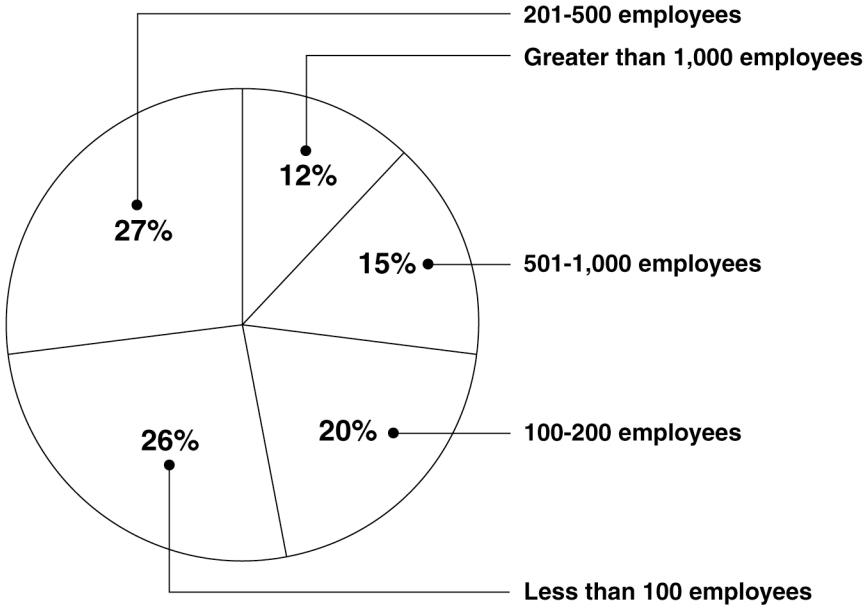
Figure 2: Federal and State-plan State VPP Worksites, by Industry



Source: OSHA.

The majority of VPP worksites in federal OSHA states have more than 200 employees (see fig. 3). While the VPP does not specifically target large businesses, they tend to be the businesses that attain VPP status. According to an OSHA official, this trend is due to the fact that large businesses tend to have staff and expertise available for a comprehensive safety and health program.

Figure 3: Federal VPP Worksites, by Size of Employer



Source: OSHA.

To participate in VPP, employers must have worksites that exceed OSHA standards and they must commit to a process of continual improvement. Employers achieving all VPP requirements are designated as Star VPP worksites, which signifies the highest level of workplace safety and health.[10] As of September 30, 2003, 92 percent of all VPP worksites in federal OSHA states have Star designation.[11] To be eligible for this exemplary status, employers must meet a number of specific requirements for their worksite: (1) worksite injury and illness rates must be below the average rate for their industry sector for at least 1 of the 3 most recent years; (2) a safety and health program must have been implemented and

[10]VPP programs in state-plan states are not required to have the same requirements as the federal VPP.

[11]This percentage refers only to VPP worksites in federal OSHA states. The remaining 8 percent of VPP sites are designated as Merit (7 percent) or Demonstration (1 percent). Merit worksites have not achieved all the necessary requirements for Star by the time of the on-site review, but have demonstrated the potential and willingness to achieve the Star designation. Demonstration worksites are worksites with safety and health programs that meet VPP Star requirements, but they test alternative ways to achieve safety and health excellence that may differ from these requirements. Demonstration worksites may lead to changes in VPP Star criteria.

maintained for at least 1 year; and (3) worksites must undergo and pass a comprehensive review by OSHA personnel, including an on-site review of the facility and interviews with management officials and employees. In exchange for OSHA recognition, VPP worksites are exempt from scheduled enforcement inspections. However, VPP worksites are still subject to inspections resulting from employee complaints and other significant events, such as fatalities.

Figure 4: Example of a VPP Worksite

At a food processing VPP Star worksite we visited, management credited the VPP with reducing employee injuries, helping to decrease workers' compensation premiums by more than $200,000, and creating more trust between employees and management. The facility has been part of VPP for over 4 years and has implemented a safety and health program to alleviate and control workplace hazards. Management acknowledged employee involvement as the key to their successful program. Employees participate in a number of safety and health committees and meet weekly to discuss issues that surface regarding safety and health. Additionally, employees conduct safety and health training courses for other employees and participate in tours of other facilities to acquire new ideas for improving safety and health practices at their worksite. An employee we spoke with said that there have been major changes in employees' and management's attitudes about safety and health since the facility has been part of the VPP program and another employee noted that safety now encompasses almost all aspects of his job.

Source: GAO analysis.

To attract additional VPP worksites and expand the overall program, OSHA has recently announced three new VPP initiatives:

- **VPP Challenge**: a program that will serve as a roadmap to help employers, particularly small employers, achieve VPP status regardless of their current level of safety and health.
- **VPP Corporate**: a program that offers a more streamlined application process for corporations that already have worksites in VPP and want to bring additional worksites into the program.
- **VPP Construction**: a program that builds on information learned at previous VPP demonstration worksites and is designed to make it easier for construction worksites, particularly temporary worksites, to apply for and attain VPP status by, for example, reducing the amount of time that safety and health improvements must be in place.[12]

[12]OSHA plans to pilot both the VPP Challenge and VPP Corporate programs for at least 1 year before formally implementing them. The VPP Construction program is expected to be implemented in fiscal year 2005, according to an OSHA official.

Strategic Partnership Program

The Strategic Partnership Program, formalized in 1998, is designed to help groups of employers and employees working at multiple worksites in high-hazard workplaces to address a specific safety and health problem. As of September 2003, 66 percent of partnerships are construction-related. A partnership agreement sets goals, such as the reduction of injuries, specifies a plan for achieving them, and provides procedures for verifying their completion. Some partnership agreements may also require the development of a safety and health management program and the involvement of employees in carrying out the partnership agreement. The program does not offer exemption from enforcement inspections but does offer other incentives. These include limiting scheduled inspections on only the most serious prevailing hazards, penalty reductions for any hazards cited during an inspection, and priority consideration for the State Consultation Program.

Figure 5: Example of a Strategic Partnership

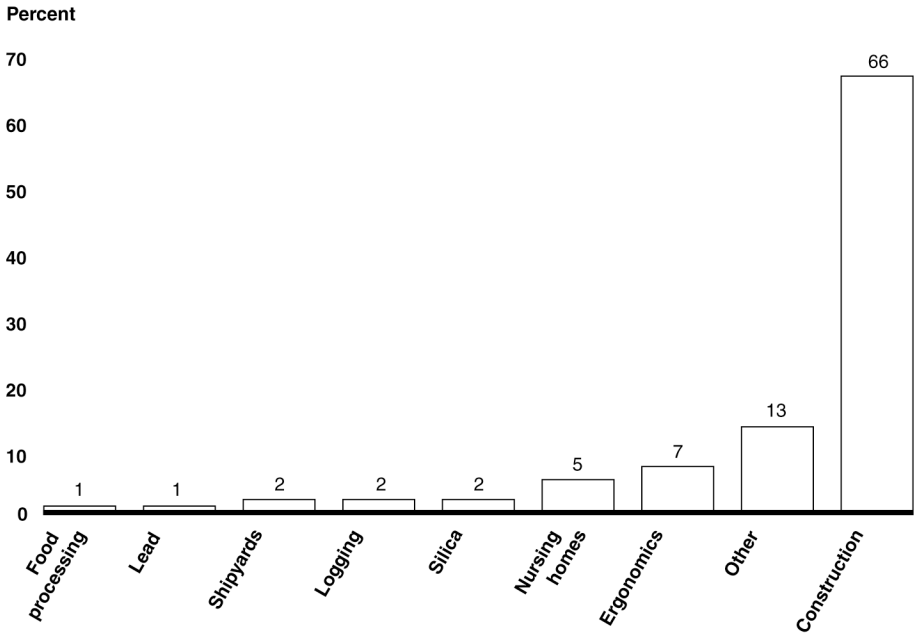
A collection of roofing contractors we visited formed a Strategic Partnership with four OSHA area offices to address hazards in the roofing industry. A partner told us that the partnership improved communication between OSHA and the contractors and allowed them to develop a mutually agreeable solution to a safety and health problem. He noted an example of a kettle used to melt roofing materials that was located on the roof of a high-rise building that caused a fire. As a result of this accident, OSHA prohibited roofing companies from using kettles on roofs to melt roofing materials. The roofers told OSHA that they needed to use these kettles on high-rise buildings to perform their jobs and used the Strategic Partnership as a vehicle to discuss their concerns with OSHA. As a result of these discussions, OSHA and the roofers developed a 10-step plan that allows roofers to put kettles on roofs with some new safety precautions. A partner commented that they intend to continue to use the Strategic Partnership as a way to work collaboratively with OSHA to address future concerns that arise.

Source: GAO analysis.

Partnerships can be developed on an area, regional, or national basis. When a national partnership is established, it must be implemented in all area and regional OSHA offices where a partner has a worksite. For example, the Associated Builders and Contractors created a national Strategic Partnership with OSHA that was implemented at the local level between the association's chapters and area and regional OSHA offices. As of September 2003, there were 205 operating Strategic Partnerships in federal OSHA states, about 87 percent of which represented industries or areas of emphasis in OSHA's Strategic Management Plan (see fig. 6).[13]

[13]As of February 29, 2004, the number of partnerships had increased to 215.

Figure 6: Strategic Partnership Programs in Federal OSHA States, by Industry or Area of Emphasis



Source: OSHA.

OSHA officials attributed the fact that so many partnerships are construction-related to the national partnership with the Associated Builders and Contractors. This partnership provided a template from which other construction partnerships were developed. Additionally, OSHA officials informed us that, because it was originally difficult for construction worksites to enter into VPP, employers in the industry who wanted to enter into a voluntary compliance program with OSHA had tended to form a strategic partnership. While a few strategic partnerships are very large, most participating worksites are small businesses with 50 or fewer employees.

Alliance Program

The Alliance Program targets trade, professional, and other types of organizations to work collaboratively with OSHA to promote workplace safety and health issues.[14] Alliances can be formed through national or

[14]A trade association is an organization made up of individuals and employers in the same industry (e.g., construction, textiles, shipbuilding), whereas a professional association is made up of a number of practitioners employed in a given profession (e.g., safety engineers, industrial hygienists). Educational institutions, businesses, labor organizations, and government agencies may also join the Alliance Program.

regional offices. As of September 2003, approximately 51 percent of OSHA's national alliances were with trade associations and 38 percent were with professional associations.[15] The Alliance Program, which included 100 alliances as of September 2003, is one of OSHA's newest and least structured voluntary compliance programs. In contrast to the other three voluntary compliance programs which typically include safety and health programs at specific employer worksites, alliance agreements focus on goals such as training, outreach, and increasing awareness of workplace safety and health issues. To date, alliances have participated in a variety of activities, such as (1) creating electronic informational tools that have been posted on the OSHA Web site, (2) developing industry-specific voluntary guidelines and training materials, and (3) improving OSHA's training courses. Alliance members are not exempt from OSHA inspections and do not receive any enforcement-related incentives for joining an alliance. Instead, OSHA officials informed us that trade and professional associations have used the Alliance Program as a proactive method of addressing existing and emerging workplace safety and health issues, such as ergonomic issues. As of September 2003, 41 percent of OSHA's national alliances were ergonomic-related. See figure 7 for an example of an ergonomic-related alliance.

[15]As of February 29, 2004, there were a total of 167 alliances—53 national alliances and 114 regional. Of the 53 national alliances, 60 percent were with trade organizations, 20 percent with professional organizations, and 20 percent with other organizations, including individual employers and academic institutions, according to agency officials.

Figure 7: Example of an Alliance

Thirteen different national airlines came together to form an alliance with OSHA to address the ergonomic issues related to baggage handling. A representative of the alliance that we spoke with commented that he saw the alliance as a tool for addressing long-term concerns of the industry, such as, poorly designed airports that lead to ergonomic injuries for employees. He also noted that the airlines believe that by working together it sends a stronger message to airport owners for improved workspaces that will not injure employees. The alliance also has accomplished some shorter-term goals. For example, in September 2003, the alliance revised an electronic information tool on the OSHA Web page that educates airline employees on how to avoid hazards in handling baggage. The tool uses graphics to provide employees with visual training examples of how to properly lift baggage to avoid injury. Other airlines that are not involved with the alliance have expressed an interest in either joining the alliance or learning more about it.

Source: GAO analysis.

Other Voluntary Compliance Efforts

In addition to its voluntary compliance programs, OSHA conducts numerous training and outreach activities on a variety of safety and health issues. These activities augment both the voluntary compliance programs and OSHA's enforcement program, according to OSHA officials. For example, outreach activities can be conducted in relation to inspections, in an attempt to help employers ready themselves for an inspection. The OSHA Training Institute offers 80 courses on a range of safety and health issues, most of which are available to the public as well as to OSHA employees for training. In fiscal year 2003, however, the majority of its almost 5,000 students were OSHA employees. In addition to the Training Institute, OSHA has 33 Education Centers, nonprofit organizations (mostly universities), which have agreements with OSHA to teach 16 of the most popular Training Institute courses. An agency official told us that using these Education Centers around the country has allowed OSHA to greatly expand the amount of nonagency personnel who receive training in safety and health issues. In fiscal year 2003, these centers trained almost 16,000 students, approximately 98 percent of whom were non-OSHA personnel. Through a grant program, the agency also distributes some funds to nonprofit organizations to develop training or educational programs about safety and health issues of current emphasis in OSHA's Strategic Management Plan.[16] In fiscal year 2003, OSHA funded 67 such training grants totaling over $11 million.

[16]These grants, titled the Susan Harwood Training Grant Program, provide funds on a competitive basis to nonprofit organizations to educate workers and employers in small businesses and provide training on new OSHA standards and on hazards identified in OSHA's Strategic Management Plan or in special emphasis programs.

The agency provides outreach to employers and workers in a number of other ways, such as through newsletters, brochures, compact discs, speeches, and conferences. OSHA also mails materials on specific safety and health issues to target audiences. Regional officials we spoke with said that several OSHA staff are called upon to conduct outreach efforts because it requires specialized skills and knowledge of standards. OSHA also works in cooperation the U.S. Small Business Administration's Small Business Development Centers.[17] Additionally, OSHA recently revised its Web site, which provides informational tools and referrals on a variety of safety and health issues. For example, OSHA has a Web service entitled "eTools," which offers detailed graphics about specific worksite hazards, how to remedy them, and how OSHA regulations apply to worksites.

Participation in Voluntary Compliance Has Grown in the Past Decade, and OSHA Plans Dramatic Increases

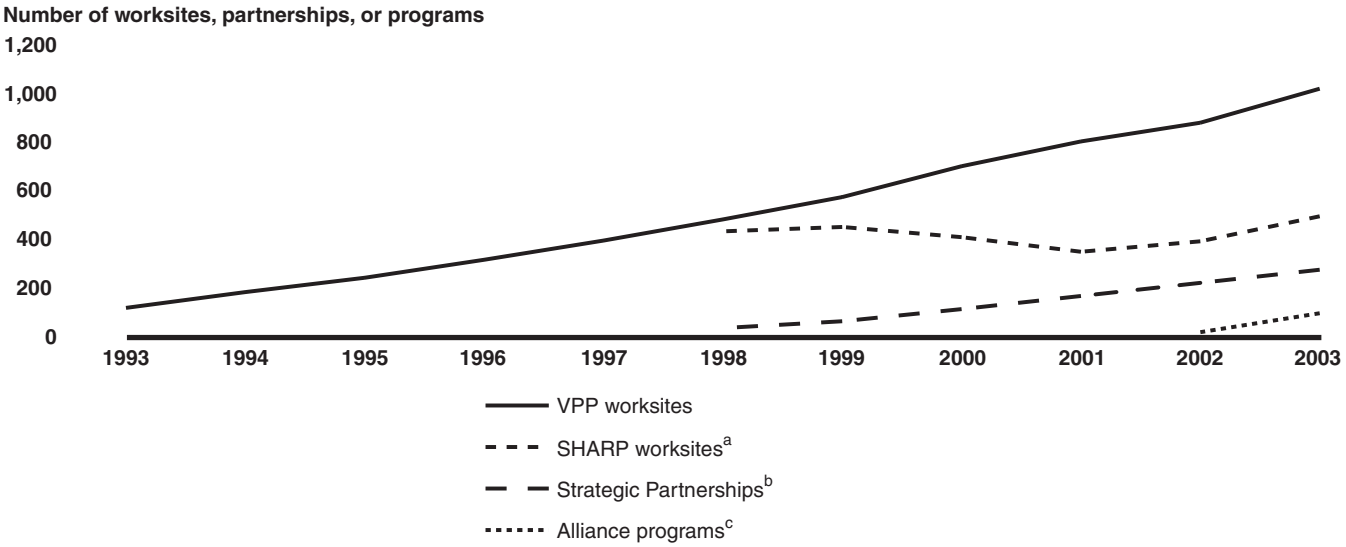
While voluntary compliance strategies directly reach relatively few of the nation's employers, participant numbers have grown since 1998 with the build-up of programs. Also, in the last decade, most of the programs have experienced tremendous growth in the number of employers and organizations that participate.[18] For example, the VPP has increased from 122 worksites in 1993 to 1,024 worksites in 2003, an increase of 739 percent, and the Strategic Partnership Program grew from 39 partnerships in 1998 to 205 existing partnerships in 2003, a 426 percent increase.[19] (See fig. 8.)

[17]These centers, funded partially by the U.S. Small Business Administration, are located throughout the country and provide counseling, training, and technical assistance to assist current or potential small businesses.

[18]According to OSHA officials, the agency's budget for the State Consultation Program limits the extent to which it can expand the number of consultation visits conducted.

[19]The number of students trained by OSHA has increased in the same time period, with the number of students trained more than doubling from 1993 to 2003.

Figure 8: Growth in Voluntary Compliance Programs, 1993 to 2003



Source: OSHA.

[a]Although the State Consultation Program began in 1975, data are only available starting in 1998 for the SHARP consultation worksites because of changes in SHARP's program requirements. Figure 8 represents only SHARP worksites in federal OSHA states.

[b]The number of Strategic Partnerships reflects a cumulative total for federal OSHA states.

[c]Alliances can represent many different employers.

OSHA plans to expand the number of voluntary compliance program participants and its compliance assistance activities and has established strategic goals for doing so. According to OSHA officials, the agency's fiscal year 2004 goals include the addition of 45 new VPP worksites and 50 VPP Challenge worksites, as well as 50 new strategic partnerships and 75 new alliances.[20] Furthermore, OSHA officials have set a target goal of increasing the number of VPP worksites eight-fold—from 1,000 worksites to 8,000 worksites.[21]

[20]These goals represent increases in federal OSHA states; state-plan states are not included in these estimates because they do not follow OSHA's Strategic Plan.

[21]This goal represents new VPP sites in both federal OSHA and state-plan states. OSHA also plans to increase the number of people trained in outreach and training programs by 10 percent per year.

Although it is difficult to quantify, the voluntary compliance programs appear to have extended the agency's influence. For example, through the agency's enforcement program, OSHA and its state partners conducted almost 96,000 inspections in 2002—reaching no more than and probably fewer than 96,000 worksites. The VPP and Strategic Partnership Program in 2003 directly reached some 6,000 employers, who may not have otherwise been selected for OSHA inspections. These two programs, together with the State Consultation Program, covered approximately 2.3 million of the more than 100 million employees under OSHA's oversight. Additionally, although OSHA may not have direct contact with an employer as part of its Alliance Program or training and outreach activities, employers are reached indirectly through the dissemination of safety and health information, which, according to our discussions with Alliance participants, has helped employees learn about workplace safety and health issues.

OSHA's Expansion of Voluntary Compliance Programs May Tax Its Limited Resources

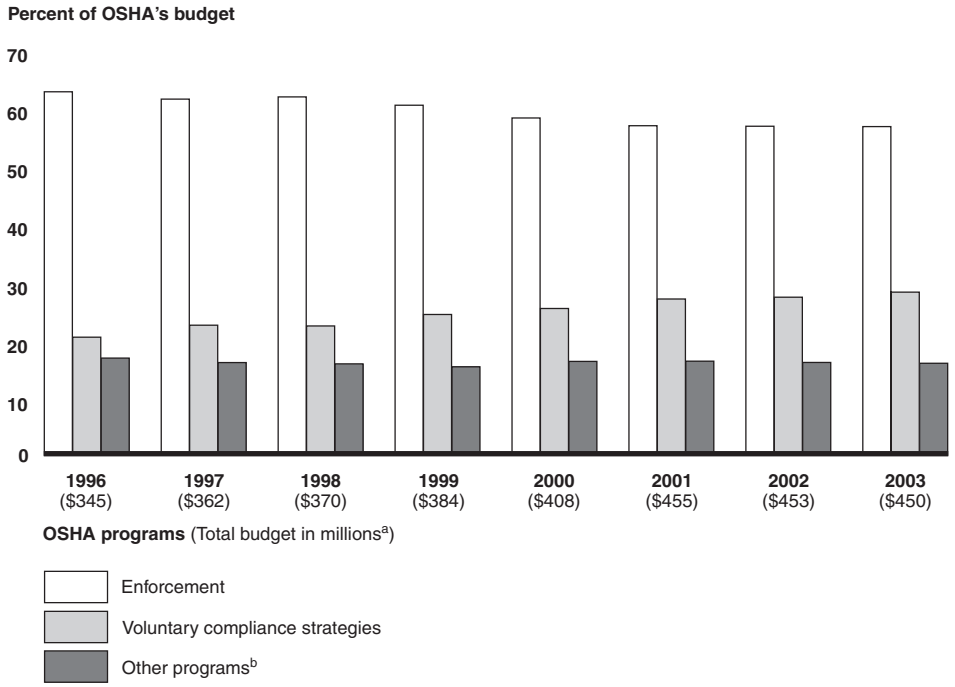
The resources OSHA devotes to its voluntary compliance strategies consume a significant and growing portion of the agency's limited resources. In fiscal year 2003, OSHA executed its numerous programs under a $450 million budget. The agency spent $126 million on its voluntary compliance programs and compliance assistance activities—approximately 28 percent of its total budget—and about $254 million, about 56 percent of its budget, on enforcement activities.[22] The percentage of resources dedicated to voluntary compliance programs and compliance assistance activities has increased by approximately 8 percent since 1996, when these programs represented about 20 percent of the agency's budget.[23] During this same period, the proportion of resources OSHA dedicated to its enforcement activities fell by 6 percent, from about 63 percent to about 56 percent of the agency's total budget, although the total funds devoted to enforcement have remained fairly constant because of

[22]Of the $254 million devoted to enforcement activities, $91 million was given to state-plan states to administer their safety and health programs. These states use a portion of these funds to carry out compliance assistance activities. In addition, some resources that are devoted to other programs, such as technical support, are used for compliance assistance activities.

[23]Although OSHA changed the way in which it accounts for its budgetary resources in fiscal year 1997, we obtained actual budget values for fiscal years 1996 and 1997 from the Budget of the U.S. Government for fiscal years 1998 and 1999, respectively, which took into account these changes.

increases in OSHA's total budget over this period.[24] In addition, enforcement efforts, as measured by the number of inspections, have remained constant or increased slightly each year, according to agency officials. While it cannot be determined that resources were directly redistributed from enforcement to compliance assistance activities, funding for OSHA's other programs remained relatively stable, with only small increases or decreases in funding since 1996 (see fig. 9).

Figure 9: Use of OSHA's Budget for Fiscal Years 1996 to 2003, by Program



Source: GAO analysis.

Note: The budget values in this figure represent actual values for fiscal years 1996 through 2003. In fiscal year 1997, OSHA changed the way in which it accounts for its budgetary resources. However, we obtained actual budget values for fiscal years 1996 and 1997 from the Budget of the U.S. Government for fiscal years 1998 and 1999, respectively, which took into account these changes.

[24]While the average yearly growth in the funds budgeted for OSHA's enforcement activities from 1996 to 2003 was about 2.5 percent, the average yearly growth in funds for voluntary compliance strategies for the same period was over 9 percent.

[a]Dollars were adjusted to 2003 values using the Gross Domestic Product (GDP) Price Index. The GDP Price Index was recalculated to make 2003 the base year by dividing the index for a given year by the 2003 index. For example, to calculate the index using a base year for 2003, the formula to recalculate 1991 is (0.8430/1.0585).

[b]"Other programs" includes "Safety and Health Standards," "Technical Support," "Safety and Health Statistics," and "Executive Direction and Administration."

Notwithstanding their voluntary nature, all of OSHA's voluntary compliance programs require agency oversight to ensure that participants comply with requirements or agreements and this growing administrative responsibility requires concerted agency resources. For example:

- To certify a worksite as a VPP worksite requires a comprehensive on-site review that usually lasts 1 week and involves approximately three to five OSHA personnel. In contrast to the SHARP on-site review, VPP employers use their own resources to implement their safety and health programs and the program must be functional before OSHA personnel come to the worksite to conduct the on-site review for Star approval. Additionally, OSHA reviews participants' yearly self-evaluations to ensure that injury and illness rates have not increased beyond program requirements and any changes that have been made to the safety and health program. Furthermore, VPP worksites must be recertified every 1 to 5 years, depending on their VPP designation. A VPP worksite recertification involves an additional on-site review by OSHA personnel, similar in duration and comprehensiveness to the original on-site review.

- In the Strategic Partnership Program, OSHA conducts verification inspections for a percentage of partner worksites to ensure that partners are abiding by the partnership agreement.

- The Alliance Program involves quarterly meetings with Alliance members to ensure progress towards alliance goals are being met. Additionally, OSHA training staff reviews all alliance training materials to ensure their accuracy with OSHA standards.

Furthermore, while the State Consultation Program is run by the states, OSHA largely funds the program, and its plans to expand the SHARP program will require additional agency resources and oversight on the part of state consultants. State consultants must work closely with employers to help them improve and implement their safety and health programs because most small employers do not have the resources necessary to attain SHARP status on their own. The consultant also must conduct a one-or-more day on-site review of the worksite to ensure that the employer has addressed all workplace hazards and properly implemented a safety and health program. Additionally, SHARP worksites are

reevaluated every 1 to 2 years, depending on the amount of time a worksite has been in the program and the recommendation of the state consultant. These reevaluations require another on-site review of the worksite by the state consultants.

Expansion of OSHA's voluntary compliance programs as planned will further require such resources, particularly for the oversight of a much larger number of program participants. According to national and regional OSHA officials we spoke with, expanding the voluntary compliance programs to the intended levels will be difficult given OSHA's current resources, and some expressed concern that too much expansion of some programs may compromise program quality. Of particular concern to them, they said, has been the agency's continued focus on increasing the number of VPP worksites. Several regional officials—whose offices are responsible for conducting on-site reviews—said that increasing the number of VPP worksites would strain their resources because of the number of staff required to conduct reviews of new worksites and re-certifications of existing worksites.

To date, regional offices have been creative in their methods of handling the increasing number of participants in voluntary compliance programs. For instance, the offices have relied increasingly on the use of the Special Government Employee Program and the Mentoring Program, both a part of the VPP. The first allows employees from VPP worksites, at the expense of their employers, to assist OSHA employees in conducting on-site reviews. OSHA uses the Mentoring Program to match VPP candidates with VPP employers, who assist the candidates in improving their safety and health programs and preparing for the on-site reviews. These two programs allow OSHA to leverage its resources by using employees at VPP worksites to assist OSHA in carrying out the responsibilities involved in operating the program, decreasing the number of OSHA personnel needed.

While several regional OSHA officials said these strategies have allowed them to manage the increase in VPP applicants, they are unsure how many more they can accommodate without obtaining additional resources.

Voluntary Strategies Appear to Have Many Positive Outcomes, but the Absence of Comprehensive Data Limits Assessment

While OSHA's voluntary compliance strategies have increased the number of worksites the agency reaches, and participants and others have provided enthusiastic testimony regarding their ability to foster better safety and health practices, the lack of comprehensive data on the outcomes of the programs has hindered our ability to assess their effectiveness. Employers we visited said their participation had reduced injury and illness rates, which in turn had lowered their workers' compensation costs. These employers and many employees we interviewed also credited OSHA's voluntary compliance programs with improving employee-management relationships and their relationships with the agency. However, although OSHA has begun to collect data on the impact of some of its voluntary compliance programs, it does not yet have the data needed to assess the effectiveness of these programs, or make decisions about how to allocate its resources among the programs.

Participants, OSHA Managers, and Specialists Cited Reduced Injuries and Illnesses and Other Benefits

The employers and employees at the worksites we visited, OSHA officials, and researchers and occupational safety and health specialists identified many benefits of OSHA's voluntary compliance programs.

Reduced Injuries and Illnesses for Participating Employers

The most commonly cited benefit of participating in OSHA's voluntary compliance programs was the reduction in the number and rate of injuries and illnesses. All nine employers we visited[25] reported that the number of injuries and illnesses at their worksites had declined since they began participating in the programs. For example, one VPP site in the paper industry reported that it typically had 12 to 14 accidents that resulted in injuries each year before working toward VPP approval, but that the worksite has reduced that number to 5 accidents or fewer in the last 3 years. Another participant, a partnership comprising eight nursing homes, reported in its annual evaluation that the injury and illness rate for its second year of participation had decreased 27 percent. OSHA, based on

[25]We visited employers participating in OSHA's voluntary programs in Georgia, Illinois, and Massachusetts. In each state, we visited three employers—one that participated in the VPP, one in the State Consultation Program, and one in the Strategic Partnership Program. At each of these employers, we interviewed management officials and members of the safety committee, and we also conducted a focus group of employees not directly involved with safety and health issues. The nine employers we visited were from the manufacturing, construction (both roofing and steel erection), transportation (aircraft maintenance), healthcare (nursing home), and food (meatpacking) industries. The number of employees at the worksites ranged from about 30 employees to almost 3,000 employees.

limited analysis of VPP sites' annual injury and illness data, reported that participating employers that had effectively implemented workplace safety and health programs had significantly fewer injuries and illnesses—54 percent fewer—than comparable worksites in the same industries that had not implemented such programs.

Lower Costs

A second benefit of voluntary compliance programs is decreased costs to employers, primarily through reductions in workers' compensation premiums.[26] Employers at the sites we visited reported that they had seen significant decreases in their workers' compensation costs. For example, a meat packaging facility we visited estimated workers' compensation costs savings of about $200,000 during the period in which it had been involved with VPP. In addition to lowered workers' compensation costs, employers commented that improvements in safety and health had reduced employers' cost of lowered productivity that resulted from employees missing work because of injuries and illnesses. Although OSHA has information on its Web site on how reducing injuries such as by implementing safe procedures can save employers money, it does not include information on specific industries. OSHA officials told us that, although the experiences of some companies in saving money through safety improvements could be helpful to other employers, some companies are reluctant to share their data on cost savings with OSHA. However, the agency is developing some of the information through its Alliance Program. For example, the objectives of one alliance with a health care company include developing and incorporating materials into business school curricula that communicate the business value and competitive advantages associated with implementing comprehensive safety and health programs in the workplace.

Improved Relationships with OSHA and between Employers and Employees

According to employers and employees at worksites we visited, voluntary compliance programs also improved their relationships with OSHA and improved the relationships between management officials and employees. At every worksite we visited, representatives told us they were very comfortable with interacting with OSHA. Some spoke of a change from fearing OSHA's visits to seeing them as helpful. For example, management officials at a steel erector company commented that, before their partnership, management did not want to talk to OSHA and dreaded its visits whereas, after participating in the partnership, they have a good

[26]The reduction in workers' compensation premiums is closely linked to the reduction in injury and illness rates, since these costs are based on employers' injury and illness rates.

relationship with OSHA staff. Several representatives at the worksites we visited also commented that they now regularly call OSHA for answers to safety problems. Some employees at the sites also commented that they have seen improved relationships with OSHA. For example, the union president at a VPP site said that, as a result of the close interaction with OSHA staff during the VPP approval process, he feels comfortable calling OSHA directly to discuss safety and health issues.

Similarly, employees and employers at several worksites gave examples of how their participation in these programs resulted in improved relationships between management and employees. One safety director for a union involved in a partnership said that after some workers were fired for not complying with safety rules, they came to the union looking for support, but because of the involvement of the union in the partnership, the union supported the disciplinary action. Both management and employees recounted how important working together was during the approval process and how those efforts have continued in order to maintain their participation in the programs, often through team meetings and safety committee meetings.

Increased Responsibility for Safety by Management and Employees

Employers and employees at the workplaces we visited also reported a shift to a safety culture in which they all take responsibility for safety, thereby contributing to improved productivity, morale, and product quality. At all the sites we visited, employees spoke of being empowered to remind others to comply with safety requirements. Several described a shift in attitude from noncompliance to one in which good safety procedures, such as wearing appropriate personal protective equipment and inspecting equipment, were ingrained in daily activities. They also said that they felt good that management had made the additional investment in safety. In addition, management officials at several sites said that this increased attention to safety had benefited their firm in other ways. Some mentioned that others using their services reviewed the company's safety records or training, and that the company's recognition as an exemplary site gave them a competitive advantage. For example, management officials at one SHARP site whose workers construct facilities on their clients' worksites said that the SHARP certification helped the company continue to get contracts for projects. At one VPP site, management representatives also told us that participation had brought an improved workplace ethic where employees felt management cared about them, lower absenteeism rates, and a more disciplined approach to work.

Safety and Health Improvements for Nonparticipating Employers

In addition to the more anticipated benefits of improving injury and illness rates and reducing employers' costs, participants commented that VPP, SHARP, and Strategic Partnership Program participants played a role in influencing other employers to implement good safety and health practices. A key component of VPP is outreach to other firms, and representatives at all three VPP sites we visited spoke of mentoring to others in their industries. For example, one site hosted a VPP Day to encourage others within its industry to participate in the program. Interestingly, one of the VPP sites we visited had been encouraged by other VPP sites to participate in the program. Participants in the Strategic Partnership Program and SHARP sites we visited also reached out to others within their industry, informing them of the value of good safety and health practices and encouraging their participation in OSHA's voluntary compliance programs. Some specialists with whom we spoke commented on the value of this aspect of the programs, although one noted that the mentoring focus should be on improving employers' safety and health practices, not on helping employers complete the program application paperwork.

Employers participating in these programs also sometimes influenced other employers' practices by requiring them to meet certain standards if they were working on the participating company's premises or to qualify as one of the company's subcontractors. In some cases, they also reported that other companies sought them out as suppliers and contractors because of their good safety records. OSHA officials also noted that participation in voluntary compliance programs could influence those companies' suppliers and contractors to improve their safety. For example, they told us that many construction contractors now require their subcontractors to have insurance rates below a certain level—rates that are based on their injury and illness rates.

Improved Safety and Health for Small Employers

Several participants and specialists reported that the State Consultation Program, Alliance Program, and OSHA's outreach and training help inform small employers—who typically have less in-house expertise to address safety and health issues—about how to make safety and health improvements. The State Consultation Program, which is designed to provide guidance on specific problems or, more generally, employers' health and safety management programs, is targeted to small employers. The three sites we visited that utilized this program had initially sought consultations because they needed expert advice on safety and health practices that was not available from their own staff. According to several specialists, the Alliance Program also connects with small businesses by working through the trade associations that they participate in, because

the associations build on already existing relationships. In addition, the OSHA regional offices we visited had used several outreach approaches to reach out to small employers, for example, a free forum where small contractors could learn the proper use of cranes and scaffolding. Similarly, one of OSHA's area offices provided employers training courses at the local Small Business Development Center on OSHA's requirements—including its record-keeping requirements—and how good safety and health practices can save them money. Regional offices have also developed newsletters for employers in specific industries, such as a letter and accompanying compact disc on electrical hazards provided by one office to electrical contractors.

Although we saw evidence of OSHA's efforts to reach more small businesses, several specialists said OSHA should include more small businesses in voluntary compliance program activity. A representative from a national employers association commented that smaller employers fear OSHA because they do not know what to expect when the agency goes into a business, even if for compliance assistance activities. Several specialists with whom we spoke noted that smaller businesses might not be aware of the voluntary compliance programs that are available. A representative from an insurance company who addresses risk management regularly commented that smaller worksites, particularly those that change locations frequently such as sites in the construction and roofing industries, are more likely to have safety problems.

Because OSHA Has Just Begun to Collect and Analyze Data on Its Voluntary Compliance Programs, Their Effectiveness Cannot Be Fully Assessed

OSHA currently lacks the data needed to fully assess the effectiveness of its voluntary compliance programs. Developing outcome measures is difficult, particularly when factors other than program participation can affect key indicators such as injury and illness rates. However, agencies are required to develop such measures and it is especially important for OSHA, given its limited resources, to be able to evaluate the effectiveness of these programs.[27] Currently, OSHA does not collect complete, comparable data needed to measure the value of its programs, including their relative impact, resource use, and effect on the agency's mission. In OSHA's current strategic management plan, one of the agency's three goals includes increasing the number of participants in voluntary

[27]Since the enactment of the Government Performance and Results Act of 1993, federal agencies have been increasingly required to focus on achieving results and to demonstrate how their activities help achieve agency goals.

compliance programs and improving the programs' effectiveness. Another goal includes improving the agency's access to accurate, timely data, and enhancing its measures for assessing the effectiveness of its programs. However, OSHA has not yet developed a comprehensive strategic framework that articulates how the programs fit together in accomplishing the agency's goals or how its resources should be allocated among the various programs. While OSHA or its state representatives ensure that voluntary program participants are complying with the programs' requirements, and often obtains some information on program effectiveness, such as data on injuries and illness, it does not assess the overall impact of the programs on worksites' safety and health.

Currently, OSHA's assessments of each program are at a different stage of development and the approaches vary:

- **VPP**—Presently, OSHA's analysis of the program is limited to reviewing VPP sites' annual injury and illness rates in the years immediately before they are approved for the program. However, because worksites often make safety and health improvements over a longer period in anticipation of their participation in the program but before they are approved, the rates OSHA reviews may not reflect changes in injury and illness rates from improvements made as a result of their participation. To assess the impact of VPP, OSHA contracted with a private firm in October 2003 to conduct an evaluation of the changes in participating employers' injury and illness rates resulting from the program. The evaluation, to be completed in September 2004, will evaluate the impact of VPP from the point at which employers decide to apply for VPP until they are designated a VPP site. It will also determine the impact of VPP on other worksites through participating employers' outreach and mentoring efforts and provide data on dollars spent by VPP sites on safety and health programs and cost savings from reduced workers' compensation costs. However, because VPP does not require applicants to provide data on their injury and illness rates for the years prior to participation, OSHA will still be unable to systematically assess whether improvements in their injury and illness rates resulted from program participation.

- **State Consultation Program**—OSHA has been assessing possible approaches for obtaining data on these programs, but it has been difficult because of the confidentiality that state programs provide to program participants. In an October 2001 report on the program, we suggested that

OSHA collect additional data to use in evaluating its impact.[28] In 2002, an OSHA-sponsored evaluation of the program concluded that the program resulted in some positive outcomes, including that participating worksites (1) were cited for fewer serious violations if inspected by OSHA within 2 years of the consultation visit and (2) had larger average declines in lost workday injury and illness rates than other worksites.[29] The report, however, noted that factors other than the consultation program might have contributed to these positive outcomes and that further analysis, particularly the long-term effects of the program, would require the collection of more data. OSHA attempted to collect such information through a data initiative it uses to obtain information on the impact of its enforcement efforts.[30] However, in 2002, the Office of Management and Budget denied OSHA permission to extend this data collection effort to collect data from all employers, including those with less than 40 employees. These employers represent a significant portion of the employers that participate in the State Consultation Program, but are not presently addressed in the data initiative.

- **Strategic Partnership Program**—Currently, OSHA requires program participants to file annual evaluation reports. However, according to an OSHA-requested study of reports submitted through September 30, 2002, the agency did not collect consistent information from partnerships or use common performance measures.[31] For example, some partnerships did not submit evaluation reports, while others provided incomplete or inconsistent information because OSHA allowed participants to select the types of data reported. Similarly, the U. S. Department of Labor's Office of Inspector General, which also assessed the program, reported in September 2002 that there was insufficient information on five of the nine

[28]U.S. General Accounting Office, *Workplace Safety and Health: OSHA Should Strengthen the Management of Its Consultation Program*, GAO-02-60 (Washington, D.C.: Oct. 12, 2001).

[29]John Mendeloff, Ph.D, and Wayne Gray, Ph.D, *Evaluation of the OSHA Consultation Program*, report prepared for the OSHA Office of Program Evaluation and Audits (Lexington, Mass.: July 2002).

[30]OSHA collects occupational illness and injury information through the OSHA Data Initiative from employers within specific industries and size categories. The information is used to identify and target agency interventions to those employers who have serious workplace problems.

[31]TATC Consulting, *Evaluation of the OSHA Strategic Partnership Program*, (Prepared for the Office of Partnerships & Recognition, Directorate of Cooperative and State Programs, OSHA) (Washington, D.C.: Feb. 14, 2003).

partnerships it analyzed to evaluate their impact.[32] For example, one partnership only provided data on injuries and illnesses for 25 of its 222 participants. In response to these studies, OSHA officials said that they were obtaining comments on a revised format for these reports that would include common data elements for all partnerships and that OSHA would then be able to establish a new database designed to track consistent measures across partnerships. The revised format for the partnership reports will be available in Spring 2004, according to an OSHA official.

- **Alliance Program**—Goals for each alliance are individually developed and are often not readily measurable. Currently, OSHA monitors goals and accomplishments of individual alliances by participating in quarterly meetings and preparing annual evaluations. OSHA officials told us that OSHA has not yet developed an evaluation approach for the national program. Several individual Alliance Program representatives from alliances established in 2002 told us that they have not established a system for assessing the impact of their alliances, and some commented that this would be difficult, given the nature of their goals. For example, one alliance's goals are to provide information and guidance to help protect employees' safety and health—particularly from hazards likely to result in amputations and ergonomic hazards—and to provide training to employers to help identify and correct these hazards. While the alliance has provided information to employers and workers on its Web sites, and has developed and provided training, it is difficult to determine the impact of the alliance since companies also implement safety and health improvements on their own.

[32]U.S. Department of Labor, Office of Inspector General, *Performance Audit of Strategic Partnership Program, Occupational Safety and Health Administration, for the Period January 1, 1995 through February 28, 2002*, Report No. 05-02-007-10-001. (Washington, D.C.: September 2002).

Researchers and Other Specialists Suggested a Variety of Additional Voluntary Compliance Strategies

Researchers, safety and health practitioners, and other specialists we interviewed suggested a variety of additional strategies for voluntary compliance, some of which might require legislative changes.[33] Some strategies might help OSHA leverage its existing resources and others suggest the need for additional resources. The strategies that researchers and specialists proposed generally fell into four categories: (1) providing more incentives to encourage additional employers to voluntarily improve safety and health in the workplace; (2) promote more systematic approaches to workplace safety and health; (3) focusing more specifically on high-hazard, high-injury workplaces; and (4) using third-party approaches to achieve voluntary compliance. While these strategies could be potentially useful and effective, according to specialists, they could also entail the need for safeguards, oversight, and enforcement. (See table 2.)

[33]To obtain additional suggestions for voluntary compliance, we drew upon the expertise of a range of people knowledgeable about occupational safety and health issues, seeking a balance of perspectives. These included academic researchers who had conducted studies for or about OSHA; practitioners from safety and health professional associations; current and former state-plan state administrators of occupational safety and health programs; specialists representing employer organizations; and union representatives representing employee perspectives. In selecting those we interviewed for these discussions, we examined literature from the field and considered those who had conducted evaluations or published research on OSHA programs or who had participated in GAO expert panels on worker protection and workforce issues.

Table 2: Additional Voluntary Compliance Strategies

Strategy suggested	
I. Provide more incentives for employers to make safety and health improvements.	• Develop and publicize industry-based information on the financial benefits of improving workplace safety and health. • Encourage state workers' compensation programs and private insurers to consider participation in voluntary compliance programs when calculating premiums. • Offer tax credits or other incentives to employers for making capital and other improvements to safety and health. • Publish injury and illness rates for worksites with poor safety and health records.
II. Promote more systematic approaches to workplace safety and health.	• Encourage employers participating in voluntary programs to influence their contractors and suppliers to make safety and health improvements. • Require certain employers to have safety and health management programs. • Require employers to have an employee-management safety committee.
III. Focus more on high-hazard, high-injury workplaces.	• Focus voluntary efforts on high-hazard, high-injury workplaces. • Allow employers with high injury and illness rates to choose between likely inspection and cooperative approaches.
IV. Use third-party approaches to achieve voluntary compliance.	• Support the development of a voluntary national or international standard for workplace safety and health. • Allow employers to use private consultants certified by OSHA to conduct worksite safety and health evaluations, in return for incentives such as a limited exemption from future inspections or reduced civil penalties.

Source: GAO analysis of suggestions made by academic researchers, safety and health practitioners, and other specialists.

Provide More Incentives for Employers to Make Safety and Health Improvements

Specific suggestions for additional financial incentives included (1) providing information to employers on the possible financial and other benefits of improving safety and health, (2) encouraging the use of workers' compensation incentives for employers that participate in OSHA's voluntary compliance programs, and (3) creating tax incentives for improvements. Another suggestion was to deter employers from continuing poor safety and health practices by publishing injury and illness rates for such worksites.

- **Develop and Publicize Information on Financial Benefits**—To counter employer assumptions that safety and health improvements would necessarily be costly, some specialists called for the agency to develop and publicize more industry-specific data about the financial and other benefits possible by investing in safety and health improvements. OSHA provides general information about the direct and indirect costs of injuries and illnesses on its Web site and is working to develop more industry data

through its alliances and other voluntary programs.[34] As useful as industry-specific information might be, especially to small employers, such proprietary data are difficult to obtain and expensive to develop, according to specialists. Developing this information might also be a better role for industry than for government. In addition, improving safety and health could cost employers more money, not less.

- **Encourage Workers' Compensation Incentives**—OSHA could encourage state programs and private insurers to consider employers' participation in voluntary compliance programs when they calculate premiums for employers.[35] Such incentives could include, for example, reductions in employers' insurance premiums or credits for participation. For many employers, the possibility of achieving lower insurance premiums could be a significant motivator for improving workplace safety and health. However, because each state has its own laws governing workers' compensation programs, it could prove challenging to create such financial incentives.[36] Furthermore, although some insurers offer rate reductions to employers that participate in OSHA's voluntary compliance programs, according to OSHA officials, the agency's other attempts to work with insurers have not succeeded because they did not want to have clients perceive them as an agent of OSHA.[37] Figure 10 describes the relationship between workers' compensation and occupational safety and health programs in two states.

[34]For example, see http://www.osha.gov.Publications/JSHQ/fall2002html/safety_health.htm and http://www.osha.gov/dcsp/smallbusiness/safetypays.html.

[35]Workers' Compensation laws are designed to ensure that employees who are injured or disabled on the job are provided with fixed monetary awards, eliminating the need for litigation. Workers are generally protected through state statutes. Federal statutes provide protection for federal employees and certain occupational classes.

[36]OSHA officials said that the reason for this is that the OSH Act may not displace or affect "in any manner" any state workers' compensation law. *See* 29 U.S.C. §653 (b)(4).

[37]OSHA has an alliance with one private insurer and has involved insurers in several partnerships.

Figure 10: Links between Occupational Safety and Health and Workers' Compensation Programs in Oregon and California

Some state-plan states, such as Oregon and California, have close links between their workers' compensation programs and the state's occupational safety and health program, especially in the sharing of data. In both states, the occupational safety and health program is under the same department as the workers' compensation program. In Oregon, the two programs also share the same data system, which allows the state to access workers' compensation claims data and to focus the state's inspection and consultation resources on hazardous industries and workplaces. In California, the occupational safety and health division similarly uses workers' compensation data to encourage employers with high accident and illness rates to seek consultations. To fund these targeted consultations, California also passed a special assessment on its workers' compensation program for such employers, with sliding fees based on the size of their payroll.

Source: GAO analysis.

- **Offer Tax Incentives for Capital and Other Improvements**—Tax incentives, which would require changes in the tax code, may be especially useful for helping small employers who might lack resources make safety and health improvements. Having a tax incentive also signals to businesses that the government values such investments in safety and health. However, distinguishing business purposes from safety and health purposes can be difficult with tax incentives. Tax incentives could also tend to favor capital-intensive solutions to safety and health problems—such as the purchase of equipment—rather than behavioral or systematic solutions. They may also subsidize improvements that employers might have made in any case. Finally, in addition to the potential for manipulation, using tax incentives could entail lost tax revenues, without OSHA knowing their impact on safety and health.

- **Publish Injury and Illness Rates for Employers' Worksites**—Gathering and publishing the injury and illness rates for employers' worksites could build on market incentives to pressure employers to change their practices.[38] For example, a subcontractor might find it difficult to obtain a contract because of liability concerns if it were known that the company had a high rate of workplace injuries. Right now, OSHA publishes the names of about 3,200 worksites identified through its site-specific targeting program as having high rates of injuries and illnesses,

[38]One federal agency that uses such an incentive is the Environmental Protection Agency, which publishes annually the top 10 facilities by industry that have the largest total toxic chemical releases. The agency credits its Toxics Release Inventory—a national database that identifies facilities; chemicals manufactured, processed, and used at these facilities; and the annual amounts released—with influencing industries to reduce their chemical releases.

but it does not publish the actual rates for these worksites. However, there are several potential problems with this approach. First, injury and illness rates for one particular year may not accurately capture the performance of employers, especially small employers.[39] Second, businesses would likely oppose the publication of these data because they view worksite injury and illness rates as confidential business information that, if published, could allow business competitors to glean information about the company's productivity. In fact, OSHA took this position when it denied, in July 2003, a Freedom of Information Act appeal that sought to obtain rates for specific worksites: OSHA relied on an exemption protecting trade secrets and commercial or financial information and refused to disclose the information unless the parties in question approved.[40] Finally, publicizing injury and illness data might also pressure employers to underreport injuries and illnesses, creating the need for further policies or legislation requiring full and accurate reporting and recording.

Promote More Systematic Approaches to Workplace Safety and Health

Specific suggestions from researchers and specialists included (1) encouraging employers that participate in OSHA's voluntary programs to influence their contractors and suppliers to make safety and health improvements, (2) requiring certain employers to have a safety and health management program, and (3) requiring employers to have an employee-management safety and health committee.

- **Encourage Employers to Influence Contractors and Suppliers**—To "influence the supply chain," OSHA could encourage employers participating in its voluntary programs to consider suppliers and contractors' safety and health records before making contracting decisions and encourage their suppliers and contractors to have a safety and health program. OSHA currently requires this approach of employers participating in VPP.[41] Because employers are increasingly using contractors and temporary workers, focusing employers' attention on

[39]A small number of injuries at a small employer's worksite can increase its injury rates dramatically. For this reason, injury and illness rates for small employers should be interpreted with caution.

[40]According to OSHA, the agency's decision was appealed to a U.S. district court in New York in October 2003.

[41]VPP participants are required to ensure that safety and health considerations are addressed in selecting contractors and when contractors are onsite. In addition, they are required to encourage contractors to develop and operate effective safety and health management systems.

contractors' and suppliers' safety and health records was considered a useful way to achieve some leverage in a changing economy.[42] Safety and health problems at contractors and suppliers could also entail potential costs for employers or could also indicate other forms of poor management, such as poor product quality. As an example of the effectiveness of this approach, one automaker grouped its suppliers into three tiers according to their safety and health records, and then each tier of suppliers pressured the lower tier to improve, according to a specialist we interviewed. However, the degree of an employer's potential influence over suppliers and contractors could vary by employer size as well by industry. For example, a Fortune 500 employer could have far more influence on its supply chain than a small body shop, and the construction industry, which relies on numerous subcontractors working under a general contractor, may be better able to influence subcontractors than other industries. Implementing this approach may be difficult because suppliers and contractors may be unwilling to share their safety and health records or plans and employers would need staff to conduct such reviews of its suppliers and contractors. It may be similarly difficult for OSHA to monitor and verify this process through employers participating in its voluntary programs.[43]

- **Require Certain Employers to Have Safety and Health Management Programs**—As discussed in a previous GAO report and testimony,[44] OSHA could require certain employers—such as those with high injury and illness rates—to have safety and health management programs.[45] The establishment of safety and health programs, including elements such as hazard prevention and control, is currently required for participants in the

[42]Voluntary compliance may also be more likely when there is a greater likelihood that a firm's customers will take into account its compliance record in making purchasing decisions. See Sidney Shapiro and Randy Rabinowitz, "Voluntary Regulatory Compliance in Theory and Practice: The Case of OSHA," *Administrative Law Review* (52 Admin. L. Rev. 97) Winter 2000, p. 13.

[43]Making it a requirement might raise a number of legal concerns, including whether such a requirement would exceed OSHA's authority under the OSH Act.

[44]U.S. General Accounting Office, *Occupational Safety & Health: Options for Improving Safety and Health in the Workplace*, GAO/HRD-90-66BR (Washington, D.C.: August 1990), pp. 46-48, and *Occupational Safety and Health: Worksite Safety and Health Programs Show Promise*, GAO/T-HRD-92-15 (Washington, D.C.: Feb. 26, 1992).

[45]OSHA established guidelines for voluntary safety and health programs in 1989. In 1998, OSHA drafted a proposed rule that would have required employers, except those engaged in construction and agriculture, to establish a safety and health management program. OSHA withdrew the rule in August 2002.

VPP, Strategic Partnership, and SHARP programs.[46] Extending this approach to other employers could help prevent additional injuries and illnesses. It could also help employers respond more flexibly to advances in technology and other workplace issues than with specific standards. On the other hand, it could be difficult for OSHA to enforce employers' use of safety and health programs, and small and mid-size employers may not have the information or tools to implement these programs without assistance. In our earlier testimony, we noted that reservations about these programs stem primarily from concern about implementation issues, rather than about their value.[47]

Require Employee-Management Safety Committees—OSHA could issue a regulation requiring employers to have an employee-management safety committee at every worksite to investigate accidents, settle disputes, and provide information to management.[48] The VPP does not require employers to have such a committee at every worksite, but does consider it one way to achieve employee involvement.[49] If required for all employers, such committees might raise additional issues, including the determination of who would represent workers.[50]

Focus More on High-Hazard, High-Injury Workplaces

Specific suggestions for focusing more on high-hazard, high-injury workplaces included targeting employers with the highest levels of injury and illness for voluntary programs and having such employers choose between likely inspection and cooperative approaches with the agency.

- **Target Employers with Highest Levels of Injury and Illness**—OSHA could classify employers according to their level of injury and illness and

[46]About 10 state-plan states require employers to have such programs, according to a report on state plan activities issued August 12, 2003 by the Occupational Safety & Health State Plan Association: California, for example, generally requires employers to set up effective written injury and illness prevention programs.

[47]See GAO/T-HRD-92-15, p. 2.

[48]This suggestion was also discussed in a previous GAO report: See GAO/HRD-90-66BR, pp. 48-50.

[49]Oregon makes it mandatory for most employers to have a joint management-labor safety committee.

[50]To comply with the National Labor Relations Act, employers may not dominate committees that are considered "labor organizations." *See Electromation, Inc.*, 309 N.L.R.B. 990 (1992), *enforced*, 35 F.3d 1148 (7th Cir. 1994).

focus the agency's voluntary compliance efforts on those with the highest rates. While this suggestion was seen as a way for OSHA to best use its limited resources, according to specialists, it might also entail additional costs for data development.

- **Allow Employers to Choose between Likely Inspection and Cooperative Approaches**—Another suggestion was for OSHA to pursue a previously attempted strategy targeting employers with the highest rates of injury and illness.[51] The agency informed these employers that they had been placed on a primary inspection list, but that they could reduce the likelihood of inspection if they chose to work cooperatively with the agency by fulfilling certain requirements.[52] Now, when OSHA informs selected employers that they have among the highest injury and illness rates in the country, the agency refers employers to outside consultants, insurance carriers, and state workers' compensation offices for advice on improving safety and health; employers with fewer than 250 employees are also referred to the State Consultation Program.[53]

Use Third-Party Approaches

Specific suggestions for third-party approaches included (1) supporting the development of a voluntary national or international standard for workplace safety and health and (2) using private consultants to conduct safety and health evaluations of worksites.

- **Support Development of a Voluntary National or International Standard for Workplace Safety and Health**—Having a voluntary national or international standard could help strengthen the infrastructure for workplace safety and health and could build on some employers' desire for a widely recognized credential that could be useful to them in competing with other companies, especially in global markets. For example, employers can seek certification from independent organizations

[51]The implementation of this strategy, the Cooperative Compliance Program, was challenged in court. The court held that the program was not properly implemented and that the agency should have implemented it through notice and comment rulemaking. *See Chamber of Commerce v. U.S. Department of Labor*, 174 F.3d 206 (D.C. Cir.1999). The Cooperative Compliance Program was based, in turn, on an earlier pilot called the Maine 200 program that was carried out in the early 1990s.

[52]Requirements included identifying and correcting hazards, reducing injuries and illnesses, implementing a safety and health program, involving employees, and providing OSHA with annual data on injuries and illnesses.

[53]OSHA officials noted that, following the issuance of this letter, the State Consultation programs often report a distinct rise in the number of requests for consultations.

for achieving International Organization for Standardization standards.[54] To a certain extent, OSHA is currently playing a role in the development of a voluntary standard, according to OSHA, since some OSHA staff members are assisting a national standards committee that is working on a safety and health standard. In addition, many industry associations are involved on this committee, OSHA staff noted. Limitations of this approach are that: (1) such standards are not mandatory, but serve more as flexible guidance, because they reflect agreements reached by committees; (2) although large employers competing in the international marketplace tend to seek out international standards credentials, these are not necessarily the employers needing OSHA's attention; and (3) it can be difficult to set voluntary standards because organizations need to invest resources and provide appropriate expertise.

- **Use Private Consultants to Conduct Safety and Health Evaluations**—This suggestion would entail allowing employers to voluntarily use private consultants to conduct worksite safety and health evaluations and certify worksites, in return for incentives, such as a limited exemption from future inspections or reduced civil penalties.[55] Using third-party, private-sector consultants to certify workplace safety and health was also proposed in the late 1990s as an amendment to the OSH Act—known as the SAFE Act.[56] Using consultants could leverage existing OSHA resources by helping workplaces that might never otherwise see an OSHA inspector, especially small employers, and possibly also by enabling employers to address additional safety and health issues that might not be covered under an OSHA inspection for

[54]The International Organization for Standardization is a nongovernmental network of national standards institutes from about 150 countries that issues voluntary standards, including standards for environmental management. Experts on loan from industries and businesses develop these standards with assistance from representatives from government agencies, universities, and laboratories. Audits and certifications of companies applying for certification are carried out by independent certification organizations. The United States representative to the international organization is the American National Standards Institute, a private nonprofit organization.

[55]OSHA uses private sector consultants indirectly through its State Consultation programs as well as Special Government Employees during VPP evaluations. We commented on this suggestion in our 1990 report on OSHA options, p. 35.

[56]The Safety Advancement for Employees Act of 1999, known as the SAFE Act, was introduced in the 105th Congress as S. 1237 and in the 106th Congress as S. 385, but was never enacted. The act was designed to encourage employers to participate in voluntary safety and health audits using the expertise of consultants certified by OSHA. Participants would have been exempt from civil penalties for one year if they had been certified as compliant.

compliance with standards. At the same time, using consultants also raises various implementation, oversight, and legal issues described below.

(a) **Implementation**—A key issue is that consultants' independence may be compromised if employers paid consultants directly for conducting audits and certifying employers.[57] Employers might also need more than one consultant to conduct a comprehensive review of both safety and health issues. Finally, the use of consultants would set the federal program in competition with the State Consultation Program, according to OSHA officials.

(b) **Oversight**—One issue is what kind of oversight is possible when employers will not—or cannot—make improvements that consultants recommend. Another is that differences in consultants' focus would create inconsistencies in the certification process, since a workplace evaluation could focus on compliance with OSHA standards or on the broader safety and health environment, as under OSHA's VPP, Partnership, and SHARP programs.

(c) **Legality**—Finally, constitutional issues have been raised as to whether OSHA can use private consultants, as envisioned by the SAFE Act, to conduct safety and health evaluations of employers' worksites and to issue certificates of compliance, exempting employers from civil penalties for a limited period of time. For example, when Congress was considering the SAFE Act, the Justice Department argued that the act might be unconstitutional because, among other things, it delegated executive functions to private entities without providing adequate supervision or accountability for their activities. The Senate Committee on Health, Education, Labor, and Pensions, which had jurisdiction over the legislation, disagreed with Justice's arguments, asserting that they reflected a misunderstanding of the proposed role and authority of third-party consultants.[58]

[57]One suggestion to ensure consultants' independence was to have employers contribute to a fund that OSHA would manage and use this fund to pay consultants. This approach creates an additional oversight responsibility for OSHA. Because consultations are provided at no cost to the employer under the State Consultation Program, setting up a federal program with user fees for employers may not be feasible.

[58]*See* S. Rep. No. 106-202, at 25-26, 63-64 (1999).

Conclusions

By many accounts, OSHA's voluntary compliance strategies have improved employers' safety and health practices by allowing the agency to play a collaborative, rather than a policing, role with employers. The testimony and enthusiasm of participants suggests that OSHA's voluntary compliance programs have considerable value. The agency has begun to develop performance measures and collect data on some program outcomes, as well as undertake efforts to evaluate its programs, such as contracting for a VPP evaluation and revising the performance evaluation format for the Partnership program. However, because OSHA does not yet have comprehensive data on its voluntary compliance programs, the agency cannot fully assess the effectiveness of any single program or compare the relative effectiveness of the programs. OSHA should position itself to know, for example, the relative effectiveness of programs that focus on employers predisposed to following good safety and health practices as compared to those that attempt to reach employers and industries with poor safety and health records. Without such information, the agency is also limited in its ability to make sound decisions about how to best allocate its resources among individual programs, or between voluntary compliance programs and its other activities, particularly enforcement.

After several years of experimentation and growth, this is an opportune time for OSHA to determine how to best target its voluntary compliance efforts. Having a mix of strategies appears useful in reaching different types of employers and industries. At the same time, having such a mix may unduly tax the agency's resources unless it is accompanied by a comprehensive, strategic framework that establishes priorities and defines how these strategies fit together to accomplish the overall goals of the agency. Absent such a strategic framework, OSHA cannot ensure that it is making the best use of its resources to improve workplace safety and health. Furthermore, the agency must balance its plans to expand its voluntary compliance programs with its enforcement responsibilities. Given OSHA's current resources, it is unclear how it can undertake much expansion without a careful assessment of the impact on its resources and other programs. Unless it has such an assessment, OSHA runs the risk of compromising the quality of its voluntary compliance programs.

Recommendations for Executive Action

In order to strengthen OSHA's voluntary compliance strategies, the Secretary of Labor should direct the Assistant Secretary for Occupational Safety and Health to

- identify cost-effective methods of collecting complete, comparable data on program outcomes for the VPP and Partnership programs to use in assessing their effectiveness, and continue to search for cost-effective approaches that will enable the agency to assess the effectiveness of the State Consultation and Alliance programs, and

- develop a strategic framework that articulates the purposes and distinctions of the different voluntary compliance programs, sets priorities among these programs, and identifies how the agency's resources should be allocated among these programs, before further expanding them.

Agency Comments

We provided a draft of this report to OSHA for comment. OSHA's formal comments and our responses are contained in appendix I. In addition to its written comments, OSHA provided us with technical comments, which we incorporated as appropriate.

OSHA generally agreed with our findings, conclusions, and recommendations. The agency asserted, however, that we had based our recommendations on a small sample of worksites and that our methodology for selecting researchers and specialists was not scientific and was subject to biases. We did not base our recommendations on site-specific findings or on interviews with researchers and specialists, but rather on programwide data. More specifically, our recommendations were based on our analyses of OSHA's program requirements and program data as well as the findings and conclusions reported in the OSHA-sponsored and Inspector General evaluations of these programs that were cited in our report. Although our selection of researchers and specialists was, by necessity, judgmental, we sought to obtain a broad, balanced range of perspectives and expertise about the programs' effectiveness.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after its issue date. At that time, we will send copies of this report to the Secretary of Labor and the Assistant Secretary of Labor for Occupational Safety and Health and other interested parties. We will also make copies available to others upon request. In addition, the report will be available at no charge on GAO's Web site at http://www.gao.gov.

Please contact me or Revae Moran on (202) 512-7215 if you or your staff have any questions about this report. Other contacts and staff acknowledgments are listed in appendix II.

Sincerely yours,

Robert E. Robertson
Director, Education, Workforce,
and Income Security Issues

Appendix I: Comments from the Occupational Safety and Health Administration

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

U.S. Department of Labor

Occupational Safety and Health Administration
Washington, D.C. 20210

March 8, 2004

Mr. Robert E. Robertson
Director, Education, Workforce and
Income Security Issues
United States General Accounting Office
441 G Street NW, Room 5930
Washington, DC 20548

Dear Mr. Robertson:

Thank you for the opportunity to comment on the General Accounting Office's (GAO) report on workplace safety and health, entitled "OSHA's Voluntary Compliance Strategies Show Promising Results But Should Be Fully Evaluated Before They Are Expanded."

See comment 1.

The Department of Labor is pleased that GAO recognizes the value of voluntary programs to reduce workplace illnesses and injuries, and recognizes that because enforcement programs alone can only reach a fraction of the nation's workplaces, it is important to use voluntary compliance strategies to complement enforcement efforts. The Department would like to note that these complementary voluntary efforts do not come at the expense of enforcement efforts. Even though GAO points out that the percentage of OSHA's budget devoted to enforcement has decreased in recent years, and the percentage devoted to voluntary programs has increased, GAO fails to mention that enforcement efforts, as measured by inspections, remained steady or increased slightly, each year.

In general, the Department agrees with GAO's recommendations to use cost-effective methods to assess the effectiveness of voluntary programs and to incorporate these results into a strategic framework. On pages two and three, GAO points out that OSHA does use a variety of strategies to reach different types of employers. These complementary strategies attempt to reach different types of industries, employers, and workers, making it difficult and costly to compare their relative effects, as GAO suggests. Additionally, even if it were possible to make such comparisons, the Agency would not necessarily re-prioritize any resources based on such comparisons, since the programs were designed with differing outcomes in mind.

Even so, OSHA has started to review its operating plan for Fiscal Year 2004 with an eye towards including evaluation results in its Fiscal Year 2005 Strategic Management Plan.

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OSHA is now using the results of past evaluation studies of its voluntary programs to serve as a foundation to strengthen its strategic planning process. Specifically, in September 2003, OSHA initiated a study to measure the impact of its Voluntary Protection Programs (VPP). Those results will be available within the next several months, and will also be used in determining what changes will be made to its Strategic Management Plan. Likewise, two studies have already been completed (one by OSHA and one by the Department of Labor's Inspector General) to evaluate the effectiveness of the strategic partnership efforts, and OSHA has already begun to make program changes based on the results of those reviews. GAO also did a separate study on consultation programs in 2001, with study results that provide insights into the value of that program and recommendations that OSHA has already begun to implement.

The Agency expects to continue evaluation studies and improve the methodologies used to be more fully aware of the contributions of voluntary programs to overall safety and health.

See comment 2.

In closing, while we agree with the conclusion that additional evaluation efforts are desirable, it is important to point out that GAO based its recommendations on an extremely small sample of workplace visits and interviews. For example, the footnote on page 24 indicates GAO visited only three VPP sites (out of a total of over 1,000 sites), three firms who received at least one consultation from a population of tens of thousands of firms that have been assisted by the consultation program, and three employers in the partnership programs drawn from over 200 partnerships, many of which represent multiple firms. While GAO did supplement these visits with interviews from academia, worker focus groups, practioners of workplace safety and health, and union representatives, the methodology for singling out these groups was not scientific and was subject to biases. The study results, therefore, should not be viewed as a definitive assessment of the overall effectiveness of OSHA's voluntary programs.

Nevertheless, the Department appreciates GAO's report and remains committed to improve data-collection methods to allow for better future evaluations and to incorporate these improvements into the overall strategic planning process.

Sincerely,

John L. Henshaw

GAO Comments

1. We added information on page 20 to show that OSHA's enforcement efforts, as measured by the number of inspections, have remained constant or increased slightly each year from 1996 to 2003.

2. We did not base our recommendations on site-specific findings or on interviews with researchers and specialists, but rather on programwide data.

Appendix II: GAO Contacts and Staff Acknowledgments

GAO Contacts

Revae E. Moran, (202) 512-3863
Deborah A. Signer, (202) 512-7158

Staff Acknowledgments

Carol L. Patey and Christine A. Houle made significant contributions to this report in all aspects of the work and Leslie C. Ross assisted during the information-gathering segment of the assignment. In addition, Susan C. Bernstein, Julian P. Klazkin, Lynn M. Musser, and Walter K. Vance provided key technical and legal assistance.

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