

Be Smart About Safety (BSAS) Frequently Asked Questions

What is Be Smart About Safety (BSAS)?

Be Smart About Safety (BSAS) is a funding mechanism that allows locations to invest in loss prevention and loss control measures to reduce their cost of risk as it relates to employee safety. This program is similar to the mechanism that would be available if the University used a commercial insurance program.

Why should my location participate in the BSAS program?

All locations should participate in the BSAS program for several reasons:

- The BSAS program provides the locations with funding for loss prevention and loss control programs that were not available prior to the inception of BSAS.
- Participation in the BSAS program has a direct impact on the locations' workers' compensation accrual rate. Investing in loss prevention and loss control will reduce the locations' core premiums, as the actuary provides a rate discount to those locations who participate in the BSAS program.
- Investing in loss prevention will lead to a reduction in claim frequency, which in turn will have a positive effect on a location's severity and overall claim exposure.
- Investing in employee health & safety through loss prevention and loss control is a sound business decision.

How is BSAS funded?

BSAS is funded through a percentage of each location's workers' compensation base accrual rate. This percentage may fluctuate based on program status.

How is the workers' compensation and BSAS accrual rates determined?

The workers' compensation accrual rate is determined by an independent actuarial analysis of a location's specific loss experience, exposure, and estimated payroll. This rate varies from location to location due to the fact that each location's experience, exposure, and payroll is unique.

The BSAS accrual rate is a systemwide percentage that is based upon maintaining a consistent level of funding for the program.

How long will the BSAS program be available?

OP Risk Services intends to continue with this funding mechanism indefinitely.

Who can submit a BSAS proposal?

Any department may submit a proposal. However, all proposals must be coordinated with your local EH&S and workers' compensation departments and comply with any location-specific requirements that may be in place.

How does a department apply for BSAS funding?

To apply for BSAS funds a department must complete the UC Be Smart About Safety Funding Application and comply with any local processes that may be in place. Once the application has received all local approvals, the EH&S department or workers' compensation department will submit the application to OP Risk Services for review and final approval.

Are there stipulations on what we can spend BSAS funding on?

Yes; these funds can be spent only on loss prevention and loss control programs intended to reduce the frequency and severity of potential and actual loss in the area of workers' compensation.

What types of programs would not be appropriate for BSAS funding?

Those programs that do not support loss prevention and loss control initiatives intended to reduce the frequency and severity of potential and actual loss in the area of workers' compensation are not appropriate use of BSAS funding. BSAS funds are not intended to supplement program budgets. This includes (but is not limited to) replacement of general operating supplies, personal protective & safety equipment which is required by law or regulation, deferred maintenance, and travel expenses (with limited exception for train-the-trainer safety education).

Can BSAS monies be combined or transferred into other existing programs?

The intention of the BSAS program is to create new programs and enhance existing programs that will bolster the loss prevention and loss control efforts at the locations. Therefore, BSAS funds cannot be used to fund programs that existed prior to the inception of the BSAS program. However, they may be used to enhance existing programs.

What are some examples of approved proposals?

Examples of approved programs are available from your local EH&S and workers' compensation departments.

Under what circumstances should BSAS funding be used to fill career positions?

BSAS funds are guaranteed on a fiscal year basis. Therefore, we can only guarantee that a position will be funded for twelve months at a time. We do expect the BSAS program to continue in future years.

Is there a dollar cap on an individual department's request for and granting of BSAS funds?

No, as long as the amount is within the total amount of loss prevention and loss control funding available to your location. This is a decision that should be coordinated and agreed upon at the location level prior to being submitted to OP Risk Services.

What are the deadlines for submitting a BSAS proposal?

OP Risk Services would like to receive all initial applications by June 1st of each year. However, applications will be accepted throughout the fiscal year until all funds have been requested and approved for use.

Does anyone at the location have to approve the BSAS proposal?

Yes, your EH&S and workers' compensation departments must approve all proposals. You must also obtain the approval of the head of your administration or finance department and comply with any location-specific requirements that may be in place.

Who approves the BSAS proposals at OP?

Proposals are reviewed at OP by the Director of EH&S and the Risk Manager of workers' compensation with final approval provided by the Chief Risk Officer.

Is the OP Risk Services department the final approving authority of the BSAS proposals?

Yes, OP Risk Services is the final approving authority of all BSAS proposals. All BSAS proposals must be coordinated and agreed upon by all involved local departments before being submitted to OP Risk Services for consideration and approval.

What if a BSAS proposal is rejected?

Proposals with insufficient information that appear to meet the requirements of the BSAS program are returned to the location for clarification or additional information as required. If it is determined that the proposal does not meet the requirements of the BSAS program, it will be rejected and funding will not be provided for that proposal.

Can we expand the BSAS program to include student and visitor safety?

No, these funds must be used to directly benefit employees through related loss prevention and/or loss control efforts.

What does an appropriate tracking system look like for determining the effectiveness of the BSAS programs?

An appropriate tracking system should document losses or exposure prior to initiating the new program and then after a selected time period document the effect the program had on the losses or exposure.

Is there an audit process or controls in place for the BSAS program?

Yes, all locations are required to submit to OP Risk Services a twice-yearly report detailing the results of their approved programs. Additionally, each location is required to establish a self-audit program which will be reviewed and verified by an external source after the fiscal year.

What if we don't submit a proposal or proposals for the full BSAS allocation?

Currently any unused BSAS funds will be carried over to the next fiscal year. However, this policy may be revised in the future.

What if one of our approved BSAS programs over-forecasted the required funds to complete and another approved BSAS program under-forecasted the required funds to complete; are we allowed to move funds from one approved program to the other?

Yes, as long as both programs meet the BSAS loss prevention and loss control requirements and have all the required approvals at your location and OP Risk Services.

What is the difference between the Deficit, Surplus, and BSAS?

A deficit exists when a location has a negative program status as determined by an independent actuary. A negative program status is when a location's expected workers' compensation liability is greater than its accrued workers' compensation program contributions. If a location decides to participate in the Deficit Deferral program, they are required to use these available funds for loss prevention or loss control programs with the intent of reducing the cost of risk as it relates to their workers' compensation program. A location is required to use the BSAS funding application and approval process to obtain approval from OP Risk Services for the use of these funds.

A surplus exists when a location has a positive program status as determined by an independent actuary. A positive program status is when a location's accrued workers'

compensation program contributions are greater than its expected workers' compensation liability. See below for further details regarding the surplus.

BSAS is a funding mechanism that allows the locations to invest in loss prevention and loss control measures to reduce their cost of risk as it relates to employee safety. This program is similar to the mechanism that would be available if the University used a commercial insurance program.

Are there differences between how campus and medical center BSAS funds are processed and can be used?

No, with the exception of surplus/retrospective rebates.

Will our surplus/retrospective rebate be returned to our location? If so, how much will we receive and are there any restrictions on how we may use these funds?

Upon request from the location, currently 50% (of the 90%) of a location's surplus will be returned as a retrospective rebate.

For the medical centers, there are no restrictions on how this rebate can be used by the location. However, OP Risk Services strongly encourages the medical centers to use this rebate to further invest in their loss prevention and loss control efforts.

For the campuses, if these funds are not used for preventing workers' compensation injuries or post-injury loss control, the campus is responsible for returning the appropriate amount of the retrospective rebate to their original funding sources such as state, federal and contracting grants.

Whom can I contact for further assistance?

At your location, contact your EH&S or workers' compensation departments. At OP, contact the office of Risk Services.