



Associated General Contractors of Kansas, Inc.

HEADQUARTERS
200 SW 33rd • Topeka, Kansas 66611-2207
Phone 785-266-4015 • Fax 785-266-2561

WICHITA
PO Box 4306 Wichita KS 67204-0306
Phone 316-634-6391

Email: agcks@agcks.org • Website: www.agcks.org

February 18, 2015

Dear Chairman and Members of the Committee,

I am Mike Gibson, Executive Vice President of the Associated General Contractors of Kansas which represents over 250 Kansas construction firms and their 8,000 employees and is recognized as the "Chamber of Commerce for the Construction Industry", we would encourage you to support Senate HB 2299.

We appreciate the time and energy the Kansas Department of Labor put in over the interim to produce the report analyzing the steps necessary to become the 28th state to run its own OSHA program.

The State of Montana is also pursuing a moving from a federal to a state run program. I have attached their timeline documentation and their frequently asked questions as they mirror many of the same issues we are dealing with in HB 2299.

AGC of Kansas believes a Kansas solution can be created which serves to improve our safety programs, reduce the number of job site injuries and benefit our Kansas companies by bringing stability to the program.

First and foremost, it is important to understand our regulations must meet or exceed the federal regulations. This is not an attempt to skirt the rules.

Second, we believe that over time, by improving the cooperation between industry and the regulators, reducing accident will also reduce our costs through better workers compensation rates and business certainties.

Third, the Kansas DOL's report provided a firm foundation that this program will cash flow by using the federal 50% draw down and the average fine amounts. Because there is a significant cost differential between the federal and state pay scales, AGC believes other administrative efficiencies can improve any financial impact.

Finally, it is helpful to see the timeline provided by the Montana Department of Labor to understand how this project gets slowly implemented and how many years out actual appropriations become necessary.

Thank you for your time, and consideration of HB 2299 and improving the safety and business climates of Kansas.

Sincerely,

Mike Gibson

Officers

Ron Fowles	<i>President</i>
Kurt Grier	<i>Vice President</i>
Jim Rinner	<i>Treasurer</i>
Mike Gibson	<i>Executive Vice President</i>

Scott Casebolt
Raymond Dondlinger
Tracy Green
Jeff Grier
Mike Haffling
Ben Hutton
John Johnston
Luke Kunkel
Ashley Thill

Board of Directors

Eric Turner
Rean Wessels
Scott Ludwig, Specialty Contractor
Joe Samia, Specialty Contractor
Tim Sinclair, Specialty Contractor
Fred Willich, Specialty Contractor
Clifford Pray, Associate
Mike Swift, Associate
Bob Burns, ex-officio

NATIONAL DIRECTORS

Bennie Crossland
Charles Grier
James R. Grier, III
Mark Hutton
Richard M. Kerschen

MONTANA OSHA PLAN TIMELINE

LMAC Safety Sub-Committee suggests MT OSHA plan.	Draft Montana OSHA bill.	LEGISLATIVE SESSION	MT OSHA bill effective July 1, 2015.	Draft procedures for Federal review.	LEGISLATIVE SESSION	October 1 - Federal Fiscal Year begins.	LEGISLATIVE SESSION	START MONTANA OSHA PLAN.	LEGISLATIVE SESSION
2014 / JANUARY	2014 / JULY	2015 / JANUARY	2015 / JULY	2016 / JANUARY	2016 / JULY	2017 / JANUARY	2017 / OCTOBER	2018 / JANUARY	2018 / JULY
								2019 / JANUARY	2019 / JULY

FEDERAL OSHA APPROVES MONTANA OSHA PLAN

Operating agreement to start July 18, 2018.

Clean-up bill, if needed.

Governor notifies Secretary of State of Federal approval of Montana OSHA plan.

FOR MORE INFORMATION, CONTACT DIANA FERRITER AT (406) 444-1574 OR BRYAN PAGE AT (406) 444-1605.

FREQUENTLY ASKED QUESTIONS

MONTANA OSHA PLAN

Does this enabling legislation start a State OSHA plan?

No. It only starts the development of the program. It forms an advisory board to work on policies and procedures. The policies need to be reviewed by OSHA and the State, and a bill will need to be passed at the 2017 Legislature and our program could start in 2018.

Will we have more OSHA inspectors?

No. We will have the same number of compliance officers as the Federal OSHA. We will have two (2) Outreach specialists to work on alliances and education. Federal OSHA currently has zero (0) assistance specialist in Montana.

Can the State stop the program?

Yes. At any time the State no longer wishes to be in control of our safety Federal OSHA will implement their program.

Can we have Industry alliances?

Yes. Our local board will set criteria for industry alliances that offer exemptions from programmed inspections to safe companies. We will honor any current SHARPS and VPP alliances.

Will this cost the State more money?

Not really. The Federal government will give us half the money needed to run the program, and then State will need to match with \$750,000. But the State gets to keep the fines, which can more than cover the match. See next question.

Will we have double coverage both a State and Federal plan?

No. Federal OSHA will audit our program and retain jurisdiction of Federal workers such as the Post Office.

Will the fine money go to directly to the State OSHA program?

No. The enabling legislation specifically states that the fines will not be used for funding the State OSHA plan. The State can use the funds as they wish.

Does it have to be more stringent?

No. Our State plan has to be as effective as the Federal program. Montana has had one of the worst safety records in the nation for many years.

Can we set our own penalty structure?

Yes. State programs set their own penalties. Our advisory board of business and labor will develop the structure and it must be approved by the legislature.

How will it be better?

By meeting Montana specific needs. Our local advisory board will evaluate the areas to address while State industries will provide guidance on reducing loss time accidents. This equates to cost savings and local control for Montanans.

FOR MORE INFORMATION, CONTACT DIANA FERRITER AT (406) 444-1574 OR BRYAN PAGE AT (406) 444-1605.