

## Associated General Contractors of Kansas, Inc.

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March 14, 2017

Dear Chairperson Julia Lynn and Senate Commerce Committee Members:

My name is Mike Gibson, Executive V.P. of Associated General Contractors (AGC) of Kansas, which is recognized as the "Chamber of Commerce for the Construction Industry in Kansas", and represents 325 Kansas construction firms and their 9,000 employees.

I stand before you today to ask you support of Senate Bill 212, which would begin the process for making application to have Kansas become the 27<sup>th</sup> State in the country for a State OSHA Plan.

This State OSHA Plan would provide the State of Kansas a valuable tool to form collaborative endeavors between the public and private sectors as it relates to safety & health of Kansas workers and provide LOCAL CONTROL FOR KANSAS. The Clinton Administration formed OSHA Safety Partnership across this country to provide better communication and collaboration between the public and private sectors. These partnership, including the one that was in place in Kansas, were extremely beneficial for all industries in Kansas. Unfortunately, The Obama Administration DISCONTINUED these OSHA partnerships.

This is why we believe there is a great opportunity for Kansas to make application for this State OSHA Plan that would start a journey for our State that benefits all of us. What does that mean for you the policy makers:

First, application is made, when application is approved by the Feds then the State of Kansas will coordinate a "Stakeholders meeting with all industries/business groups/labor and other interested parties" to develop a plan that works for Kansas. This process would take 2-3 years to occur. To help kick start this process, the private sector is prepared to bring in two of the best practice states that have their own State OSHA Plans – IOWA and Tennessee. We would bring in subject matter experts from their State Dept. of Labor and State OSHA offices to meet with Kansas stakeholders and administration to share with them how they went about forming their State OSHA Plans.

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## Page Two

It is important to understand, that until the Feds sign off on a submitted plan, that the State of Kansas <u>is not required</u> to hire a cast of staffers and <u>is not required</u> to commit upfront a large budgetary commitments to this Plan. After going through the planning aspects of this STATE OSHA PLAN, to make sure that the plan is a WIN-WIN for business and industry and a WIN-WIN for the State of Kansas' budget, then and only then is the OSHA PLAN submitted to the Feds for approval.

After the STATE OSHA PLAN is approved the Feds perform annual audits of Kansas' Plan to assure that we are complying to the terms and conditions of the plan. Funding for the PLAN is paid for, by federal regulation up to 75%, and in addition the citation fines remain in Kansas to go into the overall budget of this program. In most cases these PLANS produce a surplus for the programming.

It is also important to point out that there have been many mandates and executive orders produced out of Washington D.C. over the last few years, including a **"DIRECTIVE TO OSHA OFFICIALS IN ALL STATES TO WRITE OSHA CITATIONS TO JUSTIFY THEIR JOBS**". This directive was cited to AGC of Kansas three (3) years ago by federal officials. *We do not believe that this directive is in the SPIRIT of the Federal Regulations.* 

There are many other executive orders and directives that have been created over the past few years including but not limited to reducing the time frame of a company's ability to respond to a citation from six months to 24 hours that also includes making payment on this citation.

These executive orders and directives are driving up the cost of doing business for all Kansas businesses and industries and we know that making application for a STATE OSHA PLAN will provide the State of Kansas the ability to stay competitive with other states and allow business and industry the ability to operate in a cost-effective manner.

Madam Chair and Committee Members, you have a great opportunity to embrace a new era for Kansas and we stand ready to work with you to make this STATE OSHA PLAN the best in the country. With that being said, I respectfully request you to **VOTE YES on SB 212.** 

Thank you for your time and consideration on this great opportunity and I stand for questions.

Sincerely,

Mike Gibson Executive Vice President