



THE STATE
of **ALASKA**

GOVERNOR BILL WALKER

**Department of Labor and
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The Honorable Matt Claman
House Judiciary Chair
State Capitol, Room 118
Juneau, AK 99801

Dear Chair Claman:

Thank you for hearing House Bill 121 in the House Judiciary Committee on March 8. In response to committee members' outstanding questions, I am providing the following answers:

1. How many consultations does Alaska Occupational Safety and Health provide to employers?

Alaska Occupational Safety and Health (AKOSH) provided 360 consultation visits to private employers and 160 consultation visits to public employers in FY 2016. These visits provide confidential occupational safety and health advice to small and medium-sized businesses in Alaska with priority given to high-hazard worksites. On-site consultation services are separate from enforcement and do not result in penalties or citations. The department's safety and health professionals work with employers to identify workplace hazards, provide advice on compliance with AKOSH standards, and assist in establishing injury and illness prevention programs.

AKOSH also provides training services to employees and to the public. Consultants provide safety training to an average of 2500 employees every year. Subjects include occupational safety and health recordkeeping regulations, workplace violence awareness training, fall prevention, excavation hazards, electrical hazards, OSHA 10-hour for Construction, OSHA-10 hour for General Industry, respiratory protection, occupational noise, asbestos awareness, construction hazards, and hazard communication requirements. This program has contributed to cutting Alaska's workplace lost time incident rate in half over the last ten years.

2. How much would the state save if Alaska's occupational safety and health jurisdiction were returned to federal OSHA?

In order to provide a timely answer, we developed a rough estimate based on elimination of Alaska Occupational Safety and Health jurisdiction and associated funding. This would result in a cost savings of \$619.0 in state funds. However, penalty revenue would go to the federal treasury instead of the state general fund, totaling \$1,031.0. This would result in a net loss to the state of \$412.0.

There are other, more difficult costs to predict in such a scenario. State and local public employees would lose occupational safety and health protections, since federal OSHA does not cover these workers. Further, several studies show that OSHA inspections have a measurable impact on lowering illness and injury rates.¹ Losing the benefit of those inspections, as well as public sector consultation services, would result in higher workers' compensation expenses. The State of Alaska's preliminary numbers for workers' compensation benefits in calendar year 2016 showed \$13,037.2 in medical and \$6,021.3 in indemnity costs. Even a small percentage increase could quickly dwarf any savings realized by a jurisdictional change.

The costs associated with eliminating AKOSH would not be confined to Alaska's government—private employers would be negatively affected by a federal takeover. Industries across the state would lose the safety and health standards developed by Alaskan employers, employees, and the public specific to our state's unique environment. Certain oil and gas, logging, and labor camp standards would no longer be enforced. Strategic targeting plans built to help Alaska's far-flung, highly hazardous industries would also disappear. Furthermore, small businesses would face the burden of lengthy out-of-state proceedings when they disagree with citations instead of the current local appeals process. AKOSH programs have served Alaskans for decades with proven results, such as the reduced illness and injury rate referenced previously. This progress would be replaced by the one-size fits-all enforcement of the federal government. The department cannot place a dollar amount on all the estimated impacts of a federal OSH takeover, but it is clear that such a drastic change to administering occupational safety and health enforcement would affect all Alaskans—workers, employers, and families alike.

Please contact me if you have any additional questions.

Sincerely,



Heidi Drygas
Commissioner

¹ https://www.osha.gov/as/opa/michaels_commentary.html