

SB 66 – Senate Finance - LSS&WC Merger Talking Points

1. Thank you Madame/Mister Chair and committee members for hearing Senate Bill 66.
2. This bill proposes to merge the Workers' Compensation and Labor Standards and Safety Divisions.
3. The Division of Labor Standards and Safety is focused on preventing workplace accidents and enforcing laws related to workplace safety and wages, while the Division of Workers' Compensation is focused on the efficient administration of benefits to injured workers and enforcing laws related to workers' compensation requirements.
4. The missions of these two divisions complement each other in that one works to prevent accidents and the other works to provide an efficient system of benefits for injured workers.
5. The divisions have historically worked together, and this bill is expected to further increase the opportunities to remove silos and capitalize on efficiencies through a unified management structure.
6. The department is cognizant of the critical roles that each of these divisions have and the proposed merger does not impact any of the statutes or regulations currently administered and enforced by each division.
7. The merger aims to take advantage of position vacancies to explore opportunities to share duties between divisions where it makes sense, streamline processes, and cut back on unnecessary middle management supervisory functions.
8. As reflected in the fiscal note, the bill flattens the management structure in Labor Standards and Safety by reclassifying the Director to a Deputy Director who will focus attention on operational aspects of the new division's inspection, consultation and enforcement functions. This will allow for a mid-level management reduction in the AKOSH component.
9. In addition, the fiscal note illustrates the opportunity to consolidate and share administrative duties between the two divisions where it makes sense.

Commissioner Leebetter Testimony 4/4/19

10. Future opportunities for increased efficiency could come from office space consolidations to increase opportunities for coordination and improved service delivery for employers and workers.
11. This effort is not expected to happen overnight, but will be carefully developed over time.
12. The bill does not propose to change the functions of the Division of Labor Standards and Safety or the Division of Workers' Compensation.
13. It's all about establishing a structure that creates maximum opportunities to share resources and get the work done more efficiently.