



December 1, 2014

TO: Interested Parties
FROM: Diana Ferriter, Administrator
RE: Coordination of the Proposed Workers' Compensation Assessment Bill (LC0533) and the State OSHA Bill (LC0477)

The Labor Management Advisory Council (LMAC) recommended to the Department and the Governor's office two proposed bills; 1) replace the decreasing workers' compensation assessment funding and 2) address the number one cost driver in the system which is Montana's injury rate by enabling Montana to implement a State OSHA Plan. These proposals are supported by the Governor's office, the Department and the LMAC.

The State OSHA Plan proposal is dependent on the passage of the assessment funding. The assessment funding is needed to maintain the current level of safety employees and services. The State OSHA proposal is the enabling legislation that authorizes our current safety employees to work with Federal OSHA on the rules and regulations to implement the operational plan. The operational plan could take two years to implement. Once the operational plan is complete, Montana's congressional delegation would then be in a position to lobby for the federal funds that support the State OSHA plan. The federal funding is expected to pay for approximately 50% of the cost of the State OSHA plan and the assessment will fund the remaining 50% (anticipated) balance. The addition of Federal funds is expected to reduce the funding required by the workers' compensation assessment for safety services.

The fines and penalties collected under the State OSHA plan will be used to fund the education and outreach efforts of the Department, such as SafetyFests and issuing 10 hour OSHA cards to young workers. The additional revenue from the fines and penalties will also reduce the funding from the assessment for these education and outreach efforts.

However, if the workers' compensation assessment bill is not passed but the State OSHA enabling legislation is passed, work on the State OSHA plan will stop due to lack of funding from the assessment. Current level safety services will also be significantly decreased or eliminated due to lack of funding from the assessment.