

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3991H.02P
 Bill No.: Perfected HCS for HB 1795
 Subject: Employees - Employers; Children and Minors; Labor and Management;
 Department of Labor and Industrial Relations, Entertainment, Sports and
 Amusements
 Type: Original
 Date: May 7, 2024

Bill Summary: This proposal modifies provisions relating to youth employment.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Child Labor Enforcement Fund (0826)	Less than (\$28,575)	Less than (\$28,575)	Less than (\$28,575)
Total Estimated Net Effect on <u>Other</u> State Funds	Less than (\$28,575)	Less than (\$28,575)	Less than (\$28,575)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Labor and Industrial Relations (DOLIR)** note:

The possible reduction in certification requests would not impact the workload of the staff who investigate youth employment complaints, as those resources would be shifted to a wage complaint investigation. Moreover, the bill still requires the Division of Labor Standards to investigate complaints of youth employment violations. The fiscal impact to the Child Labor Enforcement Fund - between \$3,350 and \$28,575 in penalties will not be collected.

In response to the previous version of the bill, officials from the **Office of Administration – Budget and Planning (B&P)** note the proposal will have a fiscal impact to the extent of changes in the work permitting process. There is an impact related to fines that are deposited in the state treasury, TSR may be impacted.

Oversight notes, per previous conversation with DOLIR in similar proposal SCS for SB 175 (2023), DOLIR noted that an employer must keep and maintain their certificate (for minimum of two years) for any child, less than 16 years old, who is in his or her employ in the entertainment industry.

Oversight notes the following from [DOLIR's website](#):

Youth under 14 years of age generally are not permitted to work at any job (other than in entertainment or casual work) at any time. Youth who are 14 or 15 generally are permitted to work, but their work (as well as the work of all children in the entertainment industry) is subject to several restrictions.

Work certificates are required for children 14 to 15 years of age before they start employment at any job (other than in the entertainment industry) during the school year. Work certificates are required regardless of where a child attends school (public school, private school, charter school, home school). Work certificates must be issued by either:

- (1) the public school superintendent of the school district in which the child resides,
- (2) the chief executive officer of the charter school that the child attends,
- (3) the public or private school principal of the school that the child attends,
- (4) the designee of any of these school officials, or
- (5) if the child is home-schooled, a parent of the child.

The issuing officer may decline to issue a work certificate if he or she is not satisfied that employment will serve the best interest of the child. The public superintendent of the school district in which the child resides may revoke a work certificate issued by a public or private school principal, if that is deemed to be in the best interest of the child.

Requests for work certificates must be presented by the child in person to one of the individuals identified above as having authority to issue a work certificate. The following information will also be required at that time:

- A statement of intention to employ signed by the prospective employer setting forth the specific nature of the occupation in which he intends to employ the child and the exact hours of the day, the number of hours per day, and the days per week during which the child is to be employed.
- Written consent of the child's parent, legal custodian, or guardian, or, if deemed necessary by the issuing officer, the child must be accompanied by his or her parent, legal custodian, or guardian. (For home-schooled children, a parent's signature on the work certificate will fulfill this requirement.)
- Proof of the child's age (birth certificate or other evidence).

Additionally, the following information may be required by the issuing officer:

- A certificate from the principal of the school that the child attends setting out the child's grades.
- A certificate from a physician that has personally examined the child stating that the child is in good mental and physical health and is capable of performing labor without injury to his health and mental development.

Oversight assumes there could be a possible reduction in youth employment complaints and investigations from no longer requiring work certificates for this age group. Additionally, DOLIR indicated that any reduction in workload would allow the Department to use the resources in the wage complaint section. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for DOLIR.

Oversight notes the Child Labor Enforcement Fund was created to account for all moneys awarded by the court for civil damages for violations of this chapter (294) and all moneys collected in settlements from persons who violate the provisions of this chapter. Subject to appropriations, the money in this fund shall be used by the Department of Labor and Industrial Relations for investigations and enforcement of the provision of this chapter.

Oversight notes, for informational purposes, the following receipts were made to the Child Labor Enforcement fund (0826) in the past five years:

Fiscal Year	Amount Collected
FY 2023	\$19,550
FY 2022	\$28,575
FY 2021	\$10,752
FY 2020	\$14,675
FY 2019	\$3,350

Officials from the **Office of Administration (OA)** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Officials from the **Department of Public Safety - Director's Office** defer to the OA for the potential fiscal impact of this proposal.

Officials from the **Department of Revenue (DOR)** assume this legislation will result in minimal hiring policy changes that will be absorbed by the Department.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Officials from the **Office of Administration - Administrative Hearing Commission**, the **Department of Commerce and Insurance**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Public Safety (the Capitol Police, the Alcohol & Tobacco Control, the Fire Safety, the Gaming Commission, the Missouri Highway Patrol, the State Emergency Management Agency and the Veterans Commission)**, the **Department of Social Services**, the **Joint Committee on Public Employee Retirement**, the **Missouri Lottery Commission**, the **Missouri Consolidated Health Care Plan**, the **Department of Agriculture**, the **Missouri National Guard**, the **Missouri Department of Conservation**, the **Missouri Ethics Commission**, the **Missouri House of Representatives**, the **Department of Transportation**, the **Missouri Department of Transportation – Patrol Employees Retirement**, the **Missouri Senate**, the **Office of the State Public Defender**, the **State Tax Commission**, the **Joint Committee on Education**, the **Legislative Research**, and the **Oversight Division** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact on the fiscal note for the above respective agencies.

Officials from the **Northwest Missouri State University**, the **Missouri University System**, the **Missouri State University**, and the **University of Central Missouri** each assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for above respective universities.

Officials from the **City of Kansas City** assume the proposal will have no fiscal impact on their respective organization. Oversight does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact in the fiscal note for the CKC.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
CHILD LABOR ENFORCEMENT FUND (0826)			
<u>Decline in Revenue</u> – from a reduction in youth complaint investigations from employers no longer requiring work certificates for those below a certain age p.3-4	<u>Less than</u> <u>(\$28,575)</u>	<u>Less than</u> <u>(\$28,575)</u>	<u>Less than</u> <u>(\$28,575)</u>
NET EFFECT ON THE CHILD LABOR ENFORCEMENT FUND (0826)	<u>Less than</u> <u>(\$28,575)</u>	<u>Less than</u> <u>(\$28,575)</u>	<u>Less than</u> <u>(\$28,575)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Oversight assumes there could be an impact to small businesses who employ individuals that currently require a youth work certificate.

FISCAL DESCRIPTION

This bill modifies various provisions relating to youth work certificates.

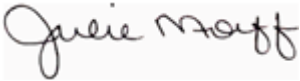
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

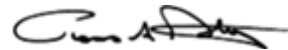
Department of Labor and Industrial Relations
Office of Administration
Department of Public Safety – Director’s Office
Department of Commerce and Insurance
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Mental Health, the Department of Natural Resources
Department of Corrections
Department of Public Safety -
 Division of Alcohol and Tobacco Control
 Capitol Police
 Fire Safety
 Missouri Gaming Commission
 Missouri Highway Patrol
 State Emergency Management Agency
 Missouri Veterans Commission
Department of Social Services
Department of Revenue
Joint Committee on Public Employee Retirement
Missouri Lottery Commission
Missouri Consolidated Health Care Plan
Department of Agriculture
Missouri National Guard
Missouri Department of Conservation
Missouri Ethics Commission
Missouri House of Representatives
Department of Transportation
Missouri Department of Transportation – Patrol Employees Retirement

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Office of Administration - Administrative Hearing
Missouri Senate
Office of the Secretary of State
Office of the State Public Defender
State Tax Commission
Joint Committee on Education
Legislative Research
Oversight Division
City of Kansas City
Northwest Missouri State University
Missouri University System
University of Central Missouri
Missouri State University



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May 7, 2024



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