

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-3005/1	Introduction Number AB-0442
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Description
 permits authorizing the employment of minors

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input checked="" type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate	5. Types of Local Government Units Affected	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input checked="" type="checkbox"/> Decrease Revenue	<input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DWD/ Erin Blair (608) 405-4657	Authorized Signature Jennifer Sereno (608) 267-9692	Date 10/12/2023
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Fiscal Estimate Narratives

DWD 10/12/2023

LRB Number	23-3005/1	Introduction Number	AB-0442	Estimate Type	Original
Description permits authorizing the employment of minors					

Assumptions Used in Arriving at Fiscal Estimate

This bill repeals the requirement for minors, ages 14 and 15, to obtain a permit authorizing their employment, eliminates the fee for permits, and repeals the appropriation at s. 20.445 (1)(gk), Permit system for employment of minors; fees. The Department of Workforce Development (DWD)'s share of fees is credited to this appropriation account.

Under current law, 14- and 15-year-old minors must obtain a labor permit signed by their parents/guardians to lawfully work. An employer is required to maintain (e.g., produce for inspection) permits for their minor employees ages 14 and 15, and pay a \$10 permit fee for each minor employee or reimburse the employee if the employee pays the cost. All fee revenues received are allocated as follows: 25% to the local office issuing the permits and certificates of age, 25% to the General Fund, and 50% into the department's appropriation account as defined by s. 20.445 (1)(gk).

The permit system is DWD's primary tool for disseminating information about child labor laws to employers, such as allowable hours of work per week, and for collecting data on employers, minors, and the work performed. The department uses the data to guide outreach efforts and develop proactive actions designed to reduce the number of child labor law violations and corresponding investigations.

Permit fees support a 1.0 FTE Equal Rights Officer position that provides support with monitoring compliance and completing investigations for labor law violations, including the oversight of regulations related to employment of minors. The bill does not change current child labor laws, including regulations on hours of work and prohibited hazardous work activities, nor does it change the department's responsibility to oversee compliance with those laws.

The fiscal impact of this bill is estimated as follows:

It is assumed the cash balance in s. 20.445 (1)(gk) will revert to the General Fund when the appropriation is repealed under the bill. As of October 2023, the cash balance is approximately \$386,000.

The department's annual revenues will be reduced by an estimated \$144,000 PR-O. Based on the prior five years' permit revenues, annualized permit revenues are estimated to be \$288,000 total, with \$144,000 deposited into 20.445 (1)(gk), \$72,000 deposited into the General Fund, and \$72,000 provided to permit offices.

The department's costs will increase by \$169,000 GPR annually. Revenues deposited into s. 20.445 (1)(gk) support the operation of the Equal Rights Division (ERD). The department's annual budget authority in s. 20.445(1)(gk) is \$169,000, and 1.0 FTE is authorized. Annually, s. 20.445 (1)(gk) is fully spent, with position costs totaling \$106,000, and IT programming and other ERD operations costs accounting for the remaining \$63,000. The department is unable to absorb these costs.

Under this bill, the permit system and the department's collection process for minor labor data to provide targeted, data-driven outreach will be suspended. This bill does not provide funding for the department to replace the data collection and education function of the current permit system. The bill is anticipated to reduce education and outreach interactions with employers, employees, and their guardians, which would increase the number of ERD investigations. The increase in the number of investigations and their complexity as well as the increased costs from these investigations is indeterminate at this time.

Under current law, the department designates employees of school districts, and in some cases other entities, to serve as minor labor permit officers. By repealing minor labor permits, this bill has a local fiscal effect, primarily to school districts, estimated as a reduction of \$72,000 in annual permit revenue.

Local governments, as employers, may also incur costs related to provisions in the bill. Local government

counterparts to the DWD Equal Rights Division may experience an increase in complaints and may need to update publications. These costs are indeterminate.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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Description permits authorizing the employment of minors		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
One-time deposit of the cash balance in s. 20.445 (1)(gk) to the General Fund. As of October 2023 the balance is approximately \$386,000.		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$81,600	\$-81,600
(FTE Position Changes)		(-1.0 FTE)
State Operations - Other Costs	87,400	-87,400
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$169,000	\$-169,000
B. State Costs by Source of Funds		
GPR	169,000	
FED		
PRO/PRS (20.445 (1)(gk))		-169,000
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		-72,000
FED		
PRO/PRS (20.445)		-144,000
SEG/SEG-S		
TOTAL State Revenues	\$	\$-216,000
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$0	\$
NET CHANGE IN REVENUE	\$-216,000	-\$72,000
Agency/Prepared By		
Authorized Signature		Date
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