

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-0094/1	Introduction Number AB-0025	
Description Child labor permits and modifying references to child labor in the statutes		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory		
5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445(1)(gk), 20.445(1)(t)		
Agency/Prepared By DWD/ Joe Dvorak (608) 267-6969	Authorized Signature Georgia Maxwell (608) 266-2284	Date 2/1/2017

Fiscal Estimate Narratives

DWD 2/1/2017

LRB Number	17-0094/1	Introduction Number	AB-0025	Estimate Type	Original
Description Child labor permits and modifying references to child labor in the statutes					

Assumptions Used in Arriving at Fiscal Estimate

Aside from a few specific exceptions, current law prohibits minors under the age of 18 from being employed or permitted to work in any form of employment unless a written permit authorizing the employment is obtained. Current law also prohibits minors from being permitted to work within a "street trade" unless they obtain a street trade permit and an identification card. This street trade permit must contain statutorily defined information and be of an identical format to the child labor permit. Each permit is issued by the Department of Workforce Development (DWD) or by permit officers designated by the agency.

AB 25 eliminates the requirement minors aged 16 or 17 obtain a work permit or a street trade permit and the required ID card. The bill permits age certificates only for minors under 16. The bill also modifies existing statutory language by eliminating references to "child labor" and replacing them with "the employment of minors." Finally AB 25 repeals s. 103.19, which states that licenses may not be granted for theatrical exhibitions where minors are under the age of 15. This provision is obsolete.

The issuance of a Child Labor permit provides DWD, the issuing party, and the state general fund with revenue. Permits cost \$10.00. For each permit issued, \$5.00 goes to an Equal Rights Division (ERD) program revenue other (PRO) appropriation s.20.445(1)(gk) (in DWD) to fund the permit system and program operations; \$2.50 goes to the issuing agent (often local government or schools); and \$2.50 goes to the general fund. Changes to current law from AB 25 would result in fewer permits being issued. DWD estimates this would decrease annual revenue by \$350,000 PRO for ERD, by \$175,000 for local permit issuers, and by \$175,000 for the state general fund.

The revenue deposited in s. 20.445(1)(gk) is used to support 6.0 FTE. Most of the duties performed by these staff involve enforcement of laws related to employment of minors. The annual budget for s. 20.445(1)(gk) is \$354,200 PRO. A revenue reduction of \$350,000 PRO annually means alternative funding would need to be identified to continue performing the duties covered by the 6.0 FTE.

AB 25 would also have adverse effects on revenue within DWD's Division of Workers Compensation (WC). Statute 102.60 authorizes WC to collect penalties from employers in claims involving injuries sustained by illegally employed minors. The absence of a work permit in these claims provides prima facie justification for a penalty to be assessed to the employer and establishes revenue derivative of the requirement for minor employees beneath the age of 18 to obtain work permits. The majority of penalties assessed arise from claims involving individuals aged 16 and 17. The loss of revenue that would result from the age requirement change for minor work permits is estimated to be \$20,000 SEG annually from penalties assessed per 102.60(1m)(a) and \$10,000 SEG annually from penalties assessed per 102.60(1m)(c).

DWD's total long-term annual revenue loss is estimated to be \$380,000 all funds (AF).

Finally, DWD estimates that there would be a one-time cost of \$5,000 to revise existing child labor law publications and provide notifications to current permit officers. This cost could be absorbed within the division's current operating budget.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 17-0094/1	Introduction Number AB-0025	
Description Child labor permits and modifying references to child labor in the statutes		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
\$5,000 to revise existing child labor law publications and provide notifications to current permit officers. This cost could be absorbed within the division's current operating budget.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
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		-175,000
FED		
PRO/PRS		-350,000
SEG/SEG-S		-30,000
TOTAL State Revenues	\$	\$-555,000
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-555,000	-\$175,000
Agency/Prepared By	Authorized Signature	Date
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