

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3501S.02I  
 Bill No.: SB 1057  
 Subject: Children and Minors; Employees - Employers  
 Type: Original  
 Date: February 13, 2024

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

**FISCAL SUMMARY**

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

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
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)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Less than (\$28,575)</b>	<b>Less than (\$28,575)</b>	<b>Less than (\$28,575)</b>

Numbers within parentheses: () indicate costs or losses.

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

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

- 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.

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

## 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 wage complaint investigation. Moreover, the bill still requires the Division of Labor Standards to investigate complaints of youth employment violations. The impact to the Division is absorbable, though more resources would be requested through appropriation if necessary.

**Oversight** notes, per previous conversation with DOLIR in similar proposal SCS for SB 175 (2023), 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

Officials from the **Office of Administration – Budget & Planning (B&P)** assume, to the extent changes in the work permitting process impact related fines and such fines are deposited in the state treasury, TSR may be impacted.

**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 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 Department of Revenue, the Office of the Governor, 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 Department of Transportation, the Missouri Department of Transportation – Patrol Employees Retirement, the Office of the State Auditor, the Missouri Senate, the Office of the State Public Defender, the Office of the State Treasurer, the State Tax Commission, the Joint Committee on Education, the Legislative Research, the Joint Committee on Education, the Joint Committee on Public Employee Retirement, the Legislative Research, the Oversight Division, the Lottery, the Missouri Consolidated Health Care Plan, the Missouri State Employee's Retirement System** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Northwest Missouri State University, the Missouri University System, 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
<b>CHILD LABOR ENFORCEMENT FUND (0826)</b>			
<u>Decline in Revenue – from a reduction in youth complaint investigations from employers no longer requiring work certificates for those below a certain age p.3-4</u>	<u>Less than (\$28,575)</u>	<u>Less than (\$28,575)</u>	<u>Less than (\$28,575)</u>
<b>NET EFFECT ON THE CHILD LABOR ENFORCEMENT FUND (0826)</b>	<b><u>Less than (\$28,575)</u></b>	<b><u>Less than (\$28,575)</u></b>	<b><u>Less than (\$28,575)</u></b>

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

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 act repeals various provisions relating to youth work certificates. Two new provisions are created to provide that no department, agency, entity, or political subdivision of the state may require, by rule or practice, that a child under 18 years of age be issued a work certificate of

employment, entertainment work permit, or any other written authorization issued by a government entity as a condition of employment. Additionally, an employer shall not be required to obtain such a certificate or permit from a child under 18 years of age as a condition of employment. However, employers are required to receive signed permission slips from the parent, legal custodian, guardian, or designated guardian, in formats prescribed by the Department of Labor and Industrial Relations, in order to employ a child between 14 and 16 years of age who is otherwise eligible to be employed.

This act shall not be construed to authorize a child to be absent from school in violation of the requirements of state law or regulations or policies of the State Board of Education, the Missouri Department of Elementary and Secondary Education or a local school board. Additionally, nothing in this act shall be construed to preclude the Department of Labor and Industrial Relations from issuing a work certificate as evidence of age upon the request of a child who represents to be under 18 years of age or an employer who wishes to employ a child who represents to be under 18 years of age.

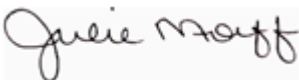
Additional new provisions are created, substantially replicating current law, regulating the manner in which a child may be employed in the entertainment industry, as that term is defined in the act.

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  
Office of Administration – Budget and Planning  
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 Mental Health  
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 Revenue  
Office of the Governor  
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 Senate  
Department of Transportation  
Missouri Department of Transportation – Patrol Employees Retirement  
Missouri Senate  
Office of the Secretary of State  
Office of the State Public Defender  
State Tax Commission  
Joint Committee on Education  
Joint Committee on Public Employee Retirement  
Lottery  
Missouri Consolidated Health Care Plan  
Missouri State Employee's Retirement System  
Legislative Research  
Oversight Division  
City of Kansas City  
Northwest Missouri State University  
Missouri University System  
University of Central Missouri



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