LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8218 **DATE PREPARED:** Apr 8, 1999
BILL NUMBER: HB 2051 **BILL AMENDED:** Apr 7, 1999

SUBJECT: Child labor restrictions.

FISCAL ANALYST: Mark Goodpaster
PHONE NUMBER: 232-9852

FUNDS AFFECTED: GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill provides that the employer of a child who is at least 16 years of age and less than 18 years of age must have parental consent on file in the employer's office for the child to work: (1) up to 40 hours per week during school weeks; and (2) 48 hours per week during a nonschool week. It specifies that a nonschool week contains two or less days of school. It defines a school day as a day that contains more than four hours of classroom instruction. It provides that a child who is at least 17 years of age and less than 18 years of age may work until 1 a.m. the following day on a night followed by a school day only if the child's employer has the consent of the child's parent on file in the employer's office and no more often than two non-consecutive school nights a week. It provides for warning letter for a first violation of child labor laws, and for fines for subsequent violations. It provides that one half of the money in the employment of youth fund shall be used each year for the purpose of education regarding child labor laws. It provides that half of the money in the employment of youth fund shall be used for the expenses of hiring and salaries of additional inspectors to enforce child labor laws. It provides that an employee of a seasonal amusement or recreational establishment, an organized camp, or a religious or nonprofit educational conference center that is exempt under the Fair Labor Standards Act who is covered by the Indiana minimum wage law is not entitled to overtime wages for a work week longer than 40 hours. It provides that a non-public school is authorized to issue employment certificates for students enrolled in the non-public school and that the non-public school shall designate an issuing officer who is responsible for attendance or the monitoring of student grades.

Effective Date: July 1, 1999.

Explanation of State Expenditures: Department of Labor staff report that the Department has five child labor inspectors and that it should be able to comply with this change with current staff.

Explanation of State Revenues: (Revised) Depending on the compliance rate and the increase in fines, passage of this bill could increase the amount of fines that are collected by the Department of Labor.

Between FY 1996 and FY 1998, revenue from fines was reported to have changed from $119,550 to $80,975 to $93,285. This revenue is deposited into the Employment of Youth Fund and is used for educating affected parties on the purpose and content of child labor laws. As amended, this bill would distribute one half of the money in the employment of youth fund for education regarding child labor laws while the other half of the employment of youth fund would be used for hiring and salaries of additional inspectors to enforce child labor laws

Explanation of Local Expenditures: (Revised) Allowing nonpublic schools to designate an issuing officer could reduce the workload of issuing officers in the public schools. The issuing officers in public schools are often school counselors.

Explanation of Local Revenues:

State Agencies Affected: Department of Labor

Local Agencies Affected:

Information Sources: Michelle Gibson, Department of Labor