

MINOR WORK PERMITS

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House Bill 5594 as reported from House committee

Sponsor: Rep. Phil Skaggs

Committee: Labor

Complete to 12-5-24

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5594 would amend the Youth Employment Standards Act to modify the procedures for issuing work permits to minors.

Under the Youth Employment Standards Act,¹ work permits for minor employees are issued and revoked by the chief administrator (or their authorized designee) of the minor's school district, intermediate school district (ISD), public school academy (PSA), or nonpublic school. The permits are kept on file at the minor's place of employment and in their permanent school record for the duration of employment, and after the minor terminates employment, their employer must return the work permit to the school administrator.

Beginning 18 months after it takes effect, House Bill 5594 would transfer the responsibility for issuing and revoking work permits to the director of the Department of Labor and Economic Opportunity (LEO) or their designee. A minor would have to register with LEO before starting work in an occupation regulated by the Youth Employment Standards Act, and the person proposing to employ the minor would have to be authorized by LEO and in compliance with the act. After termination of employment, a minor's employer would have to directly notify LEO.

LEO registration

The LEO director or designee would have to create and maintain a free, public, and online registration system that allows a minor, or a parent or legal guardian on the minor's behalf, to register for employment and that allows an employer to register to employ minors.

Minors and their parents or guardians would have to be able to submit information through the system that allows LEO to identify the minor's name, age, home address, and contact information, in addition to each parent's or legal guardian's name, home addresses, and contact information. A minor or their parent or legal guardian would also have to be able to describe a physical limitation of the minor.

Before hiring a minor, an employer would have to submit the following information to the registration system, in addition to any other information required by LEO:

- The employer's name and contact information.
- The minor's name and contact information.
- The address of each of the employer's worksites and the minor's proposed primary worksite.

¹ For a fact sheet on Michigan's youth labor rules, see: https://www.michigan.gov/-/media/Project/Websites/leo/Folder23/whd9803_act_90_brochure_JH_Sugg_Edits.pdf.

- The name of each minor ever hired by the employer and each minor currently employed.
- A signed statement made under penalty of perjury that the employer will comply with all applicable youth employment laws.

LEO could establish other requirements for the system that it determines to be relevant.

Information in the registration system (other than information in the youth employer database, as described below) would be exempt from disclosure under the Freedom of Information Act (FOIA), and LEO could disclose information in the system only as necessary for enforcement and implementation of the Youth Employment Standards Act.

Permit approval

Within 15 days after a minor or employer completes the online registration, the LEO director or designee would have to determine whether the minor's employment would be in compliance with the act and notify the employer, minor, and parent or guardian of their determination and of any deviations² that have been requested or authorized. If LEO does not notify the required individuals by the deadline, the minor could immediately begin work for the employer.

The online registration system would have to allow a minor, parent or legal guardian, or employer to review a determination. A parent or legal guardian would have ten days after receiving the notice to notify LEO that they do not consent to a deviation or portion of the deviation, and then the deviation or portion of the deviation would not be authorized.

Youth employer database

The LEO director or would have to create a database of authorized employers based on the information in the registration system that displays each authorized employer's name, address, and email address and is available online to the public at no cost. If the LEO director or designee determines that an employer in the database is unauthorized to employ minors under the Youth Employment Standards Act, they would have to immediately remove the employer.

MCL 409.102 et seq.

BRIEF DISCUSSION:

According to committee testimony, 37 states require minors to receive a permit before starting work. Of these states, 11 require permits to be issued by the state's department of labor, 20 (including Michigan) require permits to be issued by schools, and six require approval from both entities.

Supporters of House Bill 5594 argue that the bill would modernize and standardize the permitting process under the Youth Employment Standards Act for employers and minors statewide, and shifting to online registration with LEO and an electronic database would expedite the process and eliminate administrative burdens for schools. They add that such a change would also resolve inconsistencies between school districts in how quickly they can

² Currently, 16- and 17-year-olds cannot work between 10:30 p.m. (or 11:30 p.m. on weekends and while school is not in session) and 6 a.m. without receiving approval from LEO for a deviation from those hours. Those 15 and younger may not work outside the hours of 7 a.m. to 9 p.m. and are not eligible to receive a deviation.

issue permits, particularly during the summer when more permits are requested but school is not in session. Supporters also point to the bill's benefit to employers, who would only have to enter their information into the registration system once.

No arguments opposing the bill were presented during committee testimony, but concerns were raised about the necessity of a public employer registry and the potential added administrative burden on employers. Concerns were also raised that a child who wants to report a violation would feel more comfortable going to their school counselor, as is currently done, than filling out an online form administered by a state agency.

FISCAL IMPACT:

House Bill 5594 would create additional costs for the Department of Labor and Economic Opportunity (LEO). Costs would be incurred for the registration system, employer database, and for LEO's other responsibilities under the bill. The department projects that one-time costs of \$810,000 would be incurred, with ongoing costs totaling \$310,000 annually. These cost estimates include costs for two additional FTE positions and information technology modifications. The bill would not create any additional revenue for LEO.

POSITIONS:

Representatives of the Department of Labor and Economic Opportunity testified in support of the bill. (5-23-24)

The following entities indicated support for the bill (11-14-24):

- Barry County Intermediate School District
- Branch County Intermediate School District
- Calhoun County Intermediate School District
- International Brotherhood of Electrical Workers Michigan State Conference
- Jackson County Intermediate School District
- Lenawee County Intermediate School District
- Michigan AFL-CIO
- Michigan Association of School Boards
- Michigan Association of Secondary School Principals
- Michigan Immigrant Rights Center
- Michigan League for Public Policy
- Michigan Nurses Association
- Monroe County Intermediate School District
- United Food and Commercial Workers Local 876
- United Food and Commercial Workers Local 951

The following entities indicated a neutral position the bill (11-14-24):

- Michigan Chamber of Commerce
- Michigan Retailers Association

The following entities indicated opposition to the bill:

- Grand Rapids Chamber (5-23-24)

- Home Builders Association of Michigan (11-14-24)
- Michigan Restaurant and Lodging Association (5-23-24)
- National Federation of Independent Business (5-23-24)
- Small Business Association of Michigan (5-23-24)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.