

AMERICAN PAYROLL ASSOCIATION

April 29, 2019

The Honorable Aric Nesbit
Chair, Regulatory Reform Committee
Michigan State Senate
P.O. Box 30036
Lansing, MI 48909-7536

The Honorable Lana Theis
Vice Chair, Regulatory Reform Committee
Michigan State Senate
P.O. Box 30036
Lansing, MI 48909-7536

Re: Michigan S.B. 40, A bill to amend 1986 PA 268, entitled "Legislative council act," (MCL 4.1101 to 4.1901) by adding section 404

Dear Senators Nesbit and Theis:

The American Payroll Association (APA) is concerned about the impacts on APA's voluntary certification program by Michigan Senate Bill 40 that would modify the review process for the state's occupational licensing regulations. Although APA shares the need to balance market competition with consumer protection, in its current form, S.B. 40 will damage a valuable, voluntary certification program that is vital for payroll professionals working for employers that conduct business in Michigan.

APA recommends that the Michigan Senate except private-sector voluntary programs, like APA's certification program, from S.B. 40, and ensure that individuals who credential through private-sector programs are not precluded from publicly announcing their proven knowledge and skill.

About APA and the Value of Payroll Certification

APA is a not-for-profit professional organization serving the interests of more than 21,000 payroll professionals nationwide, including more than 600 physically located in Michigan. Since 1982, our goal has been to increase the job skills of payroll professionals through education and training. APA's Fundamental Payroll Certification and Certified Payroll Professional designations are voluntary and offer a means for individuals to show current and potential employers that they have the necessary skills to manage payroll and that they are maintaining that knowledge as current through continuing education.

APA's program serves as a critical means of gaining employment and career advancement for many individuals, especially because U.S. institutions of higher education do not offer a degree in payroll management.

Recommendations on S.B. 40

APA recommends the following amendments to S.B. 40:

- Language under Section 404(3)(E) of S.B. 40 appears to call for the Michigan Law Revision Commission to propose government-created “voluntary certification” when there is “asymmetrical information between the seller and buyer.” Given that the private-sector already offers well-established and recognized voluntary professional certification opportunities, government-based programs in Michigan would be a waste of taxpayer money. There is no reason for government officials, who lack subject-matter expertise, to compete with established private-sector certification programs.

Instead, APA recommends an amendment to Section 404(3)(E):

Asymmetrical information between a seller and buyer, ~~by 17 voluntary certification.~~ **by enacting government certification unless suitable, private certification for the relevant occupation is available. As used in this section, “suitable” means widely recognized as reflecting established standards of competency, skill, or knowledge in the field.**

- APA is concerned about the definition of “certification” under Section 504(5)(A). This section appears to apply only to those programs adopted by Michigan government entities, however, this is not clear. APA requests that the Michigan Senate not preclude individuals who have successfully credentialed in private-sector voluntary programs from publicly announcing their skills, even if the program is not adopted by a government entity.

For example, when individuals engage in APA's certification program and comply with stringent requirements for work experience, educational offerings, and testing, they inform their employers, other employees, and the public about their expertise by using a designation after their names of FPC, Fundamental Payroll Certification for payroll beginners, and CPP, Certified Payroll Professional for those with extensive payroll knowledge and experience.

APA would be pleased to discuss its valuable certification program further with the Michigan Senate. We urge you to carve out voluntary certification programs from S.B. 40 and recognize the value of private-sector voluntary programs.

Sincerely,



Alice P. Jacobsohn, Esq.
Senior Manager, Government Relations



Rali Petrova
Certification Manager