

Legislative Analysis



UNEMPLOYMENT INSURANCE AGENCY DATA AVAILABILITY AND ONLINE SYSTEM

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4545 as enacted
Public Act 72 of 2018
Sponsor: Rep. Jim Ellison

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

House Bill 4546 as enacted
Public Act 73 of 2018
Sponsor: Rep. Gary Howell

House Committee: Workforce and Talent Development
Senate Committee: Commerce

Complete to 6-20-18

BRIEF SUMMARY: House Bill 4545 would amend the Michigan Employment Security Act to allow the Michigan Unemployment Insurance Agency (UIA) to make certain information it collects available to additional institutions for public service-related research projects and the purposes described below. It would also require the UIA to identify online the information available to those institutions and make it easier to obtain that information. House Bill 4546 would add to those subject to a penalty for disclosing that information or violating related confidentiality agreements, and make technical changes to the Act.

FISCAL IMPACT: The bills would have an indeterminate fiscal impact on the Unemployment Insurance Agency and local court systems. (See *Fiscal Information*, below, for further discussion.)

THE APPARENT PROBLEM:

According to committee testimony, at present certain unemployment data is unavailable to Michigan Works agencies, community colleges, and other institutions. There is a concern that, without this information, Michigan is less able to compete for federal grants and to prepare job-seekers for in-demand, high-paying jobs. More reliable placement and compensation data would allow Michigan agencies and institutions to secure federal grant dollars. Access to the information would allow community colleges and other institutions of higher learning to develop job training programs and curricula to account for ever-changing employment needs.

THE CONTENT OF THE BILLS:

Currently under the law, the UIA may make information it obtains available for use on research projects of a public service nature to colleges, universities, or agencies of the state conducting certain research for a public official.

House Bill 4545 would instead allow this information to be made available to a *public official, eligible educational institution, or Michigan Works! Agency*, or to an agency of the state conducting certain research for a public official, for the following purposes:

- For use in connection with research projects of a public service nature.
- For course, program, or training program planning, improvement, or evaluation.
- For grant application or evaluation.
- For institutional or program accreditation.
- For economic development or workforce research.
- For award eligibility.
- For federal or state mandated reporting.

(The UIA could also perform the analysis for the purposes listed above for, and disclose obtained information to, independent educational institutions. As with the other entities, the UIA would need to take steps to ensure confidentiality of the information.)

Additionally, the bill would require the UIA to identify online the information collected by the UIA that may be made available to these institutions and agencies, and to assist them in the application process required to gain access to that information.

Under current law, the UIA enters into a written, enforceable agreement with the public official, which holds the official responsible for ensuring that the agency or institution conducting the research maintains the confidentiality of the information. **House Bill 4545** would require that a confidentiality agreement be executed between the UIA and the public official, eligible educational institution, or Michigan Works! Agency, and that the agreement extend for a period of no more than 10 years.

Eligible educational institution would mean a public community or junior college established under Part 7 of Article VIII the Michigan Constitution or the Revised School Code, or a state university described in Part 4, 5, or 6 of Article VIII of the Constitution.

Independent educational institution would mean an independent nonprofit college or university located in Michigan.

Michigan works agency would mean an entity described in Section 17(a) or (d) of the Michigan Works One-Stop Service Center System Act.

Public official would mean that term as defined in 20 CFR 603.2¹ and would include an eligible educational institution and a Michigan Works! Agency.

MCL 421.11

House Bill 4546 would leave unchanged the penalty for making use of any information obtained by the UIA in connection with a public service-related research project for any purpose other than in connection with the project. However, it would apply it to anyone associated with those institutions or agencies or any agency of the state who makes use of

¹ <https://www.gpo.gov/fdsys/pkg/CFR-2001-title20-vol3/pdf/CFR-2001-title20-vol3-sec603-2.pdf>

any information obtained from the UIA as described in House Bill 4545. The offender would be guilty of a misdemeanor punishable by imprisonment for up to 90 days or a fine of up to \$1,000, or both.

MCL 421.54

House Bill 4546 is tie-barred to HB 4545, meaning that it could not take effect unless HB 4545 were also enacted. The bills take effect July 1, 2018.

FISCAL INFORMATION:

House Bill 4545 would have an indeterminate fiscal impact on the Unemployment Insurance Agency within the Department of Talent and Economic Development, though likely one that would result in an increase of costs. The department has indicated that the data that would be made available under this bill for evaluative purposes are currently available to universities for research; however, none have requested it. This bill would expand the number of entities that could request the data, so it is reasonable to assume that there could be an increase in data requests. The department currently has no estimate on the extent to which requests could increase or the amount of department resources that would be necessary to process these requests.

House Bill 4546 would have an indeterminate fiscal impact on local court systems that would depend on the number of individuals convicted under provisions of the bill. New misdemeanor convictions would increase costs related to county jails and/or local misdemeanor probation supervision. The costs of local incarceration in a county jail and local misdemeanor probation supervision vary by jurisdiction. The fiscal impact on local court systems would depend on how the provisions of the bill affected caseloads and related administrative costs. Any increase in penal fine revenues would increase funding for local libraries, which are the constitutionally designated recipients of those revenues.

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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.