



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4545 (Substitute S-2 as reported by the Committee of the Whole)
House Bill 4546 (Substitute S-3 as reported by the Committee of the Whole)
Sponsor: Representative Jim Ellison (H.B. 4545)
Representative Gary Howell (H.B. 4546)
House Committee: Workforce and Talent Development
Senate Committee: Commerce

CONTENT

House Bill 4545 (S-2) would amend the Michigan Employment Security Act to do the following:

- Allow the Unemployment Insurance Agency (UIA) to make information that it obtained available for course or program planning, grant application, and other purposes, as well as for use in connection with research projects of a public nature.
- Require the UIA to identify online the information that it collected that could be made available to public officials, eligible educational institutions, and Michigan Works! Agencies, and assist those entities in gaining access to the information.
- Require a confidentiality agreement executed between the UIA and a public official to last a maximum of 10 years, and require the agreement to hold the public official, eligible educational institution, or Michigan Works! Agency responsible for ensuring that confidentiality was maintained.
- Specify that if a confidentiality agreement were breached, the public official, eligible educational institution, or Michigan Works! Agency could be subject to misdemeanor penalties equivalent to those that would apply to a person associated with a public agency, eligible educational institution, or Michigan Works! Agency who disclosed confidential information.
- Require the UIA, at the request of an independent educational institution, to perform data analysis of information that it had obtained and provide the results to the institution.
- Prohibit the UIA from disclosing information to an independent educational institution in a manner that would reveal an individual or employing unit from or concerning whom the information was obtained.

The bill would define "eligible educational institution" as a public community or junior college or a State university. "Independent educational institution" would mean an independent nonprofit college or university in Michigan.

House Bill 4546 (S-3) would amend a provision of the Michigan Employment Security Act that prohibits the improper disclosure of information obtained from the UIA, to extend misdemeanor penalties to a person associated with an eligible educational institution, or Michigan Works! Agency, who disclosed confidential information obtained for purposes other than those described in House Bill 4545 (S-2).

Each bill would take effect on July 1, 2018.

MCL 421.11 (H.B. 4545)
421.54 (H.B. 4546)

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bills would result in an indeterminate cost to the State. The Unemployment Insurance Agency, which is within the Department of Talent and Economic Development, would experience costs in order to develop a formal process for requesting data from the UIA and expanding the entities that are able to request the data. The Department does not have an estimate of these costs or know whether additional appropriations would be necessary. Since the Department already makes information available to higher education institutions, it is unlikely that these costs would be significant enough to require additional appropriations.

The bills could have a negative fiscal impact on local government. Since they would increase the individuals and organizations eligible to receive information from the Unemployment Insurance Agency, the bills also would increase the number of potential violations for unlawfully disclosing that information. Any increase in misdemeanor arrests and convictions could increase resource demands on law enforcement, court systems, community supervision, and jails. Any associated increase in fine revenue would increase funding to public libraries.

Date Completed: 3-1-18

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