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BILL ANALYSIS

Senate Fiscal Agency

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Senate Bill 378 (as passed by the Senate)
Sponsor: Senator Doug Carl
Committee: Human Resources and Senior Citizens

Date Completed: 8-24-89

RATIONALE

The Federal Family Support Act of 1988 and the Stewart McKinney Homeless Assistance Act of 1988 reportedly require all State employment security agencies to release certain wage and unemployment benefit claims information to the Federal government or risk losing Federal funding. According to the Michigan Employment Security Commission, therefore, the Commission must receive statutory authority to release the required information by September 30, 1989, or the Commission will lose all of about \$130 million in administrative funds that it is due to receive from the Federal government.

CONTENT

The bill would amend the Michigan Employment Security Act to require the Michigan Employment Security Commission to disclose to Federal agencies and State and local public housing agencies wage and unemployment benefit claims information.

Specifically, the bill would require the Commission to disclose to the United States Department of Health and Human Services any wage and unemployment benefit claims information, including any information that might be useful in locating an absent parent or his or her employer for purposes of carrying out the child support enforcement program under Title IV of the Federal Social Security Act. The information could not be released unless the requesting agency agreed to

reimburse the Commission for the costs incurred in furnishing the information.

Further, the bill provides that upon request accompanied by presentation of a consent to release information signed by the claimant, the Commission would be required to disclose to the U.S. Department of Housing and Urban Development (HUD) and any State or local public housing agency responsible for verifying an applicant's or participant's eligibility for, or level of benefits in, any housing assistance program administered by the Department, the name and address of, and wage information concerning, the individual, as well as whether the individual applied for unemployment benefits and was receiving or had received them and their amount. The information could be used only to determine an individual's eligibility for benefits or the amount of benefits to which an individual was entitled under a HUD housing assistance program. The information could not be released unless the requesting agency agreed to reimburse the Commission for the costs incurred in furnishing the information. The term "public housing agency" would mean an agency described in the United States Housing Act.

MCL 421.11

FISCAL IMPACT

Benefit verification and information services would have to be provided on a cost basis to Federal agencies. Consequently, there would be

no fiscal impact on the State or local governments. If this bill fails to pass, however, the State will not be in compliance with Federal law. Provisions in this bill will be needed by September 30, 1989. If the State fails to enact this legislation, then Federal funds provided to the MESC will be withheld. In 1989-90 this would be about \$130 million.

ARGUMENTS

Supporting Argument

Amending the Michigan Employment Security Act to require the Michigan Employment Security Commission to disclose certain wage and unemployment benefit claims information to the Federal government would help ensure that the Commission continued to receive much needed Federal funding.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.