

Legislative Analysis



CENTRALIZED REASONABLE ACCOMMODATIONS ACT

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

House Bill 5150 as introduced
Sponsor: Rep. Jon Hoadley

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

House Bill 5151 as introduced
Sponsor: Rep. Steve Marino

Committee: Commerce and Tourism
Complete to 11-6-19

SUMMARY:

Taken together, House Bills 5150 and 5151 would create the Centralized Reasonable Accommodations Act to provide for monetary aid to employers trying to make their establishments compatible with federal and state worker's disability regulations. The bills would allow employers to submit requests to the Department of Labor and Economic Opportunity (LEO),¹ which would transmit those meeting its criteria to the Board of Trustees of the Second Injury Fund under the Worker's Disability Compensation Act. That act would allow the Board of Trustees to authorize payments from that fund for those requests.

House Bill 5150 would create the Centralized Reasonable Accommodations Act. Under the new act, beginning January 1, 2021, an employer could request from LEO, on a form prescribed by LEO, funding to do either of the following:

- Assist the employer to achieve compliance with the federal Americans with Disabilities Act with respect to an accommodation that is specific to a particular employee.
- Assist the employer to achieve compliance with the Persons with Disabilities Civil Rights Act with respect to an accommodation that is specific to a particular employee.

An employer could submit only one reasonable accommodations request per employee per calendar year. An employer could not disclose any confidential information in a request. To be eligible to receive funding under the act, an employer would have to agree, under penalty of perjury, that any funding awarded would be used only for the purposes described above.

The bill would also require LEO to establish criteria for reviewing reasonable accommodations requests and to make the criteria available on its website. LEO would have to determine whether a request met its criteria within 30 days after receiving the request. If LEO determined that a request met its criteria, it would have to notify the employer and transmit its determination to the trustees of the Second Injury Fund created under the Worker's Disability Compensation Act. If the department determined that a request did not meet its criteria, it would have to notify the employer and explain the specific reasons why the request did not meet its criteria.

In addition, the bill states that the new act would not limit or affect a right guaranteed to an employee under any law. The bill would take effect 90 days after being enacted.

¹ While the bills as introduced refer to the Department of Licensing and Regulatory Affairs, the Department of Labor and Economic Opportunity, created by Executive Order 2019-13, now has administration of the functions to which the bills pertain.

House Bill 5151 would amend the Worker’s Disability Compensation Act. Under the bill, the Board of Trustees of the Second Injury Fund could authorize payments from the fund for reasonable accommodations request determinations made by LEO under the Centralized Reasonable Accommodations Act. All of the following would apply to such a payment:

- The trustees could not authorize a payment of more than \$1,000 for each determination.
- The trustees could not authorize more than \$1,000 in payments for a single employee in a calendar year.
- The trustees could not authorize more than \$500,000 in payments for all reasonable accommodations request determinations in a calendar year.

The bill would take effect 90 days after being enacted.

Proposed MCL 418.539

FISCAL IMPACT:

House Bills 5150 and 5151, examined jointly, would have a significant fiscal impact on the Department of Labor and Economic Opportunity (LEO), namely by necessitating additional expenditures for implementation and administration. It should be noted that while HB 5150 defines “department” as the Department of Licensing and Regulatory Affairs (LARA), responsibility for implementation and administration of the provisions of these bills resides with LEO, pursuant to reorganizations under Executive Order 2019-13.

LEO’s preliminary estimate is that 5.5 additional FTE positions would be required for implementation and administration. FTEs would include three specialists, one technician, one administrative assistant, and management. Staff would be responsible for determining that accommodations are appropriate and monitoring implementation of accommodations. An estimated cost for these FTEs would total approximately \$609,000, based on average fringe benefit costs and salary data contained in the FY 2017-18 and FY 2018-19 Annual Workforce Reports, respectively. LEO also anticipates that collaboration may be required with other state departments, including the Michigan Department of Civil Rights.

House Bill 5151 would limit expenditures from the Second Injury Fund for payments related to reasonable accommodations. The bill would limit payments to \$1,000 for a single employee in a calendar year and would cap all payments for reasonable accommodations at \$500,000 per calendar year.

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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.