



Senate Fiscal Agency  
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## BILL ANALYSIS



Telephone: (517) 373-5383  
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Senate Bills 962, 976, and 981 (Substitute S-2 as reported)  
Senate Bill 975 (Substitute S-1 as reported)  
Sponsor: Senator John Cherry (S.B. 962 & 976)  
Senator Sam Singh (S.B. 975)  
Senator Mary Cavanagh (S.B. 981)  
Committee: Labor

**CONTENT**

Senate Bill 962 (S-2) would amend the Michigan Employment Security Act to do the following:

- Modify the number of hardship waiver applications the Unemployment Insurance Agency (UIA) could consider when determining whether to waive recovery of improperly paid benefits.
- Allow an administrative law judge to file a request for consolidation to hear all relevant matters for a single claimant in a single hearing.
- Prohibit the UIA from initiating recovery of improperly paid benefits until the UIA had reviewed the claim for all possible waivers to which the claimant could be entitled and issued a notice to the claimant containing additional information.
- Require a reduction in employees' work hours under an approved shared-work plan to be between 10% and 60%, instead of between 15% and 45%.
- Specify that an individual would meet the current requirement to be actively engaged in seeking work while receiving benefits if, beginning January 1, 2025, the individual did any of the Act's current qualifying activities at least three times a week.

Senate Bill 975 (S-1) would amend the Michigan Employment Security Act to allow an individual who was a victim of domestic violence to still be considered qualified for unemployment benefits after leaving work voluntarily if the individual left work because of that domestic violence. Additionally, the bill would specify that an individual who reduced the individual's own work to below full-time levels voluntarily would be rebuttably presumed to have left work without good cause attributable to the employer.

Senate Bill 976 (S-2) would amend the Michigan Employment Security Act to do the following:

- Require the UIA to comply with information disclosure requirements under Federal law.
- Require information in the UIA's possession that could affect an individual's claim for worker's disability compensation to be available to the claimant or the claimant's employer, under specified circumstances.
- Require the UIA to calculate its costs to process and handle requests for disclosure of information in its possession.
- Require any information in the UIA's possession to be made available in response to a court order or to an official with subpoena authority.
- Exempt from the Freedom of Information Act (FOIA) any records of the methods used by the UIA to identify and investigate fraudulent claims.
- Repeal Section 12a of the Act, which requires that any individual receiving payment to engage in a community work or training program or work experience program be entitled to benefits provided by the Workers Disability Compensation Act.

Senate Bill 981 (S-2) would amend the Michigan Employment Security Act to do the following:

- Require writings of the UIA in the performance of an official function to be subject to FOIA and to be available for retention for preservation and archival by the State.
- Delete a provision allowing the UIA to destroy original documents that were copied and preserved.
- Repeal several sections of the Act whose provisions no longer apply.

The bills are tie-barred to Senate Bill 40, which would increase the maximum number of weeks that an individual could claim unemployment benefits in a year.

MCL 421.28d et al. (S.B. 962)  
421.29 (S.B. 975)  
421.11 et al. (S.B. 976)  
421.3 et al. (S.B. 981)

### **BRIEF RATIONALE**

According to testimony, the bills would modify unemployment law to correct common issues claimants experience in the unemployment system, make permanent some aspects of the unemployment system that operated well during the Covid-19 pandemic, and amend language that was deemed inconsistent by the Michigan Supreme Court regarding benefits paid to individuals who involuntarily stopped working.

Legislative Analyst: Alex Krabill

### **FISCAL IMPACT**

#### Senate Bill 962 (S-2)

The bill would have a fiscal impact on the UIA and no fiscal impact on local units of government. Increasing the benefit reduction percentage for shared-work plans, from between 15% and 45% to 10% and 60%, could increase the number of shared-work plans approved. About 1.5% of total UIA claims are from shared-work plans. Any increase in that rate could reduce the otherwise full unemployment benefit payments made by the UIA Trust Fund had the work-share plan not been allowable.

Postponing the timeframe for initiating the recovery of improperly paid benefits would have an indeterminate fiscal impact. Postponing the timeframe would delay the time when improperly paid benefits are paid back to the UIA Trust Fund; however, this process could reduce the number of false improperly paid benefit cases that are found through waivers or on appeal. This would only change when the State initiated a recovery of improperly paid benefits and not the waiver and appeal process, which would make additional administrative costs minimal and within current appropriations.

#### Senate Bill 975 (S-1)

The bill would have no fiscal impact on State or local government.

#### Senate Bill 976 (S-2)

The bill would have a minimal fiscal impact on the State and no fiscal impact on local units of government. The bill would formalize processes for disclosure of information requests. This could increase the number of disclosures made by the UIA, which could increase costs. Any significant costs would be supported by information request fees.

Senate Bill 981 (S-2)

The bill would have no fiscal impact on State or local government.

Date Completed: 11-27-24

Fiscal Analyst: Cory Savino, PhD

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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.