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Senate Bill 981 (as introduced 8-15-24)  
Sponsor: Senator Mary Cavanagh  
Committee: Labor

Date Completed: 11-5-24

## **CONTENT**

**The bill would amend the Michigan Employment Security Act to do the following:**

- **Require writings of the Unemployment Insurance Agency (UIA) in the performance of an official function to be subject to the Freedom of Information Act 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.**

### Public Access to UIA Writings

Generally, the UIA may destroy or dispose of documents as soon as practicable after a document has been digitized and preserved in an information system. The bill would delete this provision, and instead, except as provided in Section 11 of the Act, a writing prepared, owned, used, in the possession of, or retained by the UIA in the performance of an official function would be subject to all the following:

- The Freedom of Information Act.
- Sections 284 to 292 of the Management and Budget Act, which generally require State agencies and departments to keep operational records that document State history, among other things.<sup>1</sup>
- The Michigan History Center Act, which provides for the archival of historical records created by State government agencies.<sup>2</sup>

(Generally, under Section 11, information obtained from any employing unit or individual through the Act's administration and determinations as to the benefit rights of any individual are confidential and may not be disclosed or open to public inspection other than to public employees and public officials, or their agents or contractors, in the performance of their official duties under the Act. The Act prescribes certain exceptions to this provision, such as the use of information for course or program planning, grant applications, or in connection with research projects of a public nature, among other purposes.)

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<sup>1</sup> Under the Management and Budget Act, State Agencies must maintain and document their activities. The Department of Technology, Management, and Budget maintains a records management program for direction and training and provides a retention and disposal schedule for official records.

<sup>2</sup> The Michigan History Center Act allows the Archives or Michigan to collect and preserve historical records created by State agencies. It prohibits agencies from destroying official records without approval by the prescribed retention and disposal schedule.

## Rulemaking

Generally, the UIA has authority to create rules and regulations necessary to implement the Act, provided that the rules are consistent with the Act. The bill would modify this provision to specify that the UIA would have to promulgate rules to implement the Act under the Administrative Procedures Act.

The UIA must arrange for the Michigan Employment Security Act's text and all related rules and regulations to be printed for distribution to the public. Additionally, it must make available to the public any informal rules, criteria, administrative policies, or interpretations used by the UIA. Under the bill, the UIA would no longer have to arrange for the printing of such information. Also, the bill would specify that the information required to be made available to the public would have to be consistent with Section 11 of the Act.

Additionally, the Act requires a public hearing to be held before adopting new or changing rules. Notice of the hearing must be published at least 20 days beforehand in three newspapers across the State, including one in the Upper Peninsula. New rules take effect subject to the Administrative Procedures Act. The bill would delete these provisions.

## UIA Membership

The Director may appoint employees and assistants as necessary to exercise the Director's duties and may delegate authority to the employees or assistants subject to UIA approval of appointment and delegation. The bill would delete the requirement that the UIA would have to approve the hiring or delegation of the employees or assistants.

Additionally, the UIA may incur expenses as required to carry out the Act. Also, the UIA must arrange for a bond for any individual handling funds or authorizing payments under the Act. The cost of the bond must be paid from the Administration Fund. The bill would delete these provisions.

## Repealed Sections

The bill would repeal Sections 3a, 4a, 6, and 6b to 7. Generally, Section 3a provides for the creation of the Michigan Employment Security Advisory Council, which made recommendations to the UIA, the Legislature, and the Governor regarding the Act's administration and proposed amendments. Section 4a allows the UIA to purchase land for the use of a parking facility for the State Administrative Office in Detroit. Section 6 allows the Director to appoint individuals to committees with the purpose of educating the public of the conversion to the wage record system and for the development of forms to be used following the conversion to that system. Sections 6b to 7 provide for the use of appropriated funds from Fiscal Year 1989-90.

MCL 421.3 et al.

Legislative Analyst: Alex Krabill

## **FISCAL IMPACT**

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

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.