

Legislative Analysis



UNEMPLOYMENT WORK SEARCH REQUIREMENTS

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

House Bills 5179 and 5180 as introduced
Sponsor: Rep. Greg VanWoerkom
Committee: Workforce, Trades, and Talent
Revised 6-15-22

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

SUMMARY:

House Bill 5179 would amend the Michigan Employment Security Act to require individuals to take certain work search or training steps at least three times a week and to report to the Michigan Works! agency weekly in order to be considered actively engaged in seeking work. It also would require the Unemployment Insurance Agency (UIA) to submit a quarterly report to the legislature detailing compliance with the bill's provisions.

2020 PA 83 amended the requirements for an individual to be considered actively engaged in seeking work from monthly reporting to reporting at least once every two weeks.¹

The bill would provide that, beginning September 1, 2021, to be considered actively engaged in seeking work, an individual would have to search for work by doing any of the following at least three times in each week the individual was claiming benefits and report to the Michigan Works! agency the details of the work search at least once a week:

- Applying for a job.
- Interviewing for a job.
- Enrolling or participating in a workforce development program.
- Enrolling or participating in a program that assists the individual in obtaining a high school diploma or high school equivalency certificate.
- Obtaining professional assistance to create or update the individual's resume.

In each report submitted to the Michigan Works! agency, the individual would have to include the name and contact information of the employer to which the individual applied, the date the individual submitted the job application, a copy of the application, the date of the job interview, and other specified information regarding program participation and assistance received.

To be eligible for unemployment benefits, an individual would have to register for work with a Michigan Works! agency within 21 days after applying for benefits.

The bill also would allow an employer to notify the UIA that a claimant refused suitable work with the employer or of a job opening with the employer.

Requirements for the UIA

The bill would add that, for a claimant who has received benefits for 10 weeks or more, the UIA would have to conduct an audit of every work search conducted by the claimant.

¹ <http://www.legislature.mi.gov/documents/2019-2020/billanalysis/House/pdf/2019-HLA-0812-8CD82DEB.pdf>

The bill also would require the UIA to notify eligible recipients of work search assistance entities, including Michigan Works! agencies.

The UIA would have to forward any job openings received from employers to Michigan Works! agencies on a weekly basis.

Additionally, the UIA would have to submit a quarterly report to the House of Representatives and Senate that includes all of the following:

- The total number of claimants the UIA determined to have not complied with benefit eligibility requirements, including work search and reporting requirements proposed by the bill.
- The total amount of benefits paid to and the total amount of benefits recovered from claimants whom the UIA determined to have failed to comply with those requirements or who committed a violation punishable under the “catch-all” provision of the act.
- The total number of claimants that the UIA determined were ineligible for benefits because of failure to comply with those requirements.
- The average duration of regular and extended benefits drawn by claimants.
- The total number of employers that notified the UIA of a job opening.
- The number of claimants that enrolled in a workforce development program.

MCL 421.28 and 421.29

House Bill 5180 would amend the Michigan Works One-Stop Service Center System Act to add to the activities local workforce development boards are required to perform in cooperation with the chief elected officials in the area.

In addition to the current requirements, the boards would have to ensure that every individual registered to work with the Michigan Works! agency is notified of all job openings the agency receives from the UIA under the requirements of HB 5179.

The bill is tie-barred to HB 5179, which means that it could not take effect unless HB 5179 were also enacted.

MCL 408.123

FISCAL IMPACT:

House Bills 5179 and 5180 would result in increased costs for the Unemployment Insurance Agency, housed within the Department of Labor and Economic Opportunity. Specifically, UIA would experience cost increases for audit activities required under HB 5179; while the exact magnitude of the costs is indeterminate, the costs would likely be substantial. There would likely be other administrative costs incurred under the bills, but the precise magnitude is presently indeterminate.

Legislative Analyst: Jenny McInerney
Fiscal Analyst: Marcus Coffin

■ 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.