

# HOUSE BILL REPORT

## EHB 1647

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### As Amended by the Senate:

**Title:** An act relating to the authority of the employment security department to share data.

**Brief Description:** Expanding the authority of the employment security department to share data.

**Sponsors:** Representatives Goldsmith, Romero and Lisk; by request of Employment Security Department.

### Brief History:

#### Committee Activity:

Commerce & Labor: 2/21/95, 2/27/95 [DP].

#### Floor Activity:

Passed House: 3/13/95, 97-0;

Passed House: 1/26/96, 96-0.

Senate Amended.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass. Signed by 10 members: Representatives Lisk, Chairman; Hargrove, Vice Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Cole; Goldsmith and Horn.

**Minority Report:** Do not pass. Signed by 1 member: Representative Fuhrman.

**Staff:** Chris Cordes (786-7117)

**Background:** With certain exceptions, the Employment Security Department is obligated to keep records regarding individuals and employers confidential. One exception permits disclosing confidential information when the department contracts with private individuals and organizations to assist with operation and management of department functions. In such instances, the contracting party is bound by the same rules of privacy and confidentiality as Employment Security Department employees. Unsanctioned release of private information subjects the contracting party to a civil penalty of \$500.

**Summary of Bill:** The Employment Security Department may disclose private confidential information when it is necessary to permit public or private entities contracting with the agency to assist with its functions. The public or private contracting party is bound by the same rules of privacy as the department employees. This provision allowing disclosure is not authority for providing access for commercial purposes. Any unsanctioned disclosure of private confidential information subjects both public and private contracting parties to a civil penalty of \$5,000 and other applicable sanctions under state and federal law.

**EFFECT OF SENATE AMENDMENT(S):** The amendment deletes the provisions that would have permitted the Employment Security Department to disclose confidential information when contracting with public entities to assist in the operation of the department. Instead, the Senate amendment provides for government access to employer information that the department holds for the purposes of its labor market and economic analysis functions. Access is only for those individuals who are conducting authorized statistical analysis, research, and evaluation studies. To obtain access, the government entity must follow current procedures requiring application for access and verification of the need for the information, but is exempt from the requirement to serve a copy of the application on the individual or employing unit whose records are sought. Misuse or unauthorized release of the information is subject to the \$5,000 civil penalty and other sanctions that apply to private parties who misuse or release confidential information without authority.

**Appropriation:** None.

**Fiscal Note:** Requested on February 14, 1995.

**Effective Date:** The bill takes effect July 1, 1996.

**Testimony For:** The primary focus of the bill is to allow access by government organizations to information currently allowed to private organizations. Employment Security has two types of confidential information, information about employers and employees and administrative records on unemployment beneficiaries and claimants. Public agency requests are primarily for individual wage information. The information is used by economists and researchers.

**Testimony Against:** None.

**Testified:** Gary Bodeutsch, Employment Security Department.