

HOUSE BILL REPORT

EHB 1647

As Passed Legislature

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.

House Concurred.

Passed Legislature.

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 disclosure of confidential information when the department contracts with private individuals and organizations to assist with operation and management of department functions. When information is disclosed under this exception, the contracting party is bound by the same rules of privacy and confidentiality as Employment Security Department employees. Misuse or

unauthorized release of private information subjects the contracting party to a civil penalty of \$500.

Government agencies also have access to confidential information when the information is needed by the agency for official purposes. Except for the Legislature or in emergencies and other limited situations, the agency requesting information must submit an application to the Employment Security Department specifically identifying the records sought, must verify the need for the specific information in writing, and must serve a copy of the application on the individual or employer whose records are sought. The person served has five days to object to release of the records, and the Employment Security Department must consider any objections raised in deciding whether the agency needs the information for official purposes. No civil penalties are specified for violations of these provisions.

Summary of Bill: The civil penalty for misuse or unauthorized release of confidential information received by private parties who contract with the Employment Security Department is increased from \$500 to \$5,000.

Governmental agencies are permitted to obtain employer information that the Employment Security Department holds for the purposes of its labor market and economic analysis functions. Access to the information is only for those individuals who are conducting authorized statistical analysis, research, and evaluation studies. To obtain access, the government entity must apply for access and verify 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 same 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.