



MICHIGAN
HOUSE OF REPRESENTATIVES
P.O. Box 30014
LANSING, MICHIGAN 48909-7514

Minutes of the House Standing Committee
on
Oversight and Ethics

Wednesday, July 13, 2016

11:00 a.m.

Room 326 House Office Building

The House Standing Committee on Oversight and Ethics was called to order by Representative Ed McBroom, Chair.

The Clerk called the roll; members present were **Representatives McBroom, Howrylak, Graves, Theis, and Pagan. (5/6)**

Member absent and excused was **Representative Robinson. (1/6)**

The Clerk announced that a quorum was present.

Representative Victory, a member of the **Unemployment Reform** Subcommittee of the House Standing Committee on Oversight and Ethics, took a seat with the committee.

The Chair laid before the committee the minutes of June 13, 2016.

Representative Theis moved to adopt the minutes of June 13, 2016 as printed.

There being no objection the motion prevailed by unanimous consent of the members present; the minutes were adopted as printed.

The Chair laid before the committees the Performance Audit Report for the Michigan Integrated Data Automated System (MiDAS).

Office of the Auditor General Follow-Up Report on Prior Audit Recommendations on
Adult Foster Care and Camps Licensing Division in the Department of Licensing and
Regulatory Affairs
May 2016
Audit Number: 431-5115-14F.

Elden N. Lamb, Audit Division Administrator in the Office of the Auditor General, provided each member of the committee with copies of the audit, which is attached, and introduced Aaron S. David, Assistant Auditor General, who gave an overview of the audit. Discussion and questions followed.

Larry Horvath, Director of the Bureau of Community and Health Systems in the Michigan Department of Licensing and Regulatory Affairs, and Jay Calewarts, Division Director of the Adult Foster Care and Camps Licensing in the Bureau of Community and Health Systems in the Michigan Department of Licensing and Regulatory Affairs, provided the department's response to the follow up report. Discussion and questions followed.

The Chair laid before the committee House Bill 4982.

HB 4982 (Victory) Employment security; administration; unemployment insurance benefit claims; require additional notice and examination for fraud determination.

Representative Victory, the bill sponsor, explained the substitute (H-5) for the bill. Questions followed.

The Chair offered the substitute (H-5) for House Bill 4982.

Representative Howrylak moved to adopt the substitute (H-5) for House Bill 4982.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Representatives McBroom, Howrylak, Graves, Theis, and Pagan, (5/6)

Nays: None. (0/6)

The substitute was adopted.

Tim Hughes, representing the Michigan AFL-CIO, testified in support of the bill as amended.

The following individuals submitted testimony cards in opposition to the bill as amended, but did not wish to speak:

Amanda Fisher, assistant State Director for the National Federation of Independent Business;

Wendy Block, Director of Health Policy and Human Resources for the Michigan Chamber of Commerce;

Tony Stamas, Vice President of Government Relations for the Small Business Association of Michigan; and

Chris Mitchell, Senior Vice President of Advocacy for the Michigan Health and Hospital Association.

Delaney McKinley, Director of Human Resource Policy and Membership Development for the Michigan Manufacturers Association, testified in opposition to the bill as amended. Questions and discussion followed.

Peter Ruark, Senior Policy Analyst for the Michigan League for Public Policy, submitted a testimony card in support of the substitute with amendments.

Jean Doss, representing Michigan Poverty Law Project, testified in support of the substitute. Questions followed.

Joseph Dalia from the Michigan Law Unemployment Insurance Client submitted written testimony to the committee, which is attached.

Stephanie Comai, Director of the Talent Investment Agency in the Michigan Department of Talent and Economic Development, submitted a letter in opposition to the bill as amended. A copy of the letter is attached.

Representative Howrylak offered and moved to adopt the following amendments to House Bill 4982 (H-5):

1. Amend page 13, line 2, after “MAIL” by inserting “WITH RETURN RECEIPT SERVICE”.

2. Amend page 13, line 4, after “ACCRUE.” by inserting “IF A RECEIPT INDICATING DELIVERY IS NOT RETURNED TO THE UNEMPLOYMENT AGENCY, THE CLAIMANT OR EMPLOYER TO WHICH THE NOTIFICATION WAS MAILED MAY APPEAL THE DETERMINATION OR REDTERMINATION AT ANY TIME.”.

The motion did not prevail by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Representatives McBroom, Howrylak, and Pagan, (3/6)

Nays: Representatives Graves and Theis. (2/6)

The amendments were not adopted.

Representative Howrylak offered and moved to adopt the following amendments to House Bill 4982 (H-5):

1. Amend page 9, line 25, after “421.62.” by inserting “STATE LAW ALSO PROVIDES YOU THE RIGHT TO PROTEST SUCH A DETERMINATION AND THE RIGHT TO APPEAL THROUGH THE ADMINISTRATIVE HEARING SYSTEM.”.

2. Amend page 10, line 4, after “OVERPAYMENT,” by striking out “YOU ARE” and inserting “AND IF YOU DO NOT PROTEST OR APPEAL WITHIN 30 DAYS, YOU WILL BE”.

3. Amend page 10, line 7, after “MISREPRESENTATION” by striking out the balance of the line through “ARE” on line 8 and inserting “AND IF YOU DO NOT PROTEST OR APPEAL WITHIN 30 DAYS, YOU WILL BE”.

4. Amend page 10. line 9, after the first “OF” by inserting “UP TO”.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Representatives McBroom, Howrylak, Graves, Theis, and Pagan, (5/6)

Nays: None. (0/6)

The amendments were adopted.

Representative Howrylak moved to report House Bill 4982 with the recommendation that the substitute (H-6) be adopted and that the bill then pass.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Representatives McBroom, Howrylak, Graves, Theis, and Pagan, (5/6)

Nays: None. (0/6)

The bill and the substitute were referred to the full House.

Representative Pagan moved to excused Representative Robinson from today's committee meeting.

There being no objection the motion prevailed by unanimous consent of the members present; the members were excused.

There being no other business before the committee; **Representative Howrylak moved to adjourn the meeting.**

The motion prevailed, the time being 12:25 p.m.

The Chair declared the Committee adjourned.

Ed McBroom, Chair
House Standing Committee on Oversight and Ethics

Joy Brewer, Committee Clerk

Date approved by the committee