
OLR Bill Analysis

sSB 237

AN ACT CONCERNING THE SHARING OF INFORMATION BETWEEN THE LABOR DEPARTMENT AND INSTITUTIONS OF HIGHER EDUCATION.

SUMMARY:

This bill allows the labor department (DOL) to share with higher education institutions or their governing boards, to the extent necessary to evaluate their programs of higher learning, employment records that DOL has obtained from employers. It is possible that this provision violates federal unemployment compensation (UC) regulations (see COMMENT).

By law, employers must keep accurate employment records. These records, which contain information that the UC administrator (i.e., the labor commissioner) prescribes, must be open for his inspection. By law, regional workforce development boards administering certain state and federal programs and nonpublic entities under contract with DOL to administer grants related to unemployment can access this information under written agreement with DOL. The bill allows but does not require institutions and governing boards to enter into such an agreement (see BACKGROUND).

However, if the institution or governing board enters into an agreement, the bill requires them to agree to the same terms as the others. They must agree to:

1. state the purpose for and intended use of the information and affirm that the information will be used only for permitted purposes;
2. store the information in a physically secure location;

3. store and process any electronic information in a format that prevents unauthorized access;
4. establish safeguards to ensure that only authorized individuals can access information stored in computers;
5. enter into a written agreement, approved by the labor commissioner, with any authorized agent that contains the safeguards included in the agreement with DOL;
6. instruct all people with access to the information about the legal sanctions and require each employee and agent authorized to review the disclosed information to sign an acknowledgement that they have been advised of the sanctions;
7. prohibit redisclosing the information, except as permitted in writing by the labor commissioner;
8. dispose of the information and any copies after it has served its purpose either by returning it to the administrator or verifying to him that the information has been destroyed;
9. permit audits and on-site inspections by DOL; and
10. reimburse DOL for the costs of providing the information and conducting the audits.

By law, employees or agents violating these provisions may be fined up to \$200, imprisoned for up to six months, or both. They are also banned from any further access to confidential information

EFFECTIVE DATE: July 1, 2012

BACKGROUND

Safeguard Requirements

Federal regulations allow disclosure of confidential UC or wage data only to certain entities. State UC agencies (i.e., DOL) must require authorized recipients to safeguard the data (20 CFR § 603.9). These safeguard requirements are generally similar to the safeguards

described above.

COMMENT

Possible Conflict With Federal Law

Federal regulations generally prohibit disclosing confidential UC or wage information (20 CFR § 603.4). The regulations establish several exceptions to this prohibition, including disclosure to a public official (or his or her agent) for use in performing official duties (i.e., administering or enforcing the law or executing official responsibilities) (20 CFR § 603.5(e)).

However, in a March 19, 2012 letter to the Connecticut DOL, the U.S. Department of Labor stated that disclosing confidential UC or wage information to higher education institutions or their governing boards is not permitted under the public officials exception (or, presumably, any other exception).

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute Change of Reference
Yea 19 Nay 0 (03/06/2012)

Labor and Public Employees Committee

Joint Favorable
Yea 11 Nay 0 (03/20/2012)