

HOUSE BILL NO. 4439

March 04, 2021, Introduced by Reps. Cherry, Scott, Sowerby, Clemente, Shannon, Garza, Tyrone Carter, O'Neal, Hope, Koleszar, Hood, Cavanagh, Sabo, Ellison, Steenland, Thanedar, Manoogian, Tate, Liberati, Steckloff, Weiss, Puri, Kuppa, Brabec, Breen, Sneller, Brixie, Young, Camilleri, Stone, Coleman, Brenda Carter, Aiyash, Pohutsky, Rabhi, Howell, Whitsett, Jones and Yancey and referred to the Committee on Workforce, Trades, and Talent.

A bill to amend 1936 (Ex Sess) PA 1, entitled
"Michigan employment security act,"
(MCL 421.1 to 421.75) by adding section 6h.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 6h. (1) The director shall contract with an independent
- 2 computer expert to do all of the following:
- 3 (a) Audit the source code of the unemployment agency computer
- 4 systems.
- 5 (b) Audit the algorithms and logic formulas used by the

1 unemployment agency computer systems to evaluate claims for
2 unemployment benefits.

3 (c) Prepare a report as described in subsection (3).

4 (2) The director shall do both of the following:

5 (a) Coordinate with the developer of the unemployment agency
6 computer systems to provide technical assistance necessary for the
7 independent computer expert contracted with under subsection (1) to
8 perform his or her duties under subsection (1), including, but not
9 limited to, doing either or both of the following:

10 (i) Disclosing the source code of the unemployment agency
11 computer systems to the independent computer expert.

12 (ii) Providing an employee of the developer with knowledge of
13 the source code to assist the independent computer expert.

14 (b) Provide support necessary for the independent computer
15 expert contracted with under subsection (1) to perform his or her
16 duties under subsection (1), including, but not limited to, doing
17 either or both of the following:

18 (i) Disclosing relevant data about unemployment benefit claims
19 to the independent computer expert.

20 (ii) Providing employees or independent contractors of the
21 unemployment agency who are experts in statistics or unemployment
22 benefits to assist the independent computer expert.

23 (3) Not later than 8 months after the effective date of the
24 amendatory act that added this section, and every 5 years after
25 submitting the initial report, the independent computer expert
26 contracted with under subsection (1) shall prepare and submit a
27 report to the director, the speaker of the house of
28 representatives, the senate majority leader, and the house and
29 senate oversight committees that includes, at a minimum, all of the

1 following information:

2 (a) A summary of the source code of the unemployment agency
3 computer systems and the algorithms and logic formulas used by the
4 unemployment agency computer systems to evaluate claims for
5 unemployment benefits.

6 (b) An analysis of whether the source code of the unemployment
7 agency computer systems and the algorithms and logic formulas used
8 by the unemployment agency computer systems produce an accurate,
9 effective, and fair evaluation of claims for unemployment benefits.

10 (c) Recommended changes, if any, to improve the accuracy,
11 effectiveness, and fairness of the source code of the unemployment
12 agency computer systems and the algorithms and logic formulas used
13 by the unemployment agency computer systems.

14 (d) The data used by the independent computer expert to reach
15 the conclusions described in subdivisions (b) and (c), including,
16 but not limited to, all of the following information:

17 (i) The total number of claims determined by the unemployment
18 agency computer systems.

19 (ii) The total number of claims denied by the unemployment
20 agency computer systems and all of the following information
21 related to the denials:

22 (A) The statutory basis for each denial.

23 (B) The total number of denials reversed by unemployment
24 agency claims examiners.

25 (C) The total number of appeals heard by administrative law
26 judges or the unemployment insurance appeals commission.

27 (D) The total number of denials reversed by administrative law
28 judges or the unemployment insurance appeals commission.

29 (e) An analysis of the unemployment agency's confidence in the

1 determinations made by the unemployment agency computer systems.

2 (4) If the unemployment agency computer systems do not have an
3 open source license, the director shall negotiate with the
4 developer of the unemployment agency computer systems to convert
5 the unemployment agency computer systems to have an open source
6 license. Any contract for the development of the unemployment
7 agency computer systems made after the effective date of the
8 amendatory act that added this section must require the
9 unemployment agency computer systems to have an open source
10 license.

11 (5) As used in this section:

12 (a) "Algorithms and logic formulas" means a process or set of
13 rules to be followed in calculations or other problem-solving
14 operations.

15 (b) "Open source license" means a licensing policy that makes
16 the source code of a computer program freely available, and permits
17 the source code to be redistributed and modified.

18 (c) "Source code" means a text listing of commands that is
19 compiled or assembled into an executable computer program.

20 (d) "Unemployment agency computer systems" means 1 or more
21 computer systems used by the unemployment agency to administer
22 claims for unemployment benefits.