

**Wage Record Interchange System (WRIS)  
Data Sharing Agreement Amendment Proposal**

**Proposal Number:** 12

**Proposal Title:**

**Legal Authority of Data Sharing Agreement**

Reference: *Section II. Legal Authority*

**Date Submitted:**

**Sponsoring Entity Information:**

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**Statement of Issue:**

In the Data Sharing Agreement, Section II. Legal Authority does not reference specific authority for state agencies holding wage data (referred to as SUIAs) to access the WRIS. This omission was pointed out by a member state and a request was made to add a reference to such authority to the Data Sharing Agreement.

**Discussion of Issue:**

The legal authority to establish the WRIS Agreement is derived from Section 136(f)(2) of the Workforce Investment Act of 1998 (WIA). The first paragraph of Section VIII concerns states accessing the Distributed Database Index (DDBI) for unemployment insurance purposes. This access is governed by Section 303(a)(1) of the Social Security Act and Section 3304(a)(9)(B) of the Federal Unemployment Tax Act. As requested, the legal authority in Section II of the WRIS Data Sharing Agreement is amended to reflect that authority.

**Statement of Proposed Change/Proposal:**

**Reference:** Section II. Legal Authority

**Original Provision:**

The legal authority to establish this agreement is derived from Section 136(f)(2) of the Workforce Investment Act of 1998 (Public Law 105-220), which requires states to use wage records, consistent with State law, for performance measurement purposes. This section also authorizes the Secretary to make arrangements, consistent with State law, to ensure that the wage records of any state are available to any other state, to the extent they are necessary for carrying out a state's state plan or completing their annual report.

The authority for workforce investment system reporting is derived from Section 136(d) and Section 185 of the WIA.

As required by the WIA, all data exchange activity conducted through the WRIS will be conducted in a manner consistent with both the Family Educational Rights and Privacy Act (FERPA) and with applicable State law. Further, the WRIS will be administered in accordance with Section 504(b) of the WIA, which prohibits the development of a national database of personally identifiable information on individuals receiving workforce investment services while allowing activities that are necessary to the proper administration and management of such programs.

**Proposed Replacement Provision:**

*The legal authority to establish this agreement is derived from Section 136(f)(2) of the WIA (Public Law No. 105-220), which requires states to use wage records, consistent with State law, for performance measurement purposes. This section also authorizes the Secretary to make arrangements, consistent with State law, to ensure that the wage records of any state are available to any other state, to the extent they are necessary for carrying out a state's state plan or completing their annual report.*

*The authority for workforce investment system reporting is derived from Section 136(d) and Section 185 of the WIA.*

*As required by the WIA, all data exchange activity conducted through the WRIS will be conducted in a manner consistent with both the Family Educational Rights and Privacy Act (FERPA) and with applicable State law. Further, the WRIS will be administered in accordance with Section 504(b) of the WIA, which prohibits the development of a national database of personally identifiable information on individuals receiving workforce investment services while allowing activities that are necessary to the proper administration and management of such programs. The participating SULAs use of the Distributed Data Base Index (DDBI) for purposes of determining Federal-State Unemployment Compensation (UC) program eligibility is governed by Section 303(a)(1) of the Social Security Act (SSA), requiring, as a condition of a state's administrative grants, that it follow methods of administration "reasonably calculated*

*to insure full payment of unemployment compensation when due,” and Section 3304(a)(9)(B) of the Federal Unemployment Tax Act (FUTA), which requires each State, as a condition of participation in the UC program, to participate in any arrangement specified by the Secretary of Labor for payment of UC “on the basis of combining an individual’s wages and employment” in two or more states.*

**Supporting Documentation:**

Not applicable

**Preliminary Decision on Disposition of Amendment Proposal: 03/02/2010**

**Disposition Discussion:**

The sole comment received on this amendment proposal during the 60-day comment period was subsequently withdrawn.

**Proposed Disposition:**

The preliminary decision on the disposition of this amendment proposal is to incorporate the original language proposed on 9/23/2009 into the Agreement.