

April 8, 2015

The Honorable Mark Hutton, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 521-E
Topeka, Kansas 66612

Dear Representative Hutton:

SUBJECT: Fiscal Note for HB 2265 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2265 is respectfully submitted to your committee.

Current law disqualifies school bus drivers who have been employed through a private contractor from receiving unemployment insurance (UI) benefits between academic terms if the individual has a reasonable assumption that he or she will continue in their role as a bus driver when school resumes. HB 2265 would allow school bus drivers to claim UI benefits during breaks in the school year and in the summer.

The Department of Labor indicates HB 2265 would increase UI benefit payments for unemployed bus drivers; however, the Department does not have an accurate estimate of the number of school bus drivers that would claim UI benefits under this bill. Therefore, a precise estimate of the fiscal effect cannot be made. The Department of Education indicates that private school bus companies would be required to pay additional unemployment taxes and they would pass on these additional expenses to school districts. The Department of Education estimates that transportation state aid for school districts would be increased by approximately \$1,750,000 from the State General Fund in FY 2017 to pay for the additional unemployment taxes. The Department of Revenue estimates that the bill would increase State General Fund revenues from the additional unemployment benefits that would be subject to the individual income tax; however, the Department estimates the additional State General Fund revenue would be

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negligible. Any fiscal effect associated with HB 2265 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Dale Dennis, Education
Dawn Palmberg, Department of Labor
Glenda Haverkamp, Insurance
Jack Smith, Department of Revenue