

January 30, 2015

The Honorable Julia Lynn, Chairperson
Senate Committee on Commerce
Statehouse, Room 445-S
Topeka, Kansas 66612

Dear Senator Lynn:

SUBJECT: Fiscal Note for SB 3 by Senator Faust-Goudeau

In accordance with KSA 75-3715a, the following fiscal note concerning SB 3 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. SB 3 would allow school bus drivers to claim UI benefits during breaks in the school year and in the summer.

The Department of Labor indicates SB 3 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 negligible. Any fiscal effect associated with SB 3 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

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