

February 22, 2022

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 346-S
Topeka, Kansas 66612

Dear Representative Tarwater:

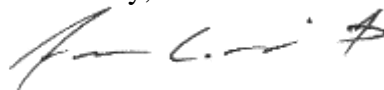
SUBJECT: Fiscal Note for HB 2702 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2702 is respectfully submitted to your committee.

HB 2702 would allow school bus drivers to apply for and receive unemployment benefits between two successive academic years or two regular terms. Currently benefits are disallowed for the time between two successive academic years or two regular terms if the driver has a contract with a private contractor for any education institution for both academic years or terms.

The Kansas Department of Education states that enactment of HB 2702 would result in higher unemployment rates for private contractors, which would be passed on to contracting school districts. The Department could not estimate the fiscal effect. The Kansas Department of Labor reports that enactment of the bill would have a fiscal effect on the Unemployment Insurance Trust Fund, but the total effect could not be estimated. The agency reported that total statewide wages for the school and employee bus transportation industry over the past four years has averaged \$76.0 million per year with an average of 3,120 employees per quarter. Regular unemployment insurance benefits paid to claimants in this sector have totaled approximately \$26.0 million in the past four years. Contributions for the industry were less than \$700,000 in both 2019 and 2020. Claims for some workers in this industry have an average weekly benefit amount between \$118 and \$540, with total benefit amounts ranging between \$1,227 and \$13,283. Any fiscal effect associated with HB 2702 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Craig Neuenswander, Education
Dawn Palmberg, Department of Labor