

## Department of Planning and Budget 2012 Fiscal Impact Statement

**1. Bill Number:** HB1254

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Loupassi

**3. Committee:** Commerce and Labor

**4. Title:** Unemployment benefits for symphony orchestra performers.

**5. Summary:** This bill provides that an individual is not eligible for unemployment benefits based on services consisting of performing or training with a symphony orchestra. The provision applies to weeks of unemployment commencing during periods between successive orchestra seasons when there is a reasonable assurance that the individual will perform in the ensuing orchestra season.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary.

**8. Fiscal Implications:** According to the Virginia Employment Commission (VEC), there are 11 orchestras in Virginia that may be impacted by this bill. Of the 11 total, there are seven orchestras that are considered taxable employers (of these seven, six are small groups that may be considered instrumental ensembles associated with a symphony orchestra; however, for the purpose of this analysis they were included). These seven orchestras have a total of 47 seasonally-performing employees – 24 with one orchestra and 23 spread among the six smaller ones. These employers are already paying employer taxes due to the state. The potential benefit savings to these taxable orchestras would be a maximum of \$263,200; however, if the six smaller groups are not true symphony orchestras then the maximum potential benefit savings would be \$134,400. Any potential benefits savings would not be reflected as additional revenue to the state as they would be considered into future employer tax rates set based on the trust fund solvency. In as much as this bill may result in lower unemployment benefits paid, it may impact the agency's current nongeneral fund appropriation. However, any adjustments to the agency's nongeneral fund appropriation may be made administratively, as needed.

In addition to the seven orchestras that are considered taxable employers, there are four Virginia orchestras that are considered as self-insured and as such, do not pay taxes into the state unemployment insurance trust fund. When unemployment benefits are owed to any of the 132 seasonally-performing employees of these four orchestras, the orchestra employers are responsible for repaying the state unemployment insurance trust fund dollar-for-dollar on

any unemployment compensation benefits paid to their employees. As such, any benefits that would be eliminated as a result of this bill would have been repaid by the self-insured orchestra and, as such, would have a net effect of zero on the state unemployment insurance fund.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Employment Commission.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 2/6/2012