

accelerator revolving fund to EDD, allowing the department to avoid the limitation of the “5 percent rule” for budget increases, it does not provide an appropriation to the fund.

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

In the last 10 years, New Mexico’s film industry grew substantially, and 197 major film and television productions shot at least some footage in the state from January 2003 through June 2013. However, related digital media business growth in New Mexico has lagged behind the film industry. Efforts to recruit digital media companies from out of state have proved largely unsuccessful, with companies noting New Mexico’s relative lack of a trained workforce. The digital media accelerator program contemplated by this bill could provide an additional resource to assist local digital media businesses, and train the workforce for the benefit of these existing companies and to help lure outside companies to relocate to the state.

The Attorney General’s Office notes use of the term “digital media small business” is vague. To avoid possible confusion or disagreement between companies and EDD regarding qualification for the program, it would be beneficial to specifically define what entities constitute a “digital media small business” and are consequently eligible for the services provided for in this bill.

ADMINISTRATIVE IMPLICATIONS

EDD reports the agency’s film division, including the digital media employee, would be able to coordinate the activities of the digital media accelerator with no additional operating budget impact.

JC/ds