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## FISCAL IMPACT REPORT

SPONSOR SEC DATE TYPED 02/24/05 HB \_\_\_\_\_

SHORT TITLE NMSU Film, Digital & Creative Arts Institute SB 299 & 422/SECS

ANALYST Woods

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$2,300.0			Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to the appropriation for New Mexico State University in the General Appropriations Act.  
Relates to SCO0071

### SOURCES OF INFORMATION

LFC Files

#### Response Received From

New Mexico State University (NMSU)  
New Mexico Commission on Higher Education (CHE)  
New Mexico Film Commission (NMFC)

### SUMMARY

#### Synopsis of Bill

Senate Education Committee Substitute for Senate Bills 299 and 422 – Making an Appropriation for the Film, Digital and Creative Arts Institute at New Mexico State University – appropriates \$2,300,000 from the general fund to the Board of Regents of New Mexico State University for expenditure in FY06 to pay for the operations of the Film, Digital and Creative Arts Institute. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

#### Significant Issues

NMSU indicates that the Creative Media Institute for Film and Digital Arts (NMSU Creative

Media Institute) is a cross-disciplinary, cross-technology approach to preparing students for the 21st Century. It suggests that there is a global demand for digital media beyond the entertainment industry, and digital media has become a dominant force in modern design and communication and is used in modeling, simulation, arcades, gaming, museums, theme parks, conventions, conferences, television and film, interactive television and much more. NMSU indicates that through academic programs at the NMSU Creative Media Institute, students will acquire skills that apply across multiple disciplines and industries: entertainment, medicine, science, forensics, information, education, government, and the business fields.

NMFC suggests that without this appropriation NMSU may not have sufficient funds to operate the institute as, to date – in FY05 – that have only received capital outlay funding.

CHE notes that this request was not in the list of priority projects submitted by the NMSU Board of Regents to CHE for review. Accordingly, the request was not included in the commission's funding recommendation for FY06.

### **FISCAL IMPLICATIONS**

The appropriation of \$2,100,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

### **ADMINISTRATIVE IMPLICATIONS**

NMSU notes that the existing faculty of NMSU's participating colleges, programs, and research facilities are collaborating with American Film Institute and other industry professionals to develop the curriculum and courses for the NMSU Creative Media Institute. The \$2,100.0 General Fund appropriation will be directly applied to educational services delivered to students. Administrative costs will be absorbed by the university. NMSU offer the following annual budget projections for the Creative Media Institute:

Recurring State Fund Request	
Personnel and Benefits	\$1,952.0
Materials and Supplies	\$100.0
Travel	\$50.0
Other costs	\$200.0
Total Recurring State Fund Request	\$2,302.0

*Personnel and Benefits:* Funding supports a full-time director, program manager, two rotating professional industry teaching positions and a faculty advisor. Additional faculty and technical staff for development and training of Creative Media students will be from among existing experts on the NMSU cross-disciplinary faculty in the various NMSU colleges.

*Materials and Supplies:* Funding supports needed software, office and computer supplies, training materials and supplies, technology tools and consumables, presentation materials, brochures, mailings, and other peripherals.

*Travel:* Funding supports travel directly related to student instruction. Film Industry professionals (e.g. guests from the American Film Institute in California) as “experts in practice” will teach in the academic programs of NMSU’s Creative Media Institute.

*Other Costs:* Funding supports industry-related consultant fees, student project costs, food services, training and certification for all Creative Media instructors, faculty training, postage and shipping, telephones, rental costs associated with training sessions and electrical infrastructure improvements.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to the appropriation for NMSU in the General Appropriations Act.

Relates to SCO0071 in that SCO0071 seeks to fund the following capital projects at the NMSU Creative Media Institute:

- \$250,000 for upgrading equipment and renovating the animation production facility;
- \$3,000,000 for studio improvements and equipment;
- \$300,000 for improvements at the visualization and simulation laboratory;
- \$650,000 to plan, design and construct the renovation of existing facilities; and
- \$800,000 to purchase and install field production video equipment.

## **OTHER SUBSTANTIVE ISSUES**

NMSU indicates that in response to the governor’s drive to move forward in the media industry, the NMSU Creative Media Institute will enhance educational services in the state to assure that the highly trained and able workforce necessary is available to fully realize the benefits of economic expansion. To this end NMSU suggests a number of facilitating factors associated with the institute and its activities:

- The Bachelor of Individualized Studies in creative media at the NMSU Creative Media Institute will enable students to be competitive for specialized employment in many related industries while providing the strong academic essentials that will allow them to pursue graduate study in the future. The skills students acquire at the NMSU Creative Media Institute apply across multiple disciplines and industries. The NMSU Creative Media Institute will not only support New Mexico’s rapidly growing film and media industry, but will support economic expansion for the State’s industries in medicine, science, forensics and other private sector enterprises.
- The NMSU Creative Media Institute supports NMSU Mission and Vision statements, and its implementation directly addresses NMSU’s Strategic Directions and Targets. The NMSU Creative Media Institute enhances the undergraduate experience at NMSU through its academic offerings, by actively incorporating industry-related professionals into the teaching and learning environment and by providing a venue for innovative film and media experiences to the university community.

- In addition, the NMSU Creative Media Institute will ease access for two-year students from around the state who can transfer into this four-year degree program. The NMSU Creative Media Institute will improve transfer and articulation among higher education institutions in the State, an important goal for higher education in New Mexico, by its collaboration with Santa Fe Community College's Film Technicians Training Program, the Film Office of the New Mexico Economic Development Department, its own two-year campuses and other two-year higher education institutions.
- Existing NMSU and industry resources in the media arts and sciences coalesce in the NMSU Creative Media Institute. NMSU's Physical Science Laboratory (PSL), College of Agriculture and Home Economics' Agricultural Communications Center, and College of Arts and Sciences' Theatre Department's Scenographics Lab will all provide cutting-edge production facilities, professional internship experiences, and teaching faculty. Faculty experts in NMSU's College of Arts and Sciences' Computer Science and English departments and the NMSU radio and television stations' (KRWG) Broadcast Journalism program will also teach at the NMSU Creative Media Institute. Dona Ana Branch Community College will also provide faculty for the institute's two-year degree programs.
- The Office of Distance Education and College of Extended Learning's Regional Education Technology Assistance (RETA) Program are also collaborators in the NMSU Creative Institute supporting NMSU faculty and industry professionals and providing staff expertise and media production facilities. NMSU's Office of Distance Education and College of Extended Learning will also provide faculty and staff support for distance education, web design, and degree advisement for the Bachelor of Individualized Studies for the Creative Media Institute.

## AMENDMENTS

CHE suggests that, for clarification the following language should be considered:

As student credit hours are generated for the Bachelor of Individualized Studies degree program the program will begin to generate funding through the I&G funding formula. The start up funding of the program should be reduced by the same amount of funding generated by the I&G funding formula.

CHE additionally suggests the following language for all new recurring higher education programs and expansion of current programs (assuming that funding will continue beyond FY06):

NMSU shall submit a plan for program evaluation, including specific program goals and criteria for assessing program effectiveness to the LFC and CHE by October 1, 2005. The institution shall also submit a program evaluation to the LFC and CHE by June 30, 2008 detailing the benefits to the State of New Mexico from having this program implemented for a three-year period.

**BFW/lg**