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FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/2015

SPONSOR Trujillo, J. **LAST UPDATED** _____ **HB** 68

SHORT TITLE Filmmaking Academy Pilot Project **SB** _____

ANALYST Hartzler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$300.0	\$400.0	\$700.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act, Section 4J, Higher Education,

- Higher Education Department, Policy Development and Institutional Financial Oversight
- Santa Fe Community College

SOURCES OF INFORMATION

LFC Files

Responses Received From

Santa Fe Community College (SFCC)

Higher Education Department (HED)

New Mexico Film Office

SUMMARY

Synopsis of Bill

House Bill 68 appropriates \$300 thousand to the Higher Education Department (HED) to distribute to SFCC to develop a pilot program for a publicly-funded, conservatory-style, accredited film academy. Under the bill, the academy would cultivate New Mexican film producers and directors by employing practice and theory to train students in the creation, production management, small-business development and post-production of short films and

television documentaries.

FISCAL IMPLICATIONS

The appropriation of \$300 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2016 shall revert to the general fund. However, if this appropriation for the pilot program is appropriated directly to SFCC in the General Appropriation Act (GAA), language in Section 4 of that bill would designate the funding as nonreverting to the general fund.

HED notes that this request was not submitted by SFCC to the department as part of the FY16 budget review process for research and public service projects. The process requires project or program approval by the institution's governing board and an application including the program description, budget, and performance measures with proposed targets. HED, LFC, and DFA then review the projects for consideration in the budget process. For FY16, the HED did not request and neither the LFC nor Executive recommended funding for this pilot program.

It is unclear the additional operational costs associated with the program's second year and beyond, but the LFC staff assumes a minimum additional \$100 thousand in general fund support or other funds would be necessary for faculty, staff, and equipment.

SIGNIFICANT ISSUES

According to SFCC, the pilot program

is application based and available to residents statewide to participate in a conservatory-style, mentor-based, hands-on, intensive program designed for New Mexican filmmakers to create their film through video, audio and computer generated motion media. Students participate in writing, producing, acting, documentary, editing, sound design, cinematography, animation and internet and film festival distribution.

The objectives of the New Mexico Filmmakers Academy include

- (1) helping filmmakers tell the stories about their New Mexico communities,
- (2) showcasing the history and culture of New Mexico through multi-media production made by New Mexicans,
- (3) providing New Mexican filmmakers access to state-wide, national and international film markets,
- (4) maintaining an affordable and accredited conservatory-style filmmaking pathway for New Mexicans,
- (5) stimulating economic development and job growth in the film and media industries in New Mexico,
- (6) encouraging students to continue their goal of higher education to employment in New Mexico, and
- (7) increasing the amount of film production in the state of New Mexico.

Based on information from the New Mexico Film Office, the state has become an important production location for film and television.

PERFORMANCE IMPLICATIONS

The bill does not include performance implications. If the program receives funding, SFCC will be required to submit budget and performance information as part of HED's annual budget review process.

ADMINISTRATIVE IMPLICATIONS

HB 68 appropriates funds to HED to distribute to SFCC. If the general fund appropriation included in this bill is incorporated in the GAA, the appropriation could be appropriated directly to SFCC, like the other research and public service project line-items the college receives (i.e., small business development centers, nursing expansion funds).

ALTERNATIVES

SFCC currently offers an associate degree in applied science (AAS) in film and a certificate in film production. It is unclear whether or how the pilot program proposed in HB 68 is similar or distinct from existing programs. It is possible that existing programs and resources could be revised to meet the objectives of the program proposed in HB 68.

TH/bb