

N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 353 (HB353) enacts the New Mexico youth film and media development act, provides requirements for the higher education department, creates the youth film and media grant fund, and provides for grants from the fund. HB353 also provides an appropriation of one million five hundred thousand dollars (\$1,500,000) from the general fund to the youth film and media grant fund for expenditure in fiscal year 2026 and subsequent fiscal years for making grants pursuant to the Act.

Section 1 creates the short title noting the act may be cited as the New Mexico Youth Film and Media Development Act.

Section 2 creates definitions as used in the Act, including department meaning the higher education department, fund meaning the youth film and media grant fund, and grant meaning a grant by the department from the fund.

Section 3.A. outlines the requirements of the youth film and media grant program. The department is to coordinate with the New Mexico film office, New Mexico based recipients of the film production tax credit, state higher education institutions and film and media organizations to develop the youth film and media grant program, ensuring the grant program aligns with the state's workforce development goals and the needs of the film industry. This section also directs the department to establish and implement the program in a manner that

provides grants to individuals or organizations with a primary mission of advancing filmmaking projects and programs that serve youth between twelve and eighteen years of age. The department would also be required to develop a grant application and review process, provide grants to a person or an organization that, through the person's or organization's project or programs: serves youth between twelve and eighteen years of age, serves at least one hundred schools across at least one-third of the counties in the state, engages with at least one-half of the Indian nations, tribes and pueblos located partially or entirely within the state, and provides the youth served with hands-on training and educational experiences in film, media and production.

Section 3.B. requires grant recipients to submit an annual report to the department that provides detailed descriptions of how the grant funds were spent, the number of youth participants served, the number of schools served, the Indian nations, tribes or pueblos engaged, and the impact of the grant-funded project or program on the youth participants educational and professional opportunities.

Section 4 creates the youth film and media grant fund in the state treasury to be administered by the department. The fund consists of appropriations, gifts, grants, donations, income from investment of the fund and any other money distributed or otherwise allocated to the fund. Income from the fund shall be credited to the fund, and money in the fund shall not revert at the end of the fiscal year. Money in the fund is appropriated to the department for the purposes of making grants pursuant to the New Mexico Youth Film and Media Development Act in a total amount not to exceed two hundred and fifty thousand dollars (\$250,000) per fiscal year.

Section 5 makes an appropriation of one million five hundred thousand dollars (\$1,500,000) from the general fund to the youth film and media grant fund for expenditure in fiscal year 2026 and subsequent fiscal years for making grants pursuant to the New Mexico Youth Film and Media Development Act. Any unexpended balances remaining at the end of the fiscal year shall not revert to the general fund.

Section 6 outlines the effective date of the provision of the act on July 1, 2025.

FISCAL IMPLICATIONS

HB353 creates a new fund within the state treasury, makes an appropriation of one million five hundred thousand dollars (\$1,500,000) from the general fund to the newly created youth film and media grant fund, requires the department to develop a grant application and review process, and provide grants pursuant to the New Mexico Youth Film and Media Development Act in a total amount not to exceed two hundred and fifty thousand dollars (\$250,000) per fiscal year.

With the existing appropriation, NMHED would be able to award grants for six consecutive fiscal years. This does not take into consideration return on investment from the fund created with the state treasury.

These additional functions and duties will likely increase the New Mexico Higher Education Department's administrative costs, but further review is still needed to ascertain the full financial

impact. It is also important to note that the appropriation does not include any funding to help cover the increased costs and workload associated with these new duties.

Any unexpended balances remaining at the end of the fiscal year shall not revert to the general fund.

SIGNIFICANT ISSUES

Section 3 of the Act requires the New Mexico Higher Education Department (NMHED) to coordinate with the New Mexico film office, New Mexico-based recipients of the film production tax credit, state higher educational institutions and film and media organizations to develop the youth film and media grant program and to ensure that the grant program aligns with the state's workforce development goals and the needs of the film industry. This section also requires NMHED to establish and implement the program by developing a grant application and review process, and award grants based on the criteria outlined within the Act, a portion of it which specifies youth between twelve and eighteen years of age and engages with at least one-half of the Indian nations, tribes and pueblos located partially or entirely within the state.

It is important to note that creating a new program and process requires a significant amount of time and resources. Targeting youth between twelve and eighteen years of age is something NMHED does within our Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) which focuses on increasing the college and career readiness of low-income students in communities in New Mexico. This program is fully funded with a seven-year grant from the U.S. Department of Education. These types of programs are more often served under the Public Education Department (PED) where they have the expertise, staffing, and resources to manage these types of programs.

NMHED would need to reallocate existing resources or look to hire a consultant in order to convene stakeholders, review the recommendations, and develop a program that meets the parameters outlined in the Act. There are 23 federally recognized Native Nations located in New Mexico, with each being a sovereign nation with its own government, traditions, language, and cultural practices. NMHED does not currently have a Tribal Liaison Officer, and this position will be necessary in order to support tribal relations as the engagement of at least one-half of the Indian nations, tribes and pueblos is considered.

PERFORMANCE IMPLICATIONS

Section 3.B. of the Act requires grant recipients to submit an annual report to the department that provides detailed descriptions of:

1. how the grant funds were spent;
2. the number of youth participants served with the grant funds;
3. the number of schools served with the grant funds;
4. the Indian nations, tribes or pueblos engaged using the grant funds; and
5. the impact of the grant-funded project or program on the youth participants' educational and professional opportunities.

The NMHED would need to create criteria, either through the promulgating of rules or through the grant award process to ensure the requirements of the grant application are met. Should the criteria not be met, options for corrective action and/or return of funds associated with that particular measure may need to be created.

ADMINISTRATIVE IMPLICATIONS

The additional functions and duties created by HB353 will likely increase the New Mexico Higher Education Department's administrative costs, but further review is still needed to ascertain the full financial impact. It is also important to note that the appropriation does not include any funding to help cover the increased costs and workload associated with these new duties.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB353 is not enacted, the New Mexico Youth Film and Media Development Act will not be created, and the youth film and media grant fund will not be created within the state treasury. Youth between twelve and eighteen years of age interested in hands-on training and educational experiences in film, media and production would need to pursue opportunities through organizations such as Film Prize Junior New Mexico and New Mexico Girls Make Movies.

AMENDMENTS

N/A