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FISCAL IMPACT REPORT

SPONSOR McSorley DATE TYPED 2/1/05 HB _____

SHORT TITLE Film Business Incubator Program SB 446

ANALYST Rosen

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
\$10,000.0		Indeterminate	Indeterminate	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB367

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)
Office of Workforce Training and Development (OWTD)
Public Education Department (PED)

No Responses Received From

Office of the Governor (OG)
Department of Labor (DOL)

SUMMARY

Synopsis of Bill

Senate Bill 446 appropriates \$10 million from the general fund to EDD for expenditure in FY05 and FY06 for the purpose of financing a pilot film business incubator for apprenticing New Mexico resident workforce training students of film and digital media.

Significant Issues

It is not clear how this incubator integrates with the governor's Media Industries Strategy Project (MISP). \$6 million of \$10 million in capital outlay approved last year has already been diverted from a "film production education and training center" to University of New Mexico, New Mex-

ico State University and Santa Fe Community College for various MISP-approved educational programs.

Furthermore, various entities, including the Office of the Governor, EDD, Tourism Department and OWTD, appear to play potentially conflicting roles in the development and training of students of film and digital media and it is not clear how EDD management of this incubator would relate to other agencies' film training and development efforts.

If the purpose of the bill "apprenticing New Mexico resident workforce training students of film and digital media" is for the procurement of training for future workers in the industry then OWTD should have responsibility for coordinating the workforce training of students of film and digital media.

PERFORMANCE IMPLICATIONS

OWTD notes there are no performance measures or targets for the film business incubator and there is no requirement for U.S. Department of Labor Bureau of Apprenticeship (BAT) approval of the apprenticeship training program.

FISCAL IMPLICATIONS

The appropriation of \$10 million 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.

EDD indicates this bill could have enormous fiscal impact on the EDD budget if the pilot program requires ongoing funding.

ADMINISTRATIVE IMPLICATIONS

EDD indicates passage of this bill will generate significant additional administrative support requirements for the department.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicates HB367

TECHNICAL ISSUES

OWTD indicates the term "workforce training students" is unclear as to whom the target population is to be served.

OTHER SUBSTANTIVE ISSUES

Despite EDD Film Office's role in helping to bring film productions to New Mexico, there is no single point of coordination for all state-related film industry activities. Multiple executive agencies continue to pursue independent film industry initiatives and make independent requests for funding for potentially duplicative programs.

ALTERNATIVES

If the intent of this bill is train New Mexico students the appropriation could be made to OWTD for integration with its other workforce training activities.

If the intent of this bill is to incubate new film businesses in New Mexico the appropriation could be made to the State Investment Council for integration with its other film industry investment activities.

JR/yr