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FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/09

SPONSOR McSorley LAST UPDATED _____ HB _____

SHORT TITLE UNM Film & Digital Media Program SB 171

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$171.2	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 Economic Development Department (EDD)
 University of New Mexico (UNM)

SUMMARY

Synopsis of Bill

Senate Bill 171 appropriates \$171.2 from the general fund to the Board of Regents of the University of New Mexico for the educational outreach and work force development initiative of the Interdisciplinary Film and Digital Media Program, the Arts Research Technology and Science Laboratory and the Continuing Education Digital Arts Program.

FISCAL IMPLICATIONS

The appropriation of \$171.2 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

The HED states that this request was submitted by the UNM to the HED for review. This project supports State priorities and the Department would recommend it for funding for FY10, if the State's fiscal picture improves.

The LFC Appropriation Recommendations, Volume II, pages 364-365 states:

The committee has concerns about the growth of research and public service projects within the higher education budget, as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects.

The committee recommendation reduces funding included in the HED request by varying levels from FY09 funding amounts for research projects, public service projects and P-20 pipeline projects focusing on students.

With respect to special projects, higher education institutions advanced 114 proposals for new projects and expansions at a total general fund cost of \$54 million during the HED budget request process in fall 2008.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The Executive Budget in Brief notes that over the years more than 300 RPSPs have been created, accounting for a large portion of institution budgets. The current RPSPs were reviewed while considering the relevance of the project to the core mission of the institution, the community benefit and the outcomes associated with each project. (Budget in Brief and Policy Highlights, P 9-10.)

UNM states that the appropriation would:

1. Provide recurring funding (\$54,240) to IFDM to extend the current one-week summer IFDM Boot Camp targeting high school teachers and students to run through the academic year and expand from its current focus on film to include gaming, digital media business, web design, and art production.
2. Provide recurring funding (\$69,625) to allow the UNM ARTS Lab to continue organizing and hosting the annual MISP (Media Industries Strategic Plan) Conference and Media Education Summit to facilitate cooperation between research, education, and economic development in digital media through facilitated sessions, professional and educational workshops, and tutorials.
3. Provide equipment funding (\$56,331) to upgrade the current Digital Filmmaking Certificates and add Animation and Game Design Certificates to the UNM Continuing Education Digital Art Program in order to meet the demand for a trained workforce being generated Sony Imageworks and other companies involved in developing a sustained local film and digital media industry in New Mexico.

The EDD notes that SB 171 connects public education, higher education and the community at large, including small towns and rural areas to specialized film and digital skills needed to acquire employment in film and digital media – a market that is in need of skilled professionals in the state. The focus for public education would be to get the basic math and computer skills that lead to film and media jobs, as well as many other professionals but with an overarching mission to increase the graduation rate in the state.

GH/mt