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FISCAL IMPACT REPORT

ORIGINAL DATE 2/4/06

SPONSOR Lujan, B. LAST UPDATED _____ HB 454

SHORT TITLE Development Training Funds for Films SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	None		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

Office of Workforce Training and Development (WTD)

SUMMARY

Synopsis of Bill

House Bill 454 removes the \$2 million cap on expenditures for training of film and media industry employees through the Job Training Incentive Program. The bill would allow the economic development department to determine the amount of the development training fund to be used for film and media production and pre-employment training.

FISCAL IMPLICATIONS

None identified.

SIGNIFICANT ISSUES

According to EDD, several digital media and animation companies are looking closely at setting up in New Mexico. An incentive for choosing New Mexico would be the ability to tap training funds for employees. At this time, it is not possible to determine if training of this nature would be through the regular JTIP fund or the Film JTIP fund; therefore, removing the cap and integrat-

ing these programs will provide flexibility to best serve new businesses.

EDD indicates that as the film and media industries grow, the need for trained crew members grows. Currently, there are 800 film crew professionals working in the state, but there is need for at least 1,600. There are nine film and television productions in the state today, with twice that many trying to find New Mexico crew.

ADMINISTRATIVE IMPLICATIONS

Without an estimate of the amount of funds needed for film and media training, it is difficult to determine the impact on the availability of funds for other types of training.

ALTERNATIVES

Instead of removing the cap entirely, the limit could be raised.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

EDD reports that leaving the \$2 million cap could result in the exhaustion of film training funds and the loss of new businesses.

BE/mt