



## MEETING MINUTES

### GOVERNOR'S COUNCIL ON FILM AND MEDIA INDUSTRIES MEETING

Friday, June 18, 2021 • 1:00 PM

Zoom Link: <https://zoom.us/j/94020560588?pwd=d3h6ODdZSjlnchRGMjB5dGtIRDJUZz09>

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Call to Order – The quarterly meeting of the Governor’s Council on Film and Media Industries (GCFMI) was held via Zoom video-conference. Chair James Gollin called the meeting to order at 1:01 pm. Joann Wylie called the roll and all Council members were present, (with one arriving within five minutes of the commencement of the meeting) constituting a quorum.

Members in attendance: James Gollin (Chair)  
Talia Kosh  
Jo Edna Boldin  
Ramona Emerson  
Ken Fischer  
Lance Maurer  
Rajeev Nirmalakhandan  
Liz Pecos  
Luke Renner  
Sam Tischler

NMFO Staff: Rochelle Bussey (NMFO)  
Amber Dodson (NMFO)  
Carrie Wells (NMFO)  
Joann Wylie (NMFO)

Approval of Agenda – Chair James Gollin asked if there were changes to the agenda. There being none, Ramona Emerson moved to approve the agenda and Liz Pecos seconded the motion. The agenda was approved.

Approval of Minutes from November 20, 2020. Chair Gollin asked if there were any changes to the minutes from November 20, 2020. There being none, it was moved and Jo Edna Boldin seconded the motion for approval of the minutes. The minutes were approved.

Approval of Minutes from March 25, 2021. Chair Gollin asked if there were any changes to the minutes from March 25, 2021. There being none, Ken Fischer moved to approve the minutes and Raj Nirmalakhandan seconded the motion. The minutes were approved.

Jim Gollin said that the meeting should be relatively simply as the working groups are set up and moving towards the report due in December. There will be another full council meeting in August or September.

Update from NMFO Director Amber Dodson – Amber Dodson said she would provide some brief updates. We are not quite finished with FY 21. The numbers are strong and we had more than 60 productions for the Fiscal Year. A lot of people are busy and working on productions now. In terms of training, the production accounting class has wrapped up. Discussions with decision makers indicate that more production accountants are needed and so there may be more similar classes. A lot of training programs will be rolling out. Covid testing numbers show a 0.13% positivity rate since September. The NMFO is going to have an advanced economist full time for data forecasting and analysis. Fiscal year 2022 already looks like another amazing year. Amber said that she is excited. The state needs more stages and more crew.

Today the Governor announced the reopening of the state. Jim Gollin asked about the film office hours and Amber Dodson replied that we are waiting for the State Personnel Office (SPO) direction. Jim Gollin urged council member to give him a shout if they are in Santa Fe or passing through Santa Fe. He would love to meet. He is looking forward to meeting the council in real life. He noted the bulk of the work is still in the working groups. He urged the Council members to remember that the deadline is December 1. He noted that there will probably be a redistricting session and then the regular budget session in January. He has not yet heard anything about what will be on the Governor's call. He asked that everyone be ready to be called upon to help if the Governor puts something on the call that is film related. In the meantime, he observed that the working groups are doing great. There are overlaps (some intentional such as Covid and diversity) and some just overlap. He noted that, if, for example, there is a huge growth in post-production, there will be a corresponding need for more trained people, but also business development. Jim Gollin said he'd like a brief update on what the groups are doing, see where the overlaps are so the council can coordinate efforts and not duplicate them.

#### Working group updates

Ken Fischer reported for the business development working group. He said they had had two meeting with the NM Taxation and Revenue Department, including Secretary Clark and members of the film office to clarify how the incentives work for post-production. Apparently, there was conflicting information among the post community. Ken Fischer confirmed that it is the production company that applies for the post-production incentives. The post-production company does not apply for the incentive. The working group has three subcommittees and five volunteers who are experienced. The first subcommittee plans to address the misconceptions that the local post-production community has, determine how to best present post opportunities and explore possibly expanding post incentives.

The second subcommittee is looking at high speed internet and big data. They plan to contact the newly created NM Office of Broadband Access and Expansion to make known the needs of the film and media committee. They also want to look at the next steps in attracting and developing companies that capture, create, and manage big data. They would love to see NM become a leader in area.

The third subcommittee is looking at ways to grow post-production in NM. They plan to look at what facets of post-production have the talent here and focus on a strategic action plan for NM. Jim Gollin noted the first point about confusion in the marketplace for post-production. Post-production does qualify, but the production company must apply.

The incentive optimization working group had a great year. The recommendation for changing the rural zone calculation from the county limits to the city hall was solid and would provide a better uplift. Diversity is a focus of the group. They have recommended a 5% uplift for diversity hiring. This year they are focusing on how that can be done. It must be legal withing the confines of the equal employment act. Pass-through companies remain a lightning rod issue. The group would like to hash it out more and see how to make it better in New Mexico. They want to encourage homegrown productions and above-the-line support. They noted there is a diversity element to that. There are a lot of up-and-

coming filmmakers in NM and they want to expand beyond production all the way through the entire filmmaking process. They want to look at what are the real challenges to submitting for the incentive. How does the entire tax incentive process work? They will invite people to talk and try to see how the mechanics and understanding can be worked out. They plan to study SB2 and FYI-370 to become educated in the mechanics. He noted that another lightning rod issue is the Nonresident Below-the-Line Crew (NRCE) Credit. He thinks it is misunderstood. It needs to be addressed and talked about. New Mexico is extremely busy and we don't have the crew right now, so people are being recruited from out of the state. We need them. We also need to train and recruit locals, without being xenophobic about the people coming in. They hope to have frequent meetings. They are excited about this next year and hope to do something effective.

Jim Gollin noted that with respect to the application process for the incentive there is pressure to make it easy and yet, if it is too easy, it is open to waste, fraud, and abuse. The NM dollars need to support the growing industry and NM residents. Essentially, NM wants as much bang as possible for each dollar spent.

Liz Pecos said that her group had not been able to meet since the last meeting due to personal and work issues. Jim Gollin has provided some direction and she has met with IATSE. She said there are exciting things on the horizon. The biggest trend right now is getting past the pandemic. It is going to be busy. Film is not at risk of a global shutdown with covid, they figured out how to work safely. Employers and educators are interested in a trained and diverse workforce. There are lots of educators reaching out to IATSE asking how to train NM for these jobs. The film office is also working on it. Employers are invested and want to be sure there is crew in NM. Since the pandemic, employers want diversified crews. They have mandates they need to meet. They have asked for specific demographic lists which we don't have. There are widespread efforts to obtain the information. Wayne Runyan is spearheading Netflix and they want trained and diversified crew. It needs to be focused on. Film, EDD and the Secretary of Higher Education want to find a way to streamline training in NM and make it efficient. The working group will figure out a way to come up with questions for educational institutions and state will work on an approval process to verify that the Higher Ed programs will teach people to get on the path into film. Basically, they are looking at how to vet the programs. There is some overlap with incentive optimization, but she is not sure about business overlap. If the group proposes incentives for diversity, that is also something to look at.

Jim Gollin thanked Liz Pecos for the overview and noted that the diversity issues are interesting, positive and challenging. It is good for NM and for our comparative advantage as the state has so much diversity. He observed that there are some legal challenges. He noted that we have at once the obligation to move to diversity and limits on ways to ask questions about it. Amber Dodson clarified that the NMFO can ask for the information on a voluntary basis. Unfortunately, the response rate is low and we can't be sure it is even correct. Who can track and vet a voluntary answer? She added that MPA has said the data are fragmented. Resource Array crew and Crewvie are answers to the problem as cast and crew can self-identify, as can businesses. It permits productions to find indigenous businesses or whatever they are looking for.

Jim Gollin asked for questions. Ken Fischer said that he saw a definite overlap of business development with training as they look to grow post-production in New Mexico. He doesn't really know what the talent pool is. He thinks there is a need to train people. He is hoping that Education and Training can look at post-production training and determine what is available. Liz Pecos will have to check her notes, she thought one college brought it up as editing and technical side of filming is part of their curriculum. Luke Renner asked Ken Fischer if they plan to reach out to post companies and ask them what the skills are that they are looking for? Ken Fischer said that is part of the plan. Lance Maurer said that we need to keep in mind the supply chain / data side. They will focus on how to build up the infrastructure so companies can be a part of the supply chain. It is important to remember any of the recommendations have two primary objectives: Jobs and taxable income to the state. Schools will invest in programs that provide readily available jobs. There are two approaches: the first is to take a look at what exists and what can improve it, and the second is to look at new ideas that can be added without disrupting what currently exists. There are a lot of job opportunities in IT, security, data management, etc., but there is not a lot going on here. He noted that SASS is using the cloud to do these things, it can

get muddy. The only viable rebateable activity in post is if the company charges GRT, then it is a qualified expense. SASS goes over state lines, so it depends on where the user is sitting. There are clever mechanisms to bring people here, but we want them to hire them to work in NM. He wants to optimize what is here now and what it could be, focusing on the mission of jobs and tax revenue.

Jim Gollin noted that when we look at things like NRCE, we know they are humans and are easy to see and visualize. Pass-throughs for goods and services are things we see, again, easy to visualize. As for the world Lance Maurer is talking about, where we have one foot in the present and one foot in the future, it is less concrete and not as easy to visualize. It is a question of having a system. As with all incentives, we need to create a valuable and meaningful system but prohibit someone gaming the system. Amber Dodson noted that with regard to the working groups, they are hitting on the right points. She looks forward to hearing more updates and developments.

New Business – There was no new business.

Public Comment (3 min. per person) – No members of the public attended.

Next Council Meeting – Chair James Gollin said that the next meeting will be in August 2021 or September 2021.

Upon a request for a motion to Adjourn Sam Tischler moved to adjourn and Liz Pecos seconded the motion. The meeting was adjourned at 1:58 pm.