

**TITLE 5 POST-SECONDARY EDUCATION**  
**CHAPTER 5 POST-SECONDARY EDUCATIONAL PROGRAMS**  
**PART 51 DEVELOPMENT EMPLOYMENT FUNDING FOR FILM AND MULTIMEDIA**  
**PRODUCTION COMPANIES**

**5.5.51.1 ISSUING AGENCY:** New Mexico Economic Development Department  
[5.5.51.1 NMAC - Rp, 5.5.51.1 NMAC, 6-30-2014]

**5.5.51.2 SCOPE:** Film and multimedia production companies and New Mexico residents in film and multimedia crew professions.  
[5.5.51.2 NMAC - Rp, 5.5.51.2 NMAC, 6-30-2014]

**5.5.51.3 STATUTORY AUTHORITY:** Section 21-19-7.1 NMSA 1978, established in 2003, directs the industrial training board, also referred to as the job training incentive program (JTIP) board, to consult with the New Mexico film division of the New Mexico economic development department to create and adopt rules for development funding for film and multimedia production companies. The program is administered by the New Mexico film division of the New Mexico economic development department and the training reimbursement of fifty percent (50%) of salaries (wages) of qualified participants shall be made by the New Mexico film division without further action or approval of the industrial training board.  
[5.5.51.3 NMAC - Rp, 5.5.51.3 NMAC, 6-30-2014]

**5.5.51.4 DURATION:** Permanent.  
[5.5.51.4 NMAC - Rp, 5.5.51.4 NMAC, 6-30-2014]

**5.5.51.5 EFFECTIVE DATE:** 6-30-2014, unless a later date is cited at the end of a section.  
[5.5.51.5 NMAC - Rp, 5.5.51.5 NMAC, 6-30-2014]

**5.5.51.6 OBJECTIVE:** The object of this rule is to establish standards for an on-the-job development training programs for film and multimedia production companies in New Mexico. These programs include: the film crew advancement program (**FCAP for physical production**), intended to assist the development of New Mexico's economy by providing reimbursement funds to film and multimedia production companies for the training of New Mexico residents working primarily in below-the-line job positions for the preparation of continual employment in the industry; and for **FCAP for qualifying permanent companies and qualifying permanent emerging media companies**, intended to assist the development of New Mexico's economy by providing reimbursement funds to permanent companies that provide training opportunities, similar to internships, to New Mexico residents. To the extent possible, training will be customized to meet the particular company's needs, provide New Mexico residents with improved economic status through employment, and provide measurable growth to the economic base of New Mexico.  
[5.5.51.6 NMAC - Rp, 5.5.51.6 NMAC, 6-30-2014]

**5.5.51.7 DEFINITIONS:** For use in this part, the following definitions apply.

**A. "Above-the-line"** is a film and television industry term derived from where the money is budgeted for creative talent, writers, directors and producers. This term means job positions that are associated with the creative or financial control of a film or multimedia project, generally not the technical aspects.

**B. "Below-the-line"** is a film and television industry term derived from where the money is budgeted for technical crew that shall work on a film or multimedia project as well as for costs related to the studio, equipment, travel, and location. In regards to job positions, this term means technical crew that does not have direct creative or financial control of the project nor receive residuals.

**C. "Company"** means the company that either is or creates a temporary film or multimedia production company to produce one (1) film or multimedia product, as it applies to FCAP for physical production or a company that is permanently based in New Mexico with full-time employees and creates film or multimedia products.

**D. "Craft"** means the specialized area or department in which a film technician works.

**E. "Crew"** means the employees hired by a company to complete a film or multimedia project(s).

**F. "Deal memo"** means the film industry contract that defines the exact terms of a crew member's employment including but not limited to position title and pay rate.

**G.** “**Emerging Media**” refers to most digital technologies, interactive software, mobile applications, post-production, video games and new technology intended for commercial use and exploitation and is related to entertainment or entertainment-related industries, as approved by the New Mexico film division.

**H.** “**FCAP**” means film crew advancement program.

**I.** “**Film or television credit**” for this program means work on a film or television production for more than one week which was not a student film, internship, unpaid position, documentary, commercial, nor on a project where the budget was under five hundred thousand dollars (\$500,000.00) and the company did not participate in this program.

**J.** “**Film technician**” means a crew member working in a below-the-line job position who often is a member of an international alliance of theater and stage employee (IATSE) film union or guild.

**K.** “**General safety certified**” means a crew member has completed a class or course that meets OSHA standards for general safety associated with working on a film and multimedia project.

**L.** “**JTIP**” means job training incentive program.

**M.** “**Non-union**” means the job position is not in the contractual jurisdiction of a film union or film guild.

**N.** “**Mentor**” means the go-to person for questions and direction or the supervisor of a program participant and has a stronger skill set in relation to the job position in which that participant was hired.

**O.** “**NM**” means New Mexican.

**P.** “**Open hours**” means a trainee that qualified for FCAP during a production did not use all one thousand and forty (1,040) hours available. Hours that remain are considered “open” and may be used for that job position on another production upon qualification.

**Q.** “**On-the-job training**” means gaining experience in a hired position increasing job opportunities for continual employment in the film and multimedia industry.

**R.** “**Payroll report**” means the report generated from a payroll company hired by the company to act as the crew’s payment agent for the film and multimedia project.

**S.** “**Physical production**” means companies that produce a project or series on location or at a temporary location.

**T.** “**Principal photography**” means the cameras have started filming and the majority of preparation for a film and multimedia project has been completed; call sheets are now issued to crew members and production reports are completed daily.

**U.** “**Production**” means the film or multimedia project preparation, principal photography and set break down periods while creating a film or television project.

**V.** “**Reserve Component Members**” refers to a New Mexico member who served in the army, naval, marine corps, air force and coast guard reserves and the national and air national guard of the United States.

**W.** “**Resident**” means an individual who is domiciled in New Mexico. This domicile is the individual’s permanent home; it is a place to which the individual intends to return after any temporary absence. An individual shall have only one domicile. A change in domicile is established only by establishing a physical presence in a new location with intent to abandon the old domicile and make a home in the new location permanently or indefinitely.

**X.** “**Salaries**” means wages or the hourly pay rate for hours physically worked by trainee during a production.

**Y.** “**Trainee**” means the crew member that shall be learning a new skill set or graduating to a higher job classification through the FCAP and is synonymous with the terms program participant or applicant.

**Z.** “**Veterans**” means a New Mexico resident who is registered with the New Mexico workforce connection, and who served in the active military, naval, or air service and who was discharged or released under conditions other than dishonorable.

**AA.** “**Wages**” means the hourly pay rate for hours physically worked by trainee during production. It does not include film payments to trainees such as kit rental, holiday pay, travel time, mileage reimbursements, or any payment to employee due to penalties incurred by company during production of the project.

[5.5.51.7 NMAC - Rp, 5.5.51.7 NMAC, 6-30-2014; A, 6-30-2015]

#### **5.5.51.8 PROGRAM OUTLINE:**

**A.** The following is the program outline for all participating companies:

(1) The applicable hours of the qualifying trainees shall only be for the hired position as approved by the New Mexico film division and as noted on the FCAP application and the responsibilities for the qualifying position shall meet the industry standards for that position.

(2) Trainee's pay rate shall be consistent with trainee's job position per this crew member's contract with company, and trainee's pay rate shall be higher than the positions in the lower tier of positions under trainee's per union contractual agreement where applicable.

(3) Any requests for a different job position or mentor to qualify for the program shall be considered by the New Mexico film division, and if approved noted in file.

**B.** The following is in addition to the program outline in Subsection "A" and shall apply to **FCAP for physical production.**

(1) Each trainee qualifies for a maximum of one thousand and forty (1,040) hours. As the trainee works on a film or television project, the hours shall be deducted accordingly.

(2) Trainees shall work at least 80 hours in their hired position in order to qualify.

(3) Trainees may qualify for an additional one thousand and forty (1,040) hours if the training received through this program is used to progress from their current job to a higher job classification or to move laterally into a new skill set and the individual meets program qualifications.

(4) Qualifying participants may apply any unused hours to future on-the-job training work opportunities in the specified job position until the one thousand and forty (1,040) hours are exhausted.

(5) Unused training hours in a lower level position are forfeited once a trainee moves to a higher level within that skill set and that department.

(6) Qualifying trainees shall work in standard industry job positions as listed in the New Mexico film division FCAP job titles list for individual projects produced by companies.

(7) The number of film and television production credits and the amount of experience required for a participant to qualify shall be determined by the New Mexico film division based on the total budget of the project and the extent to which the participant is adding to their skill set.

(8) The number of trainees allowed to participate in each craft department shall be determined by the New Mexico film division based on the total budget of the project, department crew size and the company location.

**C.** The following are in addition to the program outline in Subsection "A" and shall apply to **FCAP for qualifying permanent companies.**

(1) Trainees shall complete the one thousand and forty (1,040) hours to qualify.

(2) Qualifying job positions shall be technical and directly contribute to the creation of a product as determined by the New Mexico film division and shall not relate to distribution of end product(s).

(3) Qualifying trainees shall work in standard industry job positions as listed in the New Mexico film division FCAP job titles list for permanent companies creating products.

(4) Qualifying participants may only participate one time in the program as an employee of this company; however, where the trainee has completed all one thousand and forty (1,040) hours in the original hired position, requests to participate again will be considered upon written documentation submitted by the employer and by the trainee that verifies the trainee will be advancing to a higher job classification.

**D.** The programs outlined in Subsections "A" and "C" shall apply to **FCAP for qualifying permanent emerging media companies.** The New Mexico film division of the New Mexico economic development department shall contract qualified companies to provide training opportunities, similar to internships, to students currently enrolled in a higher education institution or a graduate who has recently graduated within one (1) year from a higher education institution that relates to digital or post-production technology (emerging media) for the multi-media and entertainment-related industries as approved by the New Mexico film division. [5.5.51.8 NMAC - Rp, 5.5.51.8 NMAC, 6-30-2014; A, 6-30-2015]

#### **5.5.51.9 TRAINEE ELIGIBILITY:**

**A.** The following is the program outline for all participating companies:

(1) Training applicants shall be certified as a film and multimedia trainee by the New Mexico film division.

(2) Trainee applicants shall be at least eighteen (18) years of age.

(3) Qualifying trainees shall not be permitted to participate in JTIP manufacturing.

**B.** The following is in addition to the program outline in Subsection "A" and shall apply to **FCAP for physical production.**

(1) Trainee applicants shall be New Mexico residents.

(2) Trainee applicants shall raise their film or television position to a higher classification or add a completely new skill set.

(3) Applicants shall not have a film or television credit as defined by this program in a higher position in that department to qualify for a maximum one thousand and forty (1,040) training hours for that position. However, exceptions may be considered by the New Mexico film division if the participant's credits are from a project's budget that did not exceed two million dollars (\$2,000,000.00) and the participant is applying to the program again on a qualifying production with a larger total budget and a higher degree of complexity.

(4) Trainee shall not be a mentor simultaneously on a production on projects produced by temporary companies.

(5) Additional positions are available for veterans and or reserve component members.

C. The following is in addition to the program outline in Subsection "A" and shall apply to **FCAP for qualifying permanent companies**. Trainee applicants shall be New Mexico residents.

D. The following is in addition to the program outline in Subsection "A" and shall apply to **FCAP for qualifying permanent emerging media companies**.

(1) Company shall ensure all trainees have resided in the state of New Mexico for a minimum of one (1) continuous year at any time before beginning training or qualified for in-state tuition by their higher educational institution during at least two (2) of their most recent semesters in which they were enrolled in the emerging media-related program.

(2) Qualifying trainees shall be approved as such by the New Mexico film division.

[5.5.51.9 NMAC - Rp, 5.5.51.9 NMAC, 6-30-2014; A, 6-30-2015]

#### **5.5.51.10 MENTOR ELIGIBILITY AND QUALIFICATIONS:**

A. Mentors shall be certified as a film and multimedia mentor by the New Mexico film division.

B. A mentor shall not be a trainee simultaneously during a production on projects produced by temporary companies.

C. Mentor shall work in the same or directly related department with the trainees that they supervise for this program.

[5.5.51.10 NMAC - Rp, 5.5.51.10 NMAC, 6-30-2014; A, 6-30-2015]

#### **5.5.51.11 COMPANY ELIGIBILITY AND ADMINISTRATIVE REQUIREMENTS:**

A. The following is the program outline for all participating companies:

(1) Company shall submit the JTIP for film & multimedia application part one for FCAP prior to when training begins.

(2) Company shall enter into a contract as outlined by the New Mexico film division of the New Mexico economic development department; the term of the contract shall be based on a time period which shall allow the contractor (company) to complete its obligation to hire and provide on-the-job training opportunities for the qualified individuals and complete paperwork involved.

(3) The approval of this contractual agreement from the New Mexico film division and the chairperson of the job training incentive program (JTIP) board shall grant funding to the contractor for the purpose of conducting this training.

(4) Company shall have a local office where claims and paperwork shall be processed or a designee shall be available to conduct the appropriate paperwork.

(5) The company shall provide a proposal and application to the New Mexico film division and the documents noted within to be considered for the training reimbursement.

(6) Company entering into a contractual agreement with the New Mexico film division of the New Mexico economic development department shall return the program contractual agreement and program application to the New Mexico film division. This contract will be requested by the New Mexico film division prior to principal photography.

(7) Completed FCAP trainee applications shall be submitted to the New Mexico film division by the company.

(8) Company is subject to compliance reviews throughout the term of the contract; the compliance review shall consist of program and fiscal surveys.

(9) Company reimbursement shall not exceed fifty percent (50%) of the trainees' rates for up to one thousand and forty (1,040) hours per participant.

(10) Company shall submit time records and reimbursement invoices as established by the New Mexico film division of the New Mexico economic development department, which is the payment agent.

(11) The participating company shall submit forms and reports as established by the New Mexico film division of the New Mexico economic development department which may include:

- (a) JTIP for film & multimedia application part one for FCAP; and
- (b) department of finance and administration (DFA) tax information form or federal tax information form; and
- (c) JTIP for film & multimedia application part two for FCAP; and
- (d) JTIP for film & multimedia agreement for FCAP; and
- (e) industry top sheet of budget; and
- (f) FCAP participants' applications; and
- (g) production's final crew list or equivalent as determined by the New Mexico film division; and
- (h) a minimum of one call sheet or production report or equivalent as determined by the New Mexico film division; and
- (i) payroll reports for each qualified trainee that verify hours worked and all rates per hours; and
- (j) an invoice.

(12) All paperwork and forms shall be submitted to the development training program administrator or manager of the New Mexico film division.

(13) Companies that fail to comply with all established operating requirements and closeout procedures are not eligible for funding and may not be eligible to apply for future participation.

(14) The mailing address to submit paperwork including the invoice is to the development training program administrator or manager, New Mexico film division of the economic development department.

**B.** Companies who meet one of the following requirements in addition to the program outline in Subsection "A" and shall apply to **FCAP for physical production.**

(1) Total project budget shall be equal to or greater than two-hundred thousand dollars (\$200,000.00) but shall not exceed two million dollars (\$2,000,000.00); or

(2) Where the total project budget exceeds two million dollars (\$2,000,000.00), companies shall employ eight (8) New Mexico residents in standard first level or key job positions or higher level job positions in a minimum of six (6) different craft departments as determined by the New Mexico film division of the New Mexico economic development department.

**C.** The following are in addition to the program outline in Subsection "A" and shall apply to **FCAP for qualifying permanent companies.** Each trainee shall complete the one thousand and forty (1,040) hours to qualify.

**D.** The following are in addition to the program outline in Subsections "A" and "C" shall apply to **FCAP for qualifying permanent emerging media companies.**

(1) Qualifying companies must be creating new jobs as a result of expansion, startup or relocation to the state of New Mexico. The company shall be financially stable to ensure training opportunities as determined by the New Mexico film division.

(2) An approved company may participate more than once in this program if the company is able to show expansion of employees or has hired a recent participating trainee.

(3) Company shall ensure that trainee's pay rate shall be consistent throughout training and meet applicable minimum wage ordinances.

(4) Company shall qualify trainees based on additional criteria required by the company

(5) Number of trainees permissible;

(a) companies with fifteen (15) or fewer full-time employees or contractors at a given time, may train two (2) participants for a maximum of one thousand and forty (1,040) hours for up to sixteen (16) weeks or one (1) school semester;

(b) companies with fifteen (15) or more full-time employees or contractors at a given time, may train four (4) participants for a maximum of one thousand and forty (1,040) hours for up to for up to sixteen (16) weeks or one (1) school semester;

(6) Training of each participant shall not exceed one (1) semester or sixteen (16) weeks.

(7) Company shall only allow trainee to participate one (1) time in the program. A trainee who has participated in the program previously for any company shall not be approved unless the company and trainee can demonstrate to the satisfaction of the New Mexico film division of the New Mexico economic development division, which the training applies to a new skill set and a new job position.

(8) Companies approved for reimbursement through this program shall not be approved for any other JTIP for film and multimedia programs; however, they may apply to JTIP manufacturing if they meet that program's requirements.

[5.5.51.11 NMAC - Rp, 5.5.51.11 NMAC, 6-30-2014; A, 6-30-2015]

**5.5.51.12 REIMBURSEMENT OF TRAINING COSTS:**

**A.** Reimbursement shall be made to the participating company in accordance with the terms of JTIP for film & multimedia agreement for FCAP.

**B.** Failure to fully and accurately complete administrative requirements may delay reimbursement payment.

**C.** The invoice or claim for reimbursement may be submitted during the contract period, when trainees complete the number of contracted hours.

**D.** Trainee wages shall be reimbursed upon completion of the training project, not to exceed one thousand and forty (1,040) hours, and the conclusion of the production in New Mexico.

**E.** Reimbursement from the state shall be based on the contractual agreement.

**F.** Reimbursements shall be based upon the number of trainees who have qualified for the training program.

**G.** Reimbursement shall not exceed fifty percent (50%) of the trainees' rates.

**H.** Training costs shall be reimbursed to the company based on the number of qualified participants, their wages from hours physically worked.

**I.** The contract amount established in the contract shall remain the same for the length of the agreement.

**J.** Trainee wages shall be reimbursed upon completion of training with the company which shall not exceed one thousand and forty (1,040) hours per approved trainee application at the conclusion of training in New Mexico and when company qualifications and requirements have been met.

**K.** The New Mexico film division shall make arrangements to have an audit at the end of the contract that may be facilitated by and completed at the New Mexico film division to verify program compliance by either an independent accountant or a representative of the New Mexico film division.

**L.** In the case where overpayment has been made by the state of New Mexico to the company, the company shall refund the department the difference of the correct reimbursement payment from the paid reimbursement amount.

**M.** The New Mexico film division of the New Mexico economic development department may not issue reimbursement payment until all obligations the company has incurred have been paid in New Mexico as related to the New Mexico film credit program.

[5.5.51.12 NMAC - Rp, 5.5.51.12 NMAC, 6-30-2014; A, 6-30-2015]

**HISTORY OF 5.5.51 NMAC:**

History of Repeal Material: 5.5.51 NMAC, Development Employment Funding for Film and Multimedia Production Companies, filed 5-28-2008 is repealed effective 4-30-2009 and replaced by 5.5.51 NMAC, Development Employment Funding for Film and Multimedia Production Companies, effective 4-30-2009 and replaced by 5.5.51 NMAC, Development Employment Funding for Film and Multimedia Production Companies, effective 6-30-2014.

**History of Repealed Material:**

5.5.51 NMAC, Development Employment Funding for Film and Multimedia Production Companies, filed 5-28-2008 is repealed effective 4-30-2009. 5.5.51 NMAC, Development Employment Funding for Film and Multimedia Production Companies, filed 4-30-2009 - Repealed effective 6-30-2014.