



## 2021 Report and Recommendations of the Governor's Council on Film and Media Industries

1 December, 2021

Honorable Michelle Lujan Grisham  
Honorable Brian Egolf, House Speaker  
Honorable Mimi Stewart, President Pro Tempore of the Senate  
Cabinet Secretary Alicia J. Keyes, Economic Development Department

Madams and Sirs:

*Pursuant to Section 9-15-4.1 NMSA 1978, per statute, the Governor's Council on Film and Media Industries (the "Film Council") was created to advise the Economic Development Department and the Governor on ways to promote film production in New Mexico, assist in the design and implementation of the department's strategic plan for building a media infrastructure in the state, assist in designing a workforce training program for film production and to make recommendations for incentives and funding for these efforts.*

### Introduction

Throughout 2021, the Film Council met in virtual working group sessions as well as public meetings assessing industry progress and challenges. Overall, the film and media industries have recovered well from COVID, growth is exceptional, and with proper attention should continue. The challenges we face are largely those of managing this rapid growth, fine tuning the successful incentive system, training and educating our workforce to better match the demands of industry, expanding into largely untapped corollary media technology industries such as post-production, and executing on all of the above with a serious commitment to diversity, inclusion, and film safety.

### Film Safety

A meaningful response to the *Rust* tragedy should be based on a full understanding of matters that are still the subject of multiple investigations, not on rumor or incomplete information. And policy makers should understand that the most persistent safety challenge on NM sets is not gun safety but sleep deprivation caused by long days and short turnarounds. With those caveats, we make the following recommendations:

--All NM productions, union & non-union, should be required to follow all Contract Services Industry Wide Labor-Management Safety Committee Safety Bulletins and producers must affirmatively acknowledge that responsibility. Relevant safety bulletins must be attached to daily call sheets.

- An anonymous “NM Safe Sets State Safety Hotline” should be set up and funded, with productions required to display the number at all production locations and include it on their call sheets.
- A state certification process for armorers should be created, in consultation with industry professionals and relevant NM authorities such as the Department of Public Safety. Productions that use actual firearms should be required to use a state-certified armorer, allowing for reciprocity with other certifying jurisdictions.
- Live ammunition should be banned from NM sets, with exceptions only for active law enforcement, licensed armed guards, and the rare situations that truly require live ammunition, such as a documentary on ballistics. In those exceptional cases, live ammunition handling must strictly adhere to IWLMSC Safety Bulletin #2.
- Union and non-union productions should provide employees the option, if needed and upon request, of either courtesy housing or round trip transportation from crew parking areas to their homes, at the employer’s expense, when work and travel time exceeds 14 hours.

### Incentive Optimization

The current film incentives system based on a 35% cap on qualified expenditures is fundamentally well-designed, competitive, and functional, but can be improved upon. To better incentivize a film industry that will benefit a more diverse pool of New Mexicans, we recommend introducing additional paths to attaining the 35% maximum incentive. We recommend potential 5% uplifts for:

- Productions that hire and train a diverse New Mexican work force, including Native American, Hispanic, and Black New Mexicans.
- Productions based on the creativity of homegrown New Mexican “above the line” talent, who often feel sidelined by out-of-state productions that are not incentivized to partner with New Mexico’s creative class.
- Productions that also do their post-production locally and train and mentor NM post-production talent.
- Productions that comply with a to-be-created enhanced New Mexico Safety Protocol, including limiting most shooting days to 10 hours or less. This would be particularly useful for local and independent films.

In addition:

- The 5% “rural uplift” qualifying territory should be defined as 60 miles or further from Santa Fe and Albuquerque City Halls (instead of 60 miles from Santa Fe and Bernalillo county lines) in line with similar geographic distinctions used by unions and others.
- Accounting should be simplified for the 5% rural and qualified facility uplifts, as production equipment, props, and talent may shift venue many times in the course of a single day. Uplift calculations should be based on overall averages, not burdensome hour-by-hour accounting.
- Script development should qualify for incentives, contingent a distribution deal, allowing for the creation of NM based Writers Rooms.
- “Pass through” companies that bring in products or services not readily available in New Mexico should be subject to greater oversight, ideally by the New Mexico Film Office. The NMFO should share data on what goods and services are regularly imported in order to facilitate the development of local vendors.
- Film expenses on tribal lands that do not accrue GRT should qualify for incentives.
- Changes to the incentive system should not be retroactive, and a minimum of 90 days’ notice should be given to projects already in production.

### New Business Development

Promoting post-production and other corollary businesses will require consultation with NM Film Partners and out-of-state post houses that might develop NM satellite offices, sharing available production data with local

vendors, and supporting the training and development of local post talent through education and training as well as mentoring programs. While aspects of post-production can be taught in boot camps or academic classes, the development of truly sophisticated local talent will require local workers to be paired with experts that we need to attract to New Mexico from out of state.

--Public funding for such training could speed the development of a thriving local post-production industry within a period of 3-5 years.

--Qualifying Film Crew Advancement Program job definitions need to be redefined to include post-production job titles, ideally with flexible language that will not need to be reworked every few years. Or, a companion PPAP program could be developed.

--NMFO should create a Post-Production Film Incentives web page, with the details of the current generous but not widely understood opportunities spelled out clearly. It would also be helpful if the Taxation and Revenue Department could create a separate application form for post-production rebates.

--State-sponsored low interest loans could help with the expansion of film and corollary industries. Specifically, while SB380 established a pool of 2.5% of the Severance Tax Permanent Fund for investment in film projects in 2003, unrealistic requirements have effectively nullified the program, a disservice to the industry and to New Mexico. We strongly recommend an overhaul of lending rules, perhaps shifting management from the SIC to the NMFA, encouraging the growth of already successful credit-worthy, locally-based, film-related business. New Mexico needs a more robust film finance ecosystem.

--More broadly, New Mexico needs to consider updating its infrastructure and regulations to support modern media technology industries based on storage, management, retrieval, manipulation, analysis, application and delivery of data. Associated subsectors, like software as a service (SaaS), might need their own incentives or support structures. We recommend that the State fund a study in 2022 to determine what specific changes in infrastructure, taxation, e-commerce law, regulation, and education could transform New Mexico into a data technology leader, moving beyond production and even post-production to content delivery, attracting new businesses with high paying jobs.

## Education and Training

As the post-COVID NM film industry booms, a shortage of skilled film industry workers threatens to bottleneck growth and thus limit benefits to New Mexicans. To match NM workforce skillsets with industry needs, there is a critical need to dramatically ramp up education and training programs for the film and media sector.

--We propose the establishment of a New Mexico Film Academy, a training program that can help our diverse New Mexican population efficiently gain practical knowledge, receive specific training for specific jobs, access unions, build networks, and link job seekers with producers searching for crew. Goals include standardized programming for entry level jobs and then mentoring and up-training workers to fill higher paying jobs while replacing the entry level positions with new entrants.

--Some elements of film education are well-handled by existing institutions, programs which simply need to be better coordinated. Other aspects of training can be modeled on the shorter-term Production Assistant Bootcamps offered on an occasional basis by NMFO and others. A signature two-week intensive Film Production Bootcamp could teach basic skills including set etiquette and prepare New Mexicans for most entry level positions. Other skills take years to acquire and will require extensive mentorship and/or long-term on the job training.

--With a consistent and centralized curriculum, the New Mexico Film Academy would create employer confidence and speed job placement. A centralized database portal could help match producers seeking qualified candidates with internship and job seekers, sorted into categories by experience level, skill type, education, and other criteria.

--Outreach would be needed to recruit viable candidates from schools, tradespeople, and diverse and underserved communities both, perhaps using existing databases that encourage diversity hiring practices such as ARRAY or Crewvie, and interfacing with existing major studio diversity programs. A centralized resource web page, linked to the NMFO website, can clarify what the state can offer for film and media education and training.

--Funding for the New Mexico Film Academy can come from new budgetary allocations as well as existing workforce development funds, allocations from the Film Partner "Give Back" program, and an expanded Film Crew Advancement Program (which needs to include post-production positions). Rural New Mexicans might need financial support for travel to and lodging in film production hubs for a limited time.

--Increased funding is also needed to support worthy independent film making along the model of the John Pinto Memorial Fund, perhaps including a revival of the discontinued "Governor's Cup" awards.

--Articulation between two-year and four-year educational programs has improved, but more work is needed to assure appropriate four-year program acceptance of Common Course credits from two year colleges.

### Additional Information

The above summary is complemented by the more detailed attached appendices, and Council members stand ready to answer questions, provide rationale and detail, and to help source expert witnesses for any upcoming rule-making processes and legislative sessions.

Respectfully submitted,  
James Gollin, Chair  
Talia Kosh  
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Jo Edna Boldin  
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cc: Amber Dodson, Director, New Mexico State Film Office