

Date of Hearing: April 26, 2017

ASSEMBLY COMMITTEE ON ARTS, ENTERTAINMENT, SPORTS, TOURISM, AND  
INTERNET MEDIA

Kansen Chu, Chair

AB 1664 (Bocanegra) – As Amended March 28, 2017

**SUBJECT:** California Film Commission: workforce development program.

**SUMMARY:** Would require the California Film Commission (CFC) to develop a workforce development program, as described, consistent with the Career Readiness requirement in the California Film and Television Tax Credit Program (CFTTCP). Specifically, **this bill:**

- 1) Requires the CFC to develop a workforce development program that is consistent with the Career Readiness requirement in subparagraph (A) of paragraph (1) of subdivision (e) of Section 17053.95 of the Revenue and Taxation Code, as specified.
- 2) Declares that the purpose would be to facilitate program coordination and alignment with other industry-specific workforce training, education, and employment services
- 3) Provides that the workforce development program established pursuant to this section shall be responsive to the needs of film and television industry employers, workers, and labor unions and shall include, but not be limited to, career technical courses, credentials, certificates, degrees, programs, and pathway offerings.
- 4) Makes various Legislative findings and declarations.

**EXISTING LAW:**

- 1) Provides, within the CFTTCP, the CFC shall adopt rules and regulations to implement a Career Readiness requirement by which the CFC shall identify training and public service opportunities that may include, but not be limited to, hiring interns, public service announcements, and community outreach.
- 2) States that The CFC may prescribe rules and regulations to carry out the purposes of this section, as specified.

**FISCAL EFFECT:** Unknown. Legislative counsel has keyed this measure as fiscal.

**COMMENTS:**

- 1) *Author's statement of need for legislation.* According to the author, "data from the Motion Picture Association of America shows, since 2015, over 15,000 Californians have been employed as behind-the-camera crew on film and television sets throughout the state, to the tune of \$1.1 billion in qualified wages. A large percentage of those jobs can be attributed to the successful implementation of tax credit Program 2.0." He adds, "This measure will build upon that success by establishing a coordinated effort between the film and television industry, institutions of higher education, and other entities, including union training programs, to enhance the availability and quality of programs which promote film and

television industry craft training and education, and thereby enhance the availability and competence of the work force for supporting the industry.

"California's economy is fueled by the strength of its regional economies, its skilled workforce, and its wealth of innovative human capital. While the revived tax credit program has helped bring back and create thousands of good-paying, middle-class jobs, the only way to ensure that this remains a home-grown industry is by ensuring a skilled workforce is ready to assume those jobs. AB 1664 will invest directly in the development of workforce training programs to fill those jobs, and it specifically encourages the inclusion of populations that don't have traditional pathways into the trades, such as underserved youth."

- 2) *Background: Recent Oversight hearings into the success of the CFTTCP included discussions on job creation and career readiness requirements in the current FTTCP, known as Program 2.0.* This Committee, along with the Committee on Revenue and Taxation, held an Informational Hearing on February 24, of this year, entitled, "The Secondary Impact of California's Film and Television Tax Credit Program: Diversity?," a component of which was discussion of the expanded employment opportunities provided by the retention and expansion of the film and television industries brought about through the CFTTCP. Within that discussion, the CFC presented information relative to the Career Readiness program.

The CFC's October 2016 Progress Report included a review of the Career Readiness program; "A substantial addition to Program 2.0 is the 'Career Readiness' requirement. All accepted applicants must participate in career-based learning and training programs that have been approved by the CFC. The structure for participation was developed based on extensive collaboration with the California Department of Education and the California Community Colleges Chancellor's Office. The CFC is also engaged in outreach to non-profits and other organizations involved in linked-learning opportunities for high school and post-high school students, such as The Los Angeles Fund for Public Education (LAFund) and Veterans in Film & Television (VFT).

As explained in the White Paper presented as part of the background materials for the Joint Informational Hearing, "The Secondary Impact of California's Film and Television Tax Credit Program: Diversity?," there are many ways applicants can meet this requirement:

- a) Paid Internship – provide high school or community college students either: i) three paid internship positions with a minimum of 75 hours each, or ii) a combination of internships with a minimum of 75 hours per student and a total of 225 hours overall. Internship experience should include hands-on work assignments with industry professionals.
- b) Classroom Workshop – provide high school or community college students at least eight hours of classroom workshops or demonstrations on aspects of the film industry, including set operations, post-production, and technical crafts.
- c) Studio Employment and Professional Skills Tour – provide high school or community college students at least eight hours of studio employment and professional skills tours, which may include set visits or tours of wardrobe, art, and editorial departments.
- d) Faculty Externship – provide at least eight hours of continuing education for faculty to observe set operations, post-production, and other specialized departments.

- e) Financial Contribution – provide a financial contribution, based on 0.25 % of the applicant's estimated tax credit allocation with a minimum of \$5,000 and maximum of \$12,000, to a local education agency or higher education institution specializing in arts, media, and entertainment career-oriented programs.

"According to the CFC's October 2016 Progress Report, many applicants have satisfied the Career Readiness requirement by providing paid internships or making a financial contribution to high school or community college funds. High school funds have provided scholarships to the 2016 California State Summer School for the Arts, a rigorous month-long training program for high school students in visual and performing arts, creative writing, animation, and film in preparation for a career in the arts and entertainment industries. Community college funds have been used to provide paid internships for students studying arts, media, or entertainment."

- 3) *Prior related legislation.* AB 1839 (Gatto & Bocanegra), Chapter 413, Statutes of 2014, Income taxes: qualified motion pictures, created a tax credit for qualified expenditures for the production of qualified motion pictures in California for taxable years beginning on or after January 1, 2016, and authorized the California Film Commission (CFC) to administer the program and allocate the tax credits, subject to a \$230 million cap in the first year (2015-16) and \$330 million dollar aggregate annual cap for each fiscal year from the 2016-17 fiscal year through and including the 2019-20 fiscal year.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

There is no support on file for this bill.

### **Opposition**

There is no opposition on file for this bill.

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