

**REMARKS OF HEATHER PAGE
TO SELECT COMMITTEE ON ECONOMIC DEVELOPMENT
OCTOBER 5, 2012**

- I'm Heather Page, the Director of the Texas Film Commission, thank you Mr. Chairman for the opportunity to address the Committee today and to talk about the Texas Film Commission and our signature program, the Texas Moving Image Industry Incentive Program.
- Implemented into law over the 2005, 2007 and 2009 legislative sessions, with appropriations commencing in 2007 and continuing in 2012, the Moving Image Industry Incentive Program has become a very popular and effective ECONOMIC DEVELOPMENT AND JOBS PROGRAM utilized by LIVE Action and ANIMATED Feature films, including independent film productions, episodic television series, commercial producers and video game production.
- JOB IMPACT - based on Applications to our program, which reflect anticipated spending levels and hiring by productions utilizing our state and its people and locations, since the program was first funded in 2007 through the Fiscal Year that just ended, OVER 73,000 PRODUCTION JOB OPPORTUNITIES were slated based on anticipated spending of over \$658,000,000. This equates to 9,845 of what the Texas Film Commission regards as FULL TIME EQUIVALENT JOBS.
- But in the period of time since the passage of the \$60M Appropriations in April 2009, over \$517,000,000 in anticipated spend was slated by Applicants to our Program, with 48,000 production jobs estimated and 7,287 FTEs. So you can see that since mid-2009, the Program has become very popular and successful, and that timeframe accounts for the Lion's Share of the spending and job data.
- To drill down on a more case-by-case basis, we CURRENTLY HAVE two very large episodic television shows shooting their 2nd seasons in the State, one in Austin and one in Dallas. (They also shot their first seasons here.) Each shooting between 10 and 20 episodes, hiring between 150-250 Texas crew members and over 3,000 cast members, each shows will spend \$15 to \$20M in the State, for which the State will spend, only when all is verified, a very small fraction of that money in return.
- As you may know, a growing and powerful component of our program are the video game producers and animators in the State of Texas who utilize some of our most skilled Texans, paying them very well, and sometimes spending over \$25 million in local spend per game, almost all of that on wages paid to Texans.

Due to the strength of this industry sector, Texas is now second only to California in this crucial business space, which has a powerful economic impact compared to the size of the cash grants they can potentially receive from the State of Texas.

- In August 2011, new video game rules went into effect giving video games parity with film incentive percentages. And the 12 months since those rules went into effect, we've seen a 58% increase in number of applicants and an 18% increase in estimated spending.

- Application/Criteria Rule Changes in January 2012:

- The financial viability of the Applicant and the likelihood of successful project execution and planned spending in the State of Texas.
- Proposed spending on existing state production infrastructure (such as soundstages and industry vendors).
- The number of Texas jobs estimated to be created by the project.
- The ability to promote Texas as a tourist destination through the conduct of the project and planned expenditure of funds.
- The magnitude of estimated expenditures in Texas.
- Whether the project will be directed or produced by an individual who is a Texas Resident (where the term "produced by" is intended to encompass a non-honorary producer with direct involvement in the day to day production of the project, but above the level of line producer.

- \$22M in payouts in fiscal 2012.

- In addition to this Program, during the 40 year history of the Texas Film Commission, the office has developed a well-deserved, positive and respected reputation nationwide for assisting production companies large and small with scouting our beautiful TEXAS LOCATIONS, accessing the deep ranks of EXPERIENCED, VETERAN CREWS available in the State of Texas and NAVIGATING THE VARIOUS ISSUES that arise day to day when producing in the state.

- With that general background into what the Film Commission does, I look forward to your questions.

- JAMES EPPERSON, Jr. – Dallas
- STACEY GILLMAN WIMBUSH – Houston
- MAHER MASO – Frisco
- CARLTON SCHWAB – Austin

- REPRESENTATIVE JOHN DAVIS – Houston
- CHARLES MATTHEWS
- BRINT RYAN