



**TESTIMONY ON BEHALF OF
NEW YORK'S FILM AND TELEVISION PRODUCTION LABOR COALITION**

PRESENTED BY

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**TO THE JOINT LEGISLATIVE BUDGET HEARING
ON ECONOMIC DEVELOPMENT**

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Good morning, Chairwoman Krueger, Chairwoman Weinstein, and distinguished members of the New York State Legislature. I am Deirdra Elizabeth Govan, Vice President of United Scenic Artists, Local USA 829, IATSE, and a Costume Designer by trade. In addition to Local USA 829, I also present this testimony on behalf of the broader film production labor union community, which represents the vast majority of workers in the highly unionized field of film and television production. Thank you for the opportunity to provide this testimony to describe successes of our industry, the importance of the Empire State Film Production tax credit, and our support for the Governor's proposal to enhance the program in the State Budget.

In the 2023 legislative session, our coalition's top priority is ensuring the continuity and stability of our industry, which was built on the foundation provided by New York's film and television tax incentive program. This program has been extraordinarily successful, turning New York state into a national hub for film and television production. Our success has spurred other jurisdictions, both national and international, to enact tax incentive programs of their own, many of which are richer than the New York program. In particular, Georgia, and, now on our doorstep, New Jersey

have enacted highly competitive tax incentive programs which contain many of the aspects included in Governor Hochul's Executive Budget proposal.

Before speaking to the proposal, it is important to understand the success of the New York program. With the first iteration enacted in 2004, the state's goal was to bring large film projects to New York. In 2020, after numerous extensions and enhancements, New York has not only attracted these large film projects, but is now one of the largest domestic centers of episodic television production. New York state has transformed itself from merely a place to do location shots and then leave, to according to research from Camoin Associates, becoming a home for over 57 thousand workers directly employed by film and television, earning \$12 billion in wages per year. For all of this it is the tax credit that has made the difference.

I like to say that I am a real "Made In New York Story." I began my career as a costumer on Broadway and in Film and Television, earning my first union card from the Theatrical Wardrobe Union, IA Local #764. Now, over the span of 25 years, and three union cards later, I have stood along with so many of my colleagues as we have worked from the ground up in our respective artistic professions, building what is now our state's renown and vibrant motion picture industry. Working as a Costume Designer for film and television has allowed me to leverage my proud New York education and my personal and professional experiences for which this state has remained both my canvas and continual training ground.

It is due to the program's success in attracting productions to New York that the credit must be updated to reflect current realities. There are now negative pressures on New York's film production that have contributed to an erosion in productions and opportunities. First, due to the past success of the program, the state has exceeded the allocation faster than anticipated. As a result, productions are required to wait many years after the completion of a project to receive their credits, which is highly detrimental to low-budget and independent films which are not well-capitalized, and potential projects that would have otherwise come to New York are concerned about the financial health of the program and are now siting elsewhere. Additionally, numerous states have recently matched or exceeded New York's program, exacerbating the reasons why projects that once came to New York now choose not to. This new reality is best captured by the fact that, for the first time in years, soundstages in New York are seeing significant vacancy rates.

We must all remember that production is not just what we see on TV, it is a real industry that creates union jobs with great wages and benefits – the exact type of jobs New York’s public policy should seek to incentivize and bring to the state. As an example illustrating the expansion of these jobs, I look to our kin at Theatrical Teamsters Local 817. In 2004, Local 817 members collectively earned \$41.8 million in wages and made \$13 million in benefit contributions. By 2022, Local 817 membership had tripled, with members collectively earning nearly \$250 million in wages and making \$84 million in benefit contributions.

It is also important to underscore that, with the vast growth of New York’s film and television industry, there has been a significant increase in diversity within its workforce. I have personally seen the diversification of the industry over the past 30 years, with greater and greater opportunities for BIPOC communities. As the industry has created new jobs in New York, it’s opened the door to all New Yorkers with varied levels of education and experience to build a career and support their families.

Our unions are each heavily invested in developing programs that offer opportunities to diversify their talent pools. For example, IASTE Local 52, Motion Picture Studio Mechanics is working with Bronx Community College to develop a talent pipeline, with the clear initiative to learn the skills required for entry level work in film and television industry. This training program will help prepare candidates for exciting opportunities in multiple film production crafts. This exciting & new workforce-training initiative was created by the Division of Workforce Development and Continuing Education in collaboration with the Department of Communication Arts and Sciences, Local 52 of The International Alliance of Theatrical Stage Employees (IATSE), and the NYS Governor’s Office of Motion Picture & Television Development. My own union, Local USA 829, continues to provide access to emerging artists; our New York-based scenic artist apprentice program currently has the most diverse group of new workers this program has ever offered. This incentive is driving a new generation of artists to seek out professional opportunities and invest in our industry.

However, as the industry contracts due to the heightened competition, the diverse workforce recruited through the unions’ collective efforts are the first without a job when productions relocate. Of course, being a “Made in New York” story accounts for tenacity, a lot of grit, and a collaborative determination in providing opportunities and sustaining our hard-fought careers in

this industry. My desire to bolster New York’s motion picture industry has empowered me—along with my union kin—to stand up so that we can continue to do our work and progress our careers within a strong, dynamic and inclusive film and television industry here in the Empire State.

To conclude, New York’s film and television unions thank Governor Hochul for her proposed enhancements to the Empire State Film Production tax credit, which will sustain and create strong union jobs with critical health and retirement benefits for many years to come. These proposed reforms will stem a current loss of production to neighboring states and lift our industry to new heights while providing more engagement to our BIPOC communities. In addition, the expedited payout process will be of major assistance to the smaller, more diverse productions. If this proposal is adopted in the final budget, countless more New Yorkers will have the opportunity to start their own “Made In New York Story” in our industry. We must keep New York a strong union state and a global destination for film and television production.

I thank the members of the Committee for your consideration and support, and I look forward to answering any questions the panel may have.