

TESTIMONY ON BEHALF OF THE FILM AND TELEVISION UNION COALITION
PRESENTED BY THOMAS O'DONNELL, PRESIDENT OF TEAMSTERS LOCAL 817

TO THE JOINT ASSEMBLY AND SENATE
BUDGET PANEL ON ECONOMIC DEVELOPMENT

FEBRUARY 23, 2021

Good morning, Chairwoman Krueger, Chairwoman Weinstein, and distinguished members of the New York State Senate Finance Committee and the Assembly Ways and Means Committee. My name is Tom O'Donnell, and I am the President of Theatrical Teamsters Local 817. In addition to Local 817, I also present this testimony on behalf of the entire film production labor community. Thank you for the opportunity to provide testimony to describe the unparalleled success of the Empire State Film Production tax credit, and for your long-term support of the film and television production community.

In the 2021 legislative session, the Unions' top priority is ensuring the continuity and stability of tax credit. We thus testify today in support of the Governor's proposed extension of the program in the state budget.

New York's commitment to incentivizing productions to site in the state has resulted in New York establishing itself as a preeminent location for film and television production. The foundation for this success is inarguably built upon the tax incentive. This program is both an economic driver and a jobs creator for the state and likewise deserves to be extended.

In the way of recent events, the COVID-19 pandemic had an extraordinary negative impact on our industry. This epidemic completely shut down the industry. On March 13, 2020, we went from 53 active productions to zero. To respond to the epidemic, the labor unions entered into national negotiations with the studios which led to rigorous COVID-19 safety protocols. ESDC described the film and television protocols as the most rigorous and thoughtful of any industry. As a result, film and television production is up and running, and nearing its pre-pandemic levels of employment. The point being, as public policy, New York State is seeking to safely reopen businesses; the film and television community is the perfect example of a safe reopening, and an industry that is literally putting tens of thousands of New Yorkers to work.

Accordingly, it is critical that New York State policymakers continue to support the film and television tax incentive program. This program is critical to ensuring that New York State enjoys this golden era of film and television production. I want to be very clear that absent this tax

incentive, with over thirty states and countless countries promoting incentive programs, New York's production community would be decimated. Anyone suggesting otherwise is simply incorrect as demonstrated by states like Michigan and New Jersey, which lost all productions with the termination of their tax credit programs – and which was further demonstrated when New Jersey saw immediate growth in its industry once the state's incentive program was restored.

As we have stated often, the film and television tax credit is first and foremost a union program. We fight to ensure high wages, full benefits, and robust protections for the growing number of workers in this industry. Prior to the pandemic, Local 817 alone has more than tripled its membership from 2003, with an increase in wages and benefits contributions from \$70 million to \$380 million. And the Teamsters are just one small slice of this employment pie.

With increased demand for labor, we can now point to many new pathways to opportunities regardless of race, gender, or educational attainment. The Unions have invested millions of dollars, engaged in comprehensive outreach, and proposed legislation to continue diversifying the industry's talent pipeline in both above- and below-the-line jobs, 44% of which do not require a four-year college degree.

Lastly, in last year's State budget, the tax credit was reduced from 30 to 25% rebate and a minimum spend requirement were imposed. These reforms no doubt will further increase the state's return on investment from tax dollars invested in the program. However, we are always monitoring the calibration of the tax credit to maximize its job-creating impact.

In summation, New York is a world hub for film production with thousands of high paying union jobs. It is the tax credit that has made the difference, and our trajectory is dependent on its extension. So, for these reasons, myself and my brothers and sisters in the labor movement urge you to support the Governor's proposed one year tax credit extension in the state budget. Such an extension does not impact this year's fiscal plan. It will, however, give confidence to producers and employers that New York remains committed to the film and television production incentive for the long haul.

I thank you for your time and consideration, and I look forward to answering any questions the panel may have.