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OFFICE OF THE LEGISLATIVE AUDITOR STATE OF MINNESOTA

Minnesota Film and TV Board

Update to 2015 Evaluation Report

March 2016

Problems Identified

- Legislative Goals Unclear. The Legislature has not been clear about its expectations of the Minnesota Film and TV Board or the film production jobs program, making state oversight challenging. Because legislative expectations are unclear, it has been difficult for the board and its oversight agency, the Department of Employment and Economic Development (DEED), to develop grant agreements that include clear board duties and measurable goals.
- Eligibility Criteria May Limit Program Benefits. The board's eligibility criteria for the film production jobs program may limit the program's ability to realize some film-production benefits. For example, low spending requirements for film productions receiving rebates through the program may not result in the desired economic impact.
- **Flawed Reporting.** The board's grant reports have been incomplete, inaccurate, and potentially misleading.

Changes Implemented

- **Funding Reduced.** The Legislature reduced funding for the film production jobs program from \$10 million for the 2014-2015 biennium to \$5 million for the 2016-2017 biennium.
- Eligibility Criteria Changed. The board adjusted eligibility criteria for the film production jobs program. Specifically, the board increased the minimum spending requirements in some production categories, with the goal of increasing direct spending in the state.
- **Created Measurable Goals.** The board worked with DEED to revise the duties in its grant contract and include more measureable goals. For example, one goal in the board's operations grant contract for fiscal years 2016-2017 involves increasing the number of production locations in its online photograph database from 300 to 500. The board hopes to improve its grant reporting through the continued development of measurable goals.

Action Needed

- **Clarify Program Purpose in Law.** The Legislature should amend *Minnesota Statutes* 2015, 116U.26, to clarify the purpose and focus of the state's film production jobs program.
- Structure Program Criteria to Align with Law. Once the Legislature clarifies the purpose and focus of the state's film production jobs program, the board should design eligibility criteria that are consistent with Minnesota law and the purpose of the film production jobs program.

Minnesota Film and TV Board is available at http://www.auditor.leg.state.mn.us. For more information, contact Carrie Meyerhoff at 651-297-3499 or carrie.meyerhoff@state.mn.us.