Testimony in support of Section 122.85 of HB96 regarding expansion of the Motion Picture Tax Credit

Chair Cirino and Members of the Committee:

I appreciate the opportunity to provide testimony in support of **Section 122.85 of House Bill 96** which proposes to increase the annual tax incentive cap from \$50M to \$100M as well as other important measures broadening the definition of qualifying productions as well as supporting workforce development in the Ohio motion picture industry. These steps provide the State of Ohio with critical tools to expand the economic impact of the industry in the state and provide unique employment opportunities for Ohio citizens.

My name is Scott Titsworth, Ph.D., and I am Dean of the Scripps College of Communication at Ohio University, Athens, OH. I am a constituent of **Representative Kevin Ritter**, House district 94, and **Senator Brian Chavez**, Senate District 30. In my role as Dean, I oversee academic programs deeply rooted in the entertainment industry including Media Production, Animation, Information Networking, Audio Production, and Narrative Filmmaking.

My support for expansion of the tax credit cap and other included measures rests on the premise that growth in the Motion Picture and Entertainment industry in the State of Ohio will provide direct benefits and opportunities for students in my programs, as well as students in similar programs at other Ohio institutions. I focus on two arguments to support this position.

1. Expansion of the tax credit cap will increase economic impact of the entertainment industry in Ohio.

Ohio's current \$50M cap on tax incentives has allowed the entertainment industry in the state to recognize the strategic benefits of productions in Ohio. Our metropolitan areas, ease of transportation, diverse landscapes, and potential workforce make Ohio a potentially valuable location for productions. However, to fully capitalize on this opportunity the state should expand incentives.

As Dean of the Scripps College, I have had the opportunity to meet with both academic and state government officials in other states where the motion picture industry has flourished. In Georgia, for example, the state government has an uncapped tax incentive that has resulted in explosive growth in the industry in that state. According to an economic impact study commissioned by the State of Georgia, spending on film and television production has grown from \$890M in 2012 to \$4.4B in 2022, representing an average of 17% growth in spending each

year directly contributing to the state economy.¹ Such spending has resulted in expanded employment through approximately 60-thousand jobs and substantial private investment in infrastructure, with an estimated economic impact of \$8.6B. That study estimates that **for every \$1 invested through the incentive program, \$6.30 is generated** through all direct and indirect economic impacts.

Empirical evidence from Georgia and other states suggests that expansion of Ohio's tax incentive for the entertainment industry would potentially increase the economic impact of the industry in the state.

2. Provide opportunities for workforce expansion in the state.

As noted, expansion of the tax incentive cap has the potential to dramatically expand the motion picture and entertainment industry in the state. Such an expansion would have direct benefits to the workforce potential of the industry, which is important to me as an educator.

Each year my college has approximately 200 students who are receiving training and education directly related to the motion picture industry in fields such as editing, sound design, media production, animation, screenwriting, and others. As part of our commitment to experiential learning, we offer a competitively-selected experience to take courses and complete internships in Los Angeles—the program is called Ohio in LA—and approximately 50 students participate in the program annually. With nearly 300 alumni of the program since it started, nearly 70% of those students have relocated from Ohio to LA, representing a significant "brain drain" of talent from our state. An expanded entertainment industry in Ohio would provide students with a viable and reliable pathway for pursuing their careers within Ohio, thus keeping talent at home.

Returning to my experiences in learning about the state of Georgia, that state has developed an intentional workforce strategy to train students across all disciplines and trades in the industry. Those training programs are led by the Georgia Film Academy, a state-wide collaboration between higher education institutions, community colleges, technical schools, and private industry. The Film Academy has been instrumental in creating "locally grown" workforce to feed industry needs.

Within the State of Ohio, we are well-positioned to create similar collaborations. Academic leaders and faculty from multiple institutions have already started collaborative efforts in partnership with the **Greater Columbus Film Commission** and industry partners such as **Ohio HD**, a media production company located in Gahanna, Oh.

¹ Olberg SPI. (2023, Nov 6). SPI's study on the economic impact of Georgia's entertainment industry tax credit. https://www.o-spi.com/news/spis-study-on-the-economic-impact-of-georgias-entertainment-industry-tax-credit-published

I believe that if the State of Ohio expands its incentive cap to promote the expansion of productions, statewide institutions of learning are ready to respond to that opportunity. Inclusion of the workforce development training and reimbursement provisions would further support valuable technical training related to the industry—training ideally suited for technical career centers, community colleges, and regional campuses across the state.

I support this legislation because it has the potential to elevate Ohio's stature as a destination for motion picture productions and other entertainment industry activities. Those opportunities will be of direct benefit to my students as well as students across the state. Moreover, the legislation will dramatically impact the economic impact of the industry in the state making this proposed change a low-risk and high-reward initiative.

Thank you,

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