
FUNDING FOR CULTURE:

**THE CULTURAL POLICY
OF
THE CITY OF NEW YORK**

**A REPORT TO THE MAYOR
BY THE
MAYOR'S ADVISORY COMMISSION
FOR CULTURAL AFFAIRS**

JUNE, 1983

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* Commissioners Myerson and Stern, who took office in April 1983, did not participate in the deliberations leading to adoption of this Report.

THE HONORABLE EDWARD I. KOCH,
Mayor of The City of New York,
City Hall,
New York, N.Y. 10007

Dear Mayor Koch:

On behalf of the Mayor's Advisory Commission for Cultural Affairs and the Policy Study Committee of the Commission, we are pleased to transmit this Report to you.

The Report is based upon a study of the City's cultural policy by the Policy Study Committee that was begun in late 1981. It was adopted by the Committee earlier this spring and was subsequently presented to and adopted by the full Commission.

As you know, the City Charter directs the Commission to "formulate and recommend goals with regard to cultural activities and policy". The Report was prepared, and is herewith submitted to you, pursuant to that mandate.

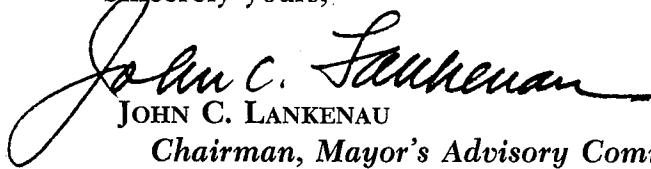
We believe that the timing of the Report is propitious, coming as it does at the end of Henry Geldzahler's distinguished tenure as the City's Commissioner of Cultural Affairs and at the beginning of Bess Myerson's succession to the Commissionership.

The Report is made at a time when the relationship between City government and New York's cultural community has, we believe, reached a new level of maturity, thanks in no small part to the support for the arts by the Mayor and City government — support that has become, we are confident, an entrenched tradition — and the development of the Department of Cultural Affairs as a separate and distinct unit of City government, administering the largest cultural budget of any state or local government in America.

Please be assured that the members of the Commission stand ready to advise and assist you and Commissioner Myerson in such implementation of the Report's recommendations as you and she may deem appropriate.

On behalf of the Commission and the Committee, please accept our thanks for this opportunity to be of service to you and to the City.

Sincerely yours,


JOHN C. LANKENAU
Chairman, Mayor's Advisory Commission for Cultural Affairs


JAMES H. DUFFY
Chairman, Policy Study Committee

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I. INTRODUCTION

The sheer diversity of the arts in New York makes the development of a City cultural policy perplexingly difficult. If New York had a single art museum, a single orchestra and an occasional group of strolling players, policy-making would be easy. It would also be easy if the consumers of culture in New York shared a common, homogeneous interest in, say, Beethoven, Braque and "La Boheme".

The policy-maker's model city would also be an exceedingly dull place, without the stimulation and vibrancy that in fact exists in New York for a population marked by its educational, economic and ethnic diversity. The choices available in New York to both the producers and consumers of cultural resources are truly astounding: more than 150 museums and public exhibition spaces celebrating creative artists from Rembrandt to Fats Waller; thousands of seats in performing spaces ranging from internationally-recognized concert halls to walk-up lofts, with 200 music, dance and theater performances on a given weekend night not at all unusual; cultural organizations with ethnic ties to every major country, and some not so major, in the world.

Attempting to articulate a City cultural policy responsive to this awesome variety is not new. Indeed, within the past two decades alone three comprehensive studies of the City's role in the cultural life of New York have been published.¹ The recommendations of the distinguished panelists who made these studies have to a large extent been followed, to the point where we are confident that two basic principles have become firmly established concerning the City's role in cultural affairs:

1. New York's cultural organizations have a legitimate claim to City funding for their activities.²

¹ *Report of the Mayor's Cultural Committee, A Review by a Citizens' Committee for the Mayor of The City of New York, the Honorable John V. Lindsay* (November 1966); *Report of the Mayor's Committee on Cultural Policy October 15, 1974*; and *Cultural Assistance Center, Inc., Public and Private Support for the Arts in New York City* (January 1980).

² In this regard we note the central conclusion of the Education, Science and Arts Committee of the British House of Commons in its report published in October 1982:

"Your Committee takes a positive view of the arts and deplores the fact that they are still in many respects regarded as a marginal activity.... The Committee believes it essential to assert the vital importance of the arts, their economic contribution as well as their enriching and entertaining influence, as part of the fabric of a civilised and prospering community." House of Commons, Eighth Report from the Education, Science and Arts Committee, *Public and Private Funding of the Arts* (London: Her Majesty's Stationery Office 1982), Vol.I, p.xxii.

Similarly, we note the conclusion of President Reagan's Task Force on the Arts and Humanities:

"Basically, the National Endowments are sound and should remain as originally conceived.... Given the inherent distinctions between public and private support and the relatively small share of support generated from the public treasury, it has been enlightening to the Task Force to study the interweaving of public and private support. We have learned that public support generates private giving, helps set standards, and spurs innovation by the recipient. Public support has been important for the major cultural institutions but, equally important it has tended to encourage smaller groups, to help creative movements survive, and to aid individual scholars and artists." Presidential Task Force on the Arts and Humanities, Report to the President (Washington: Government Printing Office 1981), pp. 2-3.

2. A separate and autonomous City agency reporting to the Mayor, the Department of Cultural Affairs ("DCA"), is the most efficient way of linking the City to New York's cultural organizations.

Lest there be any doubt on the subject, we emphatically endorse these two principles. But we do not dwell on them, as we regard them to be propositions generally accepted today by New York's political leaders and the cultural community alike.³

Because of the good work of our predecessors and the sympathetic view of City support for culture manifested in recent years on the part of New York's political leaders, we have viewed our role as going beyond mere pleading for the City's financial recognition of the arts.⁴ As we have conceived it, our role more properly has been the evaluation of the pattern of cultural support that has evolved, and the policies that have governed the administration of that support in City government, with a view to developing criteria and guidelines for such support in the future.

Our recommendations are made in the frank realization that they will not please every element of New York's cultural community. Any dedicated administrator or artist does — and probably should — feel that the activities with which he or she is involved are deserving of a claim on the City's financial resources. But unless the City is prepared to provide unlimited cultural funding — which it patently cannot do — priorities must be drawn and distinctions must be made.

We would be suspicious of any report on as complicated a subject as City support for culture that received unanimous endorsement. Such a report would have to deal with the mythical (and dull) city we described earlier; it could not possibly have relevance to the clamorous urban cultural environment that we love and which we hope, in whatever modest way, the conclusions expressed in this Report will help to improve.

³ In the course of our deliberations, one director of a cultural institution supported by the City expressed the view that his institution, which deals both with the Departments of Parks and Recreation and the DCA, was able to do so more efficiently when the DCA was part of the Department of Parks. As far as we could determine, he speaks alone for this proposition. The institution in question does have dealings with both Departments, but the problem seems a relatively small one of bringing about effective administrative coordination in minor areas and not one that vitiates the desirable result of continuing the separate existence of the two Departments.

⁴ We have also sought to avoid duplication of the study of the economic impact of the arts in the New York metropolitan area under the sponsorship of the Port Authority of New York and New Jersey and the Cultural Assistance Center, Inc. This comprehensive and important study, the results of which were released in February 1983, showed that the annual contribution of arts and cultural activities to the economy of the metropolitan region is in excess of \$5.6 billion and that cultural activities generate more than 117,000 jobs. *The Arts as an Industry: Their Economic Importance to the New York-New Jersey Metropolitan Region.*

II. SCOPE OF REPORT

Given the degree to which cultural activities pervade life in New York, there is hardly any activity of City government that could not be subsumed under the heading of "cultural policy". For example, increased police patrols in Times Square, or improved subway service to cultural institutions, could quite legitimately be considered as concerns of cultural policy.⁵ But our chosen focus is much more mundane. Except for Sections IX and X below, which deal with various non-monetary activities of the DCA and our suggestions for certain topics that we believe require further study, our concern is money and how it should be spent by the City. If New York were located in an authoritarian country, "cultural policy" might be thought to include questions of ideological content and the ways in which the arts may serve the state. Fortunately our concern is how the City may serve the arts, and not vice-versa, and this is essentially a question of money and its allocation.

In the current fiscal year (fiscal 1983), the overall City's operating and capital budgets included these items that relate to cultural activities:

	<u>(Millions)</u>
Administration of the Department of Cultural Affairs.....	\$ 1.20
Operating support for cultural institutions	\$ 41.51
DCA cultural programming	\$ 2.53
Capital expenditures for cultural institutions	\$ 16.10
Operating support — libraries	\$ 74.39
Capital expenditures — libraries	<u>\$ 16.39</u>
	<u>\$152.12</u>

These figures do not include the cost of operating the High Schools of Art and Design, Fashion Industries, Performing Arts and the Fiorello H. LaGuardia High School of Music and Art. Nor do they include culture-related expenditures by the Department of General Services, the Department of Housing Preservation and Development and other agencies, a partial summary of which is set forth in Appendix One. Nor do they include assistance that is difficult to quantify in dollar terms but is nonetheless of economic value to the cultural community: police protection at cultural events; the availability of free advertising space for cultural institutions on buses and subway cars; free refuse collection by the Sanitation Department at 18 City-supported cultural institutions; technical assistance to institutions by such agencies as the Department of City Planning and the Mayor's Office for the

⁵ The Chairman of the committee preparing this Report, who was robbed at knife-point on his way to an evening opening at a City-supported institution, supports the proposition that police protection is a not irrelevant consideration of cultural policy, but one beyond the scope of this Report.

Handicapped; and the availability of free exhibition space at the facilities of the DCA, the Department of Ports and Terminals, the Metropolitan Transportation Authority and others.

Nor can one fail to take into account "tax expenditures" represented by exemptions from the City real estate tax for not-for-profit cultural institutions. The City Department of Finance estimates that all not-for-profit institutions are relieved from the payment of some \$15 million in real estate taxes each year. Though the portion of this amount attributable to purely cultural institutions is probably quite small, the exemption is of tremendous importance to the budgets of institutions that own real property and this indirect support must realistically be taken into account in weighing the benefits the City provides to its cultural institutions.

In this connection, we endorse the recent recommendation of the Task Force appointed by the Mayor and headed by F.A.O. Schwarz, Jr., the City's Corporation Counsel, that the City follow its traditional broad approach in granting tax exemptions to "educational" institutions.⁶

Our focus in this Report will be on those expenditures administered by the DCA. It is entirely possible that other aspects of the City's cultural spending should be reviewed and, in Section X, we suggest two areas — the extent to which the City's real estate policies can benefit cultural institutions and individual artists and the very broad question of the cultural education of New York's young people — that we feel merit further study. We have also not commented upon the City's support for its libraries. The question of library support is certainly a cultural issue of great importance, but we do not think it is one that the Mayor's Advisory Commission for Cultural Affairs (the "Advisory Commission"), with its traditional concern with museums, the botanical gardens and zoos and the performing arts, should appropriately address.

We have not attempted to evaluate particular institutions and cultural programs, but rather to set forth policy guidelines to be implemented and applied administratively in individual cases by the DCA. In so doing, we have attempted to carry out our mandate under the City Charter to "advise the commissioner and the mayor with respect to cultural

⁶ *Report of City Task Force on the Exemption of Non-Profit Organizations from Real Property Tax* (October 4, 1982). Under Section 421, subdivision 1(a) of the New York State Real Property Tax Law, properties are exempt from local real property taxes if owned by entities organized "exclusively" (which the courts have interpreted as meaning "primarily") for "educational" purposes. One line of argument, based on *Swedenborg v. Lewisohn*, 40 N.Y.2d 87 (1976), has taken the position that the term "educational" refers only to institutions offering "teaching, instruction or schooling" and not to education in a broader sense. In *The Asia Society, Inc. v. The Tax Commission of The City of New York*, litigation that is now on-going, the Supreme Court upheld the Asia Society's tax exemption on the basis that its activities were educational in a broad sense. The Appellate Division, in an opinion published on March 7, 1983, reversed this decision and upheld the narrower view of "education" asserted by the City. We support the position taken in the Task Force Report, rather than the narrow view of the Tax Commission that was upheld in the Appellate Division. If the latter view should prevail, we believe that it would have a significant adverse effect on museums and other cultural institutions located on non-City-owned property. In addition, if the Tax Commission's narrow view should continue to be followed, a legislative solution will inevitably be sought in Albany, the result of which, by opening up the whole question of real estate tax exemptions, may have quite unintended revenue-loss consequences for the City.

activities" and to "formulate and recommend goals with regard to cultural activities and policy". Administration and execution of policy are, and should remain, functions of the DCA. This is not to suggest that in future years such administrative implementation should not be periodically audited and reviewed by the Advisory Commission. But first things first. And, in our view, the first priority is for us to suggest and codify standards for City financial support that then can be administered by the DCA.

The DCA operating budget, *i.e.*, the budget for DCA administration, operating support for cultural institutions and funding for cultural programming (\$45.25 million in fiscal 1983), constitutes the second-largest government budget for culture in America, second in size only to the Federal budget for the National Endowment for the Arts (\$160 million in fiscal 1983 and a proposed \$125 million in fiscal 1984).⁷

The DCA's budget for fiscal 1983 is more than twice that for the last full fiscal year before Mayor Koch took office (fiscal 1977). See Appendices Two and Three. How this budget, and the capital budget for cultural institutions, should be spent and administered constitute the core of this Report.

⁷ The third largest budget is that of the New York State Council on the Arts (\$32.5 million in fiscal 1983).

In 1981, The Cultural Policy Institute concluded a survey of the 40 largest U.S. cities to determine the amount of city tax revenues expended for the arts. Twenty-two cities responded, showing total expenditures of \$79 million in fiscal 1981, with New York alone accounting for about a third (\$24.5 million). The New York figure is, if anything, understated. Support for science centers, botanical gardens and other "cultural" but not "arts" expenditures were excluded for purposes of the survey, but it appears that other cities in some cases may have included capital funds for, and the upkeep of, civic convention centers in arriving at the figures reported. David Cwi and Susanne Moore, *City Arts Support: Status and Issues* (Baltimore: The Cultural Policy Institute 1981).

III. BASIC CRITERIA

As discussed in greater detail below, City funding administered by the DCA includes operating support to 30 cultural institutions (Section IV), expenditures for capital improvements to these institutions (Section VI) and funding for program activities of a wide variety of arts organizations (Section V). The interests, capabilities and goals of these recipient organizations are inevitably diverse, with the result that the criteria for receiving City support likewise must differ, depending on the nature and purposes of the recipients.

However, regardless of the nature of the organization supported or the type of City support received, we believe that *any* allocation of City funds to *any* recipient should only be made to an organization meeting at least one of the following two criteria:

- 1. Such organization, by the nature of its activities or collections, should be unique, distinctive and of the highest artistic quality, acting as a magnet to tourists and as a cultural resource contributing to the quality of life in New York generally; or**
- 2. Such organization should be important to the community life of New York, whether that community be a geographic area within the five boroughs or an ethnic or other discrete group of citizens, including young people in New York's schools.**

New York is truly blessed with a group of traditional institutions that have built and sustained its undisputed preeminence in the cultural life of the country and the world. The fundamental importance of enabling these institutions, through a constructive partnership of public and private resources, to remain vital and healthy almost goes without saying, but we say it anyway — and emphatically. Their importance is recognized in the first basic criterion set forth above.

At the same time, a comprehensive cultural policy for the City must recognize the community needs and desires of its citizens and the relevance of social change. However much the outside world may perceive New York as a megalopolis, as it often does, we New Yorkers know that it is also a collection of diverse publics and communities, each with its unique characteristics and often fierce local pride. We also know that the composition of these publics and communities is not static and may change as evidenced, for example, by the shift in New York's nonwhite population from 23% of the total in 1970 to almost 40% in 1980 (as reported in the Federal census).

That community-based cultural organizations are desired by the people of New York is evident from the number — and vitality — of such organizations throughout the City. Their contribution is acknowledged and recognized in the second basic criterion set forth above.

It would be possible to design a cultural policy that included only one of the two basic criteria suggested — a policy, for example, that channeled all funding to long-established institutions or, conversely, that spent all available funding on smaller, community-based programs. But any such approach would narrow the definition of "culture" in an unrealistic "elitist" or "populist" way and would deny the effects of the interactions that come from cultural diversity. These interactions, and the mutual benefits they provide, are

illustrated by the educational programs of the community-based organizations, which serve in such an important way to open the eyes and ears of youngsters to the richness and rewards of "culture", helping to create the audiences of tomorrow for the major cultural institutions. At the same time, the major institutions serve as beacons and examples for the smaller organizations.

The two basic criteria that we suggest must be seen as complementary, not competitive. But we feel strongly that any organization selected to receive City funding should clearly and demonstrably meet at least one of them.

Three additional criteria, all of which are obvious, should also apply to recipient organizations:

- 1. Such organization should be a not-for-profit entity with an independent, volunteer board of directors or trustees.**
- 2. Such organization should comply with reporting and similar requirements imposed by the DCA and should be ineligible for further funding if such requirements are not met or if funds received are misappropriated.**
- 3. Such organization should be based within the five boroughs of New York.**

IV. INSTITUTIONAL SUPPORT

In fiscal 1983, 30 institutions received operating support from the City, principally in the form of payment or reimbursement for guard service and maintenance (\$30 million) and, in 18 instances, payment or reimbursement for heat and lighting costs (\$11.5 million). These items account for more than 91% of the DCA's total operating budget of \$45.25 million. The amounts by institution for fiscal 1983 are shown in Appendix Three and a history of institutional funding for the prior eleven years is shown in Appendix Two.

City support for cultural institutions dates to the late 1870's, when the City agreed to provide land and buildings to the American Museum of Natural History and the Metropolitan Museum of Art, beginning a series of public/private partnerships in which the City provided land and in many cases buildings and private donors provided the collections housed in the publicly-owned physical plant.

The benefit of these partnerships, merging together public and private resources, has been inestimable to the people of New York and is a tribute to both the perspicacity of the City and the generosity of the private sector. New York's unquestioned cultural preeminence, past, present and future, could not and cannot be achieved and sustained without those cooperative arrangements. The City (except for mandatory representation on the board of each institution) has refrained from participation in the artistic direction of the institutions while at the same time providing valuable funding in areas that experience shows have been least attractive to private donors — security and guard service, maintenance and energy expenditures.

Today it is a requirement that a cultural institution, as a precondition to operating support, must be located on real property owned by the City.⁸ A threshold question that we have had to consider is whether this requirement should be continued. A case can certainly be made that the distinction is illogical: why, for example, should the Metropolitan Museum, located on City property, receive operating support while such support is denied to other institutions of undeniable distinction, such as the Museum of Modern Art, the Whitney Museum of American Art and the Guggenheim Museum?

We have considered this troublesome question at great length and have concluded that the distinction, while it may not be totally logical, is nonetheless a practical one that should be continued *so long as the City is faced with the problems of fiscal austerity*. We reach this conclusion for three reasons:

1. Despite welcome increases in the DCA budget (prior to the contemplated reductions for fiscal 1984), it is simply unrealistic to think that in a time of austerity the City either can or should add new and continuing obligations to the multitude of deserving organizations that would certainly seek operating support if they were

⁸ The two institutions that do not now meet this requirement are the Staten Island Children's Museum, which is occupying private space while City-owned property for its use is being prepared at Snug Harbor, and the Studio Museum in Harlem, which in 1982 relocated to property not owned by the City. The City is the mortgagee of the property of the Studio Museum and negotiations are under way that could lead to outright City ownership. We recommend funding to both institutions on a continuing basis since we regard both as being within the spirit, if not the absolute letter, of the City-owned property requirement.

eligible to do so. The only way such obligations could realistically be funded would be to divide up the City budget for institutional support into smaller pieces, to the detriment of those institutions now receiving support. We regard such a move as counterproductive — jeopardizing the stability of those institutions now supported without necessarily making a meaningful contribution to the prospective new recipients.

2. The City's primary obligation in respect of institutional support is to those institutions with which it is closely identified, *i.e.*, those organizations that are its tenants and those to which it is tied by traditional, and in some cases legal,⁹ bonds.

3. Looking solely at institutional support funding distorts the City's role. As already pointed out, not-for-profit cultural institutions on private property enjoy an exemption from the City real estate tax — a not inconsiderable benefit — and such institutions are free to seek, and in most cases are eligible to receive, City funding for specific programs.¹⁰

We recommend continuation of the City-owned property distinction with some reluctance, yet we are secure in the practical knowledge that abandoning the distinction at this time would almost certainly create a dilution in effectiveness of the City's support with disastrous consequences for the cultural health of New York.

Like all New Yorkers, we fervently hope that the budgetary constraints now affecting the City will not become a permanent fact of life. Accordingly, we urge the Commissioner of Cultural Affairs, as a matter of long-range planning, to consider possible ways and means of supporting cultural institutions that are not located on City property. Many of these institutions are of paramount importance to the cultural life of the City and the fact that they are not located on City-owned property certainly does not mean that they are avoiding the severe economic problems now confronting virtually all not-for-profit organizations.

If and when times of civic prosperity return, we recognize that many of these institutions have a legitimate claim to City support. We do not have concrete proposals to suggest as to the form support for these institutions might take; the subject is a highly complex one, given the large number of potential recipients involved and their varying financial capabilities and ranges of activities. But we recommend that the Commissioner of Cultural Affairs begin an exploratory dialogue with the non-supported institutions looking toward the development, in cooperation with the Advisory Commission, of a long-range policy that would enhance, through City funding, the distinguished and important contributions of these institutions that do not now receive such funding because of the City-property requirement.

We must emphasize once again that such expanded support is a long-range goal that can only be achieved when the City becomes able to afford it — and one that must in no

⁹ See Section VII.

¹⁰ See Section V.

circumstances be achieved by diluting support to the institutions located on City-owned property.

While we endorse continuation of the City-owned property requirement at least in the near term, this emphatically does not mean that we endorse the principle that City institutional funding must be spread proportionately over the institutions located on City-owned property or the principle that *all* such institutions should receive support.

Appendix Two indicates that institutional funding for the 30 supported institutions has not increased proportionately over recent years. This does not shock us. Some institutions by their nature may expand little, if at all, over the years; others may be capable of theoretical expansion limited only by the energy and imagination of their leaders. Differences in the length of visiting hours, the fuel-efficiency of existing structures, the degree of security protection required and other variables also would make a proportional allocation of funding increases unresponsive to actual needs.

We believe also that the performance and stability of the supported institutions must constantly be reassessed. At a time of competing and pressing demands on a DCA budget that is at the moment declining and not increasing, historical precedent is simply not a good enough reason for continued support. But any such reassessment — or assessment of any new organization added to the institutional list — must be carried out openly and fairly in accordance with publicly-known criteria.

In view of institutional differences, it would of course not be possible to judge institutions on any sort of "score card" basis. Differences in purpose, financial capacity, geographic location and the differing publics sought to be served make any search for comparability all but impossible. But this should not rule out a continuing assessment of an institution's value and relevance, and of the service functions it performs for the people of New York. In making such an assessment, we suggest that the following factors — in no particular order and with varying degrees of appropriateness for a given institution — are relevant:

1. Educational and Outreach Programs. Is the institution passive in relation to its community, or does it reach out to further the education of our children and to maximize the utilization of its resources? Is it a good institutional citizen and an active one? The imaginativeness of such programs in many of our institutions is truly impressive: the work-study program for deaf students at the Queens Botanical Garden; the instruction course in using its exhibits as an educational resource for parents of gifted children at The Museum of the City of New York; the ten-week after-school dance and music workshops at the Jamaica Arts Center, and so on and so on.

Such programs indicate the vitality of an institution and, in an even more important sense, improve the quality of life for thousands of New Yorkers, young and old.

2. Support from the General Public. Two objective measures of support for an institution are attendance and financial contributions. But attempts at comparisons based on such factors are extremely dangerous — attendance at a community-based museum cannot be compared with the cosmopolitan international attendance at the Metropolitan; a

membership drive at an institution based in an impoverished neighborhood is not going to produce the results of a national mailing by the Museum of Natural History to its upscale audience. But the role of the "marketplace" cannot be ignored. If an institution shows a consistent drop in attendance over the years, if its board of directors is not active in generating financial support or if the institution is not able to develop non-City sources of funding (including some combination of individual, corporate, foundation, National Endowment and New York State Council support), it is perhaps a danger signal that the institution is not performing well, that it has structural weaknesses (including geographic location) that cannot be or are not being overcome or compensated for or, finally, that the public has voted to lend its support elsewhere.

Lack of marketplace support may be curable; a new director, a more active or aggressive board of directors, a more intensive and imaginative fund-raising effort, a more focused and literate grant application, a physical facelift, an advertising campaign — any or all of these may turn an adverse situation around. But demonstrated lack of support over an extended period of time should be a warning signal to the DCA that an institution needs help and, possibly, that the City funds going to such institution could better be spent elsewhere.

Terminating funding for an institution would, of course, be a drastic step, and should be a last resort after efforts are made to improve the institution's effectiveness, including utilization of the DCA's accumulated expertise in dealing with institutional problems. But circumstances may demand the termination or phase-out of City funding and the Commissioner of Cultural Affairs must be prepared to recommend such action as and when it is appropriate.

In connection with this Report, we have not sought to usurp the role of the Commission in making recommendations as to City funding for specific institutions. But we do urge that the Commissioner evaluate the performance of all City-supported institutions in light of the funding criteria we have suggested. We are satisfied that these criteria are sensible and practical. We defer to the expertise and judgment of the DCA in applying them, but we are nonetheless insistent on their administrative application.

Without reaching the issue of terminating funding, we believe that there are now instances where the level of City funding should be reduced.

Although there would be a potential impact on at least eight of the institutions now receiving assistance (based on fiscal 1982 figures, as shown in Appendix Four), we recommend as a general policy that the City not fund more than 50% of the operating budget of any institution. If support from other sources is not available to the extent of 50%, the presumption should be that the general public and other funding sources do not have a sufficiently high regard for the institution to warrant continued assistance by the City at a level above 50%.

To achieve the minimum disruption possible, we would phase in this policy beginning in fiscal 1985 when maximum City support should be 60%, extending into fiscal 1986, when maximum City support should be 55%, and reaching 50% in fiscal 1987.

We have used the term "presumption" deliberately. There may of course be extenuating circumstances that make a 50% test unfair, such as a change of leadership, a change of direction in institutional policy, a change of physical location, decreased National Endowment and State Council appropriations or simply a deteriorating economy.

There also may well be instances where the maintenance of an institution is found to be essential to the preservation of its neighborhood environment, even if it cannot generate half its support from non-City sources. In the interest of fairness, however, institutions making an effort to broaden and maintain a non-City funding base should in general be favored over those that simply stand still.

3. Cooperation with the DCA. Our review of DCA files, conversations with DCA personnel and conversations and correspondence with institutional personnel indicate a healthy degree of cooperation between the DCA and the institutions receiving City operational support.¹¹ However, there have been isolated instances in the past of failure to provide financial and other information to the DCA. If in the future this pattern of conduct should recur we believe it should properly be taken into account in allocating City support.

We also believe that the DCA should continue to refine its reporting requirements for the supported institutions, not with a view to increasing the disclosure burden on them, but to provide more meaningful information for assessing institutional performance. Informational benchmarks can be, and should be, developed by the DCA so that performance can be properly assessed by the DCA, City officials generally and the public at large.

In terms of the City budget for institutional support, we believe that the aggregate funding of \$42.3 million originally proposed in the 1983 budget was a generally adequate level of funding, subject to three qualifications:

1. The \$42.3 million level of funding should be restored as soon as possible (we hope in fiscal 1985) with the cuts made in fiscal 1983 and proposed for fiscal 1984 fully restored.
2. The proposed funding level of \$42.3 million should be appropriately adjusted for inflation in future fiscal years.
3. Additions to the proposed funding level should be considered, on a case-by-case basis, to provide adequate security at the supported institutions for institutional property and visitors and to provide necessary non-capital maintenance as it is needed

¹¹ In connection with this Report, as much information as possible was developed from the files of the DCA to keep to an absolute minimum the information we asked to be provided directly by the institutions. As a result, the institutions were ultimately asked to respond to a questionnaire designed to develop the data necessary to complete Appendix Four and also to respond on a purely voluntary basis to two and in some cases three other general questions. After two requests, replies were not received from three institutions, as indicated in Appendix Four.

on a current, rather than a deferred, basis.¹² The increased cost of security was cited to us by the directors of a number of institutions and we urge the DCA to quantify institutional needs for increased expenditures in this area.

¹² See the discussion of capital maintenance expenditures in Section VI below.

V. PROGRAM SUPPORT

City support for cultural programming began in the early 1960's when funds were made available for the free school concerts of the Brooklyn Philharmonia (now the Brooklyn Philharmonic) and the summer outdoor performances of the New York Philharmonic, the Metropolitan Opera and the New York Shakespeare Festival.¹³ By fiscal 1983, involvement of the DCA had grown to the point where 132 organizations received \$2.36 million in support for special program activities, including 89 under public service contracts directly with the City and 43 that received support under the Arts Exposure program.¹⁴

Programming funds are made available through direct negotiation with the DCA (and, in the case of funding in excess of \$10,000, review or approval of the resulting contract by the Corporation Counsel's office and the Board of Estimate) and through awards administered jointly by the Department and the ArtsConnection, principally for educational programs, and made on the basis of volunteer panel recommendations.

In all cases awards are to fund specific program activities and may not be used for operating expenses (other than an allocation of up to 15% of each award for the cost of administering the program project in question) or capital improvements.¹⁵ This policy differs significantly from the approach taken by the National Endowment for the Arts and the New York State Council on the Arts, each of which makes grants not only to fund specific programs but for operating purposes as well.

Whether the DCA should make similar operating grants is a policy question as to which we will have more to say later in this Section. But first it would seem useful to examine the existing patterns of programming support.

Program Contracts. The program contracts awarded by the DCA provide for the performance of specific services by the recipient organizations. If the recipient is a presenting group, these services are normally for specific performances or exhibitions. If a service organization, such as the Association of Hispanic Arts, the Cultural Council Foundation or Public Interest Public Relations, agreed services to the cultural community are the subject matter of the contracts. If a Borough Arts Council, contract funds may be regranted to other organizations or used for administrative purposes. In general, the services to be performed are suggested by the recipient at the time an application for

¹³ Since fiscal 1981, the Public Theatre, as the parent organization of the New York Shakespeare Festival, has received institutional support. See Appendices Two and Three.

¹⁴ Of the \$2.36 million total, \$343,000 were awarded to six Borough Arts Councils or equivalent organizations — the Brooklyn Arts and Culture Association, the Bronx Council on the Arts, the Harlem Cultural Council, the Lower Manhattan Cultural Council, the Queens Council on the Arts and the Staten Island Council on the Arts. These groups in turn sponsored program activities by cultural organizations and in the case of the Bronx, Staten Island and Queens Councils, re-granted a total of \$59,000 to cultural organization for specific projects.

¹⁵ The awards to Borough Arts Councils and comparable groups are not subject to the 15% administrative cost limitation. A significant portion of their operating expenses are provided from the DCA program budget.

assistance is made, although the recipient's proposal may be modified as the result of discussions and negotiations with the DCA. The resulting contract in each case is in a standardized format, details the services to be performed and provides for the submission of a written report to the DCA describing how the recipient's obligations were carried out. The contracts awarded in fiscal 1982 are shown in Appendix Five.

Over the years the DCA has evolved criteria for awarding its program contracts. Under these criteria, a program contract recipient must (a) be a corporation with not-for-profit status under Section 501(c)(3) of the Internal Revenue Code with an independent board of directors, (b) be of "recognized artistic quality" and (c) if the contract calls for payment in excess of \$10,000, have received program support from the DCA for three consecutive years and have a history of satisfactory compliance with DCA reporting and similar requirements. As a matter of general policy, public agencies, boroughs of New York and schools, colleges, school districts and libraries are excluded from eligibility on the theory that their activities should properly come within their own City budget requests. Organizations receiving City institutional support and others located outside the five boroughs are also excluded.

In considering the specific project to be carried out under a program contract, the following criteria apply:

1. The project must as its primary goal provide a demonstrable public service in the form of free or discounted performances, workshops, exhibits, special arts services, etc.
2. The project must provide a service for which there is a clear need. The service should be unique or, if other organizations are offering similar services, the project should be demonstrably superior in quality or different in scope.
3. The project must take into account as many of the boroughs and neighborhoods of the City as possible, making a special effort to be aware of and to meet community needs. The special needs of minority populations, the handicapped, older citizens, youth, etc., must be considered.
4. The project must be well conceived. It must have clearly stated and measurable goals and methodology; it must be within the organization's artistic and administrative capabilities.
5. The project budget must indicate: significant other resources (a funding mix that includes earned income, foundation and corporate support and government grants); artist fees consonant with a professional wage; and administrative costs that are both adequate and reasonable. The project must demonstrate cost effectiveness in terms of the nature and size of the audience to be served.

Arts Exposure. For several years the DCA administered a so-called "small grants" program, involving payments ranging from \$200 to \$5,000 to smaller arts organizations. In fiscal year 1980, this program was replaced by the Arts Exposure Program, which is administered by the DCA in cooperation with the ArtsConnection, a private not-for-profit corporation organized in 1978 to link New York's cultural resources and the public schools.

Adoption of the Arts Exposure Program focused DCA "small grants" efforts on education — a timely commitment in light of cuts in recent years in the Board of Education's budget for cultural activities in the schools. The arrangements with the ArtsConnection, under which City funds are made available under a public service contract for regranting by the ArtsConnection, has also enabled the DCA to cut its own administrative costs by allowing basic administration to be done by the ArtsConnection, which specializes in administering smaller programming grants (usually on the order of \$800 to \$4,000), has a successful record of such administration and is able to enjoy economies of scale from administering not only City funds but funds received from other public and private sources. In fiscal 1982, more than 1,100 performances and events were provided by organizations receiving Arts Exposure grants.

The criteria for Arts Exposure grants are somewhat different, at least in emphasis, from those applicable to the contracts entered into directly by the DCA. In addition to being a not-for-profit organization, the recipient organization must have as its primary goal the providing of professional programs and services in the performing, visual or literary arts. The organization is also evaluated on the basis of fiscal and administrative capability, as well as artistic achievement, touring experience and previous work in schools and community centers. As to the programs themselves, they must take into consideration the specific age groups and communities for which they are designed; must be portable, self-contained and require a minimum of technical support; and must be cost-effective in terms of artists' fees, administrative, technical, transportation and pre-production costs. Initial recommendations for Arts Exposure awards are made by groups of volunteers organized into Visual Arts, Multi-Discipline, Theater, Music and Dance panels.

In fiscal 1982, the ArtsConnection received a total of \$250,000 in City funds for the Arts Exposure Program and its administration.

Programming Support — Some Criticisms Discussed. Five criticisms of the DCA's programming efforts need to be addressed.

A. *The various procedures for receiving programming awards are confusing to potential recipients.*

We agree that the pattern for awarding funding for programming support is confusing. We do, however, believe that a flexible pattern of administration is most desirable — new approaches to reaching New York's cultural community, especially new and inexperienced organizations, must constantly be sought and tried by the DCA.

The DCA must avoid rigid standardization of its procedures in the programming area. Without flexibility, for example, the DCA's "small grants" activities would not have evolved into the Arts Exposure program which, in our judgment, is well-run and meets the very important policy objective of linking cultural resources and the educational system.

The DCA has made good efforts to disseminate information about its programs, through mailings and working with the Borough Presidents' offices, for example. An excellent brochure describing the Arts Exposure program and the procedure for submitting applications has been a commendable step in improving the process.

However, we would recommend as a top priority that the DCA prepare an overall guide to all its program activities (including the regranting activities of the Borough Arts Councils), describing the activities and the eligibility standards and criteria relevant to each and the procedures for applying for each. Such a guide should also describe the services available from the service organizations that receive City funding, such as the Association of Hispanic Arts, the Cultural Council Foundation and the Public Interest Public Relations group mentioned above. Such activities as Materials for the Arts,¹⁶ while not strictly within the programming area, could also be usefully described.

This guide, which should be updated annually, should be disseminated as widely as possible, including through the offices of the Borough Presidents and the Borough Arts Councils. Such wide dissemination would be in the best interests of both potential recipients and the DCA, since it would spell out the ground rules applicable to both in connection with program funding.

B. Funding for specific program projects does not meet the need of many organizations for unrestricted administrative or operating support.

We believe that, absent an enormous and unrealistic increase in the City budget and a significant increase in DCA staff, the DCA cannot be expected to administer an operating grant program. One could anticipate that virtually every arts organization in New York would seek general support funds if they should become available. This would involve the DCA in a staggering allocation process, weighing the relative worth of competing claims of literally hundreds of organizations — a quite different and much more comprehensive task than judging the merits of specific proposals for funding specific programs.

It would also involve the DCA in an oversight role that appears to us nearly impossible. Determining whether the taxpayers' money has been properly spent in connection with a specific program project is relatively easy. Determinations as to whether an organization receiving general funding from the City has appropriate administrative and artistic policies, is performing adequately, is making appropriate long-range plans and the like, would not only be time-consuming but would intrude the City into areas of private decision-making in a way we feel would be unacceptable. Making the City in effect an equity partner of a proliferation of organizations would dilute the effectiveness of the DCA, both as adviser and overseer, and would not be in our judgment in the long-range interests of New York's cultural organizations.

C. The DCA does not provide funding for start-up organizations.

A new organization without a prior record of performance is unlikely to receive City support — and indeed, in the case of a programming contract calling for payment in excess of \$10,000, would be ineligible for such support until it had a three-year history of performance under smaller DCA contracts.

As a matter of policy we believe this is right. Giving support to organizations without any record of artistic or administrative performance — and without any testing of public acceptance for its activities — would place the DCA in the uncomfortable position of

¹⁶ See Section IX.

deciding what organizations should get started, and not which ones deserve a helping hand in their development.

This is not at all to say that only mature institutions should receive assistance — this has never been the rule, as the lists in Appendix Five indicate. Nor is it to say that the DCA should not be alert to opportunities to give technical assistance and advice to the start-up organization. But actual program funding should await the point where the DCA can be reasonably assured that the specific activities it funds will be carried out with artistic and administrative competence.

D. The institutions on City-owned property receiving annual operating support are assured of continuing support every year; it is unfair that those institutions receiving programming support must renegotiate new arrangements every year.

This is a troublesome criticism to which there is perhaps no completely satisfactory answer. As we have already indicated, the City has a special responsibility for those institutions on City-owned property that it discharges through the operational support program. We agree that continuity of funding is equally important to proper management and planning of those institutions receiving program support. Once an organization receives program funding, its management — no matter what the DCA or anyone else says — “builds” such funding into its assumptions and planning for future years. Yet the hard fact is that arts organizations may change over time. A theater group run by a brilliant director may be fully deserving of support; the same organization under a mediocre successor may not. A performing arts organization in its early stages may be eager to give local community and school performances; as it matures and gains stature it may be more interested in national or international touring than performing in the five boroughs.

Changes in quality, competence and interests of arts organizations over time, and the emergence of new groups that may be more deserving of support, make automatic annual fund commitments to recipient organizations undesirable. However, we believe that if standards applied by the DCA in administering programming support take into account, as a highly relevant criteria for funding, the past performance records of applicants, this should give some measure of assurance to arts groups able and willing to devise imaginative projects that City programming support will continue. Also, when it should become appropriate to reduce City funding with respect to a given organization, the DCA should phase out City support over more than one year so as to minimize the impact of the withdrawal of such support.

E. The present program budget of the DCA is inadequate to meet the needs of New York's arts organizations.

This criticism has merit, though no matter how large the programming budget, it is a criticism that will probably always be made. It is a fact, however, that the portion of the DCA's budget devoted to programming activities has declined substantially in recent years (Appendix Six).

In fiscal 1982, for example, the institutional budget was over 19 times the programming budget, compared with 7.25 times in fiscal 1977.

We do not advocate any reallocation of funds from the institutional budget to the programming budget. But we do advocate increases in the programming budget as soon as feasible, but starting in fiscal 1985, to reach a level where the institutional budget is no greater than ten times the programming budget.¹⁷ Administration of this increased funding we believe to be within the capability of the Programming Services Division of the DCA with the addition of perhaps one program officer. We believe that the following principles should govern any such increase:

1. Such increase should be a real dollar increase and not, as indicated above, be one achieved by reallocating funds from the budget for institutional support.
2. Contract amounts paid to the ArtsConnection, with its demonstrated record of matching cultural resources to the educational establishment and its efficiency in doing so, should be increased.
3. The DCA should explore the possibility of utilizing art service organizations in addition to the ArtsConnection as joint partners in administering programming grants.
4. As Appendix Five indicates, the DCA has made major efforts to reach locally-based cultural organizations and ethnically-oriented organizations in the five boroughs (as compared with a grand total of eight organizations receiving program support in fiscal 1972). The DCA must be vigilant in continuing these efforts in respect of all program funding.
5. A portion of the programming budget should be set aside to provide development and management assistance — including provision for hiring fund-raising and development consultants and the like — to cultural organizations in the early stages of their maturity.

¹⁷ Based on fiscal 1983 figures, this would have meant an increase of \$1,621,000, from \$2,530,000, for a total program budget of \$4,151,000.

VI. CAPITAL EXPENDITURES

The City provides funding for capital expenditures relating to the physical plant of the 30 institutions located on City-owned property (see Section IV above) and Carnegie Hall, which is owed by the City and leased on a long-term basis to the Carnegie Hall Corporation.¹⁸ Capital projects in progress during fiscal 1983 are described in Appendix Seven, with actual capital expenditures for the 30 supported institutions for such fiscal year budgeted at approximately \$15.5 million.

Each year the DCA engages in a two-way negotiation with respect to capital spending with the City Office of Management and Budget to determine the Department's allocation within the overall City capital budget and with the supported institutions to determine which capital projects will be funded.

The DCA has estimated that the cultural properties for which it is responsible — the cultural "infrastructure" — encompasses 3.3 million square feet of museum exhibition space, almost 15,000 theater seats and 712 acres of parkland for zoos and botanical gardens.

Choosing among the capital needs of the supported institutions is, needless to say, a most difficult task, but it is the DCA's stated policy to allocate capital funds in accordance with four priorities:

1. To make improvements necessary for the health and safety of staff and visitors, including providing access for the handicapped.
2. To increase operating efficiency.
3. To renovate and preserve existing properties — especially landmark buildings — to lengthen their useful life.
4. To increase the service to the public or revenue capacity of the institution involved.

We endorse the criteria announced by the DCA for allocating capital funds but believe that the greatest emphasis in the foreseeable future must be given to the maintenance and repair of existing structures of importance to the supported institutions. "Infrastructure" has recently become a fashionable word as political consciousness has increasingly focused on the truly foolhardy implications of deferring maintenance and permitting physical properties with immense replacement values to fall into disrepair. The cultural infrastructure of New York is one of its great heritages and the need to preserve it is of fundamental importance to the viability and appeal of the institutions that utilize it.

In 1982 the DCA conducted a survey of the 30 institutions it supports to determine their estimated capital needs over the next ten years. Preliminary estimates indicate that an aggregate of \$200 to \$300 million will be required to fund deferred maintenance and to construct replacement, improvement and new facilities. In the interests of efficient capital

¹⁸ The City has also appropriated \$6 million for the reconstruction, now in progress, of the plaza at Lincoln Center. The City is the owner of the Lincoln Center property, which is leased to Lincoln Center for the Performing Arts, Inc., and subleased by it to the various Lincoln Center constituent organizations.

planning, this figure, and its components, should be refined by the DCA as promptly as possible.

If in fact capital needs are in the \$200-\$300 million range, at first blush the current level of annual City capital appropriations — approximately \$15.5 million — together with private support maintained at current levels,¹⁹ would appear to fill, or at least come close to filling, the estimated need. However, this overlooks the inescapable fact that a substantial, and probably a preponderant, portion of the need is for funds to compensate for maintenance expenditures already too long deferred. Funds for this purpose are needed now, not in the ninth or tenth year of the 10-year cycle. If they are not obtained now, the cost of performing deferred maintenance on constantly deteriorating structures will certainly escalate and the cost of operating inefficient facilities can be expected to increase annual operating expenses as well.

The DCA's refinement of the estimates for capital spending it obtained in 1982 should focus on those projects representing needed repairs to existing facilities. To the extent these projects are identified, they should have first claim on the DCA's capital budget and such budget should be appropriately increased to accommodate them sooner rather than later. As a working assumption, we believe that it will be necessary, in order efficiently to preserve the City's cultural infrastructure, to accelerate capital projects by increasing capital appropriations by approximately one-third to one-half in fiscal 1985 and the next succeeding fiscal years to a level of approximately \$20 to \$23 million, with the possibility of a reduction of that figure beginning in fiscal 1989 or 1990.²⁰

¹⁹ The DCA estimates that the supported institutions received \$33 million in private commitments for capital projects in fiscal 1981 and \$12 million in fiscal 1982.

²⁰ In addition to the capital appropriations discussed in this Section, the DCA administers Community Development funds received from the Federal government to assist arts organizations in low and moderate income areas to renovate facilities, to acquire equipment or to commission and install large-scale public works of art. Community Development grants for these purposes totaled \$518,237 in fiscal 1982. It is unclear how Federal budget cuts will affect the availability of Community Development funds in future fiscal years.

VII. INSTITUTIONAL CONTRACTS

One issue needs to be addressed because it seems to be misperceived by some in the City's cultural community. That is the existence of contracts between the City and certain of the cultural institutions it supports, a pattern which began with the Agreement dated December 22, 1877, between the City and The American Museum of Natural History whereby the City agreed to keep the building housing the Museum "from time to time in repair" and the Museum agreed to keep its exhibition halls open to the public free of charge at least four days a week.

"The City has a contractual obligation to us," one museum director told the chairman of the Committee preparing this Report. "That obligation is to keep our institutions open. It has nothing to do with the allocation of funds by the DCA, or the imposition of requirements on us by the DCA. It is a matter of legal contract, pure and simple."

Leaving towards one side the arrogance of this position as expressed, and the unacceptable view of institutional accountability to the City, this position also misstates the contractual relationship between the City and the institutions it supports. That situation may be briefly summarized as follows:

1. Two of the 30 supported institutions do not have City contracts at all and 12 others are subject to short-term letter agreements under which the City does not have long-term support obligations.
2. Agreements with the 16 other institutions vary widely in spelling out the City's obligations, but are expressed in eight of them as being an obligation to make repairs or to provide "maintenance" or to provide "maintenance and care". One contract obligates the City to provide "security". Two contracts do speak of broader obligations for *operation* and maintenance, but in each case it is expressly stated that the City *may* appropriate funds for such purposes; the City's obligation to do so is discretionary and not absolute. The broadest obligation on the City is found in a 1931 amendment to the agreement with The Museum of the City of New York made to rescue the Museum from near-bankruptcy in the Depression:

"The Board of Estimate ... will annually appropriate such sum or sums of money as the said Board ... shall, in the exercise of its discretion, deem requisite and necessary, together with the income from the existing endowment of the Museum, for the maintenance and preservation of the said building and collections of the Museum and other expenses necessary in connection with its purposes."

Once again, however, even this broadly-stated obligation is not absolute but subject to governmental discretion on the part of the Board of Estimate.

From a review of the existing institutional contracts, the conclusion is inescapable that City operating support and capital support in general, and we believe in particular as well, go beyond technical contract compliance. In our view such compliance is a non-issue and could only become relevant in the unlikely event of the City failing to provide the minimum support decreed by contract to an institution otherwise performing its

obligations to the public; the real issue is the appropriate magnitude of City funding to the institutions it supports and the criteria to be applied in granting such support, as discussed in Sections IV and VI above.²¹

To de-emphasize the role of preexisting contractual arrangements is in no sense to downgrade the partnership relationships that have existed between the City and the supported institutions. As we have stressed repeatedly in this Report, these partnerships have accounted, and continue to account, for a large measure of New York's cultural greatness. It is our expectation that such relationships will continue on a flourishing and productive basis, but without needless — and largely irrelevant — quarrels over technical contract compliance.

²¹ We have been advised of one instance, dating back several years, where an institution threatened to sue the City for failing to make capital appropriations necessary to maintain the institution's physical plant. Appropriations were subsequently in fact made and the threat never materialized. The level of operating support received by the institution was not at issue — presumably for the very good reason that there was no contractual obligation on the City to provide it.

VIII. THE BUDGET PROCESS

Unlike the National Endowment for the Arts or the New York State Council on the Arts, the DCA by and large does not receive funding that it then regrants to recipients on its own authority. The DCA's participation in funding decisions basically occurs before appropriations are made by the Board of Estimate. Under the 1976 amendment to the City Charter that created the DCA as a separate Department, the Commissioner of Cultural Affairs is charged with the duty of submitting annual expense and capital budgets, "together with his recommendations".

Implementing this mandate, the Commissioner annually expresses the DCA's best estimate of how funding should be allocated — to the separate budget lines for 18 of the supported institutions and through non-binding "descriptors" for the budget line covering the remaining supported institutions and the budget line covering programming funds. But the ultimate — and crucial — decision as to the allocation of funds for cultural purposes rests with the Board of Estimate.²²

This basic political fact underscores the importance of involving the five Borough Presidents in the process by which cultural funds are allocated.

We believe it essential that the Borough Presidents, given both their decision-making power and their particularized knowledge of the City's local communities, be consulted by the DCA on a continuing and regular basis concerning matters of cultural policy and funding. Much has been done already in this regard, but we believe the efforts on both sides must be intensified.

Such consultation can only be beneficial — acquainting the Borough Presidents with the overall policy objectives of the DCA on the one hand, and acquainting the Commissioner and the DCA with local community needs and aspirations on the other.

Failure to implement the sort of cooperation we envision can only be detrimental to development of a coherent cultural policy for the City. Ignoring the Borough Presidents would represent a failure on the part of the DCA to make use of a significant resource for better understanding the City's cultural community. Conversely, making budget allocations that do not take into account the policy objectives of the DCA would impair reaching the goal of an overall cultural policy, fairly applied.

We are optimistic that renewed efforts at cooperation by *both* the DCA and the Borough Presidents can avoid the funding disparities that have occurred from time to time

²² This description vastly oversimplifies the process, in that it assumes that the Mayor and the Office of Management and Budget accept the Commissioner's recommendations and include them without change in the Executive Budget submitted by the Mayor to the Board of Estimate. In fact there may well be negotiations at this level before the Board of Estimate gets involved.

For the record, the Board of Estimate consists of the Mayor, the Comptroller, the President of the City Council and the five Borough Presidents. Each Borough President has one vote and each other member has two votes.

in the past.²³ There are two reasons for our optimism. The first is the encouraging development of the DCA as a separate entity, divorced as it has been for six years from the old Department of Parks, Recreation and Cultural Affairs, with its own staff and a Charter mandate to "plan, develop, conduct and supervise" cultural activities by the City. In our judgment the DCA has developed, and continues to develop, an expertise in dealing with the City's cultural organizations and administering the nation's second largest cultural budget. The DCA should be, and in our view deserves to be, listened to as the entity of City government responsible for carrying out cultural policy. As this growing expertise is recognized, we believe that political leaders are more likely to defer to it.

The second reason for our optimism is the evolving development of clearly understood funding criteria, a process we have every reason to assume will continue. The Borough Presidents — and the Board of Estimate generally — should welcome this development. By the nature of their positions, the members of the Board of Estimate are subject to tremendous pressures from cultural organizations seeking funding without prior consultation with the DCA, or in the face of specific recommendations by the DCA as to whether funding should be granted or the level of such funding. The existence of well-expressed and easily understood funding criteria should make resistance to these pressures easier for all concerned.

We believe that the Advisory Commission can play an important role in the funding process, principally by exercising oversight in reviewing the results.

The Commission is meant to be a broad-based group of 21 New Yorkers, ideally representing the public at large and a wide range of cultural, ethnic and geographic interests. It is our perception that there are no functions that the Commission can perform more important than insistence (1) that the DCA's policy objectives be articulated and known, (2) that the DCA develop continuing and cooperative relationships with the five Borough Presidents and (3) that all parties concerned refrain from funding decisions that distort the stated policy objectives of City cultural policy.

²³ We do not wish to dwell on past funding decisions, but an illustrative example may clarify our concern. As a matter of policy, the DCA excludes from consideration funding for educational institutions. This is a policy that is also followed by the New York State Council on the Arts and other municipal cultural agencies with published funding criteria, the theory being that culture-related activities of educational institutions should properly be part of the budgets of those institutions and under their oversight. Albeit infrequently, appropriations under the DCA budget have been made by the Board of Estimate in the past to educational institutions despite this DCA policy.

IX. THE DEPARTMENT OF CULTURAL AFFAIRS

Our distinct impression, reinforced by comments from those who deal with the DCA on a regular basis, is that those running the DCA's operations have created, since the DCA became a separate Department in 1976, an efficient and respected arm of City government. The dedication, good will and knowledge of the staff are impressive.

Codification of Standards. In this period of growth as an independent entity, policy standards have evolved for administering and allocating cultural funding by the City. If there has been a failure, it has been one of not codifying those standards and articulating them in a manner that is well understood by political leaders, the City's cultural organizations and the public at large. We urge that this deficiency be corrected and we hope that our recommendations with respect to funding criteria will be of help in this regard.

Non-monetary Projects. The DCA has also been successful in other pursuits not directly related to budgetary matters. For example, the DCA began its Materials for the Arts program in 1978. Under this program donations of used office equipment and furniture, industrial by-products and surplus inventory are solicited by the DCA staff from businesses, other governmental agencies, cultural institutions and individuals and redistributed to arts organizations and individual artists. In fiscal 1982, donations with an estimated value of \$642,000 were received from more than 380 donors and redistributed to more than 360 recipients. The total direct cost of administering this program in fiscal 1982 was less than \$20,000.

The DCA should be encouraged to develop other programs that, at low cost, bring great benefit to the cultural community. Among the possibilities would be programs that have been tried successfully in other cities, such as San Francisco's scenery and costume banks to make donated costumes and scenery available to performing groups; San Francisco's print and design shop that prepares publicity and promotional materials for not-for-profit arts organizations; Chicago's central databank calendar established to avoid conflicts among competing cultural events; and Chicago's reference library of materials concerning arts administration. Other projects, such as technical assistance in graphic and signage design and the ongoing efforts to use unsold advertising space on buses and subways for cultural programs should also be pursued.

The Commissioner as Overseer and Adviser. The Commissioner, with an overall view of the City's cultural activities, may also from time to time be in a position to recommend sensible policy initiatives unrelated to matters of funding. One such area might be encouraging the consolidation of existing organizations to avoid duplicative administrative and other expenses. Individual organizations, with their independent boards of directors and administrative staffs, are unlikely to have the inclination, or even the knowledge, to explore such opportunities. The Commissioner, on the other hand, might well be in a position to identify and suggest such opportunities. (The scope of our Report has not been broad enough to identify potential consolidations of individual organizations; but we raise the question of whether there are not instances where efficiencies could be promoted and costs cut through such consolidations.)

Non-DCA Projects. As indicated in Appendix One, many City agencies engage in activities that are cultural, or at least culture-related, in nature. While we have not reviewed most of these activities in detail, we are not of the view that every project bearing the “culture” stamp should be under the jurisdiction of the DCA. Most of these projects intermingle cultural with other goals — education, recreation, patient therapy, and the like. There is no logical reason for asserting DCA jurisdiction in such mixed projects.

On the other hand, projects that are predominantly cultural in nature should either be developed under the direct aegis of the DCA or, at a minimum, with the active participation of the DCA. For example, the decision of the Office of Economic Development to seek a budget appropriation for \$1,600,000 in capital funds for the Manhattan Theatre Club (as shown in Appendix One) is a decision requiring something more than *pro forma* approval by the DCA. Otherwise the budget process, and the goal of achieving a coherent City cultural policy, will be thwarted.

As described in Section IV, institutions located on City-owned property receive operating support administered by the DCA. In three instances, however, these same institutions pay rent to the Department of General Services as landlord.²⁴ While the Department of General Services quite properly attempts to realize the greatest possible return from property under its jurisdiction, it makes no logical sense for it to be exacting rent from cultural institutions when such institutions, at one and the same time, are receiving operational support from the DCA. To avoid this anomaly, we recommend that the properties involved be turned over to the DCA and that the DCA administer such properties.

Even in situations when the DCA does not have primary jurisdiction over particular cultural activities, we believe that the City agencies with such jurisdiction must be required to report them to the DCA, in furtherance of the Department’s oversight and policymaking functions in terms of City cultural activities, and that other agencies should, in devising programs of a cultural nature, actively draw upon the DCA’s expertise and advice. The effectiveness of the DCA in this regard will not be enhanced unless the Mayor specifically orders other agencies to consult the DCA with respect to cultural matters and to report their cultural activities to the DCA. We urge him to issue a directive making these interagency functions and relationships explicit.

Fund Raising. It has from time to time been suggested that the Commissioner of Cultural Affairs act as a fund-raiser for the City’s cultural organizations, particularly the smaller ones. There is no doubt that the visibility and persuasiveness of the Commissioner could be very useful in this regard, especially in expanding the base of private giving. The suggestion is intriguing and we believe one that the new Commissioner should explore, keeping in mind, however, three cautionary reservations:

²⁴ The three are the Staten Island Historical Society, which pays \$2,400 in annual rent on former P.S. 28, which it occupies as part of its operating site; the Institute of Art and Urban Resources, which pays \$12,000 for its use of P.S. 1 in Queens; and the Jamaica Arts Center, which pays \$18,000 for its space in Queens. In addition, El Museo del Barrio pays rent as sublessee of a Department of General Services-owned building in Manhattan.

1. Any such activities should not compete with existing private-sector fund-raising.
2. Such activities should not become a substitute for the development of fund-raising capabilities by individual organizations — one of the important criteria for institutional health we have mentioned in Section IV.
3. Funds raised by the DCS from private sources should be incremental to, and not in substitution for, City funding.

Technical Assistance and Information. In the course of its day-to-day operations, the staff of the DCA acquires tremendous knowledge about the cultural life of the City and the problems faced by the City's cultural organizations. We believe there should be systematic efforts made to gather and disseminate this knowledge and to make the DCA a clearinghouse and a source of information for the cultural community and other City agencies. To that end, we would recommend that three staff functions be established in the DCA (not necessarily full-time positions, but with an identified person charged with the specific responsibility): (a) to monitor funding opportunities, public and private, available to the City (and to cultural organizations directly); (b) to coordinate the availability of technical assistance, at the DCA and elsewhere, for cultural organizations; and (c) to act as a clearinghouse for information concerning cultural activities available to schools, community centers, hospitals and other institutions, so that teachers and administrators will be aware of the range of opportunities open to them.

X. SUBJECTS FOR FUTURE STUDY

The focus of this Report, as indicated in Section II, has been primarily on the DCA and those activities that come under its jurisdiction. We believe, however, that there are two major areas, which involve not only the DCA but other agencies, that merit further study by panels to be appointed by the Mayor. These panels, in our view, should properly include representatives of the Advisory Commission, but should include as well those with particular experience and expertise in the areas concerned.

Education. We agree — and we cannot imagine that others would seriously disagree — with the proposition that the cultural education of New York's young people is a major priority of City cultural policy. Indeed, we have recommended²⁵ that the institutions receiving City support be held to a standard of responsiveness to this priority and that programming funding that seeks to link the cultural and educational communities be increased. But in our view a more comprehensive study would be worthwhile to consider the broad question of cultural education as it relates to the City's schools and colleges and the cultural community in general. Are the City's high schools and colleges operating effectively to provide *both* the artists *and* the audiences of tomorrow? In other words, are the arts-related high schools and college programs operating effectively? And are the schools that are not arts-related providing the basic education required to create an appropriate level of artistic literacy in the next generation of consumers of culture? Are the educational and non-educational resources of the City linked in a manner mutually advantageous to the City's young people and their teachers?

These are extremely broad questions, but they are deserving of answers. We urge the Mayor promptly to create a panel of citizens to consider them.²⁶

Real Estate. The City both as property owner and tax collector is in a position to assist cultural organizations and individual artists, directly through the utilization of property owned by the City and indirectly through exemptions from and abatements of the City real property tax.

Highly imaginative programs have been devised in recent years in this area, including establishment of the Trust for Cultural Resources that has allowed The Museum of Modern Art (and would allow other institutions of similar standing) to expand its physical plant through a complicated and ingenious plan involving the sale of air rights over existing property, the exercise of condemnation rights over adjacent property and the issuance of tax-exempt bonds to finance expansion. Under the plan a private entrepreneur is developing a portion of the property under arrangements whereby the developer has the benefits of a City tax abatement but will make tax-equivalency payments to the Museum. The Department of Housing Preservation and Development has also been working, in cooperation with private developers and artists' groups, to devise programs to rehabilitate

²⁵ See Sections IV and V above.

²⁶ We are aware that various *ad hoc* groups in City government have been studying questions relating to culture and education. Rather than appointing a new study group, it might be more advantageous for the Mayor to expand or reconstitute one of the existing panels.

City-owned buildings that would include both commercial space and housing and studio space for artists. Projects are under study both in and outside Manhattan.

It is a truism to say that the commercial real estate industry in New York has demonstrated in the past extraordinary resourcefulness and imagination. We believe that the energy that has made the industry so successful commercially should now be harnessed in the public interest to devise creative ways and means of utilizing properties owned by the City (principally those obtained in *in rem* tax proceedings for non-payment of taxes), and of establishing public/private partnerships for development, that will benefit both cultural institutions and individual artists.

Accordingly, we recommend that the Mayor appoint an expert panel, including representatives of the real estate industry, to explore the possibilities for creative projects designed to help the City's artists and cultural institutions. In their consideration of such projects, we would suggest that the panel include those problems within the scope of its inquiry:

1. The problem of individual artists, living in an expensive urban environment on marginal incomes. This is a matter that has been of great concern to us. We have deliberately not recommended direct City support for the individual artist as we think it inappropriate to have a direct, sponsorship relationship between the City and individuals. But creative real estate projects could both reduce prohibitive rent costs to artists and, at least in some limited circumstances, could benefit institutions as well.

2. The problem of adequate performing arts spaces for emerging theater and dance groups. It goes without saying that performing groups must have adequate space to rehearse and perform. Occupying property rented at commercial rates can be prohibitively expensive, particularly in those years before an audience is developed. The availability of City-owned space should be considered, as should the advisability of applying the City's policy goal of obtaining market rents for its properties to not-for-profit cultural groups.

3. The continuing problem of preserving New York landmarks and historic buildings. It would seem particularly appropriate for real estate projects with a cultural association to reflect the preservation of New York's architectural and artistic heritage and the furtherance of the City's landmark policies should be a factor taken into account in considering such projects.

XI. CONCLUSION

The challenges to the new Commissioner of Cultural Affairs and the DCA staff are great. The budgetary constraints under which the City is operating and is likely to operate in the near term will produce controversy and disappointment. Attempts to codify, develop and refine criteria for public funding will inevitably bring cries of distress from those adversely affected and their political friends.

But the new Commissioner is inheriting two extremely valuable assets that are now in place: the trust and respect of the City's cultural community in general and an ever-increasing level of knowledge, experience and expertise on the part of the DCA's able and dedicated staff.

We wish the new Commissioner well. As members of the Advisory Commission we look forward to working with her in a common effort to maintain and enhance the vigor of the City's unique and extraordinary cultural resources.

XII. SUMMARY OF PRINCIPAL CONCLUSIONS AND RECOMMENDATIONS

1. New York's cultural organizations have a legitimate claim to City funding for their activities (Section I).
2. The DCA, as a separate and autonomous City agency reporting to the Mayor, is the most efficient way of linking the City to New York's cultural organizations (Section I).
3. The City should broadly construe the exemption from the City's real estate tax to "educational" institutions, as recently recommended by the Mayor's Task Force on the Exemption of Non-Profit Organizations from Real Property Tax (Section II).
4. City support, whatever its nature, should be available only to organizations:
 - A. that, by the nature of their activities or collections, are unique, distinctive and of the highest artistic quality, that act as a magnet to tourism and as a cultural resource contributing to the quality of life in New York generally; *or*
 - B. that are important to the community life of New York, whether that community be a geographic area within the five boroughs or an ethnic or other discrete group of citizens, including young people in New York's schools (Section III).
5. The requirement that operating support be limited to institutions located on City-owned property (subject to the partial exceptions described in footnote 8) should be continued so long as the City is faced with the problems of fiscal austerity (Section IV).
6. The Commissioner of Cultural Affairs, looking toward a time when the DCA budget can be increased, should engage in a dialogue with the non-supported institutions and the Advisory Commission, to devise ways and means of appropriately supporting important New York cultural organizations that do not now receive City funding (Section IV).
7. Endorsement in the near term of the City-owned property requirement does not mean support for the propositions that such funding (and increases in funding) must be spread proportionately among those institutions now receiving support or that all institutions on City-owned property must receive support (Section IV).
8. The level of institutional support by the City for cultural organizations should be determined on the basis of a number of flexible criteria, including:
 - A. the extent and quality of the institution's educational and outreach programs;
 - B. support from the public, as demonstrated, for example, by funding from other sources and attendance; and

C. cooperation with the DCA, principally in the area of financial and other reporting required for the DCA to develop cultural policy and its funding recommendations (Section IV).

9. Absent special circumstances, no institution should receive support in excess of 50% of its budget. This policy should be phased in over three fiscal years, so that the 50% ceiling is generally in effect for supported institutions in fiscal 1987 (Section IV).

10. Institutional funding at a level of at least \$42.3 million, as originally proposed for fiscal 1983, should be reinstated as soon as possible, with appropriate upward adjustments for (a) inflation, (b) maintenance expenses that should be funded on a current basis and (c) increased costs of providing appropriate security for institutional property and visitors (Section IV).

11. The criteria for awarding program contracts (as set forth in Section V) should be continued and should be promulgated, along with information as to the application process, in a printed booklet format distributed by the DCA as widely as possible to New York's cultural community (Section V).

12. Programming support by the City should continue on the basis of contracts for specific programs. The City should not attempt to provide unrestricted operating funds to organizations now receiving programming support (Section V).

13. The DCA should be alert to opportunities to assist start-up organizations. However, actual funding should be limited to organizations with demonstrated artistic and administrative competence and sources of funding support other than the City (Section V).

14. Under City budget procedures, programming support to cultural organizations inevitably must be on an annual basis. However, the past performance records of organizations receiving such support should be a highly important determinant of future support and any decision to terminate support should be appropriately phased in over more than one fiscal year (Section V).

15. The City budget for programming activities should be increased, as soon as feasible, to a level where the institutional support budget is no greater than ten times the programming budget. Such increase, however, should be achieved without a reduction or reallocation of the institutional support budget (Section V).

16. Increases in program funding should encompass increases in the funding for the ArtsConnection and, if feasible, other arts service groups and the inclusion of funding for "technical assistance" activities such as the hiring of fund-raising and development consultants (Section V).

17. While the DCA's criteria for allocating capital funds (as set forth in Section VI) should be continued, the highest priority in the near term should be to provide funds to meet deferred maintenance costs and the preservation of the existing physical infrastructure of the supported cultural institutions (Section VI).

18. The DCA should promptly refine its preliminary 1982 survey of the capital needs of the supported institutions. Capital funding should be increased in the early years of the ensuing decade (above the level of \$15.5 million in fiscal 1983) to provide needed preventative maintenance and improvements and to stem costly deterioration of existing structures. As a working hypothesis, it is assumed that capital spending on the order of \$20 to \$23 million per year will be required in the first years of the ensuing decade (Section VI).

19. The City is in compliance with its historical contractual obligations to the institutions it supports and, indeed, such support is above the minimum level required by existing contracts. The question of City institutional funding is today one that goes beyond mere technical contract compliance because the magnitude of such funding exceeds the amount required for such technical compliance (Section VII).

20. The DCA and the Borough Presidents should cooperate on a continuing basis in the process of developing cultural funding recommendations. The expertise of the DCA in developing and implementing policy criteria and the particularized knowledge of the Borough Presidents of local aspirations and needs should both be important, and complementary, factors in the budget-making process (Section VIII).

21. The DCA should continue to explore opportunities for activities of benefit to cultural organizations that do not involve substantial expenditures of City funds, such as the existing Materials for the Arts program (Section IX).

22. The Commissioner of Cultural Affairs, with an overall perspective on the City's cultural life, should be alert to suggest policy initiatives to private cultural organizations, such as the possible consolidation of existing organizations where appropriate (Section IX).

23. Mixed projects with cultural as well as other goals — recreation or patient therapy, for example — do not logically fall under the DCA's primary jurisdiction. However, if a project is predominantly cultural in nature it should be carried out by the DCA or, at a minimum, in close cooperation with the DCA (Section IX).

24. In situations where the DCA does not have primary jurisdiction over cultural or culture-related activities, the DCA should nonetheless be kept fully informed of such activities (Section IX).

25. The Mayor should direct all City agencies to consult with the DCA with respect to cultural matters and to report all cultural and culture-related activities to the DCA, as the central clearing house for information concerning such activities (Section IX).

26. Jurisdiction over real property owned by the Department of General Services and now rented to institutions receiving DCA operational support should be transferred to the DCA (Section IX).

27. Within the DCA, staff functions (not necessarily full-time, but with an identified person charged with the appropriate responsibility) should be established to:

A. monitor funding opportunities, public and private, available to the City and individual cultural institutions;

B. coordinate the availability of technical assistance, at the DCA and elsewhere, to cultural organizations; and

C. act as a clearinghouse for information concerning cultural activities available to schools, community centers, hospitals and other New York institutions (Section IX).

28. Citizens' panels should be established by the Mayor to study (a) the effectiveness of the cultural education of New York's young people, both as artists and as literate consumers of culture, and (b) the development of creative real estate projects (including creative use of properties obtained by the City in *in rem* tax proceedings) designed to benefit both cultural institutions and individual artists (Section X).

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Appendix One

Culture-Related Expenditures by Agencies other than Department of Cultural Affairs (Fiscal Year 1982)

Department of General Services

South Street Seaport reconstruction	\$13,800,000
Addition to El Museo del Barrio	250,000
Reconstruction of offices and studios, WNYC	
Radio/TV	1,808,000

Department of Mental Health

Contract with Hospital Audiences, Inc. with respect to art workshops and cultural events for the institutionally confined	800,000
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Department of Housing Preservation and Development

Artist housing hotline	15,000
Feasibility study of artists' housing at Snug Harbor (Staten Island)	25,000
Feasibility study of artists' housing, SoHo/North	10,000

Department of Ports and Terminals

Structural repairs to Pier 86, the home of the USS Intrepid and the Intrepid Museum	2,500,000
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Department for the Aging

Contract with the Bethene Big Band for performances at senior centers and homes	9,617
Contract with Elder Craftsman Association to conduct arts workshops	38,720

WNYC Radio/TV

City appropriation (offset by a \$1,000,000 payment from the private WNYC Foundation)	1,902,707
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*Human Resources Administration,
Community Development Agency*

Contracts with arts organizations (see text,
footnote 19) 513,237

Office of Economic Development

Capital funds for the Manhattan Theatre Club 1,600,000
Capital funds for South Street Seaport 550,000

Economic Capital Corporation

Contribution to construction of the
Jazzmobile's office
and recording space 150,000

*Board of Education, Division of Curriculum
and Instruction*

Teacher training and in-school performances
at Lincoln Center 97,000
Young Audience Program, to sponsor school
performances 45,000

City Youth Board

Recreation and cultural enrichment programs
at City youth centers 5,447,506

Appendix Two

11 YEAR HISTORY OF CITY SUPPORT FOR INSTITUTIONS

	CULTURAL INSTITUTIONS										
	72	73	74	75	76	77	78	79	80	81	82
A	B										
American Museum of Natural History	1877 2,612,204	2,748,561	2,859,745	3,198,469	2,986,580	C 3,974,998	4,102,926	4,056,691	4,370,426	4,986,920	D 5,578,197
Metropolitan Museum of Art	1878 2,446,597	2,602,490	2,761,360	2,992,900	2,839,486	4,948,916	4,839,376	6,459,163	6,325,464	9,120,916	10,608,634
New York Botanical Garden	1891 1,463,319	1,703,424	1,733,719	1,944,177	2,086,136	1,673,856	2,062,609	2,145,394	2,138,609	2,341,338	2,724,685
New York Zoological Society	1897 2,122,897	2,275,227	2,391,669	2,672,049	2,409,155	2,589,558	3,071,768	3,068,808	3,941,121	3,648,929	4,716,139
Brooklyn Museum	1897 1,285,764	1,525,759	1,601,424	1,770,834	1,678,541	1,960,549	2,008,591	2,100,013	2,371,718	2,496,083	3,070,582
Brooklyn Children's Museum	1899 233,795	232,230	284,330	476,955	417,125	407,125	530,747	585,445	618,018	727,680	789,064
Brooklyn Botanic Garden	1909 555,614	633,589	655,780	707,850	759,419	657,124	692,956	721,960	747,070	840,053	1,039,283
S.I. Institute of Arts & Sciences	1910 249,810	246,970	261,785	315,770	302,145	310,908	363,221	381,759	421,311	468,280	497,157
Museum of the City of New York	1922 316,894	310,594	318,922	399,675	388,339	428,489	454,033	494,211	503,880	578,559	661,655
S.I. Zoological Society	1936 292,395	288,475	295,157	364,440	344,185	354,261	415,422	438,368	434,428	511,104	631,420
Queens Botanical Garden	1962 223,950	214,575	248,690	307,440	291,560	273,997	307,528	323,004	362,497	436,990	469,624
Hall of Science	1965 130,790	132,590	276,905	330,202	325,212	288,830	355,284	433,124	494,171	501,249	480,452
Wave Hill Environmental Center	1965 161,460	164,560	186,539	224,558	209,620	195,585	230,414	233,959	301,926	335,524	406,976
S.I. Historical Society	1967 95,775	94,875	97,400	121,125	122,775	165,689	191,544	200,274	215,952	256,525	349,470
Brooklyn Academy of Music	1978 107,000	563,838	775,000	610,000	759,500	737,012	742,053	789,957	820,587	942,059	1,134,644
Bronx County Historical Society	1978 —	—	—	25,000	25,100	60,000	57,398	70,222	77,244	83,338	150,791
Bronx Museum of the Arts	1978 —	—	39,280	39,206	40,000	37,686	75,765	74,793	79,281	118,646	130,488
El Museo del Barrio	1978 —	—	—	40,000	50,000	37,686	38,907	63,161	98,159	88,899	113,426
Jamaica Arts Center	1978 —	—	—	—	5,000	5,000	8,651	20,193	84,069	79,122	99,952
New York State Theater	1978 300,000	360,000	380,000	380,000	300,000	281,980	278,982	278,982	278,982	F 459,220	F 649,001
Queens Cultural Association	1978 —	—	180,000	190,000	90,000	95,162	91,554	96,253	101,286	105,387	104,312
Queens Museum	1978 —	—	120,000	100,000	120,000	108,942	133,665	155,635	197,123	322,895	370,794
S.I. Children's Museum	1978 —	—	—	—	—	—	34,500	45,600	51,932	85,437	156,760
Storefront Museum	1978 —	—	—	—	5,000	20,000	20,000	20,000	20,000	21,200	27,200
Studio Museum in Harlem	1978 —	—	150,000	150,000	140,000	132,680	167,460	172,134	185,060	205,296	195,213
Snug Harbor Cultural Center	1981 —	—	—	—	—	—	—	—	—	150,037	262,724
Astoria Motion Picture Foundation	1982 —	—	—	—	—	—	—	—	—	—	—
Inst. Art & Urban Resources (P.S.1)	1982 —	—	—	—	—	—	—	—	—	—	25,000
Public Theater	1982 —	—	—	—	—	—	—	—	—	—	5,000
City Center Theater	1982 —	—	—	—	—	—	—	—	—	—	F 41,096
SUB-TOTAL G	300,000	400,000	736,020	754,300	819,950	778,946				F 40,247	F 75,167
TOTAL H	12,318,264	13,737,657	14,748,425	16,436,944	15,319,778	18,966,897	21,288,178	23,436,125	24,346,408	30,060,482	36,130,849

A Indicates year in which institutional support commenced from the city.

B Prior to FY'77 when this agency was created, the city Department of General Services paid the energy costs of 15 city-funded institutions directly. Therefore, the amount shown for FY'72 through FY'76 represents only basic operating support paid to the institutions.

D In FY 1982 CETA personnel funds were no longer available from the federal government. The figures in this fiscal year are exclusively city funds allocated for basic operating support and energy costs paid by this agency.

E The Brooklyn Academy of Music has received city support since 1952 and is therefore included as one of the original 15 institutions.

However, BAM did not receive basic operating support as a specified institution in our budget until FY'78. Before that time, the institution received funding for general maintenance of the facility and program support from the Parks, Recreation and Cultural Affairs Administration. The FY'72 figure indicates program support only; the amount of operating support is not available.

F Beginning in FY 1981 these institutions, located in city-owned buildings, receive energy at a discounted rate from the Power Authority of the State of New York (PASNY) and reimbursed the city for these expenditures. In FY 1982 the city assumed this expense for the Public Theater.

G Indicates program funding received from the city prior to its financial reorganization. The total line indicates the total of such program support.

H These totals do not include the sub-total of program funding indicated above.

Appendix Three

Fiscal 1983 City Support for Institutions

American Museum of Natural History	\$ 5,807,538
Metropolitan Museum	12,554,819
New York Botanical Garden	2,849,577
New York Zoological Society	5,187,102
Brooklyn Museum	3,278,535
Brooklyn Children's Museum	857,949
Brooklyn Botanic Garden	1,187,618
Staten Island Institute of Arts & Sciences	585,256
Museum of City of New York	703,685
Staten Island Zoological Society	734,046
Queens Botanical Garden	539,569
Hall of Science	263,543
Wave Hill Environmental Center	467,742
Staten Island Historical Society	426,654
Brooklyn Academy of Music	1,145,330
Bronx County Historical Society	136,936
Bronx Museum of the Arts	214,491
El Museo del Barrio	142,611
Jamaica Arts Center	114,338
New York State Theatre	1,668,034
Queens Theater in the Park	178,014
Queens Museum	486,413
Staten Island Children's Museum	224,489
Storefront Museum	36,487
Studio Museum in Harlem	242,563
Snug Harbor Cultural Center	390,065
Astoria Motion Picture Foundation	114,779
Institute of Art and Urban Resources (P.S.1)	94,716
Public Theater	337,810
City Center Theater	383,313
Emergency Repair Fund (unallocated)	<u>162,136</u>
Total	\$41,516,158

Appendix Four

City Support as a Percentage of Total Operating Expenditures (Fiscal Year 1982)

Storefront Museum	88.02 %
Staten Island Zoo	76.13
Hall of Science *	72.00
Staten Island Institute of Arts and Sciences	68.86
Brooklyn Children's Museum	64.79
Queens Theater in the Park	62.83
Queens Botanical Garden	60.36
Jamaica Arts Center	50.25
Snug Harbor Cultural Center	49.02
Brooklyn Museum	46.76
Queens Museum	46.00
Staten Island Historical Society	44.56
Wave Hill Environmental Center	44.34
Staten Island, Children's Museum	42.62
Bronx County Historical Society	41.00
Museum of the City of New York	40.80
Brooklyn Academy of Music	35.73
Brooklyn Botanical Garden	35.21
New York Botanical Garden	33.21
Metropolitan Museum	29.73
Bronx Museum *	29.00
New York Zoological Society	26.45
El Museo del Barrio	22.44
American Museum of Natural History	21.58
Studio Museum in Harlem *	20.00
New York State Theater	12.34
Public Theater	6.24
Institute of Art and Urban Resources	Under 5 %
Astoria Motion Picture Foundation	Under 5 %
City Center Theater	Under 5 %

* As estimated by the DCA. These institutions did not respond to requests for this information.

Appendix Five

Programming Contracts (Fiscal Year 1982)

PUBLIC SERVICE CONTRACTS

ArtsConnection	\$200,000....	Artist fees for Arts Exposure Program
ArtsConnection	\$ 50,000....	Support of Young Talent Training Program
Metropolitan Opera	\$120,000....	Support of summer parks concerts
New York Philharmonic	\$120,000....	Support of summer parks concert
Brooklyn Philharmonia	\$ 76,000....	Support of varied concert season
Hospital Audiences	\$ 50,000....	Performances and workshops in institutional settings
Queens Symphony	\$ 50,000....	Support of varied concert season
Caribbean Festival	\$ 42,000....	Toward cost of concert series, lectures
Dancemobile	\$ 36,000....	Touring dance performance series sponsored by Harlem Cultural Council
Big Apple Circus	\$ 43,000....	Low cost tickets for children for performances in Brooklyn, Bronx, Lincoln Center
Jazzmobile	\$ 25,000....	Support of summer free concert series
Seuffert Band	\$ 25,000....	Support of summer free concert series in Queens
Association of Hispanic Arts	\$ 35,000....	Support of Hispanic arts festival and monthly newsletter
Cultural Council Foundation	\$ 30,000....	Support of fiscal and managerial services provided to small and medium sized arts organizations
Public Interest		
Public Relations (PIPR)	\$ 15,000....	Provide free public relations assistance to arts organizations
Materials for the Arts	\$ 20,000....	Support of recycling program providing \$1 million worth of materials and supplies free to artists and arts organizations
Alliance of Resident Theaters.....	\$ 9,500....	Support services to its 100 member theaters
Brooklyn Arts & Culture		
Association	\$ 94,000....	Support of various activities and services to constituents

Art at St. Ann's	\$ 60,000....	Support of presenting program and development study
Celebrate Brooklyn	\$ 30,000....	Support of Prospect Park concert series
Rotunda Gallery.....	\$ 10,000....	Support establishment and operation of art gallery in Brooklyn Borough Hall featuring works of local artists
Bronx Council on Arts	\$ 88,000....	Support of various activities and services to constituents
Bronx Arts Ensemble.....	\$ 39,000....	Support of varied concert season
Bronx Symphony	\$ 30,000....	Support of varied concert season
Bronx Dance Theater	\$ 10,000....	Free dance workshops for talented Bronx young people
City Island Historical Nautical Museum	\$ 10,000....	Support of outreach activities
South Bronx Community Action Theater	\$ 9,500....	Support of youth activities
Harlem Cultural Council	\$ 35,000....	Support of various activities and services to constituents
Lower Manhattan Cultural Council	\$ 9,500....	Support of various activities and services to constituents
Opera Orchestra.....	\$ 9,500....	Support of outreach concerts
Queens Council on Arts	\$ 81,000....	Support of various activities and services to constituents
New York Performing Arts Center in Queens	\$ 25,000....	Towards establishment of performing arts center in Long Island City
Black Spectrum Theater	\$ 15,000....	Support of artist fees for major productions
Staten Island Council on Arts.....	\$ 36,000....	Support of various activities and services to constituents

BOROUGH OUTREACH

Thelma Hill Performing Arts	\$ 5,000....	Towards cost of mounting five dance events
Bargemusic, Ltd.	\$ 5,000....	Support of ongoing music workshops and chamber music concerts
Art at St. Ann's	\$ 5,000....	Towards special administrative and production costs
New Cycle Theater Company	\$ 7,000....	Towards cost of mounting one full length play and one workshop production
Brooklyn Arts & Culture Assn.	\$ 5,000....	Support of operational costs of downtown performance center
Brooklyn Opera Society	\$ 8,000....	Support of six full opera productions throughout Brooklyn
Midwood Field Concert Series.....	\$ 1,500....	Towards artist fees for summer concert series
Park Slope Festival	\$ 1,300....	Towards artist fees for one-day Neighborhood Arts Festival
Thabo Dance Foundation.....	\$ 12,000....	Partial support of ticket subsidy, production and artist fees for two performances in May 1982
Pied Piper Foundation for Performing Arts	\$ 2,617....	Towards rental costs associated with Fall African Festival
Queens Creative Arts Center	\$ 2,016....	Towards production expenses of Cultural Festival
African Poetry Theater	\$ 2,616....	Towards publicity costs for Fall African Cultural Festival
Fall African Cultural Festival	\$ 2,600....	Support of performers' fees for one-day festival in southeast Queens
Consortium of Queens Arts Service Organizations	\$ 9,500....	Towards support of regrants program in Queens
Ollantay Center for Performing Arts....	\$ 2,000....	Support of administration of community workshops and programs
Horizon Concerts.....	\$ 1,500....	Support of presentation of two concerts for senior citizens in Queens

Queens Cultural Committee/Ad
 Hoc Committee for Queens Day\$ 4,487.... Support for poster design,
 technical personnel and artists'
 fees associated with Queens
 Day Festival

Thalia Spanish Theater/Dume
 Spanish Theater\$ 4,000.... Support of four full theatrical
 productions in Spanish in
 Queens

Invisible Performance Workshop\$ 2,500.... Support of Workshop's
 performance series of music
 and dance

Art Across the Park\$ 1,000.... Towards cost of Van Cortlandt
 Park exhibition of outdoor
 artworks and performances

Lehman College Center for
 Performing Arts\$ 2,828.... Support of performances of Bronx
 Dance Theater and Children's
 Ballet Theater for Bronx Week
 1982

Musicians Performance Trust Fund\$ 5,000.... Support of musical performances
 for Bronx Week 1982

Bronx Week Activities.....\$ 2,200.... Towards costs of individual
 performances and activities for
 Bronx Week 1982

Edenwald Gun Hill Neighborhood
 Center\$ 2,500.... Support of performance fees and
 other costs of Summer
 Performing Arts Festival

Bronx River Restoration\$ 2,500.... Towards cost of summer arts
 program

Bronx Opera Company\$ 2,500.... Support for artists' fees and
 production expenses of two full
 opera presentations

Little Red Schoolhouse\$ 300.... Support for artists' fees connected
 with Annual Country Fair

Bronx Choral Society\$ 5,000.... Towards concert series

SPECIAL PROJECTS

New York Grand Opera	\$ 5,000....	Towards Central Park presentations
Village Halloween Parade	\$ 5,000....	General support
Puerto Rican Traveling Theater	\$ 5,000....	Towards summer street theater tour
Children's Free Opera.....	\$ 3,000....	Support for free performances in three boroughs
Youth Symphony Orchestra	\$ 1,300....	Towards cost of mounting free community concerts in Brooklyn and Bronx
Acting by Children	\$ 1,320....	Towards transportation expenses for children's workshop tour
Filmobile	\$ 5,000....	Support for presentation of free films in parks throughout all boroughs
Latin American Music in Alternative Spaces	\$ 1,500....	Towards cost of presenting Latin American concerts in two boroughs
Theater for the New City	\$ 2,500....	Support for performers' fees and production expenses of annual summer street theater tour in five boroughs
West End Symphony	\$ 1,000....	Support for demonstration concert series for disabled children in three boroughs
Institute for Architecture and Urban Studies	\$ 250....	Support for expenses associated with environmental art exhibit at City Gallery
New Wilderness Foundation	\$ 5,000....	Support for summer solstice program at Damrosch Park
Nation Institute (Writer's Congress)....	\$ 5,000....	Towards costs associated with American Writer's Congress
Dramatist Guild	\$ 2,000....	To assist in production of Young Playwright's Festival
Teatro Quattro	\$ 1,500....	Towards artists' fees and production costs associated with fair of popular arts
Stream Dance.....	\$ 2,000....	Support of dance on Lower East Side series of performances at LaMama Theater

Creative Time	\$ 2,000....	Towards cost of installation of Ruckus Manhattan by Red Grooms
New York Talent System	\$ 800....	Support for operating expenses of Actors' Showcase
Artists Choice Museum	\$ 700....	Towards cost of lecture series of artists and poets
Growth Through Art and Museum Experience		
	\$ 3,000....	Support for teacher training workshops
Dance Theater Workshop.....	\$ 9,500....	Support for Dancers Almanack
Squat Theater Company	\$ 1,500....	Towards costs of production of Mr. Dead & Mrs. Free
White Columns	\$ 500....	Towards cost of Festival of British Poets
National Black Touring Circuit	\$ 5,000....	Support of film project, "Death of a Prophet"
Vietnam in the Arts.....	\$ 1,000....	Towards cost of mounting exhibit, "The Vietnam Experience"
Henry Street Settlement	\$ 1,500....	Support for exhibition, "Parades," paintings and drawings by J. Delaney
Some New Faces	\$ 2,000....	Towards production of arts and cultural video programs for local cablecast
LaMama Theater	\$ 2,000....	Towards cost of video documentary exploring 20-year history of LaMama Theater

Appendix Six

Ratio of Institutional Budget to Program Budget

<u>Fiscal Year</u>	<u>Institutional Budget (Thousands)</u>	<u>Program Budget (Thousands)</u>	<u>Ratio of Institutional Budget: Program Budget</u>
1977	\$18,249 ¹	\$2,515	7.25:1
1978	18,986 ¹	1,613	11.77:1
1979	21,223 ¹	1,597	13.28:1
1980	22,198 ¹	1,588	13.97:1
1981	27,859 ¹	976	28.54:1
1982	36,130	1,874	19.27:1
1983	41,516	2,530	16.40:1

¹ Does not include Federal Comprehensive Employee Training Act (CETA) funds.

Appendix Seven

CAPITAL BUDGET APPROPRIATIONS

(FISCAL YEAR 1983)

<u>Project</u>	<u>Total Estimated Cost</u>	<u>Adopted Fiscal Year 1983 Capital Budget</u>
METROPOLITAN MUSEUM OF ART, Reconstruction of roofs, skylights and other alterations	22,983,903.00	8,000,000.00
AMERICAN MUSEUM OF NATURAL HISTORY, Alterations and Improvements to Buildings and Equipment and Additions to Existing Facilities and Equipment	11,708,226.00	29,000.00
NEW YORK ZOOLOGICAL SOCIETY, Reconstruction and Improvements ..	8,608,726.00	2,100,000.00
NEW YORK ZOOLOGICAL SOCIETY, Aquarium Betterments, Reconstruction, Additions and Land Acquisition	14,267,732.00	375,000.00
BROOKLYN MUSEUM, Alteration, Reconstruction and General Improvements to Existing Buildings	24,540,155.00	1,181,000.00
BROOKLYN BOTANIC GARDEN, Alteration, Reconstruction and General Improvements to Garden and Building	6,189,267.00	650,000.00
MUSEUM OF THE CITY OF NEW YORK, Reconstruction, Improvements.....	775,505.00	17,000.00
BROOKLYN CHILDREN'S MUSEUM, Construction of New Children's Museum, Brower Park, Brooklyn ...	4,451,976.00	14,000.00
QUEENS BOTANICAL GARDEN SOCIETY, Additions and Improvements	1,401,904.00	72,000.00
HALL OF SCIENCE, Flushing Meadow Park, Additions, Betterments and Reconstruction	7,039,125.00	179,000.00
CITY CENTER, 55th Street Dance Theater, Reconstruction, Manhattan	5,221,050.00	300,000.00

<u>Project</u>	<u>Total Estimated Cost</u>	<u>Adopted Fiscal Year 1983 Capital Budget</u>
Reconstruction, Improvements, QUEENS PLAYHOUSE (QUEENS CULTURAL ASSOCIATION)	341,000.00	46,000.00
BRONX MUSEUM OF THE ARTS	729,000.00	200,000.00
NEW YORK STATE THEATER, Alterations and Improvements	218,000.00	18,000.00
STATEN ISLAND CHILDREN'S MUSEUM, Rehabilitation of Maintenance Building, Sailor's Snug Harbor.....	1,900,000.00	1,300,000.00
SNUG HARBOR PARKING LOT	580,000.00	500,000.00
Rehabilitation of OLD P.S.9, Brooklyn	189,000.00	39,000.00
Rehabilitation of Buildings F. G. and H. at SAILOR'S SNUG HARBOR, Staten Island	862,000.00	112,000.00
Acquisition, Archives Building, BRONX HISTORICAL SOCIETY	250,000.00	250,000.00
Construction, Central Chiller Plant, SNUG HARBOR, Staten Island	1,100,000.00	100,000.00
Portable Bandshell for THE PHILHARMONIC, Manhattan	550,000.00	50,000.00
ST. ANN'S PERFORMING ARTS CENTER, Brooklyn	500,000.00	500,000.00

