



From: EDWARD J. HOFF
Cabinet Secretary

To: Governor Byrne
(Institution or Department)

Date: November 25, 1981

Re: Summary of the Report of the Governor's Committee on the Arts

On Monday, November 30, at 12:00 noon, Bob Van Fossan and Pat Gaby will join you in releasing the attached report of the Governor's Committee on the Arts.

Arts editors from the various papers have been specifically invited and a general press advisory has been issued.

After presenting a statistical summary of the current status of the arts in New Jersey, the Committee organized its report and recommendations into the following four areas:

- I. Resources Development -- the attraction of new sources of private individual and corporate contributions.
- II. Regional Arts Centers -- a call for regional homes for the arts (numbering perhaps four), rather than the construction of one major center in New Jersey.
- III. Economy and Efficiencies -- a call for bringing business efficiencies to the operations of arts groups, with a specific recommendation that one orchestra be created for the Opera, the Symphony, and a Ballet.
- IV. Restructuring the Arts Council -- a call for making the Council more independent so that it reports only to the Governor and the Legislature and for keeping the business community well represented on the Council.

I. Resources Development

The report states that, because of the reductions in the Federal budget for the arts, the role of private and corporate donations will have to increase. The principal point of this section of the report is that, in order to attract more private donations, the money for the arts will have to be spent wisely. The report states that "merit -- in the form of audience development -- will serve an increasingly important role in allocating those resources." That is, private and corporate donors will be more generous if they can be shown that the arts groups to whom they are giving are attracting growing audiences.

Seven specific recommendations for attracting greater private individual and corporate donations are proffered:

1. Unearned income (grants and donations) should be keyed to earned income (gate receipts and sales). This recommendation is a restatement of the point above, that 'merit in the form of audience development' will be the key to private donations.
2. Arts organizations sponsored by the Arts Council should be encouraged to establish endowment funds to iron out irregularities in their cash flow.
3. Corporations need to assist in the development of audiences. Companies could match the cost of employee ticket purchases. Corporate facilities could be offered to stages performances of the arts. Group sales could be arranged and assisted.
4. A Statewide Federation of Private Philanthropy should be explored. Such a federation could independently evaluate arts groups and release their findings to corporations that might be interested in donating to the arts. Some corporations refrain from donating, because they believe that they cannot make a good judgment on the merits of various arts groups.
5. Support from counties and municipalities should be encouraged. Perhaps such allocation should be removed from the "cap".
6. Recognition need to be given to donors. Techniques could include honorary roles in the production company, access to rehearsals, recognition in journals, special seating, and recognition bestowed by the Governor.
7. The Council on the Arts should provide special education programs on the arts for private foundations, so that the private foundations could learn more about the arts groups that need the foundations' support.

II. Regional Arts Centers

The Committee states that its "strongest recommendation" is for the development of regional arts centers -- perhaps numbering four. The report suggests that Newark Symphony Hall and Trenton War Memorial could serve as two of those centers. It also suggests that perhaps Morristown should be home to one of the other centers and that Atlantic City or Camden/Cherry Hill be home to the fourth.

The Committee sites the following factors for its recommendation:

- New York to the north and Philadelphia to the south already serve as the homes for large art facilities and performances. New Jersey could probably not develop a home that could compete with that reality, so the State should not try to develop a "Lincoln Center for New Jersey."
- New Jersey has several distinct regional population centers

and it still retains a "home-rule" personality that could contribute to the success of a regional center.

- Financial advantages are several. Renovation of existing new facilities is cheaper than new construction. Operating costs for smaller facilities is considerably less than for large theaters.
- More and successful diversity can be offered in smaller facilities.

The report notes that year-round programming must be encouraged to enhance the financial success of any arts center.

The report also states that public money should sought for urban centers such as Newark Symphony Hall and War Memorial, because such centers will contribute to the economic revitalization of the cities.

(McCarter Theater was not mentioned in the report. Other facilities that were mentioned as possible regional centers are the William Carlos Williams Theater in Rutherford, State Theater in New Brunswick, and Paramount Theater in Asbury Park.)

III. Economy and Efficiencies -- One Orchestra

The Committee states in its report that developing efficiencies in the operations of arts groups in order to save money is just as important as developing the resources of potential new private donors.

The specific recommendation that the Committee advanced is that a single orchestra be created for the Opera, the Symphony, and a Ballet Company.

The report states that there are two alternatives in developing a single orchestra:

- a CORE ORCHESTRA, with about forty pieces which would be augmented by part-time musicians when required for a given performance. This alternative is the least costly, but part-time musicians might not always be available when needed.
- a BREAKOUT ORCHESTRA, a full sized symphony with specific musicians who would breakout and perform according to the varying requirements of the opera and other groups. This proposal would surely be more costly.

IV. Restructuring the Arts Council

In its shortest section, the report states that the Council should be given more prestige and independence by having it report directly to the Governor and the Legislature.

The report also states that benefactors of the arts should be well represented on the Council to ensure close cooperation between the work of the Arts Council and of the private donors.

DISCUSSION PAPER

NEW JERSEY HOTEL/CASINO INDUSTRY

The problems faced by New Jersey's hotel/casino industry flow from what it perceives to be manifested attitudes of state government agencies and officials towards the newest member of New Jersey's business community.

The negativism and mistrust exhibited by state government has created an atmosphere in which casino industry growth has been stifled, costs are inflated and the ability to generate additional revenues are restricted.

Here are some of the conditions which the industry feels flow from the negative climate in which our economic development activities are conducted.

- o The industry pays millions of dollars annually to support the Division of Gaming Enforcement and Casino Control Commission, but is denied an accounting of how that money is spent.
- o The Director of the Division of Gaming Enforcement boasts in newspapers that casino executives tremble with fear when he enters their facilities.
- o Recognizing the need to free the industry from unnecessary restriction, the Casino Control Commission recommends sweeping amendments to the Casino Control Act. But the State Legislature has not seen fit to act on these recommendations.

There is no new development, no dramatic expansion projects in Atlantic City today. The climate created by government precludes such positive activities. And without a more positive attitude exhibited by State Government towards business, the renewal of Atlantic City cannot proceed.

The solving of Atlantic City's many problems never was intended to be the sole responsibility of the hotel/casino industry. Rather, the industry was invited to come to New Jersey to act as a catalyst for Atlantic City's rebirth. This function can be served only if there is a healthy hotel/casino industry. And the industry can not be healthy until industry-government relationships improve.