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The Authorities Budget Office Issues Report on the Empire State Plaza Performing Arts Center Corporation

The Authorities Budget Office released its report on the operating practices and governance structure of the Empire State Plaza Performing Arts Center Corporation, commonly referred to as "the Egg".

The report concludes that reliance on a public authority to manage the Egg is no longer the optimal and most cost-efficient governance model. The Corporation's financial position is weak. Its board suffers from consistent absenteeism and prolonged delays in the filling of vacant director positions. Also, the Corporation's performance schedule cannot support its administrative and overhead costs, which are consuming an increasing share of the Corporation's budget. The ABO's report recommends that the Performing Arts Center Corporation be dissolved and that management control of the Egg be transferred to the Office of General Services (OGS).

OGS already provides custodial and maintenance services to the Egg and subsidizes its operations. In addition, OGS maintains five agency buildings, the state museum, a convention center, meeting rooms and other public spaces, and organizes and hosts more than 1,500 events annually at the Empire State Plaza. "OGS has a record of success promoting, marketing and running public events enjoyed by thousands of visitors each year", said David Kidera, Director of the Authorities Budget Office. "Why does the state need a public authority to manage the Egg and a separate agency to manage the rest of the Plaza? Consolidating this responsibility makes fiscal and management sense. In the long run, we believe this action will preserve the Egg as the cultural center for the arts in the Capital District and the state", added Mr. Kidera.

In early February, Governor Cuomo released the final report of the SAGE Commission, an effort undertaken at the Governor's direction to re-organize state government, to modernize its operations, and to make it more accountable and efficient. "The recommendation to dissolve the Performing Arts Center Corporation and its corporate governance structure is consistent with the goals advanced by the SAGE Commission. We hope Governor Cuomo and the Legislature act on this recommendation. It is the correct thing to do. It would be a clear signal that New York is serious about eliminating redundancy and improving coordination of services and functions", concluded Mr. Kidera.

A copy of the full report is available at <u>www.abo.ny.gov</u>.