

THE NATIONAL OPERA CENTER AMERICA

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**BOARD OF DIRECTORS FALL MEETING
OCTOBER 25-27, 2013
SOFITEL WASHINGTON DC LAFAYETTE SQUARE
806 15TH STREET NW
WASHINGTON, DC**

MEETING SCHEDULE

FRIDAY, OCTOBER 25 Optional Day at the NEA and on the Hill

- 12:00 P.M.** Legislative briefing from Independent Sector and others (includes lunch) at the Old Post Office, 1100 Pennsylvania Avenue, Rm 527
- 2:00 - 4:00 P.M.** Legislative meetings (scheduled by Brandon Gryde; we will take taxis)
- 7:00 P.M.** Dinner with special guests in the Concorde Room (2nd Floor) at the Sofitel Washington DC (pre-registration required)

SATURDAY, OCTOBER 26 All Committee Meetings take place in the Bastille Room (2nd Floor)

- 9:00 - 10:00 A.M.** Governance Committee meeting
- 10:00 - 11:00 A.M.** Membership Committee meeting
- 11:00 A.M. - 12:00 P.M.** Information and Learning Services Committee meeting
- 12:00 - 1:00 P.M.** Lunch on own
- 1:00 - 2:30 P.M.** Finance Committee meeting
- 2:30 - 3:30 P.M.** Artistic Services Committee meeting
- 5:00 P.M.** Transportation departs the Sofitel for the Kennedy Center
- 5:30 P.M.** Pre-performance reception at the Kennedy Center, hosted by Washington National Opera
- 7:00 P.M.** Performance of The Force of Destiny, Washington National Opera at the Kennedy Center (optional; advance ticket purchase required)
- 10:00 P.M.** Post-performance supper hosted by Washington National Opera Board members James Feldman and Jacqueline Badger Mars (Watergate Apartments, across the street from the Kennedy Center)
- 11:30 P.M.** Transportation returns to the hotel

SUNDAY, OCTOBER 27

- 8:30 A.M.** Breakfast will be served in the Montmartre Room (2nd Floor)
- 9:15 A.M. - 12:00 P.M.** Board of Directors Meeting (Paris Ballroom, Lobby Level)

A DAY ON CAPITOL HILL

Please note that due to the government shutdown, the meeting of the National Council on the Arts has been cancelled. The Day on Capitol Hill will proceed as planned.

- 11:45 A.M.** **Arrive at the National Endowment for the Arts**
ADDRESS: Old Post Office Building, 1100 Pennsylvania Avenue, N.W.
LOCATION: Room 527.
A staff member will be posted at the front of the building to provide additional directions. Once inside, you will sign in at a security desk. Photo identification may be requested, so please have it available.
- 12:00 - 12:30 P.M.** Meeting with Joan Shigekawa, Senior Deputy Chairman, and Patrice Walker Powell, Deputy Chairman for Programs and Partnerships.
- 12:30 - 1:00 P.M.** Legislative Briefing and Boxed Lunch

OPERA America's Government Affairs Director, Brandon Gryde, will be joined by Geoffrey Plague, VP of Public Policy of Independent Sector, for an up-to-date legislative briefing.

Independent Sector is the leadership network for nonprofits, foundations, and corporate giving programs committed to advancing the common good in America and around the world. Our nonpartisan coalition of approximately 600 organizations leads, strengthens, and mobilizes the non-profit and philanthropic community in order to fulfill our vision of a just and inclusive society and a healthy democracy of active citizens, effective institutions, and vibrant communities.
- 1:30 P.M.** Travel to Capitol Hill
- 2:00 - 4:00 P.M.** Constituent Meetings with Legislators

Staff will accompany OPERA America members to various meetings on both the House and Senate sides of Capitol Hill.

(Brandon Gryde will provide more specific briefing materials via email and in person in Washington.)
- 4:00 P.M. (APPROX.)** Return to the Sofitel by taxi when meetings are complete.

OPERA America is grateful for the additional staff support that will be provided by Heather Noonan, VP for Advocacy, and Najean Lee, Director of Government Affairs and Advocacy, of the League of American Orchestras.

ADDITIONAL INFORMATION

MEETING HOTEL Our Meeting hotel is the Sofitel Washington DC Lafayette Square (806 15th Street NW, 202-730-8800).

OPERA TICKETS If you purchased a ticket(s) for The Force of Destiny through OPERA America, they will be distributed by Larry Bomback at the pre-performance reception.

MEETING ATTIRE Dress for the Board meeting is business casual; dress for the NEA/Hill visit, Friday and Saturday evening dinners, the pre-performance reception and the Washington national Opera performance is business attire.

NEXT MEETING The Winter 2014 Board Meeting is scheduled for February 19-23, 2014 in New York City, in conjunction with meetings of the Strategy Committee, National Trustee Forum, Board of Overseers and the National Opera Trustee Recognition Awards.

OPERA AMERICA BOARD COMMITTEE ASSIGNMENTS

updated 10/2013

NAME	ARTISTIC SERVICES	FINANCE	GOVERNANCE	INFORMATION & LEARNING SERVICES	MEMBERSHIP
David Bennett VICE-CHAIRMAN		X	CHAIR		X
Daniel Biaggi		X	X		
J.A. Blanchard			X	X	
Gregory Carpenter				X	X
Keith Cerny					
Rena M. De Sisto	X				
David B. Devan		X		CHAIR	
James Feldman				X	
William Florescu	X	X			
Allen R. Freedman		X		X	
Anthony Freud			X		
Christopher Hahn	X		X		
Jake Heggie	X				
Carol F. Henry			X		X
Barbara Leirvik					X
Frayda Lindemann CHAIRMAN	EX OFFICIO	EX OFFICIO	EX OFFICIO	EX OFFICIO	EX OFFICIO
Charles MacKay			X		X
W.R. (Bob) McPhee	X	X			
Andreas Mitisek	X				
Susan Morris			X	X	
Esther Nelson		X		X	
Kevin Newbury	X				
Timothy O'Leary TREASURER		CHAIR		X	
Nicole Paiement	X				
Kenneth G. Pigott				X	X
Norman Ryan	X			X	
Marc A. Scorca PRESIDENT/CEO	EX OFFICIO	EX OFFICIO	EX OFFICIO	EX OFFICIO	EX OFFICIO
Gregory Swinehart	X	X			
Stephen Trampe VICE-CHAIRMAN		X			
Kathryn Smith				X	X
Frederica von Stade	X				X
Melia Tourangeau				X	X
Darren K. Woods VICE-CHAIRMAN	CHAIR			X	X
James Wright SECRETARY				X	CHAIR
Francesca Zambello					X

**MEETING OF THE BOARD OF DIRECTORS
SUNDAY, OCTOBER 27, 2013
9:30 A.M. – 12:30 P.M.
SOFITEL WASHINGTON DC LAFAYETTE SQUARE
WASHINGTON, DC**

AGENDA

1. Welcome and Introductions
2. Approval of the Minutes of May 8, 2013
3. Report of the Chairman
Report of the President
4. Finance Report
5. Priority Discussion Topics
6. Committee Reports
 - Artistic Services
 - Governance
 - Information and Learning Services
 - Membership
7. Other Reports
 - Development
 - Government Affairs
 - Marketing and Public Relations
8. Executive Session
9. Next Meetings
10. Other Business
11. Adjournment

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS WEDNESDAY, MAY 8, 2013

THE HYATT REGENCY VANCOUVER
VANCOUVER, BRITISH COLUMBIA

BOARD MEMBERS PRESENT

Frayda Lindemann (Chairman), David Bennett, Daniel Biaggi, Gus Blanchard, Keith Cerny, Bill Florescu, Anthony Freud, Christopher Hahn, Carol Henry, Barbara Leirvik, Jay Lesenger, Bob McPhee, Susan Morris, Kevin Newbury, Timothy O'Leary, James Wright

BOARD MEMBERS ABSENT

David B. Devan, Gregory Carpenter, Rena DeSisto, James Feldman, Allen Freedman, Jake Heggie, Charles MacKay, Esther Nelson, Ken Pigott, Norman Ryan, Steve Trampe, Frederica von Stade, Darren K. Woods, Francesca Zambello

STAFF PRESENT

Marc A. Scorca (President/CEO), Larry Bombback, Brandon Gryde, Jane Gullong

INVITED GUESTS

Patrick Corrigan, Audrey Jungers, Christina Loewen

I. WELCOME AND INTRODUCTIONS

Chairman Frayda Lindemann called the meeting to order, welcomed members and offered a special greeting to invited guests Audrey Jungers (Opera Europa), Patrick Corrigan (Pacific Opera Victoria and Opera.ca Board Chair) and Christina Loewen (Opera.ca). She thanked Jim Wright and the Vancouver Opera staff for their support of *Opera Conference 2013* and for the wonderful Board dinner the previous evening.

II. APPROVAL OF THE MINUTES OF FEBRUARY 23, 2013

Frayda asked if anyone had additions or corrections to the minutes. As there were none, she asked for a motion to approve the February 23 minutes as presented. The motion was made, seconded and unanimously approved.

III.

A. REPORT OF THE CHAIRMAN

Frayda compared the opera conference to a compressed "festival season," and noted OPERA America's weekend meetings and Forums held throughout the year are like opera company productions. She told the Board that approximately 400 attendees from all membership categories are in Vancouver, and asked that Board members reach out to any new or younger OPERA America members they may encounter during their time at the conference.

B. REPORT OF THE PRESIDENT

Marc thanked Frayda for her introduction, and explained that since OPERA America staff are running conference sessions, they will be in and out of the Board meeting for their Committee reports.

Marc told the group about the New York Symposium taking place concurrently with the conference. Thirty attendees were expected and a greeting from Vancouver was live streamed to New York at 7:15 a.m. that morning. Since many smaller opera companies in New York do not have resources to come to the conference, OPERA America wanted to use the new technology in the Opera Center to create time for them to get together with experts in the field. Presenters at the Symposium include: Wayne Brown of the NEA; Kathy Hughes from NYC Department of

Cultural Affairs; Kerry McCarthy from the New York Community Trust; and Richard Kessler, Dean of Mannes School of Music, among others. Richard Kessler's address will be live streamed to the exhibit hall in Vancouver, and all of today's general sessions will be live streamed to the Opera Center. Part of the New Works Forum will be live-streamed to New York as well, and Symposium participants will be able to participate in the interactive general session on MOOCs with Doug McLennan.

Attendance in Vancouver, including speakers, is over 480. Registration was lower than hoped due to the high cost of airfare to Vancouver and the fact that many companies are still in-season. Also, when the last Vancouver conference was held in 1999, one could travel between the U.S. and Canada with just a driver's license. Now, the perceived barrier of a passport is required. At recent conferences, a large numbers of small opera companies in the area helped bolster the registration figures. Vancouver does not have the same breadth of indie opera activity as Boston or Philadelphia. While registration revenue is under goal, expenses have been adjusted accordingly so the bottom line is neutral. Marc noted that with all of the smaller companies in the San Francisco Bay area and the conference taking place in June, attendance should be very strong.

IV. FINANCE REPORT

Tim O'Leary, Board treasurer, presented the report. He noted that Opera Center revenues and operating grants have the largest impact on the negative operating position indicated in the FY13 year-end projection. Opera Center utilization has definitely started to pick up in recent months as staff have decreased prices as a way to boost awareness, but total revenues, projected at \$245,000, are still under budget. Marc clarified that the original budget projection of \$325,000 contained 12 full months of operation, but the Center only will realize nine months in FY13. He also noted the Toulmin Foundation requested two funding proposals from OPERA America in FY13, each for \$100,000. One was to name a vocal studio in the Opera Center and one was for general operating support; Toulmin gave \$200,000 as predicted, but the entire amount was designated for the Opera Center and none to operations.

The FY13 budget was supported by a \$500,000 cash reserve grant from The Mellon Foundation. In this latest report, staff project no more than \$275K will be used in the first year. This is less than what was presented in a revised projection at the February Board meeting but still more than the originally budgeted \$241,000 goal. Remaining funds will be used to cover operating positions in FY14.

Tim turned to the FY14 budget and said that revenue projected for the Opera Center is still half what it would be if the Opera Center were utilized to the capacity goal's established in the original operating model (approximately 58%); it is anticipated that this level of utilization will not be reached until FY16. The Opera Center report in the Board Book shows the revenue budgeted for FY14 (\$415,000) and the rationale behind each decision.

The FY14 budget presented projects a balanced core operating budget, but a small deficit of \$15,000 in the Opera Center after utilizing the remaining Mellon Reserve funds. At the Finance Committee meeting, OPERA America staff asked to come back in June with a consolidated balanced budget for FY14. Staff will revise the FY14 budget as FY13 Annual Fund and Opera Center rentals receipts in May and June are realized since the outcome of these receipts will have an impact on the amount of the Mellon Reserve draw available in FY14. The Finance Committee agreed to meet again in June via teleconference to review and approve an updated FY14 budget.

Tim noted that the Opera Center Endowment is growing but it is not yet at the level that was originally hoped for, which creates a challenge in terms of taking substantial draws in FY14 and FY15. Tim asked Board members to refer to the summary in the report, as it explains differences between the original model and the assumptions under which the staff are now working. In order to manage this challenge OPERA America is creating a fundraising vehicle that will specifically support the Opera Center, the National Opera Center Board of Overseers, with contribution goals of \$60,000 in FY14 and \$100,000 in FY15.

Marc said he felt it was important to show the provisional budget with a \$15,000 deficit, as he wanted to present the most honest assessment of revenues and expenditures known at the time. He noted that room rentals are expected to pick up in May and June, which would allow for more of the Mellon reserve to be set aside for FY14, thus reducing the deficit.

Barbara Leirvik asked what drivers bring in the most revenue, aside from philanthropy. Marc explained that within OPERA America's core operations, after contributions — both individual and institutional — the biggest source of revenue is PCM dues. He told the group that expenses as an organization have continued to rise, while PCM dues have declined over the past several years. The 2008-2009 recession resulted in the loss of several mid-sized companies paying dues, and even though there is an increase in PCM membership among smaller companies, that revenue has not made up for the revenue lost when these larger companies ceased operations. In the Opera Center, the main source of revenue is room rentals. As noted in the Opera Center report, rentals for the largest rooms have exceeded first-year expectations; however, the smaller rooms have underperformed. In April, traffic picked up considerably when it was decided to make all the smaller rooms \$10/hour. He is not sure if this trend will continue through the summer.

Susan Morris asked about individual donations, and Marc told the group that a wave of Annual Fund letters went out just before the conference. Reminders, phone calls and e-mails will take place all the way to June 30. OPERA America is in a very good position relative to previous years, and several Board members have generously increased their annual gifts in FY13. It is hoped that others will do so as well.

Tim O'Leary commended the OPERA America staff on their vigilance in reviewing, promoting and pricing the Opera Center to drive utilization. In addition to the low-cost studios, Marc explained that fees will be instituted for unusual uses of the Opera Center, as well. For example, there was recently a marriage proposal in the Audition Recital Hall. While OPERA America is thrilled that someone used the Opera Center space for such a special occasion, the Opera Center staff spent many hours handling this customized event and there was no extra management fee charged. A list of "standard uses" versus "custom uses" of the Opera Center will be created; custom uses will be charged a separate management fee. There is some business also coming from the theater world, and staff are working to market directly to this field because the opera industry alone is not large enough to support the Center. Manhattan School of Music expressed interest in buying a block of rooms for its students, and prepaid cards will also be introduced so people who want to purchase studio time in bulk can do so. This also eliminates having to process a credit card payment each time a customer uses the space.

Anthony Freud said he feels this is appropriately proactive and reactive, and that since it may be some time before usage trends emerge, it is much too soon to be overly concerned.

Marc thanked Anthony, noting it is quite an adventure to have a new "business within the business" and to learn how to optimize it. Tim commented that The Mellon Foundation grant

supports the current fiscal year's and FY14's operations, but unless there is a dramatic increase in utilization, by FY15, OPERA America will need to be more successful in its endowment campaign. Marc agreed.

Before asking for a motion to approve the Finance Report, Frayda asked for clarification regarding the phone call in June. Tim explained that because the FY14 budget presented at the meeting shows core operations balanced and a small Opera Center deficit of \$15,000, the Finance Committee has asked the staff to re-work the forecast based on May and June receipts, and come back with a final balanced budget, which will be discussed and approved via teleconference in June. The required motion is to approve the presented FY14 budget as provisional, with the understanding it will be a balanced one by the end of June. Frayda thanked Tim for the clarification and asked for a motion to approve the provisional budget for FY14. The motion was made, seconded and received unanimous approval.

At Larry's request, Marc reminded Board members of the Conflict of Interest policy. Should board members enter into any enterprise or activity that presents a potential conflict, such conflict must be disclosed.

V. GOVERNANCE REPORT

David Bennett presented the report and explained that new candidates and officers would be presented for election/re-election at the Annual Business Meeting later in the week.

Six candidates have been approached about and have accepted membership in the National Opera Center Board of Overseers and referred members to the Board Book materials. The latest member, Brett Stover, is on the Cincinnati Opera Board and is a former Procter and Gamble executive who now does marketing consulting. David explained that this Board will also be a financial resource for the Opera Center, as members are required to make a minimum \$5,000 contribution. He noted OPERA America seeks 12 overseers by the end of FY14 and 20 by the end of FY15.

Following a brief discussion, Frayda requested separate voting motions for each of the following items:

- Approval of the proposed new Board members and current Board members and officers eligible for re-election, pending a vote by PCM representatives at the Annual Business Meeting;
- Approval of the six proposed Board of Overseers candidates as presented; and
- Approval of the amended bylaws to allow the waiver of one of the criteria for Professional Company Membership and the creation of the National Opera Center Board of Overseers.

All motions were made, seconded and unanimously approved.

Marc said he would welcome suggestions from Board members of viable candidates for the Board of Overseers, noting it is an opportunity for people to become involved in the Opera Center without a large financial commitment or the fiduciary responsibility of being on the Board. The group will meet in New York twice a year and members will be invited to all Opera Center events throughout the year.

At the end of the Governance report, Marc thanked Jay Lesenger for his two terms of service on the Board and presented him with a congratulatory plaque.

VI. OPERA CENTER

Marc presented the Opera Center report, telling the group that operating the Opera Center has been a learning experience and the biggest surprise is how little of the work is automated. The original thought was that users would go online and reserve space, but many of the rehearsals and auditions require special services. Also, online reservations can only be made with more than 24 hours advance notice; reservations made less than 24 hours in advance have to be done by phone. Since so much of the vocal studio traffic is last-minute, the front desk staff has been much busier than anticipated.

Marc then gave an update on the outstanding construction issues discussed at the last Board meeting, noting these items go beyond a simple punch list:

- **HVAC SYSTEM** Issues with this system are the result of a flawed design by a subcontractor. In the winter, it was very hard to regulate temperatures in the Opera Center and significant condensation from machinery leaked down to the 6th floor. The system will not be adjusted until the end of the summer/early fall so it can be determined whether there are problems with the A/C that need to be addressed as well.
- **ACOUSTIC DOORS** The acoustic doors in the vocal studios are not as soundproof as they should be. The acoustician claims the doors were not built to specifications and says the manufacturer should provide new doors; the manufacturer claims the contractors did not install the doors properly. There have been several assessments and independent reports, with each group blaming the other. At the moment, contractors are adding some caulking to try to adjust sound isolation issues.
- **FIRE ALARM SYSTEM** Ironically, the NYC fire department believes the vocal studios are too soundproof for users to hear the fire alarm and need to have strobe lights installed inside. At first this looked to be very expensive, but an economical way has been discovered to surface-mount the necessary conduit and strobe lights.

In total, it is estimated there are \$100,000 worth of repair costs within these three items, but it is also believed that OPERA America will be splitting these costs with the architect, engineer and project managers. The specific numbers and percentages are still in dispute, but it will be noted in the audit at the end of the year that there are outstanding construction issues.

Susan Morris suggested it might be helpful to bring in forensic engineers. They were brought in to investigate a similar problem at The Santa Fe Opera and that helped determine who was responsible to bear the cost of corrections.

Jay Lesenger asked what changes had been made to the Rehearsal Hall, noting that when Chautauqua Opera used it earlier in the year, the room was too live. Marc explained that the number of the acoustic panels in the Opera Center has doubled since then. The response to the improved acoustic in the Rehearsal Hall has been very positive although staff is considering purchasing a pipe and drape system as well.

Jay said the space was wonderful to use. Singers love it and appreciate the welcoming common areas, and the Opera Center staff is sensational. Tim concurred, commenting that the Opera Center staff was very accommodating when Opera Theatre of Saint Louis was planning an event that required much customization.

VII. ARTISTIC SERVICES

In the absence of Darren Woods and Laura Lee Everett, Marc presented the report. He said the committee meeting via conference call was very productive and highlighted the New Works Forum in Vancouver, the success of the New Works Exploration Grants program, the upcoming

Repertoire Development *Opera Fund* granting program, the finalists of the 2013 Robert L.B. Tobin *Director-Designer Showcase*, the many public events taking place at the Opera Center on a regular basis (*Conversations, Making Connections, Salon Series*), and the Technical/Production and Singer Training Forums, both of which are holding meetings in Vancouver later this week.

Marc referred the group to the full report in the Board Book, and praised Laura Lee Everett and Lyndsay Werking for all of their hard work.

VIII. INFORMATION AND LEARNING SERVICES

Since David Devan was not feeling well, Marc presented the report, noting full descriptions of all departmental activities were in the Board Book. There was one issue the Board needed to discuss.

Through the Getty Foundation, OPERA America was able to award 13 audience development grants this year, totaling \$300,000. Even though there were a record number of applications (67) to choose from, the grant panelists were disappointed with the level of creativity and innovation; applications were interesting, but none were outstanding. During the Committee meeting the previous day, it was discussed that the maximum grant amounts of \$40,000 are not large enough to enable a company to truly implement a new idea, and the fact companies are restricted to one year grants when some of the projects would be two year programs, is yet another limitation. It was suggested in the Committee meeting that three \$100,000 grants be awarded, as opposed to many smaller amounts. This would not only make the application process more competitive, but also offers the potential to see submissions that are truly innovative. The Getty Foundation would need to approve any such restructuring, as the original proposal from OPERA America referenced a large number of smaller grants.

Frayda asked if a grant to a company could be spread over two years; Marc responded that this would be possible. Bill Florescu commented that if a company was not sure of getting the full grant amount requested, they may not want to implement the first stage of a project. As a result, the chance of not getting full funding would inhibit creative thinking from the start.

Anthony Freud asked if the commitment would definitely be for three grants at \$100,000 each, or if the amounts awarded would be at the discretion of the granting panel. Marc said the awards could be made flexible; for example, grants up to \$100,000 with two at \$50,000 each and two at \$100,000.

IX. MEMBERSHIP

Membership Committee Chairman Jim Wright directed members to the appropriate section of the Board Book.

There was one application for Professional Company Membership (PCM): Opera Lancaster meets all the required criteria. The Committee recommends accepting the company for PCM membership. A motion to accept their application was made, seconded and received unanimous approval.

Larry presented brief updates about the New York Opera Alliance and new criteria for Associate and Business members. He also spoke about a diversity initiative to offer one-year complimentary membership to opera companies that primarily serve an audience of color, employ artists of color and/or perform works by composers/librettists of color, as mandated in their mission statement.

X. OTHER REPORTS

- **DEVELOPMENT** Director Jane Gullong presented a brief update on fundraising activities include the Annual Fund, Ambassador travel programs and the Board of Overseers.
- **OPERA.CA** Christina Loewen presented an update from Opera.ca. She expressed her delight in having everyone in Vancouver and working with OPERA America staff planning the conference. She highlighted the Co-Production Colloquium and Trustee Lunch that took place earlier in the week, and she invited board members to attend the *Canadian Opera Showcase* later that week. Finally, she encouraged members to visit Opera.ca's new website which has been optimized to be viewed on tablets and phones, in addition to desktops.
- **OPERA EUROPA** Audrey Jungers presented updates from Opera Europa including membership statistics, dates of upcoming conferences and forums, and the results of two economic impact studies. She noted that Opera Europa's new website will launch in September.
- **GOVERNMENT AFFAIRS** Brandon Gryde indicated that OPERA America, through the Performing Arts Alliance, continues to lobby on behalf of the field to preserve the charitable deduction at current levels. He congratulated Board members whose companies received Round 2 NEA grants and noted that automatic sequestration cuts did not seem to affect the amounts given, but did affect the total number of grants awarded. He urged Board members to attend the conference session demonstrating Maptitude software. Finally, Brandon will be reaching out to Board members in anticipation of the "Hill Day" that will be part of the October Board meeting in Washington, D.C. Marc gave a brief overview of the Board meeting schedule, and encouraged members to take advantage of the opportunity to meet with their representatives.

XI. OTHER BUSINESS

In response to an inquiry from Barbara Leirvik as to the status of the NEA Opera Honors, Marc explained the program was no longer part of the NEA budget and had been eliminated. With the opening of the Opera Center, OPERA America has not been in a position to look into private funding for the program, but if privately funded, it would not have the same cachet, since it would lack the NEA imprimatur. At the moment, unless the new NEA Chairman is an opera lover, there are no plans to revive the Opera Honors.

XII. EXECUTIVE SESSION/NEXT MEETINGS/ADJOURNMENT

Following a brief Executive Session, Marc announced the dates and locations of the next two Board meetings: October 25-27, 2013, in Washington, D.C.; and February 18-22, 2014, in New York City. The meeting was then adjourned.

FINANCE REPORT TO THE BOARD OF DIRECTORS OCTOBER 2013

I. FY13 WRAP-UP

OPERA America closed the 2013 fiscal year with a balanced operating budget, after using \$240,000 of The Mellon Foundation cash reserve. The use of the reserve was in line with the original board-approved budget, and considerably less than what had been projected at previous board meetings. This is mostly the result of positive receipts from Opera Center rentals and Annual Fund contributions in May and June. The FY13 Annual Fund was more than \$15,000 above the revised goal of \$400,000 and Opera Center revenue was 7% higher than the nine-month prorated goal. Actual Opera Center expenses were also lower, reflecting nine months of operations, rather than the originally budgeted 12 months.

Membership dues, government support and endowment income were in line with originally budgeted projections. Corporate support was up 16% over the original budgeted goal; foundation support was under by 18%. Conference revenue, as reported at the May board meeting, was less than anticipated, but expenses were adjusted accordingly. Other earned income was lower than budgeted as well. Due to a staff transition, a number of education programs were delayed in FY13 and respective expenses were reduced.

Projects that were delayed or were not implemented as planned also contributed heavily to the final operating position. These variances were noted throughout the fiscal year in previous board reports and revised forecasts were reviewed in detail at each meeting. The chart below shows a summary comparison between the original board-approved budget from spring 2012 and the actual FY13 figures.

		FY13 Board-Approved Budget	FY13 Actual
Core Operating Revenue	Membership	\$ 692,125	\$ 690,761
	Annual Support	\$ 375,000	\$ 417,348
	Corporations	\$ 77,500	\$ 90,000
	Foundations	\$ 1,209,500	\$ 989,000
	Government	\$ 244,000	\$ 248,950
	In-Kind Support	\$ -	\$ -
	Endowment Draw	\$ 257,500	\$ 257,500
	Conference Revenue	\$ 225,000	\$ 202,236
	Other Earned Income	\$ 225,402	\$ 203,407
		SUBTOTAL	\$ 3,306,027
Opera Center Operating Revenue	Rentals and Related Revenue	\$ 346,279	\$ 283,824
	OPERA America Rent Allocation	\$ -	\$ -
	Board of Overseers	\$ -	\$ -
	Opera Center Grants	\$ -	\$ -
	Endowment Draw	\$ -	\$ -
	SUBTOTAL	\$ 346,279	\$ 283,824
GRAND TOTAL REVENUE		\$ 3,652,306	\$ 3,383,026
Core Operating Expenses	Membership	\$ 18,400	\$ 18,902
	Media Relations	\$ 497,550	\$ 435,882
	Development	\$ 126,465	\$ 149,869
	Information Services	\$ 151,900	\$ 114,897
	Education	\$ 122,825	\$ 54,437
	Artistic	\$ 422,350	\$ 443,693
	Conference	\$ 160,050	\$ 110,884
	Finance and General Operations	\$ 114,000	\$ 106,320
	Salaries, Benefits, Overhead	\$ 1,691,135	\$ 1,717,992
	SUBTOTAL	\$ 3,304,675	\$ 3,152,877
Opera Center Operating Expenses	Personnel Expenses	\$ 272,000	\$ 201,902
	Piano Tunings and Client Services	\$ 45,000	\$ 39,405
	Equipment, Services and Misc. Expenses	\$ 21,000	\$ 25,679
	Occupancy Costs	\$ 152,214	\$ 120,695
	Other Overhead Costs	\$ 48,314	\$ 31,233
	Facilities Maintenance	\$ 50,000	\$ 30,304
	SUBTOTAL	\$ 588,528	\$ 449,214
GRAND TOTAL EXPENSES		\$ 3,893,203	\$ 3,602,001
	Use of Mellon Reserve*	\$ 240,897	\$ 240,000
	<i>*FY14 allocation of a \$500,000 operating reserve to be used during the first three years of operation of the National Opera Center</i>		
	SURPLUS/(DEFICIT)	\$ -	\$ 1,234
	TRANSFER TO FACILITIES RESERVE	\$ -	\$ 19,791

The audit committee will meet via conference call with EisnerAmper, OPERA America's auditor, on October 23 to review a draft of the audited financial statements and management letter. Both are included as an appendix to this report. Pending audit committee and finance committee recommendations, the Board will be asked to accept the audited financials as presented.

II. FY14 Projection

The FY14 first quarter projection shows a negative operating position of approximately \$40,000 after utilizing the remaining balance in The Mellon Foundation cash reserve (\$260,000).

CORE OPERATING: A number of revenue and expense items contribute to the revised core operating forecast:

- Membership dues are projected to be lower than budgeted because of the losses of New York City Opera and DuPage Opera Theater, and the election of Virginia Opera to go on hiatus. (-\$25,000)
- The major gift from the Virginia B. Toulmin Foundation to support a granting program for women composers did not contain as much administrative support as OPERA America has anticipated. OPERA America hoped to retain \$75,000 for general operations, but the grant only provided for \$30,000. (-\$45,000)
- OPERA America hopes to engage Andy Simons and Emphas!s Design to create a new website in FY13. Given that much of the architecture for a redesign can be built in-house, Andy's revised fees reflect his role as designer only, rather than designer and developer. (-\$25,000)
- Select staff received merit raises above the budgeted COLA at the beginning of FY14. (-\$24,000)
- OPERA America renegotiated its agreements with Electronic Media Consultants Michael Bronson and Joseph Kluger. (+\$10,000)
- The IRT department is delaying its purchasing of a cloud backup system. (+\$5,000)
- The development department increased FY13 projections for institutional support by over \$50,000, excluding the Toulmin grant noted above. A number of the newly identified grants in the revised projection are admittedly of low-to-medium probability. (+\$52,000)

OPERA CENTER: The Opera Center operating projection does not include any increase in Opera Center revenue above the original goal of \$415,000. In an effort to be as prudent as possible, staff is using a mathematical formula based on historical data to determine when it is certain that the original goal will be exceeded. At that point, the Opera Center projection will be revised. Pending current-month receipts, it is possible that the revenue forecast will be increased by an additional \$20,000 before the October Board Meeting.

Fiscal Year 2014
Board-Approved
Operating Budget

		FY14 BUDGET	FY14 FORECAST (OCT 2013)	FY14 Variance	FY14 Variance Notes
Core Operating Revenue	Membership	\$ 710,740	\$ 685,500	\$ (25,240)	OA does not anticipate receiving dues from New York City Opera or Virginia Opera in FY14.
	General Operating and Major Individuals Corporations	\$ 400,000	\$ 400,000	\$ -	
	Foundations	\$ 1,370,500	\$ 1,457,500	\$ 87,000	The development department's most recent forecast includes additional institutional support opportunities (foundation, corporate, government). Of the \$1.75M of institutional support forecasted, \$1.1M has been confirmed to date. Of the remaining forecast, the development department assigns a high probability to \$258,000 of outstanding funds; a medium probability to \$145,000; and a low probability to the remaining \$260,000.
	Government	\$ 153,500	\$ 153,875	\$ 375	
	In-Kind Support	\$ -	\$ -	\$ -	
	Endowment Draw	\$ 290,000	\$ 290,000	\$ -	
	Conference Revenue	\$ 260,000	\$ 260,000	\$ -	
	Other Earned Income	\$ 172,540	\$ 172,540	\$ -	
	Subtotal	\$ 3,459,780	\$ 3,536,915		
	Opera Center Operating Revenue	Rentals and related revenue	\$ 415,775	\$ 415,775	\$ -
OA rent allocation		\$ 150,000	\$ 150,000	\$ -	
Board of Overseers		\$ 60,000	\$ 60,000	\$ -	
Opera Center Grants		\$ 50,000	\$ 75,000	\$ 25,000	
Endowment draw		\$ 50,000	\$ 50,000	\$ -	
Subtotal	\$ 725,775	\$ 750,775			
GRAND TOTAL REVENUE		\$ 4,185,555	\$ 4,287,690		
Core Operating Expenses	Membership	\$ 33,000	\$ 33,000	\$ -	OA will engage graphic design firm, Emphas!s, to reenvision OA's new website in FY14. Emphas!s created OA's new logo, designed magazine and brochure templates for ongoing use, and oversaw the design and installation of donor and wayfinding signage throughout the Opera Center.
	Media Relations	\$ 469,630	\$ 459,630	\$ (10,000)	
	Development	\$ 155,045	\$ 159,045	\$ 4,000	
	Information Services	\$ 125,900	\$ 145,900	\$ 20,000	
	Education	\$ 55,500	\$ 55,500	\$ -	OA recently received a two-year \$330,000 grant from the Virginia B. Toulmin Foundation in support of grants for women composers. The grant includes approximately \$30,000 to OA for administrative support.
	Artistic	\$ 462,275	\$ 582,275	\$ 120,000	
	Conference	\$ 201,000	\$ 201,000	\$ -	
	Finance and General Operations	\$ 71,500	\$ 75,500	\$ 4,000	
SUBTOTAL INDIRECT EXPENSES (S/B/O)	\$ 1,885,000	\$ 1,904,100	\$ 19,100		
Subtotal	\$ 3,458,850	\$ 3,615,950			
Opera Center Operating Expenses	Personnel Expenses	\$ 310,000	\$ 310,000	\$ -	Select staff received merit raises above the budgeted COLA in FY14.
	Piano Tunings and Client Services	\$ 45,250	\$ 45,250	\$ -	
	Equipment, Supplies and Misc. Expenses	\$ 16,500	\$ 16,500	\$ -	
	Occupancy Costs	\$ 509,839	\$ 509,839	\$ -	
	Other Overhead Costs	\$ 35,550	\$ 39,203	\$ 3,653	
	Facilities Maintenance	\$ 50,000	\$ 50,000	\$ -	
Subtotal	\$ 967,139	\$ 970,792			
GRAND TOTAL EXPENSES		\$ 4,425,989	\$ 4,586,742		
Transfer to Facilities Maintenance Reserve		\$ -	\$ -		
Operating Position before Use of Mellon Reserve		\$ (240,434)	\$ (299,052)		
Use of Mellon Reserve*		\$ 250,000	\$ 260,000	\$ 10,000	Although in this first quarter projection, staff anticipate utilizing the entire balance of the cash reserve, and reporting a negative operating position at year-end, there has been no adjustment yet to the Opera Center revenue goal. As indicated in the Opera Center report, rentals to date indicate that the Opera Center is on track to exceed the \$415,000 goal by at least \$35,000.
<i>*FY14 allocation of a \$500,000 operating reserve to be used during the first three years of operation of the National Opera Center</i>					
Surplus/(Deficit)		\$ 9,566	\$ (39,052)		

OPERA America Balance Sheet

	7/1/2013	9/30/2013
Assets		
Cash & cash equivalents	\$ 3,178,426	\$ 2,734,853
Investments	\$ 6,499,370	\$ 7,000,013
Contributions receivable, net	\$ 2,117,034	\$ 2,201,134
Other receivables, net	\$ 264,309	\$ 152,621
Prepaid expenses & other current assets	\$ 58,313	\$ 60,088
Property & Equipment, net	\$ 5,435,836	\$ 5,435,836
Security Deposit	\$ 132,170	\$ 132,170
	\$ 17,685,458	\$ 17,716,716
 Liabilities & Net Assets		
Liabilities		
Accts payable & Accrued expenses	\$ 267,513	\$ 150,805
Construction related accrued expenses	\$ -	\$ -
grants payable	\$ 507,631	\$ 467,131
Deferred Revenue	\$ 36,093	\$ 125
Loans Payable	\$ 1,850,000	\$ 1,850,000
Deferred Rent	\$ 898,768	\$ 898,768
Total liabilities	\$ 3,560,005	\$ 3,366,829
 Net assets		
Unrestricted:		
Core operating	\$ 234,048	\$ 234,048
National Opera Center	\$ 19,791	\$ 19,791
Total unrestricted net assets	\$ 253,839	\$ 253,839
 Temporarily restricted:		
Projects	\$ 3,394,907	\$ 3,394,907
National Opera Center	\$ 4,837,675	\$ 4,837,675
Total temporarily restricted net assets	\$ 8,232,582	\$ 8,232,582
 Permanently restricted:		
Opera Fund	\$ 5,389,032	\$ 5,389,032
National Opera Center	\$ 250,000	\$ 250,000
Total permanently restricted net assets	\$ 5,639,032	\$ 5,639,032
 Change in Net Assets		 \$ 224,435
 Total Net Assets	 \$ 14,125,453	 \$ 14,349,888
 Total Liabilities & Net Assets	 \$ 17,685,458	 \$ 17,716,716

III. FY15 AND FY16 OUTLOOK

CORE OPERATING: OPERA America's core operating budget still presents significant challenges in FY15 and FY16 as the company determines what the optimal staff size is relative to the range of services that can be provided. The large drop in foundation revenue from FY15 to FY16 is the result of the end of the three-year Getty Audience Development award, which included \$170,000 of general operating support. The large deficit forecasted for FY16 would be erased entirely if OPERA America were to renew the Getty grant.

The funding level of the National Endowment for the Arts is still unknown. There is no Chairman presently, and it is unlikely that a new one will be nominated before the election of a new president in 2016. In addition, there is a proposal in the House to cut the NEA's budget by nearly 50%. While OPERA America hopes that service organizations will continue to receive support to serve their respective fields, OPERA America nonetheless flags government support, which has been steady for many years, as an area of future uncertainty.

The FY15 projected operating deficit is significant but manageable. The recently received Toulmin Foundation grant (\$300,000 over two years in support of women composers), added an additional \$45,000 of unbudgeted expenses to the FY15 projection. Staff is exploring all options to eliminate the operating deficit in FY15 before presenting a preliminary budget at the February Board Meeting.

OPERA AMERICA CORE OPERATING OUTLOOK

	Fiscal Year 2015	Fiscal Year 2016
Membership Dues	\$ 690,500	\$ 695,500
Annual Support	\$ 425,000	\$ 450,000
Corporations and Foundations	\$ 1,510,000	\$ 1,047,500*
Government Support	\$ 130,000	\$ 130,000**
Endowment Draw	\$ 290,000	\$ 300,000
Conference Revenue	\$ 260,000	\$ 260,000
Other Earned Income	\$ 175,000	\$ 180,000
TOTAL REVENUES	\$ 3,480,500	\$ 3,063,000
Membership	\$ 33,000	\$ 18,000
Media Relations	\$ 125,000	\$ 125,000
Getty Audience Development	\$ 332,850	\$ -
Development	\$ 155,000	\$ 155,000
Information, Research and Technology	\$ 126,000	\$ 126,000
Education	\$ 55,500	\$ 55,500
Artistic	\$ 600,000	\$ 485,000
Conference	\$ 147,000	\$ 150,000
General Operations	\$ 70,000	\$ 70,000
Salaries/Benefits/Overhead	\$ 1,985,000	\$ 2,000,000
TOTAL EXPENSES	\$ 3,629,350	\$ 3,184,500
SURPLUS/(DEFICIT)	\$ (148,850)	\$ (121,500)

OPERA CENTER: OPERA America has set a goal of \$600,000 in Opera Center revenue in FY15 and \$700,000 in FY16. While these goals are ambitious, given the early success of the Opera Center, staff is confident that these numbers are achievable through dynamic pricing and an effort to engage more corporate meetings business.

OPERA CENTER OPERATING OUTLOOK

	Fiscal Year 2015	Fiscal Year 2016
Rentals and Services	\$ 600,000	\$ 700,000
Rent Allocation	\$ 200,000	\$ 200,000
Board of Overseers	\$ 100,000	\$ 100,000
Grants	\$ 100,000	\$ 100,000
Endowment Draw*	\$ 100,000	\$ 150,000
TOTAL REVENUES	\$ 1,100,000	\$ 1,250,000
Personnel Expenses	\$ 322,500	\$ 335,000
Piano Tuning and Client Services	\$ 45,000	\$ 45,000
Occupancy Expenses**	\$ 700,000	\$ 710,000
Other Expenses	\$ 50,000	\$ 50,000
Facilities Maintenance	\$ 50,000	\$ 55,000
TOTAL EXPENSES	\$ 1,167,500	\$ 1,195,000
SURPLUS/(DEFICIT)	\$ (67,500)	\$ 55,000

MELLON DRAW TBD \$ -

* Assuming no new gifts, OPERA America's endowment value will be approximately \$2,000,000 by the end of FY15.

** The first full years' worth of rent expense occurs in FY15.

The Opera Center operating model has always relied on a combination of rental revenues, a rent allocation from OPERA America's core operating budget and philanthropy. Originally, this philanthropy was in the form of a long-term operating endowment, but as noted at previous board meetings, given the pace of commitments and receipts to the endowment campaign, Opera Center contributed revenue has come in the form of new annual gifts (both individual and institutional) specifically designated toward Opera Center operations. Once the endowment reaches its long-term goal of \$6M, the surplus funds generated as a result of this endowment draw (in conjunction with annual support and rental revenue), may be used to support Opera Center operations or core operating programs, as determined by the Board of Directors.

IV. INVESTMENT MANAGEMENT

THE OPERA FUND ENDOWMENT: As of October 15, 2013, the value of *The Opera Fund* endowment at Wells Fargo is as follows:

Cash	\$ 455,193.81
Fixed Income	\$ 2,436,006.66
Equities	\$ 3,411,671.23
Real Assets	\$ 500,012.33
TOTAL	\$ 6,802,884.03

An additional \$250,019 resides in a CD at Bank of America and secures a \$500,000 working capital line of credit.

OPERA CENTER ENDOWMENT: As reported at the May Board Meeting, OPERA America will open its Opera Center operating endowment at Bank of America/Merrill Lynch upon receiving Board Approval at the October Meeting. While endowment management fees at Merrill Lynch are costlier than at Wells Fargo, there are several reasons why staff believes opening the endowment there is in the best interests of the organization:

1. Bank of America is OPERA America's largest corporate supporter and a potential major contributor to the Opera Center campaign. Providing Merrill Lynch with additional OPERA America assets under management is a sign of good faith that OPERA America wants to be a long-term partner.
2. The Investment Committee has not been particularly pleased by the performance of *The Opera Fund* endowment at Wells Fargo. Since inception at Wells Fargo in 2008, *The Opera Fund* has trailed or, at best, tracked both the market benchmarks and the Wells Fargo-designed benchmarks. By having an endowment at Merrill Lynch, the investment committee will have another benchmarking against which to compare *The Opera Fund* performance.
3. By having both operating funds and endowment funds at Bank of America/Merrill Lynch, OPERA America will receive the most favorable financing terms available.
4. Most major opera companies divide their investments among a number of different institutions for both risk management and philanthropic strategy purposes.

Given the starting value of the Opera Center endowment (\$1.5M at inception), management recommends a passive investment approach based on an analysis of Merrill Lynch's fees; bank fees and active management premiums at Merrill Lynch do not drop significantly until assets under management exceed \$10M. *The Opera Fund* will continue to be actively managed, so the result here is that the investment committee will have another point of comparison between the active and passive management approaches at the different institutions.

NEW NAMED FUND: The Patricia Scimeca Fund for Emerging Singers, a permanent endowment, was established over the summer in memory of the late soprano and member of the Board of Overseers. Interest, dividends and capital gains will be used to offset expenses associated with artistic programs for young artists, including Feedback Auditions and Recording Days. To date, the value of the Scimeca Fund is \$45,493. Monies are co-mingled with *The Opera Fund* assets and are managed according to *The Opera Fund's* Investment Policy Statement.

The Patricia Scimeca Fund for Emerging Singers was established after Patricia's husband, Dr. Michael Scimeca, approached Marc A. Scorca about an opportunity to memorialize his wife in perpetuity; Patricia had been suffering for many months as she battled the late stages of terminal cancer. Instead of making a donation in her memory to the general Opera Center campaign, the Scimecas wanted to provide direct long-term support to those stakeholders in the opera world who meant the most to Patricia. OPERA America hopes that other donors will consider creating similar named funds in the future.

V. FINANCE AND ADMINISTRATION FORUM

The Finance and Administration Forum will convene in New York on Monday, November 18, 2013. So far, representatives from the following companies have confirmed their participation: Santa Fe, Chicago, San Francisco, Fort Worth, Minnesota, Glimmerglass, Dallas, the Met and Seattle. Topics will include financial and managerial accounting for capital campaigns, meaningful KPIs, endowment policies, monetization strategies for long-term receivables, payroll systems and budgeting best practices.

VI. HUMAN RESOURCES

INTERNS: The OPERA America offices are bustling with interns assisting with a variety of different projects, including artistic programs, information services, library cataloguing, educational activities and conference planning. Interns come from arts administration programs in New York City and elsewhere. Internships are unpaid, although OPERA America does provide transportation reimbursement, complimentary membership and college credit.

HEALTH INSURANCE EXCHANGE: The OPERA America Exchange will be live before the end of October. The Exchange is accessible to members in all 50 states, although members in states with an official state Exchange will be redirected to the state Exchange upon checkout. In November, Robert Dooley of Arts Insurance Program, the third-party that created the exchange, will hold a webinar for individual and organizational members of OPERA America on how to navigate the Exchange.

In New York, the Affordable Care Act has increased significantly the number of plans available to employees. In past years, two or three providers offered plans to OPERA America. Now, there are over 10 providers offering a range of options at many different price points. OPERA America will provide a defined health insurance contribution to employees each year that they can use to purchase the plan that best fits their needs. Any remaining funds would be placed in a Health Reimbursement Account (HRA) that can be used for qualified medical expenses. The HRA balance is rolled over from year to year for as long as the employee remains with the company.

Submitted by:
Larry Bomback, Director of Finance and Operations
Susan Schultz, Controller
Adrianna Martinelli, Administrative Coordinator

THRIFT SHOP

For over 30 years, New York City Opera has operated a Thrift Shop on 23rd Street and 3rd Avenue that provides significant net income for general operations.

As reported in *The Wall Street Journal*, OPERA America was approached by City Opera to see if there was interest in continuing the Thrift Shop operation after the opera company dissolved. Staff have been meeting with finance committee members on a regular basis and the most recent memo sent to Board officers is included as an appendix to this report. The memo includes background on the Thrift Shop, financial analysis and answers to the many excellent questions raised by committee members.

Due to a deadline set by City Opera, staff initially thought that the officers would need to make a decision on whether to take over the Thrift Shop by September 30 and held a conference call to that effect. However, shortly before the conference call, City Opera filed for Chapter 11, which was not the company's originally stated intention, and this delayed the need for an immediate vote. Because City Opera filed for bankruptcy, OPERA America would not be permitted to take over the shop until the court approved the transaction. On that call, the Board officers authorized staff to continue studying the opportunity and positioning OPERA America to be ready for the transaction if it is finally determined to be an appropriate step for the organization.

Since the conference call, OPERA America's pro bono attorneys have drawn up a terms sheet and are negotiating a transfer of the Thrift Shop lease from City Opera to OPERA America. The transfer agreement indicates that OPERA America is only required to take over the Thrift Shop if a) OPERA America receives an executable copy of the lease that conforms to OPERA America's sole satisfaction; and b) the transfer is approved by the bankruptcy court with no opportunity for any creditor appeals after the closing date.

Larry Bomback attended the first bankruptcy hearing on October 10. City Opera's attorney made an allusion to the Thrift Shop but did not name OPERA America as suitor. It was indicated that a petition to transfer the Thrift Shop would be brought up at a future hearing. The next hearing is scheduled for October 24, but it is not clear at this time whether the Thrift Shop agreement will be included on the docket. Attorneys representing AGMA, AFM, and City Center Music and Dance raised objections to other motions regarding severance pay and ticket refunds presented at the October 10 hearing, delaying those motions to October 24; creditor committee objections to those motions are due to the judge on October 18.

City Opera has imposed another deadline of October 31 to transfer the Thrift Shop; it is unclear whether there is flexibility in this deadline. Thrift Shop employees have been instructed by City Opera management to stop donation pickups, but there are no immediate plans to terminate the Thrift Shop employees, according to City Opera. Larry will be attending the October 24 hearing and more information will be provided at the Board Meeting.

MEMO

TO Officers and Finance Committee Members

FROM Marc A. Scorca, President/CEO
Larry Bomback, Director of Finance and Operations

DATE September 26, 2013

RE CONFIDENTIAL: Possible Take-over of City Opera Thrift Shop

BACKGROUND

On September 8, 2013, New York City Opera announced that it has launched a “major \$20 million fundraising appeal to fund current and future seasons.” The official press release noted that the company “needs \$7 million by [the] end of September to mount [the] full current season [and an] additional \$13 million by end of year for future seasons.”

On September 18, Andrea Nellis, managing director of New York City Opera, contacted Larry Bomback to discuss the possibility of transferring ownership of the City Opera Thrift Shop from New York City Opera to OPERA America. She was not optimistic about meeting the fundraising goal. According to Andrea, it is not City Opera’s intention to file for formal bankruptcy, but they do not intend to cease operations either. They plan to go through a dissolution of a not-for-profit corporation, which would include the proposed transfer of the Thrift Shop, through the New York State Attorney General, and settle any outstanding liabilities through his office.

The City Opera Thrift Shop is located on 23rd Street and 3rd Avenue, in the Gramercy section of Midtown East. There are Goodwill, Salvation Army and Housing Works stores all on the same block. The City Opera Thrift Shop differentiates itself as a higher-end store catering to those in the market for “vintage and couture clothing, contemporary men’s and women’s fashions, furniture, artwork, antiques, home accessories, books and music.” The City Opera Thrift Shop generates approximately \$200,000 per year of net income. Proceeds from the shop support the creation and design of costumes and productions, as well as general operating needs.

Andrea’s goal is to transfer the Thrift Shop, at no cost, to a new beneficiary by September 30. She has offered it to OPERA America and the Mint Theater (on 43rd Street) currently. The Thrift Shop will be sold to whichever organization agrees to the sale first. She has deliberately positioned the two organizations against one another in order to increase pressure to close the deal before the end of September. Larry spoke with the Mint Theater’s Finance Director on September 25 and learned that the Mint Theater’s Board has approved the transaction, contingent upon OPERA America first rejecting the offer.

On September 26, Andrea informed Larry that the City Opera Board of Directors and the New York State Attorney General have officially approved the transfer of the Thrift Shop to OPERA America, pending OPERA America’s formal acceptance of it.

There is an opportunity for OPERA America to take control of an enterprise that has generated significant earned income over many years. No financial transaction is free of risk, and over the past week, staff have consulted with members of the Finance Committee to identify such areas of concern in order to equip the Officers of the OPERA America Board with the information necessary to make a prudent decision within the short time frame proposed. Ultimately, Board officers and staff will need to determine if the frictional costs of this transaction outweigh the synergistic benefits.

GREATEST RISK FACTORS

I. LEASE OBLIGATION

The Thrift Shop has been in the same location for 30 years. The original lease on the space — which includes ground floor retail, a second floor mezzanine with office space and additional retail, and basement storage — was drafted in 1983. It has been renewed several times since then. The latest term is for one year.

The current lease, which runs only through March 2014, is below market and is an important contributing factor to the Thrift Shop's significant operating margin. Denham Wolf Real Estate, the brokerage and consulting firm that oversaw the Opera Center lease negotiation, negotiated the store's current lease and will oversee the transfer of the lease to a new tenant. If OPERA America assumes ownership of the lease, it will be responsible for the outstanding lease payments, real estate taxes and utilities, which total approximately \$120,000. While the store will likely earn revenues in excess of that amount, past performance is no guarantee of future return. OPERA America is somewhat protected by the fact that if the project is not providing material benefit to OPERA America, OPERA America can simply opt to not renew the lease and disband the Thrift Shop entirely.

During initial discussions with Denham Wolf, the landlord has suggested a very reasonable rate increase of \$1,500 per month (\$18,000 per year), if OPERA America were to sign a five-year extension upon transfer; in addition, there would be no real estate tax pass-throughs in the first year of the lease. At the recommendation of the Finance Committee, OPERA America would try to negotiate a one-year extension of the lease with an option to renew for five years.

II. THRIFT SHOP EMPLOYEE LIABILITIES

As proposed, New York City Opera would terminate employment of the Thrift Shop employees and they would be hired as new employees of OPERA America, operating under OPERA America's personnel policies. The Thrift Shop would be considered a new department of OPERA America, not a separate entity, and would report to Larry Bombback, director of finance and operations

If the Thrift Shop employees are terminated by City Opera, the severance pay due is approximately \$13,000, and the accrued vacation liability is at most \$20,000.

City Opera's attorneys have advised Andrea that by having the new employer (OPERA America) guarantee reasonably similar employment upon termination (i.e. same starting salaries and accrued vacation), City Opera would not be liable for any severance pay. Presumably, the Thrift Shop employees would sign a letter of understanding with City Opera and OPERA America acknowledging this arrangement.

III. OPERATING EXPENSES

Based on financial statements and reports presented to OPERA America, the Thrift Shop generated net income of \$212,000 on over \$1,000,000 of total sales in FY13 (year ending June 30). The FY14 budget anticipated \$180,000 of net income, and the Thrift Shop is on track to exceed that goal, reporting its highest gross sales figure to date since 2005. Total annual sales have been steadily increasing since 2005 and the business has generated consistent cash flow to New York City Opera for many years.

The Thrift Shop's largest expenses are payroll, lease obligations and trucking. There are four full-time staff, eight part-time staff and several volunteers. Monthly payroll is approximately \$30,000 (Note: This figure includes 100% of the salaries and fringe for the Thrift Shop

employees; there are no salary allocations to other City Opera programs). Monthly rent and real estate taxes are approximately \$20,000. Trucks used to pick up donated goods average around \$13,000 each month.

There will undoubtedly be some costs and retrofitting expenses associated with the transfer of the property should OPERA America assume ownership. The type and value of these expenses is unknown at this time.

FREQUENTLY ASKED QUESTIONS

1. WHAT ARE THE TAX IMPLICATIONS TO A NONPROFIT CORPORATION OPERATING A THRIFT SHOP?

The Thrift Shop is not a for-profit subsidiary. The Thrift Shop is treated like any other program on New York City Opera's financial statements and proceeds are not subject to Unrelated Business Income Tax (UBIT). The IRS specifically excludes thrift shops from UBIT liability:

"Selling Donated Merchandise: Any trade or business is excluded that consists of selling merchandise, substantially all of which the organization received as gifts or contributions. Many thrift shop operations of exempt organizations would meet this exception."

The IRS's Thrift Shop rules do not prevent OPERA America from selling magazines, mugs, CDs and other OPERA America merchandise at the store, or from advertising OPERA America's programs and services.

While the Thrift Shop is exempt from income tax, it does pay all applicable NYS sales taxes quarterly. Many of the goods in the store are clothing articles under \$110 and thus fall under the threshold for NYS sales tax.

2. WHO DONATES TO THE CITY OPERA THRIFT SHOP?

There is very little overlap between the City Opera Thrift Shop donors and City Opera donors. In fact, there are many more donors to the Thrift Shop than to City Opera, and most new donors find out about the Thrift Shop online. The manager says he does not need to market the availability of the Thrift Shop's services as they have a steady stream of existing and new donors. The marketing costs that appear in the accompanying financial statements are to promote events (opera lectures, recitals, costume sales and preview days) that occasionally take place at the store throughout the year.

It should be noted that sales at the Thrift Shop have increased during years of significantly reduced activity at New York City Opera. OPERA America has the added value of the New York Opera Alliance from which additional visibility for the Opera Thrift shop may grow.

3. HOW ARE DONATIONS TO THE THRIFT SHOP PROCESSED AND ACCOUNTED FOR?

When an individual donates goods to a thrift shop, the value of the tax deduction is a matter between the donor and the IRS only. The donor assigns a value to the goods that s/he brings into the Thrift Shop on a form that is provided by the Thrift Shop, but the Thrift Shop does not recognize the value that the donor assigned to the transaction. Once the Thrift Shop sells the item, it is recorded in the Thrift Shop's database at the sale price, not the donor's perceived value of the goods. At the end of the year, the company makes a lump sum in-kind entry equal to the sum of those gross sales (this is the \$1M in-kind revenue entry that appears at year-end in the FY13 P&L). City Opera nets out sales tax, which accounts for the difference in the in-kind revenue and expense entries.

4. WHO MANAGES THE THRIFT SHOP?

The City Opera Thrift Shop is managed by Eric Hagmueller, a veteran of the store, and he is given a great deal of autonomy. The marketing department and development departments have minimal interaction with the Thrift Shop, occasionally designing flyers and assisting with a small annual fundraiser. Eric handles all cash deposits for the Thrift Shop and credit card transactions are processed on site. He reports to the company's Managing Director who oversees the reconciliation of his sales reports with the company's accounting records.

The manager is an opera fan, having started his career 20 years ago in the marketing department at City Center Music and Dance before taking over the State Theater's gift shop operation and then eventually the Thrift Shop. He has worked with OPERA America Development Director Jane Gullong and Board Treasurer Tim O'Leary when they were employed by City Opera.

The manager very much wants to see the store continue operating and sees great potential and synergy in the relationship with OPERA America. He wants to keep his job.

5. ARE THERE OTHER LOYALTIES TO NEW YORK CITY OPERA?

Eric does not believe customers are attached to the City Opera imprimatur and the staff actually refer to the store as the "Opera Thrift Shop" not the "City Opera Thrift Shop." There is minimal City Opera presence in the store aside from the sales tags which state that the proceeds benefit New York City Opera. In conversations with customers, staff say that the proceeds benefit "the arts" or "the opera." Eric did say there is strong allegiance to the location of the Thrift Shop itself, which has been in the same storefront for 30 years.

With regards to the volunteer corps, Eric said: "We have about a dozen volunteers working at the thrift shop and I feel fairly confident they would continue. They like working there."

6. WHAT IS THE CASH FLOW PATTERN OF THE THRIFT SHOP AND HOW DOES THIS RELATE TO OPERA AMERICA'S OTHER CASH FLOWS?

All transactions are done through cash or credit cards; there are no customers "on account." According to financial documents received by City Opera and discussions with Thrift Shop management, the Thrift Shop's strongest cash-positive months are September-October, December-January and May-June. The spikes in revenue during these months correspond to special events where the Thrift Shop solicits high-end merchandise that draws many customers into the store, and generates large total sales. (Last year, for example: Anna Wintour, editor of *Vogue* magazine, donated several of her old fur coats to a City Opera Thrift Shop fall preview event.) There is a holiday sale as well, and a "Divas" event in the spring. These events are very much tied to the fashion industry calendar, so the Thrift Shop can receive high-profit, in-demand merchandise.

OPERA America's core operating cash flow is strongest in November-December when the vast majority of membership dues arrive and in May-June with the combined income of conference registrations and year-end Annual Fund contributions. Less predictable are the arrivals of large institutional grants. The Opera Center's most significant cash-positive months are November-December as well, because of increase capacity utilization due to audition season and corresponding dynamic pricing strategies.

Summer months (July-August) across all three operations, not surprisingly, tend to be cash negative, but OPERA America's cash position at the end of June is sufficiently strong to cover cash flow through this two-month period.

7. WHY DOES CITY OPERA WANT TO DISPOSE OF A PROFITABLE DEPARTMENT?

According to Andrea, City Opera is planning to dissolve the corporation and she does not want to deal with the additional costs of paying severance; breaking the lease; and disposing of merchandise, fixtures and equipment. The Thrift Shop cannot operate without a beneficiary of the proceeds and Andrea would like to see these employees keep their jobs.

8. WHAT ARE THE PROPOSED TERMS OF THE TRANSFER?

City Opera has proposed the following terms of transfer:

- OPERA America assumes all lease obligations including balance of rent and other ancillary costs, including real estate taxes, water, electricity and sprinkler charges.
- OPERA America reimburses New York City Opera for security deposit of \$9,000.
- OPERA America hires all New York City Opera Thrift Shop employees (four FT and eight PT) at their current salary and retains the full-time staff for no less than six months at their current salary.
- OPERA America assumes accrued vacation liabilities for full-time employees.
- OPERA America ensures that all proceeds from the Thrift Shop will be used to support opera.
- OPERA America accepts the transfer of all donated goods, furniture, fixtures, machinery and equipment currently in the possession of the City Opera Thrift Shop.
- OPERA America changes the name of the City Opera Thrift Shop to a name that does not imply an association with New York City Opera, such as "Opera Thrift Shop."
- OPERA America releases New York City Opera from all claims related to or arising out of the property and/or the operation of the Thrift Shop (including employment and tax-related claims) from the date of the transfer.

OPERA America's reciprocal conditions include:

- Landlord provides an executable copy of the proposed one-year lease extension, with option to renew for five years.
- Landlord agrees to apply New York City Opera's existing security deposit to OPERA America's security deposit obligation to be specified in the terms of the new lease.
- Thrift Shop employees sign a letter of understanding absolving OPERA America of any severance pay claim against City Opera, and agree to begin work for OPERA America at their current Thrift Shop salaries.
- Aside from the accrued vacation carryovers, Thrift Shop employees will be considered new hires of OPERA America and will receive the same benefits as any other new OPERA America employee.

9. ARE THERE TRACEABLE ASSETS TO THE THRIFT SHOP OPERATION?

The Thrift Shop in and of itself is not an asset. It is a department of City Opera. City Opera does not own the Thrift Shop building and City Opera's auditors do not require the company to inventory the merchandise of the shop. However, there are traceable assets to the Thrift Shop operation. Two years ago when City Opera moved out of the State Theater, in an effort to write down valueless inventory from the gift shop (distinct from the Thrift Shop), City Opera, at the recommendation of its auditors, exchanged gift shop inventory with an equal amount of Thrift Shop inventory so as not to negatively impact net assets. This accounting decision left an inventory account balance of approximately \$170,000 tied to the Thrift Shop operation. The New York City Opera audited financial statements also include a \$9,000 security deposit on the space. None of the store's fixed assets appear on the company's balance sheet, as they have either been expensed as incurred or fully depreciated and written off.

10. IS THE NET PROFIT WORTH IT, GIVEN THE INCREASED FINANCIAL AND HUMAN RESOURCES COMPLEXITY DESCRIBED EARLIER?

In an environment where foundation and corporate support continues to present a significant challenge, net income in the range of \$150,000 to \$200,000 could provide important support for core programs and services and/or designated programs, subject to review by the Board of Directors.

For reference, last year's Annual Fund achieved \$415,000; dues from member companies are \$575,000; conference income is \$200,000. Income from the Thrift Shop, if consistent with past performance, could be a major source of support for OPERA America's work.

11. IF THIS WERE A CORPORATE ENTITY THERE WOULD BE A HIGH RISK THAT TRANSACTIONS MADE SHORTLY BEFORE A BANKRUPTCY COULD BE SET ASIDE BY CREDITORS. WHAT IS THE RISK POTENTIAL FOR A VOIDED TRANSACTION OR SOMETHING SIMILAR?

Larry consulted with Roger Cohen, an attorney at Proskauer who specializes in nonprofit affairs, on this very matter.

In Proskauer's estimation, New York City Opera has sufficient assets to satisfy their liabilities, according to financial statements provided to OPERA America. As such, a bankruptcy is unlikely and the attorney believes that City Opera will dissolve through the Attorney General's office, consistent with what Andrea had stated to Larry previously. The attorney said that after the Attorney General approves the dissolution of a nonprofit, the dissolution goes to a special court to get a final sign off. In the words of the attorney, having the Attorney General approval is a "very good sign" that the court will also approve the transaction. With both of those approvals in hand, OPERA America would have "very limited risk" and could operate under "very good confidence" that the matter is settled, according to Roger.

City Opera borrowed money from its endowment during the height of the recession and received Attorney General approval at that time in order to do so. Our attorney has requested and has been provided with a copy of this court order to determine if there issues raised in that original court order that might affect this particular transaction. His review is currently underway.

12. HOW IS OPERATING A THRIFT SHOP CONSISTENT WITH OPERA AMERICA'S CORE MISSION?

Acquiring the Thrift Shop would add to the already increasing complexity of OPERA America, which would be taking on a new challenge just as it is reaching stride in the Opera Center. The employee population has grown from 20 to 30 since the Opera Center opened, and the addition of the Thrift Shop staff to the company payrolls would bring the full-time and part-time total to over 40. In addition, a number of volunteers assist Eric's team at the Thrift Shop.

At face value, operating a retail business seems unrelated to OPERA America's core mission; however, what is consistent with OPERA America's mission is the mandate to serve as a laboratory for best practices that can benefit the field at large. Indeed, the Thrift Shop would diversify OPERA America's current revenue mix and could serve as a successful model of alternative revenue for many opera companies facing painful declines in ticket sales. Such subsidiary enterprises are common in other parts of the nonprofit sector.

OPERA CENTER REPORT TO THE BOARD OF DIRECTORS OCTOBER 2013

I. OPERATIONS

In the first year of operation, the range of activities at the National Opera Center has varied from workshops of new works and staging rehearsals, to auditions, meetings, voice lessons, and audio and video recordings. The Opera Center has also seen unexpected uses such as weddings, church services and even dental demonstrations. The response from those that have used the space has been overwhelmingly positive from individual and organizational users alike. Opera Center users appreciate having a purpose-built facility that is clean, inviting and affordable for their myriad needs.

At the end of FY13, more than \$280,000 in rental and services revenue was achieved in a little more than nine months of operations. Expenses for the first year were on target and totaled approximately \$450,000. The shortfall in operations was covered by a portion of the spendable Mellon cash reserve.

ADVERTISING AND PROMOTION

In preparation for the opening of the National Opera Center, a number of open house events were held to introduce various New York communities to the Opera Center. These included events for artist managers, pianists, vocal coaches and conservatory faculty. In addition, the Opera Center has been promoted in both print and online to the opera community, as well as to the musical theater world, audio engineers and voice teachers.

PRICING

In an effort to increase capacity utilization in the studios, the Opera Center lowered studio prices on all studios to only \$10 per hour regardless of membership status, effective March 1, 2013. Between March and April 2013, the capacity utilization for the studios jumped from 10% to 24%, and in the following month occupancy increased again to 41%. Studio use has continued to build over the summer.

On May 1, prices were adjusted: rooms with baby grand pianos were raised to \$15 per hour with no diminishment in traffic. This fall, during peak audition season, prices were raised in the studios, although three rooms remain available at \$10 per hour. In addition, during audition season, singers are permitted to rent studios in half-hour increments in order to warm up before singing. It is likely that the \$10/\$15 per hour pricing structure will resume in January when demand is expected to decrease.

Over the course of the summer, frequent user cards were introduced. Visitors can now purchase \$100 worth of studio hours for \$90. The savings cards offer a significant reduction in the number of credit card transactions that have to be processed by front desk personnel.

Experimentation has paved the way for a more dynamic pricing structure that will allow staff to adjust the pricing of the spaces in response to the demand of a particular season. As data continues to be collected, the possibility of adjusting pricing during specific times of the day or days of the week will allow us to realize maximum financial benefit.

At the National Opera Center Board of Overseers meeting in September, one member noted that OPERA America has committed a great deal of energy to promoting the use of the smaller

studios. It was explained that the 10 studios are projected to generate the majority of earned income for the facility. Still, the utilization rate for larger spaces is lagging behind projections. Suggestions were made for increasing the availability of the larger rooms for corporate events. This may require the service of a commission-based meeting planner who can handle the special and labor-intensive requirements associated with such events.

FY14 CAPACITY UTILIZATION, AS DETERMINED BY MAXIMUM REVENUE
(July-September)

- Studios = 55%
- Board Room = 6%
- Learning Center = 32%
- Rehearsal Hall = 16%
- Audition Recital Hall = 37%
- Weighted Average = 35%

IMPACT ON MEMBERSHIP ACQUISITION

While the flattening of studio prices has helped the Opera Center revenue goals, it has inhibited the acquisition of new members. It is agreed that potential Opera Center revenue exceeds the potential loss of membership revenue. At the same time, staff continues to examine ways in which the Opera Center can provide maximum benefit to OPERA America members. For example, members may book space further in advance and receive the highest discounts on the larger spaces than non-members, and larger spaces are available to members at the largest discount.

TOTAL OPERA CENTER VISITORS SINCE INCEPTION

Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	TOTAL
900	906	1,473	1,894	1,491	1,919	1,921	2,399	3,674	3,054	3,651	3,062	3,851	30,195

STAFFING

As demand for spaces at the Opera Center increases, the staff and systems required to respond to that demand has also increased. Each client at the Opera Center requires more customization than was originally expected. In addition, because studios are often booked at the last minute, the ability to predict staff needs on a particular day is difficult. The combination of these items, as well as the increased traffic to the Opera Center, has led to a more robust staffing model. The Opera Center is now staffed with an Opera Center Director, Technical Manager, Booking Coordinator, Technical Coordinator and five part-time Customer Service Associates.

FY14 BUDGET

As of October 15, \$194,036 (or 47%), of the Opera Center’s projected income target for FY14 has been achieved, inclusive of reservations through June 2014. Since future reservations are subject to changes and cancellations, they are not booked as formal receivables. Staff are optimistic that the revenue goal of \$415,000 will be achieved and have increased the year-end goal by an additional \$20,000.

II. CONSTRUCTION UPDATE

The HVAC system continues to present the most significant operational challenges. The system has major design flaws which prevent it from operating effectively, regardless of the season. The team has met to discuss both long and short term solutions. A separate HVAC system that isolates the 8th floor IT server room from units servicing other areas in the Opera Center will be

installed before the end of the calendar year. Over the summer, a plan was proposed to address the remaining units sometime in the spring, although this plan has not been formerly approved by the construction team and is still subject to modifications. Change orders for this additional work total \$116,000. While OPERA America is prepared to outlay the cash for this construction to ensure that it happens within a timely manner, it intends to recoup these monies through legal channels.

OPERA America has engaged its pro bono firm Proskauer in anticipation of filing a suit against the architect (Andrew Berman) and, by extension, the engineer that originally designed the system (AltieriSeborWieber). Andrew Berman has been made aware verbally that OPERA America intends to sue him and that he should alert his errors and omissions insurance carrier of the upcoming suit. A formal letter from OPERA America's attorney, incorporating information gleaned from meeting minutes and interviews with the general contractor and HVAC subcontractor, will be sent to Andrew Berman shortly.

The performance of the acoustically rated doors is not meeting expectations and this remains an outstanding issue. Alcon, the general contractor, has performed corrective work on the doors relating to the identified caulking and sealing concerns. As expected, the doors continue to perform below the required specifications. The construction team continues to work towards resolution of this issue but the door manufacturer (Overly), who is ultimately responsible for replacing the faulty product, is uncooperative because they have already received most of their payment from the general contractor and see little benefit in assisting at this late stage. OPERA America still retains about \$50,000 on Alcon's contract, which will help in terms of negotiating a solution with them directly, including the purchasing and installation of a competitor product. OPERA America is also applying to the Hyde and Watson Foundation for support of new acoustic doors in the Rehearsal Hall. Although the acoustic doors have not created a significant disruption to operations, draperies have been purchased for use in the Rehearsal Hall during the audition season to assist with muffling the sound bleed in this most sensitive area.

The issues raised by the FDNY during inspections this year have been addressed and resolved. The cost of the repairs added an additional \$20,000 to the Opera Center construction budget. Required FDNY inspections since the construction has taken place total \$2,000 (inclusive of a final upcoming inspection). These costs have been covered by the \$50,000 facilities maintenance reserve in the FY14 Opera Center operating budget.

III. OPERA CENTER BOARD OF OVERSEERS

The Opera Center Board of Overseers met for the first time on Friday, September 27 as a part of the Founder's Weekend. This meeting yielded valuable advice and ideas for maximizing the potential of the Opera Center. The next meeting will coincide with the February Board Meeting.

Submitted by:
Stephanie Helms, National Opera Center Director

**SUMMARY OF THE INAUGURAL MEETING OF THE
NATIONAL OPERA CENTER BOARD OF OVERSEERS
FRIDAY, SEPTEMBER 27, 2013, 10:00AM TO 2:00PM, INCLUDING LUNCH**

IN ATTENDANCE

John Baumgardner, Emilie Corey, Henry Cox, Jane Gross, Stephen Prystowsky, Frederick W. Peters, Brett Stover, Robert Tancer.

STAFF

Marc A. Scorca, Larry Bombback, Laura Lee Everett, Stephanie Helms, Patricia Kiernan Johnson, Amanda Parker, Leah Wilson.

Members gathered in the Charles MacKay Learning Center for the inaugural meeting of the National Opera Center Board of Overseers on Friday, September 27, 2013. The meeting was facilitated by OPERA America President/CEO, Marc A. Scorca.

I. INTRODUCTIONS

Members explained their relationship to opera and to OPERA America, following which Marc reviewed the agenda and the purpose of the National Opera Center Board of Overseers. He explained that members will provide advice, connections and financial support for the Opera Center to ensure that its potential is fully realized for the benefit of those who use the facility, as well as for OPERA America.

II. PROGRAMS AND PARTICIPATION

Marc and Laura Lee Everett guided members through a report of the programs that have been delivered, some of which were piloted in OPERA America's former office space. A distinction was drawn between the programs that serve a professional audience versus those that serve the general public. A number of programs have the potential to serve both a professional audience and the general public, including *Conversations*, *Creators in Concert* and the *Emerging Artists Recital Series*. Noteworthy was the failure of the cinema events, demonstrating that OPERA America does not yet have a profile among the general opera audience.

Marc emphasized key questions for consideration: How does OPERA America communicate the broader appeal of its programs? Should OPERA America seek to develop a greater public profile? If so, what kinds of programs can be delivered that do not duplicate what is already available and that can serve as a laboratory and/or service for member companies?

There was valuable conversation about OPERA America's position as the "epicenter" of the industry, offering visitors an "insider's view" about opera and the field. It was suggested that OPERA America might advertise in performance programs of New York organizations that offer similar programs.

Programs that reveal the developmental process (reference was made to the Guggenheim's *Works and Process* series) would be of interest to a specific audience. Similarly, programs that provide access/insight to the careers of important artists or musicological understanding of repertoire could be of interest.

Several overseers suggested that OPERA America can bring great value to opera company trustees. Steve Prystowski explained that he brings major donors/Board members of North Carolina Opera to the Opera Center whenever he is in town. It was suggested that OPERA America should consider developing/providing member companies with a turnkey New York travel package that includes hotels, restaurants, museum visits and programs at the Opera

Center. These packages could be accessed by patron groups or opera company Boards. OPERA America could offer informative sessions about the field at the Opera Center.

Jane Gross suggested that an annual Board Member Summit could help strengthen opera company Boards and introduce more trustees to OPERA America and the National Opera Center. Marc explained that the National Trustee Forum already serves this purpose, although there is still room for growth.

III. OPERATIONS

Stephanie Helms and Larry Bombback reported on the occupancy levels of various parts of the Opera Center over the first year of operation, explaining how the reduction in price for the vocal studios on April 1 created an explosion in the rate of utilization and word-of-mouth promotion of the facility. We are on track to reach the target set for FY2014. Overseers commended the simpler price structure. The original scenario that priced each room differently depending on its size and with discounts for members was confusing.

Discussion followed about the fact that OPERA America has lost a membership recruitment tool with the introduction of “flat” prices for the vocal studios. It was agreed, however, that the increased business in the Opera Center was far more valuable than the small number of members who enrolled in order to benefit from discounted prices.

Chautauqua Opera has purchased individual memberships for each of its young artists. Would young artist programs purchase/promote frequent user cards to the Opera Center for young artists coming to New York during the audition season?

Discussion followed about the relative use of the larger versus smaller rooms and the times of day when rooms are/are not used. Stephanie reported that the larger rooms are not used as much as they could be and that mornings at the Opera Center are relatively quiet. We have the flexibility to adjust prices for each day of the week and any time of day in order to promote business in under-utilized rooms during slow times.

There was lively discussion and general agreement among members that the Opera Center is well-suited to host morning (or day-long) corporate events. Many companies have breakfast meetings and look for interesting venues in which to hold them. In addition to building business for the Opera Center, such meetings could increase general awareness of OPERA America. While we have accommodated some corporate events, Stephanie explained that opening the Opera Center at 7:00 a.m. would require personnel to arrive at 6:00 a.m. and/or to work later into the prior night. The Opera Center is already open 12 hours each day and extending hours will put additional pressure on the staff. Along the same lines, corporate events require a higher level of service than rehearsals, including such things as food and coffee service, AV equipment, etc. It was suggested that corporate users would be prepared to pay a significantly higher price that could cover additional staff or supplemental payment to current staff on an as-needed basis.

IV. CAMPAIGN FOR THE OPERA CENTER

Marc updated members on the state of the Campaign for the Opera Center; \$3.5 million must be raised to achieve the goal of \$14.5 million. He explained that the value of the remaining naming opportunities is more than twice the outstanding balance of the campaign.

It was suggested that campaign materials be prepared that describe the Ovation Hall panels in particular. One member asked it if would be possible to ask every opera company in the

membership to dedicate a panel so the names of all companies appear in the facility.

V. ASPIRATIONS FOR THE OPERA CENTER

Marc noted that questions about appealing to a broad public and communications strategies that would explain OPERA America's new and deeper service to the field had already been discussed in the previous reports. Brett Stover offered to help brainstorm with the OPERA America staff. Jane Gross commented about how OPERA America's equal commitment to the creation, production and enjoyment of opera can be clarified.

VI. NEXT MEETING

The next meeting of the National Opera Center Board of Overseers will take place on Friday, February 21, 2014 in association with OPERA America's National Trustee Weekend. In response to Marc's inquiry, members agreed that a longer meeting would be appropriate.

VII. OTHER BUSINESS

There was no other business.

KEY OPERA CENTER USERS DURING THE INAUGURAL YEAR

American Lyric Theater	Hawaii Performing Arts	Opera Noire
American Opera Projects	Houston Grand Opera Studio	Opera Omnia
Anti-Social Music Collective	Independent Filmmakers Project	Opera on Tap
The Atlanta Opera	Ingenuie Theatre	Opera Orchestra of New York
Austin Lyric Opera	Internationale Meistersinger Akademie	Opera Philadelphia
Bespoke Theatricals	Joy in Singing	Opera Singers Initiative
Beth Morrison Projects	Leora Chamber Orchestra	Opera Slavica
Boston Lyric Opera	Light Opera of New York	Opera Theater of Pittsburgh
Will Bryan	Loft Opera	Opera Theatre of Saint Louis
Canadian Opera Company	Lyrical Opera of Chicago	Operalia USA
Carnegie Hall	Catherine Malfitano	Opus 3 Artists
Castleton Festival	Manhattan Concert Productions	Pacific Opera Victoria
Chamber Music America	Manhattan Opera Studio	Palm Beach Opera
Chautauqua Opera	Metropolitan International Music Festival	PORTopera
Chorus America	Metropolitan Opera	Portland Opera
Classic Lyric Arts	Minnesota Opera	Random Access Theater
Colorado Opera	Morningside Opera	Rhymes with Opera
Co-OPERative Program (Westminster Choir College/Rider University)	Music Academy of the West	San Francisco Opera
The Dallas Opera	Music-Theatre Group	The Santa Fe Opera
Dunch Arts, LLC	National Chorale	Sarasota Opera
Edmonton Opera	Neue Stimmen International Singing Competition	SUNY Potsdam
Empire Opera	New York City Opera	Theater Kiel
Ensemble Force	New York Festival of Song	Utah Opera
Florentine Opera Company	New York Opera Alliance	Utopia Unlimited Opera Company
Florida Grand Opera	North Carolina Opera	Virginia Opera
Fort Worth Opera	Opera Breve	Voice Experience
Geneva Opera	Opera Memphis	Voices of Gotham
Ruth Golden	operamission	VOX Festival
Gotham Chamber Opera		Washington National Opera
Guy Barzilay Artists		Weiner Staatsoper
		Wolf Trap Opera

THE NATIONAL OPERA CENTER: COMPLETING THE CAMPAIGN

The National Opera Center has exceeded our expectations for a new facility's first year of operation. Income is on target with FY2014 projections, new programs and services have been warmly received by our members, and OPERA America's reputation and visibility have increased tremendously. Visionary and very generous early support enabled OPERA America to open the Opera Center before the completion of the fundraising campaign. We are now poised to launch the final phase of the campaign with a year of demonstrated success and momentum upon which to build.

This memo, sent in advance of the fall Board Book, provides a focused overview of the campaign's current status and will serve as a framework for discussion at the upcoming Board of Directors Meeting in Washington, D.C. Many members of the Board have significant experience with capital and endowment campaigns. With the Board's full participation, we are certain to achieve our goal within the established timeline.

CAMPAIGN GOAL

\$14.5 MILLION

- Last year, the Board increased the goal for the campaign from \$14 million to \$14.5 million in order to accommodate additional construction expenses, development consultant expenses and the costs associated with the Opening Weekend and Songbook project.

CAMPAIGN TIMELINE

DECEMBER 2015

- The challenge grant from The Mellon Foundation must be complete by December of 2015. Staff have adopted the December 2015 deadline for the entire campaign, although multi-year pledges can be realized after that deadline.

CAMPAIGN TOTAL (CURRENT)

\$10.7 MILLION

Note: The current campaign total has been reduced by \$500,000 from \$11.2 million. The grant from The Andrew W. Mellon Foundation in the amount of \$2 million, included in full in previous reports, had a \$500,000 component that was "spendable" for operations over the first years in the Opera Center. By 2015, this will have been spent and, thus, should not be included in the campaign total.

RELOCATION GIFTS:	\$1,800,000
TOTAL CASH GIFTS:	\$4,996,145
THE MELLON ENDOWMENT MATCH RECEIVED:	\$500,000
TOTAL CASH:	\$7,296,145
TOTAL PLEDGES OUTSTANDING:	\$1,996,740
REMAINING MELLON ENDOWMENT MATCH:	\$1,000,000
TOTAL PLEDGES:	\$2,996,740
TOTAL IN-KIND:	\$470,000 (New York Department of Cultural Affairs)
OUTSTANDING CAMPAIGN GOAL	\$3.8 million

STRATEGIES AND NEXT STEPS

LEVERAGE AVAILABLE NAMING OPPORTUNITIES FOR NEW CONTRIBUTIONS.

- Available naming opportunities total \$11.5 million.
- The naming of the entire National Opera Center, which would be acknowledged in conjunction with the Opera Center logo and all signage and communications associated with the National Opera Center, is available for \$5 million.
- Other naming opportunities range from the Audition Recital Hall (\$2.5 million) to the Opera Center Staircase Overlook (\$15,000). Please see the attached list.
- Panels lining the Ovation Hall in the Opera Center are also available; the aggregate value of the panels that have been installed is approximately \$250,000.
- All contributions can be paid over three to five years.
 - Action: Create new support materials that can be used within the OPERA America family.

ENGAGE ALL BOARD MEMBERS IN THE CAMPAIGN

- Among current 35 Board members, 17 have made commitments to the campaign.
- Among current Board members, six have helped to identify, cultivate and/or solicit contributions for the Opera Center.
 - Action: Every Board member will be contacted individually to discuss their commitments to the campaign and to learn about potential donors.

CULTIVATE PROSPECTIVE DONORS

- National Opera Center Board of Overseers
 - Nine members have joined this new, non-fiduciary leadership group, only one of whom has made a major commitment to the Opera Center. A number of them have the capacity to make significant gifts. Additional potential members will be suggested for review the Governance Committee. The charter for the Board of Overseers permits up to 25 members.
 - Action: Build the Board of Overseers.
 - Action: Engage Overseers in as much of the life of the Opera Center as possible.
- Other Prospective Donors
 - Staff have continued to develop a list of potential donors to the Opera Center. Cultivation events are planned throughout the fall and will continue until the Opera Center campaign is complete.
 - Action: Leverage programs in the Opera Center as cultivation events.
 - Action: Continue individual cultivation.
 - Work with artists and established spheres of influence
 - Example: During a tour of the Opera Center in the fall, Sarah Billingham's assistant was struck by the idea of dedicating a space in Sarah's honor. With support from the OPERA America staff, she mounted an e-mail campaign to hundreds of artists who were asked to make contributions of between \$25 and \$200. After several rounds of e-mails, more than \$26,000 was raised to dedicate the Sarah Billingham Listening Cove.
 - Example: The Julius Rudel Archive, John Conklin Artistic Services Office and Jim Ireland Technical/Production Office, among others, have been named by bundling contributions from friends and family of the individuals being honored.
 - It has been suggested that some noted artists may be willing to give

occasional recitals to help raise money for mini-campaigns within the overall effort.

- Action: Identify other artists who would be willing to contribute their services to honor specific artists in the Opera Center, i.e., Robert Ward.

ESTABLISH INTERIM GOALS

- \$12.5 million in cash and pledges by June 30, 2014
- \$13.5 million in cash and pledges by December 31, 2014
- \$14.5 million in cash and pledges by June 30, 2015
- Campaign closes by December 31, 2015

ARTISTIC SERVICES REPORT TO THE BOARD OF DIRECTORS OCTOBER 2013

I. GRANT ADMINISTRATION

NEW PROGRAM | ENCOURAGING FEMALE COMPOSERS IN OPERA: OPERA America has received a two-year grant from the Virginia B. Toulmin Foundation to increase the quantity and quality of new operas composed by women. OPERA America will provide support for the development of such works through both direct support to individual composers and to OPERA America's professional member companies.

During the first year of grant-making, Discovery Grants will identify and encourage female composers working or interested in working in the opera field, and will turn an industry-wide spotlight on their compositions. OPERA America will invite proposals for \$10,000 Discovery Grants from individual composers. Up to 10 Discovery Grants will enable composers and librettists to develop a new work or to take a work already in development to the next level. Funds may be applied to the expenses associated with workshops, readings and/or recordings of works. In addition, excerpts of some of the most promising works selected will be featured in the *New Works Sampler* at OPERA America's annual conferences in 2014 and 2015, and the 2015 New Works Forum in New York. Projects and artists will also be profiled in OPERA America's quarterly magazine.

In year two, OPERA America will request proposals from Professional Company Members for grants of up to \$50,000 to help cover the expense of commissioning operas by female composers. Awarding Discovery and Commissioning grants in separate years will make it possible for opera companies to consider commissioning the composers that were awarded Discovery Grants in year one.

THE OPERA FUND: REPERTOIRE DEVELOPMENT: OPERA America is offering a round of Repertoire Development grants in FY2014 to PCMs and their partners to support the special costs incurred by developing and producing new North American opera and music-theater. PCMs may apply as a sole applicant, requesting up to \$35,000 in support, or as part of a consortium for up to \$65,000. The Intent to Apply deadline was August 21, 2013, and the application deadline was October 9, 2013. OPERA America has budgeted up to \$225,000 for the panel to award to compelling projects. The panel will meet at the Opera Center from November 20-21 to select grant recipients.

Letters of intent received: 40

Final applications received: 35 (FY2013 Opera Fund applications received: 32)

Total amount request: \$1,221,065

NEW WORKS EXPLORATION GRANTS: These grants provide travel support to representatives of PCMs to attend a performance or workshop of a new American work and meet with the artists and administrators who are responsible for the piece's creation. There is no limit to the number of these grants a company may receive during FY2014; however, the total amount granted to a single company cannot exceed \$2,000. In FY2013 grants totaling \$27,700 were awarded to 23 companies. To date in FY2014, \$10,505 has been awarded to nine companies.

II. 2013-2014 SEASON OF EVENTS AT THE NATIONAL OPERA CENTER

CREATORS IN CONCERT (formerly known as Salon Series): To better reflect the format and intent of the events, *Salon Series* has been renamed *Creators in Concert*. Each event features a

short concert in the Audition Recital Hall, followed by discussion with the featured artist and a Q&A with the audience. (Free for members; \$20 for non-members.)

A live stream on the OPERA America website is available exclusively to members and the archived video is available later to the general public on OPERA America's YouTube channel.

- **OPERA America Songbook Concert:** October 30, 2013
The final presentation of the Songbook collection features songs by Michael Ching, Conrad Cummings, Don Davis, Daron Hagen, David Lang, Lowell Liebermann, Paul Moravec, Paola Prestini and Michael Torke. Performers include Keith Jameson, Anne-Carolyn Bird, Jennifer Aylmer, Matt Burns, Thomas Bagwell, Craig Ketter and Timothy Long.
- **With Mark Adamo:** November 12, 2013
Highlighting the broad spectrum of Mark Adamo's vocal compositions, OPERA America will present selections from The Gospel of Mary Magdalene and Lysistrata, along with the song cycle Aristotle. Mezzo-soprano Leah Wool, tenor William Ferguson and baritone Philip Cutlip are joined by a string quartet from Juilliard.
- **With Paola Prestini:** April 8, 2014
Program and performer information will be included in the February Board Book.
- **With Ricky Ian Gordon,** presented in collaboration with Cincinnati Opera: May 7, 2014
Program and performer information will be included in the February Board Book.

EMERGING ARTIST RECITAL SERIES: Generously supported by a grant from the New York Community Trust, these recitals reflect the joint efforts of OPERA America and its members to identify and nurture the careers of the most promising young artists. Each recital hosts emerging singers and pianists at the National Opera Center's Audition Recital Hall. The concerts are live streamed to managers and arts administrators around the world, introducing these artists to a broad community of producers and other casting professionals who can help advance their careers. (\$20 general admission for members and non-members.)

- **2012 Music Academy of the West, Marilyn Horne Song Competition Winners:**
September 25, 2013
Tracy Cox, soprano, with Maureen Zoltek, pianist
Attendance: 64
Live Stream: 61
Revenue: \$440
- **Chautauqua Opera Young Artist Recital Winner:** October 22, 2013
Cree Carrico, soprano, with Jamison Livsey, pianist
- **2013 Music Academy of the West, Marilyn Horne Song Competition Winners:**
March 16, 2014
John Brancy, baritone with Mario Antonio Marra, pianist

CONVERSATIONS: OPERA America's *Conversations* feature one-on-one discussions with some of the field's most influential artists, conducted by President/CEO Marc Scorca, and followed by a Q&A with the audience. (Free for members and non-members.)

- **In Conversation with Susan Graham:** November 19, 2013
- **In Conversation with Lawrence Brownlee:** March 18, 2014

MAKING CONNECTIONS: OPERA America's series of professional development seminars and networking events offers the opportunity to hear from industry leaders and other experts regarding current trends and issues facing all opera artists. Following the discussion, attendees are able to network with fellow artists at an informal reception. (Free for members; \$20 for non-members.)

- **“But What I Really Want to Do is Direct”:** Training Opera’s New Stage Directors: September 10, 2013
Attendance: 46
Live Stream: 6
Total YouTube Views: 101
Revenue: \$0
- **Tech Talk: Building Your Professional Internet Presence:** October 15, 2013
Attendance: 33
Live Stream: 22
Total YouTube Views: 25
Revenue: \$100
- **Don’t Quit Your Day Job (Yet): How to Pay the Bills Offstage:** February 25, 2014
- **Superfans: Opera’s Devoted Online Community:** Tuesday, April 29, 2014

Making Connections on Location

- *Making Connections on Location* at Seagle Music Colony with Opera Saratoga: June 18-20
- *Making Connections on Location* at Chautauqua Opera: Jul 3-7

FEEDBACK AUDITIONS: For the second year, OPERA America offers singers an opportunity to perform a 20-minute audition and receive constructive written feedback from a panel of industry professionals, including stage directors, coaches, management representatives and artistic directors. (\$75 for members; \$100 for non-members.) For the fall dates, 16 singers have participated or signed up to audition.

- Monday, September 16, 2013
- Wednesday, October 9, 2013
- Tuesday, November 5, 2013
- Monday, February 10, 2014
- Wednesday, March 19, 2014
- Tuesday, April 22, 2014

RECORDING DAYS: Subsidized in part by a grant from the New York Community Trust, OPERA America offers artists the chance to create high-quality audio recordings at an affordable price. Working with professional sound engineers, each registrant is allotted one hour in the acoustically excellent Audition Recital Hall, at a fraction of the cost of a competitor studio. (\$125 for members; \$175 for non-members.) A total of 41 individuals have participated in these sessions; 21 are members and 20 are non-members.

- Thursday, August 15, 2013
- Thursday, August 29, 2013
- Wednesday, September 18, 2013
- Tuesday, September 24, 2013
- Friday, October 11, 2013
- Thursday, October 17, 2013

III. FOUNDERS WEEKEND

To celebrate the organization’s first year in the National Opera Center, OPERA America presented a special concert titled “Songs of Celebration — An Anniversary Toast” on Friday, September 27 in the Audition Recital Hall. Soprano Inna Dukach, mezzo-soprano Jennifer Rivera, tenor Miles Mykkanen and baritone Markus Beam performed to a standing room only crowd that included many first-time Opera Center visitors.

On Sunday, September 29, OPERA America hosted Neighborhood Opera Day, a full day of free events for the public. Designed to celebrate the vibrant artistic creativity of Chelsea and to engage surrounding communities, the schedule of events included *Pulling Your Punches*, a stage combat demonstration and class; *Aria Jukebox*, a presentation of operatic voice types with audience selected arias for performance; *“I’ll Take the Dreaded Opera Category for \$200, Alex,”*

pub-style trivia with opera references (prizes were provided by local vendors); and *Who are the People in Your Neighborhood?*, featuring performance excerpts by and discussion with Chelsea Opera artists.

IV. DESIGN EXHIBITION GALLERIES

A new exhibition celebrating Verdi's four most popular operas, *La traviata*, *Aida*, *Rigoletto* and *Falstaff*, is currently on display in the 7th Floor Gallery of the National Opera Center. Original design sketches, production photographs and costumes are on display thanks to generous loans from Los Angeles Opera, The Glimmerglass Festival, Zack Brown, Martha Halley and Erhard Rom. The exhibition was curated by David O. Roberts, costume designer, and will be up through February 2014.

The 8th Floor Gallery features one of the four design projects by the most recent finalists of the Robert L.B. Tobin *Director-Designer Showcase* program. These exhibits will rotate every six months to highlight all four finalists.

V. FORUMS

TECHNICAL/PRODUCTION FORUM: The fall meeting of the Technical/Production Forum will take place at Washington National Opera on Thursday, October 24 and Friday, October 25, 2013. Discussion topics will include projection systems, the pros and cons of videoconferencing, the opera track at the 2013 USITT conference and planning for the 2014 OPERA America conference in San Francisco. In addition, there will be a presentation by Brandon Gryde on white space updates and a demonstration of SCRIBE technology by Richard Kagey.

Attendance for fall 2013 Forum: 12 registered (attendance for the fall 2012 Forum: 8)
Four attendees are first-time participants in the Forum

SINGER TRAINING FORUM: The next Singer Training Forum meeting will take place from January 11-12, 2014, at the National Opera Center, in conjunction with the conjoined National Opera Association (NOA)/National Association of Teachers of Singing (NATS) convention in New York City.

NEW WORKS FORUM: The New Works Forum will take place from January 12-15, 2014, at the National Opera Center. Building on the success of the past two years, the New Works Forum nurtures more informed producers and creators while strengthening relationships among them.

On the agenda will be facilitated discussion and case studies, as well as showcases of works-in-progress and recent premieres in the National Opera Center's Audition Recital Hall, including:

- *Airline Icarus* by Brian Current & Anton Piatigorsky
- *Dog Days* by David T. Little & Royce Vavrek
- *A Game of Hearts* by Douglas Pew & Dara Weinberg
- *Judgment of Midas* by Kamran Ince & Miriam Seidel

2013 has seen major world premieres across the country. Panel discussions will reflect on the strategies that contributed to the number and quality of these works. Forum participants will also have a chance to examine the developmental process more closely through a series of libretto, piano and instrumental readings of *The Summer King*, a new opera by Daniel Sonnenberg and Daniel Nester, originally developed by American Opera Projects.

The 2014 New Works Forum has been scheduled to coincide with the PROTOTYPE Festival, presented by HERE and Beth Morrison Projects, as well as the annual conferences of several

other national arts services organizations (Association of Performing Arts Presenters [APAP], Chamber Music America [CMA], International Society of Performing Arts [ISPA] and National Opera Association [NOA]) all taking place in New York in early January. In addition to placing opera in the center of this busy season, New Works Forum participants will be able attend a wide array of new works performances and meet many new colleagues. As in previous years, partial travel subsidies will be available.

VI. VISA SUPPORT

Providing letters of support for visa petitions is a vital service of OPERA America and helps bring the opera world's top artists to American audiences. Since the last board meeting, OPERA America has written 80 letters of support.

VII. SUMMER SITE VISITS

Over the summer, Laura Lee made several visits to member companies and prospective members across the country:

- June 1-3: John Duffy Composers Institute at the Virginia Arts Festival
- June 8-9: American Opera Initiative performance of *Approaching Ali* at Washington National Opera
- June 20: Dress rehearsal of *H.M.S. Pinafore* at Opera Saratoga
- July 5-6: Jay Lesenger masterclass and performance of Peter Grimes at Chautauqua Opera
- August 2-11:
 - Aspen Opera Theater Center performance of *Suor Angelica/Gianni Schicchi* and student masterclass;
 - Central City Opera performance of *Showboat* at the Denver Center;
 - Meetings with CU Boulder about New Opera Workshop program;
 - *Baby Doe* rehearsal with Opera Fort Collins; and
 - *Oscar, La traviata* and Apprentice Scenes at The Santa Fe Opera.

VIII. PERSONNEL UPDATE

In September, Artistic Services Manager Cory Lippiello was offered a full-time position at The Atlanta Opera as director of artistic planning & community engagement. While her tenure here was brief, she helped plan the current season's programming, for which OPERA America is greatly appreciative. Staff is searching for a new part-time replacement, due to budget constraints; former intern Christopher Newcomer worked part-time as Artistic Services coordinator through October 15. In addition, the department will have two interns for the fall, Elliot Yates and Benjamin Newman.

Submitted by:
Laura Lee Everett, Director of Artistic Services
Lyndsay Werking, Artistic Services Manager

TIPS FOR FIRST-TIME OPERA GOERS

BY CHRISTINE LIN, EPOCH TIMES

SEPTEMBER 29, 2013 | LAST UPDATED: OCTOBER 2, 2013 2:41 PM

NEW YORK—Of jazz, classical music concerts, opera, musicals, plays, ballet, and art museums, opera has the lowest attendance, according to a 2002 Princeton University survey. Only one in 30 American adults attended an opera within a 12-month period.

Yet, technology is bringing opera to new audiences. Opera America estimates that nearly one in five of those who attend The Metropolitan Opera's Live in HD programs, which began in 2006, have not been to a live opera within two years.

The National Opera Center, which provides recital space and resources for opera professionals in its Seventh Avenue studios, opened its doors for Neighborhood Opera Day on Sunday, Sept. 29.

Seasoned and novice opera lovers enjoyed a free afternoon of stage combat demonstrations, performances by professional singers, and a competitive round of opera trivia. The events celebrate the center's one-year anniversary.

We asked attendees to share their passion and advice.

SOME PEOPLE THINK OPERA IS OBSOLETE. HOW DOES IT SPEAK TO YOU?

HUGO VERA, 36, TENOR

People don't understand what opera really is. ... Opera is indeed a culmination of all the arts: dance, scenery, acting, singing. This is the original movie.

BRIANNA WELLS, 31, PHD CANDIDATE FROM ALBERTA, CANADA

It can never be obsolete because it is always being performed live and [the singers] are communicating something to you through music.

MICHAEL JEROME JOHNSON, 57, PROFESSIONAL ACTOR AND FIGHT DIRECTOR

I started out hating opera. I thought it was boring. [But] an opera singer these days needs to be an actress, know stage combat—we train them in mask, mime, and dance—they need to do all of that. That's why I started falling in love with it. It is as viable today as much as it has been for hundreds of years.

STEVE ESSIG, 51, WORKING AT THE MET OPERA SHOP

You see a lot of issues—wars, politics—that are relevant to the modern world. "Aida" is about a love triangle and a military conflict. If you look at opera, you can find one that deals with virtually any existential issue.

WHAT IS YOUR ADVICE TO SOMEONE WHO IS NEW TO SEEING OPERA?

VERA: Go to something you can relate to. If you don't speak another language, go see something in English.

WELLS: Don't be afraid that you won't be able to understand all the details. Let the emotions, the beauty, and the power take you on a journey. Try more than one. People think of opera as one sort of art form but it's 400 years old and has many different styles.

JOHNSON: Go experience it. See three or five before you make a decision [whether you like

opera]. And see different opera companies—a small one, a large one, and see what it's really about. Then maybe you'll love it, like I do now .

ESSIG: Go with a friend who is more knowledgeable, someone who can introduce you. Read up in advance about the plot. Most companies have subtitles now but it's good to have a sense of the dramatic context beforehand so you can relax and enjoy what you're watching.

To see full photo galleries of the event check out EpochSnaps Galleries: Neighborhood Opera Day at the National Opera Center.

Article printed from The Epoch Times: <http://www.theepochtimes.com>

URL to article: <http://www.theepochtimes.com/n3/302714-in-celebration-of-opera/>

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GOVERNANCE REPORT TO THE BOARD OF DIRECTORS OCTOBER 2013

I. CURRENT STATUS

The Board of Directors currently includes 35 members:

- General Directors 19
- Members at Large 15
- President/CEO 1

OPERA America's by-laws permit a maximum of 35 members, including the president/CEO as a voting ex-officio member. A majority of board members must be general directors of Professional Company Members (PCMs).

II. REQUIRED ROTATIONS

The Board members below will complete their second three-year term at the end of FY2014 and must rotate off the Board for at least one year:

- Bob McPhee (GD)
- Norman Ryan (AL)
- Jim Wright (GD)

III. ELIGIBLE FOR RE-ELECTION

The following board members will complete their first three-year term at the end of FY2014 and are eligible for re-election to a second term:

- David Bennett (GD)
- Keith Cerny (GD)
- Carol Henry (AL)
- Kevin Newbury (AL)
- Timothy O'Leary (GD)
- Ken Pigott (AL)
- Steve Trampe (AL)
- Frederica von Stade (AL)

If all eligible members stand for re-election to a second term, the Board will have 32 members, including 17 General Directors, 14 members at large and the President/CEO.

IV. OFFICERS

The following officers were re-elected at the May meeting in Vancouver:

- Vice Chairman: Darren K. Woods, to a second two-year term
- Vice Chairman: Stephen Trampe, to a second one-year term
- Vice Chairman: David Bennett, to a second one-year term
- Treasurer: Timothy O'Leary, to a second one year term
- Secretary: James W. Wright, to a fifth one-year term

Note: Since the term of the Chairman is a two-year term, Frayda Lindemann (currently in year two of her first term) is eligible to stand for election next year to a second two-year term. This would extend Anthony Freud's tenure as a Board member, as the bylaws dictate he serves on the Board as long as his successor is Chairman.

NATIONAL OPERA CENTER BOARD OF OVERSEERS REPORT TO THE BOARD OF DIRECTORS OCTOBER 2013

I. CURRENT MEMBERSHIP

As of June 30, the National Opera Center Board of Overseers had nine members, as follows:

- John Baumgardner, attorney, New York, NY; former Board member of New York City Opera
- Emilie Corey, philanthropist, New York, NY; former Board member of New York City Opera
- Henry L. Cox, realtor, Lewes, DE
- Jane A. Gross, philanthropist, New York, NY
- Frederick Peters, realtor and composer, former Chairman of Meet the Composer, former Board member of Glimmerglass Opera
- Stephen, Prystowsky, MD, Chapel Hill, NC; Chairman of North Carolina Opera
- Brett Stover, PR communications consultant, Cincinnati, OH; Board member of Cincinnati Opera
- Robert Tancer, philanthropist, Phoenix, AZ; Board member of Arizona Opera
- Barbara Teichert, philanthropist, Philadelphia, PA; Board member of Los Angeles Opera

In July, at the request of her husband, Patricia Scimeca was appointed to the Board of Overseers. Patricia was an OPERA America donor who would have been invited to serve, but whose struggle with cancer rendered such an invitation inappropriate. With the encouragement of her husband and the support of Frayda Lindemann and David Bennett, Patricia was appointed to the Board. She received all the material leading up to the first meeting of the Board, but passed away a few days before the meeting took place.

Patricia and her husband contributed \$25,000 to establish the Patricia Scimeca Fund for Emerging Singers. With memorial gifts that have been received, the Fund has grown to over \$50,000, the income from which will be dedicated to supporting OPERA America's Feedback Auditions. Patricia, a former singer and voice teacher, had served as a panelist for the first iteration of this program.

It may be appropriate to invite her husband, an opera lover, to serve in her place. (See below).

II. INAUGURAL MEETING AND CONTRIBUTIONS

The first meeting of the National Opera Center Board of Overseers took place on Friday, September 27, in association with Founders Weekend. Please see a summary of this meeting in the section of the Board Book on the Opera Center.

To date, and without prompting, three members of the Board of Overseers have made contributions of \$5,000.

MEMBERS FOR CONSIDERATION

The Charter of the National Opera Center Board of Overseers allows up to 25 members. Candidates for consideration are to be reviewed and approved by members of the Governance Committee.

Currently under consideration are the following individuals:

- Susan Braddock, New York, NY. Susan is the former President of the Metropolitan Opera Guild. She has expressed interest in learning more about OPERA America and will visit the Opera Center in November.
- Luigi Caiola, New York, NY. Luigi is a real estate developer and avid opera fan. His family contributed \$10,000 to the Opera Center. (His sister owns the dance space near Lincoln Center OPERA America considered purchasing and converting into the Opera Center, before we had a better idea.)
- Anthony Corso, McLean, VA. Tony is a former Exxon executive and serves on the Board of Virginia Opera. He is a native New Yorker and has visited the Opera Center with his wife. He would like to become more involved with OPERA America.
- Eugenie Cowan Havemeyer, New York, NY. Eugenie is a great advocate of the Opera Center and of OPERA America in the context of her broader work to create suitable workspace for artists across New York City. She is energetic in introducing OPERA America to important donor contacts.
- Barbara Glauber, Boston, MA. Barbara is a member of the Board of Boston Lyric Opera and the Met's Opera Club. She and her husband are avid opera attenders and are deeply interested in the development of the field. They have an apartment in New York and have visited the Opera Center with great enthusiasm. Barbara would like to serve in this capacity.
- Jeffrey Gural, New York, NY. Jeff is the Chairman of Newmark Frank Properties and represents the owner of 330 Seventh Avenue. Jeff is not an opera lover, but is generous to the arts.
- David Kleinfeld, Albuquerque, NM. David is real estate developer who was the first-ever individual donor to OPERA America in the mid-1990s when he was Board president of Opera Southwest. He is now on the Board of The Santa Fe Opera and continues to have a warm relationship with OPERA America and a desire to be more involved.
- Richard Miller, Albany and New York, NY. An attorney, Rich is also a singer (Lake George Opera Festival young artist) and performs actively in amateur productions. He is the current President of the Metropolitan Opera Guild and has expressed interest in becoming more involved with OPERA America. He is the legal counsel for the Adams Foundation, a sometimes donor to OPERA America.
- Mark Newhouse, New York, NY. Mark is a philanthropist in New York and served until recently on the Board of New York City Opera.
- Jane Robinson, Miami, FL. Jane is a long-time OPERA America donor and served as Chairman of Florida Grand Opera for many years. She has expressed a desire to become more involved with OPERA America. She has an apartment in New York and a background in PR and communications.
- Michael Scimeca, New York, NY. Michael is the widower of Patricia Scimeca and may be interested in continuing her link to OPERA America. (See above about Patricia Scimeca Fund for Emerging Singers.)
- Thurmond Smithgall, New York, NY. Thurmond is a great opera lover, with experience as an artist manager. He is on the Board of Los Angeles Opera and the George London Foundation.
- John Turner, Baton Rouge, LA. John is OPERA America's largest individual donor, excluding members of the Board of Directors. He is underwriting the Houston Grand Opera production of the Ring Cycle.
- Robert Turner, New York, NY. Brother of John, Robert is on the Board of Gotham Chamber Opera, the Met and The Santa Fe Opera.

III. NEXT STEPS

Cultivation will continue and invitations to serve will be extended or confirmed, as appropriate, in relation to those individuals who are recommended by the Governance Committee and approved by the Board of Directors.

Candidates who accept the invitation to serve will be invited to the next meeting of the National Opera Center Board of Overseers taking place in New York on Friday, February 21, 2014, as part of the National Trustee Weekend.

INFORMATION, RESEARCH AND TECHNOLOGY REPORT TO THE BOARD OF DIRECTORS OCTOBER 2013

I. INFORMATION AND RESEARCH

CULTURAL DATA PROJECT/PROFESSIONAL OPERA SURVEY (CDP/POS): Eighty-five companies completed both the FY12 CDP and POS, compared to 84 for FY11. Those companies who responded by the July 31 deadline will be receiving the POS report in October. Kate Place is still working with many companies that did not complete the POS by the July 31 deadline to finalize their surveys. Reports will be sent to these companies on a rolling basis. (Note: Companies that do not complete the CDP/POS are not considered to be members in good standing and are thus ineligible to receive grants and travel stipends from OPERA America.)

Encouraged by the Pew Charitable Trusts and with the financial support of The Mellon Foundation, OPERA America linked the Professional Opera Survey with the Cultural Data Project in 2008. At that time, the CDP was actively courting national arts and culture service organizations to streamline data collection processes by partnering with CDP, thereby eliminating duplicative survey questions for the thousands of nonprofit organizations in CDP and soon-to-be CDP states. An industry leader that succeeded where others had failed, OPERA America was the first and only service organization to partner with the CDP on a national level.

As reported at previous Board Meetings, due to a change in strategic priorities, however, CDP would no longer actively pursue partnerships with national arts service organizations. To that end, CDP asked OPERA America to decouple the POS from the CDP, and since March, OPERA America has been working with a consultant to build a new version of the POS that will still link to the existing CDP data profile form. While some additions and improvements to the survey have been made, the survey retains the same look and feel as when it was hosted and administered by the CDP. The new combined CDP/POS will open in January 2014 for FY13 data collection.

Last month, Larry Bomback met with CDP's new CEO, Beth Tuttle, and learned that it is her intention to reengage national arts service organizations. The CDP board is meeting in October to approve her request to convene leaders of national arts service organizations in New York later this year. Her aim is to launch an entirely new data profile populated by questions provided by the national arts service organizations. Using smart filtering tools, such a survey could be tailored for a specific discipline and/or budget size. OPERA America is supportive of this plan, although it has already spent considerable resources on a technology consultant to decouple the POS from the CDP, at CDP's request, as noted above. CDP is aware of OPERA America's investment and OPERA America is confident that these direct costs can be fully recouped by CDP, should they pursue this new strategic direction.

ANNUAL FIELD REPORT: Kate Place is compiling five-year Constant Sample Group (CSG) tables and charts for inclusion in the *Year in Review/Annual Field Report*. The publication will be authored by OPERA America's magazine editor, Matthew Sigman, and will be available to members before the end of the year.

FINANCE NETWORK OPTIMISM INDEX: At the request of members of the Finance and Administration Forum, a new "mood survey" was distributed to PCM finance staff in September. The survey consists of 20 questions and takes no more than five minutes to complete. It will be sent to finance officers every six months to gauge their collective opinion of what things will

be like in the near future. Some questions are meant to be general (i.e.: Will the stock market go up or down?). Others are more specific (i.e.: Will your average ticket price increase?). Some questions are meant to be verifiable in 12 months, others are not. The goal of the survey is to identify trends among the moods of finance officers in the hope that some predictive business intelligence might be gained from the data.

INFORMATION REQUESTS SINCE THE LAST BOARD MEETING

- The Atlanta Opera: ticket income as percent of expenses
- Arizona Opera: governance survey
- Canadian Opera Company: subscriptions and ticket sales analysis
- Chautauqua Opera: repertoire analysis
- The Dallas Opera: capacity utilization
- Des Moines Metro Opera: governance survey
- The Glimmerglass Festival: contributors vs. attendees study
- Houston Grand Opera: endowment draw comparison
- Lancaster Opera: core artistic expenses
- Los Angeles Opera: 10 year ticket sales benchmarking
- Metropolitan Opera: total U.S. mainstage attendance
- Opera North: box office earnings for top 40 titles
- OperaDelaware: ticket income as percent of expenses
- Pittsburgh Opera: development expenditures
- Greg Sandow: attendance trends
- The Santa Fe Opera: physical plant expenses
- Seattle Opera: marketing expenses
- Utah Symphony | Utah Opera, San Diego Opera: salary review
- Washington National Opera: web metrics

Additional inquiries have been received from individual members, independent researchers, artists, journalists and writers; students from McGill University, University of California – Santa Barbara and University of Illinois at Urbana-Champaign; and Chautauqua Opera, Opera Theatre of Saint Louis, Pittsburgh Symphony and OPERA America staff.

II. OPERA AMERICA MAGAZINE

The magazine team initiated a competitive bidding process for printing the magazine. OPERA America's new vendor, QualPrint of Pittsfield, MA, was selected based on quality, cost and a strong client list of arts organizations. The change in printer will save OPERA America more than \$25,000 per year in printing and mailing expenses.

The magazine team continues to act on innovative ideas that will inform and inspire artistic, administrative and board leaders, as well as make the magazine a source for promoting OPERA America's programs and services. Recent feature articles have included a look at summer festivals by 2013 Pulitzer Prize-winner Phillip Kennicott, an interview with Andreas Mitisek and a special "digital" issue timed to coincide with the launch of the magazine's iPad application.

Mindful that OPERA America's reach is also a matter of circulation, as well as content, OPERA America has worked closely with the Finance and Membership departments to devise cost-

effective ways to more widely disseminate the magazine in print and digital formats. OPERA America has added an upgraded media list, a comp list for industry “influencers” and a “friends and family” program for staff members. Board members are encouraged to identify any industry influencers who might appreciate a complimentary subscription to the magazine.

Finally, to add a bit of fun — and encourage engagement — OPERA America has launched an opera-themed crossword puzzle and competition. OPERA America’s crossword-smith, David Kahn, has contributed puzzles to *The New York Times* and for a special publication of the Metropolitan Opera.

The digital magazine iPad app was approved and entered into the Apple App Store on Friday, September 13, 2013. As of October 17, 35 digital magazines have been purchased from the Apple App Store. The web version is being prepared through the same Adobe software that runs the iPad app. An Android version of the app will be released later this fall.

III. LIBRARIES

Since the last Board meeting, OPERA America has purchased three additional scores for the Baisley Powell Elebash Score and Recording Library: *Werther*, *The Merry Widow* and *Maria de Buenos Aires*.

The Ardis Krainik Research and Reference Library holds nearly 2,000 items including books, scores, libretti and other reports. There are 179 p/v scores and 82 full scores in the collection. There are 3,540 albums and 19,481 tracks of digital music in the The Baisley Powell Elebash Score and Recording Library. The music server is currently full and additional storage will need to be acquired as the collection expands.

Staff is researching ways to combine all OPERA America library resources (LibraryThing, iTunes, LPs list, Schott digital library) into a single portal, most likely tied to the website redesign, referenced below. This new online portal will be made available to the public and promoted in appropriate print and digital publications.

Summary table of contributions to the National Opera Center libraries

Donor	Organization	Item(s)	Gift Received
John Conklin		13 linear feet of books	Pledged
Julius Rudel		Personal scores (papers?)	Pledged
Norman Ryan	Schott/EAM	Access to digital scores	In progress
Jane Magidson		Assorted libretti	10/19/12
Miranda Beeson	Boosey & Hawkes	Jack Beeson’s scores and CDs	10/22/12
Jeannie Williams		Books	12/3/12
Carolyn Weber	Kurt Weill Foundation	Papers, scores, recordings	2/26/13
Don F. Dagenais		Second loan of CDs	5/1/13
Patrick J. Smith		CDs	1/18/13
Helen Bromerg		Libretti, books	2/15/13; 9/29/13
Susanna Kratsch	Vienna Modern Masters	CDs	3/5/13
Mira J. Spektor		p/v scores, CDs	6/3/13

Morgan Y. Himmelstein		p/v scores, dialogue and chorus books	7/26/13
David Shengold		CDs	9/18/13
Jake Heggie		Scores	9/26/13

IV. TECHNOLOGY

CUSTOMER RELATIONSHIP MANAGER: As OPERA America continues to grow, it must also enhance its capacity to collect and disseminate information effectively and efficiently. Each department — Membership, Development, Marketing, Artistic Services and the Opera Center — has its own database and no two databases talk to one other. It is OPERA America’s goal to have a single fully-functioning and integrated CRM available for use by the end of 2014.

While researching turnkey and other off-the-shelf products, it was discovered early on that OPERA America’s unique business model — as both a rental facility and a trade association — does not fit the mold of any existing CRM. After an extensive search and meetings with potential vendors, OPERA America has decided to build a fully-customized CRM in-house. To have an outside firm customize an existing CRM for OPERA America’s needs would have cost upwards of \$250,000. In addition, OPERA America was not confident that this could be designed and developed in less than 24-36 months. In recent years, other arts service organizations including the League of American Orchestras and the Association of Performing Arts Presenters have spent well over \$250,000 to implement off-the-shelf CRM solutions, but none of these organizations employ a full-time developer. OPERA America is in the unique position to design a customized CRM because we are fortunate to have Kevin M. Sobczyk, a nine-year veteran of the company, on staff.

Key members of the staff have been meeting regularly to map out a CRM that will tie directly into OPERA America’s website and provide nearly instantaneous information on most, if not all, aspects of OPERA America’s day-to-day business operations as well as advanced metrics and segmentation tools.

OPERA America intends to engage Emphas!s Design to redesign the OPERA America website. This redesign will complement the CRM.

Submitted by:
Kevin M. Sobczyk, Director of Research/CIO
Matthew Sigman, Editor, Opera America Magazine
Katherine L. Ehle, Art Director
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Kate Place, Research Manager
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LEARNING AND ENGAGEMENT REPORT TO THE BOARD OF DIRECTORS OCTOBER 2013

I. PROFESSIONAL DEVELOPMENT PROGRAMS

AMERICAN EXPRESS LEADERSHIP INTENSIVE: Fourteen participants attended the week-long Leadership Intensive seminar in New York, July 8-12, 2013. Krystian Lada, a dramaturg based in Belgium, joined the group. Kevin Smith served as the lead faculty throughout the week. Astrid Baumgardner, certified professional coach, led sessions on strengths-based leadership, time management, communications and conflict resolution. Marc A. Scorca led sessions on meeting facilitation and avoiding burnout. Leah D. Wilson developed case studies on capitalization and financial management. Other topics included union relations, singer auditions and new work development. The program received overwhelmingly positive feedback with enthusiastic responses to the focus on personal leadership skills. The cohort built strong bonds and continues to stay connected via Facebook and monthly calls organized by OPERA America, but facilitated by the participants. The 2013 participants will be invited to partner with and coach individuals selected for the 2014 program (an idea developed by the participants). OPERA America was invited to apply for renewed funding from American Express for the 2014 program.

OPERA TEACHING ARTIST TRAINING: OPERA America seeks to identify and support future opera teaching artists and develop a rubric for the field on the necessary skills for this profession. Currently, opera is not well represented among teaching artists and companies are often unable to find those with a strong background in opera who have the rare ability to work with children and audiences. As an initial step, OPERA America is planning a workshop on November 17 geared toward young singers and composers. Participants will learn to tap their performance skills to better communicate with diverse audiences, articulate their own passion to be ambassadors of the art form, develop lesson plans and original opera learning activities, and discover the opportunities for a career in opera teaching artistry.

OPERA CONFERENCE 2014: AUDIENCES REIMAGINED will be hosted by San Francisco Opera and presented in collaboration with Opera Volunteers International on June 20-23, 2014. The conference theme is as follows:

Innovative technologies and exciting community programs offer audiences new ways to access and engage with opera. How can opera companies and artists benefit from an increasingly broad and more diverse audience? Go digital, go live, go social to create ever more compelling and enriching impact. Gather in San Francisco, the epicenter of technology development, to learn from leading experts, get connected and reimagine the future of opera and audiences.

A new element of conference this year will be Topic Breakfasts, roundtable discussions where attendees can submit suggested topics in advance. Special activities will include a Welcome Reception hosted by San Francisco Opera at AT&T Park, the *New Works Sampler* at SF Jazz, and Young Artist Auditions for singers in the Merola Opera Program.

Informed by the recession and its impact on members, OPERA America has not raised conference registration fees for several years, even as costs have continued to escalate. In order to adjust for inflation, prices will increase modestly for *Opera Conference 2014*, based on research of other service organizations. OPERA America will offer a new advanced registration option where members can lock in last year's lower rate if they register by December 31, 2013.

Registration Type	Member Price	Non-Member Price	Deadline
Advanced “Lock-in”	\$495 PCM & OVI only	N/A	December 31, 2013
Early-Bird	\$545	\$645	April 17, 2014
Standard	\$595	\$695	June 14, 2014

II. EDUCATION PROGRAMS

Music! Words! Opera! Leah attended the *M!W!O!* teacher training workshop offered by Boston Lyric Opera in August. GIA Publishing announced the release of *Create Your Own Opera (CYO)* in August and, along with *M!W!O! Aida* and *M!W!O! Hansel and Gretel*, is now promoting the three revised books as a complete set. To accompany the release, OPERA America launched a Facebook group for teachers of *M!W!O!* to connect and share resources. The *M!W!O!* pages on the OPERA America website now feature supplemental resources, including member study guides, videos and links to the OPERA America Learning Center.

On October 6, staff produced and filmed a CYO workshop with Teaching Artist Neil Ginsberg and Amore Opera’s children’s chorus. The footage will be used to create instructional video clips for teachers to introduce opera in their classrooms. All of these new pages serve as prototypes of additional online resources to come.

Online Resources: Enhanced and reorganized online resources will be available to opera educators, classroom teachers, students and opera learners of all ages. Rooted in the development of online resources to accompany the *M!W!O!* curriculum, new resources will include:

- Artist Interviews about their roles in creating opera;
- Video Demonstrations of *Music! Words! Opera!* lessons for teachers to reference;
- “Discovery Pages” for learning about operatic conventions such as voice types, characterization, composer/librettist collaborations and production elements;
- A searchable database of opera education programs delivered by member companies; and
- Member study guides and video to accompany lessons relating to traditional repertoire. (There is an impressive amount of material available. OPERA America has already aggregated and digitized more than 350 study guides from 47 PCMs. Many PCMs are eager to help contribute to this online resource.)

To assist with this project, OPERA America has engaged three Learning and Engagement interns who will help research the content and build the website during the fall.

COMMON CORE STATE STANDARDS (CCSS): On September 12, 2013, OPERA America held a webinar to outline how opera education programs align with the CCSS, new student achievement standards that are being implemented in most states beginning this year. Panelists from around the country participated via Google Hangout. The webinar, which attracted 44 registrants from the opera field and other disciplines, was informed by a statement to the field developed by a working group of nine member companies. The webinar is available at operaamerica.org/commoncore and the statement is included as an addendum to this report.

Creative Aging: A handbook on opera and creative aging was released in August and will be hosted on a new webpage devoted to the topic. This work is informed by the *Stories and Song* program that OPERA America produced last spring (see below). Also available on the website will be a recording of a creative aging webinar featuring panelists Jeanne Kelly, executive director of Encore Creativity for Older Adults, and education staff at three member companies.

III. NETWORKING ACTIVITIES

OPERA America staff held education network conference calls according to level during the week of September 23. Twenty-four staff discussed their upcoming school programs, partnerships with other arts organization, and audience engagement practices. The Education Forum held on October 3-4 had 14 participants from the following companies:

Florentine Opera	Opera Theatre of Saint Louis
Fort Worth Opera	San Francisco Opera
Los Angeles Opera	The Santa Fe Opera
Lyric Opera of Chicago (2)	Sarasota Opera
Metropolitan Opera Guild	Seattle Opera
Minnesota Opera	Vancouver Opera
Opera Carolina	

Session topics included community engagement strategies, program evaluation, digital learning tools and marketing to schools. Forum attendees also participated in joint Audience Development sessions with the Marketing Forum. A new education network benchmarking survey is currently in development.

IV. OPERA CENTER PROGRAMS

STORIES AND SONG SENIOR PROGRAMMING: OPERA America completed its second program with the Hamilton Senior Center. Over the course of the program, 13 people from the Hamilton Senior Center learned and performed five opera choruses and developed a deeper understanding of opera. The next iteration of the program will take place this fall. Once again, teaching artist Mary Feinsigner will provide the vocal instruction. Participants will perform a selection of opera choruses at a concert on December 17.

NEIGHBORHOOD OPERA DAY: In celebration of the National Opera Center's one-year anniversary, OPERA America partnered with the Greenwich Village Chelsea Chamber of Commerce to present a full day of free activities. The events attracted more than 60 new people to the Center, including local vendors, residents, Chelsea Opera fans, members of the NYC Opera Meetup group and students from Hudson County Community College. The event received press coverage from *Epoch Times*. Please refer to the Artistic Services report for further information on the program of events.

Submitted by:
Leah D. Wilson, Director of Learning and Engagement

OPERA AND COMMON CORE: CONNECTIONS BETWEEN THE COMMON CORE STATE STANDARDS AND OPERA LEARNING PREPARED BY OPERA AMERICA'S COMMON CORE WORKING GROUP SEPTEMBER 2013

States across the country have adopted the Common Core State Standards and schools are beginning to implement new curriculum this year. Opera companies continue to offer an impressive volume of K-12 programs ranging in scope, while facing increasing pressure to articulate the value of sustained arts education in schools. The opera field marks this opportunity to demonstrate how their efforts meet required curriculum standards and contribute to student achievement in the 21st century. This national statement prepares the field to navigate the new standards and articulate how opera company programs are suited to achieving Common Core learning goals.

COMMON CORE STATE STANDARDS — AN OVERVIEW

The Common Core State Standards (CCSS) released in 2010 “provide a consistent, clear understanding of what students are expected to learn, so teachers and parents know what they need to do to help them. The standards are designed to be robust and relevant to the real world, reflecting the knowledge and skills that our young people need for success in college and careers.” They are also meant to promote equity by ensuring all students, no matter where they live, are well prepared with the skills and knowledge necessary to collaborate and compete with their peers in the United States and abroad (National Governors, Mission Statement and Frequently Asked Questions). The Common Core State Standards Initiative is led by the National Governors Association (NGA) and the Council of Chief State School Officers (CCSSO). The standards were developed with input from teachers, parents, researchers and educational experts. The federal government was not involved in its development. To date, 45 states have adopted the standards and most of these will begin implementation in the 2013-2014 school year. Assessments to test student mastery of the standards are being developed by Partnership for the Assessment of Readiness for College and Careers (PARCC) and the Smarter Balanced Assessment Consortium (SBAC). These are expected to be available in 2014-2015.

The standards focus on English Language Arts (ELA) and Mathematics as foundational skill sets for studying other subject areas: history/social studies, science and technical subjects. The term “technical subjects” is defined by the standards as “[a] course devoted to practical study, such as engineering, technology, design, business or other workforce-related subject; a technical aspect of a wider field of study, such as art or music” (National Governors, ELA Appendix A, Glossary of Key Terms). Standards for history/social studies, science and technical subjects are integrated into the K-5 standards. For grades 6-12, the standards provide some specificity, but primarily refer to the Career and College Readiness anchor standards and high school standards in literacy to define expectations. The ELA standards explain that “literacy standards for grade 6 and above are predicated on teachers of ELA, history/social studies, science and technical subjects using their content area expertise to help students meet the particular challenges of reading, writing, speaking, listening and language in their respective fields.” In both ELA and mathematics, the documents outline standards for content and skills with an emphasis on process-based learning; that is, students must demonstrate competency in certain areas, but with a focus on their abilities such as analyzing, critiquing, comparing, interpreting, integrating and evaluating.

ARTS AND COMMON CORE

The Common Core State Standards Initiative has not created an arts-specific component, yet

the arts field has responded poignantly, arguing for equity and quality of arts instruction as a part of a comprehensive education. The arts continue to be defined as a core academic subject under the Elementary and Secondary Education Act (ESEA, also known as No Child Left Behind), acknowledging the relevance of the arts in a complete education and allowing the arts to be eligible for federal funding from the Department of Education. However, a 2011 national survey by the Farkas Duffett Research Group found that two-thirds of teachers say that other subjects (such as the arts) “get crowded out by extra attention being paid to math or language arts.” As reported in the 2009-2010 U.S. Department of Education’s Fast Response Statistical Survey, schools with a higher concentration of students in poverty were less likely to offer arts education (Parsad, Basmat and Spiegelman, Maura, 14 28). The results of the study were alarming enough to prompt U.S. Secretary of Education Arne Duncan to declare the status of arts education “an equity issue and a civil rights issue,” and to conclude that “A well-rounded education is simply too vital to our students’ success to let the teaching of the arts and humanities erode.”

In recent years, the Arts Education Working Group, a coalition of national arts and arts education advocacy organizations (including OPERA America) issued a unified statement titled “Creating Student Success in School, Work, and Life”. This statement aligns neatly with the goals of Common Core and explains that our nation needs schools to prepare students to meet the demands of the 21st century both for the students’ sake and for the sake of our economy and our society. These demands cannot be met without comprehensive arts education in our nation’s schools. It goes on to explain how “the arts equip students with a creative, competitive edge” (Arts Education, 1).

Many arts advocates and researchers have built on this argument to show that there is natural alignment between the goals of the Common Core State Standards and the work that arts educators and arts organizations already do. David Coleman, one of the authors of the standards, developed the “Guiding Principles for the Arts” and details how arts-learning parallels many of the defining competencies of ELA, such as skills in observation and interpretation. The National Coalition for Core Arts Standards (NCCAS) states, “The Common Core can potentially provide arts teachers with a common language with which to describe the cognitive skills that they are already addressing and cultivating through rigorous and meaningful arts experiences” (The College Board, 4). The following sections outline a framework for opera companies to identify the natural alignment between their work and the standards, and highlight language from the standards for opera companies to use when working with schools.

OPERA AND THE COMMON CORE STATE STANDARDS

The very nature of opera, as an inherently multidisciplinary art form, has allowed opera companies and schools to develop ways to incorporate opera into the curriculum. Over the years, opera education programs have provided students with various ways to experience and engage with the art form, while supporting substantive classroom conceptual connections. Below the term “opera learning” is used broadly to describe a range of K-12 programs, which generally reflect three categories. (See Appendix A for examples.)

- 1. CREATING AND PERFORMING OPERA:** any aspect of opera composing, libretto writing, performing and production, whether it be original work or re-imaginings of existing narrative work.
- 2. LEARNING ABOUT OPERA:** activities that are rooted in a specific repertoire including studying the composer, librettist, and primary sources. Gaining knowledge of opera history, specific opera conventions, notable singers, and historical and cultural contexts. Understanding the dramatic, technical and aesthetic aspects of production elements.

Often times these activities culminate in attending a performance.

- 3. OPERA CAREER READINESS:** engaging with opera professionals, including technicians, administrators and contemporary creators/performers, often times with a focus on transferring learning to a work setting.

As an important part of mission fulfillment and organizational sustainability, K-12 education programs continue to be a vital and growing part of what opera companies do. Even though overall company expenses fell an average of 8% between 2009 and 2011, spending on education programs during that same time rose by 5%, totaling almost half a million dollars in additional spending toward education across the field. In 2011 alone, opera companies produced more than 1,600 events designed for children and youth, reaching more than 400,000 (OPERA America). Across the field, opera companies are devoting entire productions to serving students, with even the smallest sized companies (those with budgets of less than \$1 million) maintaining significant activity in schools.

Opera learning programs are tailored to the immediate needs of schools, students and local standards, and range in scope and scale across the country. For example, many opera companies enhance their programs for students with further professional development for classroom teachers or arts specialists. In all cases, companies make decisions as to the content and delivery of programs, influenced by season repertoire, given specialties of available teaching artists or staff, and, of course, program funding. Similarly, the Common Core State Standards do not dictate how teachers should teach or how students should be assessed. Instead, they provide a useful framework for articulating the mutual goals shared by schools and opera companies that drive the content choices and activities of opera learning programs.

* * * * *

Opera encompasses all fine arts disciplines and deals with subject matter drawn from literature, history and myriad cultural contexts. The creation and study of opera is inherently collaborative and complex. Opera performance is characterized by artistic excellence which stems from historical traditions, and continues to be reinvented through the use of modern technologies. The art form's multifaceted nature inherently allows for connections across educational disciplines and, therefore, across the Common Core Standards.

OPERA AND ENGLISH LANGUAGE ARTS

At the broadest level, there is clear alignment between opera and the values embodied in the Common Core State Standards for ELA. The College and Career Readiness Anchor Standards (CCRA), provide broad definitions of the skills and understandings that all students must demonstrate. The grade-specific standards provide additional specificity. There is clear alignment between opera and the anchor standards for Reading Literature (RL), Informational Texts (RI), Speaking and Listening (SL) and Language (L). In some cases, opera is a strongly suited medium to teach that particular skill. The following standards show direct connections to the art form:

CCSS.ELA-Literacy.RL.2.4¹ Describe how words and phrases (e.g., regular beats, alliteration, rhymes, repeated lines) supply rhythm and meaning in a story, poem or song.

¹ Throughout the standards each section is notated using a code. Grade-specific standards are indicated with CCSS, followed by the content section name, the content "strand" acronym, the grade level and the standard number. This example indicates Reading Literature, grade 2, standard 4. Anchor standards, which are consistent across grades, have a content acronym and a standard number. For example, CCRA SL.2 is Speaking and Listening, standard 2.

CCSS.ELA-Literacy.RL.4.5 Explain major differences between poems, drama and prose, and refer to the structural elements of poems (e.g., verse, rhythm, meter) and drama (e.g., casts of characters, settings, descriptions, dialogue, stage directions) when writing or speaking about a text.

CCSS.ELA-Literacy.RL.5.7 Analyze how visual and multimedia elements contribute to the meaning, tone or beauty of a text (e.g., graphic novel, multimedia presentation of fiction, folktale, myth, poem).

CCRA.SL.2 Integrate and evaluate information presented in diverse media and formats, including visually, quantitatively and orally.

CCRA.L.3 Apply knowledge of language to understand how language functions in different contexts, to make effective choices for meaning or style, and to comprehend more fully when reading or listening.

There are a variety of ways that opera programs can address specific standards. For example, when studying opera repertoire, students are likely to:

CCRA.R.4 Interpret words and phrases as they are used in a text, including determining technical, connotative and figurative meanings, and analyze how specific word choices shape meaning or tone.

CCRA.R.9 Analyze how two or more texts address similar themes or topics in order to build knowledge or to compare the approaches the authors take.

Creating an original work is likely to involve writing exercises where students:

CCRA.W.3 Write narratives to develop real or imagined experiences or events using effective technique, well-chosen details and well-structured event sequences.

CCRA.W.4 Write routinely over extended time frames (time for research, reflection and revision) and shorter time frames (a single sitting or a day or two) for a range of tasks, purposes and audiences.

In addition, learning to sing and act in an opera might touch on “Reading: Foundational Skills” where students are expected to demonstrate an “understanding of spoken words, syllables and sounds (phonemes) as a part of “Phonological Awareness”. Opera companies may include writing an opinion about attending a performance which aligns with:

CCRA.W.1 Write arguments to support claims in an analysis of substantive topics or texts using valid reasoning and relevant and sufficient evidence.

ELA Standard 10 (Range of Reading and Level of Text Complexity) calls for a “staircase” of increasing text complexity where students build knowledge overtime and study topics or themes in depth, sourced from a broad range of cultures and time periods. The range of texts in literature includes stories, folktales and fables, as well as staged dialogue and poetry. Many operas are based on such works. Informational texts include materials on history and the arts, in addition to technical texts. Texts about opera history and technical aspects of opera production also fall into this category. See Appendix B for a list of operas based on literary texts and other opera-related texts.

The ELA standards also guide the study of other subjects such as science and history. Over the years, opera educators have grown adept at using their process-based learning activity to teach various subjects, especially social studies. Schools may find that opera companies are particularly poised to provide programs that achieve ELA standards, but in these other subject areas.

OPERA AND MATHEMATICS

The standards for Mathematics also offer connections to opera learning. The NCCAS suggests that the math standards reference the four essential creative practices: imagining, investigating, constructing and reflecting. These “meta-cognitive activities nurture the effective work habits of curiosity, creativity, and innovation, critical thinking and problem solving, communication, and collaboration, each of which transfer to all aspects of learning and life in the 21st century.” (National Coalition, 2012) The following eight “processes and proficiencies” are the Standards for Mathematical Practice, which form the backbone for each grade-specific standard:

Make sense of problems and persevere in solving them

1. Reason abstractly and quantitatively
2. Construct viable arguments and critique the reasoning of others
3. Model with mathematics
4. Use appropriate tools strategically
5. Attend to precision
6. Look for and make use of structure
7. Look for and express regularity in repeated reasoning

General alignment exists between these math practices and opera programs that help shape students’ attitudes and behaviors. For example, artistic activities that ask students to persevere in solving creative problems and critique the reasoning of others. With production-based programs, opera companies can offer opportunities where students actually apply mathematics when learning about opera sets and costumes. Students can participate in pattern making, creating set drawings and models built to scale, and modifying costumes to fit different casts of singers. These activities are geared toward meeting specific math standards, such as “Measurement and Data,” where students generate measurement data by using rulers (CCSS. Math.Content.3.MD.B.4), or need to understand concepts of “area” and “plane figures” (CCSS. Math.Content.3.MD.C.5). Although mathematics are inherent in a smaller portion of opera education activity, such programs contribute to career readiness and offer practical problem solving in real-work settings.

* * * * *

The Common Core State Standards, across all subjects, were built upon key values that prepare students for success. These values are reflected in the ELA introductory section titled “Students Who are College and Career Ready in Reading, Writing, Speaking, Listening, and Language.”

1. Demonstrating independence
2. Building strong content knowledge
3. Responding to the varying demands of audience, task, purpose and discipline
4. Comprehending, as well as critiquing
5. Valuing evidence
6. Using technology and digital media strategically and capably
7. Coming to understand other perspectives and cultures

The opera field acknowledges these values and many opera companies strive to meet these

goals. The authentic connections to the Common Core State Standards allow opera staff, school administrators and all stakeholders to bolster their partnerships and refine their support of student achievement. Looking closely at the alignment between educational standards and opera programs is a valuable exercise, as it better defines the potential of an opera company's impact in their communities.

OPERA AMERICA'S COMMON CORE WORKING GROUP

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Stuart Holt, The Metropolitan Opera Guild
Barbara Lynne Jamison, Seattle Opera
Sam Lowry, Sarasota Opera
Ruth Nott, San Francisco Opera
Erika Rauer, New York City Opera
Cerise Sutton, Florida Grand Opera
Andrea Walters, The Santa Fe Opera
Jessica Weber, Chicago Opera Theater

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APPENDIX A: EXAMPLES OF K-12 OPERA EDUCATION PROGRAMS

Music!Words!Opera! Create Your Own Opera (Creating and Performing)

Opera companies throughout North America host professional development programs for classroom teachers and music specialists. Teachers learn from opera teaching artists about how to create an original opera with their students. The process involves researching an original story (often based on curriculum in other areas such as history or science), drafting a libretto and composing the score. The opera companies are committed to helping teachers implement the program with their students. Projects have gone on to full productions where students collaborate to build sets, design costumes and perform a staged final performance. Contact OPERA America for a list of companies offering *Music!Words!Opera!* workshops.

Opera is Elementary (Learning About Opera)

Opera is Elementary at New York City Opera introduces young children to the world of opera through the study of an age-appropriate work each year. Teaching artists collaborate with teachers to demonstrate the basics of music and drama during a series of two in-school workshops, and then encourage students to create their own interpretations of the story through original poems, songs or art projects. Finally, students attend a performance of the opera and participate in culminating projects and an optional follow-up visit with a teaching artist. In 2012-2013, the piece was *Alice in Wonderland* by Unsuk Chin, based on the novel by Lewis Carroll (an illustrative text for grades 4-5 listed in the standards), and this year the piece is Tobias Picker's chamber opera, *Fantastic Mr. Fox*, based on the children's novel by Roald Dahl.

In-School "Informances" (Opera Career Readiness)

Florida Grand Opera (FGO) staff or artists from the Young Artist Studio travel to schools to share their talent, knowledge and career path with students in middle school or high school. For students interested in onstage performance, two singers and a coach give an in-depth presentation on the musicology and the performance of songs from operas, operettas, Broadway and concert repertoire. They also help students discuss careers in the fine arts. For students interested in backstage production, a member of FGO's production team meets with students and gives an overview of the profession, types of jobs available and skills needed to work in the industry. This program can be tailored to specific school interests, including set design, set and prop construction, lighting design and use of lighting instruments.

Opera Time (Multifaceted)

Seattle Opera fosters literacy in and through the arts with *Opera Time*, a curriculum enrichment program for early readers in grades Pre-K through 2 and ELL students. This reading and literacy program is delivered by a teaching artist/singer during a 30-minute session, and aligns closely with Common Core ELA standards. Students learn a signature "At the Opera" song, that describes the opera experience. The teaching artist then reads a story. The story serves as inspiration for the students to create their own original scenes or arias exploring character and scenario.

Opera for All (Multifaceted)

Chicago Opera Theater's program brings Teaching Artists into Chicago Public Elementary Schools to educate students about music, singing and opera. *Opera For All* allows kids to understand the art by participating in it, both in production and in performance. Every student takes part in the creation and performance of an original opera. Past iterations of the program have included attending a dress rehearsal of a mainstage performance, an in-school performance by the teaching artists of an original opera, a field trip to research the subject matter for producing an original work (a trip to a planetarium for an opera about space, for example) and lessons with many different types of opera professionals.

In-School Opera Programs (Multifaceted)

Los Angeles Opera conducts multi-week residencies, at elementary and secondary levels, teaching students how to perform in an opera along-side professional opera singers. These original works draw upon both mainstage operas and school curriculum (for example, *Figaro's American Adventure* is adapted from *The Barber of Seville* and set in the American Revolution). Students learn the fundamentals of music, vocal technique and staging and put it into practice when Los Angeles Opera comes to the school with portable sets, equipment, crew and professional opera singers who perform alongside the students for their peers, parents and invited community. Students then attend a performance of the student matinee at the opera house.

APPENDIX B: ILLUSTRATING THE COMPLEXITY, QUALITY AND RANGE OF STUDENT READING

Operas Based On Literary Texts

Grades K-1	<i>Goldilocks and the Three Bears</i> by Robert Southey (1837), opera by E. Hemenway*
	<i>Babar the Elephant</i> by Jean de Brunhoff (1931), opera by N. Berezowsky*
	<i>Chicken Little</i> by Marjorie Hartwell (1958), opera by T. Benjamin*
Grades 2-3	<i>Johnny Appleseed</i> (folktale), opera by S. Foster*
	<i>The Emperor's New Clothes</i> by Hans Christian Andersen (1837), opera by D. Moore*
	<i>Charlotte's Web</i> by E.B. White (1952), opera by C. Strouse*
Grades 4-5	<i>Little Women</i> by Louisa May Alcott (1868), opera by M. Adamo
	<i>The Secret Garden</i> by Frances Hodgcs Burnett (1910), opera by N. Gasser
	<i>A Wrinkle in Time</i> by Madeleine L'Engle (1962), opera by L. Larson*
Grades 6-12	<i>Macbeth</i> by William Shakespeare (1606), opera by G. Verdi
	<i>A Midsummer Night's Dream</i> by William Shakespeare (1600), opera by B. Britten
	<i>Of Mice and Men</i> by John Steinbeck (1937), opera by C. Floyd

*Listed in OPERA America's Opera for Youth Directory

Opera-Related Texts (Informational)

Grades K-1	<i>The Great Poochini</i> by Gary Clement (1997)
	<i>Opera Cat</i> by Tess Weaver and Andrea Wesson (2002)
	<i>The Magic Flute: An Opera By Mozart</i> by Krya Teis (2008)
Grades 2-3	<i>Behind the Curtain</i> by Christian Thee (1994)
	<i>Sing Me A Story</i> by Jane Rosenberg (1996)
	<i>The Barefoot Book of Stories from the Opera</i> by Shahrukh Husain (1999)
	<i>The Young Person's Guide to the Opera: With Music from the Great Operas</i> by Anita Generi and Nicola Barber (2001)
	<i>La fanciulla del West Children's Book</i> by Monica E. Lapenta (2010)
Grades 4-5	<i>Bravo! Brava! A Night at the Opera: Behind the Scenes with Composers, Cast, and Crew</i> by Anne Siberell (2002)
	<i>Benjamin's Ring</i> by Roz Goldfarb (2012)
	<i>Music!Words!Opera! AIDA and HANSEL AND GRETEL</i> , commissioned by OPERA America (2012)
	<i>Verdi for Kids: His Life and Music with 21 Activities</i> by Helen Bauer (2013)

This list is not meant to be comprehensive. It provides examples of individual titles that are representative of such texts that are aligned with ELA Standard 10.

MEMBERSHIP REPORT TO THE BOARD OF DIRECTORS OCTOBER 2013

I. PROFESSIONAL COMPANY MEMBERS

As of October 1, 2013, OPERA America listed 135 PCMs among its membership, including:

- 113 U.S. Company Members
- 18 Opera.ca Members
- 4 International Members (2 Australia, 1 Chile, 1 Japan)

FY13 U.S. PCM Dues Report

FY13 Original Goal: \$573,000
FY13 Final: \$576,980

As reported at the last Board Meeting, six companies elected to go on hiatus in FY13: El Paso Opera, Opera Birmingham, Opera Providence, Pine Mountain Music Festival, Opera New Jersey and Anchorage Opera. Pine Mountain Music Festival, Opera Providence and Opera New Jersey are no longer producing fully-staged opera. El Paso and Anchorage have not responded to OPERA America inquiries. Opera Birmingham is undergoing a leadership transition that may lead to a return to membership in FY15.

FY14 U.S. PCM DUES REPORT

FY13 Original Goal: \$585,000
FY13 Projection: \$560,000*

* NOTE: Dues from Virginia Opera (hiatus), New York City Opera (closed) and DuPage Opera Theater (closed) have been removed from the year-end projection.

As observed in the chart below, the response by PCMs in returning the dues assessment form this year has been remarkable. In past years, Membership had sent out a concise e-mail at the beginning of September with an attached dues form. This year, the friendlier dues notice included a reminder of the many benefits of membership, and also welcomed any questions or comments. OPERA America believes that this personal touch has made a difference in getting dues assessment forms returned earlier, especially among the Level 1 and Level 2 companies.

	FY13 (to October 7, 2012)	FY14 (to October 7, 2013)
Pledges	\$17,369.87 (3 companies)	\$133,807.11 (17 companies)
Payments Received in Full	\$63,131.43 (11 companies)	\$126,985.77 (23 companies)
Payments on Pledges	N/A	\$11,821.17 (6 companies)
Total	\$80,501.30 (14 companies)	\$272,614.05 (46 companies)

Greensboro Opera Company is on hiatus but has indicated their intent to rejoin the membership in FY14. Sacramento Opera has merged with the Sacramento Philharmonic and is now operating as The Sacramento Region Performing Arts Alliance. They returned from hiatus, having paid dues in full for FY14.

Of the companies that have returned Dues Assessment Forms, 11 report increased dues payments year-over-year, totaling \$8,122, reflecting increased or decreased operating budgets. Nine companies report decreases in dues payments, totaling \$6,666. Dues amounts for the

remaining 26 companies remain unchanged from FY13 to FY14, although the current system of dues caps hides whether the budgets of these companies are growing again or shrinking.

II. APPLICATIONS FOR PROFESSIONAL COMPANY MEMBERSHIP

Of the 15 companies actively solicited for Professional Company Membership since the last Board Meeting, six companies have submitted applications: Harlem Opera Theater, Hubbard Hall Opera Theater, Opera Ebony, The Industry LA, UrbanArias and VisionIntoArt. This is the largest number of PCM applications presented at a single Board Meeting in several years.

TO QUALIFY FOR PROFESSIONAL COMPANY MEMBERSHIP, AN ORGANIZATION MUST

1. Be an independent 501(c)3 corporation or part of a larger 501(c)3 whose repertory includes opera/music-theater and whose primary mission is the enrichment of the community through the production and performance of opera/music-theater.
2. Produce and perform at least one staged or semi-staged work each season, before a paying audience, during the current season and each of the immediately preceding two seasons.
3. Employ paid management of at least one full-time equivalent. FTE: 40 hrs/week.
4. Engage and pay professional performers and other artists.
5. Provide audited financial statements, a financial review and/or a completed
6. IRS Form 990.

One of the criteria may be waived at the discretion of the Membership Committee.

At-a-glance chart for Fall 2013 PCM applications

	Harlem Opera Theater	Hubbard Hall Opera Theater	Opera Ebony	The Industry	UrbanArias	Vision Into Art
501(c)3	Yes	Yes	No (see paragraph)	Yes	Yes	Yes
Produce and perform at least one staged work current and past two seasons	Yes	Yes	Yes	Yes	Yes	Yes
Employ paid mgmt. FTE 40hrs/wk	Yes	Yes	Yes	Yes	Yes	Yes
Pay artists	Yes	Yes	Yes	Yes	Yes	Yes
Financial statements provided	Yes	Audit	Audit	990	990	990
Proposed PCM Level	4	4	4	4	4	4
Projected Year 1 dues amount	\$0	\$350	\$0	\$1100	\$450	\$450

Board Members will recall that over the summer, OPERA America reached out to a select number of companies and offered complimentary membership in FY14 as part of a larger initiative to diversify the PCM ranks. To qualify for this complimentary membership, a company needed to indicate in their mission statement that they operate to serve an audience of color, present works by artists of color and/or employ performers of color. To that end, Harlem Opera Theater, Opera Cultura, Opera Ebony, Opera Hispanica and Opera North, Inc. (Delaware) were identified as prospects under this rubric. Harlem Opera Theater and Opera Ebony, as noted above, have applied for Professional Company Membership. Opera Cultura will receive their 501(c)3 status in the spring of 2014 and will be offered this membership incentive at that time. Opera Hispanica was not responsive to multiple phone and e-mail attempts, and Opera North, Inc. has currently ceased operations.

The number of Level 4 companies continues throughout the U.S. and Canada continues to grow a rapid pace. If all six institutions are accepted into the membership, there will be 74 Level 4 professional companies in OPERA America, up from 62 companies 10 years ago.

	FY2004	FY2014
Level 1 U.S. and Canada	17	14
Level 2 U.S. and Canada	22	29
Level 3 U.S. and Canada	32	20
Level 4 U.S. and Canada	62	74
International PCMs	6	4
TOTAL	139	141

III. ASSOCIATE AND BUSINESS MEMBERS

As of October 7, 2013, OPERA America listed 247 additional organizations among its membership, including:

- 69 Associate Members (opera companies, guilds and other nonprofit organizations that do not meet Professional Company Membership eligibility requirements: \$250), of which
 - 67 are U.S. Associate Members (51 Producing/Presenting Organizations, 16 Foundations/Guilds)
 - 2 are International (U.K., Australia)
- 51 Educational Producing Associates (educational institutions and training programs that produce opera: \$350), of which
 - 50 are U.S.
 - 1 is International (U.K.)
- 46 Career Services Subscribers (libraries, career service centers and schools: \$125), of which
 - 45 are U.S.
 - 1 is International (Japan)
- 60 Business Members (\$300), of which
 - 59 are U.S. Business Members (22 Artist Managers, 9 Administrative Service Providers, 8 Production Service Providers, 8 Artistic Service Providers, 6 Publishers, 6 Consultants)
 - 1 is International (Germany)

Since the May 2013 Board Report, 16 U.S. companies have joined OPERA America as Associate, Business and Educational Producing Associate Members, and seven have returned from lapsed status:

- New Associate Members
 - Benevolent Music Corporation
 - The Casement Fund
 - Classical Singing and New York in June
 - Erling Wold's Fabrications
 - Exponential Ensemble
 - Hartford Wagner Festival
 - Inside Broadway
 - The Kurt Weill Foundation for Music
 - Manhattan Opera Studio

- The Metropolitan Opera National Council Eastern Region
- Milwaukee Opera Theatre
- New Business Members
 - The Offstage Group
 - Vocal Artists Management
- New Educational Producing Associate Members
 - Citywide Youth Opera
 - In the Pocket NYC
 - Lawrence University Conservatory of Music
- Returning Associate Members
 - Connecticut Concert Opera
 - Florida Opera Theatre
 - Opera Studio Melbourne
- Returning Business Members
 - Chadwick Creative Arts
- Returning Educational Producing Associate Members
 - Frost Opera Theater, University of Miami
 - The Mannes Opera, Mannes School of Music
 - Yale School of Music, Yale Opera

Since the May 2013 Board Report, 16 Associate, Business, Educational Producing Associate Career Services Members have lapsed:

- Lapsed Associate Members
 - Blue Lake Fine Arts Camp
 - Buffalo Opera Unlimited
 - ConcertOPERA Philadelphia
 - Empire Opera, Inc.
 - Old Deerfield Productions
 - Microscopic Opera Company
- Lapsed Business Members
 - Cauldron Artists
 - EmcArts, Inc.
 - Rooster Productions
 - Sardos Artists Management Corporation
 - Zemsky Green Artists Management, Inc.
- Lapsed Educational Producing Associate Members
 - North Dakota State University
 - Oklahoma State University
 - University of Arizona
 - University of Wisconsin-Madison
- Lapsed Career Services Members
 - Black Hills State University

Staff continue to follow up with lapsed members via phone. More often than not, there is no reason for the lapse other than the fact that the original renewal solicitation e-mail was misplaced.

COMPARATIVE SUMMARY REPORT – ORGANIZATIONAL MEMBERSHIP

MEMBERSHIP CATEGORY	FY13	FY12	FY11	FY10
Professional Company Members, U.S. only	113 \$576,980	112 \$574,570	116 \$562,140	114 \$581,000
Associate Members (\$250)	72 \$18,000	59 \$14,750	60 \$15,000	59 \$14,750
Business Members (\$300)	59 \$17,700	54 \$16,200	55 \$16,500	58 \$17,400
Career Service Center Subscribers (\$125)	45 \$5,625	54 \$6,750	50 \$6,250	50 \$6,250
Educational Producing Associates (\$350)	51 \$17,850	50 \$17,500	53 \$18,550	52 \$18,200
Total	340 \$636,155	329 \$629,770	334 \$618,440	333 \$637,600

In FY14, Membership hopes to continue the successful retention and recruitment of Business and Associate Members. Renewals of Career Service Members (mostly university and public libraries), have declined in recent months. Now that the Career Guide for Opera is available to anyone online for free, the benefits that a Career Service Member receives are very similar to what an Individual Member receives at a much lower cost. Membership has tried to reengage the library members by offering a special *Opera America* Magazine subscription for only \$30, but there has been no uptake on this promotion. Educational Producing Associates representative a very loyal block of university members; however, it has been difficult to attract new members as many prospective EPAs only seem to be interested in receiving grant funding from OPERA America. Currently EPAs are ineligible for grants from OPERA America and do not qualify as PCMs.

IV. NEW YORK OPERA ALLIANCE

The New York Opera Alliance is a consortium of New York alternative/independent opera companies and producers established to enhance and support the visibility and viability of their organizations, both individually and collectively. The group is comprised of 25 opera-producing entities throughout the five boroughs. Although they manage their own affairs, OPERA America serves as fiscal sponsor, provides complimentary meeting space to the Alliance and attends many of their meetings. Of the 25 Alliance members, six are PCMs, three are Associates and one is an EPA. All nonmembers have been solicited for membership. OPERA America is confident that the little OPERA THEATRE of NY and Underworld Productions will join the national organization later this fiscal year.

NYOA Participant	OPERA America Membership Status
American Lyric Theater	Professional Company Member
American Opera Projects	Professional Company Member
Beth Morrison Projects	Professional Company Member
Bronx Opera Company	Non-member
Center for Contemporary Opera	Professional Company Member
Chelsea Opera	Professional Company Member
Citywide Youth Opera	Associate Company Member
dell'Arte Opera Ensemble	Non-member
Downtown Music Productions	Non-member
Encompass New Opera Theatre	Professional Company Member
Gotham Chamber Opera	Professional Company Member
HERE	Professional Company Member
Manhattan School of Music	Educational Producing Associate Member
Morningside Opera	Non-member
On Site Opera	Associate Company Member
Opera Breve	Non-member
Opera Moderne	Non-member
Opera Omnia	Non-member
Opera on Tap	Lapsed Associate Company Member
operamission	Associate Company Member
OperaOGGI New York	Non-member
The Indie Opera Podcast	Non-member
the little OPERA THEATRE of NY	Non-member
Underworld Productions Opera	Non-member
Vertical Player Repertory	Non-member

V. OTHER DEPARTMENT ACTIVITIES

ADVERTISING

Total advertising hit a record high of over \$45,000 in FY13. The goal for advertising in FY14, at \$55,000, is an ambitious one, but takes into account new digital advertising channels (e-newsletters and an iPad app); to date, \$1,500 of e-newsletter ads have been secured. The fall issue of *Opera America Magazine* contained over \$10,000 in advertisements. While this represents a smaller advertising total than the 2012 fall issue, which was a special edition commemorating the opening of the National Opera Center, this is considerably higher than historical fall issues of the magazine.

MEMBERSHIP WEBINARS

Based on survey responses from OPERA America organizational members conducted in spring 2013, Membership created a 30-minute webinar to guide current, new and prospective members through OPERA America's programs, services and website. Led by Larry Bomback and Sam Snook, three webinars have taken place since August, with approximately 60 total attendees from PCM, Associate, Business and EPA members.

Conference Sponsors and Exhibitors: Twenty-six organizations exhibited at *Opera Conference 2013* in Vancouver. OPERA America received very positive feedback from exhibitors with regard to traffic and flow; conference attendees had to walk through the exhibit hall in order to get to the plenary and breakout sessions, restrooms and elevators. The exhibit hall also featured walls of windows and high ceilings. Several exhibitors have verbally committed to the 2014 conference and OPERA America expects exhibitor turnout to be very strong. The department has set an internal goal of 35 exhibitors for the San Francisco conference.

Development of the 2014 sponsor prospectus is underway, and one early solicitation has gone out. The special offer responded to a recent survey conducted by the Americans for the Arts (AFTA) that was distributed to national arts service organizations and their conference attendees. One of the common themes from that survey was a desire for a significant conference sponsorship discount to businesses that sponsor at more than one performing arts conference each year. Responding to this with a small test group, OPERA America offered six organizations that do not sponsor OPERA America but do support another arts service organization a large discount off opera conference sponsorship. So far, two of those companies have taken advantage of the offer, resulting in nearly \$4,000 of new sponsorship revenue.

OPERA AMERICA MAGAZINE GIFT SHOP SALES

With each upcoming issue, OPERA America makes a concerted effort to deliver its flagship publication to professional company members that manage their own gift shops. Gift shops pay for shipping, receive below-cost pricing on the magazine bundles and keep 100% of the proceeds from their sales. To date, the following companies have taken advantage of this promotion, purchasing magazines from OPERA America in coordination with their respective seasons: Minnesota Opera, Canadian Opera Company, Calgary Opera, The Santa Fe Opera, Seattle Opera, San Francisco Opera and Opera Memphis.

Submitted by:
Sam Snook, Membership and Development Manager

PROFESSIONAL COMPANY MEMBER APPLICATIONS OCTOBER 2013

1. ABOUT HARLEM OPERA THEATER

To come.

2. ABOUT HUBBARD HALL OPERA THEATER

Hubbard Hall Projects (HHP), located in Cambridge, NY, was incorporated in 1977. Hubbard Hall Opera Theater (HHOT), now in its sixth season, is a branch of HHP and performs at Hubbard Hall and the Freight Depot, both in Cambridge, NY. Hubbard Hall seats between 130-150 and the Freight Depot seats 40-60.

Hubbard Hall is an arts center supporting creativity and participation. Hubbard Hall strives to enrich the lives of individuals and communities, and offers valuable pathways to learning through the arts. Hubbard Hall intends that its programs promote and serve as a magnet for artistic activity.

In carrying out its mission, Hubbard Hall strives to

- Present and produce the very highest quality professional artists;
- Create educational and performing opportunities for community members of all ages and abilities to participate in the arts; and
- Provide opportunities for mentoring and educational interaction between professionals and amateurs.

In this capacity, Hubbard Hall develops artistic talent, engages new audiences for the arts and provides access to cultural programs responsive to the interests of a diverse array of residents and artists in rural Washington County, as well as neighboring counties in New York and Vermont. Hubbard Hall is also committed to restoring and preserving the Hubbard Building and the adjacent buildings in the Cambridge Freight Yard as community cultural assets.

HHOT seeks to join OPERA America, "in order to partake of the greater resources and training opportunities available through this network."

In the 2013-2014 season, HHOT will produce and perform *The Barber of Seville* with full orchestra and *Trial by Jury* with piano only. There will be 10 mainstage performances and the productions will go on tour for an additional eight performances. HHOT employs two staff, Executive Director Benjie White and Opera Theater Artistic Director Alix Jones.

The organization is a registered 501(c)3. A 2012 audit was provided to OPERA America and all orchestra musicians as well as singers in leading and supporting roles are paid. HHOT's expenses for 2012-2013 season was \$56,518, and would thus qualify the organization as a Level 4 company. The company projects expenses of \$30,955 for 2013-2014 and \$42,110 for 2014-2015.

Hubbard Hall Opera Theater meets all five Professional Company Membership criteria.

3. ABOUT OPERA EBONY

Opera Ebony, located in New York, NY, was incorporated in 1973 and performs at Aaron Davis Hall at City College, as well as St. Paul and St. Andrew churches, all in New York City. Aaron Davis Hall seats 630 and St. Paul and St. Andrew can each seat approximately 1,200.

Opera Ebony's Mission Statement:

- To present opera performances of the highest quality with diverse casting of professionals and young artists of all ethnic backgrounds.
- To promote and commission the works of African American and minority composers to enrich the art form.
- To present productions which are creative and innovative in scope.
- To actively participate in arts education, outreach and audience development.

Opera Ebony's goals in joining OPERA America are "to develop and expand the scope of our education and outreach programming. In addition, we would use OPERA America as a reference and resource for the purpose of gaining knowledge and assistance in the process, protocol and content needed for grant writing and funding. OPERA America can also be helpful in assisting Opera Ebony in possibly targeting specific grants that may be ideal for projects that Opera Ebony plans to produce and or program...The rehearsal space, audition space and research areas of the OPERA America offices are great amenities that Opera Ebony would certainly take advantage of. Finally the cache that goes along with being a member of OPERA America can only be a positive for Opera Ebony." Opera Ebony employs two full time staff, General Manager Gregory Sheppard and Founder and Music Director Wayne Sanders. Musicians and artists in leading and supporting roles are paid, as are the orchestra musicians.

In the 2013-2014 season, Opera Ebony will produce and perform two mainstage productions and one oratorio: *The Meetin', I Pagliacci* and Mozart's *Requiem* with five performances total. In the 2014-2015 season, Opera Ebony plans to produce and perform three mainstage productions.

The organization is fiscally sponsored by Fractured Atlas while they re-file their 501(c)3. The former artistic director of Opera Ebony, Benjamin Matthews, passed away in 2006, and the organization went on hiatus and lost its tax-exempt status. The company reemerged in 2011 under new leadership. Financial records beginning in spring 2012 have been provided to OPERA America, as well as publicity materials.

Opera Ebony's total expenses for the 2012-2013 season were \$53,000, and would thus qualify the organization as a Level 4 company. The company projects expenses of \$75,000 for the 2013-2014 and \$75,000 for the 2014-2015 season.

Opera Ebony meets four of the five criteria for Professional Company Membership.

4. ABOUT THE INDUSTRY LA

The Industry, located in Los Angeles, CA, was incorporated in 2011 and performs all over the Los Angeles metropolitan area, including Atwater Crossing (a performance complex), Union Station railway station and the Billy Wilder Theater at the Hammer Museum (which seats 295).

The Industry creates ambitious world premiere productions that expand the traditional definition of opera, merging artistic disciplines and building new paradigms for collaboration. The Industry aims to engage a wide demographic and cultivate curiosity through the unexpected audience experience. The Industry employs Artistic Director Yuval Sharon and General Manager David Mack. Orchestra musicians and singers in lead and supporting roles are paid.

In the 2013-2014 season, The Industry will produce and perform *Death and the Powers, InC, Young Caesar, Longitude* and *Invisible Cities*. There will be 15 total performances of these productions.

The organization is a 501(c)3. Two years of Form 990s, reviews and publicity materials, as well as a letter of recommendation from Lawrence Edelson (American Lyric Theater), have been provided to OPERA America.

The Industry's expenses for 2012-2013 season were \$332,560 and would thus qualify the organization as a Level 4 company. The company projects expenses of \$557,852 for 2013-2014 and \$650,000 for 2014-2015.

The Industry meets all five criteria for Professional Company Membership.

5. ABOUT URBANARIAS

UrbanArias, located in Arlington, VA, was incorporated in 2009 and performs at the Artisphere, located in Arlington. The Artisphere has a seating capacity of approximately 125.

UrbanArias' mission is "to expose D.C.-area and national audiences to engaging, accessible, entertaining operas; to provide a professional venue at which both established and emerging composers can present their shorter works; and, in essence, to demystify opera for those who find it too intimidating by revealing it for the compelling art that it is." UrbanArias employs Executive and Artistic Director Robert Wood. Orchestral musicians and singers in leading and supporting roles are paid.

In the 2013-2014 season, UrbanArias will produce and perform the double-bill *Nora in the Great Outdoors* and *Alice in the Time of the Jabberwock*, and a remounting of *Paul's Case* at the PROTOTYPE Festival in New York in January. There will be 14 performances of the double-bill and five performances of *Paul's Case*.

The organization is a registered 501(c)3. Two years of audited financial statements, reviews and publicity materials, as well as two letters of recommendation from Darren K. Woods (Fort Worth Opera) and Charles Jarden (American Opera Projects), have been provided to OPERA America.

UrbanArias' goals and objectives in joining OPERA America are "to benefit enormously from the ability to apply for funds set aside by OPERA America for the commission and production of new work...to benefit from further networking with other professional members, both to learn best practices for opera management and to explore collaboration...and to be a small example to other professional members of what can happen when conductors, producers, directors and singers think outside of the box."

UrbanArias' expenses for 2012-2013 were \$131,875 with projected expenses for 2013-2014 \$128,000 and \$135,000 for 2014-2015, qualifying the organization as a Level 4 company.

UrbanArias meets all five Professional Company Membership application criteria.

6. ABOUT VISIONINTOART

VisionIntoArt, located in New York City, NY, was incorporated in 2001 and performs around the world in theaters such as The Kitchen (NYC), CSU Fullerton (CA), River to River Festival (NYC), Brooklyn Academy of Music (BAM) and Bay Chamber Festival (ME) with seating capacities between 155 and 2,066.

VisionIntoArt looks to OPERA America for "...board governance and network forums..." as well as "...staff and research consultations, grant-giving opportunities and information services..." VisionIntoArt has two paid staff members, Executive/Artistic Director Paola Prestini and

Managing Director Courtenay Casey; all orchestral musicians and singers in leading and supporting roles are paid.

In the 2013-2014 season, VisionIntoArt will produce and perform eight interdisciplinary productions and one residency: *The Hubble Project* (visual arts), *House of Solitude* (violin and visual arts), *Dream Streets* (violin and visual arts), *The Holy Visions* (opera), the 21C Liederabend festival at BAM (art-song and visual arts), *Aging Magician* (mixed media opera), *Labyrinth of Solitude* (violin and visual arts), a residency at The Stone in New York City in May 2014 and *The Colorado* (art installation TBA). Each production will have one performance only.

The organization is a registered 501(c)3. Two years of Form 990s, reviews, a letter of recommendation from Beth Morrison Projects and publicity materials have been provided to OPERA America. VisionIntoArt's expenses for the 2012-2013 season were \$134,000. Projected expenses total \$168,543 for the 2013-2014 season and \$240,444 for the 2014-2015 season. VisionIntoArt would qualify as a Level 4 company.

VisionIntoArt meets all five Professional Company Membership application criteria.



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OPERA.CA REPORT TO THE BOARD OF DIRECTORS OCTOBER 2013

HIGHLIGHTS

- Opera.ca Annual General Meeting
- New Board appointments
- Financial position
- Bylaws Changes
- Partnership with the Rubies
- MaRS at the “Lean Opera”

ANNUAL GENERAL MEETING IN TORONTO

Opera.ca held its annual meeting of members on October 7 at the Four Seasons Centre for the Performing Arts hosted by the Canadian Opera Company. Elected to the board at the meeting were Patricia Barretto, Executive Director, Opera Atelier and Cheryl Hickman, Artistic Director, Opera on the Avalon.

Officers of the board include continuing board Chair Patrick Corrigan, and continuing Vice-Chair Pierre Dufour. Tom Wright was elected as Secretary-Treasurer. Opera.ca bid adieu and thanks to outgoing Secretary-Treasurer Susan Worthington and Past-Chair Larry Desrochers.

At the Annual General Meeting, Opera.ca announced a small operating deficit of \$1,238 on the year ending June 30, 2013, an improvement over the budgeted deficit of \$12,500. The deficit was offset by a transfer from net assets.

Also at the AGM, members voted on changes to the bylaws that will bring the association one step closer to compliance to the new Canada not-for-profit Corporations Act. The change affects the title of member classes. Going forward, Opera.ca will have only one class called “member” for Professional Opera Company members only. All other classes will be renamed “Affiliates”. The name change will not affect any benefits to these classes, including the full range of services offered through OPERA America.

We were pleased to collaborate with Opera Canada Magazine on their annual awards gala dinner The Rubies. At the gala, we made a special presentation honouring the National Opera Directors Recognition Award winner, Mr. Arthur Scace of the Canadian Opera Company.

The two day meeting also featured a hybrid keynote workshop called “Lean Opera” in partnership with MaRS, Canada’s leading innovation centre. Led by Senior Advisor Nathan Monk, the session focused on how “Lean” and “Agile” methodologies, both well-known tools in the technology innovation world, might help opera companies in times of change. Delegates worked in groups as they explored and navigated the business model canvas. To read more about the session, visit the MaRS blog: <http://www.marsdd.com/2013/10/11/mars-at-the-lean-opera/>.

MEMBERSHIP

To date, we have received dues of around \$63,000 representing 9 out of our 15 professional company members.

At the Annual meeting in Toronto, Opera.ca launched its first-ever Outreach Program, inviting several small opera companies, those whose small budget and operations make membership a challenge. We were delighted to welcome six delegates from Against the Grain Theatre company, Opera5, and Bicycle Opera.

FALL PROGRAMS 2013

Opera.ca National Opera Directors Recognition Program

In conjunction with OPERA America’s National Trustee Award, Opera.ca will select one honoree this year to be recognized at an Opera.ca recognition event in 2014 and at the OPERA America National Trustee Award Dinner in New York City in February 2014. The award in Canada is made possible through the support of BMO Financial Group who renewed their three year sponsorship of the award in September 2011.

*Submitted by:
Christina Loewen, Executive Director of Opera.ca*

opera europa

OPERA EUROPA REPORT TO THE BOARD OF DIRECTORS OCTOBER 2013

As you may notice, Opera Europa has acquired a new look. Audrey and I have been living with the old one for over 10 years, and our Board and we reckoned that it needed refreshing. At the same time, the Opera Europa website has been developed in order to provide clearer and more user-friendly services for our members and other interested parties.

Our association now numbers 135 opera companies as members, representing 36 different countries. The most recent is the new Astana Opera House in Kazakhstan, which officially opens on 21 October. Not exactly Europe, but not America either! Back in the heartland, we are encouraged by the increasing involvement of Italian opera houses, at least some of which are entering a period of improved financial stability, and by the growing interest among the German theatres which remain the productive bedrock of the opera business.

After successive and successful conferences last season in the great capital cities of Moscow and Vienna with their multiple companies and theatres devoted to opera, we have chosen by way of maximum contrast to locate this month's conference at the Wexford Festival in south-east Ireland. The theme is *Discovery*, and we shall be exploring issues and initiatives which may help members to promote themselves in today's marketplace and face up to the challenges of the future. We are therefore especially pleased to be welcoming some prominent North American contributors between 28 and 30 October.

Next spring, our host will be Teatro La Fenice in Venice from 23 to 25 May. This *Italian Journey* to the birthplace of public opera will be part of the *Journey to Opera* which is the theme of our promotion European Opera Days in 2014.

Submitted by:
Nicholas Payne, Director of Opera Europa
4 October 2013

DEVELOPMENT REPORT TO THE BOARD OF DIRECTORS OCTOBER 2013

I. ANNUAL SUPPORT

OPERA America is working to achieve significant growth in both the Ambassador and Contributing Member Programs. New donor cultivation and acquisition strategies are being developed, as well as new solicitation materials. OPERA America has recently hired a team of consultants from the National Executive Service Corps (NESC) to analyze the acquisition and retention efforts of the organization while also reviewing the benefits assigned to each donor/ membership level. NESC is currently finalizing phase one of the consultation, which consists of fact-gathering from databases and staff interviews; phone surveys of current members at various giving levels; preparation and distribution of an online member survey; and a compilation of results with accompanying recommendations about member offerings and communications.

AMBASSADOR MEMBERS (\$500 and up) are major donors who actively participate in OPERA America's programs. Ambassador donors are responsible for a majority of OPERA America's annual support. The development team has created a dynamic itinerary of Ambassador activities throughout the year, including U.S. and international travel opportunities. In addition, the team has worked with Andy Simons at Emphas!s Design to create a brochure that describes OPERA America's mission, the purpose of the Ambassador program and the benefits of Ambassador involvement. The new brochure will be the centerpiece of acquisition mailings throughout the year.

CONTRIBUTING MEMBERS (\$499 and under) are donors to OPERA America, many of whom work in the industry and benefit most from OPERA America's online resources and the discounted use of facilities at the National Opera Center. OPERA America is working toward improved benefit strategies to achieve continued growth among Contributing Members as awareness of the Opera Center's resources increases.

As the chart below indicates, the total number of members at the Contributing level (under \$500) has declined by 30% since 2009 and support from this group has declined by 22%. Conversely, Ambassador Membership has increased by more than 50% since 2009, and contributions from that group have more than doubled. Not shown on the chart below are the 655 free "artist accounts" representing individuals who, in FY13, provided their e-mail address and basic demographic information to OPERA America in exchange for free access to the online Career Guide for Opera.

ANNUAL SUPPORT		2009	2010	2011	2012	2013
Contributing Members	\$0-75 # members at YE dollars contributed	236 \$10,000	151 \$5,000	124 \$4,000	219 \$8,000	122 \$4,000
	\$76-499 # members at YE dollars contributed	621 \$63,000	558 \$57,000	542 \$56,000	486 \$52,000	475 \$53,000
Ambassador Members	\$500+ # members at YE dollars contributed	104 \$177,000	137 \$243,000	145 \$253,000	157 \$282,000	161 \$361,000
Total Members		961	846	811	862	758
Total Dollars		\$25,000	\$305,500	\$313,000	\$342,000	\$418,000

Nearly 300 renewals letters have been sent to Ambassador and Contributing Members who made a gift from July through November 2012. These letters were prepared based on the anniversary dates of the donor's most recent gift. In addition, lapsed Ambassador and Contributing Members from 2011 to 2013 have received letters, e-mails and phone calls asking them to renew their much needed support of OPERA America. As OPERA America approaches the end of the calendar year, nearly 700 renewal, renewal follow-up and solicitation letters will be sent to prospective donors, lapsing and lapsed donors, National Trustee Forum members and board members. The development staff has allotted several weeks for e-mail and phone follow-ups to the end-of-calendar year mailings.

Last year, OPERA America exceeded its annual support goal by more than \$15,000. Based on this success, the department has increased its FY14 goal to \$460,000. This category includes revenue from Ambassador and Contributing Members in addition to the National Opera Center Board of Overseers. Established in FY13, the National Opera Center Board of Overseers assist the OPERA America Board of Directors and senior staff in fulfilling the vision of the National Opera Center and advancing the mission of OPERA America. Overseers provide advice and support for the programs and services offered in the Opera Center. They are encouraged to make annual gifts at the Ambassador-at-Large level (\$5,000 or more), and they receive all of the benefits of this giving category. The Board of Overseers has already yielded \$20,000 in new contributions this fiscal year.

FY14 Goal: \$460,000

Ambassador Program: \$340,000
 Contributing Member: \$60,000
 Board of Overseers: \$60,000

FY14 Performance to date: \$46,519

Ambassador Program: \$14,250
 Contributing Member: \$12,269
 Board of Overseers: \$20,000

FY13 Final: \$417,348

Ambassador Program: \$361,114
 Contributing Member: \$56,234
 Board of Overseers: \$0

FY13 Performance to date: \$16,849

Ambassador Program: \$9,000
 Contributing Member: \$7,849
 Board of Overseers: \$0

This fall, OPERA America honored Patricia Scimeca, a renowned voice teacher and supporter of OPERA America. Patricia was a long-standing donor at the \$2,500 level and she was appointed to the Board of Overseers during her fight with cancer. An endowed fund for emerging singers with an initial \$25,000 contribution from Patricia and her husband was established in her memory. Directed memorial gifts of an additional \$25,000 have brought the fund to nearly \$50,000.

Income from the fund, which will equal or exceed her annual fund support, will be directed toward artistic programs including Recording Days and Feedback Auditions, for which Patricia was a panelist.

II. OPERA CENTER FUNDRAISING UPDATE

OPERA America has completed the 2:1 portion of The Mellon Foundation endowment match, having requested \$250,000 to match \$500,000 in Opera Center donations once in May 2013 and once in September 2013. The final installments of The Mellon Foundation endowment grant require a 3:1 match.

A six-figure multi-year grant request to Bank of America/U.S. Trust to name the stage of the National Opera Center is still pending. Solicitation of new prospects to meet the match requirements of The Mellon Foundation's endowment pledge has begun. In addition, OPERA America staff are working to complete several mini-campaigns to name spaces in the National Opera Center.

Please refer to the Opera Center Campaign Report following the Opera Center Report for more information on the status of the Opera Center fundraising campaign.

III. INSTITUTIONAL GIVING

Of the \$1,676,500 budgeted for FY14 Government, Foundation and Corporate support, \$1,276,500 in funding has received or confirmed.

Received/Confirmed since the last board meeting:

- Boosey & Hawkes – \$5,000 for general operating support (FY13)
- Deloitte – \$12,500 for Trustee programs, including the National Trustee Forum and sessions at the annual opera conference (FY13)
- The Amphion Foundation – \$3,000 for the Salon Series, now Creators in Concert (FY14)
- Bank of America – \$50,000 for general operating support with emphasis on the National Trustee Recognition Program (FY14)
- The William and Flora Hewlett Foundation – \$10,000 for Opera Conference 2014 in San Francisco (FY14)
- The Andrew W. Mellon Foundation – \$850,000 over two years for the New Works Forum (FY14 and FY15)
- The Virginia B. Toulmin Foundation – \$300,000 over two years for a new grant-making program to encourage the work of female composers and librettists (FY14 and FY15)
- New York City Council - \$3,500 from Councilmember Gail Brewer's office for a creative aging program
- New York City Department of Cultural Affairs – \$15,375 for support of the New York Opera Alliance

Several proposals are pending:

- American Express – \$50,000 for the Leadership Intensive (invited)
- Chevron Foundation – \$50,000 for education resources with emphasis on the education track at *Opera Conference 2014* in San Francisco
- Francis Goelet Charitable Lead Trusts – \$20,000 for enhancements to the 2014 New Works Forum (invited)
- The John S. and James L. Knight Foundation – \$100,000 for a new Co-Productions Forum
- National Endowment for the Arts – \$150,000 for FY15 services to the opera field, including professional development activities, comprehensive field research, multimedia technology and the coordination of National Opera Week
- United Airlines – \$7,500 in airfare vouchers to cover OPERA America staff travel to *Opera Conference 2014* in San Francisco

Upcoming proposals include:

- Arthur F. and Alice E. Adams Charitable Foundation – Project and amount TBD
- Booth Ferris Foundation – Project and amount TBD
- The Aaron Copland Fund – \$5,000 for professional development programs.
- Hearst Foundation – Project and amount TBD
- The Hyde and Watson Foundation – \$30,000 for capital improvements at the National Opera Center

- James Irvine Foundation – Amount TBD for *Opera Conference 2014* in San Francisco
- New York Community Trust – \$75,000 for programs at the National Opera Center, including Feedback Auditions, Recording Days and the *Emerging Artist Recital Series*
- Wells Fargo – Amount TBD for *Opera Conference 2014* in San Francisco

IV. AMBASSADOR TRAVEL

OPERA WEEK IN BERLIN, JUNE 4-11, 2013: OPERA America Ambassadors traveled to Berlin for a week of opera, cultural exploration and fine dining. Opera performances included *La traviata*, *Le vin herbé*, *Orlando* and *Ball im Savoy*. The itinerary also included a day trip to Dresden, where the group toured the Gemäldegalerie, dined at the Zwinger Palace and attended a performance at the Semperoper. OPERA America arranged for several private meetings with special guests including Barrie Kosky, the new director of the Komische Oper; Pamela Rosenberg, dean of fellows and programs at The American Academy in Berlin; and Jonathan Meese, German painter, sculptor and performance artist who will direct *Parsifal* at the Bayreuth Festival in 2016.

FOUNDERS WEEKEND, SEPTEMBER 26-28, 2013: OPERA America celebrated the first anniversary of the opening of the National Opera Center at Founders Weekend in New York City. A group of OPERA America Ambassadors and Opera Center Founders joined together to celebrate the weekend with performances at the National Opera Center, The Metropolitan Opera and the Brooklyn Academy of Music. In addition, the weekend included Neighborhood Day at the Opera Center where singers, composers, designers and administrators from the neighborhood were invited to showcase their vibrant creativity in the rehearsal and performance spaces at the Opera Center.

Following the success of the Berlin trip, the development staff scheduled an active itinerary of Ambassador activities for fiscal year 2014. This itinerary includes:

- October 25-27, 2013 – OPERA America spends the day on Capitol Hill with sessions at the National Endowment for the Arts, as well as meetings with Senators and Representatives. The weekend also includes group dining and a performance of *The Force of Destiny* at Washington National Opera.
- February 20-23, 2014 – Trustee Weekend in New York City will feature the annual National Trustee Recognition Awards, Jonas Kaufman at Carnegie Hall and a special performance and dinner at the National Opera Center.
- June 20-23, 2014 – OPERA America’s annual conference in San Francisco will be centered on the topic of Audiences Re-Imagined. It will feature opera performances, the *New Works Sampler* and private receptions for Ambassador-level donors. Special events for donors in San Francisco include a dinner/reception hosted by former Attorney General George Schultz and his wife, Charlotte. In addition, Gordon Getty has agreed to host a dinner in his Pacific Heights home.
- July 10-18, 2014 – OPERA America will travel to England for a week of opera performances at the Royal Opera House, Garsington Festival and Glyndebourne. The group will enjoy guided tours of historic landmarks and private meetings with special guests in addition to fine dining and pre-performance receptions.

V. SAN FRANCISCO ENGAGEMENT

OPERA America has engaged consultant Mary Powell to help build a community of support for *Opera Conference 2014* and OPERA America more generally in the Bay Area. To this end, OPERA America will be forming a Host Committee of local opera patrons who commit to hosting and/or attending events during the conference to represent their companies and the broader opera community. The Host Committee will be co-chaired by John Gunn (former San Francisco Opera

Board Chairman) and Gordon Getty.

Mary has hosted dinners in her home for Marc A. Scorca and local opera dignitaries during his visits to San Francisco. She has led the cultivation of contributions from Chevron and has supported the approaches to the Irvine Foundation and Hewlett Foundation. Mary also secured a \$200,000 contribution from John Gunn for the Opera Center (in honor of David Gockley and Nicola Luisoti), as well as his agreement to speak at the conference.

A group of local opera patrons were hosted for a reception by Frayda Lindemann aboard ADELA in mid-September.

VI. TRUSTEE ACTIVITIES

NATIONAL TRUSTEE FORUM: The next meeting of the National Trustee Forum will take place in New York during the National Opera Trustee Recognition Program from February 21-23, 2014. The meeting has been designed to provide presentations and discussion about issues that are central to improving the effectiveness of opera company boards. National Trustee Forum participants will be invited to join the annual Ambassador activities in New York, including the presentation of the 2014 National Opera Trustee Recognition Awards.

The opera companies represented by the full membership of the National Trustee Forum are:

The Atlanta Opera	North Carolina Opera
Austin Lyric Opera	Opera Philadelphia
Calgary Opera	Opera Colorado
The Dallas Opera	Opera Idaho
Florentine Opera	Opera Omaha
Florida Grand Opera	Opera Parallèle
Fort Worth Opera	Opera Saratoga
The Glimmerglass Festival	Opera Theater of Pittsburgh
Gotham Chamber Opera	Pensacola Opera
Houston Grand Opera	Pittsburgh Opera
Indianapolis Opera	PORTopera
Long Beach Opera	Portland Opera
Los Angeles Opera	San Francisco Opera
Madison Opera	The Santa Fe Opera
Manitoba Opera	Tri-Cities Opera
Minnesota Opera	Tulsa Opera
Mobile Opera	Vancouver Opera
Nashville Opera	Virginia Opera
New Orleans Opera	

Submitted by:
Jane Gullong, Director of Development
Amanda Parker, Associate Director of Development
Kirsten Teasdale, Grants Manager

GOVERNMENT AFFAIRS REPORT TO THE BOARD OF DIRECTORS OCTOBER 2013

LEGISLATIVE UPDATE

I. ITEMS IN THE NEWS

The Federal Government currently faces a lapse in appropriations due to the government shutdown and debt ceiling limit debate. At the center of both of these issues is status of the Affordable Care Act, which is set to take effect January 1, 2014 (open enrollment began on October 1). Since news is changing daily, the most up-to-date information regarding these related issues will be distributed during the government affairs report at the Board Meeting.

II. TAX ISSUES

CHARITABLE DEDUCTION AND COMPREHENSIVE REFORM: Last spring, the House Ways and Means Committee created 11 working groups to explore a variety of tax issues, including one that focused on the role of charitable and exempt organizations. After these working groups were established, the Committee opened up a public comment period.

The House working group that focused on charitable and exempt organizations convened three closed-door meetings with nonprofits, with one focusing specifically on commercial activity. It is anticipated that conversations around commercial activity and Unrelated Business Income Tax (UBIT) will receive increased attention in the coming year. Policy makers seemed most concerned with college athletics and groups offering commercial products, such as AARP. However, organizations that are perceived to have for-profit counterparts, such as those in the arts and entertainment industries, may inevitably be impacted by potential reforms.

Meanwhile, Senate Finance Committee Chairman Max Baucus (D-MT) and Ranking Member Orrin Hatch (R-UT) announced a “blank slate” approach to tax reform, instructing their colleagues to send them letters justifying which provisions should be retained in the tax code based on three criteria: (1) helping to grow the economy, (2) making the tax code fairer or (3) effectively promoting other important policy objectives. OPERA America signed on to a letter from Independent Sector urging each Senator to support the preservation of charitable giving incentives, including the charitable deduction and the IRA Charitable Rollover. Nearly 1,250 additional nonprofits signed the letter, including 38 opera companies.

The Charitable Giving Coalition (CGC) will host another Hill Fly-In Day on November 20. OPERA America members should indicate their interest to participate by e-mailing Brandon Gryde, BGryde@operaamerica.org, before November 8.

IRA CHARITABLE ROLLOVER PROVISION: As previously reported, this provision — which allows donors aged 70 ½ and older to make tax-free distributions of up to \$100,000 directly from the IRAs to charitable organizations — was reinstated through 2013 in the American Taxpayer Relief Act of 2012. Given the crowded policy slate for the remainder of the year, most are predicting that the IRA Charitable Rollover will expire and is not likely to be reinstated until well into the 2014 calendar year.

ESTATE TAX: Congress adopted a compromise extension of the federal estate tax, maintaining the current (2012) individual exemption of \$5.12 million (\$10.24 million for a couple), which is indexed for inflation; Congress set the rate of taxation at 40%. The tax is a compromise between

the 2012 rate of 35 % and the rate of 45% in effect in 2009 sought by President Obama.

III. NATIONAL ENDOWMENT FOR THE ARTS

NEA APPROPRIATIONS: On July 22, the House Appropriations Committee released its FY14 Interior Appropriations bill allotting \$75 million to the National Endowment for the Arts (NEA). This amount is 49% less than the amount recommended by the President. The full House Appropriations Committee met to markup the bill and Representative Nita Lowey (D-NY) and Representative David E. Price (D-NC) submitted an amendment to restore NEA funding to the President's requested level, but it was defeated by a 19-27 vote. On August 1, the Senate Committee on Appropriations released its draft Interior bill for FY14 that restores the NEA's funding back to \$154.5 million, exclusive of the 2% mandatory cuts due to sequestration.

It is expected that Congress will pass a short-term Continuing Resolution (CR) through mid-December. However, many in Washington are predicting that final FY14 appropriations will be wrapped into a long-term CR at post-FY13 sequester levels, with an additional 2% cut for mandatory FY14 sequester levels. Unlike FY13, when sequestration resulted in across the board cuts, Congress has the ability in FY14 to cherry-pick where they take the cuts, which could put the NEA in a precarious situation.

OPERA America participated in meetings with the ad hoc Cultural Advocacy Group (CAG) to shore up support from friendly Republican offices and with the Congressional Arts Caucus staff. Additionally, OPERA America and the Performing Arts Alliance signed CAG letter of thanks to the Senate appropriators for the committee's strong support.

NEA STRATEGIC PLAN, FY 2014-2018: In July, the NEA disseminated a draft strategic plan and gave an opportunity for feedback via an online survey. The plan includes a renewed focus on engagement and technology. There was a noticeable absence of the inclusion of partnerships with national service organizations and OPERA America suggested that there should be increased dialogue to provide important information from the field. In addition, the NEA will no longer convene in-person grant panels, but rather will receive all feedback digitally.

LEADERSHIP: There is still no word about filling the chairman's position after former Chairman Rocco Landesman retired at the end of 2012. It is understood that several individuals were vetted but were either blocked from the position or turned it down. Due to a law that dictates no individual can serve as acting chair for more than six months, Joan Shikegawa is no longer officially acting chair; however, she continues to perform the duties while someone external to the NEA holds the position. It is possible that the position will remain vacant, as an individual would have to be interested in filling the position for only two years before a new administration is in place.

IV. ARTS EDUCATION

ARTS IN EDUCATION (AIE) APPROPRIATIONS: The U.S. Department of Education's (USDoe) FY13 appropriations for the Arts in Education (AIE) program is \$23.65 million, reflecting a standard sequester reduction of 5% from the FY12 funding level. The USDoe has adjudicated a new round of applications to the Model Development and Dissemination grant program, and an announcement of up to six new grantees is expected in the near future.

The President's FY14 budget proposes eliminating the AIE program but reallocating existing AIE resources to a program called "Effective Teaching and Learning for a Well-Rounded Education." The House budget proposes eliminating the AIE program altogether. In July, the Senate appropriations committee signaled strong support for maintaining the AIE program with a

recommendation for \$27 million in FY14.

ELEMENTARY AND SECONDARY EDUCATION ACT: The full House of Representatives passed The Student Success Act, a re-write of the Elementary and Secondary Education Act (ESEA) currently known as No Child Left Behind. The PAA sent a letter in June to Representative George Miller (D-CA) supporting specific provisions in his ESEA proposal that would improve federal resources for arts education and incentivize states and localities to do more to support arts learning. The House rejected the Miller bill in favor of a reform package that dramatically reduces the federal footprint on education policy. Action now turns to the Senate, where authorizers hope to have a bill on the Senate floor sometime in the fall.

V. FOREIGN ARTISTS

VISA ISSUES: In June, the Arts Require Timely Service (ARTS) provision was included in the Senate's comprehensive immigration reform package, thanks to the leadership of Senators Patrick Leahy (D-VT) and Orrin Hatch (R-UT). The current version of the ARTS Provision would cement in statute the administrative promises to streamline visa processing at U.S. Citizenship and Immigration Services (USCIS) within a 29-day processing time window.

OPERA America participated in a coordinated effort to lobby on behalf of the ARTS provision in the Senate and it was ultimately included among a larger set of amendments to the reform package that the Senate passed. Meanwhile, the House of Representatives has decided to take a piecemeal approach to the immigration reform bill and members of the Performing Arts Visa Working Group are currently seeking opportunities for inclusion of the ARTS provision in that chamber.

VI. INTERNATIONAL CULTURAL EXCHANGE

CULTURAL PROGRAMS DIVISION, APPROPRIATIONS: In July, both the House and Senate Appropriations Committees approved their respective bills for FY14 State Department Funding, which includes the Bureau of Educational and Cultural Affairs. The Senate recommended \$595 million for exchanges (1% below the current funding level) while the House recommended \$439 million, \$160 million less than current levels. Exchange programs received \$598.8 million in FY13.

APPLICATION-BASED PROGRAMS: Many of the exchange opportunities offered by the State Department are not application-based; however a recent e-mail from the Cultural Exchanges Division stated that a Request for Applications for music and dance programs is on the horizon, pending appropriations. Additional information will be disseminated as OPERA America learns more.

BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS: OPERA America met with new leadership in the Bureau of Educational and Cultural Affairs' cultural programs division in August to provide information about the field and the history of the Cultural Exchange Working Group.

VII. WHITE SPACE

On July 29, PAA went to Capitol Hill for "Pardon the Interruption," a briefing for Congressional staff on the need to protect broadcast and wireless microphones used in the performing arts and other sectors. The event was held in conjunction with Representative Bobby Rush's (D-IL) development of H.R. 2911, the Wireless Microphone Users Interference Protection Act of 2013, which he introduced in the House on August 1. The briefing stressed the importance of wireless technology to the performing arts and other industries' abilities to produce high quality experiences for their audiences. The FCC was urged to protect wireless microphones during

upcoming spectrum auctions.

On September 10, OPERA America joined Theatre Communications Group, the GRAMMYs, the NFL, NASCAR, NCAA and the International Association of Evangelicals on visits to Congressional offices urging lawmakers to sign a letter co-sponsored by Representatives Marsha Blackburn (R-TN) and Bobby Rush (D-IL) that supports the preservation of the two “safe haven channels” in jeopardy of elimination at the FCC. To date, five Republicans and four Democrats have signed the letter, including Representative Lujan (R-NM) after receiving a letter in support of this issue from Charles MacKay, The Santa Fe Opera’s general director.

VIII. PERSONNEL UPDATE

In June, the Performing Arts Alliance (PAA) hired a new general manager, Cristine Davis, who came to the PAA after working with many of its members at the Arts Education Partnership.

Membership in the Performing Arts Alliance has increased considerably since the 2008 National Performing Arts Convention in Denver, which was co-chaired by OPERA America. The PAA used to represent largely the interests of the symphony, opera, theater and ballet fields. Now its membership embodies a far broader spectrum of the performing arts industry, with a diverse mix of service organizations including the National Association of Latino Arts and Culture, the National Performance Network and Alternate ROOTS, among others.

Founding Members of the PAA
Association of Performing Arts Presenters
Dance/USA
League of American Orchestras
OPERA America
Theater Communications Group

Members of the PAA
Alternate Roots
American Composers Forum
Chamber Music America
Chorus America
Fractured Atlas
National Alliance for Musical Theatre
National Association of Latino Arts and Culture
National Performance Network
Network of Ensemble Theaters
New Music USA

*Submitted by:
Brandon Gryde, Director of Government Affairs*

MARKETING AND COMMUNICATIONS REPORT TO THE BOARD OF DIRECTORS OCTOBER 2013

I. MARKETING/PR NETWORK ACTIVITIES

MARKETING/PR FORUM: OPERA America launched the Marketing/PR Forum in 2012 to better serve members in the marketing and PR network. The second meeting of the Forum took place on October 3-4, 2013, at the National Opera Center, in conjunction with the Education Forum. Over the two-day meeting, attendees participated in separate marketing and education sessions, as well as joint sessions that addressed the topic of audience development. Thanks to the generous support of the Ann and Gordon Getty Foundation, reimbursements covering 50% of travel expenses up to \$500 were offered to one attendee per company, for each of the Marketing and Education Forum attendees.

Seventeen staff from 16 professional companies attended the Marketing/PR Forum:

Chautauqua Opera	Opera Santa Barbara
The Dallas Opera	Opera Theater of Pittsburgh
Des Moines Metro Opera	Opera Theatre of Saint Louis (2)
Florentine Opera	OperaLancaster
Fort Worth Opera	Palm Beach Opera
Michigan Opera Theatre	The Santa Fe Opera
Opera Carolina	Utah Symphony Utah Opera
Opera Omaha	Vancouver Opera

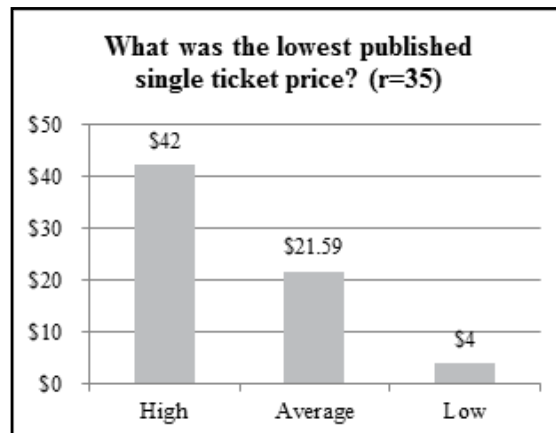
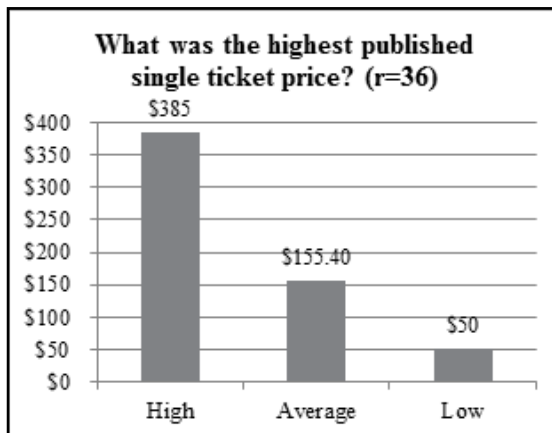
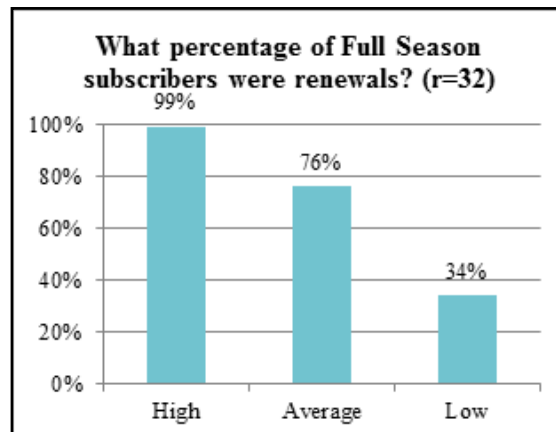
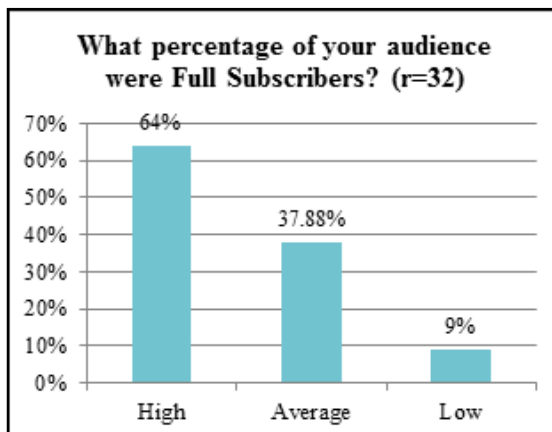
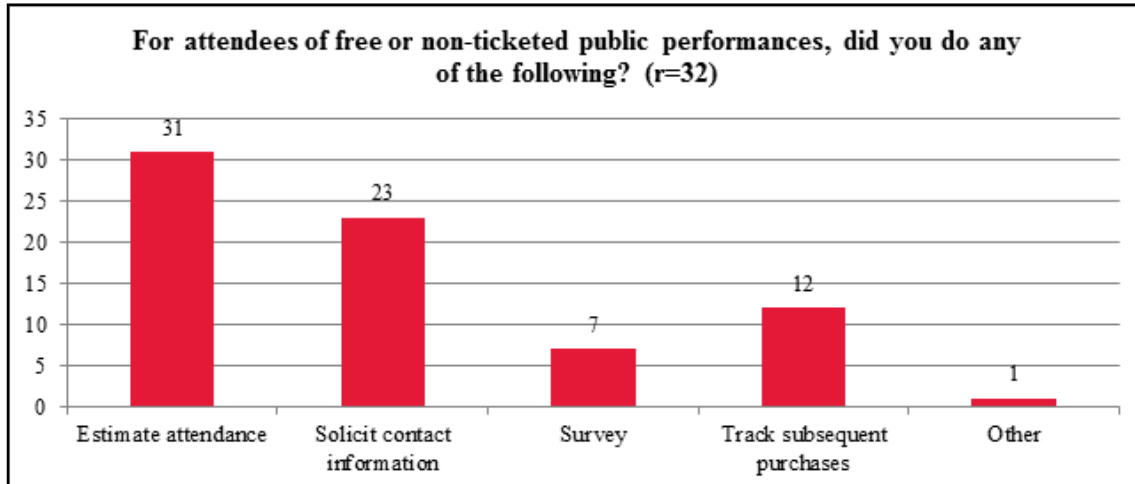
Topics covered in the Marketing/PR Forum included: ticket sales and household trends, preliminary FY13 Marketing Benchmarking survey analysis, National Opera Week 2013, *Opera America* Magazine, press databases and tracking, repertoire, Google Analytics, mobile applications and social media, branding and *Opera Conference 2014* session planning.

For a portion of each meeting day, the Marketing and Education Forums joined to discuss audience development issues, ideas for engaging current and future audiences and the Building Opera Audiences grant program. For additional information about this grant program, please see section IV, below.

FY13 MARKETING BENCHMARKING SURVEY: The FY13 Marketing Benchmarking Survey closed on September 26. Preliminary results were discussed at the Marketing/PR Forum. All participating organizations will receive a full analysis of the data; non-participating companies will receive a brief summary.

Many of the questions in the Marketing Benchmarking Survey are drawn from inquiries made to OPERA America by PCMs. Data gained from the survey will help address future inquiries, while providing OPERA America with information to better serve our members. Questions about tracking and evaluating free public performances, high and low published ticket prices, value ratings of social media channels and sources of ticket sales.

Analysis of the responses has just begun, but below are a few interesting preliminary findings.



What percentage of your tickets were sold through the following methods? (r=30)			
	High	Ave.	Low
Phone	70%	37.4%	0%
Full website	90%	32.4%	1%
Postal mail	60%	13.2%	0%
Walk-up box office	71%	11.6%	1%
Ticketing vendor	25%	7.9%	0%
Mobile site	15%	3.3%	0%

What percentage of the advertising budget was allocated to purchasing: (r=33)			
	High	Ave.	Low
Brochures	60%	19.5%	0%
Newspaper ads	64%	23.1%	4%
Print newsletter	20%	1.4%	0%
Magazines	43%	7.7%	0%
Postcards	22%	8.0%	0%
Billboards	36%	3.8%	0%
Public transit	12%	2.2%	0%
Radio	35%	12.9%	0%
TV	31%	7.2%	0%
Social media	13%	2.0%	0%
Search engine	16%	1.6%	0%
Web banner	24%	5.4%	0%

Many of the questions in the Marketing Benchmarking Survey are drawn from inquiries made to OPERA America by PCMs. Data gained from the survey will help address future inquiries, while providing OPERA America with information to better serve our members.

The following 33 organizations completed the FY13 Marketing Benchmarking Survey:

- | | |
|------------------------------------|------------------------------|
| Ash Lawn Opera Festival Foundation | Nashville Opera |
| The Atlanta Opera | Opera Carolina |
| Central City Opera | Opéra de Montréal |
| Chautauqua Opera | Opera Omaha |
| The Dallas Opera | Opera on the James |
| Des Moines Metro Opera | Opera Philadelphia |
| Festival Opera | Opera San José |
| Florentine Opera | Opera Theater of Pittsburgh |
| Florida Grand Opera | Opera Theatre of Saint Louis |
| Houston Grand Opera | San Diego Opera |
| Intermountain Opera Bozeman | San Francisco Opera |
| Kentucky Opera Association | The Santa Fe Opera |
| Lyric Opera of Kansas City | Sarasota Opera |
| Madison Opera | Seattle Opera |
| Manitoba Opera | Utah Opera |
| Michigan Opera Theatre | Vancouver Opera |
| Minnesota Opera | |

MARKETING/PR NETWORK CONFERENCE CALLS: In late August, Patricia convened a round of conference calls with the Marketing/PR network, divided by level. Among the topics discussed were subscription sales and goals, marketing budgets, ticketing systems, ROI, reaching younger audiences, outside PR firms, dynamic pricing, community engagement activities, National Opera Week 2013 and topics for the Marketing/PR Forum and *Opera Conference 2014*.

A total of 48 PCM staff from the following 37 organizations participated in the calls:

Annapolis Opera	Opera on the James
Arizona Opera	Opera Philadelphia
Central City Opera (2)	Opera San José
Chautauqua Opera	Opera Santa Barbara
Chicago Opera Theater (2)	Opera Theater of Pittsburgh
Cincinnati Opera (2)	Opera Theatre of Saint Louis (2)
The Dallas Opera (2)	Pacific Opera Victoria
Des Moines Metro Opera	Palm Beach Opera
Edmonton Opera	Pittsburgh Opera (3)
Florentine Opera	Portland Opera (2)
Florida Grand Opera	San Diego Opera (2)
Fort Worth Opera	San Francisco Opera (2)
Houston Grand Opera	The Santa Fe Opera
Los Angeles Opera	Sarasota Opera
Lyric Opera of Chicago (2)	Tulsa Opera
The Metropolitan Opera	Utah Symphony Utah Opera
Nashville Opera	Vancouver Opera
Opera Memphis	Washington National Opera
Opera Omaha	

These calls keep OPERA America staff abreast of issues, trends and great ideas among the membership. They build a sense of community within the network, which increases participation in network activities and creates an environment of trust for sharing information. In addition, they reinforce OPERA America's role as a convener.

II. NATIONAL OPERA WEEK 2013

Thomas Hampson has graciously agreed to serve as the Honorary Chairman of National Opera Week 2013, taking place from Friday, October 25 through Sunday, November 3. OPERA America will conduct a video shoot with Mr. Hampson to create a brief welcome video about his opera career, the value of opera to society and the power that the art form can wield. A press release announcing his participation will be issued shortly and OPERA America will also work to book press interviews with Mr. Hampson to publicize National Opera Week. In addition to his long career as a stellar baritone, Mr. Hampson is an eloquent advocate for opera, as seen in his recent appearance on the BBC show, HARDtalk: <http://bit.ly/18nOlxz>.

Approximately 75 organizations in the U.S. and Canada are planning fun, free activities for the public in an effort to engage new opera audiences and celebrate the art form. National Opera Week events are listed on the OPERA America website at operaamerica.org/Operaweek. Conversation about the program also takes place on Twitter with the hashtag #OperaWeek.

A new logo has been designed for National Opera Week 2013 to better reflect the nature of the program. The original logo was designed to match that of the NEA Opera Honors, which is now defunct. Two versions of the new logo were created, to fit different design needs:



A complete list of National Opera Week activities will be distributed at the Board Meeting.

III. NATIONAL OPERA CENTER ADVERTISING

The marketing department has created an extensive plan of advertisements, promotions and activities, incorporating ideas provided by the entire OPERA America staff. Thanks to a grant from the New York Community Trust, advertisements have been purchased in a number of print outlets such as *Classical Singer* magazine, National Alliance for Musical Theater fall conference program, *MIX* magazine (recording engineers), *American Theater* magazine (Theater Communications Group), the *Musical America Annual Directory*, *Voice* magazine (Chorus America), *Journal of Singing* and *Chamber Music* magazine. Digital ads and paid listings include National Alliance for Musical Theater, MusicalAmerica.com, Backstage.com, BroadwayWorld.com, Sonic Scoop (recording engineers), event planning websites and NYCastings.com, among others. Sponsored e-blasts will be sent to subscribers of the *Classical Singer* and NATS e-mail lists.

Hard copy mailings of the Opera Center brochure and feature articles are being sent to New York-area members of the League of American Orchestras, Chamber Music America, National Alliance for Musical Theatre, National Association of Teachers of Singing, Theater Communications Group, Chorus America and many other related organizations.

OPERA America is working to promote the National Opera Center to event and wedding planners, corporate meeting planners, local hotels without meeting facilities, film professionals seeking locations for documentaries and other projects, fashion PR firms for fashion shows, acting schools, voiceover schools and recording engineers, and music schools of all levels. The marketing department is working with Opera Center staff to track the success of these promotional endeavors.

IV. ANN AND GORDON GETTY FOUNDATION BUILDING OPERA AUDIENCES GRANT PROGRAM

Guidelines for the second year of OPERA America's Building Opera Audiences grant program are being updated by OPERA America and will be distributed to PCMs in December. In mid-January, PCMs may apply for funds from the Building Opera Audiences program to support activities beginning in spring 2013.

In each year of the program, OPERA America can award approximately \$300,000 in grant funds. During the first year, 13 opera companies received a total of \$299,100 in funding. Each eligible PCM could apply for up to \$40,000 to implement innovative audience development projects. However, feedback provided by the Information and Learning Services Committee at the May 2013 board meeting indicated that \$40,000 was insufficient to inspire and fund truly innovative programs.

To address this point, the second year of OPERA America's Building Opera Audiences grant program will offer two different award categories:

- Two grants of up to \$100,000
- Multiple grants of up to \$40,000

PCMs may apply in only one of the two categories. OPERA America will instruct the panel of outside grant adjudicators that they are not obligated to fund a \$100,000 grant if they do not feel that the projects merit such an extraordinary award.

The adjudication panel will meet in late March 2014 and grants awards will be announced in May. Funded project concepts, as well as results from the first year of funded projects, will be

presented at *Opera Conference 2014* in San Francisco.

V. MEDIA RELATIONS

The closure of New York City Opera prompted a number of journalists to seek OPERA America's perspective on the situation and the health of opera companies. In interviews, OPERA America emphasized that this is a story about one opera company and is not indicative of the rest of the industry's health. OPERA America pointed to the vast array of opera companies flourishing in New York City and the founding of the New York Opera Alliance.

The increased media activity in response to this major news item demonstrates that OPERA America remains an indispensable resource for journalists seeking national perspective.

Since the May Board Report, the following press inquiries below were addressed:

- **Conducting Business (WQXR):** Interview with Naomi Lewin regarding grass roots opera companies and opera competitions (October 17)
- **Creative Loafing:** Interview with Adam Carlson about The Atlanta Opera (October 16)
- **The Wall Street Journal:** Interview with Jennifer Maloney about the New York City Opera Thrift Shop (October 2)
- **The Economist:** Interview with Rosemarie Ward about New York City Opera (October 1)
- **Radio France:** Interview with Xavier Martinet about New York City Opera (October 1)
- **NPR:** Interview with Jeffrey Lunden about New York City Opera (September 30)
- **Marketplace (NPR):** Interview with Stacy Smith about New York City Opera (September 30)
- **The Wall Street Journal:** Interview with Jennifer Maloney about New York City Opera (September 25)
- **The Washington Post:** Data request from Anne Midgette regarding the number of opera companies run by women (September 24)
- **A Tempo (WWFM radio):** Interview with Rachel Katz on New York City Opera and the state of opera companies today (September 13)
- **Conducting Business (WQXR):** Panel interview conducted by Naomi Lewin on timid and adventurous classical music programming (September 12)
- **The World Almanac:** Data request regarding the most performed works in the 2012-2013 season (August 28)
- **Chicago Tribune:** Industry background discussion with John von Rhein (August 9)
- **Opera News:** Industry background discussion with F. Paul Driscoll (August 9)
- **The Cincinnati Enquirer:** Interview with Janelle Gelfand about Cincinnati Opera's recently completed season (August 9)
- **The Cincinnati Enquirer:** Interview with Janelle Gelfand on the health of the opera industry and on grassroots opera (June 27)
- **The Star Ledger:** Interview with Ronni Reich on the state of opera in New Jersey (June 21)
- **The Buffalo News:** Mary Kunz Goldma on Nickel City Opera and the state of smaller opera companies (June 20)
- **Columbia School of Journalism:** Tiffany Camhi about the Building Opera Audiences program and American Opera Projects grant (May 15)
- **The Globe and Mail:** Marsha Lederman interview about Opera Conference 2013 (May 7)
- **Houston Chronicle:** Steven Brown interview on commissioning operas with close ties to various national/ethnic communities (May 2)
- **Opera News:** Phillip Kennicott interview on the job prospects of young singers graduating from conservatories (May 1)

- **Opera News:** Data request from Kyle MacMillan on the number of 20th- and 21st-century operas being performed (April 29)

Since the May Board Report, the following press releases were issued, copies of which are on the OPERA America website:

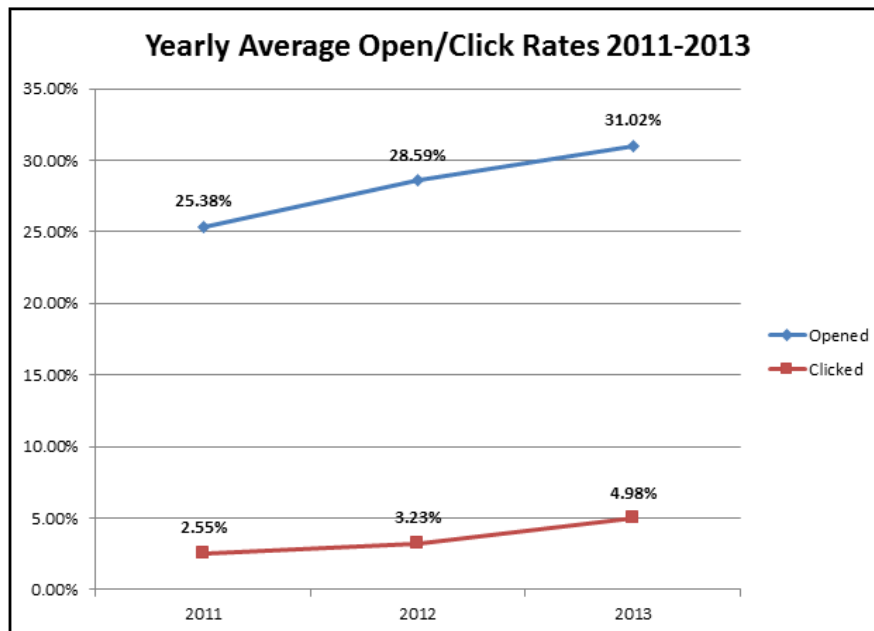
- **October 8, 2013:** New York Opera Alliance Announces Premiere Event
- **August 13, 2013:** OPERA America Honored with induction Into American Classical Music Hall of Fame
- **June 25, 2013:** OPERA America Welcomes Four New Members to its Board of Directors and Re-Elects Seven Current Members
- **May 1, 2013:** Over 400 Opera Professionals to Convene for OPERA America's *Opera Conference 2013: Opera Out of Bounds*, May 7-11 in Vancouver, British Columbia

VI. E-BLASTS AND SOCIAL MEDIA

OPERA America sends a variety of e-mail blasts, including *OperaLink*, Opera Center announcements and targeted messages about events and grant program announcements. (A full list of all e-blast topics and open and click-through rates is available from OPERA America upon request.)

OPERA America has made a concerted effort to obtain e-mail addresses from visitors to the National Opera Center, including those attending auditions and events presented by OPERA America and outside renters. These e-mail addresses are being added to the mailing list to receive notices of relevant OPERA America programs.

Open and click-through rates for e-blasts have increased significantly since this time last year. Event-specific e-mails, sent to local recipients, now have a 30-35% open rate and national e-mails have a 22-24% open rate. *OperaLink* and the monthly Opera Center e-newsletters have approximate open rates of 23%.

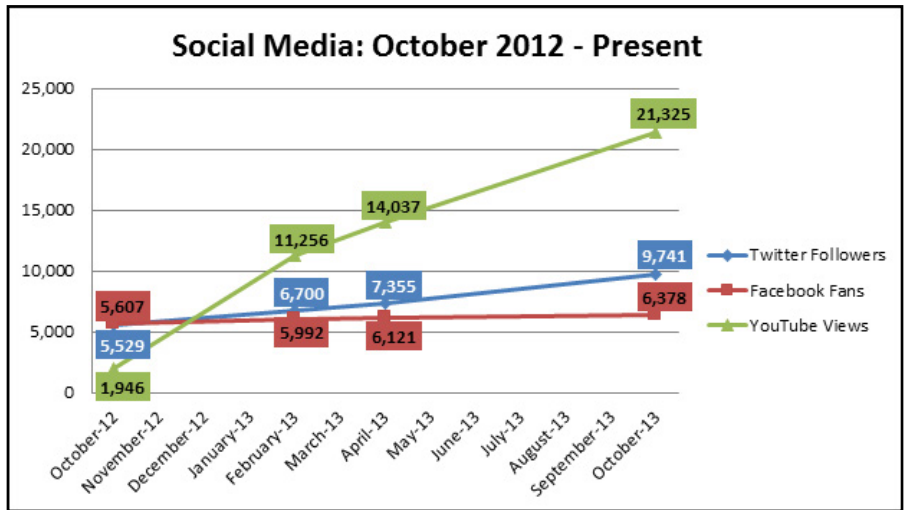


The marketing department continues to analyze these statistics and its e-mail practices to continue improving our digital communications.

SOCIAL MEDIA STATISTICS

OPERA America’s Twitter account (twitter.com/OPERAAmerica), begun in June 2009, has 9,741 followers as of October 8, an increase of 2,386 since the May Board Report. OPERA America also has 6,378 Facebook (facebook.com/OPERAAmerica) fans as of October 8, an increase of 257 since the May Board Report. OPERA America launched a YouTube page (youtube.com/OPERAAmerica) in 2012 to showcase the range of videos created by and for the organization. Since OPERA America began uploading content on September 17, 2012, the videos have been viewed a total of 21,325 times, an increase of 7,288 since the May Board Report.

Since the opening of the National Opera Center, both Twitter followers and YouTube views have increased dramatically, as seen below.



For additional e-mail and social media statistics, please see the IRT statistics report.

VII. OTHER ACTIVITIES

OPERA CONFERENCE 2014 Plans for marketing *Opera Conference 2014* are in preparation, including strategies for the brochure, network letters and a redesigned e-blast format. Session planning for the marketing/PR network is also underway.

ELECTRONIC MEDIA FORUM OPERA America continues to engage consultants Michael Bronson and Joseph Kluger to advise the organization and its PCMs on items pertaining to electronic media. OPERA America’s relationship with Bronson and Kluger is up for discussion and the renewal of their existing contract is not likely. OPERA America’s member companies have not found their services to be immensely effective, resulting in low utilization. While OPERA America values its relationship with Bronson and Kluger and the knowledge that they provide to the organization, their service contract will likely be scaled back in the coming months.

PRINT MATERIALS A number of printed advertising materials have been issued for FY14 and several others are in creation, including a folder to wrap around programs from internal and external events at the Opera Center, the Opera Center brochure (reprint), an update of the Resources for Organizational Members brochure, a rack card of the Opera Center’s recording facilities and a rack card of OPERA America’s library and research holdings.

Submitted by:
Patricia Kiernan Johnson, Director of Marketing and Communications
Audrey Saccone, Digital Media Manager

THE NATIONAL OPERA CENTER AMERICA

UPCOMING MEETINGS PLEASE MARK YOUR CALENDAR!

WINTER 2014 BOARD MEETING FEBRUARY 19-22, 2014, IN NEW YORK CITY

Wednesday/Thursday, February 19 and 20

Strategy Committee

Thursday/Friday, February 20 and 21

National Trustee Forum

Friday, February 21

Board Committee Meetings (afternoon)

National Opera Trustee Recognition Dinner (evening)

Saturday, February 22

Board Committee Meetings (morning)

Lunch

Board of Directors Meeting (afternoon)

SPRING 2014 BOARD MEETING JUNE 20, 2014, IN SAN FRANCISCO, CA

In conjunction with *Opera Conference 2014: Audiences Reimagined*