

Dear Commissioner Obuchowski,

Thank you for clarifying for me what you needed regarding information about our rent and how it affects our National Endowment for the Arts (NEA) match. Two years ago when the NEA required a one-to-one match, Steve Klein discovered that the \$12,500 yearly rent we were paying for 136 State Street might result in a significant in-kind donation by the state. We were pleased to learn that this in-kind donation (of approximately \$42,000) was deemed "matchworthy" by the NEA and so included this in our budget materials for the NEA. We continued this calculation in the last session, and hope to continue it for the foreseeable future.

The first attachment contains a thread tracing the calculation of this in-kind contribution which concludes with former House Appropriations Committee Chair Martha Heath's thanks for the information which the legislature subsequently approved in May of 2013 for FY 14's budget

The second attachment contains a much shorter thread calculating the CURRENT year's in-kind contribution based on the rental subsidy.

The third attachment contains our application to the NEA showing the in-kind contribution last year of \$44,500

The fourth attachment shows the finished agreement, approved by the NEA for its current year's grant with an approved in-kind donation of \$46,800.

It should be noted that this in-kind donation, while enabling the \$46,800 saved to be used instead on grant programs and services, actually is double the value. If we had to use appropriations funding to pay the actual value of the rent, that additional amount would not be eligible for the NEA match. Thus, the appropriation would have to rise by \$93,600 in order to maintain the Council's status quo.

I hope this clarifies our situation. Feel free to contact me or Dave Beatty in the Commissioner of Finance's office if you have any questions.

Thank you,

Alex

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