



National Conference of State Historic Preservation Officers

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Testimony for the
U. S. Senate Committee on Appropriations
Subcommittee on Interior, Environment and Related Agencies
Diane Feinstein, Chairwoman

May 14, 2010

- Request:**
- \$50,000,000 for State Historic Preservation Offices¹
 - \$5,000,000 for competitive grants to States for digitization of documents and historic site survey fieldwork

The programs are funded through withdrawals from the Historic Preservation Fund (16 USC 470h) U. S. Department of the Interior's National Park Service Historic Preservation Fund (HPF).

THANK YOU

Thank you Chairwoman Feinstein, Ranking Member Alexander, and members of the Senate Appropriations Subcommittee on Interior, Environment and Related Agencies for the opportunity to provide testimony. First, on behalf of all 57 State Historic Preservation Officers, I extend heartfelt thanks to you and the subcommittee for providing an additional \$4 million for SHPOs in FY10, without which SHPOs could not have addressed the rising workload of American Recovery and Reinvestment Act (ARRA) projects and helped to keep the stimulus program on track. The additional HPF withdrawals are particularly essential in these times of State fiscal crises and reduced SHPO budgets that have resulted in up to 40% reductions in staffing.

Our request has two components: 1. a \$50,000,000 withdrawal from the HPPF and 2. a \$5 million withdrawal to assist states in "finishing" the identification of America's historic places by the 50th anniversary of the National Historic Preservation Act (NHPA) in 2016.

SHPOs AND ARRA

SHPOs continue to need \$50 million to weather "the perfect storm" created by the American Recovery and Reinvestment Act (ARRA) projects hitting the ground at the exact time that state governments are facing massive budget deficits, reduced funding and, in some cases, elimination

¹ The NCSHPO supports the request of the House Preservation Caucus of \$50 million for SHPOs, \$5 million for survey/digitization grants, \$20 million for tribes, \$25 million for Save America's Treasures and \$4.6 for Preserve America.

of historic preservation programs. While the Administration and federal agencies can claim success in obligating ARRA funds, the real review work for SHPOs is just beginning.

As seen from the following, increasing amounts of ARRA reviews with no additional funding for staffing means States are unable to fully implement all the requirements of the National Historic Preservation Act.

- WI – Has reallocated staffing from Federal Rehabilitation Tax Credit project reviews (\$4.7 billion program that created 70,000 jobs in 2008) and public education efforts, requested by the citizens of Wisconsin, to federal ARRA project reviews because of the need to shift resources to compliance.
- CA - Clearing out the ARRA projects backlog has resulted in other projects (approximately 400), especially renewable energy projects, being delayed. Not only is the workload increasing by 200% to 300%, but also staff must spend considerable amounts of time teaching/training the Section 106 process to federal agencies. Federal agencies are also delegating their Section 106 consultation responsibilities to local governments that have no idea of the federal regulatory requirements CA has developed Programmatic Agreements to expedite the process wherever possible. The California budget crisis mandated three furlough days per month which reduces the person hours available to conduct the federal reviews. Productivity has decreased by 15%. California has been successful in obtaining ten additional positions, paid for by federal and renewable energy agencies to supplement OHP's staff as limited term employees for the next two years. However, additional resources and staff are still needed.
- MD – Staff has worked hard to ensure prioritized review of ARRA assisted projects, but the increased volume of projects, as well as the increased amount of staff time needed to provide information and technical assistance to the grant recipients, is depleting their existing staff resources. Thus, their ability to complete non-ARRA funded project reviews within a 30 day time and provide essential customer service to compliance clients is being substantially impaired.
- SD – The combination of ARRA projects and being short staffed as meant less time spent on National Register nominations that South Dakotans want as recognition of their heritage and the first step for rehab tax credit projects.
- TX – To meet federal Section 106 review deadlines Texas reallocated staff from processing National Register nominations to handling ARRA funded compliance projects. The slowdown in the National Register process has led to complaints from Texans.
- OK - Has experienced a 40% increase in total Section 106 project reviews. In order to meet the regulatory 30 day deadline they have cut back significantly on providing needed assistance to Oklahoma communities and conducting site visits. They are also experiencing furloughs.

IT'S NOT JUST ARRA.....

As SHPOs continue to review \$787 billion in ARRA projects, Congress is considering a second Jobs Bill and future “green and clean” energy bills. These and all new federal initiatives create additional SHPO review responsibilities. The Departments of Interior and Energy are also aggressively pursuing renewable energy projects. These massive, multi-state initiatives require extensive work hours for SHPO staff to fulfill the federal regulatory requirements. Many SHPOs anticipate renewable energy projects will require much of their Section 106 staff time during the next several years, likely causing delayed responses to non-energy related reviews primarily due to a lack of digitized records and complete historic surveys.

SHPOs LONG TERM GOAL

A major reason for the extensive SHPO involvement in federal project reviews is the lack of a complete inventory of historic places. (In Washington where their historic site information is digitized, federal agencies do project planning from their desk top.) To begin to address this, the NCSHPO is requesting \$5 million in competitive grants to States to create a digital record of America’s historic places. Historic site survey is the foundation of all historic preservation. As the 50th anniversary of the Preservation Act approaches in 2016, SHPOs need HPF support to find America’s historic places and put the information in accessible, digital formats.

Specifically, the grant funds would be used for two purposes: 1) to convert existing paper records to electronic formats (data bases, GIS); and 2) to conduct inventory fieldwork, filling in the current patchwork of identified sites, which is essential for federal project review (Section 106) and lays a foundation for every future preservation activity, e. g., National Register).

FUNDING RATIONALE

1. SHPOs are the Nation’s Preservation Program

In 1966 Congress recognized the importance of preserving our past by passing the National Historic Preservation Act (NHPA 16 USC 470), which established historic preservation as a federal government priority. Instead of using federal employees to carry out the Act, DOI and ACHP rely State Historic Preservation Offices to do the work: 1) locate and record historic resources (see section above); 2) nominate significant historic resources to the National Register of Historic Places; 3) foster historic preservation programs at the local government level and promote the creation of preservation ordinances; 4) provide funds for preservation activities; 5) comment on federal preservation tax projects; 6) review all federal projects for their impact on historic properties; and 7) provide technical assistance to federal agencies, state and local governments and the private sector.

2. SHPOs generate Jobs and Economic Development

The SHPOs conduct 90% of the work involved in the Federal Rehabilitation Tax Credit program. Starting with National Register nominations, SHPOs educate investors about the tax credit and work with owners on the rehabilitation plans before final NPS approval. In 2009, during the height of the recession, 1,000 plus rehabilitation projects created an average of 68 new and principally local jobs per project and leveraged \$4.7 billion of private investment into the US economy.

SHPO pass through 10% of their HPF allocation to Certified Local Governments. Although the amounts are paltry (grants average less than \$10,000/project), they pack a powerful punch. The Michigan SHPO grant to a Certified Local Government (CLG) created a historic wood windows restoration workshop. The workshop provided specialized training to the unemployed and in the process educated individuals about the energy efficiency benefits of rehabilitating rather than replacing historic wood windows. This workshop, free of charge to participants, resulted in four of the fourteen students starting their own window repair small businesses, and the program was such a success that more workshops will be offered in 2010.

Heritage tourism creates jobs, new businesses, builds community pride and can improve quality of life. SHPOs are essential, ground level partners in identifying historic places and providing research for tourist interpretation. According to a 2009 national research study on U.S. Cultural and Heritage travel by Mandela Research, 78% of all U.S. leisure travelers participate in cultural and/or heritage activities while traveling. Cultural and heritage travelers also spend on average \$994 dollars per trip compared to \$611 for all U.S. travelers.

3. SHPOS are good at their job

2009 State Historic Preservation Offices' Accomplishments

SHPOs used their HPF allocations well in 2009. While virtually every state experienced cut backs and reductions, SHPOs are still charged with implementing the requirements of the NHPA to their fullest extent. Highlights of 2009 historic preservation accomplishments include:

- Over \$4.7 billion of private investment in the rehabilitation of commercial historic properties under the Federal Rehabilitation Tax Credit (FRTC) program.
- An estimated 70,000 jobs created by the FRTC program in 2008.
- 6,710 low and moderate income housing units created through the FRTC.
- Approximately 9 million acres surveyed for cultural resources and over 146,600 properties evaluated for their historical significance.
- 1,115 new listings in the National Register of Historic Places.
- SHPOs reviewed 106,900 Federal undertakings, providing 104,100 National Register eligibility opinions.
- 55 new communities became Certified Local Governments (CLGs)
- CLG's newly designated 53,700 properties, and 89,300 properties took part in local preservation review, programs, and incentives.

Conclusion

Historic preservation recognizes that what was common and ordinary in the past is often rare and precious today, and what is common and ordinary today may be extraordinary, fifty, one hundred or five hundred years from now. I would like to thank the committee for their commitment to historic preservation. The federal government plays an invaluable role in preserving our nation's history and through our partnership, SHPOs stand committed to identify, protect, and maintain our Nation's historic heritage.

Thank you.