

# NCSHPO

National Conference of State Historic Preservation Officers

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Testimony before the  
U. S. House of Representatives Committee on Appropriations  
Subcommittee on Interior, Environment and Related Agencies  
The Honorable Norman Dicks, Chairman,  
by Jay D. Vogt, President  
National Conference of State Historic Preservation Officers  
April 19, 2007

Request:      ●\$50,000,000 State Historic Preservation Programs and  
                  ●\$10,000,000 competitive grants to States for historic site survey digitization  
                  and emergency preparedness  
                  from U. S. Department of the Interior, National Park Service, Historic Pres-  
                  ervation Fund

The National Conference of State Historic Preservation Officers presents a two-part request: 1. \$50,000,000 for the State Historic Preservation Offices (SHPOs) to fulfill the federal commitment to historic preservation in the National Historic Preservation Act 2(16 U.S.C. 470) and 2. \$10,000,000 for SHPOs for historic site survey digitization and emergency preparedness.

## **1. \$50,000,000 State Historic Preservation Offices**

The \$50,000,000 withdrawal from the \$150,000,000 deposited into the Historic Preservation Fund in FY 2008 constitutes formula matching grants to State Historic Preservation Offices to carry out the National Historic Preservation Act. This is a \$14,283,324 increase over the Administration's request.

The National Historic Preservation Act sets out goals for the preservation of America's heritage: find every historic place, nominate significant places to the National Register, establish formal partnerships with local governments, review every federal project for impacts on historic properties, advise project sponsors on historic rehabilitation, provide historic preservation education to all, conduct statewide planning, make matching grants for restoration, monitor covenants and easements. Since 1981, the Administration budget requests have fallen woefully short of the need without a concomitant reduction in State responsibilities. \$50,000,000 will bring the financial reality to the program demands.

## **2. \$10,000,000 Competitive Grants to SHPOs for Digitization and Identification**

Partly as a result of the Preserve America Summit--a national gathering of preservation experts in New Orleans in October 2006--the Administration included a request for \$5,000,000 in its budget for the digitization of historic site survey information. The National Conference commends the Administration for acknowledging the need and for committing

to a 7-year funding stream. We fully support \$5,000,000 in competitive grants to State Historic Preservation Officers to convert existing data on historic sites into electronic databases tied to a geographic information system.

This effort will benefit the federal government. Federal agencies are required to take historic properties into account in project planning. The “taking into account” cost is dramatically reduced if agencies have on-line access through a GIS system to the location of historic properties. The Administration’s approach is realistic and doable. National Park Service’s staff studies indicate that the digitization of paper records in State Historic Preservation Office files will require a \$25,000,000 federal commitment. (All HPF withdrawals are matched.) The Administration’s 7-year commitment will meet that goal.

However, more is needed. The Katrina experience taught SHPOs that completing the identification of America’s historic places is *essential*. The lack of information on the location of historic places significantly and unnecessarily delayed recovery. Had information on the location of historic places in the impact area been available in an electronic geographic information system, the historic preservation component of recovery could have begun virtually immediately.

A second \$5,000,000 would go for competitive grants to States for new field work to identify historic properties in areas prone to impact from disasters. Just as EMT’s need addresses in responding to 911 calls, when disaster strikes, agencies need to know the “addresses” of historic properties.

### **Background**

Forty years ago, the National Historic Preservation Act of 1966 (NHPA) established the nation’s historic preservation program to be carried out through **State Historic Preservation Offices** (SHPOs). States continue to struggle to achieve bare minimum NHPA mandates as funding—in real dollar terms—declines. HPF withdrawals dropped by over 25% from FY 2001 to FY 2003 and has been essentially flat since then. Our request would return the national program to levels comparable to FY 2001, adjusted for inflation.

Declining HPF withdrawals continue to force SHPOs to prioritize and frequently lay aside the preservation needs of their States to respond to federal requirements. Economic Research Associates, an internationally economic consulting firm, analyzed SHPO’s activity and concluded:

Section 106 is a paradox in that it is an un(der)funded Federally mandated program that states are required to complete, whether or not sufficient budgets are available; as such, reallocation of funding from other program areas to cover the costs of Section 106 funding have a negative effect on other historic preservation priorities.

Historic preservation is and has been an effective domestic policy tool that both addresses key priorities for the conservation of our priceless heritage and generates signifi-

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<sup>1</sup>Economic Research Associates, “Section 106 Cost Assessment,” for NCSHPO, January 2006, ERA Project No. 15755. Copies available through NCSHPO.

cant economic benefits to the Nation. At \$50,000,000, SHPOs could achieve much more as illustrated below.

### **Benefits of a \$50,000,000 HPF Withdrawal**

**Economic Impact:** Aside from its incalculable cultural benefits, historic preservation also provides an opportunity to generate local, regional and national economic growth by revitalizing valuable historic neighborhoods and communities, enticing private capital investment and fostering heritage tourism. HPF programs such as the Rehabilitation Tax Credit have proven their worth using the modest Federal operating funds to stimulate as much as \$3 billion in construction annually.

**Heritage Tourism:** Historic preservation is the foundation of heritage tourism, which is a multi-billion dollar industry (\$200 billion annually by 2005). Heritage tourists stay longer and spend more than other tourists do (\$623 per historic/cultural trip as compared to \$457 for an average U.S. trip), providing local jobs and creating local, state and federal tax revenues. SHPOs promote heritage tourism through historic site survey and National Register programs, and they further American history education by generating interest in urban and rural landmarks across America.

**Sample of State-Specific Benefits:** Here is a sampling of new tasks SHPOs would take on with a \$50,000,000 appropriation.

Alabama and New York: tackle their dual problems of rural depopulation and urban sprawl

California: address the hard questions about significance of buildings from the recent past—the key period in California’s history

Idaho: combat looting of archeological sites; educate about historic buildings and energy conservation and handicapped accessibility

Washington: cultivate the young generation with a keen interest in the architecture of the recent past

Rhode Island: address the structural deficit in the human capital needed to promote the credit and assist developers to rehab rotting industrial complexes into a new, property tax-paying life

New Mexico: famous for historic preservation around Santa Fe, most of the State needs advice on how retain its varied culture and historic homes and businesses.

### **Why \$50,000,000?**

The *National Park Service Historic Preservation Fund Grants Manual* in Chapter 2 Apportionment Formula determines that \$50,000,000 is the appropriate amount (when matched) to run the basic national historic preservation program. The program components, all of which are mandatory, include identification of historic places; maintenance of historic site survey information and making it available for preservation use; National Reg-

ister nomination process; consultation with federal agencies on every action in the State; education for federal agencies and the public; assistance to and entitlement funding for local government partners; statewide historic preservation planning; advising owners about and reviewing plans for historic rehabilitation tax credit applications; and on-going monitoring of easements and covenants for Historic Preservation Fund restoration grants from the 1970s. In addition to these mandated responsibilities, SHPOs coordinate and oversee Preserve America and Save America's Treasures grant projects.

The HPF Fund allocations to State Historic Preservation Offices are operational funding, *not* a discretionary grant program. Unlike the Land and Water Conservation Fund grants for acquisition projects, the Historic Preservation Fund covers operational costs—salaries and benefits, office space, telephone, supplies, etc. Inflation and fixed costs directly impact State Historic Preservation Offices just as they do the National Park Service. A reduction in a LWCF appropriation results in doing fewer projects. *State Historic Preservation Officers do not have that flexibility.* Fixed costs are fixed. A flat HPF appropriation in dollar terms means an absolute reduction, a decrease.

### **HPF Allocations to the States = Money Well Spent**

Under the Administration's Program Assessment Rating Tool, management of Historic Preservation Programs receive a score of 89% indicating exemplary performance of mandated activities<sup>2</sup> The National Conference is disappointed that this success is not reflected in an increase in program funding in the Administration's budget request.

### **Conclusion**

The National Conference of State Historic Preservation Officers appreciates the opportunity to present the States' HPF case to the Congress. We urge your careful consideration of the States' request and that of Tribal Historic Preservation Officers and Preserve America and Save America's Treasures.

Thank you.

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<sup>2</sup> State LWCF grants, in contrast, received a review score of 43%.