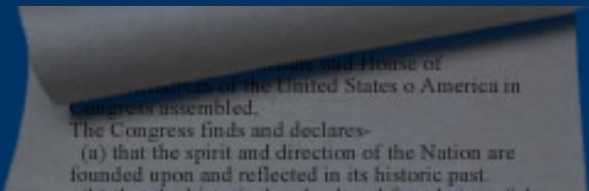


*News!*

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**FYII BUDGET/STATE OF THE UNION**

On Wednesday evening President Obama presented the annual State of the Union address in which he said that he will ask Congress to freeze total discretionary domestic spending for the next three years, beginning with fiscal year 2011. He didn't propose a flat, across-the-board freeze for every domestic discretionary program but left room for increases for some departments and programs. However, those increases would have to be offset by decrease for other departments and programs.

"Starting in 2011, we are prepared to freeze government spending for three years," said President Obama. "Spending related to our national security, Medicare, Medicaid, and Social Security will not be affected. But all other discretionary government programs will." The administration will release its fiscal 2011 budget request Monday (February 1) and that will go a long way toward determining the winners and losers in the upcoming budget wars. The freeze would not affect a \$787 billion economic stimulus law (PL 111-5 of Feb. 17, 2009) or a new stimulus bill that Congress is now developing.

If Congress follows Obama's lead and establishes a flat new budget and flat new spending caps for appropriations bills, it's very possible that HPF programs would receive little or no spending increases in fiscal year 2011. The same freeze would hold true for the next three years of the Obama administration. Congress in fiscal 2010 approved a 16 percent increase in the Interior and related agencies appropriations bill (\$32.24 billion) compared to fiscal 2009 (\$27.58 billion). That's a \$4.66 billion hike – SHPOs received a \$4 million increase.



**OBAMA USES SOU TO PUSH STIMULUS**

In his State of the Union Address President Obama also called on Congress to pass a second economic stimulus bill. Obama said the legislation is needed to attack a stubborn, double-digit unemployment rate and encouraged the Senate to follow the House in quick passage of the legislation.

Surface transportation projects, including trails and federal agency roads, form an integral portion of the House passed stimulus bill (HR 2847) approved on Dec. 16, 2009. Senate Democratic leaders reportedly sketched out this week a Senate bill that is more modest than the \$174 billion in the House-passed bill. The Senate would allocate \$80 billion for stimulus projects with a slice of that for infrastructure. Senate Democrats have said repeatedly that infrastructure will be one of their three top priorities, along with tax breaks to stimulate small business and energy efficiency.

Congressional Republicans are not nearly as eager as Obama to move a second economic stimulus bill. They contend that the initial \$787 billion economic stimulus law that went into effect a year ago has produced few if any jobs. In fact they persuaded large numbers of House Democrats to defect and vote against the new House bill. The vote was 217-to-212.

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## HOUSE PASSES VIRGIN ISLANDS HISTORIC SITE

Following a battle with the Republicans, the House narrowly approved legislation (H.R. 3726) this week that designates a Castle Nugent National Historic Site in the Virgin Islands. Rep. Donna Christensen (D-V.I.), the bill's sponsor, said Congress should act now because the owner of much of the 2,900 acres that would be included in the park is under great pressure to sell to developers.

Republican critics said the bill should wait until the Park Service completed a study of the site, which could cost as much as \$50 million. And indeed the Park Service asked Congress to hold off on the legislation until its study is completed, perhaps this spring.

As reported in last week's NCSHPO News, the House first considered the legislation January 20 under a Suspension of the Rules procedure that requires a three-fifths vote for passage. The bill fell short with a vote of 241 for and 173 against. The House reconsidered the bill January 27 and approved it in a straight majority vote by 240-to-175.

The Castle Nugent site would consist of 2,900 acres of dry land and 8,600 acres of submerged land on the island of St. Croix in the U.S. Virgin Islands. According to the NPS the site would cost \$40 million to \$50 million to acquire and would require about \$750,000 per year to operate and maintain.



## MD SUSTAINABILITY TAX CREDIT

On Wednesday, January 27, the Maryland Department of Planning coordinated a launch event for a new bill: Sustainable Communities Act of 2010. This broad-reaching bill introduced in the Maryland General Assembly includes the Sustainable Communities Tax Credit, which re-packages and re-imagines the State's 20% Heritage Structure Rehabilitation Tax Credit.

Historic commercial buildings remain the focus of the new program, but a new ranking system will target awards to projects in Main street business districts, Transit-Oriented Development areas, and Base Realignment And Closure (BRAC) enterprise

zones. At the same time, the kinds of structures eligible for the credit will be broadened – up to 40 percent of the credits will be made available to non-historic structures in those established areas, which will qualify for 10% tax credits. Historic renovations that achieve LEED Gold certification will qualify for a 25% credit.

The Maryland State Rehabilitation Tax Credit – one of the first of its kind in the country – has been facing an uphill battle for reauthorization this year in an increasingly challenging economic climate. As a key component of a larger initiative with strong support of the Governor and many key community and business leaders, the outlook for passage may have improved. Depending on the success of this bill in the Maryland General Assembly, and the effectiveness of the program in implementation, the Maryland program could prove to be a model for similar programs on both a Statewide and Federal level.

The text of the bill (SB285) can be found here: <http://mlis.state.md.us/2010rs/bills/sb/sb0285f.pdf>



## FIVE NEW THPOS

The Director of the National Park Service has formally approved five new Tribal Historic Preservation Officers to assume certain State Historic Preservation Officer duties within their tribal trust lands.

Quapaw Tribe of OK—THPO – Mr. John L. Berrey.

Miami Tribe of OK—THPO – Mr. George Strack

Wyandotte Nation, OK—THPO – Ms. Sherri Clemons

Comanche Nation, OK—THPO – Mr. Jimmy Arterberry

Cher-Ae Heights Indian Community of the Trinidad Rancheria, CA—THPO – Ms. Rachel Sundberg.

The total number of THPOs now stands at 95.



## UPCOMING EVENTS

March 2-5, 2010 –

NCSHPO annual meeting and Advocacy Day, Washington D.C.

July 28-30, 2010 –

NCSHPO Summer Board Meeting, Grand Rapids, MI