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Testimony before the Committee on Appropriations, Subcommittee on Interior,
Environment, and Related Agencies of the U. S. Senate
The Honorable Jeff Merkley, Chairman

May 15, 2024

Fiscal Year 2025 Historic Preservation Fund (HPF) Appropriations Request: \$225 million

- \$70 million for State Historic Preservation Offices (SHPOs)
- \$40 million for the Save America's Treasures grant program
- \$34 million for Tribal Historic Preservation Offices (THPOs)
- \$28 million for the African American Civil Rights grant program
- \$17 million for the Paul Bruhn Historic Revitalization grant program
- \$13 million Historically Black Colleges and Universities (HBCUs) grant program
- \$11 million for the Semiquincentennial grant program
- \$7 million for the History of Equal Rights grant program
- \$5 million for the Underrepresented Community grant program

Funded through withdrawals from the Historic Preservation Fund (16 USC 470h), U.S. Department of the Interior's National Park Service

Unique and Successful Federal-State Partnership

Recognizing the importance of our national heritage, in 1966 Congress passed the National Historic Preservation Act (NHPA, Title 54 U.S.C. 300101 et seq), which established historic preservation as a priority of the federal government. Recognizing that State officials have local expertise, the Act's authors directed federal entities charged with its implementation – the Department of the Interior and the Advisory Council on Historic Preservation – to partner with the States. Duties delegated to the SHPOs include: 1) locating and recording historic resources; 2) nominating significant historic resources to the National Register of Historic Places; 3) cultivating historic preservation programs at the local government level; 4) providing funds for preservation activities; 5) commenting on federal rehabilitation tax credit projects; 6) review of all federal projects for their impact on historic properties; and 7) providing technical assistance to federal agencies, state and local governments and the private sector.

Ten years later in 1976, Congress established the Historic Preservation Fund (HPF) to assist the states in accomplishing this federally delegated work. The HPF is funded from outer-continental shelf lease revenues (rather than tax dollars), so that the depletion of one non-renewal resource can be used to help preserve another non-renewable resource – our heritage. The states also contribute to this effort, matching at least 40 percent of the HPF funding they receive.

Saving America's Heritage

The first step in preserving and protecting America's heritage is identifying it – which requires the survey, documentation, stewardship and sharing of historic place data. These places represent the many people and events that shape our collective national identity. Adequate funding is essential

for SHPOs to meet these goals. For example, current shortfalls in funding mean that many states must continue to rely upon outdated paper records for a variety of program purposes. Having accurate, up-to-date, and digitally accessible information about our Nation's historic resources would dramatically increase the efficiency of and foster a balanced approach for all local, state, and federal projects. From decisions on the design of local infill development, to state transportation planning projects, to federal large-scale energy projects and disaster recovery efforts – every single project that could impact historic places, and by extension, the American people, benefit from enhanced and accessible historic resource databases.

Directing \$70 million for FY 2025 to SHPO offices will provide much needed operational funding to aid in increased capacity and efficiency – goals embraced by Congress and the Administration. With the recent \$500 billion in new infrastructure spending nationally, SHPOs are in dire need of resources to operate programs as they continue to fulfill responsibilities to review and comment on increasing numbers of federal undertakings under NHPA to fulfill their obligations towards protection and preservation of their states' irreplaceable historic places. In FY 2022, HPF funding also enabled SHPOs to review 177, 400³ federal undertakings – a 42.7% increase over the prior year. Likewise, Tribal Historic Preservation Offices (THPOs) assume many of the responsibilities of the SHPO on their respective Tribal lands. The number of THPOs continues to increase annually, requiring funding to keep pace with expanding needs. With over 222 THPOs currently, funding of \$34 million for THPO offices is necessary to prevent a decrease in the average THPO grant.

Once identified and documented, America's historic resources are primarily recognized at the local, state, and national levels by listing on both the National Register as well as state and local historic registers with varying degrees of protection, consideration, and recognition. State Historic Preservation Officers, through the authority of the National Historic Preservation Act, assist, support and encourage communities with their preservation efforts and are the gateway to listing on the National Register of Historic Places. National Register recognition by the Secretary of the Interior confirms citizens' belief in the significance of their communities' historic places and enhances support for their preservation.

Allow me to underscore that the National Historic Preservation program is primarily one of assistance, <u>not</u> acquisition. The federal government does not own, manage, or maintain responsibility for the vast majority of the historic assets aided by the National Historic Preservation program. Rather, the program, through the SHPOs, provides individual Americans and communities, together with local, state, and federal governments with the tools they need to identify, preserve, and utilize the historic assets of importance to them. SHPOs are constituent-oriented and constituent-focused, and working closely and cooperatively with individual Americans to preserve historic places across the nation is a fundamental role.

HPF funds also support competitive grant programs aimed at protecting and promoting the nation's historic and cultural resources, while furthering efforts to tell the full scope of America's history through recognition and preservation of irreplaceable historic places. As such, NCSHPO supports HPF funding of \$40 million for the Save America's Treasures grant program; \$28 million for the African American Civil Rights grant program; \$17 million for the Paul Bruhn Historic Revitalization grant program to support historic preservation in rural communities; \$13 million to

assist in the preservation and rehabilitation of buildings on the campuses of Historically Black Colleges and Universities (HBCUs); \$11 million to support the Semiquincentennial grant program to commemorate the nation's 250th anniversary; \$7 million for the History of Equal Rights grant program; and \$5 million for competitive grants to identify, recognize and preserve the sites and stories related to Underrepresented Communities.

The FY24 omnibus spending level for the HPF in the amount of \$188.666 million, reflects a decrease of over \$15 million from FY23, to the detriment of our historic and cultural assets.

Jobs, Economic Development & Community Revitalization

Historic preservation has stimulated economic growth, promoted community education and pride, and rescued and rehabilitated significant historic resources throughout the country. By positively combatting the effects of blight and vacancy through respectful repurposing of existing historic building stock, historic preservation is frequently a catalyst for positive community change – resulting in dynamic destinations for visitors and residents alike. Further, preservation incentives and programs foster affordable housing and solutions to the challenge of environmental change.

The Federal Rehabilitation Tax Credit (HTC) program, administered by the State Historic Preservation Offices in cooperation with the National Park Service, is an important driver for economic development. Since 1976, the HTC has driven completion of nearly 49,000 individual projects, created more than 3.2 million jobs, leveraged over \$131.71 billion in private investment nationwide, and created 199,138 low and moderate income housing units¹. On average, the HTC leverages \$5 dollars in private investment for every \$1 dollar in federal funding, cultivating highly effective public-private partnerships and community focused re-investment. 39 states currently offer a historic tax credit program², including my own state of North Carolina. State tax credit programs complement the federal HTC program incentives and provide additional opportunities for community revitalization and saving historic places for the use and enjoyment of future generations of Americans.

Historic preservation also stimulates economic development through heritage tourism. SHPOs are essential local partners in identifying and interpreting the historic places that attract and inspire visitors. A modest increase in SHPO funding would allow SHPOs to expand their public outreach and assistance efforts, enabling communities to take greater advantage of heritage tourism opportunities which lead to job creation, new business development and enhanced community pride.

State Historic Preservation Offices' Accomplishments

The HPF has facilitated nearly 100,000 listings to the National Register, with over 1.9 million contributing resources, and the survey of millions of acres for cultural resources³. The HPF has also provided SHPOs with the administrative capacity for constituent access to the Federal Historic Preservation Tax Credit program, which has generated more than \$50.3 billion in

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¹ 2024. National Park Service, U.S. Department of the Interior, Technical Preservation Services. <u>Federal Tax Incentives for Rehabilitating Historic Buildings | Annual Report for Fiscal Year 2023</u>.

² 2022. National Trust for Historic Preservation. <u>Preservation & State Historic Tax Credits</u>.

³ 2024. National Park Service. *Historic Preservation Fund Annual Report FY23*.

federal tax revenue from historic rehabilitation projects from inception through FY 2022⁴. Further, SHPO federally mandated responsibilities of project review are on the rise, and remain key to conscientious public consideration of how to balance two fundamental needs – public investments for the future and preservation of America's historic places.

Many SHPOs have made extensive use of HPF grant programs to ensure preservation of sites associated with the Civil Rights Movement. In North Carolina, in recent years, we have applied for and received grants under several of these grant programs. A 2015 Underrepresented Communities grant yielded National Register nominations and listings for eight Rosenwald School nominations, two historic African American cemeteries, and the College Heights Historic District, which is associated with the HBCU North Carolina Central University; a 2022 Underrepresented Communities grant will focus on survey and identification and National Register nominations of surviving Green Books properties - telling the story of individual resilience during the Segregation era as "oasis places" for African American travelers. A 2020 Civil Rights Phase I grant was finalized, and gathered invaluable oral histories and background research, and identified conclusively places associated with the Civil Right Movement in northeastern North Carolina; while Phase II will foster National Register nominations of these places. A 2022 Semiquincentennial grant provided \$500,000 to the Brunswick Town State Historic Site, a key Colonial town and prime Revolutionary War site of pro-Patriot activity near Wilmington, North Carolina, and will be used to identify unmarked graves of colonial residents, preserve known graves, repoint the masonry of St. Philip's Anglican Church, and preserve the foundational ruins of private residences, a tavern and a courthouse.

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, whether it is fifty, one hundred or five hundred years from now. But moreover, historic preservation elevates and promotes the value of the lives and stories of individual Americans through the places where they lived and worked, fulfilling one of the fundamental purposes of the National Historic Preservation Act: "that the historical and cultural foundations of the Nation should be preserved as a living part of our community life and development in order to give a sense of orientation to the American people."

The national network of State Historic Preservation Offices helps to ensure that the places associated with the history of all Americans are recognized and preserved. To that end, I would like to thank the committee sincerely for its commitment to historic preservation. The federal government plays an invaluable role in preserving our nation's history and our collective sense of place. Through our partnership, SHPOs remain committed to working together to identify, protect, and maintain our Nation's heritage.

On behalf of all 59 SHPOs, I'd like to thank you, Chairman Merkley, Ranking Member Murkowski, and members of the U.S. Senate Committee on Appropriations, Subcommittee on Interior, Environment, and Related Agencies for the opportunity to submit testimony.

⁴ 2024. Rutgers & National Park Service. <u>Annual Report on the Economic Impact of the Federal Historic Tax Credits for Fiscal Year 2022</u>.