

**TESTIMONY
OF
KIRK F. MOHNEY, DIRECTOR
MAINE HISTORIC PRESERVATION COMMISSION**

Before the Joint Standing Committee on Appropriations and Financial Affairs
And the Joint Standing Committee on Education and Cultural Affairs

Hearing Date: February 23, 2021

LD 221, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2021, June 30, 2020 and June 30, 2021.

Senators Breen and Daughtry, Representatives Pierce and Brennan, and Members of the Joint Standing Committees on Appropriations and Financial Affairs and the Joint Committee on Education and Cultural Affairs, my name is Kirk Mohney and I am the Director of the Maine Historic Preservation Commission. I am here today to present testimony in support of those Departmental items presented in the FY 22-23 Biennial Budget.

The Maine Historic Preservation Commission was established by the Legislature in 1971 to implement State policy to “preserve the architectural, historic and environmental heritage of the people of the State, and promote the cultural, educational and economic benefits of these resources....” The Commission is an independent agency within the Executive Branch. Its governing body is comprised of 11 members, 9 of whom are appointed by the Governor and 2 of whom are ex-officio representatives from the Department of Transportation and the Department of Agriculture, Conservation and Forestry.

The Commission's primary focus is the administration of the program of the National Historic Preservation Act of 1966 in Maine. In carrying out this program the Commission:

- Reviews and comments on all federally funded, licensed and permitted undertakings in Maine; and
- We assist the owners of income producing historic buildings to obtain federal and state historic rehabilitation tax credits.
- The Commission nominates buildings, structures, sites, objects, and districts to the National Register of Historic Places. At present there are over 1,650 listings in Maine, including 190 historic districts. Over 8,800 historic resources are included in these listings.
- The Commission maintains an inventory of the state's historic and archaeological resources. The Maine Historic Resources Inventory, presently contains over 78,000 records - some 11,000 of which pertain to archaeological sites.
- We administer the Certified Local Government program, which supports municipal historic preservation programs with technical and financial assistance. At present, 10 municipalities participate in this program.
- The Commission operates a modest grant program that supports the preservation activities of qualified entities including non-profit organizations, municipalities and state agencies.
- We are responsible for developing and maintaining a statewide historic preservation plan, which is in the process of being updated for the period 2021-2026. In addition to the statewide plan, we provide historic

and archaeological resource data to municipalities engaged in local comprehensive planning.

- The Commission also provides technical assistance to the public, non-profit organizations, and governmental agencies at the local, state and federal levels, as well as education through lectures and publications.

PART A

HISTORIC COMMERCIAL REHABILITATION FUND

The **Part A** request for the Maine Historic Preservation Commission – Historic Commercial Rehabilitation Fund may be found on page **A-317**.

Program Description

The federal historic rehabilitation tax credit program has been in existence since 1976, whereas the state credit has existed in its present form since 2008. In the period from 2016-2020, 51 rehabilitation projects in Maine resulted in a total investment of over \$206 million dollars.

The account is established to receive fees for the certification of projects that qualify for Maine state rehabilitation tax credits. However, the Commission has not instituted a fee schedule for the following reasons: 1) to date, most of the projects have used the federal credit; 2) the state program's rules do not require a separate application and review for projects that seek the federal credit; 3) federal funds support agency staff that administer the federal program; and 4) the level of activity for both the federal and state programs has not reached a volume that requires additional staff.

FY 2022-2023 Budget

The request for other special revenue allocation is \$500 in both FY22 and FY23.

Budget Initiative

There is no budget initiative for this program.

PART A

HISTORIC PRESERVATION COMMISSION

The **Part A** request for the Maine Historic Preservation Commission begins on page **A-318**.

2022-23 Budget

The baseline budget request continues operations at the current level.

The request for General Fund appropriation is \$393,522 in FY21-22 and \$395,713 in FY22-23. This amount includes \$3,500 annually to support the activities of the State Historian. The State appropriation funds three full time positions and all other associated expenses. It provides approximately 70% of the matching funds for Maine's annual federal historic preservation grant.

The request for Federal Expenditures Fund allocation is \$829,523 in FY21-22 and \$839,754 in FY22-23. The account is authorized to have five full time employees. A minimum of 10% of the annual Historic Preservation Fund grant that the Commission receives from the National Park Service must

be passed through to Certified Local Governments. The balance supports personal services, all other associated expenses and – when the level of funding permits – the grant program.

The request for Other Special Revenue Funds allocation is \$661,774 in FY21-22 and \$671,399 in FY22-23. The special revenue account is authorized to have 4 full time positions and 4.231 full time equivalents, as well as the all other associated expenses.

Budget Initiative

There is one budget initiative for this program. The Special Revenue account supports a field crew of archaeologists that works each summer on projects for the Maine Department of Transportation and, on occasion, other State agencies and entities. Depending on the number and size of the projects, the field crew may increase from four or five staff to ten or twelve staff, including seasonal and intermittent employees. In addition, the location and duration of the work is variable, as is the timing. Over the past several years there have been times when the current allocation in the Special Revenue account has resulted in there being insufficient allotment in a given quarter to cover expenses.

This initiative requests an additional \$30,000 in allocation to ensure that All Other expenses associated with field work can be paid in a timely manner.

PART A

HISTORIC PRESERVATION REVOLVING FUND

The **Part A** request for the Maine Historic Preservation Commission – Historic Preservation Revolving Fund may be found on page **A-319**.

Program Description

The Historic Preservation Revolving Fund program provides funds to qualified nonprofit historic preservation organizations in the state for the purpose of acquiring endangered historic properties of local, state or national significance. The properties are then marketed to new owners who agree to preserve, rehabilitate or restore the properties subject to historic preservation easements or covenants held by the qualified non-profit organization.

2022-23 Budget

The request for Other Special Revenue Funds allocation for this program is \$500 in both FY22 and FY23.

Budget Initiative

There is no budget initiative for this program.

This concludes my testimony for the Maine Historic Preservation Commission. Thank you for your support and interest in the work that we do.