

Testimony of
John W. Shannahan
Appropriations Committee
Public Hearing
February 17, 2009

Senator Harp, Representative Geragosian, members of the Appropriations Committee, my name is John W. Shannahan, and for 30 years (1973-2003) I served as Director of the former Connecticut Historical Commission, as well as Connecticut's State Historic Preservation Officer, administering the historic preservation programs of the National Park Service.

I am here tonight to testify in opposition to the Governor's budget recommendations for the historic preservation programs administered by the Connecticut Commission on Culture and Tourism. The proposed staff reductions, program suspensions, funding cuts as well as the proposed merger, all but eliminates historic preservation as a function of the state government reversing an important state responsibility after more than 40 years.

Also, these budget recommendations abandon the state's commitment to fostering programs that advance smart growth at a time that could be critical to building quality communities.

In addition the proposed budget consequences would create delays in Connecticut's ability to initiate projects funded or assisted by the federal government including the new federal stimulus program.

Another short coming is the budget's failure to recognize the significant contribution the state's historic rehabilitations tax credits can play in revitalizing our economy through increased jobs and tax revenue, which in many cases will exceed the value of the tax credits.

Conflict of Interest

Finally, one of the major flaws of the budget proposal is the idea of merging the Historic Preservation Program within the Department of Economic and Community Development, a department whose programs are subject to the regulatory review by the State Historic Preservation Office. This is like putting the fox in charge of the hen house.

In closing let me say that the Historic Preservation Programs are doing the job that the state and federal government have authorized without any conflicts of interest within the five year old Connecticut Commission on Culture and Tourism.

There is an old saying, if it ain't broke don't fix it.

Thank you.

Governor's Proposed Budget
Impact on the State's
Historic Preservation Programs

- Cuts 6 federally-funded state historic preservation office positions, including those which would process National Register Listings, administering the Federal Historic Tax Credit Program (168 million dollars in Connecticut Projects in 2007), overseeing grants for restoration, providing review of federal projects (approximately 1500 reviews annually) and which will be increased by the new federal stimulus funds.

- Suspends two state historic rehabilitation tax credit programs for two years and would prevent projects scheduled for completion in 2009 from obtaining previously reserved tax credit vouchers, important players in Connecticut's economic recovery.

- Eliminates the Community Investment Fund, which directs millions of dollars from a land records filing fee to preservation and conservation groups. It is from this fund that many pre-development and restoration grants have been awarded.

- Creates a conflict of interest by merging the state's Historic Preservation within the Department of Economic and Community Development an agency which is subject to regulatory review by the preservation office under state and federal law.



United States Department of the Interior

NATIONAL PARK SERVICE
1849 C Street, N.W.
Washington, D.C. 20240

IN REPLY REFER TO:

H36(2255)

Mr. John W. Shannahan
Director
Connecticut Historical Commission
59 South Prospect Street
Hartford, Connecticut 06106

Dear Mr. Shannahan:

In recent conversations with staff of the Connecticut Historical Commission, I have been advised that a severe budgetary crisis in Connecticut State government has resulted in drastic cuts being proposed to the budget of the Connecticut Historical Commission, which provides staff for the State Historic Preservation Officer (SHPO) in Connecticut. The SHPO staff asked me for advice as to what the effects of these cuts would be on the status of Connecticut's historic preservation program as an "approved state program." It is my understanding that the cuts proposed are so severe that the Connecticut Historical Commission may be left with a professional staff of as few as one or two persons.

Section 101(b) of the Historic Preservation Act (16 U.S.C. 470 *et. seq.*) provides that the Secretary of the Interior can only approve a state program as being eligible to receive Federal grant assistance from the Historic Preservation Fund (HPF) when certain requirements have been fulfilled. The State's program must, among other things, provide for the appointment of a "State Historic Preservation Officer" and for the "employment or appointment by such officer of such professionally qualified staff as may be necessary for such purposes." The term "such purposes" refers to the responsibilities with which the State Historic Preservation Officer is charged; these responsibilities are listed in Section 101(b)(3) of the Act and include ten major required activities:

- 1) Directing and conducting a comprehensive survey of historic properties and maintaining inventories of such properties.
- 2) Nominating eligible properties to the National Register of Historic Places.
- 3) Preparing and implementing a Comprehensive Statewide Historic Preservation Plan.
- 4) Administering the program of Federal grant assistance for historic preservation within the State.
- 5) Advising and assisting Federal and State agencies and local governments in carrying out their historic preservation responsibilities.

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- 6) Cooperating with the Secretary of the Interior, the Advisory Council on Historic Preservation, and other Federal, State, and local governments, organizations, and individuals to ensure that historic properties are taken into consideration at all levels of planning and development.
- 7) Providing public information, education, training, and technical assistance relating to historic preservation.
- 8) Cooperating with local governments in the development of local historic preservation programs, and certifying these programs, pursuant to the Act and related regulations.
- 9) Consulting with the appropriate Federal agencies in accordance with the Act on Federal undertakings that may affect historic properties, and the content and sufficiency of any plans developed to protect, manage, or to reduce or mitigate harm to such properties.
- 10) Providing advice and assistance to the private sector in the evaluation of proposals for rehabilitation projects that may qualify for Federal preservation tax incentives.

Section 101(b) of the Act further states that: "If, at any time, the Secretary determines that a major aspect of a State program is not consistent with this Act, the Secretary shall disapprove the program and suspend in whole or in part any contracts or cooperative agreements with the State and the State Historic Preservation Officer under this Act." If the Connecticut Historic Preservation Program is left with a staff which, in the judgment of the National Park Service, acting upon behalf of the Secretary, is inadequate to perform any or all of the above mandated responsibilities, NPS would be obliged to suspend Connecticut from approved program status and eligibility to receive HPF matching grants.

There are existing HPF grant agreements between the National Park Service and the State of Connecticut totaling in excess of \$1.1 million. The loss of State Historic Preservation staff would also harm developers and other property owners who are rehabilitating historic buildings under the Federal Historic Preservation Tax Incentives program. In the last 5 fiscal years (1997-2001), 19 properties have been rehabilitated in Connecticut, representing an investment of over \$35.6 million in the State's historic buildings. In short, without an approved State Historic Preservation Program the services enumerated above would not be available in Connecticut to the citizens and property owners of the State. The absence of some of these services, for example, the review of federal undertakings, would seriously and negatively impact the ability of Connecticut to benefit from many other programs of federal assistance. A lack or shortage of qualified SHPO staff would cause delays in compliance reviews required by Section 106 of the National Historic Preservation Act, which would drive up the costs of many Federally assisted construction projects funded by other Departments of the Federal Government. Instead of Section 106 compliance reviews being conducted by SHPO staff working in Hartford, Federal employees working in Washington, D.C. would perform the reviews.

Mr. John W. Shannahan

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I hope that this information will be useful as you deliberate about how to deal with the circumstances in which your State presently finds itself. While many States are being faced with revenue decreases, drastic cuts in the State Historic Preservation Office staff would further complicate the prompt completion of economic development projects that would help your State recover from its financial difficulties.

If you have any questions about this letter, please do not hesitate to contact me by telephone at 202\343-9564, or by e-mail at joe_wallis@nps.gov.

Sincerely,

Joseph T. Wallis

Joseph T. Wallis
Chief, State, Tribal, and Local Programs