

**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 13, 2023

LD 258, An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2023, June 30, 2024 and June 30, 2025.

Senators Rotundo and Rafferty, Representatives Sachs and Brennan, and Members of the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Education and Cultural Affairs, my name is Kirk Mohny 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 24-25 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’s primary focus is the administration of the program of the National Historic Preservation Act of 1966 in Maine. Its duties in carrying out this program include:

- Maintaining an inventory of the state's historic and archaeological resources;
- Nominating buildings, structures, sites, objects, and districts to the National Register of Historic Places; and
- Reviewing and commenting on federally funded, licensed and permitted undertakings in Maine, as well as certain projects permitted by the Maine Department of Environmental Protection and the Land Use Planning Commission.
- We assist the owners of income producing historic buildings to obtain federal and state historic rehabilitation tax credits;
- We develop and maintain a statewide historic preservation plan, and we provide historic and archaeological resource data to municipalities engaged in local comprehensive planning; and
- We provide technical assistance to the public, non-profit organizations, and governmental agencies at the local, state and federal levels.

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-426**.

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 2016-2022, 63 rehabilitation projects in Maine resulted in a total investment of over \$329 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 2024-2025 Budget

The request for other special revenue allocation is \$500 in both FY23-24 and FY24-25.

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-427**.

2024-25 Budget

The baseline budget request continues operations at the current level.

The request for General Fund appropriation is \$413,472 in FY23-24 and \$416,982 in FY24-25. 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 68% of the matching funds for Maine's annual federal historic preservation grant.

The request for Federal Expenditures Fund allocation is \$866,670 in FY23-24 and \$876,530 in FY24-25. 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 municipalities that participate in the Certified Local Governments Program. The balance supports personal services, all other associated expenses and a preservation grants program.

The request for Other Special Revenue Funds allocation is \$741,957 in FY23-24 and \$755,948 in FY24-25. The special revenue account is authorized to have 4 full time positions and 4.231 full time equivalents.

Budget Initiative

There are three initiatives for the Historic Preservation Commission.

The first initiative provides funding for the increased cost of statewide insurance coverage provided through the Department of Administrative and Financial Services, Division of Risk Management based on claims experience, coverage increases, attorney fees on claims, and actuarially recommended reserves. The All Other General Fund request is \$1,029 in FY23-24 and \$1,029 in FY24-25

The second initiative provides funding for the statewide technology services provided by the Department of Administrative and Financial Services, Office of Information Technology. In the first year of the biennium, the initiative provides funding to cover one-time costs to renovate the Commission's project review database, as well as funding for the maintenance of that database and projected increases in OIT costs. In the second year of the biennium, the initiative provides funding to cover maintenance of the database and projected increases in OIT costs. The All Other General Fund request is \$27,643 in FY23-24 and \$8,871 in FY24-25.

The third initiative provides funding for the increased cost of the Department's share of the cost for the financial and human resources service center within the Department of Administrative and Financial Services. The All Other General Fund request is \$5,664 in FY23-24 and \$6,745 in FY24-25.

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-428**.

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.

2024-25 Budget

The request for Other Special Revenue Funds allocation for this program is \$500 in both FY23-24 and FY24-25.

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 of and interest in the work that we do.