

**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 7, 2025

LD 210, 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, 2025, June 30, 2026 and June 30, 2027.

Senators Rotundo and Rafferty, Representatives Gattine and Murphy, 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 26-27 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. In carrying out this program the Commission:

- Maintains an inventory of the state's historic and archaeological resources; and
- Nominates buildings, structures, sites, objects, and districts to the National Register of Historic Places.
- Commission staff review and comment on federally funded, licensed and permitted undertakings in Maine, as well as certain state projects requiring state or local permits.
- The staff assists the owners of income producing historic buildings to obtain federal and state historic rehabilitation tax credits.

- The Commission is responsible for developing and maintaining a statewide historic preservation plan, and we provide historic and archaeological resource data to municipalities engaged in local comprehensive planning.
- The Commission also administers the Certified Local Government program, which supports municipal historic preservation programs with technical and financial assistance. On an annual basis 10% of the Commission's federal grant funding from the Historic Preservation Fund administered by the National Park Service is passed-through to the CLG.
- When the level of federal and state funding allows us to do so, we offer historic preservation grants to qualified entities, which may include state agencies, municipalities, and non-profit organizations.
- The Commission also holds and monitors covenants on historic properties that receive federal and state preservation grant funds;
- We provide education by means of workshops, conferences, lectures, and publications; and
- We provide technical assistance to the public, non-profit organizations, and governmental agencies at the local, state and federal levels.
- And finally, we will be administering a program for the restoration of historic community buildings that is funded by the \$10 million dollar bond passed by voters this past November.

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-405**.

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 2019-2024, 58 rehabilitation projects in Maine resulted in a total investment of over \$440 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 2026-2027 Budget

The request for other special revenue allocation is \$500 in both years of the biennial budget.

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-406**.

2026-27 Budget

The baseline budget request continues operations at the current level.

The State appropriation funds 5 full time and 1 half-time positions and all other associated expenses. It provides all of the matching funds for Maine's annual federal historic preservation grant.

The appropriation also includes \$3,500 annually to support the activities of the State Historian

The request for Federal Expenditures Fund account is authorized to have five full time employees. After the 10% set aside for CLGs, the balance supports personal services, all other associated expenses and – when the level of funding permits – the grant program.

The Other Special Revenue Funds account is authorized to have 2 full time positions and 3.731 full time equivalents, and the request covers personal services and all other associated expenses.

Budget Initiative

There are four initiatives for the Historic Preservation Commission.

Initiative: The first initiative provides funding in the General Fund, Federal Expenditures Fund, and Other Special Revenue Funds accounts for increased costs of the financial and human resources services provided to the Commission by the Department of Administrative and Financial Services,

Initiative: The second initiative provides funding in the General Fund, Federal Expenditures Fund, and Other Special Revenue Funds accounts for the increased costs of statewide technology services provided to the Commission by the Department of Administrative and Financial Services, Office of Information Technology.

Initiative: The third initiative provides funding for the operational needs of the Commission's Federal Expenditures Fund. The Commission annually receives a Federal Historic Preservation Fund grant with a three-year period of performance. Thus, at any given time the Commission may be managing three grants, and we have encountered instances when our allocation has been insufficient to expend the funds for operational needs including making subgrants. This initiative will give us the ability to expend funds associated with three annual federal grants over their respective life cycles.

Initiative: The fourth and final initiative provides funding in the General Fund account for the administrative cost associated with the \$10 million dollar bond passed by voters in November for the restoration of historic community buildings. The language in the law authorizing the bond made an allowance for the Commission to use up to \$100,000 of the bond proceeds to administer the grant program. We subsequently learned that the State Constitution prevents the use of bond funds for such purposes. This initiative provides funding for that administrative support in the first two years of the program.

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-408**.

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.

2026-27 Budget

The request for Other Special Revenue Funds allocation for this program is \$500 in both years of the biennium.

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.