

In this issue ...

Compromise
Stimulus Package
Cuts HPF Funding
for Jobs Creation
but Includes
Major Funding for
School
Renovation,
Neighborhood
Stabilization,
Energy
Efficiency,
Community
Development,
Affordable
Housing, Public
Lands and
National Park
Investments, and
Public
Infrastructure

FEDERAL UPDATE

House Passes Compromise Stimulus Package; Final Passage Expected Before Presidents Day Recess

A House and Senate conference agreed to a compromise \$787.2 billion version of the economic stimulus bill on Wednesday that includes \$108 billion in spending cuts spearheaded by Sens. Ben Nelson (D-NE), Susan Collins (R-ME) and Arlen Specter (R-PA). Included in the Nelson-Collins compromise was a cut of \$55 million for State and tribal preservation offices to assist in the creation of preservation-related jobs. The House and Senate conference agreement did, however, include a major compromise on school construction funding via state stabilization funding (see below) and the inclusion of an Alternative Minimum Tax (AMT) patch, which ultimately reduced the amount of stimulus spending in other areas to keep the cost of the bill below \$800 billion. The House passed the conference report on Friday on a party-line vote of 246-183. The Senate is expected to follow suit.

Highlights of the major differences in the recovery bills as well as some of the early details about the conference agreement items (in red) affecting historic preservation, include the following:

Historic Preservation Fund

- \$55 million for State and Tribal Preservation Offices for creating preservation jobs and rehabilitation projects was removed from the Senate draft bill in conference. **However, the conference agreement provides \$15 million for Historically-Black Colleges and Universities (HBCUs) for funding historic preservation projects on HBCU campuses and waives any matching requirements for these institutions.**

School Construction, Renovation and Repair

- The Senate removed \$16 million for school construction and renovation from its bill. The House bill provided \$14 billion for State and local school districts and \$6 billion for institutions of higher learning for school renovation, repair and energy-efficiency. **The conference agreement provides \$54 billion for state stabilization which is divided into three sections, including a \$28 billion category providing funds that can be used for modernization to local school districts. That category also provides additional non-construction funding to help K-12 and higher education avoid budget cuts. Another \$19 billion is allocated for governors, who can use the funds for school modernization at the K-12 and higher education level. The state stabilization fund also includes \$7 billion in grants aimed at helping school districts avoid budget cuts.**

Housing, Community Development, Neighborhood Stabilization

- The Nelson-Collins substitute bill zeroed out neighborhood stabilization funding to mitigate foreclosed and vacant properties; the House provided \$4.2 billion. **The conference agreement will provide the House**

level of \$4.19 billion for neighborhood stabilization.

- The Senate provided \$2.25 billion for HUD's Home Investment Partnerships program while the House funded the program at \$1.5 billion. The conference agreement funded Investment Partnerships at \$1.5 billion and \$1 billion for Community Development Block Grants. The Senate bill also zeroed out CDBG funding but did provide a \$1.5 billion annual increase in the New Markets Tax Credit allocation to \$5 billion for 2008 and 2009, which was included in the conference agreement, but does not provide for any AMT relief.

Energy Efficiency

- H.R. 1 included \$6.7 billion for renovations and repairs to federal buildings, with at least \$6 billion focused on increasing energy efficiency and conservation. The Senate bill includes a line item for the greening of federal buildings for energy efficiency and conservation at \$4.5 billion. The conference agreement funded federal building repairs at the House level of \$6 billion. In addition, H.R. 1 also provides \$150 million to the Smithsonian Institution to address property maintenance and renovation backlog. The Senate bill cut that in half to \$75 million. The conference agreement provided the House level of \$150 million for the Smithsonian.
- Both bills contained the modified version of the Trust's non-business energy tax credit proposal for energy-efficiency in existing homes. H.R. 1 and S. 1 increased the value of the non-business energy-efficient tax credit for homes to 30 percent for 2009 and 2010, modifies the efficiency standards for qualifying property and sets the per-dwelling maximum for this period at \$1500 per taxpayer. This provision was included in the conference agreement. The Trust's expanded proposal for the federal rehabilitation tax credits were not included in either the House or Senate bills or the final conference agreement. To review this proposal visit <http://www.preservationnation.org/take-action/advocacy-center/platform/economic-stimulus.html#Tax>.

Affordable Housing

- **Acceleration of Low Income Housing Tax Credit.** S.1 proposed to accelerate low-income housing tax credits (LITHCs) to allow investors to claim 20 percent of the allowable credits in each of the first three years and the remaining 40 percent over the next six years to stimulate investment in low-income housing. However, the tax title of the conference agreement reduces the state ceiling for affordable housing tax credits by any amount received in low-income housing grants received from Section 1602 of the recovery bill. No provision for acceleration of credits was included. According to the conference agreement, "a State receiving a grant under this provision is to use these monies to make sub-awards to finance the construction, or

acquisition and rehabilitation of qualified low-income buildings as defined under the low-income housing credit.” The maximum low-income housing grant election amount for a State may not exceed 85% of the product of ten and the sum of the State’s: 1) unused housing credit ceiling for 2008; 2) any returns to the State during 2009 of credit allocations previously made by the State; 3) 40% of the State’s 2009 credit allocation; and 4) 40% of the State’s share of the national pool allocated in 2009, if any.

Investments in Public Lands and Parks

- H.R. 1 included \$3.1 billion for **infrastructure projects on federal lands**, including \$200 million for the preservation and repair of buildings of cultural and historic importance within the National Park Service, of which \$15 million would be transferred to the Historic Preservation Fund for historic preservation projects located on Historically Black Colleges and Universities. Overall, \$1.7 billion is provided for the operation of the National Park Service, including \$325 million for the Bureau of Land Management. Both the House and Senate bills provided \$100 million for the National Park Service’s Centennial Challenge Grant program to address maintenance backlogs in the parks. **The conference agreement provides \$125 million for the Bureau of Land Management (BLM) for maintenance, rehabilitation and restoration of “facilities, properties, trails and lands and for abandoned mines and wells” and \$180 million for construction, including “energy-efficient retrofits of existing facilities.”** Operation of the NPS is funded at \$146 million with \$15 million for Historically Black Colleges and Universities (HBCUs) from the Historic Preservation Fund (HPF). \$589 million is provided for construction within the NPS, which includes “repair and restoration of historical structures within the National Park System.” The Centennial Challenge program was not funded in the conference agreement. \$170 million is provided for repairs and upgrades to roads in the national parks through the Federal Highway Administration.

Public Infrastructure Investments

- **National Recovery Zone Bonds** were funded at \$25 million in the House and \$15 million in the Senate. **The conference agreement provides the Senate level of \$15 billion.**

Funding Prohibitions

- The Senate bill included an amendment sponsored by Sen. Tom Coburn (R-OK) that would bar the use of stimulus funds in the bill for gambling establishments, aquariums, swimming pools, zoos, golf courses, stadiums, community parks, museums, theaters, art centers, and highway beautification projects. Senator Daniel Inouye (D-HI) spoke out against the amendment on the Senate floor, but it passed nonetheless

by a vote of 73-24. If enacted, this prohibition would exclude historic museums from receiving stimulus funding. **However, there were no references to the Coburn language or funding prohibitions in general in the conference report.**

To learn more about the stimulus package and read the latest bill text and report language, visit Preservationnation.org at <http://www.preservationnation.org/take-action/advocacy-center/platform/stimulus-tracker.html>.

Guns on Public Lands Amendment Latest Obstacle to Omnibus Lands Package

The House leadership is considering a technical amendment to the Omnibus Public Lands Management Act (S. 22) that could threaten passage of the bill on procedural issues and leave key historic preservation authorization bills — such as Save America's Treasures, Preserve America and the National Landscape Conservation system — to wane for another year.

The proposed amendment to S. 22 states "that nothing in the bill shall affect the State's right to manage hunting, fishing and trapping." However, the inclusion of this language is expected to relate to guns and public lands and would likely split the Democratic Caucus on this vote and kill the bill by forcing it back to the Senate for consideration. Senator Majority Leader Harry Reid (D-NV) has informed the House that sending S. 22 back to the Senate would kill the bill or delay it for a year. It is uncertain if a technical amendment to S. 22 can be made in the House to include the hunting language that would allow the bill to move to the floor with the approval of the National Rifle Association for passage, and without the need to return to the Senate. If gun language is necessary in order to pass this bill, a correcting resolution might provide the House with the means to change the bill without the need to send the bill back to the Senate.

The House is not expected to take up the bill until after the Presidents Day recess.

House GOP Members Campaign to Limit CR Spending for Remaining FY'09 Appropriations Bills

House Republicans are mounting a campaign to extend the temporary continuing resolution (CR) providing omnibus FY'09 appropriations through March 6th until the end of the fiscal year. The consideration of the nine remaining FY'09 appropriations bills (including Interior) will not be taken up by the House until after the Presidents Day Recess because of the attention being devoted to formulating and passing a stimulus package. The remaining

NRA Amendment
Could Doom
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FY'09
Appropriations
Bills Still Open to
Increased
Funding When CR
Expires in March

nine bills for FY'09 total \$410 billion and Majority Leader Steny Hoyer (D-MD) has indicated that the Democrats will not settle for simply extending the current CR. Republicans claim that Democrats will use the omnibus to add more pork spending to the remaining appropriations bill for FY'09.

