

**SPECIAL EDITION: FY 2009 Federal Budget**

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SHPOs and Tribes  
Reduced to FY'06  
Funding Levels  
and SAT Cut by  
\$10 million

Preservation  
Community To  
Request \$115  
million for HPF in  
FY'09 from  
Congress

**President's FY'09 Federal Budget Cuts Historic Preservation Funding**

President Bush delivered a three-trillion dollar federal budget to Congress outlining the nation's budget for fiscal year 2009 that provided FY'06 enacted funding levels for both State Historic Preservation Offices (SHPOs) and Tribal Historic Preservation Offices (THPOs), while cutting the Save America's Treasure's (SAT) by \$10 million from FY'08. Under the proposed budget for the Historic Preservation Fund (HPF), the only positive was a \$2 million request for a national inventory of historic properties, which was still well below the \$4 million requested in the administration's FY'08 budget. Below is a comparison of the FY'09 budget request with previously-enacted and FY'08 proposed HPF funding levels:

Historic Preservation Fund Funding Level Comparison FY 2006 through FY 2009 (\$ in millions)					
HPF Program	FY06 Enacted	FY07 CR Final Level	FY08 Budget Proposed	FY'08 Enacted Levels **	F'09 Proposed Budget
States	\$35.717	\$36.007	\$35.717	\$39.376	\$35.717
Tribes	\$3.941	\$3.981	\$3.941	\$6.399	\$3.941
SAT	\$29.558	\$7.69	\$10.0	\$24.61	\$15.0
HBCUs	\$2.956	\$2.985	---	--	--
Preserve America	\$5.0	\$5.0	\$10.0	\$7.383 *	\$10
National Inventory	--	--	\$4.0	--	\$2.0
<b>TOTAL</b>	<b>\$72.172</b>	<b>\$55.663</b>	<b>\$63.658</b>	<b>\$70.385</b>	<b>\$66.658</b>

\* Funded in National Recreation budget within Interior (not included within HPF total)

\*\* Includes .056% across-the-board cut in all discretionary accounts

The President's proposed budget for historic preservation funding stands in marked contrast to what is needed to sustain and carry out the national historic preservation program in FY'09. Below is a breakout of historic preservation's request for FY'09.

- State Historic Preservation Offices: \$50 million
- Tribal Historic Preservation Offices: \$20 million
- Save America's Treasures: \$30 million
- Preserve America: \$10 million
- National Inventory of Historic Properties: \$5 million

The President's FY'09 budget proposal also affected historic preservation and cultural resources in other programs scattered throughout the federal budget, including:

### NPS Cultural Programs Get Slight Increase

**National Park Service (NPS) Cultural Programs (+ \$1 million).** The overall budget for the NPS' cultural programs in the FY'09 budget is \$23 million, which is an increase of \$1 million over FY'08.

### Funding for Cyclical Maintenance of Historic Sites in National Parks Increased

**Construction and Cyclical Maintenance in the National Parks (-\$46.1 million).** The President's budget includes an increase of \$17.8 million for regular cyclic maintenance and \$5.0 million for cyclic maintenance of historic structures, which are included in the NPS construction budget. However, the overall budget for NPS construction and major maintenance was proposed at \$172.5 million, which was down \$46.1 million from FY'08 enacted levels.

### National Parks Centennial Challenge Funding Awaits Congressional Authorization

**Centennial Challenge (-\$25 million).** The President's Centennial Challenge program proposes a mandatory \$100 million of funding annually through 2016 in preparation for the 100<sup>th</sup> anniversary of the National Park Service. This funding will be matched individuals, foundations, businesses, and the private sector. While the Administration's FY'08 budget provided \$25 million for the program, the FY'09 budget did not include the same amount this cycle because it is waiting on Congress to pass an authorization for the program.

### Heritage Areas Funding Slashed by More Than 50%

**National Heritage Areas (-\$8.2 million).** National Heritage Areas funding was reduced to \$7.1 million as part of a major reduction of \$21.9 million in the National Park Services' Recreation and Preservation account.

### Civil War Battlefield Grants Increased and BLM Funding Level for Cultural Resource Protection

**Civil War Battlefield Matching Grants (+ \$1.047 million).** NPS matching grants for the preservation of Civil War battlefield sites increased to \$4 million under the FY'09 budget.

**BLM Resource Protection (level funding).** The Bureau of Land Management's (BLM) budget for protecting cultural resources on public lands was provided level funding of \$89 million.

### St. Elizabeths Still Under Pressure from GSA/NHS Headquarters Expansion Plan

**GSA/DHS Headquarters.** The budget includes requests of \$346 million for the General Services Administration and \$120 million for the Department of Homeland Security (DHS), respectively, to building a sprawling national security headquarters for DHS on the western campus of St. Elizabeths Mental Asylum in Washington, D.C. The National Trust has been opposed to these plans to unnecessarily demolish historic structures on the western campus and listed St. Elizabeths on its 2002 Eleven Most Endangered Historic Sites List.

**Federal Rehab Tax Credit Expenditures Revised in President's FY'09 Budget**

### Tax Expenditures for Federal Rehabilitation Tax Credits

The President's FY'09 federal budget included new tax expenditure estimates for both the historic and commercial rehabilitation tax credits, which previously had been estimated at \$200 million and \$30 million annually. The new estimate for the cost of the credits to the Treasury is much higher, with

Significantly  
Higher in  
President's FY'09  
Budget  
Assumptions

the historic credit estimated to cost \$2.46 billion for FY09-FY13. The year-to-year breakout for the historic credit is the following: FY09: \$440 million; FY10: \$470 million; FY11: \$490 million; FY12: \$520 million; FY13: \$540 million. The non-historic credit is scored at \$200 million over the same five-year period at \$40 million annually. It is important to note that this is the first time that the expenditure assumptions have changed in a number of years for the credits.

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