Historic Preservation: 
Background and Funding

Susan Boren
Specialist in Social Legislation
Domestic Social Policy Division

Summary

This report summarizes the federal role in historic preservation. It provides descriptions of and funding information for some of the major preservation programs, including the Historic Preservation Fund (HPF), the Advisory Council on Historic Preservation, the National Trust for Historic Preservation, and the National Register for Historic Places. Some Members of Congress have given historic preservation programs close scrutiny and have recommended that historic preservation activities be supported increasingly by the private sector. The FY2004 Interior and Related Agencies Appropriations Act, P.L. 108-108 provided $73.58 million for the HPF. The FY2005 Administration’s budget request was $77.53 million, an estimated $3.95 million increase from the FY2004 appropriation. The House-passed FY2005 appropriation would have provided $71.53 million, the Senate amount was $71.25 million. After a series of continuing resolutions, the final FY2005 Consolidated Appropriations Act (P.L. 108-447) provided $72.75 million for the Historic Preservation Fund (figures do not yet reflect the 0.8% rescission that was enacted.)

Introduction

Historic preservation can be defined as the protection of cultural resources. It is supported through a variety of federal government, state, and private programs. Although it is not within the purview of this report to discuss all federal programs that support historic preservation, a selected few have been highlighted. Among the major historic preservation programs given federal support are the Historic Preservation Fund (HPF), the Advisory Council on Historic Preservation, and the National Register of Historic Places. All of these have been created, authorized, or amended by the National Historic Preservation Act of 1966 (P.L. 89-665), as amended. Some Members of Congress support proposals to eliminate a federal government role in financing historic preservation programs, leaving such programs to be sustained by private support. Others feel a federal role in supporting historic preservation should be maintained. The National Historic Preservation Act (NHPA) Amendments of 2000, enacted as P.L. 106-208, reauthorized the HPF and the Advisory Council on Historic Preservation through FY2005.
The HPF, administered by the National Park Service, provides grants-in-aid (funded on a 60% federal/40% state matching share) to states and outlying areas for activities specified in the NHPA. States carry out program purposes directly through State Historic Preservation Offices (SHPOs) or subgrants and contracts with public and private agencies, organizations, institutions of higher education, and private individuals. Section 103(c) of NHPA as amended requires 10% of each state’s annual allocation distributed by the Secretary to be transferred to local governments that are certified eligible under program regulation. The HPF also administers a grant program for Indian Tribes, Alaska Natives and Native Hawaiians for cultural heritage projects. In addition, the Fund has provided matching grants to Historically Black Colleges and Universities (HBCUs) to preserve threatened historic buildings on their campuses. An FY2001 appropriation of $7.2 million represented the unused authorization remaining from P.L. 104-333. Beginning with the FY2002 budget, funding for HBCUs was eliminated, as previous funding authority had expired and funds had been expended. However, Congress agreed to reinstate funding for restoration of HBCU buildings, with the FY2004 appropriation providing approximately $2.963 million. The final FY2005 appropriation includes $3.5 million for HBCUs, and increases tribal grants to $3.25 million.

Save America’s Treasures grants, under the jurisdiction of HPF, are given to preserve “nationally significant intellectual and cultural artifacts and historic structures,” including monuments, historic sites, artifacts, collections, artwork, documents, manuscripts, photographs, maps, journals, still and moving images, and sound recordings. Funds were appropriated in FY1999 (the first year of its creation) and used for restoration of the Star Spangled Banner, the Declaration of Independence and the U.S. Constitution, as well as for

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1 The HPF was established as a funding source for NHPA activities in 1976 when it was amended by P.L. 94-422 (which amended the Land and Water Conservation Fund Act of 1965 and established the NHPA) and was further amended by P.L. 102-575 (The Reclamation Projects Authorization and Adjustment Act of 1992, containing the National Historic Preservation Amendments of 1992). Section 108 of the act provides the HPF with $150 million in revenue from the Outer Continental Shelf receipts. Section 108 allows annual transfers from Outer Continental shelf receipts through FY2005, according to P.L. 106-208.

2 Some of the expressed purposes include: to aid states in conducting a comprehensive survey of historic properties (approximately 222,000 properties nationwide); to help develop comprehensive statewide historic preservation plans; and to advise and assist in the evaluation of proposals for rehabilitation projects that may qualify for federal financial or tax assistance.

3 According to NPS, since 1985 approximately $40 million in HPF grants has been allocated to the Certified Local Government program. There are currently approximately 1,228 certified local governments in charge of local historic preservation programs.

4 In FY1995, Morris-Brown College, Atlanta, GA, and Shaw University, Raleigh, NC, received grants to help preserve their historic buildings. On Nov. 12, 1996, provisions of H.R. 1179 (the Historically Black Colleges and Universities Historic Building Restoration and Preservation Act) became part of the Omnibus Parks and Public Lands Management Act of 1996 (P.L. 104-333). Funds in Section 507 were earmarked to: Fisk University ($5 million); Knoxville College ($2.5 million); Miles College ($2 million); Talladega College ($1.5 million); Selma University ($1.55 million); Stillman College ($250,000); and Concordia College ($200,000) in Alabama; Allen University ($2.9 million); Claflin College ($1 million); Voorhees College ($2 million) in South Carolina; Rust College ($1 million); Tougaloo University ($3 million) in Mississippi. These funds were available until expended.
federal agencies’ historic preservation priority millennium projects. Other properties throughout the United States receiving Save America’s Treasures grants included the Rosa Parks Museum in Alabama, the Mark Twain House in Connecticut, and restoration of the Sewall-Belmont House, the National Women’s Party headquarters. Although appropriations were continued for Save America’s Treasures for FY2000 and FY2001, criticism was lodged generally against the program, arguing that there was a lack of geographic diversity, particularly in the FY1999 grants program. As a result, the FY2001 Interior appropriations law (P.L. 106-291) required that project recommendations be subject to formal approval by the House and Senate Committees on Appropriations prior to distribution of funds. These projects require a 50% cost share, and no single project can receive more than one grant from this program. The FY2004 appropriation for Save America’s Treasures was $32.6 million, the FY2005 request was $30.0 million, and the final appropriation for FY2005 was $30.0 million. Of this amount, $15 million is for competitive grants and the remainder is for projects as designated in the public law. Among designated projects was one for the Sequoia Presidential yacht. Bill language was included in the conference report (H.Rept. 108-792) that clarifies the ability of the National Endowment for the Arts to award Save America’s Treasures grants based upon recommendations of the Save America’s Treasures grant selection panel.

The FY2005 Administration budget had requested $10.0 million for a new “Preserve America” program that is characterized as a supplement to the Save America’s Treasures program. The “Preserve America” program, according to the Interior Budget in Brief, “will provide assistance to help communities demonstrate long-term approaches to using historic resources in an economically sustainable manner.” “Preserve America” grants would have been awarded on a 50/50 matching basis, as one-time seed money. The final conference and public law for FY2005 did not include funding for “Preserve America,” but did provide $30.0 million for Save America’s Treasures.

The National Trust for Historic Preservation no longer receives a permanent annual federal appropriation through the NHPA (except for funds expressly for its endowment for endangered properties in FY2002, FY2003, and in FY2004). It was chartered by Congress in 1949 as an organization national in scope; and it is a private nonprofit corporation, responsible for encouraging the protection and preservation of historic American sites, buildings, and objects that are significant to the cultural heritage of the United States. The National Trust owns some historic properties, 17 of which are historic houses that are operated as museums. These include such houses as the Frank Lloyd Wright home and studio in Oak Park, Illinois, and Woodlawn Plantation at Mount Vernon, Virginia. The National Trust provides technical and educational services and promotes historic preservation activities from regional offices as well as through its Washington, D.C. headquarters. The National

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5 The conference agreement (H.Rept. 104-402) for the Department of Interior and Related Agencies Appropriations Act for FY1996 stated that the managers agree “to a 3-year period of transition for the National Trust for Historic Preservation to replace federal funds with private funding.” The House Reports (H.Rept. 104-625) accompanying the FY1997 Interior Appropriations and the FY1998 Interior Appropriations (H.Rept. 105-163) indicated that the National Trust should become self-supporting by FY1999. From FY1998 through FY2004 there was no further federal funding for the National Trust. For FY2002, FY2003 and FY2004, an appropriation was provided to the Trust to help sustain its “endowment” for endangered historic properties. Also, the language of the law does not preclude the Trust from accepting some federal funds for NHPA purposes, although it is no longer on a permanent annual basis.
Trust maintains several financial assistance programs including the **National Preservation Loan Fund**, providing below-market-rate loans to nonprofit organizations and public agencies to help preserve properties listed in the National Register of Historic Places, particularly those on the “Most Endangered Historic Places” list. The final FY2004 appropriation provided $494,000 for a grant to the “endowment” of the National Trust Historic Sites Fund, to be matched dollar for dollar with non-federal funds, for the care and maintenance of historic sites, including restoration and protection of the most endangered historic places. However, the FY2005 budget proposed to eliminate federal funding for the National Trust Endowment fund. The FY2005 Consolidated Appropriations Act does not include funding for the Endowment fund for the National Trust.

**The Advisory Council on Historic Preservation**, in cooperation with the Secretary of the Interior, helps to manage the NHP programs as authorized under the NHPA. Those programs include, but are not limited to, the HPF and the National Register. The Advisory Council oversees the Section 106 NHPA authority for **consultation**, the primary federal mechanism for protecting historical properties. In addition to consultation, the Advisory Council provides coordination, mediation, education, and advice on historic preservation matters. It does not have responsibility for making historic agencies' final decisions, or controlling property actions, although its recommendations are seriously considered. The Advisory Council works closely with federal agencies and state historic preservation officers.

The Advisory Council is an independent federal agency established to help shape national policies dealing with preservation of cultural heritage. It is composed of 20 members, and a small professional staff. Eleven members are presidentially appointed: the chairman, three members from the general public, a governor, a mayor, four experts from preservation-related disciplines, and a Native American or Native Hawaiian. The Council also includes six federal agency heads whose activities affect historic preservation (Secretaries of Department of Agriculture, Department of the Interior, Department of Housing and Urban Development, Department of Transportation, Administrators of Environmental Protection Agency, and General Services Administration), the Architect of the Capitol, and ex-officio representatives of the National Trust for Historic Preservation and the National Conference of State Historic Preservation Officers.

**The National Register for Historic Places** is maintained by the Department of Interior and in particular by the National Park Service under authority of the NHPA as amended. The National Register stands as the U.S. “official list” of properties significant

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6 In 1966, Congress created a process in Section 106 of NHPA that requires federal agencies to take into account the effect of their actions on historic properties. It also charged the Council with commenting on those actions and administering Section 106 of NHPA. Section 106 of the act has become a tool for the public and governmental representatives to interact in decision making that affects communities’ heritage across the United States.

7 The Advisory Council was established by Title II of the NHPA of 1966 (16 U.S.C § 470). Some of the issues the Advisory Council has had as its charge include working with Housing and Urban Development’s HOME program for affordable housing while preserving historic areas; improving preservation of historic properties during natural disasters; promoting preservation and reuse of historic properties during military base closures. The Advisory Council has been reauthorized through FY2005.

8 Although the primary authority for operating the National Register is the NHPA (originally enacted (continued...))
in “American history, architecture, archeology, engineering and culture.” The NHPA requires the Interior Secretary to maintain the Register, develop guidelines and regulations for nominations, consider appeals, make determinations of eligibility of properties, and make the National Register accessible to the public. The National Register information is used for public education efforts, planning, and setting preservation compliance standards, all of which assist in the preservation of cultural resources. The National Register develops standards and guidelines to help federal, state, and local governments to prepare nominations for the Register.9

The actual designation of National Historic Landmarks (NHL) as properties of national significance is a separate program under the National Register, and is also a key program supported by federal funds. NHLs that are listed in the Register are a relatively small group of registered properties, representing an estimated 3% of all entries in the Register (comprising approximately 2,300 of the 76,000 entries). They are designated by the Secretary of the Interior under the Historic Sites Act of 1935.

As part of the National Register program, the Department of Interior has developed a National Register Information System (NRIS) computerized database, an automated system that gives information on the National Register’s more than 76,000 listings and is available for use by states, federal agencies, and the public. The NRIS homepage now has 650,000 hits and 35,000 user sessions per week, and NRIS distributes approximately 67,000 copies of National Register technical publications annually to the public. (See [http://www.cr.nps.gov/nr/research/nris.htm].)

**Funding**

**FY2005 Budget.** The Bush Administration’s FY2005 budget request proposed a total budget authority for the HPF of $77.53 million, including $34.6 million for grants-in-aid to states and territories, $2.963 million for Indian tribes, $30.0 million for Save America’s Treasures, and $10.0 million for a new Preserve America program. The FY2005 budget request did not include funding for HBCUs’ Historic Building Restoration and Preservation program and proposed to discontinue funding for the National Trust for Historic Preservation’s Endowment fund for most endangered properties.

**FY2005 Appropriations.** On June 17, 2004, the House passed H.R. 4568, the Department of Interior and Related Agencies appropriations bill for FY2005. The House-passed bill would have allowed $71.5 million for the Historic Preservation Fund. The Senate-reported FY2005 appropriation would have provided $71.25 million for the total for HPF, including $3.25 million for tribal grants, and $30 million for Save America’s Treasures. After a series of continuing resolutions, the FY2005 Consolidated Appropriations Act was signed into law as P.L. 108-447.

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8 (...continued)
as P.L. 89-665), other laws that affect governance of the National Register include the Antiquities Act of 1906, the Historic Sites Act of 1935, the Archeological and Historic Preservation Act of 1974, and the Archeological Resources Protection Act of 1979, as amended.

9 National Register programs, although not a separate line item in annual appropriations, are included as part of the National Park Service Recreation and Preservation/cultural programs category.
## Table 1. Historic Preservation Programs — Appropriations FY2002-FY2005

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<td>Historic Preservation Fund (total)a</td>
<td>$74,500,000</td>
<td>$68,552,000</td>
<td>$73,583,000</td>
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<td>$71,533,000</td>
<td>$71,250,000</td>
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<td>— Grants-in-Aid to States and Territoriesc</td>
<td>39,000,000</td>
<td>$33,779,000</td>
<td>34,569,000</td>
<td>34,570,000</td>
<td>34,570,000</td>
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<td>— Tribal Grants</td>
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<td>2,963,000</td>
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<td>— Historically Black Colleges Restoration</td>
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<td>—</td>
<td>2,963,000</td>
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<td>4,000,000</td>
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<td><strong>Subtotal, Grants-in-Aid</strong></td>
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<td><strong>36,760,000</strong></td>
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<td><strong>37,533,000</strong></td>
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<td>— Save America’s Treasures Millennium Program</td>
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<td>32,594,000</td>
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<td>— Preserve America Grants-in-Aid</td>
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<td>10,000,000</td>
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<td>— Endowment grant for National Historic Trust</td>
<td>2,500,000</td>
<td>1,987,000</td>
<td>494,000</td>
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<td>— Grants-in-Aid to Massillon Heritage Foundation</td>
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<td><strong>Advisory Council on Historic Preservation</strong></td>
<td>3,400,000</td>
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<td>3,951,000</td>
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<td>4,600,000</td>
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a. Appropriations for Historic Preservation programs are part of the Department of Interior and Related Agencies Appropriations. The Historic Preservation Fund previously included grants-in-aid to states, tribal grants, grants to HBCUs, the National Trust for Historic Preservation and Save America’s Treasures. It no longer generally includes annual appropriations for the National Trust except for funding the endowment fund, and the authority for restoration grants to HBCUs technically has ended, although it is being reinstated by Congress.

b. The FY2005 appropriation does not reflect the 0.8% rescission contained in P.L.108-447.

c. The term “Grants-in-Aid to States and Territories” is used in conjunction with the HPF budget and refers to the same program as “Grants-in-Aid to State Historic Preservation Offices.”