

Testimony for the Record

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and
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before the

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Subcommittee on Interior, Environment and Related Agencies**

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Mr. Chairman and distinguished members of the subcommittee, thank you for the opportunity to appear before you today to provide testimony regarding funding for the National Heritage Area (NHA) Program. My name is Michelle McCollum and I am President of the South Carolina National Heritage Corridor, a National Heritage Area that serves 17 counties of South Carolina. I am testifying in my capacity as Chairman of the Board of Directors of the Alliance of National Heritage Areas (ANHA), a membership organization that includes 35 of our nation's national heritage areas as well as other partners in the preservation, conservation and economic development industries.

Mr. Chairman, I would like to convey three very specific points to the committee today. First, fiscal year 2011 funding for the NHA program should be \$18 million, maintaining the FY2010 funding level. Second, language in the President's budget proposal is detrimental to the future of the program and must be rejected. Finally, national program legislation is the solution to the NHA funding issue and should be enacted in order to preserve the program.

During these challenging economic times, every program should be scrutinized, measured and held accountable. In addition, successful programs should be embraced, especially ones such as the NHA program that receives modest federal investment yet yields substantial return on that investment.

Congress demonstrates recognition of the NHA program success by continuing to designate new areas across the country. In fact, the number of designations has tripled in the past decade; bringing the total number of heritage areas to 49 in 32 states. Heritage areas span a wide spectrum of activities. They can range from a single effort to save a group of historic buildings to a multifaceted approach to regional conservation, preservation, tourism and economic revitalization. Heritage areas can be located in one

neighborhood, or they can be multi-jurisdictional, crossing the boundaries of counties and states.

While NHAs share the same core goals, the priority of these goals differ with each area because the NHAs are as unique as the resources they work to conserve. The model works because we continue to remain relevant to the specific needs of our individual communities. The grassroots nature of the NHA Program lends itself to meeting the needs identified by and for the local people. It is a model that not only encourages, but requires, public input and local investment, and is a model that garners enormous support from constituents we serve and partners we support.

The success of the program has recently been recognized by the National Park Second Century Commission. To quote an excerpt from the Second Century Commission Report:

The new Park Service plan must evaluate the potential for new kinds of national parks, including “lived in” landscapes and cityscapes, ecological restoration areas, and corridors of conservation that connect parks and recreational facilities, historic sites and cultural landscapes.

National Heritage Areas provide a collaborative model that fits well within a large landscape scale preservation and conservation framework. Recognizing them as long term assets to the national park system, we recommend that Congress pass authorizing legislation creating a system of National Heritage Areas providing for permanent funding and directing full program support from the National Park Service to the designated areas.

Both the ANHA and the National Park Service (NPS) are working on draft legislation to mandate a standard approach for the NHA program. It is imperative to have uniformity in the criteria, timeframes for designation, financial and technical support, and the performance evaluation process. As recommended by the Second Century Commission, program legislation should provide base funding for all designated areas. The basic realities are that all funding entities, whether government or private, must permit a necessary percentage of money to be used for operations and administration, otherwise no one could be employed to oversee the project for which funds were received.

Program legislation must also address the issue of the designation process. NHA designation must come after all planning is complete. Until the management plan is developed, the NPS has little information to make a justifiable recommendation and Congress has little information to decide on the initial designation; therefore, the resulting NHA could contain few historic or cultural resources, may lack the public's support, or may lack national significance. Second, designating an area prior to a plan will often redirect most, if not all, of the NPS appropriations to planning, instead of the intended investment in the resource conservation and development. If Congress would

designate heritage areas as "planning areas" first and provide a small amount of funding to help seed the planning process, then, when the feasibility and management plans were complete, Congress would have a more complete assessment of the potential for the NHA.

Until such time as program legislation can be passed and base funding included as a part of that legislation, the 2011 funding level for the NHA program should be increased to the 2010 level. Currently, there are 49 NHAs authorized to receive \$1 million per year. The total NHA program appropriation of \$15.7 million for fiscal year 2009 represents only 32 percent of the authorized funding approved by Congress. Further, with matching and leveraged dollars, this funding was only 15 percent of total funding for the NHA program. It is extremely important to highlight that although 15 percent is a small portion, it is the most critical portion of our funding because the Heritage Partnership Funds through the NPS serve as the foundation of our funding structure. If the NPS funds are insufficient, the structure will collapse.

The federal appropriations provide the seed investment for the NHAs to use as advance funding to leverage other forms of investment, whether from state or local governments, foundations or private sources. The first dollars pledged are often the most difficult money to raise for any project. After the seed investment is provided, other funding partners can be sought, often successfully if the initial seed is from the principal partner.

In addition, raising funds for any project becomes more difficult if the principle funding partner withdraws or withholds funds. NPS funding provides a level of credibility to the NHA attempting to raise the additional money, and it provides a level of surety to the other funding partners by showing the Federal government is committed to the NHA. If the funding were not available, other partners could begin to withdraw their support from the NHA.

Few government programs can show a funding ratio of \$5.50 to every \$1 of federal investment. NHAs leverage federal funds to create jobs, generate revenue for local governments, and sustain local communities through revitalization and heritage tourism, while furthering the mission of the NPS. Utilizing a formula created by the US Department of Commerce that measures the dollars needed to create one job from heritage preservation/tourism funds in each state, NHAs have created 16,520 jobs in 32 states through the \$171,163 484 federal investment. To break this down further to numbers relevant to my home state, South Carolina received \$5,769,722,428 in total Stimulus funds which created 10,998 jobs. This means that it took \$524,616 of spending to create one job. The \$9,242,850 of federal funds into the South Carolina National Heritage Corridor has created 913 jobs, at a cost of \$21,296 per job. In an economic climate that seeks to receive the most efficient return on investment for job creation, the numbers for heritage preservation/tourism are compelling.

As the program matures and gains momentum, NHAs are being recognized as a stabilizing force for cultural and heritage based development and as an innovative approach to community revitalization and economic vitality. Our ability to bring about

collaborative partnerships, leverage investment and build sustainable projects continues to strengthen as we establish and grow proven track records of success.

This brings me to the final point that I wish to convey to the subcommittee today. The Administration's recommended budget language, if adopted, imposes new and unjustified language on 22 of the nation's most established heritage areas. The language changes the distribution of funds and eliminates funding for areas established before 2001. It also penalizes them for failing to meet a yet-to-be-developed set of guidelines by the NPS on sustainability. The language requires many NHAs to meet previously unstated mandates on self-sufficiency by February 1, 2010; a deadline announced on the same day as the budget's release, thus making it a requirement impossible to meet. Finally, the budget language ignores the National Park Second Century Commission's strong recommendations calling for Congress to authorize, clearly define, and provide base funding for a system of National Heritage Areas.

To summarize, it is critical that adequate FY2011 levels be maintained at the FY2010 level and the Administration's budget language, which eliminates funding for our nation's most established areas, be rejected.

Again, the establishment of program legislation will be extremely beneficial to the budget processes of both Congress and NHAs. Through legislation, Congress can acquire the information necessary to effectively designate, fund and evaluate NHAs. In return, NHAs and their partners will be assured of the annual base funding that provides the foundation of each area's success.

Mr. Chairman, again, I greatly appreciate the opportunity to testify before the committee and I would be happy to answer questions.