



Maryland
DEPARTMENT OF PLANNING
MARYLAND HISTORICAL TRUST

HEARING DATE: March 8, 2022

BILL NO: HB1088

COMMITTEE: Appropriations

POSITION: Letter of Information

FOR INFORMATION CONTACT: Adam Gruz (410) 767-4613

TITLE:

African American Heritage Preservation Program – Annual Appropriation and Alterations

BILL ANALYSIS:

HB1088 proposes changes to required African American Heritage Preservation Program (AAHPP or Program) funding levels, matching fund requirements and preferences, and puts into place a statutory cap on per project grant awards for certain classes of grant applicants. These changes are more fully described as follows:

- **Increase Annual Appropriation**
HB1088 would increase the mandated appropriation to the (AAHPP in the Governor’s operating or capital budget from \$1 million to \$5 million annually.
- **Eliminates Matching Fund Requirement and Preferences**
Currently, the AAHPP does not require nonprofit organization applicants to provide matching funds. The Program does require business entities, individuals and political subdivisions to provide matching funds. HB1088 would exempt all applicants from any matching fund requirement. In addition, HB1088 removes consideration of grantee matching funds as a selection criterion in the grant application rating and ranking process.
- **Establishes Statutory Per Project Grant Cap**
Currently, the AAHPP has no statutory or regulatory cap on grant award amounts. The Maryland Commission on African American Heritage and Culture (MCAAHC) and the

Maryland Historical Trust (MHT) have established a \$100,000 per project grant cap by policy. As a policy measure, this grant cap can be adjusted from year to year. HB1088 would instead establish a statutory per project grant award cap of \$500,000 for certain applicants, including business entities, individuals, and political subdivisions. Grant awards to nonprofit applicants would remain uncapped.

POSITION AND RATIONALE:

The AAHPP is a grant program administered as a partnership between the MCAAHC and MHT. Established in 2010, funding for the AAHPP Grant Program was first appropriated in FY2012. Since that time, the Program has experienced significant success - funding 150 capital projects totaling \$11 million in grant funds and leveraging \$1.14 million in matching funds.

Demand for the AAHPP has grown over time. Over the past five years, requests for funding have averaged \$3.4 million annually. Most applicants are nonprofit organizations, which have access to few alternative funding sources needed to accomplish improvements to historic resources in their care. Completed projects have included rehabilitation of historic schools, churches, fraternal lodges, community centers, museums and cemeteries all across the state.

Sufficient Staffing Necessary for Program Success

The operational impact of HB1088's mandated fivefold increase in funding to the AAHPP will have a significant impact on MHT. Duties and responsibilities undertaken by MHT staff in support of the AAHPP include the following:

- Develop grant application, instructions, and guidelines and make application available to the public through MHT's grants lifecycle management software. Provide outreach and guidance to grant applicants. Conduct threshold reviews of applications, ensuring costs, entities, and scope are eligible, and facilitate review by MCAAHC. Generate approval documents and obtain MHT Board recommendations and Maryland Department of Planning Secretary's approval.
- Develop grant agreements in coordination with the MHT Office of Management and the Office of Attorney General (OAG). Ensure proper vetting procedures are followed for all grantee entities. Review documentation of site control. Create purchase orders. Ensure grantee entities are set up to receive payments.
- Conduct meetings and site visits with grantees to explain grant requirements and processes. Assist grantees in meeting grant requirements, including competitive procurement; conforming to preservation best practices; coordination with architects, engineers, consultants, and contractors. Coordinate with grantees for MHT review of

projects which involves either the MHT easement program or MHT project review & compliance program. Ensure grantees' adherence to grant agreement terms and conditions.

- If required, develop easement or preservation agreement in conjunction with OAG, and administer terms of easement.
- Review and approve all payment requests, including performing a site visit to verify completed work as needed. Ensure all work meets appropriate standards. Ensure all actual costs are eligible. If applicable, ensure matching requirements are met.
- Maintain auditable record of each grant project through MHT's grants lifecycle management software. Manage records in compliance with MHT's records retention policy.
- Perform all reporting required for the program.

MHT cannot absorb this increase in workload without a corresponding increase in staffing.