

**REPORT OF THE
DEPARTMENT OF HISTORIC RESOURCES**

**WAYS TO IMPROVE THE
PROCEDURES FOR MAKING
STATE GRANTS TO HISTORICAL
ORGANIZATIONS**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



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H. Alexander Wise, Jr., Director

COMMONWEALTH of VIRGINIA
Department of Historic Resources

221 Governor Street
Richmond, Virginia 23219

December 19, 1996

To Governor George Allen and Members of the General Assembly:

The Department of Historic Resources is pleased to submit the following report pursuant to Senate Joint Resolution 119 adopted by the General Assembly in 1996. The report identifies the Department's findings from its study of ways to improve the procedures for making state grants to historical organizations. It makes recommendations for improving the quality of state grants and ensuring that maximum public benefit is derived from them. In addition, the report makes suggestions for promoting greater self-reliance and reducing dependency on state government by private historic attractions.

Sincerely,

A handwritten signature in cursive script that reads "H. Alexander Wise, Jr.".

H. Alexander Wise, Jr.
Director

PREFACE

This study of ways to improve the procedures for making state grants to historical organizations through the Department of Historic Resources, pursuant to Sections 10.1-2212 and 10.1-2213 of the *Code of Virginia*, was requested by the 1996 Session of the General Assembly in Senate Joint Resolution 119. The Department of Historic Resources was directed to conduct the study and submit its findings and recommendations to the Governor and the 1997 Session of the General Assembly.

In addition to examining the procedures by which state grants are currently made for operations at historical organizations or for historic preservation activities, the Department conducted a survey of private historical societies and museums. In August 1996 questionnaires were mailed to about 155 such groups to solicit recommendations for improving the grant procedures, improving grant quality and public benefit, and promoting greater self-reliance and reducing dependency of grant recipients. Responses were received by the due date from 29 organizations.

Department staff interviewed representatives of the National Endowment for the Humanities and the Institute of Museum Services and studied materials related to their funding programs and procedures. The staff also examined grant programs in several other states. Legislative leaders, as well as key staff of the Senate Finance and House Appropriations committees, were also consulted during the study.

The Department's findings from the survey and its research are shown on pages 7 through 23 of this report. Recommendations for improving the state grant procedures are found on pages 23 through 26.

Table of Contents

EXECUTIVE SUMMARY	1
INTRODUCTION	5
HOW FUNDS ARE CURRENTLY AWARDED AND THE PROBLEMS ASSOCIATED WITH THOSE SYSTEMS	7
Section 10.1-2212	7
Section 10.1-2213	8
Problems With the Current Processes	9
THE STUDY	13
Consultation with Public and Private Organizations	13
The Survey	13
THE STUDY QUESTIONNAIRE AND WHAT IT SHOWED	13
Institutional Mission	13
Most Important Sources of Funds	13
Past Use of Funds from the State and Future Applications	15
What Should be the Primary Objective of Limited State Assistance Programs?	15
Should Operations and Bricks/Mortar Grants Continue to be Available?	16
Should Educational Projects be a Priority?	16
Should State Grant Funds be Targeted to Only One Priority? What Should that Priority Be?	17
Possible Criteria for Awards	17
Suggestions for Improving the Process for Awarding State Grants	18
Suggestions for Improving the Quality of State Grant Projects	18
Suggestions for Ensuring that Maximum Public Benefit is Derived from State Grants ..	19
Suggestions for Promoting Greater Self-Reliance and Reducing Dependency	20
Other Recommendations/Specific Comments	20
OTHER PROGRAMS AS MODELS	22
The National Endowment for the Humanities	22
The Institute of Museum Services	23
SIMILAR PROGRAMS IN OTHER STATES	23
RECOMMENDATIONS	23
CONCLUSION	26
APPENDICES 1 through 8	

EXECUTIVE SUMMARY

In carrying out the study requested by the General Assembly in Senate Joint Resolution 119, the Virginia Department of Historic Resources examined the sections of the *Code of Virginia* (10.1-2212 and 10.1-2213) under which state appropriations are awarded through the Department for certain historical societies and for historic preservation. The Department studied the ways that these grant awards are sought, awarded, administered, and monitored. It looked at procedural guidance and requirements in the *Code of Virginia* and noted where information is vague or lacking. The Department considered grant programs in other states and examined several national programs that provide funds for organizations or projects similar to those funded by the Commonwealth.

By way of consulting with other appropriate public and private organizations as directed in SJR 119, the Department conducted a survey of historical museums, private historical societies, and historic properties. A questionnaire asked for comments from these organizations about the state grant programs under 10.1-2212 and 10.1-2213 as they currently exist, and requested their recommendations to address the various points of SJR 119. In addition, the Department interviewed officials at the National Endowment for the Humanities and the Institute of Museum Services about their funding programs and administrative procedures. The Department also interviewed legislative leaders and key staff of the House Appropriations and Senate Finance committees.

Virginia's unparalleled historic resources contribute to the Commonwealth's intellectual, cultural, and economic vitality. Moreover, Virginia is fortunate to have many strong organizations undertaking noteworthy efforts in history and heritage stewardship. Against that background the study found that:

- ▶ the number of organizations seeking financial support from all funding sources is growing, resulting in increasing competition for philanthropic dollars;
- ▶ the overall demand on limited taxpayer dollars from all sources is particularly high. Accordingly, public funds should be invested to ensure maximum public benefit and appropriate accountability;
- ▶ programs in other states and from other sources, both private and public, provide models relying on merit-based, competitive grant making;
- ▶ such programs use specific objectives and broad, flexible criteria, require a high matching share, and increasingly target scarce funds to reward excellence and/or to encourage institutional development and self-sufficiency;
- ▶ there is support among Virginia's museums and historical institutions for a similar merit-based state grant program with similar objectives;
- ▶ the *Code of Virginia* does not clearly provide support for some of the kinds of assistance that museums and other historical organizations need to become more self-sufficient;
- ▶ the language of 10.1-2212 and 10.1-2213 is sometimes ambiguous, sometimes redundant, and lacks definition that would enhance the grant process;
- ▶ the administrative guidance and requirements that are provided in the *Code* are not always followed by applicants and are frequently overridden by the General Assembly in the

- budget process;
- ▶ through interpretation, confirmed by long-standing practice, DHR's participation in the process has been restricted to a more limited role than would appear to be anticipated by the *Code*;
- ▶ current grant procedures do not provide decision makers with the information needed to weigh meaningfully the competing proposals and reward excellent projects that deliver maximum public benefit;
- ▶ the quality, scope, and purpose of the work supported through these grants varies greatly and is not always well linked to history and heritage stewardship;
- ▶ there is a clear need for broad, flexible, and objective criteria to evaluate better all requests for funds in order to reward excellence and/or encourage self-sufficiency.

To improve the state grants program and to address the various points of SJR 119, the Department recommends:

- ▶ Strict adherence to and a broad interpretation of the procedural guidance and requirements provided in Section 10.1-2213, coupled with strict adherence to the history and heritage stewardship purposes foreseen for these grants.
 - ▶ This would require changing the application deadline to allow the Department to review the merits of competing applications and provide its review to the Assembly for consideration.
- ▶ Movement to a competitive grants process involving meaningful review against broad criteria and specific objectives for funding in four grant categories.
- ▶ Four grant categories to include: General Operations Grants, Transformative Institutional Grants, Bricks and Mortar Grants, and Special Project Grants.
 - ▶ Operations support would be targeted only to institutions with a statewide audience and impact and would provide assistance for general operations.
 - ▶ Transformative grants would provide "seed" money to assist and encourage, for example, institutional growth and product development. Access to successive transformative grants by the same institution would be limited.
 - ▶ Bricks and Mortar grants would assist restoration or rehabilitation efforts at properties listed in or eligible for listing in the Virginia Landmarks Register. Awards would be based on criteria including historic significance and rarity of the property and the nature and urgency of need or threat. Maintaining the property in acceptable condition following the grant work would be required to ensure public benefit.

- ▶ Special project grants would include a variety of projects involving exhibits, collections, new construction, and a variety of educational efforts having clear public benefit and linked to history and heritage stewardship.
- ▶ The elimination of funding for historical organizations under Section 10.1-2212. The operations support currently offered through this section would be incorporated in Section 10.1-2213 and would be limited to organizations with a statewide mission and impact.
- ▶ Increasing the level of the matching share. This would require a greater demonstrated commitment on the part of grant recipients and would send a clear message about the importance of institutional development and self-reliance.
- ▶ Amending the language of 10.1-2213 to incorporate these recommendations, to eliminate redundancies, and to provide clarification and definition.

INTRODUCTION

Two sections of the *Code of Virginia*, **10.1-2212** and **10.1-2213**, provide for state appropriations through the Department of Historic Resources (DHR) for operations at certain historical societies and museums, and for preservation projects carried out by nonprofit historical organizations, museums, or local governments. Under current processes, funds become available when a budget amendment is initiated by a legislator or the Governor's office and is approved at a regular session of the General Assembly. For the 1996-1998 biennium funding for operations assistance under 10.1-2212 was \$1,381,000. Funding for projects under 10.1-2213 was \$736,003.

The activities supported by the Commonwealth with these grants are often noteworthy despite the fact that the awards are noncompetitive in nature. In fact, the citizens of Virginia and visitors to the state are the beneficiaries of grants that have assisted projects involving important historic resources and highly capable organizations.

- ▶ The **Association for the Preservation of Virginia Antiquities'** recent excavations at Jamestown Island and its location of the original James Fort were assisted with state dollars through an appropriation under Section 10.1-2212 for operations support for the organization.
- ▶ Work to restore **Poplar Forest**, Thomas Jefferson's private retreat in Bedford County, has been assisted with grants under both Section 10.1-2212 and 2213. With its most recent funding, this unique architectural treasure now looks much as it did in Jefferson's day.
- ▶ **Montpelier**, the home of James and Dolley Madison, received state funds to enrich the public's understanding of, and appreciation for, the life, ideas, and contributions of James Madison through exhibits and related educational efforts involving Montpelier's cultural landscape, history, gardens, and woodlands.
- ▶ The **Virginia Historical Society**, with funds made available for operations, was able to significantly expand its ongoing statewide educational programs and other outreach projects and exhibitions including in-school programs and history workshops.
- ▶ State funds for operations are helping the **Woodrow Wilson Birthplace Foundation** to continue its partnership efforts and educational outreach in schools in the Staunton area. The Peace Passport Project, focusing on Woodrow Wilson's receiving of the Nobel Peace Prize for Peace, will help students develop conflict resolution skills and become peace makers at home, in school, and in their neighborhoods.
- ▶ The **Miles Carpenter Museum**, with a series of small awards under Section 10.1-2213 and major volunteer assistance, has rehabilitated several outbuildings for use as museum

exhibit spaces or other facilities. The museum's exhibits showcase the life and work of Sussex County folk artist, Miles Carpenter, whose sculptures received national acclaim.

- ▶ Several small grants to **Historic Pocahontas, Inc.**, combined with local matching funds, have allowed this volunteer organization to make repairs to several of its buildings that are important resources from Pocahontas's past as a coal company town.
- ▶ A number of former **school buildings** including those in the town of Abingdon and in Accomack, Arlington, Buckingham, Hanover, and Northumberland counties have been rehabilitated for use as community centers, museums or art centers under projects that have returned once prominent buildings to useful service in their communities. Old **train stations** in the town of Pulaski and Pittsylvania County have been adapted for use as museums or meeting spaces. and **local museums** from Big Stone Gap to Newport News and from Front Royal to Danville have received assistance for operations, improvement of facilities, or restoration of historic structures.

These and other exemplary projects, both large and small, statewide in nature or more regional or local in character, have received grants under Sections 10.1-2212 and/or 10.1-2213 of the *Code of Virginia*. The accomplishments of such grants have been impressive and the Commonwealth's support has been a good investment yielding clear public benefits.

Despite the history of some notable accomplishments through these grants, certain problems have arisen consistently.

- ▶ There are no criteria for awards under 10.1-2212 and the criteria under 10.1-2213 are mainly administrative rather than those that would permit decision makers to make merit-based awards. As a result, the quality and public benefit of the projects accomplished with state funds varies widely.
- ▶ The language in these sections of the *Code* concerning eligible projects is somewhat ambiguous and the assistance available under 10.1-2212 is not clearly distinct from that available under 10.1-2213, confusing grant applicants as well as state decision makers.
- ▶ The procedural guidance and requirements for the awards, including the requirement for an application under 10.1-2213, are not always followed by grant applicants, are overridden by the General Assembly in the budget process, or have been interpreted in a limited manner.
- ▶ The noncompetitive nature of the awards does not consistently reward excellence.
- ▶ Public funds are not targeted toward the development of the institutional strength and programming necessary to compete successfully for private funds and achieve self-sufficiency.

These concerns prompted the directive to study the state grants program called for in Senate Joint Resolution 119.

Passed at the 1996 session of the General Assembly, Senate Joint Resolution 119 requested the Department of Historic Resources to study ways to improve the procedures for making state grants to historical organizations under sections 10.1-2212 and 10.1-2213 of the *Code of Virginia*. The resolution asked specifically that the Department, in consultation with other public and private organizations, study alternative funding mechanisms and make recommendations for:

- i. improving the quality of state grants;
- ii. ensuring the maximum public benefit to be derived from state grants;
- iii. promoting greater self-reliance by historical organizations; and
- iv. reducing dependency on state government by private historic attractions.

A copy of State Joint Resolution 119 is included as Appendix 1.

HOW FUNDS ARE CURRENTLY AWARDED AND THE PROBLEMS ASSOCIATED WITH THOSE SYSTEMS

Section 10.1-2212

Section 10.1-2212 of the *Code of Virginia* currently lists twenty-one historical societies, museums, foundations, and associations eligible to receive annual appropriations, as provided in the general appropriations act. These appropriations are for use by the organizations “in caring for and maintaining collections, exhibits, sites, and facilities owned by such historical organizations.” Generally, these grants are understood to be for **operations** assistance. A copy of Section 10.1-2212 is included as Appendix 2.

An organization appears on the list in 10.1-2212 because a legislator or the Governor’s office took action, through the introduction of a bill, to add the organization to the list. Until the 1990 session of the legislature, the then ten or so organizations on the list in this section received an annual appropriation for operations support. Beginning at the 1990 session, appropriations were made only to certain organizations on the list rather than to all of those listed. At the 1996 session of the General Assembly, for example, twelve of the twenty-one organizations received an appropriation.

The wide variety of organizations listed in 10.1-2212 is an indication that there are no strictly applied criteria for inclusion on the list. The list includes obvious statewide organizations with

broad missions and audiences as well as individual projects of local or regional historical societies. The only criterion mentioned in the section is the need for recipients to certify to DHR's satisfaction that matching funds are available in an amount at least equal to the amount of the request for funds. Section 10.1-2212 provides no information on the process for being included on the list and establishes no reporting requirements or standards by which DHR shall administer the awards.

The only requirement is that the recipient provide a dollar-for-dollar non-state match. Without an application process for these grants, there is no mechanism to verify the availability of match prior to the award. This verification must be done after the commitment is made, but before public funds are released.

Section 10.1-2213

Section 10.1-2213 of the *Code of Virginia* provides more in the way of a description, criteria, and procedures for appropriation of state funds than does the preceding section, but those provisions still present problems. A copy of Section 10.1-2213 is included as Appendix 3.

Organizations eligible to receive funds under this provision of the *Code* include "historical societies, museums, foundations or local governments." Eligible projects include "maintenance of collections and exhibits or . . . the maintenance and operation of sites and facilities owned by historical organizations." Traditionally, it has been understood that funds under this provision assist rehabilitation or restoration work on a historic building or property. These grants are referred to throughout this report as "bricks and mortar" projects. Museum operations and the creation of museum exhibits, as well as new construction and the acquisition of property, have been funded under this category in the past.

Awards under 10.1-2213 are generally made on a one-time basis for a particular project and are not regarded as continuing or annual support. However, organizations are not restricted to receiving funds only in one year or one biennium. Properties eligible to receive grant funds under section 10.1-2213 are those listed in or declared eligible for listing in the Virginia Landmarks Register.

Under section 10.1-2213 no state funds are to be appropriated or expended **unless a request for state aid is filed by the organization with the Department**, on forms prescribed by the Department. An application form for these requests was designed by the Department some years ago with help from the staff of the Senate Finance Committee. A copy of the application is included as Appendix 4. In addition to requesting information about the applicant organization and the amount of the request, it asks for information about the project's scope of work, purpose, and available matching share.

The *Code* stipulates that requests for state aid are due on or before the opening day of each regular session of the General Assembly in an even-numbered year and that requests will be

considered by the Governor and the General Assembly only in even-numbered years. Requests have been considered at odd-year sessions, as well. At the 1993 session of the legislature, for example, ten awards were made.

Section 10.1-2213 addresses some of the public benefit expectations of state grant awards. The *Code* stipulates that grant recipients execute a grant agreement providing that the grant-assisted property will be open to the public for 100 days a year for five years following “completion, renovation, or reconstruction.” Also required is the donation of a preservation easement on properties assisted with awards of at least \$50,000 or more within a four-year period. The easement ensures that the property is preserved in perpetuity. The Department’s Board of Historic Resources holds the easements.

Problems With the Current Processes

The Department’s examination of the current grant processes reveals that procedural problems, timing concerns, and ambiguous language in 10.1-2212 and 10.1-2213 create confusion for grant applicants, state reviewers, and decision makers.

Problems occur mainly because the guidance and requirements set out in the *Code* are not followed by grant applicants, are overridden by decision makers during the budget process, and/or have been interpreted narrowly. As a result, DHR may be unaware of or unable to review applications for funds and/or DHR’s participation in the process is restricted to a limited role. For these reasons, decision makers are not able to draw on meaningful review from the state historic preservation office (DHR). The quality of grants varies greatly and funds may be awarded for projects or work inconsistent with heritage stewardship goals. Organizations seeking funds may be confused about eligible work or projects. Or, they may be unfamiliar with the grant requirements and may be financially unprepared to meet them or unable to satisfy them because of progress already made on the project.

Despite the requirement in 10.1-2213 for submission of an application to DHR, appropriations are often made to organizations that have not submitted an application. In actuality, of course, awards result not from submission of the application but from the introduction of a budget amendment and favorable consideration in the legislature.

When applications are not submitted, DHR is not informed about the nature of the request and may have little knowledge of the purpose or the property for which the funds are sought. When grants result from budget amendments proposed during the session and are not supported by applications, DHR is unable to gather and provide the kind of information (from site visits or examination of work plans, for example) critical to a meaningful and comparative review. Sometimes, these facts are not ascertained until after the legislative session.

If an application is not submitted, the grant recipient may be unprepared or unable to provide a matching share or meet the other administrative requirements of the grant. These basic

requirements of the grant are referenced in the application and are spelled out in paragraphs A.2 through A.3 and B.1 through B. 4 of Section 10.1-2213 as well as paragraph I of Section 11-35 of the Virginia Public Procurement Act and concern the need:

- for the applicant organization to have a matching share at least equal to the amount of the request,
- for documentation of the applicant organization's tax exempt status,
- for the property to be listed in or eligible for listing in the Virginia Landmarks Register,
- for an agreement regarding public access to the grant assisted property,
- for the Department to review **and approve** plans and specifications for the project work,
- for donation of a historic preservation easement on the assisted property when grant awards total \$50,000 or more within a four-year period, and
- for following the provisions of the Virginia Public Procurement Act to procure construction services or planning and design services for construction when the planning, design or construction is funded by state appropriations greater than \$10,000.

When the recipients are unaware of these grant requirements until notified of them by DHR, project start-up can be delayed while efforts are made to address them. In such situations, DHR can be viewed by the grant recipient as a "block," even as an adversary. Such a dynamic is particularly unfortunate. As the state historic preservation office, DHR is able to provide a wide variety of expertise and technical assistance to organizations carrying out many different kinds of heritage stewardship projects. When DHR's ability to function as a supporter and technical advisor for the state's preservation projects is compromised, project quality and public benefit—as well as DHR's reputation as a professional organization— may suffer.

Other problems are created when funds are provided for projects or properties that do not meet the general requirement outlined in Section 10.1-2213, that properties receiving grant assistance be listed in or eligible for listing in the Virginia Landmarks Register. Similarly, when a property receives awards of \$50,000 or more within a four-year period, the property owner is required to donate an easement to DHR on the grant-assisted property. If the high standards for historical significance and integrity required for the Virginia Landmarks Register and the easement programs are stretched to include properties simply because they received substantial state grant awards, both of those important preservation programs are devalued.

There are problems associated with timing under the current grant process. Projects already under way sometimes receive funding under 10.1-2213. When this happens, it frequently means that contractors are already under contract or are actually at work. In such cases, the opportunity to introduce the state's procurement requirements has been lost for some or all segments of the grant-funded work. Problems also occur if proposed work or work already under way does not meet accepted preservation standards. If decisions about how work will be completed or the order in which work items will be accomplished have already been made, project coordinators may be reluctant or unable to modify them. The Department's requests for modifications to bring a project into conformance with accepted preservation standards may delay the project and

foster an unhelpful adversarial relationship. The Department believes that it is inappropriate to award funds through the state historic preservation office for “preservation” work that does not meet accepted standards. Such awards are also inconsistent with the overall purpose of this particular funding program as described in Section 10.1-2213.

Occasionally, new construction or acquisition projects receive funding, even though language in the *Code* does not generally anticipate these as eligible preservation projects. One such project received funding at the 1996 session. Projects of this type may be inconsistent with heritage stewardship goals and objectives and may be inappropriate recipients of historic preservation funds.

Section 10.1-2213 stipulates that the Department shall review each application made by an organization for state aid prior to consideration by the General Assembly and that the Department shall provide a timely review of amendments proposed by members of the General Assembly. The Department’s review and analysis, according to the *Code*, shall be “strictly advisory.” The section characterizes DHR’s review as examining the “merits of each request,” including data showing the matching share. For some years, DHR has understood this to be interpreted to mean: Does the request meet the criteria and requirements for awards outlined in this section of the *Code*? The Department’s understanding, confirmed by long-standing practice, has been that the committees require and want only this kind of information from DHR. Accordingly at past sessions, DHR has provided information on the nature of the organization requesting funds, on the amount of the request and the matching share available, and on the proposed scope of work. The Department has not been asked by the money committees or the staff members for an opinion on the preservation value and public benefit of the projects requesting funds and has not offered one.

While the information from DHR’s current review may answer some questions about individual requests, it provides no help to reviewers or decision makers for balancing competing proposals, judging the need for funds or the urgency of the proposed project, or ensuring that funds are targeted to the most deserving projects with maximum public benefit.

Another major problem with Section 10.1-2213 is its ambiguous language. It is difficult to determine, for example, whether the application process is actually required or if an award can be secured following **either** the application process **or** the budget amendment process. Section 10.1-2213 gives DHR the responsibility of reviewing applications and of providing a timely review of budget amendments. It is not clear whether this means that DHR reviews applications **and** the accompanying budget amendments that are introduced or that DHR reviews applications, if submitted, and reviews any budget amendments, as requested. Appropriations are received by organizations that submit an application that is supported by a budget amendment, as well as by organizations that simply ask their legislator to introduce the necessary budget amendment.

Ambiguous language in other parts of 10.1-2213 also creates confusion. In discussing the state grant agreement, the *Code* stipulates that it shall be in effect for five years following “completion,

renovation or reconstruction.” Many times state funds assist only one phase of work at a historic property. In past years, DHR has had to wrestle with questions from grant recipients about when the grant agreement goes into effect if reconstruction is not fully accomplished by the grant award or if the project is not completed as a result of the state’s assistance.

Confusion is also created by the vague descriptions of the awards available under sections 10.1-2212 and 10.1-2213 and the fact that similar activities can be and are funded under both sections. Organizations often believe that to receive operations support, they must be included on the list in Section 10.1-2212, but operations assistance can be and has been funded under Section 10.1-2213. In the past, the advantage of being on the list in 10.1-2212 was receiving an annual award for operations. Annual awards, however, are no longer the practice and some of the organizations on the list in 10.1-2212 have not received funding since being added to the list.

The Department has dealt with the consequences of the ambiguous language and/or uninformed grant recipients, and has worked with projects already under way and with some not closely related to history or heritage stewardship. To the greatest extent possible, DHR works with grant recipients to design or redesign projects that accomplish the goals for which funding was provided, to meet preservation standards, to generate the required matching share, and to provide for open competition.

In the course of this study, DHR recognized the fact that requests for state funding under 10.1-2212 and 10.1-2213 have increased in recent years. As organizational budgets are tightened, as funding sources are stretched, and as a variety of forces affect historic resources, the Commonwealth is likely to see increasing and more varied requests for financial assistance from historical museums and organizations. Obviously, the Commonwealth cannot meet every request for funds. The current funding processes and procedures do not permit the Commonwealth to respond in the most effective manner to funding requests from historical museums and institutions. The procedures and requirements in 10.1-2212 and 10.1-2213 are not designed to consistently reward excellence and maximum public benefit. Additionally, there is no attempt to leverage scarce public funds by emphasizing projects that strengthen organizational capacity, improve product development, and encourage other similar efforts proven to help institutions help themselves.

If limited public funds are to have positive impact and realize full public benefit, they must be used to fund deserving and well-conceived projects. Under the current grant procedures there are no objective criteria for making merit-based awards, and DHR is unable to give decision makers the information needed to reward excellence and otherwise target funds to Virginia’s best advantage.

THE STUDY

Consultation with Public and Private Organizations

To complete this study as directed by Senate Joint Resolution 119, DHR staff conducted a survey of Virginia's historical museums and organizations, interviewed representatives of the National Endowment for the Humanities (NEH) and the Institute of Museum Services (IMS), looked at state grant programs in other state historic preservation offices, and talked to individuals at the National Conference of State Historic Preservation Officers. In addition, DHR staff had discussions with legislative leaders and with key staff of the House Appropriations and Senate Finance committees.

The Survey

The Department's mailing list for the survey was composed of historical museums and organizations drawn from a Virginia Association of Museums directory. To this list were added organizations, not already included, for which state funds were appropriated (under Section 10.1-2212 or 10.1-2213) in the past four years. Copies of the questionnaire were sent to about 155 historical museums and organizations. Responses were received by the requested due date from 29 organizations. A copy of the mailing list and the questionnaire are included as Appendix 5 and Appendix 6.

THE STUDY QUESTIONNAIRE AND WHAT IT SHOWED

Institutional Mission

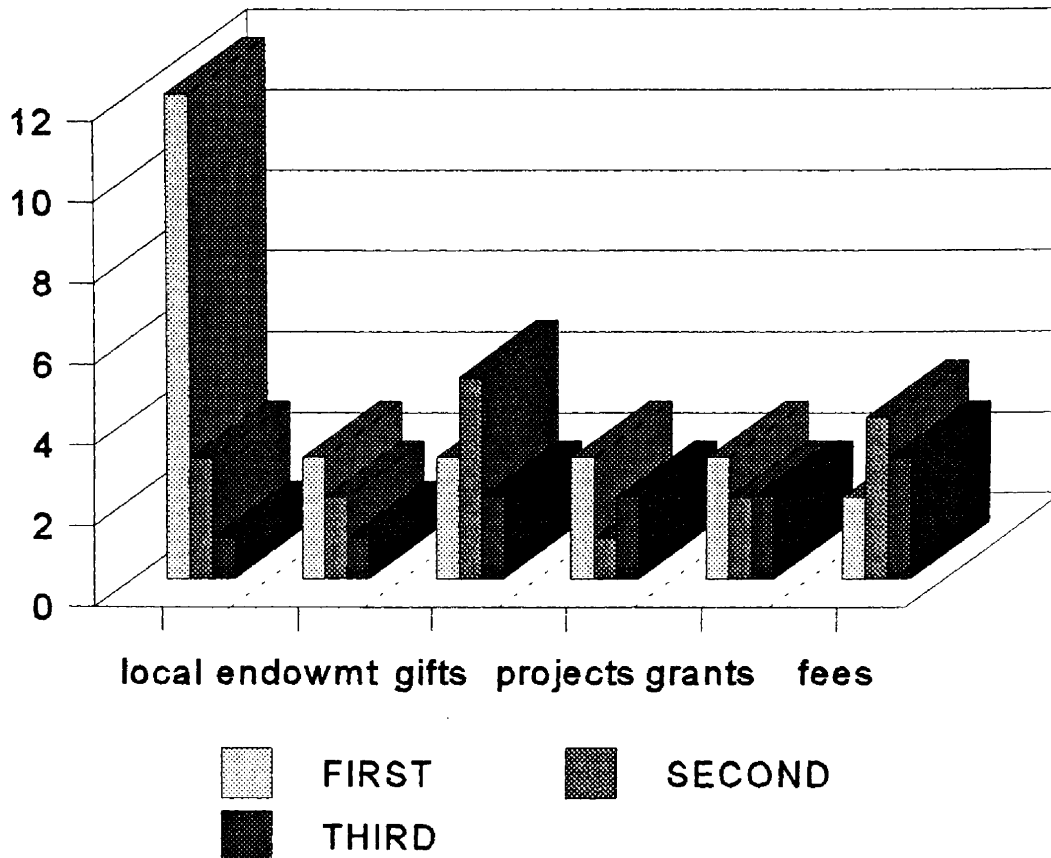
The first several survey questions were designed to solicit facts about the organization's mission and sources of funding. Statements about missions included themes of collection, interpretation, public education, and preservation of local history and material culture or of a particular aspect of local history. Several of the organizations responding have continuing responsibility for the maintenance and preservation or restoration of historic buildings and expressed that activity as part of their mission.

Most Important Sources of Funds

Twenty-eight of the 29 respondents offered information about their sources of funding. As the chart below indicates, twelve of the 28 groups responding cited **local support** from city or county governments (or university, in one case) as the most important source of funds. Local support was a secondary source of funding for two organizations and a third source of support for one.

Four of the 28 organizations responding said their **endowment** is their most important source of funds. For three other organizations endowment is a second or third major source of funds.

THREE MAJOR SOURCES OF FUNDING



Four organizations identified **private gifts** (individual or corporate) as their most important source of funds. Two other groups identified two other sources of funding as their most important: **Grants (unspecified)** and **special projects**. **Private gifts** provide a second or third source of funding for seven organizations. **Unspecified grants** provide a second or third source of funds for four organizations. **Special fundraising projects** provide a second or third source of funding for three organizations.

Finally, **admission fees** provide a major source of income for one organization and fees for **property rentals** provide a major source of funds for one other. Similar fees provide a second major source of funding for four organizations and a third source of income for three others.

None of the organizations responding counted on state funds through the Department of Historic Resources to cover—all or even 50 percent—of the organization's operating expenses. Funds from the Commonwealth provide a share of the budgets for three of the responding organizations,

but the percentage is under 15 percent in each case. Only one organization identified the state grant as necessary to its efforts. In this case, state grants have provided 40 percent of the organization's past expenditures to rehabilitate historic buildings for which it has responsibility.

Past Use of Funds from the State and Future Applications

Nineteen of the 29 responding organizations have received funds from the state in the past. Four of those 19 received only operations assistance. Five received assistance both for operations and for bricks and mortar projects. Another seven organizations received funds solely for bricks and mortar projects. Three other organizations received funds, under 10.1-2213, for projects not easily classified as either operations or bricks and mortar projects. These "other" projects included one to develop a memorial, one for an exhibit, and one to acquire a historic building.

Twenty-four of the organizations responding anticipate making applications for state funds in future years. Even institutions previously unfamiliar with these grants voiced an interest in applying for funds in the future. The Department received several suggestions to make the availability of these grants more widely known to all historical museums and organizations.

Most of the organizations planning to apply indicated that they would seek assistance for operations, bricks and mortar projects, and/or educational projects. Only two organizations indicated that they did not plan to apply, with one adding that there seemed to be no category of assistance for which small museums could apply.

What Should be the Primary Objective of Limited State Assistance Programs?

Responses to the question about the primary objective of state assistance programs were varied, but were generally divided between the categories of operations, bricks and mortar, and educational projects or combinations of two or more of those categories.

Seven organizations suggested that the primary objective of state assistance should be for **operations** grants that would provide support for and help continue the work of the organizations and museums responsible for heritage stewardship and heritage education activities. One institution wrote that the primary objective of state grants "must be to support those private groups that do the actual work of preservation, interpretation, and promotion."

Six organizations suggested that **bricks and mortar projects**, or those that would preserve historic structures and assist major restoration projects, should be the primary objective of state assistance.

Two organizations felt that **educational projects** should be the primary objective of limited state assistance programs.

Four respondents suggested the combination of operations **and** bricks and mortar projects and

two organizations favored the combination of bricks and mortar **and** educational projects as primary objectives. **Three organizations** felt that operations, bricks and mortar projects and educational projects should **all** be primary objectives of state grant funding.

Several respondents favored “**other**” grant categories as a primary objective of state funding. These “other” suggestions included grants with tourism related objectives such as grants to “draw tourism” and grants to develop marketing strategies to attract tourists. Also recommended were grants to assist “special needs” and grants that would provide assistance not available from other grant making organizations.

In addition to the specific categories suggested above, at least **four institutions** stated that the primary objective of state funds should be for projects that keep historic properties or resources accessible to the public or that otherwise benefit the public.

Should Operations and Bricks/Mortar Grants Continue to be Available?

Generally, every organization responding to the questionnaire favored the retention of the grants for operations and bricks and mortar projects. Only one organization favored, instead, targeting state funds to educational projects.

One organization suggested that operations and bricks and mortar grants should continue to be available but in the context of support for organizations that actually care for sites or carry out projects, not simply for operations at the site or for a specific project itself. One organization spoke strongly in favor of retaining grants for operations, stating that “operations are primary to everything” and operations assistance is a “nuts and bolts” part of a bricks and mortar grant.

At least two organizations, noting the problems with ambiguous language in 10.1-2212 and 10.1-2213, suggested that the types of grants available need to be clarified and made distinct one from the other.

Should Educational Projects be a Priority?

Currently, Section 10.1-2213 does not clearly anticipate awards for educational projects. Some of the eligible activities noted at the end of 10.1-2213, including meetings, conferences and tours could be construed as projects related to educational objectives. The Department notes that operations awards frequently assist an institution’s educational efforts.

Twenty-one organizations favored making educational projects a priority. One of those organizations stated that educational funds should be awarded to historic attractions or sites that serve an educational purpose for visitors, residents, or schoolchildren. One institution pointed to the relationship between educational projects and other heritage stewardship projects, noting that unless educational projects are considered a priority it would be unable to demonstrate to the general public its need for preservation and restoration awards, thereby jeopardizing future work

in these areas.

One organization commented that “strictly educational projects are important,” but if addressed by other education-focused programs they would not need to be a priority for this program. The group suggested that the state retain the ability to respond to substantive, worthwhile heritage stewardship projects, suggesting that it might be unwise to narrow the language of the sections of the *Code* in ways that would threaten that flexibility.

Seven organizations stated that educational projects should **not** be a priority. One museum pointed out that many sources of funds are available for educational program assistance. Another opposed educational projects as a priority if it meant a reduction in the amount of funding available for the operations or bricks and mortar awards. Finally, one organization stated that educational projects should **not** be a priority, but that to be eligible for state grant awards “education should be the mission of the organization as a whole.” The respondent favored operations assistance as the priority, noting that it is more difficult to raise private funds to support operations than for bricks and mortar or educational projects.

Should State Grant Funds be Targeted to Only One Priority? What Should that Priority Be?

Of the 29 organizations responding, eight were in favor of targeting state grant funds to only **one** priority. But, there was a difference of opinion as to what that priority should be. Four organizations suggested operations as a priority. Three voted for bricks and mortar projects as the priority and one felt that project-specific educational projects should be the priority.

Renaming the available categories of state assistance was a recommendation of a number of organizations in response to several of the questions in the survey. One organization suggested that three categories of funding should be available for operations, conservation, and education. Another institution commented that “for the program to be strong and effective in meeting preservation needs it must have some flexibility” and noted that priorities should include “preservation (encompassing acquisition and various forms of conservation/ restoration), maintenance, public use, and interpretation.”

Possible Criteria for Awards

Because sections 10.1-2212 and 10.1-2213 contain little or nothing in the way of criteria for making state grant awards, DHR’s questionnaire asked for suggestions about possible criteria for several types of grants—Operations, Bricks and Mortar, and Project-Specific Educational projects. The need for broad criteria to make competitive, merit-based funding decisions was cited by a number of the organizations participating in the survey and most of them suggested some specific criteria for one or more of those three suggested grant categories. Those criteria are summarized in Appendix 7. Generally included were factors designed to assess the applicant organization’s mission, audience, public support, administrative capacity, significance of the

property (for bricks and mortar projects), and the public benefit of the project.

Suggestions for Improving the Process for Awarding State Grants

Several institutions recommended that improvement of the state grants process requires that the program be made strictly competitive. Other organizations suggested a block grant approach where the General Assembly would appropriate a certain amount of funds and DHR—or regional panels of museum professionals—would award grants in the eligible categories.

At least eight organizations suggested that the grant process would be improved if funding objectives were developed and used in a competitive grants process to make merit-based awards.

Again, a suggestion was made for renaming the eligible grant categories. One organization recommended that support be available for two project categories: General Operations and Special Projects. The latter category would include both educational efforts and bricks and mortar projects. The same organization suggested that an institution added to the list in 10.1-2212 at one session of the legislature would not be eligible to receive an award until the next session after DHR had completed an investigation of its merits.

Several suggestions were received for opening the operations support category of funding under section 10.1-2212 to more museums. Some institutions cited as one of the problems with the current process the fact that the same museums receive operating awards year after year. They noted that smaller museums sometimes need just a small award—some “seed money”—to help with their professional development.

One survey participant urged that any revised process be kept simple to permit smaller museums with limited staff to make applications for funds and compete successfully with larger institutions with more professional staff.

Several organizations noted that they had no knowledge of these grants and suggested that a better job should be done of acquainting museums and historical societies with the availability of funding. The noncompetitive nature of the awards has kept DHR from aggressively promoting the programs.

Suggestions for Improving the Quality of State Grant Projects

Several organizations participating in the survey called for making the grants program a competitive one with criteria and priorities for funding as ways of improving the quality of the grants. Their recommendations also included establishing standards of performance for measuring project success and impact. One organization noted that Section 10.1-2212, in particular, needs some basic measures of eligibility to assure quality.

One institution suggested that grant projects would be improved if funds were evenly divided

between state-supported museums and smaller museums. The opposite thought was expressed by another organization in its recommendation that state funding be limited to organizations that serve all Virginians and visitors from outside the state.

Other suggestions for improving the quality of grant projects included regional or local administration of the grant projects, peer review of applications, final inspection of projects by DHR, and the withholding of a percentage of the grant award until that final inspection was made.

Suggestions for Ensuring that Maximum Public Benefit is Derived from State Grants

Several organizations made recommendations for an accountability report on the use of public funds as a way to ensure that state grant awards carry the maximum public benefit. One institution suggested that in addition to the financial year-end accounting, grant recipients should provide summaries of their public programming efforts and numbers of visitors. Another organization recommended that grant recipients provide information on the numbers and ages of participants in their programs and outreach efforts and how those efforts were publicized. Still other groups mentioned evaluating attendance figures and assessing the public or community need for the funded programs as ways to ensure that funds are awarded to projects and organizations to provide maximum public benefit.

Several organizations suggested specific requirements to ensure that grant recipients are in good financial health and have made substantial efforts to support themselves.

Several suggestions made for ensuring maximum public benefit were identical to those made for improving the quality of grants. Ensuring an even division between state-supported and smaller museums was cited as a criterion that would boost the public benefit. One organization recommended that grants should be made on a one-time basis, rather than on a continuing or yearly basis, to allow more museums to benefit. One respondent suggested that all museums meeting the criteria be eligible for funding under 10.1-2212 and that awards be competitive and based upon the merits of the operations as outlined in an application.

Several groups suggested, taking the opposite viewpoint, that the Commonwealth ought to reserve its support for organizations serving a broad regional or statewide audience and make awards to institutions having the best chance of engaging the broadest audience.

One organization suggested that continued maintenance should be required once bricks and mortar grant work is completed to ensure public benefit. Other suggestions included the establishment of good project evaluation techniques to measure public benefit. There were several suggestions for press releases and reports to publicize the projects funded by the Commonwealth.

Suggestions for Promoting Greater Self-Reliance and Reducing Dependency

The suggestions for promoting greater self-reliance and reducing dependency on state government on the part of recipient organizations included several for limiting the amount and frequency of grant awards as well as for revising the matching share requirement. Several organizations suggested that after receipt of awards for a certain number of years, an organization would then be ineligible for funding for a specific period of time. Others suggested limiting how often and for what amount requests can be made by the same organization. Still another recommended an emphasis on state funds as “seed money” rather than continuing support. Another group suggested that the amount available to a specific site each year should be reduced by a certain percentage.

Several recommendations were received for raising the matching share ratio from one-to-one to two-to-one or even three-to-one, bringing these awards more in line with some of the administrative requirements of the grants awarded by the National Endowment for the Humanities, the Institute of Museum Services, and many private foundations. A number of financial factors were cited under this category, as they were under the previous categories. One respondent recommended that the state require evidence of significant effort in fundraising. This organization suggested that retaining the matching share requirement is one of the most important self-help incentives of the program. Another participant suggested that grant applicants be required to provide evidence of their good financial health.

One organization recommended eliminating funds for operations altogether, arguing that if an institution cannot raise funds for operations, the taxpayers should not provide them. One museum suggested that special incentives might be provided to the private sector to encourage corporate partnerships for the promotion of history and culture.

One of the survey participants cautioned that while weaning properties completely from state support may be a good idea in theory, it could jeopardize heritage stewardship projects in actuality. This institution suggested that properties receiving regular state assistance should meet a higher standard of significance in relation to the state’s cultural heritage or its tourism development. These factors, the organization commented, argue for the development of criteria for awards under Section 10.1-2212.

Other Recommendations/Specific Comments

Finally, the questionnaire asked for specific comments or other recommendations for consideration under this study. Responses ranged from comments that the system is satisfactory and has worked well to complaints that the same organizations get the funds year after year. One respondent voiced the oft-heard lament about the “forgotten” southwestern part of the state, noting that Virginia seems to end in Roanoke.

One institution wrote of its concern that while costs continue to rise at museums, funding sources

continue to shrink. The respondent pointed to tourism jobs and income as the beneficial products of Virginia's history and museums. The organization noted the wisdom of continuing state support for museums in recognition of their very real contributions to the state's economy.

Related thoughts were expressed by another institution making the comment that the state's museums and historic sites are valuable assets, but that they struggle to maintain professional museum status because of a lack of funding. The respondent went on to suggest that it would be of enormous help to have state grant funding for those institutions. The same institution commented that it did not favor a "dole" program for museums, but would like to see one that would provide equal opportunity for all museums to apply for available funds. A suggestion was made by this institution for the establishment of three different grant categories: 1) General Operating Support, 2) Conservation Project Support, and 3) Educational and/or Special Project Support. Awards would be merit-based, and broad criteria and specific objectives for funding would be established for each category.

One institution suggested that some basic standards be introduced into the process for awards under Section 10.1-2212 to provide some assurance about the quality of the state's investment. The same organization commented that funds received from the state have enabled it to initiate private sector partnerships through which funds have been leveraged to preserve a landmark property.

Additional thoughts were offered about small museums. It was noted that small museums have a difficult time competing against larger institutions for funding. Yet, these small museums provide much needed services and education to rural communities and school systems. The point was made that local history is as important to these communities as the history of the state and that the Commonwealth should recognize and support the efforts of its local museums.

One institution suggested that the state should use one of the grant-making agencies like the Institute of Museum Services (IMS) or the National Endowment for the Humanities (NEH) as a model for state grant programs. Both agencies make awards on the basis of written applications and project merit. The same organization urged the state to give special consideration to funds for general operations because funds for that purpose are the most difficult to raise from private sources.

Finally, one institution cautioned against restricting grants only to accredited museums, a suggestion often made to ensure quality and reduce the number of eligible applicants for museum funds. The organization pointed out that many historical organizations in Virginia, even some of the largest, are not accredited yet they do much in the way of outreach to other smaller institutions through such efforts as lectures, teacher training, library services, and publications. Many "pure" museums—even if accredited—do not provide such a range of services to smaller institutions.

OTHER PROGRAMS AS MODELS

Several of the museums and historical organizations responding to the study questionnaire cited the National Endowment for the Humanities (NEH) and the Institute of Museum Services (IMS) as funding sources that the state could use as a model for a revised program of state grants. It was also suggested that the various administrative requirements of the grants awarded by these funding sources could provide guidance for revisions to the state grant requirements.

The National Endowment for the Humanities

The National Endowment for the Humanities manages a number of grant programs including Public Programs, Fellowships, Education, Preservation and Access, and “Challenge” Grants. Those with the most relevance for this study are Public Programs, Preservation and Access, and “Challenge” Grants. All of the programs include a rigorous review process and broad criteria. Objectivity and flexibility are guaranteed through program guidelines that allow for shifting the emphasis of particular awards without the need for new criteria. The published guidelines for NEH grants make clear what the particular funding emphasis is for any given grant competition or category. The agency recognizes that operating assistance is difficult to raise, but it does **not** provide support for operations. Instead the agency offers project-specific grants and other support designed to help institutions compete well for private funding.

The **Public Program Grants** offer project-specific grants for public programs undertaken by museums, historical societies, libraries, and other educational institutions. The emphasis is not on need but on quality, delivery, and audience impact. As public funds have become tighter this program has placed a special emphasis on projects with a regional or national impact.

The **Preservation and Access Grants** program, which funds work on collections, offers some important lessons that are relevant to Virginia’s bricks and mortar grants. First consideration is given to the question of the significance of a collection; secondary consideration concerns the issues of threat and the viability of the proposed conservation work plan. Particular focus is placed on work plans that rely on “best practices.” Of particular note is that NEH sees the relationship between preservation and access (by scholars, the public, and through future programming) as critical; successful applicants for conservation grants must clearly establish the connection between preservation needs and enhanced future access.

The **“Challenge” Grants** are conceived as being “transformative” or boot-strapping in nature; that is they are designed to enhance future humanities programming by strengthening an institution’s financial stability and organizational capabilities. The NEH track record shows that fewer, larger grants have greater impact. Restrictions are included to prevent year-after-year grants to the same institution. Under these awards a three-to-one match is required for first awards and a four-to-one match is required for second awards. An institution’s matching share must be provided in new donations or other grants given in anticipation of the federal grant.

The Institute of Museum Services

The Institute of Museum Services manages a variety of programs. Of particular note are those designed to help museums and institutions help themselves. These include, for example, technical assistance and mentoring programs and the highly successful **Museum Assessment Program**. The Museum Assessment Program is designed to increase an organization's capacity to meet general operating and conservation needs. The Institute of Museum Services recognizes that operating assistance is the most difficult for institutions to attract and is the most critical need for many institutions. The agency's goal is to put an institution in a position to maximize its assets, to facilitate wider dissemination of information, and provide greater impact on the communities served. These grants from IMS provide no more than 15 percent of an organization's budget. For small museums the funding floor is \$5,000.

SIMILAR PROGRAMS IN OTHER STATES

A number of states have programs under which funds are awarded for heritage stewardship projects. Some of those programs are noncompetitive in nature and are similar to the awards made under 10.1-2212 and 10.1-2213 of the *Code of Virginia*. There are several states, however, that have adopted a competitive state grants program with awards based on merit and determined through a formal evaluation process. These involve substantial participation by the state historic preservation office. The Department looked specifically at state grant programs in Connecticut, Florida, Kansas, Maryland, and New York. Some of the state programs were recommended by the National Conference of State Historic Preservation Officers. Information on others was already on file at DHR. Summaries of these programs is provided in Appendix 8.

RECOMMENDATIONS

Those historical institutions and museums responding to DHR's questionnaire on the state grant process made many suggestions for revising those funding programs. Taking those suggestions into consideration along with the findings from its own examination of the state grant programs, DHR has identified a number of specific recommendations for improving the current grant process.

The Department of Historic Resources believes that improvement is possible within the existing grant process while leaving the program substantially unchanged. It could be argued that **if** grant applicants and decision makers paid stricter attention to the procedural guidance and general criteria currently outlined in Section 10.1-2213, some improvement in the overall program would result. Inappropriate projects and those not consistent with the purposes of heritage stewardship would not be funded through the Department, funds would not be provided in odd-year sessions, properties not eligible or not listed in the Virginia Landmarks Register would not receive funding, organizations without a matching share would not be funded, and projects not supported by an

application would not be considered. If the current procedure already outlined was consistently followed, there would be some improvement in the program.

A less limited interpretation of the language of 10.1-2213 would appear to anticipate DHR's providing a more substantive review of applications for funding. Accordingly, DHR favors a broader interpretation that would permit it to undertake a more formal and meaningful review of applications. Such a review of applications would allow DHR to give decision makers information that would help them appropriately weigh competing requests for funds and target funds to projects of excellence and maximum public benefit. This review process should be completed prior to the start of the legislative session. If DHR's review comments are to be helpful to decision makers, the timing for receipt of applications at DHR, as noted in 10.1-2213, would need to be changed to a date at least two months prior to the start of the session.

To ensure maximum public benefit by rewarding demonstrated excellence and to strengthen Virginia's museums and historical organizations, the Department recommends that **four** types of awards be available under 10.1-2213 for: General Operations for statewide institutions, Transformative Institutional grants, Bricks and Mortar Projects, and Special Projects.

The Department advocates movement to a competitive, merit-based grants process to ensure that limited public funds are consistently awarded to well conceived and deserving projects under the four grant categories. This would require meaningful review of applications against specific objectives and broad criteria for each category of funding. In every case the criteria should be broad enough to ensure program flexibility and to permit funding for a variety of projects and priorities. They should also be specific enough to gauge project success and public benefit.

The Department's recommendations are informed by certain assumptions. First, state grants foreseen by this portion of the *Code* should be linked to history and heritage stewardship. Second, public support of private institutions **as institutions** should be viewed in the nature of an exceptional undertaking. Such support requires that serious questions be asked and answered as to public benefit, accountability, and overall objectives. Scarce public resources should be invested wisely either to reward demonstrated public benefit or to enhance potential public benefits.

Accordingly, the **General Operations** grants would be targeted **only** to organizations with a statewide mission and broad audience and impact and would replace the grants now available under 10.1-2212.

Transformative Institutional grants would be emphasized in order to leverage public funds to help institutions help themselves. The funding goals in this category would be similar to those of some of the programs available from the National Endowment for the Humanities or the Institute of Museum Services, but would be broadly applied rather than limited to specific programs. Grants would provide assistance in the nature of "seed money" to help, for example, with an organization's professional growth, institutional strength, product development, and other similar

“boot-strapping” efforts. Each institution would be considered on its own terms and on its proposal, as well as on the basis of the improvement plan and its promised results. The Department would work with an interdisciplinary team, drawing on the talents of organizations like the Virginia Association of Museums and the Virginia Foundation for Humanities and Public Policy, to help evaluate requests for this type of assistance. An organization’s receipt of “transformative” grants would, by definition, be limited.

Bricks and Mortar projects would assist the restoration or rehabilitation of properties listed in or eligible for listing in the Virginia Landmarks Register. Criteria used to evaluate requests in this category would include, among others, the property’s significance and rarity, the threat to be addressed with grant funds, and the potential for long-term preservation. For those projects not requiring the donation of an easement, the state grant agreement should require continued and acceptable maintenance of the property for the period of the grant agreement. This provision would appropriately protect the state’s investment in the project and ensure continued public benefit from the grant-funded work.

Special Project grants would provide assistance for a wide variety of projects including exhibits, new construction, conferences, workshops, educational outreach efforts, school programs, interpretation, or publications. Awards in this category would help provide the critical support needed to leverage additional funding for projects from other granting agencies. Criteria for evaluation would include, among others, excellence, product delivery, impact, and audience. All projects would need to show public benefit and a clear connection with history and/or heritage stewardship. The Department would call on other institutions for help as needed to evaluate requests for funds in this category.

The Department recommends the elimination of awards under section 10.1-2212. A quick look at the list of organizations now identified in Section 10.1-2212 shows a wide variety in the size and type and suggests that there are no established criteria or objectives for funding. The list includes not only well known statewide institutions like the Virginia Historical Society or the Association for the Preservation of Virginia Antiquities but also a number of local groups and concerns. For the present, DHR recommends that no new organizations be added to the list. The Department believes that because operations can be funded under Section 10.1-2213, organizations, both large and small, could be funded more appropriately there. Funding under 10.1-2213 does not carry with it any implied or perceived notion of regular assistance, as has been the case with awards under 10.1-2212.

If funds continue to be awarded under 10.1-2212, DHR recommends that these operating funds be directed toward museums and organizations with a truly statewide mission, broad audience and impact. Established criteria, objectives for funding, and an application process should be developed to allow for competing requests under 10.1-2212 to be made known and weighed.

The Department recommends that the matching share required of grant recipients be revised from a one-to-one match to a three-to-one match similar to the requirements of some of the national

grant funding agencies. Requiring a larger matching share would send an important, symbolic message and would encourage institutions to pursue and develop other funding sources and greater levels of self-sufficiency.

The Department believes that the language in the *Code* should be amended pursuant to these recommendations and to otherwise eliminate redundancies and to provide more clarity and definition.

CONCLUSION

Virginia is blessed in both the significance and the variety of its historic resources **and** in the strength and variety of its historical institutions and organizations. Support for history and heritage stewardship activities represents an important investment in the vitality of the Commonwealth. To realize the full potential of Virginia's public investment in this area DHR recommends a more disciplined, rigorous, objective, and merit-based grants process. The award of scarce public funds should be tied to demonstrated public benefit or invested to strengthen the potential public benefit.

1996 SESSION

961768749

1 **SENATE JOINT RESOLUTION NO. 119**

2 Offered January 22, 1996

3 *Requesting the Department of Historic Resources to study ways to improve procedures for making*
4 *state grants to historical organizations.*

5 _____
6 Patrons—Waddell, Howell, Ticer and Whipple; Delegates: Almand, Connally, Keating, Mims, Parrish
7 and Scott

8 _____
9 Referred to the Committee on Rules

10
11 WHEREAS, the General Assembly has historically given millions of dollars in public funds to
12 private historical societies and other organizations on a non-competitive basis; and

13 WHEREAS, these state grants to historical societies and other organizations, used for operating
14 and capital expenses, amount to an unrestricted subsidy for private activities with few or no
15 requirements to ensure the public benefit to be provided by the expenditure of public funds; and

16 WHEREAS, such grants are increasingly seen as an "entitlement" by many of the recipient
17 organizations, thus encouraging dependency on public resources; now, therefore, be it

18 RESOLVED by the Senate, the House of Delegates concurring, That the Department of Historic
19 Resources, in consultation with other appropriate public and private organizations, be requested to
20 study alternative funding mechanisms and to make recommendations for (i) improving the quality; (ii)
21 ensuring the maximum public benefit to be derived from state grants; (iii) promoting greater
22 self-reliance; and (iv) reducing dependency on state government by private historic attractions.

23 The Department shall complete its work in time to submit its findings and recommendations to the
24 Governor and the 1997 Session of the General Assembly as provided in the procedures of the
25 Division of Legislative Automated Systems for processing legislative documents.

961768749

SJ119

Appendix 2: Code of Virginia, Section 10.1-2212

§ 10.1-2212. Listing of certain historical societies receiving appropriations. — A. At the direction of the Director, the Comptroller of the Commonwealth is instructed and empowered to draw annual warrants upon the State Treasurer, as provided in the general appropriations act, in favor of the treasurers of certain historical societies, museums, foundations, and associations for use in caring for and maintaining collections, exhibits, sites, and facilities owned by such historical organizations, specified as follows:

1. Virginia Historical Society. For aid in maintaining Battle Abbey at Richmond.

2. Confederate Museum at Richmond. For the care of Confederate collections and maintenance of the Virginia Room.

3. Valentine Museum at Richmond. For providing exhibits to the public schools of Virginia.

4. Woodrow Wilson Birthplace Foundation, Incorporated. To aid in restoring and maintaining the Woodrow Wilson home at Staunton.

5. Robert E. Lee Memorial Association, Incorporated. To aid in further development of "Stratford" in Westmoreland County.

6. Poe Foundation, Incorporated. To aid in maintaining the Poe Shrine at Richmond.

7. Patrick Henry Memorial Foundation at Brookneal. To aid in maintaining home.

8. Hanover County Branch, Association for the Preservation of Virginia Antiquities. To aid in maintaining the Patrick Henry home at "Scotchtown" in Hanover County.

9. Historic Lexington Foundation. To aid in restoration and maintenance of the Stonewall Jackson home at Lexington.

10. "Oatlands," Incorporated. To aid in maintaining "Oatlands" in Loudoun County.

11. Montgomery County Branch, Association for the Preservation of Virginia Antiquities. To aid in maintaining Smithfield Plantation House.

12. The Last Capitol of the Confederacy. For the preservation of the Last Capitol of the Confederacy in Danville.

13. Association for the Preservation of Virginia Antiquities. For assistance in maintaining certain historic landmarks throughout the Commonwealth.

14. The Corporation for Jefferson's "Poplar Forest." To aid in restoring, maintaining, and operating "Poplar Forest," Thomas Jefferson's Bedford County home.

15. Belle Grove, Incorporated. To aid in providing educational programs for Virginia students.

16. George Washington Boyhood Home Foundation. To aid in the restoration and perpetuation of "Ferry Farm," George Washington's boyhood home.

17. Montpelier National Trust for Historic Preservation. To aid in restoring, maintaining, and operating Montpelier, the lifelong home of President James Madison, in Orange County.

18. Eastern Shore of Virginia Historical Society. To aid in restoring, maintaining and operating Kerr Place in Accomack County.

19. New Town Improvement and Civic Club, Inc. To aid in restoring, maintaining and operating Little England Chapel, a landmark to Hampton's first generation of freedmen, in the City of Hampton.

20. Woodlawn Plantation. To aid in the preservation and maintenance of Woodlawn Plantation.

21. Friends of Historic Huntley. To support the research and preservation of Historic Huntley Mansion.

B. Organizations receiving state funds as provided for in this section shall certify to the satisfaction of the Department that matching funds from local or private sources are available in an amount at least equal to the amount of the request in cash or in kind contributions which are deemed acceptable to the Department.

C. Requests for funding of historical societies or like organizations as set forth in subsection A, shall be considered by the Governor and the General Assembly only in even-numbered years. (1981, c. 537, § 10-145.12; 1984, cc. 2, 528, 563, 750; 1987, c. 481; 1988, c. 891, § 10.1-813; 1989, cc. 656, 711; 1990, c. 817; 1993, c. 264; 1994, cc. 162, 495; 1995, c. 28.)

Appendix 3: Code of Virginia, Section 10.1-2213

§ 10.1-2213. Procedure for appropriation of state funds for historic preservation. — A. No state funds, other than for the maintenance and operation of those facilities specified in § 10.1-2211 or § 10.1-2212 and for the purchase of property for preservation of historical resources by the Virginia Conservation and Recreation Foundation as provided in Chapter 10.2 (§ 10.1-1017 et seq.) of this title, shall be appropriated or expended for or to historical societies, museums, foundations, associations or local governments as set forth in the general appropriations act for the maintenance of collections and exhibits or for the maintenance and operation of sites and facilities owned by historical organizations unless:

1. A request for state aid is filed by the organization with the Department, on forms prescribed by the Department, on or before the opening day of each regular session of the General Assembly in an even-numbered year. Requests shall be considered by the Governor and the General Assembly only in even-numbered years. The Department shall review each application made by an organization for state aid prior to consideration by the General Assembly. The Department shall provide a timely review of any amendments proposed by members of the General Assembly to the chairmen of the House Appropriations and Senate Finance Committees. The review shall examine the merits of each request, including data showing the percentage of nonstate funds raised by the organization for the proposed project. The review and analysis provided by the Department shall be strictly advisory. The Department shall forward to the Department of Planning and Budget any application which is not for the maintenance of collections and exhibits or for the maintenance and operation of sites and facilities owned by historical organizations. Such applications shall be governed by the procedures identified in § 2.1-394.1.

2. Such organization shall certify to the satisfaction of the Department that matching funds from local or private sources are available in an amount at least equal to the amount of the request in cash or in kind contributions which are deemed acceptable to the Department. These matching funds must be concurrent with the project for which the state grant is requested. Contributions received and spent prior to the state grant shall not be considered in satisfying the requirements of this subdivision.

3. Such organization shall provide documentation of its tax exempt status under § 501 (c) (3) of the United States Internal Revenue Code.

For the purposes of this section, no grant shall be approved for private institutions of higher education or religious organizations.

B. In addition to the requirements of subsection A of this section, no state funds other than for those facilities specified in § 10.1-2211 or § 10.1-2212 shall be appropriated or expended for the renovation or reconstruction of any historic site as set forth in § 2.1-394.1 unless:

1. The property is designated as a historic landmark by the Board and is located on the register prepared by the Department pursuant to § 10.1-2202 or has been declared eligible by the Board for such designation but has not actually been placed on the register of buildings and sites provided for in § 10.1-2202;

2. The society, museum, foundation or association owning such property enters into an agreement with the Department that the property will be open to the public for at least 100 days per year for no less than five years following completion, renovation, or reconstruction;

3. The organization submits the plans and specifications of the project to the Department for review and approval to ensure that the project meets generally accepted standards for historic preservation; and

4. The organization owning the property grants to the Commonwealth a perpetual easement placing restrictions on the use or development of the property satisfactory to the Board, if the organization has received \$50,000 or more within a four-year period pursuant to this section. The easement shall be for the purpose of preserving those features of the property which led to its designation as a historic landmark.

Nothing contained in this subsection shall prohibit any organization from charging a reasonable admission fee during the five-year period required in subdivision 2 herein if the fee is comparable to fees charged at similar facilities in the area.

C. The Department shall be responsible for the administration of this section and §§ 10.1-2211 and 10.1-2212 and the disbursement of all funds appropriated thereto.

State funds appropriated for the operation of historical societies, museums, foundations and associations shall be expended for historical facilities, reenactments, meetings, conferences, tours, seminars or other general operating expenses as may be specified in the general appropriations act. Funds appropriated for these purposes shall be distributed annually to the treasurers of any such organizations. The appropriations act shall clearly designate that all such funds are to be used for the operating expenses of such organization. (1981, c. 537, § 10-145.13; 1987, c. 481; 1988, c. 891, § 10.1-814; 1989, cc. 656, 711; 1992, cc. 138, 426.)



COMMONWEALTH of VIRGINIA

APPLICATION FOR HISTORIC PRESERVATION FUNDS

- 1. Name of property _____
- 2. Name of applicant organization _____
- 3. Is this a non-profit organization? Yes _____ No _____

What is your taxpayer identification number? _____

If the applicant organization is a non-profit organization, **PLEASE ATTACH** a copy of your notice from the U.S. Internal Revenue Service granting an exemption from federal income taxation pursuant to Section 501(c)(3) of the U.S. Internal Revenue Code. Other documentation of non-profit status may be used if the notice of exemption under Section 501(c)(3) is not available.

- 4. This organization is a (please **CHECK ALL** that apply):
 - a. _____ church
 - b. _____ other religious organization
 - c. _____ private elementary or secondary school
 - d. _____ local historical society, foundation, association
 - e. _____ museum
 - f. _____ local government unit
 - g. _____ other (please describe): _____

- 5. Project contact: Name _____
 Title _____
 Address _____

 Telephone (business) _____

6. City or county in which the property is located _____

7. Amount of funding being sought from the Commonwealth of Virginia with this application: \$ _____

8. How will the funds being requested with this application, as shown in item 7, be spent if appropriated? Please provide a project budget by listing the work items and the costs for which the grant funds will be used.

9. If the grant being requested will fund only a portion of a larger or multi-phased preservation project, please give the budget for the larger project in as much detail as possible; show all sources of funds, past and present, as appropriate.

<u>Non-state</u> <u>Sources *</u>	<u>Commonwealth</u> <u>of Virginia **</u>	<u>TOTAL PROJECT</u> <u>(Col. 1 + Col. 2)</u>
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* Should equal amounts identified in item 11.

** Should equal amounts identified in items 7 and 12.

10. Please describe the larger or multi-phased project and explain the importance of the portion of work for which these grant funds are being sought.

Please use pages 5 - 6 if additional space is needed for items 8, 9, and 10.

11. Recognizing the importance of local effort and interest in historic preservation projects, existing state legislation requires that applicants for capital outlay funds provide a matching share from non-state sources at least equal to the amount of the request made of the Commonwealth (shown in item 7). Please list the amount and the sources of non-state funds or in-kind goods or services that are or will be available for this project. (For in-kind goods or services, give estimated value.)

Amount: \$ _____ Amount: \$ _____

Description: _____ Description: _____
(i.e. cash, building supplies, labor, etc.)

Source: _____ Source: _____

Date available: _____ Date available: _____

Amount used to date: _____ Amount used to date: _____

12. Have any previous grants from the Commonwealth of Virginia been provided for this project? Yes _____ No _____

If yes, please list the amount awarded and the fiscal year or biennium when awarded.

Amount: \$ _____ Date: _____

Amount: \$ _____ Date: _____

13. Were your budget estimates prepared by a qualified architect or contractor? Yes _____ No _____

If so, please provide the following information:

Name of estimator: _____

Address: _____

Telephone: _____ Profession: _____

Please use pages 5 - 6 if additional space is needed for items 11, 12, and 13.

14. List the organizations or associations with which your organization is affiliated or by which it is recognized.

15. Section 10.1-2213 of the Code of Virginia governs the award of funds for historic preservation projects:

§ 10.1-2213. Procedure for appropriation of state funds for historic preservation. — A. No state funds, other than for the maintenance and operation of those facilities specified in § 10.1-2211 or § 10.1-2212 and for the purchase of property for preservation of historical resources by the Virginia Conservation and Recreation Foundation as provided in Chapter 10.2 (§ 10.1-1017 et seq.) of this title, shall be appropriated or expended for or to historical societies, museums, foundations, associations or local governments as set forth in the general appropriations act for the maintenance of collections and exhibits or for the maintenance and operation of sites and facilities owned by historical organizations unless:

1. A request for state aid is filed by the organization with the Department, on forms prescribed by the Department, on or before the opening day of each regular session of the General Assembly in an even-numbered year. Requests shall be considered by the Governor and the General Assembly only in even-numbered years. The Department shall review each application made by an organization for state aid prior to consideration by the General Assembly. The Department shall provide a timely review of any amendments proposed by members of the General Assembly to the chairmen of the House Appropriations and Senate Finance Committees. The review shall examine the merits of each request, including data showing the percentage of nonstate funds raised by the organization for the proposed project. The review and analysis provided by the Department shall be strictly advisory. The Department shall forward to the Department of Planning and Budget any application which is not for the maintenance of collections and exhibits or for the maintenance and operation of sites and facilities owned by historical organizations. Such applications shall be governed by the procedures identified in § 2.1-394.1.

2. Such organization shall certify to the satisfaction of the Department that matching funds from local or private sources are available in an amount at least equal to the amount of the request in cash or in kind contributions which are deemed acceptable to the Department. These matching funds must be concurrent with the project for which the state grant is requested. Contributions received and spent prior to the state grant shall not be considered in satisfying the requirements of this subdivision.

3. Such organization shall provide documentation of its tax exempt status under § 501 (c) (3) of the United States Internal Revenue Code.

For the purposes of this section, no grant shall be approved for private institutions of higher education or religious organizations.

B. In addition to the requirements of subsection A of this section, no state funds other than for those facilities specified in § 10.1-2211 or § 10.1-2212 shall be appropriated or expended for the renovation or reconstruction of any historic site as set forth in § 2.1-394.1 unless:

1. The property is designated as a historic landmark by the Board and is located on the register prepared by the Department pursuant to § 10.1-2202 or has been declared eligible by the Board for such designation but has not actually been placed on the register of buildings and sites provided for in § 10.1-2202;

2. The society, museum, foundation or association owning such property enters into an agreement with the Department that the property will be open to the public for at least 100 days per year for no less than five years following completion, renovation, or reconstruction;

3. The organization submits the plans and specifications of the project to the Department for review and approval to ensure that the project meets generally accepted standards for historic preservation; and

4. The organization owning the property grants to the Commonwealth a perpetual easement placing restrictions on the use or development of the property satisfactory to the Board, if the organization has received \$50,000 or more within a four-year period pursuant to this section. The easement shall be for the purpose of preserving those features of the property which led to its designation as a historic landmark.

Nothing contained in this subsection shall prohibit any organization from charging a reasonable admission fee during the five-year period required in subdivision 2 herein if the fee is comparable to fees charged at similar facilities in the area.

C. The Department shall be responsible for the administration of this section and §§ 10.1-2211 and 10.1-2212 and the disbursement of all funds appropriated thereto.

State funds appropriated for the operation of historical societies, museums, foundations and associations shall be expended for historical facilities, reenactments, meetings, conferences, tours, seminars or other general operating expenses as may be specified in the general appropriations act. Funds appropriated for these purposes shall be distributed annually to the treasurers of any such organizations. The appropriations act shall clearly designate that all such funds are to be used for the operating expenses of such organization.

16. STATEMENT OF CERTIFICATION:

On behalf of the applicant organization, I certify that this organization is eligible to apply for historic preservation funds, as described in Section 10.1-2213 of the Code of Virginia, for the project described in this application.

I further certify that, to the best of my knowledge, the information provided by the applicant in this application is true and complete.

Signature

Name typewritten or printed

If there is any additional information which you wish the Department of Historic Resources and the General Assembly to have for consideration in support of this application, please use pages 5 - 6.

If feasibility studies, preliminary or working drawings, and/or specifications have been prepared for this project, please enclose a copy of each available document.

Please enclose one or more 35mm slides or photographs which illustrate the problems or areas for which the State funds are being requested. Please provide a descriptive caption for each slide or photograph.

Applications, supporting documents, and slides or photographs should be sent to:

Department of Historic Resources
ATTENTION: State Grants Coordinator
221 Governor Street
Richmond, VA 23219

If there are questions concerning this application, please telephone the Department of Historic Resources at (804) 786-3143.

Use this space for additional information:

Appendix 5: Mailing List for the Survey of Historical Museums and Organizations

(Those marked with an asterisk responded to the survey questionnaire.)

Abram's Delight Museum	Flowerdew Hundred Foundation
Agecroft Hall	Fork Union Military Academy Museum
Albemarle County Historical Society	Fort Valley Museum
Alexandria Black History Resource Center	Fort Ward Museum & Historic Site*
Alexandria Archaeology	Fort Wool
Amherst County Historical Museum	Fort Harrison
Assoc. for Preservation of VA Antiquities*	Fox, John, Jr., Museum
Appomattox Museum	Fredericksburg Area Museum
Arlington Historical Museum	Friends of the Fairfax Station
Avenel Foundation	Gadsby's Tavern Museum
Avoca Museums and Historical Society	Giles County Historical Society
Ball-Sellers House	Goochland County Museum
Bath County Historical Museum	Hampden-Sydney College, Museum of
Bedford City/County Museum	Harrison Heritage and Cultural Center
Belle Grove Plantation	Haymarket Museum
Berkeley Plantation	Henricus Foundation*
Black History Museum & Cultural Center	Historic Alexandria Foundation
Blue Ridge Institute and Museum*	Historic Crab Orchard Museum
Booth Museum	Historic Pocahontas, Inc.*
Brandon Plantation	Historic Hopewell Foundation
Brunswick County Museum	Historical Society of Washington County
Burwell-Morgan Mill	Isle of Wight County Museum
Carpenter, Miles B., Museum*	Jackson, Stonewall, House
Chesapeake's Museum & Information Ctr.*	Jackson's Headquarters
Chesterfield County Museums	Jefferson's Poplar Forest*
Chrysler Museum of Art's Historic Houses	Kenmore
Clarke County Historical Association	Kerr Place/Eastern Shore Historical Society
Colonial Williamsburg	Land, Francis, House*
Confederacy, Museum of the*	Lee Boyhood Home
Culpeper Cavalry Museum	Lee-Fendall House
Culpeper History, Museum of	Loudoun Museum
Danville Museum of Fine Arts & History	Louisa County Museum
Danville Historical Society	Lynchburg Museums
Deltaville Maritime Museum	Madison, James, Museum
Evelynnton Plantation	Manassas Museum*
Exchange Hotel Museum	Mariner's Museum
Fairfax Museum and Visitor Center	Marshall Home Preservation Fund, Inc.
Fairfax County Park Authority*	Marshall, John, House
Fields-Penn 1860 House Museum	Mattaponi Indian Museum
First Washington's Museum	Maymont

Meadow Farm Museum
Menokin Foundation
Mercer Apothecary
Middlesex County Museum
Mill House Museum/Historic Occoquan
Monroe, James Museum & Library
Monticello
Montpelier
Moore, Claude, Colonial Farm
Moton School Project*
Mount Vernon
New Market Battlefield Park
Newsome House Museum*
Newtown Improvement & Civic Club, Inc.
Oatlands Plantation
Old Stone Jail/Hanover Co. Hist. Society
Old Jail Museum
Old Coast Guard Station*
Orange County Historical Society
Pamunkey Indian Museum
Patrick County Historical Museum
Pest House Medical Museum
Petersburg Museums
Poe Museum
Prestwould
Rappahannock Historical Society
Red Hill/ Patrick Henry National Memorial*
Reedville Fisherman's Museum
Rice's Hotel/Hughlett's Tavern Foundation
Richmond County Museum*
Riddick's Folly*
Roanoke Valley History Museum
Rock House Museum
Rockbridge Historical Society*
Rolfe, John Museum
Roosevelt, Theodore, Association/Pine Knot
Rosewell Foundation
Salem Museum
Saltville Museum
Scottsville Museum
Shenandoah Heritage Center, Inc.*
Shenandoah Valley Heritage Museum
Sherwood Forest Plantation
Shirley Plantation
Smyth Co. Museum & Historical Society*

South Boston Historical Museum
Spencer, Anne, House
Spotsylvania County Museum
Stabler-Leadbetter Apothecary
Strasburg Museum
Stratford Hall*
Swannanoa
Syms-Eaton Museum
Thoroughgood House
Tolliver, June, House
Valentine Museum*
Village View Foundation*
Virginia House
Virginia Museum of Transportation
Virginia Historical Society*
Virginia War Museum
Warren Rifles Confederate Museum
Washington, Mary, House
Washington Grist Mill
Washington Masonic National Memorial
Washington, Mary Ball, Museum
Washington's Office Museum
Waterford Foundation
Watermen's Museum
Weems-Bott Museum*
Westmoreland County Museum*
Wilderness Road Museum*
Wilson, Woodrow, Birthplace & Museum*
Wilton
Woodlawn Plantation

Appendix 6: The Survey Questionnaire

Questionnaire - State Grant Programs

Name: _____ Title: _____

Organization: _____

Address: _____ Phone: _____

Please provide a brief description of your organization's mission and programs, highlighting current and future activities and public educational programs including topics, schedule and/or frequency of programs, targeted audiences, etc.

What is/are your organization's current **principal source(s)** of funding?

What percentage of your annual budget is funded by this (these) source(s)?

What categories of activities do these sources support at your institution?

Has your organization received funds from the Commonwealth in past years? Yes ___ No ___
If so, for what projects or purposes?

Do you intend to apply for funds from the Commonwealth in the future? Yes ___ No ___
If so, for what projects or purposes?

Recognizing that taxpayer funds are limited, what should be the **primary objective of State assistance programs** for historic attractions and organizations?

Should the two types of grants --operations (10.1-2212) and rehabilitation (10.1-2213)-- continue to be made available? Yes ____ No ____

Currently, **educational projects** such as publications and studies or organizing a lecture series or workshop are anticipated under Section 10.1-2213 (C), but are not generally requested or funded. Should educational projects be a priority? Yes ____ No ____

Or, should state grant funds be targeted to only **ONE** priority? Yes ____ No ____

If yes, what **ONE** priority should that be? (Please check one)

- Operations (administrative support)**
- Bricks and Mortar Projects (rehabilitation or restoration projects)**
- Project-Specific Educational Projects**
- Other type(s) (Please specify) _____**

What kinds of criteria should be established for **Operations grants** from the Commonwealth?

What kinds of criteria should be established for the **Bricks and Mortar grants**?

What kinds of criteria should be established for **Project-Specific Educational grants**?

What recommendations do you have for improving the **process for awarding state grants** under Sections 10.1-2212 and 10.1-2213?

What could be done to improve the **quality** of state grant projects?

What would help to ensure that **maximum public benefit** is derived from these state grants?

What would **promote greater self-reliance AND reduce dependency on state government** on the part of the institutions which receive these funds?

Please use this space and/or attach additional pages to give us your specific comments and/or recommendations for consideration under this study. Thank you for your help.

Appendix 7: Possible Criteria For Various Types of Awards

Suggested Criteria for Operations Grants

The criteria suggested for evaluating requests for funds for operations were related to mission, program and audience, public support, the use of the award itself, need for the funds and administrative capacity.

Organizational Mission

What is the value of the organization to the community? What is the history of this organization and its service to the community? Does its work increase general participation in shared history?

Audience and Programs

What do attendance figures tell about organization's success in serving citizens? What is the audience to be served with the grant? What is the quality of program(s) to be offered with grant? What is the focus of the project? Will the project promote public access and public programs?

Public Support

Is the organization supported by all citizens? Is there community or public interest in the organization and its programs? What impact does the organization have in the community? Does the organization make maximum use of all community resources?

Use of Award

Will the award enable expansion of organization's community outreach? Will state support enhance operations or merely maintain operations? Will the award be important to the efforts of history education and tourism? Does the award have economic potential? What impact will the award have on the institution? How will the funds be used? Will the completed project fulfill an important need?

Need

What is the need for funds, generally? What other sources of funding are available?

Administrative Capacity

Does the organization have a basic, paid, professional staff? Is it a 501 c 3 organization, at least three years old? Does it have sound financial management, a realistic budget and a fundraising program in operation? Is a matching share available? Are there other funding partners? Can the organization demonstrate its effectiveness and the cost effectiveness of the proposed project?

Appendix 7, continued

Suggested Criteria for Bricks and Mortar Grants

The criteria suggested as appropriate for evaluating requests for funds for Bricks and Mortar projects can be organized in several categories. The criteria relate to the resource for which the funds would be used, the project itself and its impact, public access and support, need, and administrative capacity.

The Resource

What is the historical, architectural or archaeological significance of the resource? Is it listed in or eligible for listing in the Virginia Landmarks Register and/or the National Register of Historic Places?

The Project and Its Impact

Will the project work follow the Secretary of the Interior's Standards? Has a thoughtful plan using professional resources been proposed for the property? What is the likelihood of continued maintenance/preservation following project completion? Is there evidence of sustainable support when completed? Will the project complement existing operations? Is it a part of long range planning and policy? Will the project fulfill an important need? Will the project promote preservation awareness? What will be the impact of the completed project on the local economy? Will the project reach beyond the local community? Will the project expand audience and enhance educational efforts?

Public Access and Support

Will the completed project be accessible by the public? Is the property regularly open to the public? Will the award increase the organization's cultural offerings? Does the project include educational aspects for teaching or training? Will the project promote history education and tourism?

Need

Is the property threatened? What is the immediacy of the need? What prior support has been provided to this organization?

Administrative Capacity

What is the amount and diversity of the matching share available? Are private funds available to match the award? Is the organization a strong one with sound financial management? Is the organization effective? Is the organization a 501c3 organization with history or preservation mission? Are there realistic expectations for the project? Is there evidence of other financial support?

Appendix 7, continued

Suggested Criteria for Educational Projects

The criteria suggested for the evaluation of Educational projects are related to the mission of the organization, the project and its impact, the audience, the need for the funds and the organization's administrative capacity.

Mission

Does the organization have a long term educational mission? Will this award enhance that mission?

Project/Impact

Will the project produce traveling exhibits and educational materials? Are appropriate consultants and staff available to execute the project? What are the professional qualifications of available personnel? Is the project appropriate to the intended audience? Does the project have value to the history profession? Is the project sustainable? When complete will it have a life of its own, will it be useable by educators and students? Can it be replicated for use elsewhere? Is the project feasible given existing resources and time identified? Does the project have clearly defined goals and objectives? Will the impacts of the project be documented and evaluated by the participants? Will the project promote Virginia history education of local children (grades 4,7,11) and citizens? Will local schools or college be involved in planning for the project?

Audience

Does the project have a demonstrable appeal to a broad audience? What is the size and diversity of the audience to be served? What is the targeted audience/participant?

Need

Is there a demonstrated need for the project? Is the need clearly defined and documented?

Administrative Capacity

Does the organization have a sound financial management system? Are there well defined cost estimates for project? Does the organization have a good track record of grants administration?

Appendix 8: Summaries of Grant Programs in Other States

Historic Restoration Fund, Connecticut Historical Commission

Acquisition and development activities at properties listed in the State or National registers are eligible projects under Connecticut's Historic Restoration Fund. Educational projects and operations assistance are not funded through this program. Local governments and tax-exempt non-profit organizations are the eligible applicants. A 50% cash match is required and in-kind services are not accepted as match. Acceptance of an award requires a "Preservation Restriction" of five, ten or fifteen years, depending on the amount of the award. About \$300,000 to \$400,000 is available every two years.

Selection criteria include the property's significance, the degree of threat it faces, the applicant's ability to match the award and whether the proposed work meets the Secretary of the Interior's Standards. In addition, the statement of need for the grant should address the circumstances leading to the property's current physical condition, the extent and nature of fundraising efforts, information about how the grant will enable work at the property that would otherwise not be accomplished and statements about the applicant's current financial status. Preference in decision making is given to projects that compliment other state revitalization efforts and to projects that use innovative technologies. Under this program, ten percent of the annual awards reserved for first-use archaeological field investigations or projects that include substantial archaeological field investigation.

Florida Department of State, Bureau of Historic Preservation, Division of Historical Resources, Restoration of Historic Properties, Special Category Projects

Florida's Bureau of Historic Preservation solicits applications for a special category of grants for major restoration and rehabilitation projects, major archaeological excavations, and major history museum exhibitions (projects with funding needs above \$50,000). All state agencies, local governments and private non-profit organizations are eligible to apply for the special category grants.

Applications are reviewed by the state's Historic Preservation Advisory Council, a 12-member board of citizens from different parts of the state with an interest and experience in historic preservation. The Advisory Council makes recommendations for project funding to the Secretary of State and the Department of State attempts to secure funding for as many projects as possible. In reviewing applications for funding, the Council uses criteria related to the site--such as historic significance, threat to the property and appropriateness of the preservation treatment proposed. Criteria related to the organization requesting the funds--including administrative capability, level of financial resources and ability to incur costs in anticipation of reimbursement, and the availability of professional and technical services to accomplish the project work--are also used. Finally, the Council applies criteria related to the anticipated public benefits of an award--including the compatibility of the project with statewide historic preservation priorities, its educational potential, anticipated economic benefits and public use/public benefit.

Appendix 8, continued

In addition, priority is given to Special Category projects with completed schematic plans, clear plans for intended use of the property, wide public utility, a strong plan for disseminating information about the property, documented efforts at major fundraising from the private sector, capability of spending funds within a specified time period, and demonstration of the applicant's ability to maintain the property when the project is finished.

The state also offers smaller grant awards for acquisition and development and survey and planning activities. Eligible applicants are state agencies and universities, local governments and non-profit organizations. Priorities for each eligible category of assistance are developed. Awards are provided on a 50/50 matching basis; in-kind and donated services are allowable as part of the matching share. Individual awards are generally from \$15,000 to \$20,000. Eligible applications are evaluated by the Historic Preservation Advisory Council and are prioritized. The Council recommends a level of funding for each project and the final selection of projects for awards is made by the Department of State, depending heavily on the Council's recommendations.

Kansas Heritage Trust Fund Grants

The Kansas Heritage Trust Fund provides assistance to individuals and organizations responsible for preserving the state's historic properties. About \$300,000 is available annually for the grant program. Eligible properties are those listed in the state or National registers. Properties owned by the state or federal government are not eligible for assistance.

Eligible project activities include professional preservation planning services, temporary stabilization, rehabilitation and restoration. The grants are matching grants, but for-profit organizations receiving awards must match the award on a dollar-for-dollar basis; other grant recipients must provide a matching share equal to 20% of the cost of eligible project activities. In-kind services and indirect costs are not accepted as part of the matching share.

Factors used to evaluate applications include the property's historical significance and its condition, the urgency of the preservation work proposed and whether the property is endangered, the geographical distribution of assistance, the administrative ability of the applicant, the potential benefit of the proposed project to the community and the state, the community support for the project, the ineligibility of the project for other funds and an assessment of the need for grant assistance to accomplish the project.

Fifty percent of the annual Fund must be targeted toward the preservation of eligible properties owned by county and local governments, historical societies and private non-profit organizations. The balance of the funds can be awarded to homeowners, businessmen, farmers and other owners of eligible historic properties. In return for the award, an agreement is required that commits the owner to maintaining the property for a specific period of time, minimally five years, to ensure

Appendix 8, continued

that there is a public benefit from the preservation award. Property owners who do not hold their property for at least five years after completion of the grant are subject to recapture provisions.

Maryland Historical Trust, Historic Preservation Grant Program

The Maryland General Assembly appropriates funds (the amount varies) on an annual basis for historic preservation grants. In 1991, the appropriation was \$500,000. Non-profit organizations, local jurisdictions, business entities, and individuals are eligible to apply. Eligible projects are acquisition, rehabilitation or restoration of historic properties listed in or eligible for listing in the Maryland Register of Historic Places. Other eligible projects include a variety of historic preservation research, survey, education, and promotion activities.

For projects assisting real property, the successful applicants are required to convey a perpetual historic preservation easement on the property to the Maryland Historical Trust prior to the release of the grant funds.

New York State Environmental Protection Fund, Historic Preservation Grant Program

Under this program, adopted in 1993, acquisition and development projects are eligible for funding. Eligible applicants are municipalities and non-profit organizations. Eligible properties are those listed in the state or National registers. In 1996 \$2.7 million was available for historic preservation projects. Maximum awards for development projects are \$100,000; for development maximum awards are \$200,000. A 50% matching share is required; in-kind match is acceptable. A preservation covenant is required of grant recipients to insure the long-term--or perpetual--preservation of the property.

The rating system for this program includes components evaluated by both program and regional staff. Evaluation factors include a regional assessment of the project, the project's emphasis and whether it meets any announced grant priority, whether the project relates or contributes to statewide policies and programs, whether the activity would take place in an economically distressed area and the poverty, unemployment and income levels in the local area. In addition, an evaluation is made of whether the project contributes to the goals of the National Register program or the Heritage Areas system and whether the project is identified in a formally adopted plan. The project is evaluated based on performance expectations and whether work can be expected to move forward easily.

New York also has provisions for member-item appropriations through the state legislature, which are similar to the current system in Virginia.

