

MEMORANDUM

TO: House Ways and Means Committee

FROM: Noelle MacKay, Commissioner Department of Housing and Community Development (828.5216; noelle.mackay@state.vt.us)

DATE: January 15, 2014

RE: Fee Bill Testimony re: Admission Fee for Historic Sites and Storage Fee for Archaeological Collections

The Department of Housing and Community Development (DHCD) proposes fee increases concerning daily admission to historic sites and one-time charges for archeological collection boxes from permittees performing archeological work in a regulated context. These fees are necessary in order for us continue providing the services that are expected of us and they are warranted both in light of the costs we incur to provide the services as well as in comparison to the costs for similar services charged by other states or institutions.

Admission Fee for Historic Sites -- 22 VSA § 724(a)(1)

Our state boasts a rich and rewarding historical heritage. The Division for Historic Preservation (DHP) helps preserve this history with an exceptional collection of state historic sites, many of which are open to the public and span the length of the state. Ranging from prehistoric encampments, to pivotal Revolutionary War sites, to the homesteads of U.S. Presidents, Vermont's historic sites chronicle the development of a state, its people, and the nation around it.

Admission fees for the sites has been set in statute at a not-to-exceed amount of \$8 per person since 1997. Actual site admission fees range from \$2 to \$8 for adults and from free to \$2 for children, depending on the site's offerings, location, and other factors. There are also programs available so that ALL Vermonters have access to these sites. There are passes at local libraries that people can 'check out' and use to visit our sites for free and if you are a senior or a veteran, you can purchase a Green Mountain pass for \$5 that allows you access to the sites for life for free.

Thus, we request that the not-to-exceed amount be increased to \$20 per person, to give us flexibility to set admissions fees based on offerings, demand and interest. For the next year we do not anticipate raising any admission fees above \$12 per person, but the \$20 not-to-exceed amount would give us room for additional increases before our next Fee Bill opportunity if circumstances warrant higher admission fees.

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The costs of maintaining, developing, and interpreting the state-owned historic properties has increased significantly since 1997, as have wages for seasonal staff at the sites. Income also goes towards operating expenses when the sites are open, such as utilities, heat, and other property management services, which have increased as well. Due to the new human resources system, we are now required to have Internet connections and computers at the sites, expenses that could not have been imagined 15 years ago. Because of increased costs and limited funds, we have had to cut down the number of hours and days open and staffing at our historic sites since 1997.

Currently, only one state-owned historic site, the President Calvin Coolidge site in Plymouth, charges \$8 per person. We do not anticipate raising the admission fee at any of the other sites above \$8 per person at this time, but based on inflation and comparable admission fees for other tourist and historic sites, we believe that an admission fee of \$12 for adult admission is warranted and supportable at the Coolidge Site this time. We also believe it makes sense to have the flexibility to raise fees farther before the next fee bill if we determine that conditions warrant an increase.

If the fee is not increased, we will be unable to provide sufficient staff to fully operate the sites and may have to further reduce days and hours of operation.

In addition to increasing the not-to-exceed admission price, we would like to add language to the statute to clarify that the admission price limit does not apply to rentals of historic sites. The purpose of this requested modification is not to change the law but rather to clarify what we already believe is the statutory intent. [Proposed statutory language attached.]

As the information you've been given indicates, we have not included any revenues from increase fees in our FY15 budget. Because approval of the increase is uncertain, we thought it would be prudent to budget without the increased fees.

Storage Fee for Archaeological Collections -- 22 VSA § 724(b)(2)

Federal regulations require DHP to maintain and manage archaeology collections using professional museum standards. To assist DHP in these efforts, a per box fee of \$400 per box was established in 2009. We request that the fee be increased to \$500 per box. We also request a change in the statutory language to apply the fee to archaeological materials recovered from a broader range of projects.

This fee is intended to cover the costs of maintaining and managing the archaeology collections, as well as facilitating access to the collections and associated documentation for all users. Fees are used to:

- Accession collections upon deposit at the Archaeology Heritage Center (AHC).

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- Purchase materials, such as archival-quality boxes, file folders, packing materials, paper, and other supplies.
- Maintain collections.
- Purchase shelving.

All of these costs will continue to increase over time. Because the fee is a one-time charge but the obligation to preserve the materials is perpetual, it is essential that we be forward-looking in terms of establishing a fee level that will ensure a source of revenue to cover these costs.

Another determinant of the appropriate fee level is that DHP anticipates fewer boxes and less fee income over the next decades because DHP anticipates fewer large archaeological studies. The high cost of Phase II (evaluation phase) and Phase III (data recovery phase) archaeological investigations often results in site avoidance after Phase I (identification phase). Preserving archaeological sites in the ground is most cost-effective and the best practice, but the outcome is less fees to help support the Archaeology Heritage Center.

To clarify the fee policy and ensure consistency among all regulatory parties, DHP proposes to expand the pool of persons required to pay the fee to include entities receiving state funding, licenses, and permits. Modifying the statute to include state permits will eliminate an existing ambiguity about who must pay the fee and establish a more robust source of funding for the maintenance of these irreplaceable historic resources.

Proposed Statutory Revisions:

§ 724. Historic preservation special funds

(a) Historic sites operations special fund. The historic sites operations special fund is established pursuant to subchapter 5 of chapter 7 of Title 32 to be used by the division for historic preservation to carry out the provisions of subdivisions 723(a)(9) and (b)(1) of this title. Revenues to the fund shall be from the following sources:

(1) Receipts from ticket sales at and fees for rental of state-owned historic sites. Notwithstanding subdivision 603(2) of Title 32, fees for admission to and rentals of historic sites shall be set by the state historic preservation officer, with the approval of the commissioner of housing and community ~~affairs~~ development, in a manner that both maximizes revenues and promotes the tourism purposes of historic sites, but not to exceed ~~\$8.00~~ 20.00 for a single admission. This not-to-exceed amount shall not apply to the rental of an historic site. These fees shall be reported in accordance with section 605 of Title 32.

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(b) Archeology operations special fund. The archeology operations special fund is established pursuant to subchapter 5 of chapter 7 of Title 32 to be used by the division for historic preservation for cost recovery related to activities undertaken by the division to carry out the provisions of sections 723, 761, and 762 of this title. Revenues to the fund shall be from the following sources:

* * *

(2) A ~~\$400.00~~ 500.00 one-time fee for each archival box (standard banker box size) of archeological collection for the care and maintenance ~~for~~ of such materials at the Vermont Archaeology Heritage Center in perpetuity paid by any person involved in a federally or state funded, licensed, ~~or~~ permitted or approved project. This fee shall be paid on a pro rata basis for one-half and one-quarter boxes.