



# United States Department of the Interior

## NATIONAL PARK SERVICE

1849 C Street, N.W.  
Washington, DC 20240

### Memorandum

Date: December 1, 2019  
To: Historic Preservation Fund Grants Manual  
From: Megan J. Brown, Chief; State, Tribal, Local, Plans and Grants (STLPG)  
Subject: SHPO Apportionment Formula Tier 3 update to HPF Manual

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The NPS has implemented changes to the apportionment formula for the annual grants to the State Historic Preservation Offices (SHPOs) from the Historic Preservation Fund. These changes will move the \$50million threshold established by Tier 3 of the formula to \$65million to be in better keeping with the Historic Preservation Fund statute. Although provisions in the HPF Grants Manual already existed to address an increase in funding over \$50million that does not warrant a shift to Tier 3, the NPS has determined that the concerns of National Conference of State Historic Preservation Officers were relevant enough to make this change now. These changes to the Historic Preservation Fund Grant Manual were effective October 1, 2019, and will be implemented for FY2020 funding.

This memo also serves as notification that the NPS plans to undertake a review of the apportionment formula in conjunction with the coming 2020 census. This review process will be undertaken by a task force of SHPOs and in consultation with the National Conference of State Historic Preservation Officers and the National Alliance of Preservation Commissions.

Any questions concerning this memo should be addressed to: Megan Brown, 202-354-2020 or [STLPG@nps.gov](mailto:STLPG@nps.gov).

### **HPF MANUAL CHANGE**

CHAPTER 2. Section B: (pages 2-1 to 2-2)

#### **B. Apportionment of Funds to State Historic Preservation Office Programs.**

The National Park Service shall use the following formula to calculate its recommended apportionment of HPF funds to States.

## 1. Formula Structure:

a. Three-Tiered Apportionment Formula. The formula will use three sequential tiers as follows below, subject to adjustment for inflation. See Sections B.1.b, c., d., and e. below for details.

1) For annual appropriations up to \$20 million (excluding the Freely Associated States of Micronesia – see Section B.4, below), NPS will allocate all funds to Tier 1 (the Base Award – see Section B.1.c. below).

2) For annual appropriations from \$20 million to ~~\$50~~ 65 million, NPS will allocate \$20 million to Tier 1 (the Base Award) and the balance (i.e. up to ~~\$30~~ 45 million) to Tier 2.)

3) For annual Noncompetitive Factors – see Section B.1.d. below), appropriations higher than ~~\$50~~ 65 million, NPS will allocate \$20 million to Tier 1 (the Base Award), ~~\$30~~ 45 million to Tier 2 (Noncompetitive Factors), and the balance to Tier 3 (Preservation Initiatives – see Section B.1.e. below).

b. Inflation Adjustment NPS may adjust the maximum dollar amount that it allocates to Tier 1 (or to Tiers 1 and 2 combined) in response to the effects of inflation when warranted and after consultation with the President, National Conference of State Historic Preservation Officers. NPS will base its inflation calculations on the Consumer Price Index that the U.S. Department of Commerce supplies.

### c. Tier 1 -- Base Award

Each State will receive an equal share of Tier 1. Assuming \$20 million in Tier 1, this amounts to approximately \$357,000 each State per annum subject to inflation.

### d. Tier 2 -- Noncompetitive Factors

NPS will allocate the funds available for Tier 2 equally among three factors:

1) Population. NPS will divide one-third of the funds available for Tier 2 based upon each State's share of the 2000 population of the United States. NPS will use U.S. Census data to make the calculations. NPS will use square roots to control extreme values.

2) Area. NPS will divide one-third of the funds available for Tier 2 based upon each State's share of the total area of the United States. NPS will use U.S. Census/United States Geological Survey (U.S.G.S.) data to make the calculations. For the purposes of this apportionment formula, a State's area includes water boundaries out to the three-mile limit. NPS will use square roots to control extreme values.

3) Historic Resources. NPS will divide one-third of the funds available for Tier 2 based upon each State's share of the total number of residences over 50 years old as defined and identified in the 2000 U.S. Census. NPS will use square roots to control extreme values.

e. Tier 3 – Preservation Initiatives.

1) NPS will base its Tier 3 calculations upon predetermined competitive factors that it develops in consultation with State Historic Preservation Officers and makes known to them no later than the beginning of the fiscal year preceding that of the grant period in which the formula is to be applied.

~~2) The factor(s) for at least one-half of the funds in Tier 3 will relate directly to local level~~

~~a) historic preservation program capacity building and/or~~

~~b) identification, evaluation, registration, or treatment of historic and/or prehistoric properties.~~

3) NPS will put Tier 3 in effect only when appropriations are sufficiently more than the Tier 3 threshold to warrant use. If appropriations are only slightly greater than the tier threshold and NPS determines that using Tier 3 would have only a marginal or negligible effect on individual awards would be realized, then NPS will not put the tier into effect. NPS will make this determination after consultation with the President, National Conference of State Historic Preservation Officers.