



**Statement of Kristina Rasmussen
Senior Government Affairs Manager, National Taxpayers Union
before the
House Subcommittee on National Parks, Forests and Public Lands
on
Extending the Authorization for Certain National Heritage Areas**

May 15, 2007

Introduction

Chairman Grijalva and distinguished Members of the Committee, thank you for the opportunity to testify on behalf of the American Taxpayer at this important hearing today. My name is Kristina Rasmussen, and I am Senior Government Affairs Manager for the National Taxpayers Union (NTU), a non-partisan citizen group founded in 1969 to work for lower taxes and smaller government at all levels. NTU is America's oldest and largest non-profit grassroots taxpayer organization, with 362,000 members nationwide. You can learn more about NTU on our website: www.ntu.org.

I'm here today to offer comments on H.R. 1483, which would extend the authorization of and increase funding for nine national heritage areas. After hearing from the proponents of this legislation, many of whom have day-to-day experience with heritage areas across the country, you might be wondering what a national taxpayer organization would have to say about this specialized program. Allow me to explain.

NTU has a long institutional history of reviewing federal land policies and how they affect taxpayers in particular. Our interest in this specific bill is twofold. First, as a watchdog group working to keep tabs on how the dollars taxpayers send to the IRS are ultimately spent, we are concerned about the increased funding contained in H.R. 1483. Second, we are troubled by the lack of performance standards for the National Park Service's (NPS's) American Heritage Areas Partnership Program, which provides assistance to heritage areas.

At the end of this hearing, I hope you will agree that extending the life spans and funding for what were supposed to be finite, self-reliant programs is the wrong choice for this Committee and this Congress to make.

A Doubled Budget for Heritage Areas: The Taxpayer's Perspective

Allow me to begin by focusing on the fiscal aspects of H.R. 1483. This bill would increase funding for nine national heritage areas from \$10 million to \$20 million per location. When the Omnibus Parks and Public Lands Management Act of 1996 became law, the federal government gave each of the nine newly-created entities \$10 million in starter money for their operations. Eleven years later, this apparently isn't enough for program promoters, who are back asking for twice what they were originally granted.

In total, the funding in H.R. 1483 equals an additional \$90 million – a 100 percent increase – in taxpayer dollars directed to nine parochially defined areas. I know that in an appropriations process customarily focused on spending billions of dollars at a time, \$90 million can seem like a “drop in the bucket.” Perhaps it would help to put this \$90 million in another light. This increase equals the annual amount of federal income taxes paid by 22,184 filers who have adjusted gross incomes between \$30,000 and \$75,000. That means 22,184 middle class filers would send one year's worth of federal income taxes just to these nine heritage areas. Having just passed tax filing time, could you look into the eyes of 22,184 of your constituents and tell them that their hard-earned money went to doubling the budgets of nine heritage areas? If this thought makes you even somewhat uneasy, then I would encourage you to reconsider your support for H.R. 1483.

We need to remember that our nearly \$9 trillion federal debt came from somewhere, and that “somewhere” is partially made up of small appropriations that have accumulated over time. If Members of Congress are serious about balancing the budget and cutting the national debt, small steps like refraining from doubling this funding are necessary. I hope you'll be among the first of your colleagues to show your commitment to these worthy goals by striking the budget boost from H.R. 1483.

When Does “Seed Money” Become Habitual and Expected?

I'd also like to comment on the repeated assertions from heritage area activists that federal funds can be used to leverage more outside donations. As a non-profit organization, NTU understands that having money in the bank can help to attract more support. And indeed, the National Park Service's own website states that “federal financial assistance provides valuable ‘seed’ money” for national heritage areas. A 2004 Government Accountability Office study found that between fiscal years 1997 and 2002, more than half – about \$156 million – of all heritage area funding came from the federal government.

So what was the turnaround in private contributions during this time? Combined, donations from non-profit organizations, private foundations, and corporate sponsors totaled only \$24 million. My grandpa is a farmer in Minnesota, and even he could tell you that a \$24 million return on a \$156 million seed investment is a bad deal. If these areas are as popular and desirable as their promoters make them out to be, why can't they get more people to give money voluntarily instead of involuntarily through government taxes? Instead of handing over more cash from the Treasury, it is appropriate for Congress to ask what these government-backed entities are doing wrong in their private fundraising efforts.

At what point does starter money mutate into habitual and expected maintenance funds? Having celebrated 11 years of birthdays, the heritage areas created in 1996 have had more than

enough time to become self-reliant. Will each of the entities and interests behind these nine areas be back in another 11 years for another \$10 or \$20 million bump in funding? Congress should nip this addictive trend in the bud now if we want to avoid recurrent begging sessions.

According to a January 2007 status report on their statutory authorization as of fiscal year 2006, the nine areas covered in this bill still have almost half of their original authorized funds available. With \$39 million in remaining resources, why do we need to tack on \$90 million more?

If Congress approves H.R. 1483, Members will be sending an unmistakable message that the Treasury will serve as a perpetual source of largesse for these and other new heritage projects. Instead of focusing on recruiting private and corporate donations, program administrators will spend more time lobbying the federal government for more money. New national heritage areas could blanket the country, as localities try to cash in on accompanying federal dollars. In fact, 50 measures to designate new areas or study their suitability were introduced in the 109th Congress, and nearly 20 such measures have been introduced in this Congress. I'm sure many more will follow. Caution should prevail as you consider the future implications of H.R. 1483.

Evaluating Heritage Partnership Program Performance

Another priority for NTU and the Americans we represent is ensuring the efficient use of taxpayer dollars. If the federal government aims to spend upwards of \$2.5 trillion every year, let's make sure it goes toward programs with a clear mission and demonstrable results. Unfortunately, national heritage areas don't fare well by either standard, according to many of the government's own review bodies. Both the Congressional Research Service and the Government Accountability Office have pointed out a lack of responsible stewardship on the part of heritage areas in their use of federal funds.

According to the five-year-old Program Assessment Rating Tool, which examines the performance of every federal program, the National Park Service's Heritage Partnership has received a "Results Not Demonstrated" rating. This means that the program has not been able to develop acceptable performance goals or collect data to determine whether it is performing. The review states that "funding for individual areas is not allocated through a competitive process," that "the program has no national performance measures and has limited means to hold management entities accountable for the use of Federal funds," and that "there are few clear requirements as a condition for receiving Federal funds." This is a fairly damning assessment.

Some would argue that the solution is to provide more resources, more handouts from Washington. But a lack of money isn't the problem. According to testimony by Lynn Scarlett, Assistant Secretary for Policy, Management and Budget at the Department of the Interior, the agency is spending "more funds per employee, per acre and per visitor than ever before."

The federal government already owns roughly one-third of the entire landmass of the United States. A significant portion of this property is managed by the National Park Service. Approving H.R. 1483 would mean adding a great deal of work to the Park Service's already full plate. With NPS-controlled properties facing a multi-billion-dollar repair backlog, is the added responsibility of nine extended heritage areas really a priority?

We agree with the Program Assessment Rating Tool's recommendation that grants, if given at all, should be provided competitively. There should be clear standards for holding management entities accountable for performance, as well as clear expectations for when each area is expected to become self-sufficient. Until we reach that point, I would suggest holding off on providing more funds that would simply continue to circulate without proper performance controls.

What's the Rush for Extension?

Finally, I would like to point out that national heritage areas have a bad record of keeping their promises to sunset. Just so we are clear, I'd like to quote one of those expectations now. On October 5, 1994, the late Representative Bruce Vento rose on the House floor in support of a bill to establish the American Heritage Areas Partnership Program. In reference to the heritage areas he said "there is a limit to the length of time or the amount of money the Federal Government can be in a heritage area. In 10 years, we are out of there. Then they are on their own and we all get the benefit of that conservation." I'd like to repeat that: "In 10 years, we are out of there." I believe Representative Vento meant exactly that when he said it. Don't break your honorable colleague's pledge by approving H.R. 1483.

According to the 2004 Government Accountability Office report I mentioned previously, "to date the sunset provisions have not limited federal funding. Since the first national heritage area was designated in 1984, five have reached the sunset date specified in their designating legislation. However, in each case, the sunset date was extended and the heritage area continued to receive funding from the Congress."

H.R. 1483 would move the sunset date for nine heritage areas from 2012 to 2027. Are we fooling ourselves now to even think that the end will come in 2027? Let's be honest – if the sponsors of the bill really intend to perpetually extend these areas, they should say so upfront and have a straightforward debate about it.

If these nine areas are to be extended, NTU questions the need for doing that now when they are not scheduled to expire for another five years. No one can say for certain what the financial circumstances or performance achievements of these areas will be until closer to 2012. Surely, the 111th or 112th Congress would be better positioned to consider these questions.

Every year the National Taxpayers Union releases our Rating of Congress. We include every single roll call vote on bills that deal with taxes, spending, and regulation. I can tell you now that if this bill comes to a floor vote, we would consider a "no" vote to be the pro-taxpayer position. I can also confidently say that if average Americans were to weigh the evidence against H.R. 1483, a great many of them would agree with our assessment.

I am most grateful for being invited to appear before you, and I will gladly answer any questions.