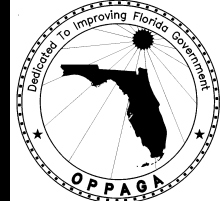




Office of Program Policy Analysis And Government Accountability



John W. Turcotte, Director

January 28, 1997

Review of the Historic Preservation Boards

Report Abstract

- The Historic Preservation Boards vary in the services they provide to communities depending on such factors as the number of state-owned properties managed, the number and type of staff employed by each Board, and the services available in the community.
- The Department of State has not developed a system to evaluate the Boards' performance in achieving desired outcomes and results.
- The Legislature may wish to consider organizational alternatives for the Historic Preservation Boards that could reduce costs and/or improve services.

Purpose of Review

The Joint Legislative Auditing Committee directed OPPAGA to review the state's Historic Preservation Boards in response to a request from the House Committee on Tourism and Cultural Affairs. Our review addressed three questions:

- What is the role of the Historic Preservation Boards and their relationship to local historic preservation entities?
- Are the Boards accountable for program outcomes and results?

- What are organizational alternatives for the Boards and what are the alternatives' potential effects?

Background

The state's policy is to support the preservation of historic resources for present and future generations. Preservation of historic properties is seen as a means to communicate the state's heritage to its residents as well as a means to attract out-of-state visitors. To help carry out this policy, the Legislature created Historic Preservation Boards to assist the state in its efforts. In 1959, the Legislature created the first Board in St. Augustine to protect the historic value of America's oldest city. There are currently six Boards located in the following areas: the Florida Keys, Pensacola, Palm Beach County, St. Augustine, Tallahassee, and Tampa/Hillsborough County.

Each Board hires a manager who is responsible for the day-to-day administration of the Board's programs. The Boards also hire staff to perform preservation, archaeological, and research services. In fiscal year 1996-97, the Legislature authorized a total of 54 positions for the six Boards.

Each Board is authorized to create a direct support organization to assist it in carrying out its purposes. The direct support organization is a not-for-profit corporation that is authorized to raise money, receive grants, and invest in and administer property.

The Legislature appropriated \$2.91 million in fiscal year 1996-97 to fund the six Boards. Approximately 60% of the appropriation (\$1.76 million) was derived from general revenue with the remaining 40% (\$1.15 million) from the operating trust fund, which is mostly funded from admission and rental fees for state property administered by the Boards. Exhibit 1 shows the fiscal year 1996-97 appropriations for each Board by source of funds.

**Exhibit 1
Historic Preservation Boards Appropriated
\$2.9 Million in Fiscal Year 1996-97**

Board	General Revenue	Operating Trust Fund	Total
Florida Keys	\$ 89,701	\$ 148,354	\$ 238,055
Pensacola	685,061	167,978	853,039
Palm Beach County	69,817	20,294	90,111
St. Augustine	594,729	478,616	1,073,345
Tallahassee	188,118	116,727	304,845
Tampa/Hillsborough County	137,386	215,162	352,548
Total	\$1,764,812	\$1,147,131	\$2,911,943
Percentage of Total	61%	39%	100%

Source: 1996-97 General Appropriations Act and Summary Statement of Intent.

Issues

What is the role of the Boards in historic preservation and their relationship to local historic preservation entities?

The Boards' purposes are to restore, maintain, reconstruct, reproduce, and operate historic sites and resources in their respective counties and to research, prepare, publish, and procure information about the historic sites. To accomplish these purposes, the Boards coordinate their efforts with local entities and provide some or all of the following services:

- **Preservation.** Preservation services include restoration, surveys of historic districts, and historical and archaeological research;

- **Museum Development.** Museum planning and identification of collections for museum development;
- **Property Management.** The administrative functions necessary to manage state-owned historic properties;
- **Technical Assistance.** Technical assistance includes assisting local governments in their historic preservation activities, publishing information on historic properties, and grant writing.

Boards vary in the services they provide depending on such factors as the number of state-owned properties managed, the number and type of staff employed by each Board, and the services available in the community. (See Exhibit 2.)

**Exhibit 2
Boards Provide Differing Services**

Board	Services Provided
<i>Florida Keys</i>	The Board employs two staff who manage four state-owned properties and provide technical assistance to local government.
<i>Pensacola</i>	The Board employs 14 staff and focuses on museum development, and management of 22 state-owned properties.
<i>Palm Beach County</i>	The Board employs two staff who mainly provide technical assistance to four municipalities within Palm Beach County.
<i>St. Augustine</i>	The St. Augustine Board employs 25 staff and provides preservation services, educational services, research, and technical assistance to local government and other preservation entities. The Board also manages 33 state-owned historic properties.
<i>Tallahassee</i>	The Board employs five staff who mainly provide preservation services and technical assistance to local government. The Board also manages two historic properties.
<i>Tampa/Hillsborough County</i>	The Board employs six staff who primarily provide preservation services and technical assistance to local government entities. The Board also manages six properties in Tampa's historic Ybor City area.

The Boards have established partnerships with local governments and private, non-profit corporations in their counties. For example, the Tallahassee Board is engaged in a joint effort with a local private, non-profit to conduct educational workshops on home restoration.

In addition, some Boards have modified their roles as local entities expanded their historic preservation efforts. For example, the City of Tampa has taken over from the Tampa Historic Preservation Board all preservation activities within the City. The Tampa Board mainly serves in a technical assistance capacity. In addition, the City of St. Augustine is conducting a study to determine the feasibility of taking over the activities of the St. Augustine Board, including the management of the state properties.

However, Board managers and members reported the Boards cannot assist local entities outside the Boards' counties. This has affected preservation efforts in some areas of the state. For example, the Tampa Board's manager reported that a historic hotel in a neighboring county might have been saved if the Tampa Board had been able to provide technical assistance outside its county area.

Are the Boards accountable for program outcomes and results?

The Historic Preservation Boards are not sufficiently accountable for program results and outcomes. Florida's recent efforts to redesign state government, such as performance-based program budgeting, have emphasized the need to evaluate program outcomes. These outcomes measure program results and are of particular importance in assessing a program's results relative to its costs.

Florida law requires the Department of State to monitor the effectiveness of all Board programs. The Department currently reports information on the Board's attainment of selected output measures, such as the number of individuals visiting historic properties or the number of entities receiving technical assistance. However, the Department has not developed measures for evaluating the outcomes of Board programs.

What are organizational alternatives for the Boards and what are the alternatives' potential effects?

For several years, an issue has arisen regarding whether the Boards are the best method for supporting local historic preservation activities. We identified five organizational alternatives for the Boards through our discussions with Board staff and trustees, Department of State staff, representatives from local governments and non-profit organizations, historic preservation professionals, and a review of historic preservation literature. Exhibit 3 shows the potential advantages and disadvantages of the following five alternatives:

1. Maintain the current design of the Boards;
2. Allow Boards to serve areas outside their county boundaries and increase their accountability for program results;
3. Redesign the Boards as public-private partnerships required to be self-supporting after a specified time;
4. Eliminate the Boards and create Department of State regional offices; and
5. Eliminate the Boards and rely on local entities to continue historic preservation efforts.

We examined these alternatives using three criteria:

- **Cost Reduction.** The degree to which each alternative minimizes the state's cost to provide historic preservation services.
- **Service Provision.** The extent to which state historic preservation services are available to local entities.
- **Accountability.** The potential use of outcome measures/performance criteria to evaluate performance and improve accountability.

Exhibit 3

Each Organizational Alternative Has Advantages and Disadvantages

Alternative 1: Maintain the Boards' current design

Description: • No changes will be made to the Boards' current design and operation.

Intended Result: • The existing historic preservation structure is maintained.

Advantage: • The Boards would continue providing their current range of historic preservation services.

Disadvantages: • The Boards' accountability for performance is not improved.
• State costs are not reduced.

Alternative 2: Allow Boards to serve areas outside their county boundaries and increase their accountability for program results

Description: • The Boards must develop outcome measures and the data to measure these outcomes.
• The Department of State must monitor the effectiveness of the Boards' programs based on these outcome measures.
• The Boards are allowed to create partnerships outside their county boundaries.

Intended Result: • This alternative would improve performance accountability and enhance partnering with other counties.
• This alternative will also prepare the Boards for performance-based program budgeting.

Advantages: • The Boards continue providing the current range of historic preservation services.
• The Boards' accountability is increased by requiring outcome measures and performance reports.
• The Boards could provide services to local entities outside their counties thus increasing service access.

Disadvantage: • The Boards' workload may increase in order to expand services outside their county areas; consequently, service efficiency may be affected.

Alternative 3: Redesign Boards as public-private partnerships required to be self-supporting after a specified time

Description: • The Boards will be redesigned into non-profit public-private partnerships.
• This alternative would also incorporate the changes described in Alternative 2 to increase performance accountability and partnering with counties.
• The public-private partnerships would deposit revenues from admissions and rentals of state-owned properties into a local, interest-bearing account.
• To fund the Boards' salaries and benefits, the public-private partnerships would receive a lump-sum appropriation linked to performance outcomes. State funding would be phased-out over a three-year period. OPPAGA estimates this alternative would save approximately \$1.8 million annually after the phase-out period.

Intended Result: • This alternative will give the Boards the autonomy and budget flexibility to operate like private businesses. The goal is to maintain the Boards at a lower cost to the state. However, the state-funded public-private partnerships would compete with private non-profit entities for donations and contributions and with private business owners for retail sales.

Alternative 3: (Continued)

- Advantages:*
- The Boards' accountability is improved by requiring the public-private partnerships to meet state-developed performance criteria.
 - The Boards' state funding is phased-out over a three-year period. As the Boards become self-supporting, state funding would be eliminated.
 - The Boards would have authority to provide services to local entities outside their counties, thus increasing service access.

- Disadvantages:*
- The Boards may emphasize services that generate revenue (property management functions and museum functions); consequently, other services may be reduced.
 - This alternative is not feasible for those Boards with limited state-owned property. The Boards with limited state-owned properties are located in Palm Beach, Tallahassee, Tampa, and the Florida Keys.

Alternative 4: Create four Department of State regional offices that would assist preservation efforts throughout the state

- Description:*
- The Legislature would eliminate the Boards and create four Department of State regional offices. The regional offices would provide technical assistance and information to the cities and counties in the region. To provide technical assistance, each regional office would need a minimum of three staff. Due to limited staff and larger service areas, this alternative would reduce the types of services currently provided by the Boards. For example, the regional offices would not provide preservation services and museum development. If the regional offices provide property management services, additional staff will be needed.

- Intended Result:*
- This alternative would improve local governments' access to technical assistance from the state level.

- Advantages:*
- The counties that do not have Boards will have increased access to services.
 - OPPAGA estimates this alternative would save approximately \$900,000 annually if the regional offices provide property management services.

- Disadvantages:*
- The services currently provided to counties with Boards may be reduced due to fewer staff.
 - The Board members' expertise will not be available to staff.

Alternative 5: Elimination of the Historic Preservation Boards

- Description:*
- The Legislature would repeal Chapter 266, Florida Statutes.
 - The responsibilities for historic preservation would rest entirely with local governments and private non-profit organizations. The Department's Division of Historical Resources would continue to provide technical assistance from its Tallahassee office.

- Intended Result:*
- The state's role will focus on providing an environment in which local preservation can prosper, such as through the state's special category grants' program.

- Advantage:*
- The Boards are eliminated, thus saving \$1.8 million annually. OPPAGA's cost savings estimates are based on fiscal year 1996-97 budgeted salaries and wages.

- Disadvantages:*
- State historic preservation services would be limited to technical assistance from the Tallahassee office and state grants.
 - The Board members' expertise will not be available to staff.
 - No state entities will be available to help coordinate local historic preservation efforts.

Two alternatives appear to best meet the three criteria. First, redesigning the Boards as public-private partnerships would allow them to provide services outside their counties. It would also improve accountability because the public-private partnerships would be required to meet state-developed performance criteria. In addition, state funding would be phased-out over a three-year period. OPPAGA estimates this would save approximately \$1.8 million annually after the phase-out period.

The second alternative that meets the criteria is eliminating the Boards and creating four Department of State regional offices. The regional offices would provide technical assistance to local entities throughout the state and manage state-owned properties. Counties that do not currently have Boards will have increased access to state services. In addition, OPPAGA estimates this alternative will reduce state costs by approximately \$900,000 annually. The alternative is also consistent with the trend toward increased local government involvement in historic preservation.

Regardless of any changes made to the Boards' organizational design, performance measures should be developed to help ensure accountability for program results and outcomes.

Agency Response

Florida Department of State

22 January, 1997

Mr. John W. Turcotte
Director - Office of Program Policy
Analysis
and Government Accountability
Post Office Box 1735
Tallahassee, FL 32302

Re: Department of State Response to the Review
of the Historic Preservation Boards

Dear Mr. Turcotte:

Attached please find my response to your office's review of the Historic Preservation Boards administered through the Department of State. I trust you will find it helpful in the final preparation of your report.

My thanks to you and your staff for the work you have put in to helping my Department maximize the use of state tax dollars and more efficiently delivering our services to the citizens of the State of Florida. Should you have questions or require additional information, please do not hesitate to call on me or any member of my staff.

Respectfully,

/s/ Sandra Mortham
Secretary of State

SBM/mwd

**Department of State
Response to the Review of the
Historic Preservation Boards**

This response by the Department of State (the Department) to the “Review of the Historic Preservation Boards” prepared by the Office of Program Policy Analysis and Government Accountability (OPPAGA) is intended to address the two recommended alternatives to the present preservation board structure. In its report, OPPAGA has recommended two alternatives which it believes more adequately accomplishes its three ultimate objectives of cost reduction, service provision, and program accountability. The favored alternatives as presented by OPPAGA are as follows: (1) redesigning the historic preservation boards as public-private partnerships with an increased service area and (2) eliminating the appointed boards and creating four regional offices of the Department which would provide technical assistance to local entities throughout the state.

To briefly summarize the Department’s response, the alternatives offered by OPPAGA have merit and would increase the level of preservation services from the individual counties presently serviced by the existing preservation boards to broader areas of the State. However, neither alternative should be applied universally across the State as a remedy to the present shortcomings of the existing preservation board structure. Due to the uniqueness of the individual preservation boards in terms of their locations, responsibilities, and services provided to their communities, each board must be evaluated individually in order to balance the needs of their community with the goal of establishing a cohesive structure for the statewide delivery of preservation services. To be more thoroughly discussed below, the Department supports the establishment of regional offices to replace the preservation boards in St. Augustine, Tampa, and Palm Beach, the creation of public/private partnerships to replace the preservation boards in Key West and Tallahassee, and the retention of the existing preservation board structure in Pensacola.

St. Augustine

The Department recommends that, with regard to the provision of preservation services, a regional office supported by a direct support organization replace the existing Preservation Board in St. Augustine. To accomplish a statewide system for the delivery of these services, the regional office should be permitted to service the counties and municipalities located in Northeast Florida. Unlike the regional offices proposed for Tampa and Palm Beach Preservation Boards, the St. Augustine Board manages a significant number of state properties. With regard to the property management functions currently handled by the Preservation Board, the Department recommends a partnership with the City of St. Augustine whereby the City, under lease from the State, would manage the existing state-owned properties. The management by the City will follow an agreed upon management plan which includes the establishment of a community based property management advisory board. This recommendation is supported by the existing preservation board members, and the City of St. Augustine has stated that such a management structure is feasible.

Tampa

The Department recommends that a regional office supported by a direct support organization replace the existing Preservation Board in Tampa. To accomplish a statewide system for the delivery of these services, the regional office should be permitted to service the counties and municipalities located in Central Florida. This recommendation is consistent with the recommendation of the existing preservation board in response to the OPPAGA study.

Palm Beach

The Department recommends that a regional office supported by a direct support organization replace the existing Preservation Board in Palm Beach. To accomplish a statewide system for the delivery of these services, the regional office should be permitted to service the counties and municipalities located in South Florida. This recommendation is consistent with the recommendation of the existing preservation board in response to the OPPAGA study.

Key West

The Department recommends that the existing Preservation Board in Key West be replaced by a public/private partnership. The public/private partnership would be a not-for-profit corporation which will manage the four state-owned buildings in Key West. The existing Preservation Board is presently supported by two employees of the Department. The not-for-profit corporation would be permitted to use the rent from the four properties for the salaries of these two staff positions and would additionally be able to apply for grants and raise additional funds in the community to supplement salaries, hire additional staff, and otherwise advance preservation in this community. The Preservation Board has indicated that this approach, along with the preservation office of the City of Key West, would be a viable means of meeting the preservation needs of this area, provided the rent is sufficient to cover the salaries and benefits of the two staff positions. Current rental income appears to be sufficient to accomplish these needs.

Tallahassee

The Department recommends that the existing Preservation Board in Tallahassee be replaced by a public/private partnership. The public/private partnership would be a not-for-profit corporation which will manage the two buildings presently managed by the existing Preservation Board and be able to continue to provide preservation services within the Leon County area. As with Key West, all rent and additional proceeds from the use of these properties would be used by the not-for-profit corporation to defray the cost of staff.

Pensacola

Given the unique nature of Pensacola and the properties it manages, the Department recommends the maintenance of the status quo with regard to this Board. This Preservation Board was charged at its

creation with the management of numerous state-owned properties and the establishment of a museum program to interpret these properties and Pensacola history. This Preservation Board has continued to accomplish these objectives and has performed every task delegated to it by statute and the Department without hindrance. Given its success and the difficulties of managing such a museum program, the Department recommends this Board to be permitted to continue its work within the current guidelines established by its statute.

* * * * *

In conclusion, the recommendation by the Department accomplishes the established goals of the OPPAGA report, i.e. cost reduction, statewide service provision, and program accountability. This response outlines a system whereby the needs of the counties serviced by the state-appointed preservation boards are balanced with the goal of establishing of a cohesive structure for the statewide delivery of preservation services. The implementation of these recommendations can occur fairly rapidly following legislative action in all communities except St. Augustine.¹ The Department agrees with OPPAGA that it is timely to integrate the boards into a more unified and effective means of delivering historic preservation services to the State as a whole, rather than to several separate communities. In addition, the Department believes the boards should be more clearly tied to the structures of administrative accountability within the Department of State and act principally through the organization of divisions and bureaus which characterizes the rest of the Department's operations.

¹ The transition in that community, given the large state staff and numerous state properties, will most likely take two or three years depending on the cooperation from the local government and the Legislature's phase out of state funding.

This project was conducted in accordance with applicable evaluation standards. Copies of this report may be obtained by telephone (904/488-1023 or 800/531-2477), by FAX (904/487-3804), in person (Claude Pepper Building, Room 312, 111 W. Madison St.), or by mail (OPPAGA Report Production, P.O. Box 1735, Tallahassee, FL 32302).

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