

**Minutes of the
One Hundred and Seventh Meeting of the
Maryland Heritage Areas Authority
February 13, 2025 Special Meeting**

The one hundred and seventh meeting of the Maryland Heritage Areas Authority (MHAA) was convened virtually on February 13, 2025. The public had the opportunity to listen/watch via live-stream. This was a special meeting convened at the request of MHAA members to discuss 2025 legislation that could potentially impact the work of MHAA, specifically SB0980 and HB1327 concerning Natural Resources – Maryland Heritage Areas Authority – Funding and Grants.

Authority Members/Designees Present

Secretary Rebecca M. Flora (MD Department of Planning and serving as the Chair for the Maryland Heritage Areas Authority); Melissa Archer (representing MD Department of Housing & Community Development Secretary Jake Day and serving as the Vice Chair for the Maryland Heritage Areas Authority); Mayor Nathan Brown (Maryland Municipal League representative); Robert D. Campbell (Governor’s Appointee for Historic Preservation); Mary Anne Harms (Speaker of the House representative); Nicholas Redding (President of the Senate representative); Hilary Bell (representing MD Department of Natural Resources Secretary Josh Kurtz); Natalie Chabot (Maryland Greenways Commission representative); Dennis Doster (Governor’s Appointee for Heritage Tourism); Elizabeth Hughes (State Historic Preservation Officer); Pete Leshar (Maryland Association of Counties representative); Julie Schablitsky (representing MD Department of Transportation Secretary Paul Wiedefeld) left the meeting early

Authority Members/Designees Absent

Peter Ramsey (representing MD State Superintendent of Schools Mohammed Choudhury); Rowland Agbede (representing MD Department of Agriculture Secretary Kevin Atticks); Geoffrey Newman (representing Maryland Department of Higher Education Secretary Sanjay Rai); Sandy Turner (Maryland Tourism Development Board representative); Jonathan Hughes (Speaker of the House representative)

Staff Present

Ariane Hofstedt (Administrator, Maryland Heritage Areas Program); Martha Waldron (Assistant Administrator, Maryland Heritage Areas Program); Andrew Arvizu (Assistant Administrator, Maryland Heritage Areas Program); Anne Raines (Deputy Director/Deputy State Historic Preservation Officer, Maryland Historical Trust); Nell Ziehl (Chief, Office of Planning, Education

and Outreach, Maryland Historical Trust); Adam Snyder (Principal Counsel, Office of the Attorney General)

CALL TO ORDER

Secretary Flora called the meeting to order at 4:01 PM. She thanked everyone for attending this special meeting of the Maryland Heritage Areas Authority and reminded everyone that this meeting is being recorded and is being livestreamed.

Secretary Flora stated that this is a meeting of the Authority who will be given priority in the discussions, but there is also a public comment section of the meeting. She asked everyone to refrain from using the chat so there are no side conversations and we are following protocols of the Open Meetings Act.

Update on Status of Legislation that Impacts MHAA

Secretary Flora began by reporting that since the January Authority meeting, she sought counsel and obtained clarity that the Authority is an independent unit of government in the Executive Branch of government that operates within the Maryland Department of Planning. As Secretary of MDP, Secretary Flora serves as the Chair of MHAA and one of the Governor's representatives on the Authority and also oversees the staff that MDP provides to carry out MHAA's operations. She does not direct MHAA's policy and strategic choices; that is for the members of this Authority, collectively. Secretary Flora stated the importance of the Authority members being front and center when it comes to voting, decision making, setting policy and direction, including the strategic plan. She noted that this is done with input from the public.

Secretary Flora went on to explain that because the Authority is in the Executive Branch it is subject to the requirement that it coordinate with the Governor's Office on legislative matters. That same requirement to consult with the Governor on legislative matters also applies to MDP, as well as all other cabinet agencies, including members on the Authority who represent those agencies.

At the time of this meeting, the Governor's position on SB0980 and HB1327 is unknown. If the Authority wishes to take a formal position, it must be coordinated through the Governor's legislative office.

Secretary Flora highlighted the fact sheet that was distributed to the Authority prior to the meeting summarizing the details of HB1327 and SB0980. Secretary Flora asked Ms. Hofstedt, Administrator of the Maryland Heritage Areas Program, to give an overview of this information.

Before discussing the fact sheet Secretary Flora provided some context by sharing that there is a \$3 billion state of Maryland structural deficit and agencies across the board at the executive

level are working hard to address this including being cautious with any bills that would promote additional spending. The potential changes to the federal government are also being tracked at the executive level to understand possible impacts to Maryland state agencies.

Ms. Hofstedt then went over the fact sheet starting with sharing that SB0016, which was discussed at the January meeting of the Authority, has since been withdrawn and SB0980 and HB1327 were filed in replacement by Senator Corderman and Delegate Wivell, respectively. She summarized the impact of the legislation on both MHAA's and the Department of Natural Resources (DNR)'s statutes, including increasing the maximum amount of Program Open Space funds that may be transferred to the MHAA Financing Fund from \$6 to \$12 million, decreasing the Program's administrative operating funds from up to 10% to up to 7%, adding a per grant award cap amount of \$300,000 to include management grants, reducing the required match, and removing the \$300,000 allotment of funds from the MHAA Financing Fund to the MHT Historic Preservation Non-Capital Grant Program.

Regarding the required match amount for grants, Ms. Hofstedt acknowledged that the summary bullet in the fact sheet was incorrect and offered the following clarification. The bill would increase the amount that can be awarded in a grant from 50% of total project costs to 80% of total project costs. That means that grantees would have to contribute at least 20% in match funds of the total project costs but the "may" language in the bills provides the Authority the ability to decide if the match should be more.

Ms. Hofstedt highlighted a few considerations to include 1) the "may" language in the proposed bills would set ceilings on the required match and grant caps but the Authority would still retain the ability to decide how much up to those amounts; 2) if the operating percentage is reduced to up to 7% and the proposed increase in appropriation is approved but not distributed, there will not be enough funds to maintain current MHAA staffing and administrative services; and 3) removing the \$300,000 allotment for the Maryland Historical Trust's Historic Preservation Non-Capital Grant Program from the Maryland Heritage Areas Financing Fund will most likely result in this grant program being inactive as of FY26.

Secretary Flora asked the Authority if there were any questions. Discussion followed regarding the details of the State share of Program Open Space funds.

Ms. Bell shared that DNR is reviewing the bill and shared that any position by the agency will be determined by the State House. Any additional funds that would be allocated to MHAA as a result of an increased cap would come from the State share of Program Open Space funds which also pay for DNR's charters for land and preservation easements, the new Greenspace Equity program, the Rural Legacy Program, and DNR's Capital Development Program, which

local organization and governments do benefit from. She confirmed that if funds to MHAA are increased then POS state funding would most likely be decreased somewhere. DBM would make the final recommendations to the general assembly keeping in mind that the funding source is variable based on transfer taxes.

Discussion followed regarding the impacts and budget implications of this legislation on MHT, MDP, MHAA, and DNR. The most immediate impacts to the proposed bills would be on operating expenses and match requirements. There was a mention of a possible amendment to address these items.

It was clarified that any possible informational letters from MDP would be presented at the hearings after consulting with the Governor's office. It was also clarified that SB0980 and HB1327 would go into effect on July 1, 2025 but the budget will not be impacted until the following fiscal year: fiscal year 2027 which begins July 1, 2026.

Secretary Flora added that we are in last stages of a strategic planning process from MHAA that includes certain aspects of the bill (i.e. caps, match). She respects that process and feels it is important to proceed with those discussions and let that process be completed. Another member confirmed the importance of the strategic planning process to refresh priorities and points of emphasis and be in the best position to manage resources whatever they may be.

Secretary Flora clarified the section of the Budget Reconciliation and Financing Act of 2025 (BRFA) SB0321 and HB0352 that mentions MHAA. She shared that for the fiscal year 2026 budget, MDP requested \$340,000 in over-the-target funds for the design of a new grants software system for MHAA and MHT. However, MDP did not identify or request where the source of funds would come from to address this need. The provision for these funds was the outcome of the budget processes with DBM which MDP respects. MDP has submitted fiscal notes outlining what the financial impact would be for MHAA as a result of this proposed provision.

There were no questions from the Authority.

Public Comment

Ms. Elizabeth Shatto, director of the Heart of the Civil War Heritage Area, reiterated that this legislation does not necessarily result in an increase – there is a possibility of up to \$12 million just as there is the possibility of up to \$6 million in the current allocation. The bills open up possibilities, which is a positive thing. The Maryland Heritage Areas Coalition also recognizes that there is language in the legislation that needs to be addressed regarding the percentage allocated for administrative operating costs and are open to an amendment to address these concerns. Ms. Shatto stated that she believes that this legislation and the MHAA strategic plan process are compatible, and one may strengthen the other.

Ms. Lucille Walker, director of the Southern Maryland National Heritage Area, shared that the legislation gives the Program's strategic plan and the Authority more options for changes in the future. She also mentioned that the last time the funding level was raised, no programs within Program Open Space saw a decrease.

Ms. Brigitte Carty, director of the Lower Susquehanna Heritage Area, reminded the Authority that with the current support from Senator Corderman and Delegate Wivell, it was important for the Coalition to begin the process of increasing funding for the Program, which can take years. Lastly, Ms. Carty mentioned the BRFA and had questions about why the grants software needs hadn't been discussed in the strategic planning process.

Ms. Deidra Ritchie, director of the Passages of the Western Potomac Heritage Area shared that the Coalition has put in a lot of hard work to get the legislation moving this year and hopes everyone can find a way to work together to benefit the state.

Discussion of Possible Next Steps for the Authority

Secretary Flora asked the Authority to take the Public Comments into consideration and reiterated that the Authority can certainly make a recommendation to the legislative team of the Governor's Office through a letter.

Secretary Flora asked the Authority to offer motions in the form of a recommendation that the Authority should make.

Mr. Leshar moved that the Authority take no position on this legislation and asked that the Coalition submit a letter of support with amendments to hearing committees outlining changes to the operating percentage and rescind the removal of the \$300,000 allocated for the MHT Historic Preservation Non-Capital Grant Program.

The motion was seconded by Mayor Brown.

Following discussion, the motion did not pass with Authority members Mr. Leshar and Mayor Brown voting in favor and Ms. Archer, Ms. Harms, Mr. Campbell, Mr. Doster, Ms. Chabot, and Mr. Redding voting against. Secretary Flora, Ms. Bell, and Ms. Hughes abstained.

Mr. Redding made a new motion that the Authority notify the Governor's Office in writing that MHAA members believe an increase in funding to the Maryland Heritage Areas Program, to include administering grants to organizations and agencies located within certified local heritage areas, would be beneficial to the overall work of the Authority and encourages the Moore-Miller Administration to support an increase of Program Open Space funding to the Maryland Heritage Areas Authority for this purpose.

Mr. Redding added that this gives MDP and the session floor the latitude to support funding but does not include ties to specific bills or percentages.

The motion was seconded by Ms. Harms.

A discussion ensued with Ms. Hofstedt asking clarification on where the letter should be addressed. The letter will be addressed from Secretary Flora to the Governor's Deputy Chief of Staff, copying the Authority members.

The following members voted in favor of the motion: Ms. Hughes, Ms. Chabot, Ms. Archer, Ms. Harms, Mr. Campbell, Mr. Redding, Mr. Doster, Mr. Leshner, Mayor Brown. Secretary Flora, and Ms. Bell abstained and no members opposed the motion.

Julie Schablitsky left the meeting early and was not present for either vote.

Closing Remarks

Secretary Flora thanked Ms. Chabot for her service on the Authority. With the dissolution of the Maryland Greenways Commission, the representative seat on the Authority no longer exists. Ms. Chabot will stay involved for the remaining pieces of the strategic planning process, but this is likely her last Authority meeting.

Ms. Chabot shared that this experience has been very rewarding and hopes that the strategic plan will bring folks together in a cohesive way.

Secretary Flora shared that the strategic plan is wrapping up and hopes the Authority members continue to stay engaged through upcoming small group meetings. She mentioned that Due East Partners' contract may need to be extended.

Lastly, she reminded the Authority that they are welcome to advocate for legislation as individuals but cannot do so within their position as an Authority member and thanked the heritage area directors for their advocacy.

Adjourn

Secretary Flora called for a motion to adjourn the meeting. Mr. Redding made the motion to adjourn, which was seconded by Mr. Campbell.

The motion passed unanimously and the meeting was adjourned at 5:25 PM.