Highlights of GAO-06-98, a report to congressional committees

Why GAO Did This Study

In 2000, Congress authorized the purchase of the Valles Caldera (the Caldera) in north-central New Mexico. The Valles Caldera Trust (Trust), a wholly owned government corporation, is to become financially self-sustaining and to manage the Caldera for multiple purposes while sustaining the land’s valuable natural resources. GAO was mandated to assess the progress the Trust is making in meeting its statutory goals.

What GAO Recommends

To help ensure that the Trust meets its goals and establish a more effective management control program, GAO recommends that the Trust’s Board of Trustees develop (1) a strategic and performance plan that identifies measurable goals and objectives for protecting and preserving the Caldera, providing recreation, sustaining yield, and becoming financially self-sustaining; (2) a plan for becoming financially self-sustaining; (3) periodic performance monitoring and reporting that enable Congress and the Trust to track progress in achieving program goals; and (4) a plan to fill vacant positions. GAO also recommends that the Board obtain the required financial audit for 2005 and report on the status of the audit in its 2006 annual report to Congress.

In commenting on the draft report, the Board generally agreed with GAO’s recommendations.


To view the full product, including the scope and methodology, click on the link above. For more information, contact Robin Nazzaro at (202) 512-3841 or nazzaror@gao.gov.

What GAO Found

The Trust has made progress in meeting its goals to preserve and protect the Caldera for future generations as well as to provide for public recreation and sustained yield management. Specifically, it has (1) established a basic organization with about 25 staff; (2) drafted policy and procedures and contracted with the Department of the Interior’s National Business Center for accounting services; (3) begun engineering and construction efforts to address infrastructure problems—roads, water systems, fences, and buildings; (4) established interim grazing and recreation programs; and (5) implemented an adaptive management approach that focuses on making management decisions based on scientific data.

The Trust, however, still has much work to do to meet its goals, including achieving a financially self-sustaining operation. Specifically, the Trust has not yet developed the following:

- **Strategic and performance plans with measurable goals and objectives.** For example, the Trust must decide on the level of activities (e.g., grazing, hiking, and hunting) that will be allowed without seriously harming the land’s resources, and yet will still provide sufficient recreational activity and sustained yield management. The Trust also must select additional opportunities for generating revenues, such as securing private donations.

- **Plans to manage program risks.** The Trust has not addressed program risks, including fire and legal liabilities. For example, the Trust lacks a fire plan, which would outline a decision-making process for responding to fires, and has not obtained liability coverage. Because it did not have a fire plan, the Trust spent about $338,000 in May 2005 to suppress a fire, which, in the opinion of the Forest Service Region 3 Fire Manager, could have been left to burn because the fire did not threaten any key resources or public infrastructure. Also, because it has not obtained liability coverage, the Trust has restricted the number of Caldera visitors.

- **Mechanisms for monitoring progress.** Among other things, the Trust has not had annual financial audits and has not prepared performance reports that would help it assess its progress toward meeting its financial and other goals.

The Trust’s efforts to raise the revenues needed to bring it closer to meeting its financial self-sustainability goal could be undermined by one or more of these issues. Frequent turnover in Board members and key staff has contributed to the problems experienced to date.