



December 2015

# NATIONAL PARK SERVICE

Revenues from Fees  
and Donations  
Increased, but Some  
Enhancements Are  
Needed to Continue  
This Trend

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# GAO Highlights

Highlights of [GAO-16-166](#), a report to congressional requesters

### Why GAO Did This Study

The Park Service manages 409 park units that cover 84 million acres. Park Service funding is generally composed of annual appropriations along with revenues from recreation fees, commercial service fees, and philanthropic donations. GAO was asked to review the Park Service's collection of these fees and donations.

This report examines the Park Service's (1) overall funding trends for fiscal years 2005 through 2014; (2) trends in revenues from fees and donations; and (3) efforts to increase revenues and donations, and factors that affected these efforts. To conduct this work, GAO analyzed budget data for fiscal years 2005 through 2014 on the Park Service's overall funding and fee revenue and donations. GAO also reviewed laws, examined Park Service reports, and interviewed agency officials and stakeholders, such as nonprofit partners and concessioners.

### What GAO Recommends

Congress should consider amending FLREA so that the federal agencies that charge recreation fees can determine whether to adjust the price of a senior pass. GAO also recommends that the Department of the Interior direct the Park Service to revise its guidance to periodically review entrance fees and direct park units to provide information on their decisions to not increase fees. Interior concurred with the recommendations.

View [GAO-16-166](#). For more information, contact Anne-Marie Fennell at (202) 512-3841 or [fennella@gao.gov](mailto:fennella@gao.gov).

### What GAO Found

The National Park Service's (Park Service) total funding did not keep pace with inflation for fiscal years 2005 through 2014, even as fees and donations increased. Total funding increased in nominal dollars from \$2.7 billion to \$3.1 billion (15 percent) during this period, but declined by 3 percent after adjusting for inflation. Annual appropriations, which comprised about 88 percent of total funding on average, declined 8 percent after adjusting for inflation. Fees, donations, and other funding sources, which accounted for the remainder, increased 39 percent after adjusting for inflation.

Revenues from fees and donations grew for fiscal years 2005 through 2014 to varying degrees. Specifically, revenues from recreation fees, which include entrance and amenity fees for facilities such as campsites, increased from about \$148 million to \$186 million (26 percent). Revenues from fees from concessions operations, which comprise the vast majority of commercial service fees, nearly tripled from almost \$29 million to \$85 million. Meanwhile, cash donations from philanthropic sources fluctuated, ranging from \$19.5 million in fiscal year 2011 to \$94.7 million in fiscal year 2014.

The Park Service has efforts under way to increase revenues from fees and donations, but certain factors limit these efforts. For recreation fees, the Park Service updated its fee schedule, and several park units increased entrance and amenity fees. However, the Federal Lands Recreation Enhancement Act (FLREA) does not give the Park Service and other agencies that charge recreation fees the authority to adjust the price of a lifetime senior pass, which has been \$10 since 1993. GAO's guide on user fees states that federal agencies should regularly review fees and make changes if warranted. Without the authority to modify the price of the senior pass, the Park Service is limited in its ability to increase revenue from this fee. In addition, Park Service guidance on recreation fees directs the agency to ensure its fees are set at a reasonable level, but does not call for periodic reviews of these fees, and the agency has no plans to do so. The agency also does not require park units to provide information on decisions to not change their fees or deviate from the fee schedule because decisions about raising fees are left to the park units. As a result, the Park Service is missing opportunities to ensure that its entrance fees are reasonable. To increase commercial service revenues, the Park Service increased minimum franchise fees that concessioners pay, and some park units have developed leasing programs. Several factors, such as limited competition for some concessions contracts, complicate efforts to increase these fees. For philanthropic donations, the Park Service has launched fundraising and public outreach campaigns in conjunction with its centennial anniversary in 2016 and has modified fundraising policies to increase donation opportunities. According to agency officials, several factors hamper the agency's ability to increase donations, such as projects that need funding are not always attractive to donors.

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### Abbreviations

Concessions Act	National Park Service Concessions Management Improvement Act of 1998
C&O	Chesapeake and Ohio
FLREA	Federal Lands Recreation Enhancement Act
Foundation	National Park Foundation
IRS	Internal Revenue Service
LSI	Leaseholder Surrender Interest
MAX	MAX Information System
OMB	Office of Management and Budget
Park Service	National Park Service

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December 15, 2015

The Honorable Lisa Murkowski  
Chairman  
Committee on Energy and Natural Resources  
United States Senate

The Honorable Michael Enzi  
United States Senate

The National Park Service (Park Service)—within the Department of the Interior—manages 409 park units that cover 84 million acres across all 50 states, the District of Columbia, and some territories. These park units, which include national parks, historic sites, monuments, recreation areas, and battlefields, received 293 million visits in 2014. In recent years, reports prepared by the Park Service and stakeholder groups have highlighted challenges the Park Service faces—including fiscal challenges. The Park Service has reported that its funding does not cover the full cost of its mission to preserve the park units for current and future generations to enjoy. In 2006, we reported that the Park Service faced a backlog of about \$5 billion for the buildings, trails, and artifacts it is responsible for maintaining,<sup>1</sup> and in a 2013 testimony before Congress, the Director of the Park Service stated that about \$250 million in additional annual funding was needed to keep this maintenance backlog from growing. As of September 30, 2014, the Park Service estimated its maintenance backlog had grown to about \$11.5 billion.<sup>2</sup>

Funding for the Park Service is generally composed of annual appropriations along with revenues generated from fees and donations that the Park Service is authorized to collect and use.<sup>3</sup> Fees include

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<sup>1</sup>GAO, *National Park Service: Major Operations Funding Trends and How Selected Park Units Responded to Those Trends for Fiscal Years 2001 Through 2005*, [GAO-06-431](#) (Washington, D.C.: Mar. 31, 2006).

<sup>2</sup>National Park Service, *Fiscal Year 2014 Deferred Maintenance Reports* (Mar. 23, 2015).

<sup>3</sup>In its budget justification, the Park Service calls these funding streams discretionary and mandatory appropriations. It uses “discretionary appropriations” to refer to funding that comes from the annual appropriations process while it uses “mandatory appropriations” to refer to funding that includes fees and donations.

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recreation fees—primarily entrance and amenity fees—and commercial service fees paid by private companies that provide services, such as operating lodges and retail stores in park units. The Park Service can also receive cash and in-kind donations from nonprofit partner groups, known as friends groups and cooperating associations. In addition, the Park Service benefits from individuals who volunteer their time at individual park units.

In a 2013 testimony before Congress, the Director of the Park Service said that the agency was reassessing its commercial service fees and undertaking other efforts to generate additional revenue for the agency. With the Park Service approaching its centennial in 2016, policymakers and others have proposed additional ways to help the Park Service handle its fiscal challenges, including for the Park Service to increase revenues from fees and donations.

You asked us to review funding for the Park Service, including the fees and donations it is authorized to collect. This report examines (1) general trends in funding for the Park Service for fiscal years 2005 through 2014; (2) the trends in the Park Service's revenues from recreation and commercial service fees and donations from philanthropic sources for fiscal years 2005 through 2014; and (3) the Park Service's efforts to increase fee revenues and donations, and factors, if any, that may affect these efforts.

To examine general funding trends for the Park Service for fiscal years 2005 through 2014, we obtained and analyzed data on the Park Service from the Office of Management and Budget (OMB) MAX Information System (MAX).<sup>4</sup> Data reported in OMB MAX are subject to review and checks through OMB to help ensure consistency of the data, and we determined these data were sufficiently reliable for our purposes. We analyzed these data in both nominal and inflation adjusted terms.<sup>5</sup> We also examined Park Service budget documents, including its annual

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<sup>4</sup>We selected this period because it was the most recent 10-year period for which data were available, and 10 years of data would allow us to identify any trends. OMB's MAX Information System is a database used to support OMB's federal management and budget processes. The system collects, validates, analyzes, models, and publishes information relating to government-wide management and budgeting activities.

<sup>5</sup>We adjusted nominal dollars using the fiscal year chain-weighted gross domestic price index, with 2014 as the base year.

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budget justifications and spoke with Park Service officials at headquarters, regional offices, and park units to better understand these trends.

To examine trends in fee revenues and donations for the Park Service for fiscal years 2005 through 2014, we analyzed OMB MAX data along with other data on these funding sources we received from the Park Service. We used the OMB MAX data to examine the trends at a national level, and we used the data from the Park Service to examine trends at the park unit level. We also interviewed Park Service officials at headquarters, regional offices, and park units to better understand the trends we identified in the data. To determine the reliability of the Park Service's data, we spoke with agency officials that were familiar with these data, reviewed relevant documentation, and compared these data to data from OMB MAX. We generally found these data to be sufficiently reliable for our purposes. The exception is the park unit level data on philanthropic donations, which we found to have certain limitations, and we identify these limitations in our use of these data.

To examine the Parks Service's efforts to increase fee revenues and donations and any factors that may affect these efforts, we examined Park Service documents and interviewed agency officials at the headquarters, regional, and park unit levels. We compared this information with relevant laws and agency policies, as well as GAO's design guide for federal user fees<sup>6</sup> and *Standards for Internal Control in the Federal Government*.<sup>7</sup> We interviewed officials at 23 park units in person and contacted officials from another 8 park units by phone and asked about their experiences with these funding sources. In selecting parks, we included a range of park units that varied by certain characteristics, including number of visitors and type (i.e., scenic vs. historical), and we interviewed officials from at least 1 park unit in all 7 of the Park Service's regions. We also interviewed stakeholders, including concessioners and nonprofit partners. We selected these stakeholders because of their affiliation with parks in our review or because they would

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<sup>6</sup>GAO, *Federal User Fees: A Design Guide*, [GAO-08-386SP](#) (Washington, D.C.: May 29, 2008). To develop this user guide, we reviewed economic and policy literature on federal and nonfederal user fees, including our prior work on user fees.

<sup>7</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: Nov. 1999).

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be able to provide other perspectives on these revenue sources. The views from these interviews are not generalizable to all parks, concessioners, and nonprofit partners, but they were used to provide a range of perspectives on Park Service's efforts. Appendix I contains a more detailed description of our objectives, scope, and methodology.

We conducted this performance audit from October 2014 to December 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

The National Park Service Organic Act of 1916 established the Park Service within the Department of the Interior to promote and regulate the use of the National Park System with the purpose of conserving the scenery, natural and historic objects, and wildlife therein and to leave them unimpaired for the enjoyment of future generations.<sup>8</sup> The Park Service manages its responsibilities through its headquarters office located in Washington, D.C., seven regional offices, and 409 individual park units that are part of the system. Park unit types include national parks, such as Yellowstone and Great Smoky Mountains; national historic parks, such as Valley Forge and the Chesapeake and Ohio Canal; national battlefields, such as Antietam and Fort Necessity; national historic sites, such as Ford's Theatre and Theodore Roosevelt's birthplace; national monuments, such as Muir Woods and the Statue of Liberty; national preserves, such as the Yukon-Charley Rivers and Big Cypress; national recreation areas, such as Lake Mead and the Chattahoochee River, and national lakeshores, such as Sleeping Bear Dunes and the Apostle Islands.

Funding for the Park Service is composed of two sources: (1) annual appropriations and (2) fees, donations, and other funding sources.

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<sup>8</sup> Act of August 25, 1916, ch. 408, § 1, 39 Stat. 535, 535 (codified as amended at 54 U.S.C. §§ 100101, 100301). The 1916 legislation is commonly referred to as the National Park Service Organic Act.

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**Annual appropriations.** The Park Service generally receives funding through annual appropriations acts, which provide funds used by park units or applicable entities, such as states and local governments, in the following five accounts:<sup>9</sup>

- **Operation of the National Park System.** Provides base funding for the operation of park units and for Park Service-wide programs. This funding is used by park units for visitor services, park protection, and maintenance projects, among other things.
- **National Recreation and Preservation.** Supports programs that assist state, local, and tribal governments, and private organizations with outdoor recreation, preservation, and environmental compliance.
- **Historic Preservation Fund.** Provides grants to state, territorial, and tribal governments and certain private groups for preserving historical and cultural resources.
- **Construction.** Supports planning and implementation of major rehabilitation and replacement projects at park units, along with unplanned, emergency construction projects.
- **Land Acquisition and State Assistance.** Uses funding from the Land and Water Conservation Fund<sup>10</sup> to support Park Service land acquisition activities and provide grants to state and local governments for the purchase of land for recreation activities.

**Fees, donations, and other funding sources.** The Park Service collects and uses funds from fees, donations, and other funding sources. These include:

- **Entrance fees and amenity fees.** The Federal Lands Recreation Enhancement Act (FLREA)<sup>11</sup> authorizes the Park Service to collect and use recreation fees, including entrance fees and amenity fees for certain equipment and services, such as campgrounds.

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<sup>9</sup>The Park Service has also occasionally received funding in other accounts. For example, the agency received funding in a Centennial Challenge account in 2008 and 2015 and in a Park Partnership Project Grant account in 2010.

<sup>10</sup>Until September 30, 2015, the Land and Water Conservation Fund accumulated revenue from the federal motorboat fuel tax and surplus property sales. To supplement these sources, the fund accumulated revenue from oil and gas leases on the Outer Continental Shelf.

<sup>11</sup>Pub. L. No. 108-447, div. J. tit. VIII, 118 Stat. 3377 (2004) (codified as amended at 16 U.S.C. §§ 6801-6814 (2015)).

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- **Franchise fees and commercial use authorization fees.** The National Park Service Concessions Management Improvement Act of 1998 (Concessions Act) authorizes the Park Service to collect and use certain fees from concessioners that operate businesses in park units.<sup>12</sup> Specifically, the Park Service may collect and use franchise fees from concessioners who operate restaurants, lodges, and other business operations inside park units. These fees are generally assessed as a percentage of the concessioners' total gross receipts. The Park Service also collects fees for commercial use authorizations, which include small-scale commercial activities, such as leading workshops or tours.
  - **Rents.** The Park Service is authorized to collect and use certain rents.<sup>13</sup> Through its leasing program, the Park Service leases buildings and associated property to businesses, individuals, and government entities.
  - **Donations.** The Park Service is authorized by law to receive and use cash donations and in-kind donations from individuals, nonprofit organizations, and corporations.<sup>14</sup> Examples of in-kind donations include artifacts or services provided by nonprofit partner groups on behalf of the Park Service. The Park Service is also authorized to develop agreements with nonprofit partner groups, known as friends groups and cooperating associations.<sup>15</sup> In general, friends groups engage in fundraising efforts on behalf of individual parks units, while cooperating associations provide interpretive services for visitors and manage retail operations at parks and share a portion of their proceeds from these operations with park units.<sup>16</sup> The Park Service also has a volunteer program authorized by the Volunteers in the Parks Act of 1969.<sup>17</sup> Volunteers help with a variety of tasks at park units, including doing maintenance work and providing interpretive services to visitors.

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<sup>12</sup>Pub. L. No. 105-391, tit. IV, 112 Stat. 3503 (codified as amended at 54 U.S.C. §§ 101911 – 101926 (2015)).

<sup>13</sup>54 U.S.C. § 102102 (2015).

<sup>14</sup>54 U.S.C. §§ 100725, 101101 (2015).

<sup>15</sup>54 U.S.C. § 101702 (2015).

<sup>16</sup>Broadly speaking, interpretive services involve providing educational information to visitors about the park units. Examples of these services include providing information to visitors about animals or plants in a park unit.

<sup>17</sup>Pub. L. No. 91-537, 84 Stat. 472, codified as amended at 54 U.S.C. § 102301 (2015).

- **Other funding sources.** Other funding sources include transportation fees the Park Service collects to operate public transportation systems in park units; rents collected for employee housing; and funding from the U.S. Department of the Treasury for certain pension payments for United States Park Police annuitants.<sup>18</sup>

## Park Service’s Total Funding Did Not Keep Pace with Inflation for Fiscal Years 2005 through 2014, Even with Increases in Fees and Donations

According to our analysis of OMB MAX data, total funding for the Park Service increased in nominal dollars from \$2.7 billion in fiscal year 2005 to \$3.1 billion in fiscal year 2014 (15 percent), as shown in table 1. However, when adjusted for inflation, total funding for the Park Service declined by 3 percent during this period.

**Table 1: Total Funding for the National Park Service, Fiscal Year 2005 through Fiscal Year 2014 in Nominal Terms**

Dollars in millions

Funding source	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	Change FY 05 – FY 14
Annual appropriations <sup>a</sup>	\$2,391	\$2,346	\$2,330	\$2,480	\$3,308	\$2,770	\$2,641	\$2,594	\$2,816	\$2,604	9%
Fees, donations, and other funding sources <sup>b</sup>	288	310	333	377	358	381	364	410	394	473	64%
<b>Total</b>	<b>\$2,679</b>	<b>\$2,656</b>	<b>\$2,663</b>	<b>\$2,857</b>	<b>\$3,666</b>	<b>\$3,151</b>	<b>\$3,005</b>	<b>\$3,004</b>	<b>\$3,210</b>	<b>\$3,077</b>	<b>15%</b>

Legend: FY = fiscal year.

Source: GAO analysis of Office of Management and Budget MAX data. | GAO-16-166

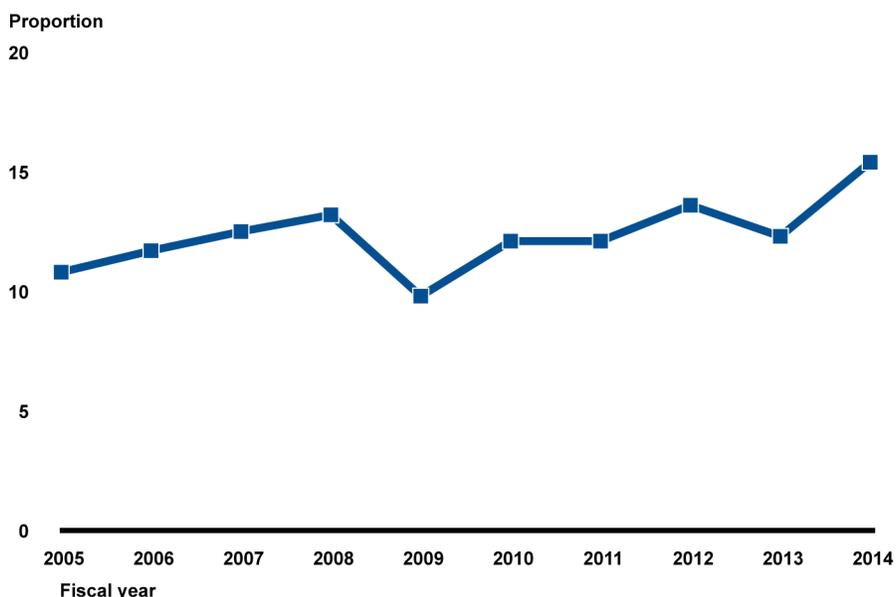
<sup>a</sup>This represents funding received through annual appropriations acts.

<sup>b</sup>This represents funding from fees, donations, and other sources. This includes recreation fees, commercial service fees, and philanthropic donations that the Park Service is authorized to collect and use.

<sup>18</sup>These funding sources are outside the scope of this review.

For fiscal years 2005 through 2014, the largest component of funding for the Park Service was its annual appropriations, which comprised 88 percent of its total funding on average, with fees, donations, and other funding sources comprising the remaining 12 percent. Over time, there has been some growth in the proportion of total Park Service funding that fees, donations, and other funding sources comprise (see fig. 1).

**Figure 1: Proportion of the National Park Service’s Total Funding Comprised of Fees, Donations, and Other Funding Sources, Fiscal Year 2005 through Fiscal Year 2014**



Source: GAO analysis of Office of Management and Budget MAX Information System data. | GAO-16-166

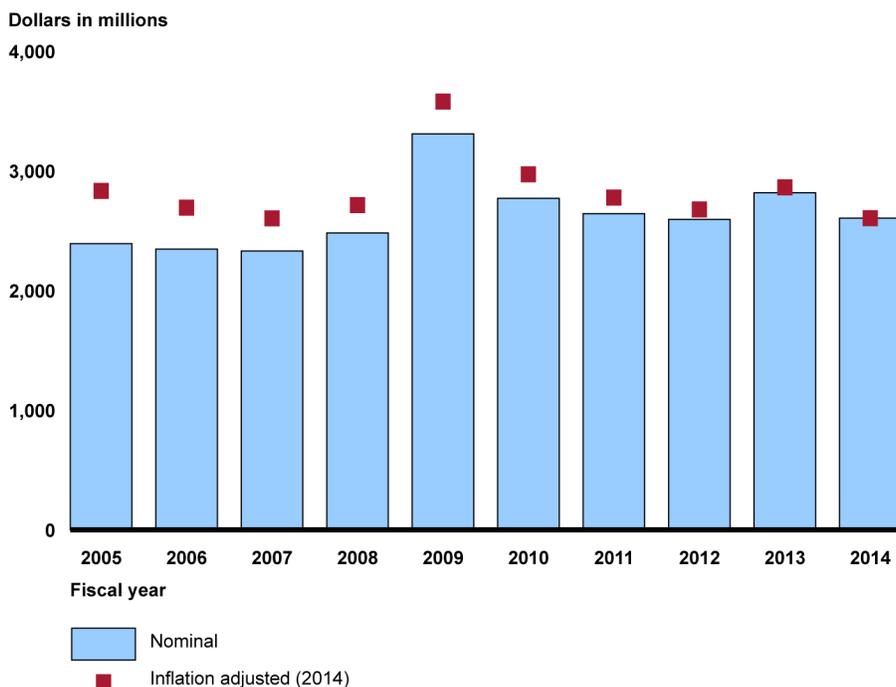
Note: This figure represents the proportion of Park Service’s total funding that comes from fees, donations, and other sources. This includes recreation fees, commercial service fees, and philanthropic donations that the Park Service is authorized to collect.

Annual appropriations increased by 9 percent overall from fiscal year 2005 through fiscal year 2014 in nominal terms but declined by 8 percent after adjusting for inflation (see fig. 2). A large increase in appropriations came in fiscal year 2009, when the American Recovery and Reinvestment Act provided an additional \$750 million to the Park Service.<sup>19</sup> Since fiscal year 2010, annual appropriations for the Park

<sup>19</sup>American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115.

Service have generally declined. Park Service officials told us that flat or declining appropriations have made it difficult to cover increases in salary and expenses for agency employees and to address the agency's growing maintenance backlog. In addition, the number of park units in the system has been growing, and some Park Service officials said that this increase in units meant that the agency's appropriations had to be divided among an increasing number of units. In 2006, there were 390 park units, and there are 409 park units as of November 2015.

**Figure 2: Annual Appropriations for the National Park Service, Fiscal Year 2005 through Fiscal Year 2014**

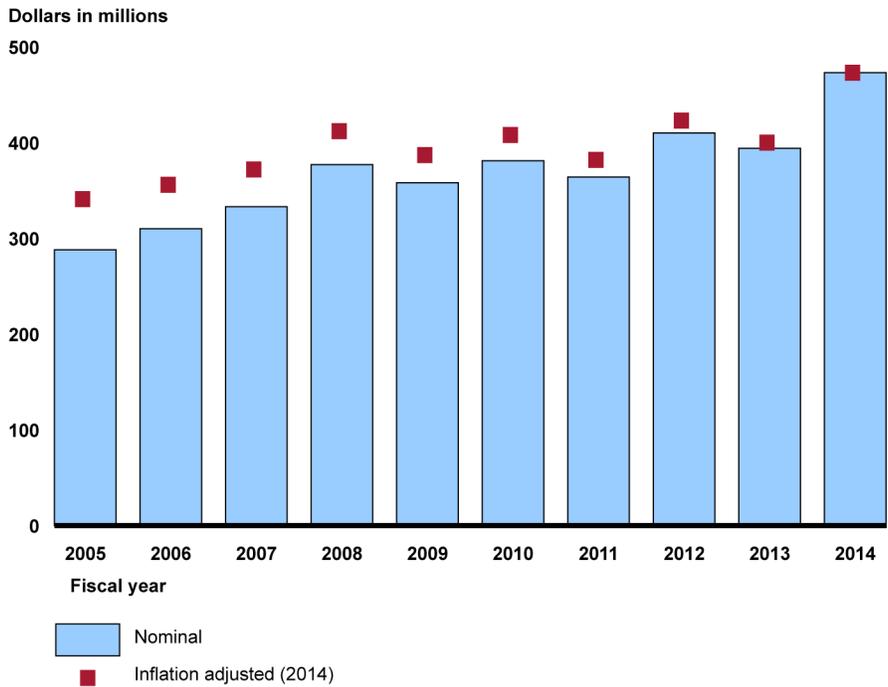


Source: GAO analysis of Office of Management and Budget MAX Information System data. | GAO-16-166

Note: A large increase in appropriations came in fiscal year 2009, when the American Recovery and Reinvestment Act provided an additional \$750 million to the Park Service.

Fees, donations, and other funding sources grew 64 percent in nominal terms from fiscal year 2005 through fiscal year 2014 and have increased in most years, as shown in figure 3. Even after adjusting for inflation, funding from these sources increased by 39 percent during this period.

**Figure 3: Fees, Donations, and Other Funding Sources for the Park Service, Fiscal Year 2005 through Fiscal Year 2014**



Source: GAO analysis of Office of Management and Budget MAX Information System data. | GAO-16-166

Note: This figure represents funding from fees, donations, and other sources. This includes recreation fees, commercial service fees, and philanthropic donations that the Park Service is authorized to collect.

Recreation fees, commercial service fees, and cash donations comprised on average 74 percent of the total fees, donations, and other funding sources for the Park Service for fiscal years 2005 through 2014.<sup>20</sup> Park Service officials told us that these three revenue sources provided important support to park units. For example, from 2005 through 2011, recreation fees funded an estimated 8,575 projects at park units, including maintenance and other projects that enhanced the visitor experience, according to a 2012 report on the implementation of

<sup>20</sup>The remaining 28 percent of funding in this category include funding from the Department of the Treasury for certain pension payments for the U.S. Park Police (\$45.5 million in fiscal year 2014), rents that the Park Service collects for employee housing (\$23.1 million in fiscal year 2014), and fees collected to operate public transportation systems in parks units (\$17.4 million in fiscal year 2014).

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FLREA.<sup>21</sup> In addition, during that time period, the Park Service used revenue from franchise fees to reimburse numerous concessioners that improved facilities in park units. Further, philanthropic donations enabled some parks to complete projects, such as improving trails or rehabilitating visitor centers. Some Park Service officials voiced concern to us that fees and donations could be viewed as a substitute for annual appropriations. They said that these sources are to be viewed as a supplement to annual appropriations but not a replacement.

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## Park Service's Revenues from Fees and Donations Increased to Varying Degrees from Fiscal Year 2005 through Fiscal Year 2014

Revenues from recreation and commercial service fees and donations from philanthropic sources grew from fiscal year 2005 through fiscal year 2014. Specifically, revenues from recreation fees increased 26 percent during the period, while revenue from commercial service fees nearly tripled. Meanwhile, cash donations from philanthropic sources have fluctuated, while volunteer support has consistently increased.

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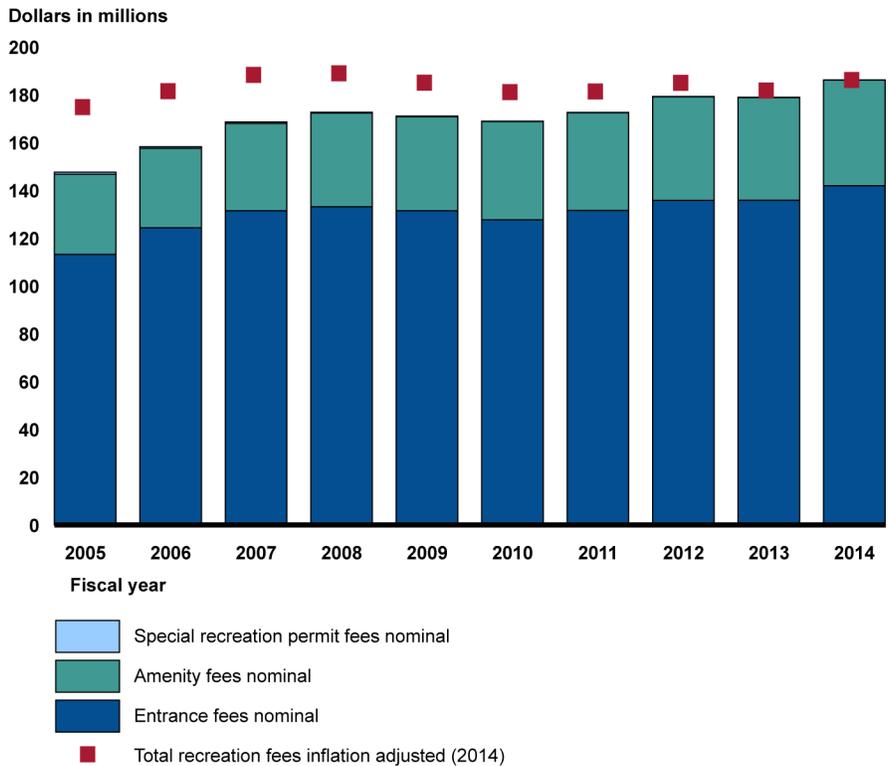
## Revenues from Recreation Fees Grew 26 Percent, and a Small Number of Parks Account for a Large Proportion of These Fees

According to our analysis of Park Service data, revenues from recreation fees increased from about \$148 million to about \$186 million (26 percent) during the period we examined, as shown in figure 4. With the exception of fiscal years 2009, 2010, and 2013, revenues from recreation fees increased over the prior year.

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<sup>21</sup>Department of the Interior and Department of Agriculture, *Implementation of the Federal Lands Recreation Act: Triennial Report to Congress* (May 2012).

**Figure 4: Total Recreation Fees Collected by the National Park Service, Fiscal Year 2005 through Fiscal Year 2014**



Source: GAO analysis of National Park Service data. | GAO-16-166

Note: Recreation fees include entrance, amenity, and special recreation permits collected by park units. Special recreation permit fees accounted on average for about 0.22 percent of total recreation fees during the period we examined. Amenity fees are for equipment, services, and facilities such as campsites, while special recreation permits are for specialized recreation activities such as motorized recreational vehicle use.

Revenues from recreation fees are comprised largely of entrance fees and amenity fees for equipment, services, and facilities, such as campsites. Revenues from entrance fees have been higher than amenity fees from fiscal year 2005 through fiscal year 2014, accounting for about

77 percent on average of the total recreation fees collected, with amenity fees on average accounting for the remaining 23 percent.<sup>22</sup>

Although recreation fee revenues have been generally increasing, the number of park units collecting entrance fees has declined from fiscal year 2008, the first year for which data are available according to Park Service officials, through fiscal year 2015. The number of park units charging amenity fees has remained largely constant over this period (see table 2).

**Table 2: Number of Park Service Units Charging Recreation Fees, Fiscal Year 2008 through Fiscal Year 2015**

Fiscal year	Park units collecting entrance fees <sup>a</sup>	Park units collecting amenity fees <sup>b</sup>	Park units collecting both entrance fees and amenity fees
2008	147	132	87
2009	143	132	86
2010	140	131	86
2011	134	131	86
2012	133	132	86
2013	131	131	84
2014	130	131	83
2015	128	130	82

Source: GAO analysis of National Park Service data. | GAO-16-166

<sup>a</sup>Entrance fees are paid by visitors to enter a park unit for a certain period of time.

<sup>b</sup>Amenity fees are paid by visitors for equipment, services, and facilities, such as campsites.

<sup>22</sup>Special recreation permit fees are also collected under FLREA by the Park Service, but these accounted on average for about 0.22 percent of total recreation fees during the period we examined.

**Top 10 Park Units in Recreation Fees Collected, Fiscal Year 2014**

Dollars in thousands

Park unit name	Recreation fees collected
Grand Canyon National Park	\$19,051
Yosemite National Park	18,790
Yellowstone National Park	9,449
Zion National Park	6,487
Rocky Mountain National Park	5,804
Lake Mead National Recreation Area	4,593
Shenandoah National Park	4,572
Sequoia National Park and Kings Canyon National Park <sup>a</sup>	4,564
Grand Teton National Park	4,330
Glacier National Park	\$4,113

Source: GAO analysis of National Park Service data. | GAO-16-166

<sup>a</sup>Recreation fees are collected jointly for Kings Canyon and Sequoia National Parks. Specifically, entrance fees allow access to both parks.

The decision to charge recreation fees involves individual park units, which make proposals to charge fees, and regional and headquarters officials who approve these fees. According to Park Service guidance, one of the guiding principles of the program is that parks will not collect recreation fees if the cost of collection exceeds the amount of revenue generated.<sup>23</sup> For example, some park units do not have many visitors, so the administrative costs of charging these fees, which include paying staff to collect them, purchasing cash registers to process them, and hiring an armored car service to deposit them, can outweigh the anticipated revenues.

Even with the decline in the number of parks collecting recreation fees, revenues grew over the period we examined, largely because the fees collected at a small number of parks account for a large portion of the fees collected. In fiscal year 2014, five national parks—Grand Canyon, Yosemite, Yellowstone, Rocky Mountain, and Zion—accounted for \$59.6 million or about one-third of the total recreation fees collected that year. In addition, according to our analysis of the Park Service data, the top 50 park units collected about 88 percent of the total recreation fees collected in fiscal year 2014.

<sup>23</sup>National Park Service, *Reference Manual 22A: Recreation Fee Collection* (February 2014).

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Revenues from  
Commercial Service Fees  
and Rents Almost Tripled,  
and Concessions  
Contracts Generate the  
Majority of These  
Revenues

According to our analysis of Park Service data, revenues from commercial service fees and rents almost tripled during the period, growing from almost \$33 million in fiscal year 2005 to about \$95 million in fiscal year 2014, as shown in figure 5.<sup>24</sup> Revenues from franchise fees, rents,<sup>25</sup> and commercial use authorization fees all grew during this period. Specifically, revenues from franchise fees almost tripled, growing from about \$29 million in fiscal year 2005 to about \$85 million in fiscal year 2014. In addition, rents grew from about \$2 million in fiscal year 2005 to almost \$8 million in fiscal year 2014, and fees from commercial use authorizations more than doubled from about \$988,000 in fiscal year 2005 to about \$2 million in fiscal year 2014.

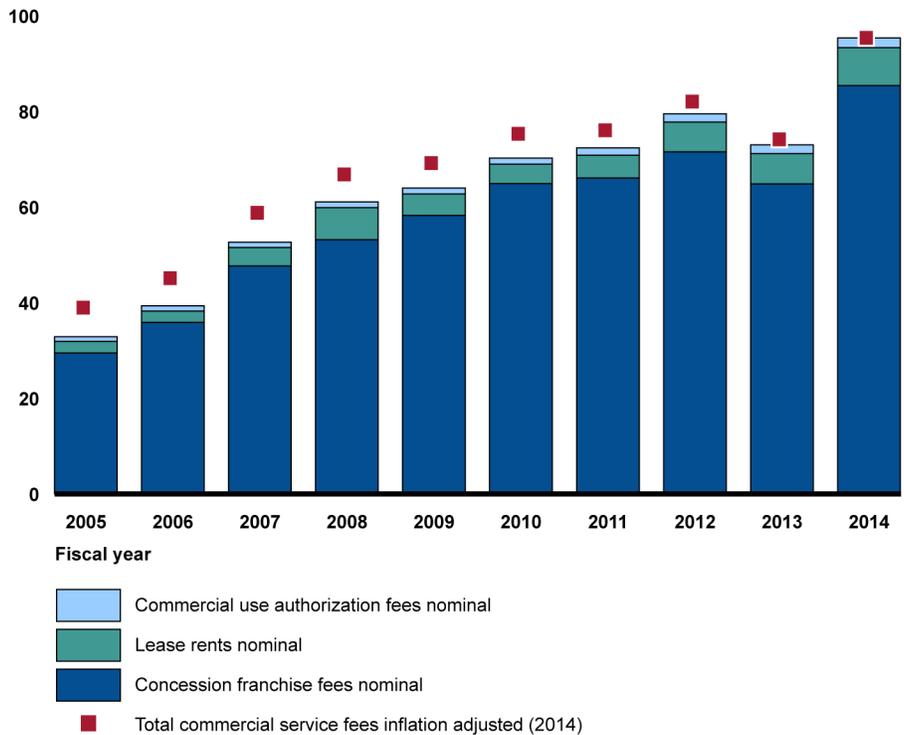
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<sup>24</sup>According to Park Service officials, during this time period, some concessioners also deposited funds into Concessions Improvement Accounts in accordance with contracts entered into under the National Park Service Concessions Policy Act (Pub. L. No. 89-249, 79 Stat. 969 (1965)), which was repealed by the National Park Service Concessions Management Improvement Act of 1998. According to the Park Service's budget justification, these funds are available only for expenditure by the concessioner, with park unit approval, for required capital improvements that directly support the facilities used and services provided by the concessioner. These funds are excluded from our review because they are not available for the Park Service's use.

<sup>25</sup>In this report, we exclude rents collected from Park Service employees for housing from our analysis.

**Figure 5: Commercial Service Revenues Collected by the National Park Service by Type, Fiscal Year 2005 through Fiscal Year 2014**

Dollars in millions



Source: GAO analysis of National Park Service data. | GAO-16-166

Note: Commercial service fees are comprised of franchise fees paid by concessioners who operate businesses in park units, rents received from individuals, businesses or governmental entities leasing Park Service buildings, and fees paid for commercial use authorizations, which include small-scale commercial activities.

**Top 10 Park Units in Franchise Fees Collected, Fiscal Year 2014**

Dollars in thousands

Park unit name	Franchise fees collected
Statue of Liberty National Monument	\$17,445
Grand Canyon National Park	11,428
Yosemite National Park	10,974
Golden Gate National Recreation Area	8,220
Denali National Park and Preserve	4,812
Grand Teton National Park	4,303
Yellowstone National Park	4,259
Mt. Rushmore National Memorial	2,858
Zion National Park	2,732
Glacier Bay National Park and Preserve	\$2,398

Source: GAO analysis of National Park Service data. | GAO-16-166

The Park Service generates the vast majority of its commercial service revenues from franchise fees associated with concession contracts. Specifically, these fees accounted for about 90 percent of all commercial service revenues in fiscal year 2014. A small number of large concessions contracts accounted for the majority of these fees. According to Park Service officials, data from concessioners' 2014 annual financial reports showed that 51 of the agency's approximately 500 concessions contracts generated 84 percent of all franchise fees paid to the Park Service in fiscal year 2014. Leases generated about 8 percent of fiscal year 2014 commercial service revenues, and commercial use authorizations generated about 2 percent.

The growth in commercial service revenues can be attributed in part to an increase in the franchise fee rates that concessioners are paying to the Park Service. According to Park Service officials, franchise fees for individual contracts have increased an average of 2.4 percentage points as they have turned over and been awarded under the terms of the new Concessions Act. In addition, our analysis of Park Service data showed that the number of park units collecting commercial service fees has grown.<sup>26</sup> In fiscal year 2005, 146 parks reported collecting at least one type of commercial service fee; the number grew to 176 by 2014. According to Park Service officials, growth in commercial service revenues can also be attributed to improved economic conditions, which has led to increased visitation levels at park units and higher gross receipts for concessioners.

<sup>26</sup>For commercial use authorizations, more parks may have started reporting their commercial use revenues during this period. According to Park Service officials, the Park Service began collecting park-level data on commercial use authorizations on a voluntary basis in 2009.

## Cash Donations to the Park Service Fluctuated, and Volunteer Support Consistently Increased

### Top 10 Park Units in Cash Donations, Fiscal Year 2014

Dollars in thousands

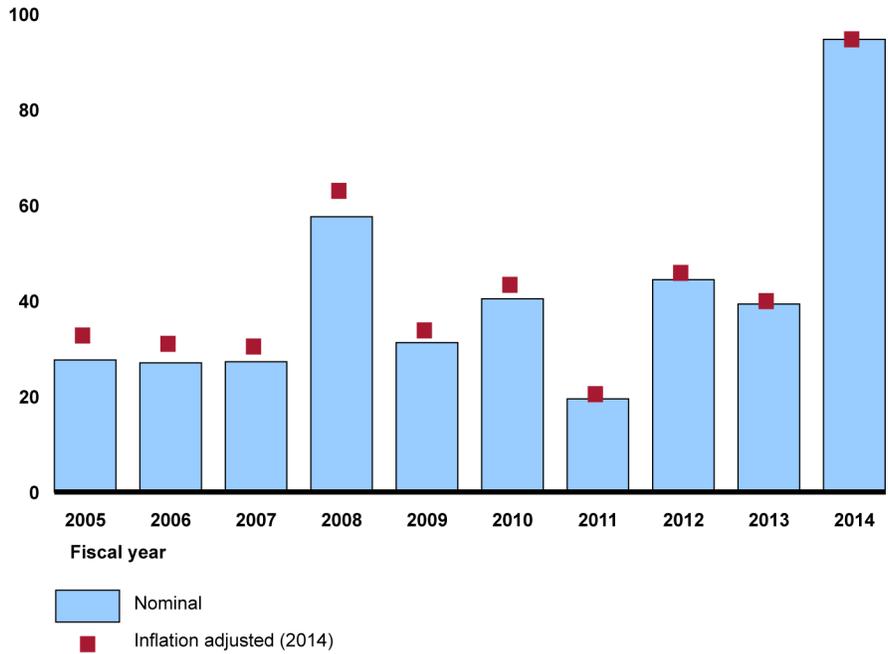
Park unit name	Donations received
Jefferson National Expansion Memorial	\$65,456
Flight 93 National Memorial	3,200
Yosemite National Park	2,857
Great Smoky Mountains National Park	2,690
Yellowstone National Park	2,082
Grand Teton National Park	1,341
Grand Canyon National Park	1,159
Golden Gate National Recreation Area	1,144
Indiana Dunes National Lakeshore	815
Gettysburg National Military Park	\$663

Source: GAO analysis of National Park Service data. | GAO-16-166

Cash donations to the Park Service did not have a discernible trend from fiscal year 2005 through fiscal year 2014, and there was considerable fluctuation in donations during this period (see fig. 6), ranging from \$19.5 million in fiscal year 2011 to \$94.7 million in fiscal year 2014. According to a senior Park Service official, this variation is largely due to donors contributing to large projects at particular park units that attracted the attention of donors in certain years. For example, \$65.5 million of the \$94.7 in total cash donations (69 percent) the Park Service received in fiscal year 2014 is from donations to renovate the museum and build a new visitor's center at the Gateway Arch in St. Louis, which is part of the Jefferson National Expansion Memorial. Park Service officials also pointed out that economic factors play a role in influencing donation trends, noting that donations declined after the 2008 U.S. recession.

**Figure 6: Cash Donations to the National Park Service, Fiscal Year 2005 through Fiscal Year 2014**

Dollars in millions



Source: GAO analysis of National Park Service data. | GAO-16-166

Note: \$65.5 million of the \$94.7 in total cash donations (69 percent) the Park Service received in fiscal year 2014 is from donations to renovate the museum and build a new visitor's center at the Gateway Arch in St. Louis, which is part of the Jefferson National Expansion Memorial.

Cash donations to the Park Service come from a variety of sources, including friends groups and cooperating associations. These groups also provide in-kind donations to the Park Service, which include artifacts donated or services provided to the agency. In general, we found that total donations from friends groups—both cash and in-kind donations—rose from about \$68 million in fiscal year 2005 to about \$147 million in 2011, the latest year for which data are available according to Park Service officials. Regarding donations from cooperating associations, Park Service officials and cooperating association officials told us that donations have generally been increasing, although this trend has been tempered by declining book sales nationwide, which have traditionally been a key source of cooperating associations' revenues at the stores they operate.

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According to Park Service data, volunteer support for the agency has increased steadily. Specifically, the number of volunteers increased from about 132,000 in fiscal year 2005 to about 248,000 in fiscal year 2014, and the estimated cash value of their work increased from about \$93 million to about \$155 million during this period.<sup>27</sup> The number of volunteers increased every year, except for fiscal year 2013. According to a senior Park Service official, the decline in the number of volunteers that year was attributable to Hurricane Sandy and the 2013 federal government shutdown, both of which disrupted the typical operations of the Park Service.<sup>28</sup>

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## Park Service Has Initiatives Under Way to Increase Revenues from Fees and Donations, but Certain Factors Complicate These Efforts

The Park Service has efforts under way to increase revenues from recreation and commercial service fees along with philanthropic donations. However, certain factors complicate these efforts and limit the agency's ability to increase revenue from these sources.

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## Park Service Recently Increased Recreation Fees at Many Parks, but Faces Challenges to Further Increases

In 2014, the Park Service encouraged park units that were collecting recreation fees to increase them, and 111 park units subsequently elected to do so, as of September 2015. Park Service officials told us that parks are expected to examine their amenity fees each year; however, there are no plans to regularly reassess entrance fees. The Park Service's ability to increase funding from recreation fees is also limited by legislation and park-specific characteristics.

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<sup>27</sup>The Park Service calculates the cash value of their volunteers' work by multiplying the number of hours the volunteers work by the Independent Sector's estimate of the value of volunteer time, which was \$23.07/hour for 2014. The Independent Sector is a leadership network for the nonprofit and philanthropic community.

<sup>28</sup>Hurricane Sandy closed several park units in the northeast for certain periods of time. The 2013 federal government shutdown closed all national park units for a period of 16 days.

**Park Service Increased Both Entrance and Amenity Fees at Several Parks but Does Not Plan to Regularly Reassess Entrance Fees**

The Park Service has recently increased entrance and amenity fees at several parks. In August 2014, the Director of the Park Service issued a memorandum that ended a moratorium on entrance fee increases that had been in place since 2008 and updated the agency’s entrance fee rate schedule for the first time since 2006 (see table 3).<sup>29</sup> Like the 2006 fee schedule, the updated schedule separates the park units that collect entrance fees into four groups by type of park unit. If adopted, these fees represent an increase of 20 to 50 percent in most instances over the 2006 fee schedule, depending on the type of park unit and type of entrance fee being charged. Park Service officials told us that the agency estimates that \$58 million in additional entrance fees could be generated if all parks charging entrance fees followed the schedule and visitation is not impacted by the increase in fees.

**Table 3: Park Service’s Entrance Fee Schedule for 2006 and 2014**

	Annual pass		Per vehicle		Per person		Per motorcycle	
	2006	2014	2006	2014	2006	2014	2006	2014
<b>Group 1:</b> National historic sites, military parks, battlefields, battlefield parks, preserves, memorials/shrines, and parkways	\$20	\$30	\$10	\$15	\$5	\$7	\$5	\$10
<b>Group 2:</b> National seashores, recreation areas, monuments, lakeshores, and historical parks	\$30	\$40	\$15	\$20	\$7	\$10	\$10	\$15
<b>Group 3:</b> National parks	\$40	\$50	\$20	\$25	\$10	\$12	\$15	\$20
<b>Group 4:</b> National parks <sup>a</sup>	\$50	\$60	\$25	\$30	\$12	\$15	\$20	\$25

Source: National Park Service. | GAO-16-166

<sup>a</sup>Group 4 national parks may charge higher entrance fees than group 3 national parks. The following 10 national parks are Group 4 national parks: Bryce Canyon, Glacier, Grand Canyon, Grand Teton, Rocky Mountain, Sequoia, Kings Canyon, Yellowstone, Yosemite, and Zion.

The Park Service gave discretion to the park units to decide whether to increase entrance fees, and the memo states “if there is significant public controversy, a park may choose not to implement new fees, may phase in the new rates over three years, or delay the new rates until 2016 or

<sup>29</sup>The 2006 fee schedule stemmed from a 2001 study by McKinsey and Company that said that the Park Service should standardize its entrance fees.

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2017.” To assess public reaction to proposed fee changes, the memorandum encouraged park units to conduct public outreach in late summer or fall of 2014. According to Park Service officials we interviewed, park units used different methods to conduct this outreach, including using social media, holding public meetings, and meeting with congressional delegations.

According to the memorandum, once public outreach was complete, each park unit that chose to proceed with a rate change had to submit their proposed change to regional and headquarters offices for approval. Of the 130 park units that charged an entrance fee in 2014, 92 park units proposed increasing the per person entrance fee, and 60 park units proposed increasing the per vehicle entrance fee, and all of them received approval to do so.<sup>30</sup> For those increasing fees, a number of park units chose to charge less than the revised entrance fee schedule by 2017. Specifically, of the 92 park units that received approval to increase fees for individuals, 59 (64 percent) will be charging an entrance fee for individuals in line with the proposed schedule; the remainder elected to charge less than what the schedule recommends.

A senior Park Service official told us that discretion was given to the parks under agency guidance about whether to follow the fee schedule, and fee increases needed to be supported by the public. According to the memorandum establishing the new entrance fee schedule, “the goal (if supported by civic engagement) is for all entrance fee parks to align with the standard rate for their group by 2017.” However, several park units that are collecting some type of entrance fee in 2015 did not increase entrance fees, and may not align with the fee schedule by 2017, unless they undertake efforts to do so. In addition, Park Service does not require park units to provide information supporting their decisions on not increasing entrance fee rates or increasing their fees by less than the fee schedule. According to a senior Park Service official, providing this information was not required because it was not compulsory that park units increase their fees. However, *Federal Internal Control Standards* state that for an agency to run its operations, it must have reliable and

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<sup>30</sup>Not all park units that charge entrance fees charge all four types of entrance fees. For example, certain parks may not charge vehicle or motorcycle fees because they do not have roads.

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timely communication and that information is needed throughout the agency to achieve its objectives.<sup>31</sup> By not requiring that parks provide information on decisions that deviate from the fee schedule, the Park Service may not have relevant information that would help to manage changes to recreation fees more effectively and ensure that park units are taking steps to determine whether entrance fees are set at a reasonable level.

Regarding amenity fees, the August 2014 Park Service Director's memorandum encouraged park units that charge amenity fees to examine them to determine whether they should increase. In order to increase these fees, the memorandum directs park units to conduct studies to compare the amenities offered in their parks and associated fees with those offered by private businesses in the surrounding area. Of the 131 park units that charged amenity fees in 2014, 55 park units received approval from Park Service headquarters to increase their amenity fees. Many of these parks received headquarters approval to increase fees at campgrounds. For example, Whiskeytown National Recreation Area in California received approval to increase fees \$5 a night in most cases for recreation vehicle, tent, and horse camping. In general, Park Service officials told us that they expect parks to conduct comparability studies on an annual basis to see if amenity fees should be raised as part of the annual process to request changing fees, which is laid out in Park Service guidance.<sup>32</sup>

Unlike amenity fees, Park Service officials told us there were no plans to periodically review entrance fees to see if they should be increased. Our 2008 guide on federal user fees states that if federal user fees are not reviewed and adjusted regularly, federal agencies run the risk of undercharging or overcharging users.<sup>33</sup> Moreover, Park Service guidance directs the agency to ensure its fees are set at a reasonable level, but this guidance does not direct that these fees be periodically reviewed.<sup>34</sup> In a 2015 report, the Department of the Interior Inspector General recommended that the Park Service establish intervals for periodic

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<sup>31</sup>[GAO/AIMD-00-21.3.1](#).

<sup>32</sup>National Park Service, *Reference Manual 22A: Recreation Fee Collection*, section 3.2.4.

<sup>33</sup>[GAO-08-386SP](#).

<sup>34</sup>National Park Service, *Management Policies*, (2006).

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Legislation and Park-Specific  
Characteristics Limit  
Recreation Fee Collection

reviews of its entrance fees to ensure that the fee schedule remains up to date.<sup>35</sup> Park Service officials told us they were hesitant to commit to such reviews until FLREA is reauthorized because they were unsure if they would continue to have the authority to continue charging entrance fees.<sup>36</sup> However, Park Service has not required periodic reviews of entrance fees for the 11 years that FLREA has been in place.<sup>37</sup> By not regularly reviewing its entrance fee schedule, the Park Service is missing an opportunity to ensure that these fees are reasonable.

The Park Service's ability to further increase revenues from recreation fees is limited by legislation and park-specific characteristics.

**Legislation.** According to Park Service data, 58 park units are prohibited by law from charging entrance fees. For example, the Alaska National Interest Lands Conservation Act prohibits the Park Service from charging entrance fees at all park units in Alaska.<sup>38</sup> FLREA prohibits the Park Service from charging entrance fees at parks that lie within the District of Columbia,<sup>39</sup> and the National Parks and Recreation Act of 1978 prohibits the Park Service from charging entrance fees at Point Reyes National Seashore.<sup>40</sup> Park Service officials also said there were limits to how much the agency could raise fees because FLREA requires that the agency

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<sup>35</sup>Office of Inspector General, U.S. Department of the Interior, *Review of National Park Service's Recreation Fee Program*, C-IN-NPS-0012-2013 (February 2015).

<sup>36</sup>FLREA is currently set to expire September 30, 2016. 16 U.S.C. § 6809 (2015).

<sup>37</sup>There is a long history of collecting entrance fees starting in 1908, when Mount Rainier National Park began collecting entrance fees. In 1939, fee collection became the general policy of the executive branch. The Land and Water Conservation Fund Act of 1965 specifically authorized certain federal agencies, including the Park Service, to collect entrance and use fees, and, within certain parameters, to sell an annual interagency vehicle entrance pass (Pub. L. No. 88-578 § 2, 78 Stat. 897, 897-899). In 1996, Congress authorized the Recreational Fee Demonstration Program through the Omnibus Consolidated Rescissions and Appropriations Act of 1996, requiring the Secretary of the Interior to implement a pilot fee program at four land management agencies: the Park Service, the Bureau of Land Management, the U.S. Fish and Wildlife Service, and the U.S. Department of Agriculture Forest Service (Pub. L. No. 104-134, § 315, 110 Stat. 1321, 1321-200-1321-202).

<sup>38</sup>16 U.S.C. § 410hh-2 (2015). FLREA excepts Denali National Park and Preserve from this prohibition. 16 U.S.C. § 6802(d)(3)(G) (2015).

<sup>39</sup>16 U.S.C. § 6802(d)(3)(C) (2015).

<sup>40</sup>16 U.S.C. § 459c-5(e) (2015).

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consider the impacts of fees on visitors, and the Park Service did not want to dissuade visitors from coming to parks. For example, there was opposition from the public to implementing entrance fees at additional areas of the Chesapeake and Ohio (C&O) National Historical Park and, in response, park officials withdrew this proposal in February 2015.<sup>41</sup>

FLREA also directed the Secretary of the Interior to establish an interagency pass that covers entrance fees and certain amenity fees for all federal recreational lands. The price of the pass is \$80 annually, as of October 2015, and covers national park units, as well as recreational lands managed by U.S. Forest Service, Bureau of Reclamation, Bureau of Land Management, and the U.S. Fish and Wildlife Service. However, FLREA limits agencies' ability to increase revenue from recreation fees.<sup>42</sup> For example, the law prohibits charging entrance fees to persons under 16 years of age. FLREA also requires the Secretary of the Interior to offer a lifetime interagency pass for a one-time \$10 price to senior citizens, defined as being over 62 years of age, and requires that free interagency passes be made available to permanently disabled people.

While under FLREA, the price of the annual interagency pass can be changed by the agencies that administer it, the law does not provide this flexibility for the \$10 lifetime senior pass, the free annual pass for disabled individuals, or free entry for those under age 16. Interior's Inspector General found that this aspect of FLREA "hampers agencies' flexibility and their ability to make business decisions" and concluded that free and substantially discounted passes represent missed opportunities for revenue.<sup>43</sup> The price of the senior pass has been \$10 since 1993, but a bill introduced in September 2015 would increase this price to a one-time amount matching the price of the annual interagency pass, which is \$80, as of October 2015.<sup>44</sup> If this occurred, it could generate about

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<sup>41</sup>Entrance fees had just been charged at the Great Falls area in the park and, in January 2015, the park proposed charging entrance fees at all areas of the park outside the District of Columbia.

<sup>42</sup>Of these agencies, the Park Service collects the majority of recreation fees. In fiscal year 2011, the Park Service collected about two-thirds of the total recreation fees collected (\$172.4 million of the \$260.6 million). See *Implementation of the Federal Lands Recreation Act: Triennial Report to Congress*.

<sup>43</sup>Office of Inspector General, U.S. Department of the Interior, *Review of National Park Service's Recreation Fee Program*.

<sup>44</sup>National Park Service Centennial Act, H.R. 3556, 114<sup>th</sup> Cong. § 602 (2015).

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another \$35 million in revenue annually, assuming that the same number of passes was sold, as in fiscal year 2014, which was about 500,000.<sup>45</sup> Because of the limitations in FLREA, Park Service and the other agencies that administer the recreation fee program do not have the flexibility to periodically reassess and change the price of the lifetime senior pass. Providing this flexibility to these agencies would allow them to consider adjusting fees periodically, which is consistent with our guide on federal user fees.<sup>46</sup>

**Park-specific characteristics.** At some park units, collecting recreation fees is precluded by the configuration of the parks or is not economically advantageous. For example, some park units have many entry points, which make the logistics of collecting entrance fees difficult, according to Park Service officials. In addition, as previously described, at some park units, it may not be economically advantageous to collect recreation fees at some park units. For example, at parks with few visitors, the costs of administering the fee collection program would be a significant portion of the total fees collected, and these parks may not choose to charge an entrance fee. Other park units—for example, national historic sites—may not offer amenities, such as campsites, for which the Park Service could charge fees.

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## Park Service Increased Revenues from Commercial Services and Is Looking for New Opportunities to Generate Revenue, but Several Factors Complicate These Efforts

The Park Service increased revenues from commercial service fees from fiscal year 2005 through 2014, in part by increasing the franchise fees that concessioners are to pay and by taking steps to make certain contracts more attractive to potential bidders. However, several factors complicate these efforts.

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<sup>45</sup>The amount of additional revenue could be lower if the amount of the price increase deters seniors from purchasing the pass.

<sup>46</sup>[GAO-08-386SP](#).

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Park Service Increased Concessions Revenues and Is Looking for Opportunities to Increase Revenues from Other Commercial Services

The Park Service increased revenues from commercial service fees from fiscal year 2005 through fiscal year 2014, in part by increasing the minimum franchise fees included in contract prospectuses. According to Park Service officials, the agency increased the minimum franchise fee by modifying the process they used to develop contract prospectuses, which describe the services concessioners are to provide, any investments required for the operation, such as maintenance or equipment, and the minimum franchise fee, among other things. After a prospectus is issued, potential concessioners submit bids that include, among other things, the franchise fee they agree to pay if they are awarded the contract—which has to be equal to or higher than the minimum in the prospectus—along with details about the services they propose to provide. Before 1998, when the Concessions Act was enacted, the Park Service set minimum franchise fees based on limited financial reviews of concessioners' financial statements, according to Park Service officials. After 1998, Park Service officials told us that they started hiring hospitality consultants to help them with the financial aspects of contract prospectuses to meet the requirements of the new act. Specifically, the agency started working with hospitality consultants to conduct in-depth financial analyses to develop minimum franchise fees for the Park Service's largest contracts—those with gross revenues above \$5 million. These analyses involve estimating concessioners' costs and anticipated revenues and comparing the estimated profitability of the concessions operations with industry standards. Park Service officials and hospitality consultants told us that these more sophisticated analyses allowed the agency to better estimate the franchise fees that concessioners could pay while still having a reasonable opportunity for profit, as required by the Concessions Act, which led to higher franchise fees.<sup>47</sup>

Park Service officials also made efforts to increase revenues from commercial service fees by working to make concessions contracts more attractive and increasing competition among potential bidders. Park Service officials told us that increased competition among potential concessioners generally results in higher franchise fees in winning contracts. Our analysis of Park Service data also found that increased

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<sup>47</sup>The Concessions Act states that a concessions contract shall provide for payment to the government a franchise fee or other monetary consideration, upon consideration of the probable value to the concessioner of the privileges granted by the contract, and that "probable value" should be based on a reasonable opportunity for net profit in relation to capital invested and the obligations of the contract.

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competition was associated with higher franchise fees. Specifically, based on our analysis of 25 large contracts awarded between fiscal years 2005 and 2014 we found that the Park Service earned an average of 5 percent in franchise fees from contracts that attracted 1 or 2 bidders and an average of 16 percent in franchise fees from contracts that attracted 3 or more bidders.<sup>48</sup> One of the ways that Park Service officials said they tried to make concessions contracts attractive to more potential bidders was by reducing the amount of Leaseholder Surrender Interest (LSI) that had accumulated under certain contracts. LSI generally represents the depreciated value of capital improvements made by a concessioner to a property, such as building a new structure or completing a major rehabilitation.<sup>49</sup> If a contract is awarded to a different concessioner when the contract ends, the Concessions Act requires the previous concessioner to be reimbursed for any LSI. The previous concessioner may be reimbursed by the new contract holder or the Park Service. Park Service officials and concessioners we spoke with said that LSI can create barriers to competition because few companies have the resources to reimburse the previous concessioner. Park Service officials told us that they chose to reduce the LSI associated with certain contracts because these contracts would otherwise have attracted few bidders. For example, in 2014, the Park Service spent almost \$100 million reducing LSI to increase competition for a large concessions contract at Grand Canyon National Park. The Park Service initially invested \$19 million in LSI payments. However, even with this reduction in LSI, the Park Service did not receive offers that met the terms of its first three prospectuses, and agency officials said that the level of LSI remained a barrier to potential bidders. As a result, the Park Service paid an additional \$81 million to further reduce LSI. The Park Service received multiple bids on the fourth prospectus for this contract. Park Service officials told us that they plan to award this contract by January 1, 2016.

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<sup>48</sup> We conducted this analysis using data on 25 contracts that were managed by Park Service headquarters and awarded between fiscal years 2005 and 2014. These contracts are a subset of the Park Service's total concessions contracts and generally represent the Park Service's largest concessions contracts.

<sup>49</sup> The value of LSI is the initial value of the capital improvement adjusted for inflation minus depreciation. When new contracts incur more than \$10,000,000 in LSI, the value of LSI can be calculated using straight-line depreciation or by an alternative formula consistent with the law's objectives.

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In addition to reducing LSI associated with certain contracts, the Park Service has limited the amount of LSI that potential bidders can incur in new contracts, according to Park Service and concessioner officials we spoke with. Park Service officials told us that limiting LSI could reduce start-up costs associated with future contracts since new concessioners would not have to reimburse previous concessioners for accumulated LSI. However, some concessioners told us that limiting LSI could lead to lower levels of investment in concessioner-run properties, since concessioners may be less likely to make capital improvements if they are not reimbursed for these investments. This, in turn, could contribute to additional asset degradation and increased future maintenance costs, according to some concessioners we spoke with.

Park Service officials also have looked for opportunities to increase revenues from leases and commercial use authorizations. Specifically, the Park Service hired a national leasing manager in 2015 to formalize its leasing program, and some parks units and regions have developed active leasing programs. For example, from 2009 through 2014, the Northeast region increased the number of leases from 25 to 76. As a result, the region more than doubled the revenue it generated from rents and payments made in lieu of rent,<sup>50</sup> which increased from almost \$14 million to \$38 million during this time period. According to regional Park Service officials, the region increased its leases by increasing the number of full-time leasing positions and by hiring staff with real estate expertise to help advise parks on developing leases and perform market studies to set rental rates.

The Park Service also has developed a new policy that has the potential to increase revenues from commercial use authorizations, according to Park Service officials. Traditionally, fees for commercial use authorizations were set to recover costs that park officials incurred administering the program. According to several park unit officials we spoke with, these fees ranged from \$100 to \$350 per permit. In 2015, the Park Service developed guidance that allows park officials to charge businesses a fee based on a percentage of gross receipts or a fee that is sufficient to cover administrative and management costs incurred issuing these commercial use authorizations—whichever is more. For example,

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<sup>50</sup>In payment in lieu of rent arrangements, the Park Service agrees to waive or charge a reduced rent in exchange for the lessee providing agreed upon services, maintenance projects, such as roof repairs, or capital improvements, such as building renovations.

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### Several Factors Complicate Park Service's Efforts to Increase Revenues from Commercial Service Fees

the new guidance allows park officials to charge recreation service providers that generate less than \$250,000 in annual gross receipts the greater of either 3 percent of gross receipts or \$500. Some businesses operating under commercial use authorizations generate significant revenues, sometimes hundreds of thousands of dollars, according to Park Service officials. As a result, officials said that this shift has the potential to increase revenues because the resulting fees would be higher than the flat fees that have traditionally been charged.

Several factors complicate the Park Service's efforts to increase revenues from commercial service fees. In particular, officials noted that the Park Service is required by law to balance a number of priorities. Specifically, under the Concessions Act, accommodations, facilities, and services offered under a concessions contract must be consistent to the highest practicable degree with the preservation and conservation of park units they are proposed to operate in, provide a reasonable opportunity for profit to concessioners, and offer reasonable rates for facilities and services to the public. The law does not require the Park Service to maximize franchise fees; instead, it states that franchise fees are a lower priority than protecting, conserving and preserving park units or providing necessary and appropriate facilities and services to visitors at reasonable rates. As a result, Park Service officials told us that increasing revenues from franchise fees can be challenging.

The Park Service's efforts to increase revenues from commercial service fees also have been affected by limited competition for some concessions contracts. Our analysis of Park Service data found that 32 percent (8 of 25) of the Park Service's largest contracts—those generating \$5 million or more—awarded between fiscal years 2005 and 2014 attracted one bidder. These 25 contracts generated about 45 percent of the \$65 million in franchise fees collected by the Park Service in fiscal year 2013, the most recent year for which data are available. Park Service officials told us that, of these 25 contracts, 2 contracts for lodging services initially received no bids. In addition, some parks offer limited opportunities for revenue generation, which may in turn limit the number of bidders. For example, Park Service officials told us that some park units are located in remote locations that attract few visitors or have short tourist seasons, which limits the potential profitability of these contracts. According to Park Service officials, they are pleased to receive one bid in such cases.

Adjusting a concessions contract to provide additional services, which could increase revenues for concessioners and the Park Service, can be a lengthy process, according to some concessioners we spoke with. For

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example, one concessioner that provides transportation services at a park told us that his company proposed increasing the number of park visitors transported per day to levels consistent with the park's management plan. This proposed change took 20 months to be reviewed and approved by the Park Service, which, according to the concessioner, resulted in lost revenue for both the concessioner and Park Service. Another transportation concessioner told us about similar challenges adjusting his company's operating plan to increase service hours by 30 minutes. Although such a change in operating hours is generally the purview of the park superintendent, according to the concessioner, the change took 5 years to be approved due to turnover in park leadership and park budget constraints.

Park Service officials told us that they act as quickly as possible when they receive requests to change or increase concessioners' services but, in some cases, it takes time to collect and assess the necessary information to make an informed decision. For example, according to Park Service officials, the agency considers the impact of the proposed change on park operations and on other business operations in the park. Park Service officials also told us that they are developing guidance to establish factors to consider for adding services to help park unit staff when considering concessioners' requests. Proposed factors include whether the proposed services complement the terms of the current contract and whether there will be environmental impacts at the park unit from these services. In addition, concessioners must be fully compliant with their current contracts before requests to add services may be considered. As of August 2015, this guidance was under development, and agency officials were uncertain when it would be issued.

Efforts to increase revenues from leases and commercial use authorizations also face challenges. According to Park Service officials, leasing opportunities can be limited because some park units do not have buildings available to lease or the facilities they have are not suitable for leasing due to their poor physical condition. In addition, park officials at two parks we visited told us that they do not have sufficient staff to manage a leasing program. For commercial use authorizations, some park officials we spoke with said that changing their fee structure to one based on a percentage of business owners' gross revenues could pose a financial burden to smaller businesses that have low profit margins yet provide important services for park visitors. For example, park officials at one park told us that some businesses have held commercial use authorizations to deliver portable toilets, which they said is an essential service during large events. These officials told us that these businesses

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have relatively low profit margins and may be unwilling to operate in parks if they had to pay higher fees.

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### Park Service Has Sought to Increase Philanthropic Donations, but Several Factors Limit Its Ability to Do So

To increase philanthropic donations, the Park Service is leveraging opportunities arising from its centennial anniversary in 2016, adjusting relevant policies, helping to increase the fundraising capacity of its nonprofit partners, and training its own staff on ways to collaborate more effectively with nonprofit partners. Several factors limiting the Park Service's ability to increase philanthropic support include attractiveness of certain projects needing donations, limited capacity to manage volunteers, and lack of detailed information on donations.

### Park Service Is Leveraging Its Centennial Anniversary, Revising Policy, and Providing Other Assistance to Increase Donations

To increase philanthropic donations, the Park Service is leveraging opportunities arising from its centennial anniversary in 2016. The Centennial Campaign has two primary efforts—fundraising and public outreach—both of which are being conducted in collaboration with the Park Service's congressionally chartered nonprofit partner, the National Park Foundation (Foundation).

- **Fundraising.** The Park Service and the Foundation have launched a major fundraising campaign, which aims to raise \$250 million in donations by 2018. These funds will be used to support 100 projects that protect resources, connect visitors with the parks, and develop the next generation of park stewards. For example, in the area of protecting resources, projects include rehabilitating Constitution Gardens in Washington, D.C., and restoring an area of large Sequoia trees to a more natural state in Yosemite's Mariposa Grove.<sup>51</sup>
- **Public Outreach.** In collaboration with the Foundation, the Park Service launched the "Find Your Park" campaign in 2015. This public outreach effort is designed to encourage Americans to visit park units, generate interest in parks, and help raise financial and in-kind support for park units. This effort uses social media and disseminates marketing materials online and in park units. The Park Service has partnered on this campaign with certain major donors, which each made at least \$500,000 in contributions to the Foundation to support the campaign. Figure 7 shows examples of posters developed for the

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<sup>51</sup>Among other things, an existing parking lot will be removed, and the area's natural wetlands will be restored as part of the project.

campaign to be displayed in park units and also used in online and print advertising.

Figure 7: "Find Your Park" Campaign Materials

**FIND YOUR PARK**

Share your story #findyourpark  
or visit [findyourpark.com](http://findyourpark.com)

National Park Service. 2016 National Park Service CENTENNIAL. National Park Foundation.

**THANK YOU**

The National Park Service thanks our premier partners for their support of the Find Your Park centennial campaign.

Logos: American Express, Budweiser, Subaru, REI, Humana, Disney.

**FIND YOUR PARK**

Share your story #findyourpark  
or visit [findyourpark.com](http://findyourpark.com)

National Park Service. 2016 National Park Service CENTENNIAL. National Park Foundation.

Source: National Park Service. | GAO-16-166

The Park Service also has allocated about \$49 million in funds appropriated by Congress for the centennial anniversary. Congress has

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also appropriated funds to be used for matching grants. Specifically, Congress appropriated \$25 million in 2008, \$15 million in 2010,<sup>52</sup> and \$10 million in fiscal year 2015 to match philanthropic donations dollar-for-dollar to fund projects in park units. To be considered, proposed projects are to benefit one or more Park Service areas and have matching donations of at least 50 percent of project costs, according to the Park Service. Agency officials have prioritized projects with higher rates of matching donations, and considered the timeliness of donations, readiness of projects, and whether proposed projects address centennial and service-wide goals, such as high-priority deferred maintenance. Examples include rehabilitating the underground Franklin Court Museum at Independence National Historical Park and reconstructing roads, parking, walks, signs, and pedestrian areas to meet park road standards, accessibility standards, and historical context at Roosevelt Arch in Yellowstone National Park.

Since 2014, the Park Service has also been revising its policies related to philanthropy to help increase donations. Specifically, the Park Service has been revising *Director's Order 21*—the Park Service's main policy governing donations and fundraising. Some nonprofit partners told us that this guidance lengthened the donations process in the past by requiring significant Park Service review. Park Service documentation suggests that, when approved, the revised *Director's Order 21* will likely shift greater authority to regional directors and superintendents to accept donations and approve fundraising agreements. For example, current policy allows regional directors to approve donations less than \$1 million. The revised policy, which will likely be signed in early 2016, may allow the Park Service Director to delegate approval authority to regional directors for donations up to \$5 million. The Park Service is also revising *Director's Order 7*, which addresses volunteering, and *Reference Manual 32*, its internal guidance on cooperating associations and is planning to complete these revisions in late 2015. According to Park Service officials involved with these revisions, the goal of these revisions is to emphasize the importance of collaboration between Park Service and its partners.

In addition, in January 2015 the Park Service temporarily waived three parts of its policies to help with centennial fundraising efforts. First, Park

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<sup>52</sup>Of this \$15 million, \$10 million was to be transferred from prior year unobligated balances.

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Service policy generally prohibits naming park assets as a form of donor recognition. For example, buildings, vehicles, and park features are not to bear donor names. Park Service waived this policy with regard to certain donations for items including benches, bricks, motor vehicles, and rooms in buildings—although buildings themselves are still prohibited from bearing donors' names.<sup>53</sup> Second, Park Service policy generally prohibits donor recognition from including corporate logos in park units. The Park Service waived this policy to allow corporate logos to be included on vehicles under certain conditions. Figure 8 provides an example of a corporate logo displayed on a Park Service vehicle. Third, the Park Service also issued a waiver allowing it to advertise with an alcohol company. All three of these waivers will be effective until 2017, when Park Service will reevaluate them to determine if they should remain in place, according to a Park Service official.

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<sup>53</sup>Geographic features are named by the U.S. Board on Geographic Names. Therefore, naming such features is outside the Park Service's domain and is therefore unaffected by this waiver.

**Figure 8: Corporate Logo on a Park Service Vehicle**



Source: GAO. | GAO-16-166

The Park Service has also sought to increase philanthropic donations by encouraging the Foundation to expand and by helping friends groups increase their fundraising capacity. Specifically, the Park Service encouraged the Foundation to restructure and expand its staffing to better align with the current philanthropic practices. Since 2008, the Foundation has added 50 people and created three offices focused on corporate giving, private giving, and marketing. According to Foundation officials, the Foundation plans to continue increased fundraising efforts after the centennial campaign. With regard to friends groups, the Park Service has begun training its own staff on ways in which they can collaborate more effectively with nonprofit partners on their fundraising efforts. Park unit officials we spoke with told us that they help friends groups with their

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member outreach by attending fundraising events to describe the park's needs to potential donors. In addition, park unit officials work with friends groups to identify potential projects that need funds and that donors would likely support. Park Service officials told us that improving the fundraising capacity of friends groups is important since several new friends groups have been started in the past 10 years, and many have not yet developed fundraising skills.

The Park Service has also taken steps to increase volunteerism. Specifically, the Park Service allocated an additional \$2 million in fiscal year 2015 to pay for 70 new volunteer coordinators, known as Centennial Volunteer Ambassadors. According to the Park Service, these 1-year internship positions will be dispersed throughout the Park Service. These coordinators will be responsible for helping to design and coordinate volunteer training and service. They will also perform outreach to attract volunteers.

### Several Factors Hamper the Park Service's Ability to Increase Donations

According to Park Service officials, several factors hamper the agency's ability to increase philanthropic donations. One factor they cited is the types of projects that need funding are not always attractive to donors. For example, routine maintenance on buildings or sewer systems may be less attractive to donors than large, visible projects, such as the construction of a visitor center. In addition, the location of some parks can limit their ability to obtain philanthropic support. For example, Park Service officials in one regional office told us that some friends groups have difficulty raising large sums of money because their parks are not near urban areas with large pools of potential donors. Similarly, some parks may not generate as much interest as larger, better known parks and may struggle to attract donors. Another factor that Park Service officials cited is some internal resistance to relying on outside funding sources. For example, Park Service officials told us that some agency employees have expressed concern about some efforts to increase philanthropic donations—particularly the recent temporary waiver on partnering with corporations, which they view as commercializing the parks.

The Park Service also has limited capacity to manage volunteers. According to Park Service officials, volunteers provide essential support at many parks—including helping with maintenance projects and interpretative assistance—but their efforts must be managed. In addition, the number of people who want to volunteer at some parks outpaces the availability of staff to manage them. Park Service officials explained that some park units do not have dedicated volunteer coordinators and

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instead assign these tasks as collateral duties due to budget constraints. Park Service officials told us that if they were able to dedicate more staff hours to managing volunteers, they could increase the level of volunteer support the agency receives.

The Park Service compiles data on cash and in-kind donations from friends groups and cooperating associations as part of their business practices, but these data have several limitations. For example:

- **Certain data are outdated.** The Park Service is delayed in compiling data on donations from friends group because the agency's process relies on examining Internal Revenue Service (IRS) Form 990s submitted by friends groups, and these groups can request extensions in filing these forms.<sup>54</sup>
- **Certain data are incomplete.** We found that some information was missing—specifically some years of data from the National Park Foundation and information on donations from smaller friends groups.<sup>55</sup> For cooperating associations, we also found that data were missing for certain years.
- **Some data lack specificity and hinder certain analyses.** We were unable to determine the trends in cash donations and in-kind donations received from friends groups because the Park Service did not differentiate between cash and in-kind donations for all years. For cooperating associations, we also found that the Park Service had not disaggregated cash from in-kind donations provided by cooperating associations.

The Park Service is developing a new data portal for philanthropic donations that may address some shortcomings we identified. Specifically, according to a Park Service official leading this effort, the portal is intended to collect information from all friends groups, not just the larger ones, in addition to gathering information from cooperating associations. In addition, the portal is to gather information on monetary

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<sup>54</sup>The IRS Form 990 is an annual information return required to be filed with the IRS by most tax-exempt organizations. It provides information on the filing organization's mission, programs, and finances. The Park Service gathers information from the Form 990s from a website called Guidestar, which collects information on nonprofit organizations.

<sup>55</sup>The Park Service only has cash and in-kind contributions data available from friends groups that file IRS Form 990s. Smaller friends groups—ones that receive less than \$50,000 in gross receipts in a given tax year—are not required to file these forms, and, therefore, the Park Service does not have an estimate of their contributions.

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as well as in-kind services provided, according to documentation describing the system. Further, information is to be collected on an annual basis as a way to improve the timeliness of data. The Park Service plans to provide training on the portal in the spring of 2016 to the philanthropic partners who will be expected to enter data using the portal, according to a Park Service official involved in this effort. This official also said the agency plans to develop measures to ensure the reliability of the data collected, but specific details on these measures are not yet available.

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## Conclusions

In a time of constrained resources, recreation fees, commercial service fees, and philanthropic donations are becoming increasingly important to the Park Service. The Park Service has undertaken several efforts to increase funding from these sources, and from fiscal year 2005 through fiscal year 2014, funding from these sources increased by about 40 percent, after adjusting for inflation. However, the Park Service faces challenges in increasing revenues from these sources and may be missing additional opportunities to increase funding from recreation fees.

In particular, since 1993, senior lifetime interagency passes have been sold for a one-time price of \$10—a significantly lower price than the current \$80 annual price for a regular annual interagency pass. Our past work on federal user fees has highlighted the importance of regularly reviewing these fees. However, unlike the annual interagency pass, FLREA does not permit Park Service or the other agencies that charge recreation fees to increase the price of the senior pass. Without the authority to adjust the price of the senior pass, the Park Service is limited in its ability to increase revenue from this recreation fee. In addition, when the Park Service updated its entrance fee schedule for the first time since 2006, several parks increased entrance fees, but the Park Service does not have guidance to periodically review these fees. Moreover, the Park Service does not require park units that choose not to follow its entrance fee schedule to provide information on these decisions. Without guidance to periodically review fees and direct the park units to provide information on deviations from the fee schedule, the Park Service may not ensure that its entrance fees are set at a reasonable level and may be missing opportunities to more effectively manage its fees.

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## Matter for Congressional Consideration

To increase the flexibility that Park Service has to change entrance fees, Congress should consider amending FLREA to give authority to the Park Service and the other four agencies that implement the recreation fee program—Bureau of Reclamation, Bureau of Land Management, the U.S. Fish and Wildlife Service, and the U.S. Forest Service—to adjust the price of a lifetime senior pass.

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## Recommendations for Executive Action

To help improve its management of recreation fees, we recommend that the Secretary of the Interior direct the Director of the Park Service to take the following two actions:

- revise its guidance on recreation fees so that the agency periodically reviews its entrance fees to determine whether the fees are reasonable, and
- direct that park units provide information to headquarters on why they are choosing to not increase entrance fees or increase them by an amount less than the fee schedule.

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## Agency Comments and Our Evaluation

We provided a draft of this report to the Department of the Interior for review and comment. In its written comments, reproduced in appendix IV, the Department of the Interior generally agreed with our findings and concurred with our recommendations. Interior also noted that the Park Service is planning to address these recommendations. Specifically, in 2016, the Park Service is planning to revise its guidance on recreation fees to require periodic evaluation of the entrance fee pricing structure. In addition, beginning in 2016, Interior indicated the Park Service will require park units to provide information on their decisions to not increase entrance fees.

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As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to the appropriate congressional committees, the Secretary of the Interior, and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff members have any questions about this report, please contact me at (202) 512-3841 or [fennella@gao.gov](mailto:fennella@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found

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on the last page of this report. GAO staff who made major contributions to this report are listed in appendix V.

A handwritten signature in black ink that reads "Anne-Marie Fennell". The signature is written in a cursive style with a large initial 'A' and a long horizontal stroke at the bottom.

Anne-Marie Fennell  
Director, Natural Resources and Environment

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# Appendix I: Objectives, Scope, and Methodology

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Our objectives were to examine (1) general trends in funding for the National Park Service (Park Service) for fiscal years 2005 through 2014; (2) the trends in the Park Service's revenues from recreation and commercial service fees and donations from philanthropic sources for fiscal years 2005 through 2014; and (3) the Park Service's efforts to increase fee revenues and donations, and factors, if any, that may affect these efforts.

To examine general funding trends for the Park Service for fiscal years 2005 through 2014, we obtained and analyzed data on the Park Service from the Office of Management and Budget (OMB) MAX Information System (MAX).<sup>1</sup> We selected this period because this was the most recent 10-year period for which data were available, and 10 years of data would allow us to identify any trends. Data reported in OMB MAX are subject to review and checks through OMB to help ensure consistency of the data, and we determined these data were sufficiently reliable for our purposes. We analyzed these data in both nominal and inflation adjusted terms.<sup>2</sup> We also examined Park Service budget documents, including its annual budget justifications.

To examine trends in fee revenues and donations for the Park Service for fiscal years 2005 through 2014, we analyzed OMB MAX data along with other data on these funding sources we received from the Park Service. We used the OMB MAX data to examine the trends at a national level, and we used the data from the Park Service to examine trends at the national and park unit levels. To determine the reliability of the Park Service's data, we spoke with agency officials who were familiar with these data, reviewed relevant documentation, and compared these data to data from OMB MAX. We generally found these data to be sufficiently reliable for our purposes. The exception is the park unit level data on philanthropic donations, which we found to have certain limitations, and we identify these limitations in our use of these data.

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<sup>1</sup>OMB's MAX Information System is a database used to support OMB's federal management and budget processes. The system collects, validates, analyzes, models, and publishes information relating to OMB's government-wide management and budgeting activities.

<sup>2</sup>We adjusted nominal dollars using the fiscal year chain-weighted gross domestic price index, with 2014 as the base year.

To examine the Parks Service's efforts to increase fee revenues and donations and any factors that may affect these efforts, we examined relevant laws and Park Service documents, and interviewed agency officials. The laws we examined were the Federal Lands Recreation Enhancement Act for recreation fees;<sup>3</sup> National Park Service Concessions Management Improvement Act of 1998 for commercial service fees;<sup>4</sup> and laws governing Park Service's relationships with friends groups, cooperating associations, and volunteers, such as the Volunteers in Parks Act of 1969.<sup>5</sup> We also examined Park Service's policy manual along with specific policy documents for the revenue streams we examined: *Director's Order 22* and *Reference Manual 22A* for recreation fees; *Reference Manuals 48A and 48B* for commercial service fees; *Director's Order 21* and *Reference Guide to Director's Order 21* for friends groups; *Director's Order 32* and *Reference Manual 32* for cooperation associations; *Director's Order 7* for volunteers. We also reviewed the agency's August 2014 memorandum that encouraged parks to consider increasing fees and memorandums that approved the fee increases that followed. We compared the laws and agency guidance and memoranda, as well as GAO's design guide for federal user fees<sup>6</sup> and Standards for Internal Control in the Federal Government,<sup>7</sup> with documentation associated with Park Service's efforts to increase recreation fees. For commercial service fees, we analyzed Park Service data on franchise fee rates, number of bidders, revenues of certain commercial use authorization holders, and certain lease payments. For philanthropic donations, we examined documents associated with Park Service's centennial efforts.

For all three objectives, we conducted interviews with Park Service officials at the headquarters, region, and park unit levels. At the

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<sup>3</sup>Pub. L. No. 108-447, div. J. tit. VIII, 118 Stat. 3377 (2004) (codified as amended at 16 U.S.C. §§ 6801-6814 (2015)).

<sup>4</sup>Pub. L. No. 105-391, tit. IV, 112 Stat. 3503 (codified as amended at 54 U.S.C. §§ 101911 – 101926 (2015)).

<sup>5</sup>Pub. L. No. 91-537, 84 Stat. 472 (codified as amended at 54 U.S.C. § 102301 (2015)).

<sup>6</sup>See [GAO-08-386SP](#). To develop this user guide, we reviewed economic and policy literature on federal and nonfederal user fees, including our prior work on user fees.

<sup>7</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: Nov. 1999).

headquarters level, we interviewed officials in the Chief Financial Officer's Office, including those responsible for budgeting and overseeing the recreation fee program; officials in the Office of Commercial Services that are responsible for overseeing the commercial service program; officials in the Office of Partnerships and Civic Engagement that oversee relationships with friends groups; and officials in the Office of Interpretation, Education, and Volunteers that oversee cooperating associations and volunteers. At the regional level, we spoke with the regional directors in all seven of Park Service's regional offices—Alaska, Intermountain, Midwest, National Capital, Northeast, Pacific West, Southeast—along with officials in these offices that help to manage the recreation fee program, commercial services program, and relationships with philanthropic partners. At the park unit level, we spoke with officials that are involved in managing 31 park units. Specifically, we interviewed officials at 23 park units in person and contacted officials from another 8 park units by phone and asked about their experiences with these funding sources.<sup>8</sup> Table 4 in appendix II lists the parks that we contacted as part of our work. In selecting parks to contact, we included a range of parks, that varied by certain characteristics, including number of visitors and type (i.e., scenic vs. historical), and we interviewed officials from at least one park unit in all seven of the Park Service's regions. We also spoke with a variety of stakeholders, including concessioners and nonprofit partners. We selected these stakeholders because of their affiliation with parks in our review or because they would be able to provide other perspectives on these revenue sources. For example, during some of our site visits, we met with concessioners and partners that were working with the park units we were visiting. The views from these interviews are not generalizable to all parks, concessioners, and nonprofit partners, but they were used to provide a range of perspectives on Park Service's efforts. We also examined reports prepared in the last 10 years by Park Service and stakeholder groups on recreation fees, commercial service fees, and philanthropic donations.

We conducted this performance audit from October 2014 to December 2015 in accordance with generally accepted government auditing

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<sup>8</sup>In some cases, some of these park units were managed together by the same administrative team. For example, the National Mall and Memorial Parks manages twelve park units and the Cape Hatteras Group manages three park units. For the purposes of the tally of parks units we contacted, we counted these as a total of 15 park units, since we discussed the revenue streams in place at all of these park units.

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standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Data on Selected National Park Units

Table 4 provides information on the national park units that we contacted as part of our work. The table describes how we contacted the park (either in person or by phone) along with background information on the park and data on recreation fees, commercial service fees, and philanthropic donations.

**Table 4: Information on Selected National Park Units (Fiscal year 2014)**

Dollars in thousands

Park name	Type of visit	State	Totals in fiscal year 2014								
			Visitors	Base budget	Entrance fees collected <sup>a</sup>	Amenity fees collected <sup>b</sup>	Franchise fees collected <sup>c</sup>	Leasing rents collected <sup>d</sup>	Commercial use authorization fees collected <sup>e</sup>	Cash donations received	Number of volunteers
Antietam National Battlefield	Phone	MD	311,384	\$3,438	\$152	\$0	\$0	\$0	\$0.4	\$78	1,690
Cape Hatteras Group <sup>f</sup>	Phone	NC	2,728,150	9,513	754	1,148	118	0	3	26	133
Denali National Park and Preserve	Phone	AK	530,471	13,743	2,952	125	4,812	0	4	25	523
Eugene O'Neill National Historic Site <sup>g</sup>	In person	CA	3,368	680	0	0	0	0	0	0.80	17
Fort McHenry National Monument and Historic Site <sup>h</sup>	In person	MD	733,884	2,504	684	0	77	0	2	126	7,575
Glen Canyon National Recreation Area	Phone	AZ/ UT	2,214,310	11,577	1,748	1,005	885	0	43	320	269
Golden Gate National Recreation Area	In person	CA	14,783,733	25,256	312	1,927	8,220	2,295	90	1,144	50,482
Grand Canyon National Park	Phone	AZ	4,464,007	21,148	16,045	3,006	11,428	0	27	1,159	1,767
Hampton National Historic Site <sup>h</sup>	In person	MD	31,633	1,187	0	0	0	0	0.15	38	27
Hot Springs National Park	Phone	AR	1,429,286	4,553	11 <sup>i</sup>	90	92	52	1	10	125
John Muir National Historical Site <sup>g</sup>	In person	CA	41,384	1,011	0	0	0	0	0.05	22	123
National Mall and Memorial Parks <sup>l</sup>	In person	DC	29,980,871	33,737	0	0	393	0	16	661	6,100
Point Reyes National Seashore	In person	CA	2,408,025	7,460	6 <sup>k</sup>	291	15	0	3	78	1,353

**Appendix II: Data on Selected National Park Units**

Dollars in thousands

**Totals in fiscal year 2014**

Park name	Type of visit	State	Visitors	Base budget	Entrance fees collected <sup>a</sup>	Amenity fees collected <sup>b</sup>	Franchise fees collected <sup>c</sup>	Leasing rents collected <sup>d</sup>	Commercial use	Cash donations received	Number of volunteers
									authorization fees collected <sup>e</sup>		
Port Chicago Naval Magazine National Memorial <sup>g</sup>	In person	CA	696	0.175	0	0	0	0	0	0.05	0
Rosie the Riveter WWII Home Front National Historic Park <sup>g</sup>	In person	CA	41,669	1,286	0	0	0	0	0	10	97
San Francisco Maritime National Historical Park	In person	CA	4,254,725	7,333	58	0	0	2,477	0	80	1,729
Shenandoah National Park	In person	VA	1,136,076	11,975	3,861	712	186	0	5	92	709
Yosemite National Park	In person	CA	3,762,065	\$28,600	\$15,425	\$3,365	\$10,974	\$0	\$16	\$2,857	10,418

Source: GAO summary of National Park Service information. | GAO-16-166

<sup>a</sup>Entrance fees are paid by visitors to enter a park unit for a certain period of time.

<sup>b</sup>Amenity fees are for equipment, services, and facilities such as campsites.

<sup>c</sup>Franchise fees are paid by concessioners who operate restaurants, lodges, and other business operations inside park units. These fees are generally assessed as a percentage of the concessioners' total gross receipts.

<sup>d</sup>The Park Service is authorized to collect and use certain rents. Through its leasing program, the Park Service leases buildings and associated property to businesses, individuals, and government entities.

<sup>e</sup>The Park Service collects fees for commercial use authorizations, which include small-scale commercial activities, such as leading workshops or tours.

<sup>f</sup>The Cape Hatteras Group has the following national park units: Cape Hatteras National Seashore, Fort Raleigh National Historical Site, and the Wright Brothers National Memorial.

<sup>g</sup>These four park units are managed by the same administrative team.

<sup>h</sup>These two park units are managed by the same administrative team.

<sup>i</sup>This park unit does not charge an entrance fee. The revenue shown here is from sales of lifetime senior passes and the interagency annual pass that occurred at the park.

<sup>j</sup>The National Mall and Memorial Parks has the following 12 national park units: Constitution Gardens, Ford's Theatre National Historic Site, Franklin D. Roosevelt Memorial, Korean War Veterans Memorial, Lincoln Memorial National Memorial, Martin Luther King, Jr. Memorial, National Mall, Pennsylvania Avenue National Historic Site, Thomas Jefferson Memorial, Vietnam Veterans Memorial, Washington Monument, and World War II Memorial.

<sup>k</sup>This park unit does not charge an entrance fee. The revenue shown here is from sales of lifetime senior passes and the interagency annual pass that occurred at the park.

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# Appendix III: Park Profiles on Selected National Park Units

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The following figures provide a summary of selected information we collected during interviews with park officials and information we reviewed about individual parks' recreation fees, commercial service fees, and philanthropic partnerships.

- Recreation fees include entrance fees and amenity fees for certain equipment and services, such as campgrounds.
- Commercial service fees include franchise fees, commercial use authorizations, and rents.
- The Park Service is also authorized to develop agreements with nonprofit partner groups, known as friends groups and cooperating associations.

Figure 9: Antietam National Battlefield



Source: National Park Service (photo). | GAO-16-166

## Antietam National Battlefield

### Background

Located in Sharpsburg, Maryland, this park preserves the battlefield where 23,000 soldiers were killed, wounded, or missing on September 17, 1862. The Battle of Antietam is considered the bloodiest 1-day battle in American history.

### Recreation fees

#### Entrance fees

**Does the park charge entrance fees? Yes**

The park sells annual passes and charges per vehicle and per person fees.

**How have these fees changed?**

In 2015, annual passes increased from \$20 to \$30, per vehicle fees increased from \$6 to \$10, and per person fees increased from \$4 to \$5.

#### Amenity fees

**Does the park charge amenity fees? Yes**

The park charges fees for camping.

### Commercial service fees

#### Concessions contracts

**Does the park have any concessions contracts? No**

Park officials told us they are hesitant to overly commercialize the park.

#### Leases

**Does the park have leases? Yes**

The park leases one historic house for residential uses. In addition, park officials are considering converting special use permits for farmland into leases.

### Philanthropic partnerships

#### Friends group

**Does the park have a friends group? No**

Park officials told us that as of 2015 they do not plan on trying to establish a friends group due to staffing capacity at the park.

#### Cooperating association

**Does the park have a cooperating association? Yes**

Eastern National operates a bookstore in the visitor center and provides private tours for a fee.

Sources: GAO summary of National Park Service information. | GAO-16-166

Figure 10: Cape Hatteras Group



Source: National Park Service (photo). | GAO-16-166

## Cape Hatteras Group

### Background

The Cape Hatteras Group manages three parks in North Carolina: Cape Hatteras National Seashore; Fort Raleigh National Historic Site; and Wright Brothers National Memorial.

### Recreation fees

#### Entrance fees

■ **Does the group charge entrance fees?** Yes

Wright Brothers National Memorial sells an annual pass and charges a per person fee.

■ **How have these fees changed?**

In 2015, annual passes increased from \$20 to \$30 and per person fees increased from \$4 to \$7.

#### Amenity fees

■ **Does the group charge amenity fees?** Yes

The park charges campground, lighthouse climbing, interpretive, boat docking, and off-road vehicle permit fees.

### Commercial service fees

#### Concessions contracts

■ **Does the group have concessions contracts?** Yes

Cape Hatteras National Seashore has two contracts—one for a recreational pier and another for a fishing center. To increase revenues, park officials told us they are considering adding services and raising the franchise fee when the fishing center contract expires.

#### Leases

■ **Does the group have leases?** No

### Philanthropic partnerships

#### Friends group

■ **Does the group have a friends group?** Yes

In 2014, First Flight Society affiliated with Wright Brothers National Memorial and has provided in-kind donations.

#### Cooperating association

■ **Does the group have a cooperating association?** Yes

Eastern National operates bookstores in all three parks, and provides cash and in-kind donations.

Source: GAO summary of National Park Service information. | GAO-16-166

Figure 11: Denali National Park and Preserve



Sources: Nathan Kostegian; National Park Service (photo). | GAO-16-166

## Denali National Park and Preserve

### Background

Located in Alaska, this park spans 6 million acres of wildland, and features North America's tallest peak, Mount Denali. The park preserves low-elevation taiga forest, high alpine tundra, and snowy mountains.

### Recreation fees

#### Entrance fees

■ **Does the park charge entrance fees?** Yes

The park charges a per person fee.

■ **How have these fees changed?**

In 2012, the park's \$20 per vehicle fee converted to a \$10 per person fee.

#### Amenity fees

■ **Does the park charge amenity fees?** Yes

The park charges campground and mountain use fees.

### Commercial service fees

#### Concessions contracts

■ **Does the park have concessions contracts?** Yes

The park has 19 concessions contracts, including one contract for a dining facility, campground, bus service, and store. To increase revenues, park officials increased the franchise fee when this contract was completed in 2015.

#### Leases

■ **Does the park have leases?** No

Park officials told us they do not believe the park's unused facilities can be leased.

### Philanthropic partnerships

#### Friends groups

■ **Does the park have a friends group?** No

The park does not have an active friends group, but a small group is forming to support mountain rescue operations, as of September 2015.

#### Cooperating association

■ **Does the park have a cooperating association?** Yes

Alaska Geographic operates three retail outlets and offers fee-based programming at the park.

Sources: GAO summary of National Park Service information. | GAO-16-166

Figure 12: Eugene O'Neill National Historic Site



Sources: Nathan Kostegian; National Park Service (photo). | GAO-16-166

## Eugene O'Neill National Historic Site

### Background

Located in Danville, California, this park preserves the site where Pulitzer Prize-winning American playwright Eugene O'Neill authored some of his most memorable plays: *The Iceman Cometh*, *A Moon for the Misbegotten*, and *Long Day's Journey Into Night*.

### Recreation fees

#### Entrance fees

**Does the park charge entrance fees? No**

Park officials told us this is due to the park's location on a private road managed by a homeowners association.

#### Amenity fees

**Does the park charge amenity fees? No**

Park officials told us that they are hesitant to charge amenity fees because doing so could negatively impact visitation.

### Commercial service fees

#### Concessions contracts

**Does the park have concessions contracts? No**

Park officials told us that none of the park's programs warrant food or other concessions.

#### Leases

**Does the park have leases? No**

Park officials told us that the park has no facilities to lease.

### Philanthropic partnerships

#### Friends groups

**Does the park have a friends group? Yes**

The Eugene O'Neill Foundation provides interpretive support by organizing theater festivals and programs. The group sells tickets to some of these events, the proceeds from which support park activities and improvements.

#### Cooperating association

**Does the park have a cooperating association? Yes**

Western National Park Association operates a bookstore at the park.

Source: GAO summary of National Park Service information. | GAO-16-166

Figure 13: Fort McHenry National Monument and Historic Shrine



Sources: Nathan Kostegian; National Park Service (photo). | GAO-16-166

## Fort McHenry National Monument and Historic Shrine

### Background

Located in Baltimore, Maryland, this park preserves the site where the Battle of Baltimore was waged in 1814, inspiring Francis Scott Key to write the national anthem, "The Star-Spangled Banner."

### Recreation fees

#### Entrance fees

**Does the park charge entrance fees?** Yes

The park sells an annual pass and charges a per person fee.

**How have these fees changed?**

In 2015, the annual pass increased from \$30 to \$40, and the per person fee increased from \$7 to \$10.

#### Amenity fees

**Does the park charge amenity fees?** No

Park officials told us that there are not any specialized equipment services or services provided at the park not included as part of the entrance fee.

### Commercial service fees

#### Concessions contracts

**Does the park have concessions contracts?** Yes

There is one concessions contract for a bookstore.

#### Leases

**Does the park have leases?** No

This is because the park lacks staff to manage a leasing program, according to park officials.

### Philanthropic partnerships

#### Friends groups

**Does the park have a friends group?** Yes

Living Classrooms Foundation provides in-kind donations, such as transportation for school children, that support educational activities.

#### Cooperating association

**Does the park have a cooperating association?** Yes

Living Classrooms Foundation sells books.

Source: GAO summary of National Park Service information. | GAO-16-166

Figure 14: Glen Canyon National Recreation Area



Source: National Park Service (photo). | GAO-16-166

## Glen Canyon National Recreation Area

### Background

Located in Arizona and Utah, this park covers over 1.2 million acres, and offers opportunities for water-based and backcountry recreation along with scenic vistas and geologic history.

### Recreation fees

#### Entrance fees

**Does the park charge entrance fees? Yes**

The park charges all four types: annual, vehicle, person, motorcycle.<sup>a</sup>

**How have these fees changed?**

The park phased in increases so that, by 2017, the annual pass will increase from \$30 to \$50, the per vehicle fee will increase from \$15 to \$25, the per person fee will increase from \$7 to \$12, and the motorcycle fee will increase from \$10 to \$20.

#### Amenity fees

**Does the park charge amenity fees? Yes**

The park charges for boating permits and camping.

### Commercial service fees

#### Concessions contracts

**Does the park have concessions contracts? Yes**

The park has five concessions contracts. Park officials told us that they have had difficulty competing two of their largest contracts, in part because of the amounts concessioners are owed for structures, fixtures, or improvements they acquired or constructed under contracts executed under the National Park Service Concessions Policy Act.

#### Leases

**Does the park have leases? No**

### Philanthropic partnerships

#### Friends groups

**Does the park have a friends group? No**

Park officials told us that they have lacked sufficient staff to establish a friends group.

#### Cooperating association

**Does the park have a cooperating association? Yes**

Glen Canyon Natural History Association operates bookstores and helps coordinate volunteer programs.

Source: GAO summary of National Park Service information. | GAO-16-166

<sup>a</sup>The four types of entrance fees collected by the Park Service are annual passes, per vehicle fees, per person fees, and per motorcycle fees. Some parks that charge entrance fees do not charge all four types of fees. For example, some park units do not have roads and therefore do not collect vehicle or motorcycle fees.

Figure 15: Golden Gate National Recreation Area



Sources: Kirke Wrench; National Park Service (photo). | GAO-16-166

## Golden Gate National Recreation Area

### Background

Located in California, this park unit commemorates over 200 years of history about Native Americans, the Spanish Empire, the California Gold Rush, coastal fortifications, and San Francisco. The park unit includes Alcatraz Island and administers several sites, including Muir Woods National Monument and Fort Point National Historical Site.

### Recreation fees

#### Entrance fees

**Does the park charge entrance fees? Yes**

Muir Woods National Monument sells an annual pass and charges a per person fee.

**How have these fees changed?**

The annual pass is increasing from \$20 to \$40, and the per person fee is increasing from \$5 to \$10 in 2016.

#### Amenity fees

**Does the park charge amenity fees? Yes**

It charges day use, campground, and parking fees.

### Commercial service fees

#### Concessions contracts

**Does the park have concessions contracts? Yes**

The park manages six concessions contracts, including a contract for ferry services to Alcatraz Island. To increase revenues from these contracts, park officials told us they have increased franchise fee rates as contracts expire and are competed.

#### Leases

**Does the park have leases? Yes**

The park has 12 leases, and park officials told us they are in the process of developing 2 new leases.

### Philanthropic partnerships

#### Friends groups

**Does the park have a friends group? Yes**

Golden Gate National Parks Conservancy raises funds and organizes volunteers for the park.

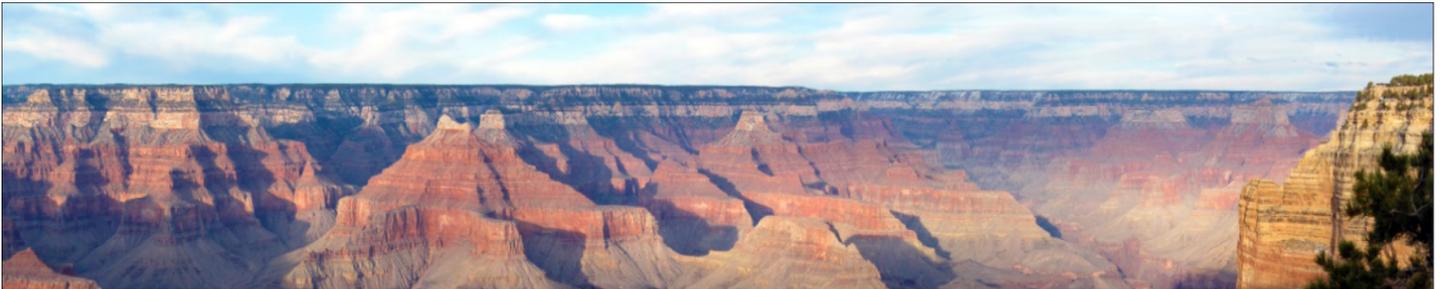
#### Cooperating association

**Does the park have a cooperating association? Yes**

Golden Gate National Parks Conservancy provides interpretive programs at locations such as Crissy Field Center.

Source: GAO summary of National Park Service information. | GAO-16-166

Figure 16: Grand Canyon National Park



Sources: Michael Quinn; National Park Service (photo). | GAO-16-166

## Grand Canyon National Park

### Background

Located in Arizona, this park preserves a geologic landscape and resources ranging from 1,840 to 270 million years old. The canyon is 277 miles long, 18 miles wide, and a mile deep.

### Recreation fees

#### Entrance fees

**Does the park charge entrance fees? Yes**

The park charges all four types: annual, vehicle, person, motorcycle.

**How have these fees changed?**

In 2015, the annual pass increased from \$50 to \$60, the per vehicle fee increased from \$25 to \$30, the per person fee increased from \$12 to \$15, and the per motorcycle fee increased from \$12 to \$25.

#### Amenity fees

**Does the park charge amenity fees? Yes**

The park charges camping, river permit, backcountry permit, commercial touring, and fly-over fees.

### Commercial service fees

#### Concessions contracts

**Does the park have concessions contracts? Yes**

The park has 22 concessions contracts, including two large lodging contracts on the South Rim. To increase competition and franchise fees, in 2014 Park Service officials reimbursed concessioners for almost \$100 million in past capital improvements.

#### Leases

**Does the park have leases? No**

### Philanthropic partnerships

#### Friends groups

**Does the park have a friends group? Yes**

Grand Canyon Association raises funds and provides in-kind donations to the park, such as volunteer hours.

#### Cooperating association

**Does the park have a cooperating association? Yes**

Grand Canyon Association operates eight bookstores in the park as well as a field institute that provides educational and interpretive experiences for visitors.

Source: GAO summary of National Park Service information. | GAO-16-166

Figure 17: Hampton National Historic Site



Sources: Michael Quinn; National Park Service (photo). | GAO-16-166

## Hampton National Historic Site

### Background

Located in Towson, Maryland, this park preserves an 18th-century estate, including a Georgian manor house, grounds, and original stone slave quarters. The park tells the story of slaves, indentured servants, along with industrial and agricultural workers.

### Recreation fees

#### Entrance fees

**Does the park charge entrance fees?** No

Park officials told us that the revenues from these fees would not cover the cost of collection and that such fees could drive down visitation.

#### Amenity fees

**Does the park charge amenity fees?** No

Park officials told us there are no specialized equipment or services provided outside of the regular ranger programs.

### Commercial service fees

#### Concessions contracts

**Does the park have concessions contracts?** No

#### Leases

**Does the park have leases?** No

Park officials said there is one structure that may be appropriate for leasing, but funds are not available to rehabilitate it.

### Philanthropic partnerships

#### Friends groups

**Does the park have a friends group?** Yes

Historic Hampton Inc. provides in-kind donations, such as landscaping.

#### Cooperating association

**Does the park have a cooperating association?** Yes

Eastern National operates a gift shop and bookstore at the park.

Source: GAO summary of National Park Service information. | GAO-16-166

Figure 18: Hot Springs National Park



Source: National Park Service (photo). | GAO-16-166

## Hot Springs National Park

### Background

Located in Hot Springs, Arkansas, the park preserves thermal springs and associated bathhouses that have been used for decades to heal and relax.

### Recreation fees

#### Entrance fees

**Does the park charge entrance fees? No**

Park officials said the park is in the middle of a city and collecting entrance fees would be difficult logistically.

**How have these fees changed?**

In 2016, the park is planning to pilot a program to charge entrance fees at the park's museum.

#### Amenity fees

**Does the park charge amenity fees? Yes**

The park charges for camping.

### Commercial service fees

#### Concessions contracts

**Does the park have concessions contracts? Yes**

The park has two contracts—one for a traditional bathhouse and one for an observation tower.

#### Leases

**Does the park have leases? Yes**

The park has three leases—two for historic bathhouses and one for office space—and is in the process of developing a fourth lease, as of September 2015.

### Philanthropic partnerships

#### Friends groups

**Does the park have a friends group? Yes**

Friends of Hot Springs National Park raises funds and provides volunteers to the park.

#### Cooperating association

**Does the park have a cooperating association? Yes**

Eastern National operates a bookstore at the park.

Source: GAO summary of National Park Service information. | GAO-16-166

Figure 19: John Muir National Historic Site



Source: National Park Service (photo). | GAO-16-166

## John Muir National Historic Site

### Background

Located in Martinez, California, this park preserves the home where naturalist and conservationist John Muir lived and died. Muir was instrumental in protecting Yosemite, Sequoia, Grand Canyon, and Mount Rainier as national parks.

### Recreation fees

#### Entrance fees

**Does the park charge entrance fees? No**

Park officials told us that they used to collect entrance fees, but stopped in 2011 due to the costs of collecting these fees. After the park stopped charging entrance fees, visitation increased by 30 percent, according to park officials.

#### Amenity fees

**Does the park charge amenity fees? Yes**

It charges special event permit fees. Park officials told us that these fees recover the park's costs for issuing permits.

### Commercial service fees

#### Concessions contracts

**Does the park have concessions contracts? No**

Park officials told us that none of the park's programs warrant food or other concessions.

#### Leases

**Does the park have leases? No**

The park has no excess facilities, according to park officials

### Philanthropic partnerships

#### Friends groups

**Does the park have a friends group? Yes**

The John Muir Association has raised funds for projects such as renovating the visitor center. It also provides volunteers for the visitor center and other projects.

#### Cooperating association

**Does the park have a cooperating association? Yes**

Western National Park Association operates the park's bookstore.

Source: GAO summary of National Park Service information. | GAO-16-166

Figure 20: National Mall and Memorial Parks



Sources: Brian Hall; National Park Service (photo). | GAO-16-166

## National Mall and Memorial Parks

### Background

Located in Washington, D.C., the National Mall and Memorial Parks has 12 national park units, including the National Mall, Vietnam Veterans Memorial, and Washington Monument.

### Recreation fees

#### Entrance fees

**Does the park charge entrance fees? No**

Park units are not allowed to charge entrance fees by law.<sup>a</sup>

#### Amenity fees

**Does the park charge amenity fees? Yes**

The park charges for permits to use picnic areas and volleyball courts. In the fall of 2015, parking fees will be charged along the Mall.

### Commercial service fees

#### Concessions contracts

**Does the park have concessions contracts? Yes**

The park has four concessions contracts for a food and beverage operation, golf course, bus tour, and food carts. Park officials told us the franchise fee for the bus tour increased from 3 to 8 percent when the new contract was signed in 2015.

#### Leases

**Does the park have leases? No**

### Philanthropic partnerships

#### Friends groups

**Does the park have a friends group? Yes**

The Trust for the National Mall is the primary friends group. However, the park has over 150 agreements with other partners to help maintain memorials and green spaces throughout Washington, D.C.

#### Cooperating association

**Does the park have a cooperating association? Yes**

Eastern National operates bookstores at five locations, including the Jefferson and Lincoln Memorials.

Source: GAO summary of National Park Service information. | GAO-16-166

<sup>a</sup>16 U.S.C. 6802(d)(3)(C) (2015).

Figure 21: Point Reyes National Seashore



Source: National Park Service (photo). | GAO-16-166

## Point Reyes National Seashore

### Background

Located in Point Reyes Station, California, this park spans 70,000 acres and covers expansive sand beaches, open grasslands, brushy hillsides, and forested ridges with over 1,500 species of plants and animals.

### Recreation fees

#### Entrance fees

**Does the park charge entrance fees? No**

The park is prohibited by law from charging entrance fees.<sup>a</sup>

#### Amenity fees

**Does the park charge amenity fees? Yes**

The park charges for backcountry camping and a shuttle bus.

### Commercial service fees

#### Concessions contracts

**Does the park have concessions contracts? Yes**

The park has four contracts for horse stables, a horse camp, a hostel, and an operation that sells limited convenience items. Park officials said they are hesitant to raise franchise fee rates, since the park's concessioners provide critical services to visitors, but do not earn a lot of revenue.

#### Leases

**Does the park have leases? No**

Park officials told us the park does not have any buildings that are in adequate shape to lease.

### Philanthropic partnerships

#### Friends groups

**Does the park have a friends group? No**

However, the park's cooperating association—Point Reyes National Seashore Association—has raised funds and provided in-kind donations to the park.

#### Cooperating association

**Does the park have a cooperating association? Yes**

Point Reyes National Seashore Association operates bookstores and provides educational programming.

Source: GAO summary of National Park Service information. | GAO-16-166

<sup>a</sup>16 U.S.C. § 459c-5(e) (2015).

Figure 22: Port Chicago Naval Magazine National Memorial



Source: National Park Service (photo). | GAO-16-166

## Port Chicago Naval Magazine National Memorial

### Background

Located on an active military base in California's Suisun Bay, this park commemorates the site where 320 men died when two ships being loaded with munitions exploded in 1944. Their deaths called attention to safety problems and naval segregation policies.

### Recreation fees

#### Entrance fees

■ **Does the park charge entrance fees?** No

The park does not manage any fee collection sites at this park, which is located on an active U.S. military base.

#### Amenity fees

■ **Does the park charge amenity fees?** No

The park does not issue permits at this site.

### Commercial service fees

#### Concessions contracts

■ **Does the park have concessions contracts?** No

Park officials said they are not likely to develop such contracts because Park Service does not manage facilities at this site.

#### Leases

■ **Does the park have leases?** No

Park officials told us that leasing is not an option because Park Service does not manage any facilities at this site.

### Philanthropic partnerships

#### Friends groups

■ **Does the park have a friends group?** Yes

Friends of Port Chicago Memorial, which helped create the park, raises funds to support the park's annual memorial event.

#### Cooperating association

■ **Does the park have a cooperating association?** No

There is no visitor center or facility at which to operate a bookstore.

Source: GAO summary of National Park Service information. | GAO-16-166

Figure 23: Rosie the Riveter / WWII Home Front National Historic Park



Source: National Park Service (photo). | GAO-16-166

## Rosie the Riveter/WWII Home Front National Historic Park

### Background

Located in Richmond, California, this park commemorates the industrial boom that occurred on the home front during World War II, impacting women and minorities in the workforce. The park is composed of 16 affiliated sites, none of which are owned by the federal government.

### Recreation fees

#### Entrance fees

**Does the park charge entrance fees?** No

Park officials told us that they do not charge fees because the federal government does not own property at the park.

#### Amenity fees

**Does the park charge amenity fees?** No

Park officials told us that they cannot charge amenity fees because the federal government does not own or manage property at this park.

### Commercial service fees

#### Concessions contracts

**Does the park have concessions contracts?** No

Park officials told us that they cannot develop concessions contracts because the federal government does not own or manage property at this park.

#### Leases

**Does the park have leases?** No

Park officials told us that they do not lease buildings because the federal government does not own property at the park.

### Philanthropic partnerships

#### Friends groups

**Does the park have a friends group?** Yes

Rosie the Riveter Trust has raised funds and provided in-kind donations, such as a collection of artifacts for display.

#### Cooperating association

**Does the park have a cooperating association?** Yes

Rosie the Riveter Trust operates a bookstore, provides volunteers, and provides interpretive services.

Source: GAO summary of National Park Service information. | GAO-16-166

Figure 24: San Francisco Maritime National Historical Park



Source: National Park Service (photo). | GAO-16-166

## San Francisco Maritime National Historical Park

### Background

Located near San Francisco's Fisherman's Wharf neighborhood, this park offers Pacific Coast maritime history, historic buildings and grounds, and urban recreation.

### Recreation fees

#### Entrance fees

■ Does the park charge entrance fees? Yes

The park sells an annual pass and charges a per person fee.

■ How have these fees changed?

In 2015, the annual pass increased from \$20 to \$40, and the per person fee increased from \$5 to \$10.

#### Amenity fees

■ Does the park charge amenity fees? No

As of October 2015, the park does not charge amenity fees, but officials said they are considering charging fees to boats that dock at the park.

### Commercial service fees

#### Concessions contracts

■ Does the park have concessions contracts? No

#### Leases

■ Does the park have leases? Yes

The park has two leases—one with a hotel and another for a dry dock. Park officials said they are considering raising the rent for the dry dock when the lease expires.

### Philanthropic partnerships

#### Friends groups

■ Does the park have a friends group? Yes

Friends of the San Francisco Maritime Museum Library supports the park's archives.

#### Cooperating association

■ Does the park have a cooperating association? Yes

San Francisco Maritime National Historical Park Association offers interpretive and educational programs, such as shipbuilding classes. Western National Parks Association also runs a store at the park.

Source: GAO summary of National Park Service information. | GAO-16-166

Figure 25: Shenandoah National Park



Sources: Neal Lewis; National Park Service (photo). | GAO-16-166

## Shenandoah National Park

### Background

Located in Virginia, this park preserves 200,000 acres of land featuring eastern deciduous forest, abundant wildlife, streams, waterfalls and over 80,000 acres of congressionally designated wilderness.

### Recreation fees

#### Entrance fees

**Does the park charge entrance fees? Yes**

The park charges all four types: annual, vehicle, person, motorcycle.

**How have these fees changed?**

In 2015, annual passes increased from \$30 to \$40, per vehicle fees increased from \$15 to \$20, per person fees increased from \$8 to \$10, and per motorcycle fees increased from \$10 to \$15. In addition, starting in 2017, Park Service has approved the park to increase annual passes to \$50, per vehicle fees to \$25, and per motorcycle fees to \$20.

#### Amenity fees

**Does the park charge amenity fees? Yes**

It charges interpretive fees for ranger-guided tours of Rapidan Camp, President Hoover's former retreat.

### Commercial service fees

#### Concessions contracts

**Does the park have concessions contracts? Yes**

The park has one contract for lodging, horseback riding, food and beverage, convenience store, shower, and laundry services. Park officials told us they would like to increase franchise fees the next time the agency competes this contract in 2022.

#### Leases

**Does the park have leases? No**

Park officials told us that they have evaluated the park's leasing options but said they do not believe that their facilities have leasing potential, since all of their buildings are utilized.

### Philanthropic partnerships

#### Friends groups

**Does the park have a friends group? Yes**

Shenandoah Trust raises funds for the park.

#### Cooperating association

**Does the park have a cooperating association? Yes**

Shenandoah National Park Association operates three sales outlets in the park.

Source: GAO summary of National Park Service information. | GAO-16-166

Figure 26: Yosemite National Park



Sources: Jeffrey Trust; National Park Service (photo). | GAO-16-166

## Yosemite National Park

### Background

Located in the Sierra Mountains of California, this park is best known for its sheer granite walls and waterfalls. Within its nearly 1,200 square miles, there are deep valleys, grand meadows, giant sequoias, and vast wilderness areas.

### Recreation fees

#### Entrance fees

**Does the park charge entrance fees? Yes**

The park charges all four types: annual, vehicle, person, motorcycle.

**How have these fees changed?**

By 2017, the annual pass will increase from \$40 to \$60, the per vehicle pass will increase from \$20 to \$30, the per person pass will increase from \$10 to \$15, and the per motorcycle pass will increase from \$10 to \$25.

#### Amenity fees

**Does the park charge amenity fees? Yes**

The park charges for camping.

### Commercial service fees

#### Concessions contracts

**Does the park have concessions contracts? Yes**

The park has three concessions contracts for: a lodging and food and beverage operation; an art gallery; and a market.

#### Leases

**Does the park have leases? No**

However, park officials said they may consider converting one concessions contract into a lease when that contract expires.

### Philanthropic partnerships

#### Friends groups

**Does the park have a friends group? Yes**

Yosemite Conservancy provided over \$11 million in cash and in-kind support to the park in 2014, according to park officials.

#### Cooperating association

**Does the park have a cooperating association? Yes**

Yosemite Conservancy operates eight retail outlets, coordinates volunteers, and provides interpretive support through publishing, arts, and theater programming. Another organization, called Nature Bridge, provides environmental programs to students.

Source: GAO summary of National Park Service information. | GAO-16-166

# Appendix IV: Comments from the Department of the Interior



## United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

NOV 3 0 2015

Ms. Anne-Marie Fennell  
Director, Natural Resources and Environment  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Ms. Fennell:

Thank you for providing the Department of the Interior (Department) the opportunity to review and comment on the draft Government Accountability Office (GAO) Report entitled, *National Park Service: Revenues from Fees and Donations Increased, but Some Enhancements Are Needed to Continue this Trend* (GAO-16-166). The Department generally agrees with the findings and concurs with the recommendations.

We appreciate GAO's review of the National Park Service's (NPS) overall funding, - fee revenue and donations covering fiscal years 2005 through 2014. We concur with GAO's conclusion that the funding for NPS has not kept pace with inflation over the past 10 years, while revenues from fees, concessions operations, and donations have increased. As noted in the report, NPS has initiatives underway to increase revenue from fees and donations, but certain factors have complicated these efforts. The NPS is committed to overcoming the obstacles that are within its control, beginning with the implementation of GAO's recommendations.

GAO recommends that Congress consider amending the Federal Lands Recreation Enhancement Act (FLREA) so that the federal agencies that charge recreation fees can determine whether to adjust the price of a senior pass. GAO also recommends that the NPS revise its guidance to periodically review entrance fees and direct park units to provide information on their decisions to not increase fees.

Following are the Department's planned actions for your consideration when finalizing the report:

- The Department supports amending FLREA so that the federal agencies can determine whether to adjust the price of the senior pass, and will take this into account as we work with Congress on the reauthorization of FLREA.
- In 2016, the NPS will revise the *Reference Manual 22A: Recreation Fee Collection*, which contains comprehensive, detailed instructions for field and program operations. This revision will include a requirement to periodically reevaluate the entrance fee pricing structure.
- Beginning in 2016, NPS will require park units to provide information on their decisions to not increase fees.

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**Appendix IV: Comments from the Department  
of the Interior**

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If you have any questions, or need additional information, please contact Chris Williamson,  
Acting Deputy Fee Program Manager, at [chris\\_williamson@nps.gov](mailto:chris_williamson@nps.gov) or 303-969-2298.

Sincerely,



Michael Bean  
Principal Deputy Assistant Secretary  
Fish and Wildlife and Parks

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# Appendix V: GAO Contact and Staff Acknowledgments

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## GAO Contact:

Anne-Marie Fennell, (202)512-3841 or [fennella@gao.gov](mailto:fennella@gao.gov)

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## Staff

### Acknowledgments:

In addition to the individual named above, Elizabeth Erdmann (Assistant Director), Scott Heacock, Mary Koenen, and Sean Standley made key contributions to this report. Additional contributions were made by Penny Berrier, Antoinette Capaccio, Alexandra Dew Silva, Carol Henn, Paul Kinney, Ying Long, Armetha Liles, John Mingus, Alison O'Neill, Guisseli Reyes-Turnell, and Rebecca Shea.

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