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NATIONAL PARK SERVICE

**Efforts Underway to
Address Its Maintenance
Backlog**

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Highlights of [GAO-03-1177T](#), a testimony to the Subcommittee on National Parks, Recreation and Public Lands, Committee on Resources, House of Representatives

Why GAO Did This Study

GAO, the Department of the Interior, and others have reported on the National Park Service's efforts to develop an effective maintenance management process that would, among other things, enable the agency to accurately and reliably estimate the amount of deferred maintenance on its assets. Over the years, the agency's estimates of the cost of its deferred maintenance have varied widely—sometimes by billions of dollars. Currently, the agency estimates that its deferred maintenance backlog will cost over \$5 billion. In April 2002, GAO reported on the status of efforts to develop better deferred maintenance data.

(National Park Service: Status of Efforts to Develop Better Deferred Maintenance Data, GAO-02-568R [Washington, D.C.: Apr. 12, 2002])

This testimony presents the results of GAO's April report and updates the progress the Park Service is making in implementing its new asset management process.

www.gao.gov/cgi-bin/getrpt?GAO-03-1177T.

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

NATIONAL PARK SERVICE

Efforts Underway to Address Its Maintenance Backlog

What GAO Found

In 2002, GAO reported that the design of the National Park Service's new asset management process was complete but implementation was just beginning. The new process will address deferred maintenance, commonly referred to as the maintenance backlog, as part of a much broader approach to its asset management. When fully developed and implemented, the new process will, for the first time, enable the agency to have a (1) reliable inventory of its assets; (2) process for reporting on the condition of the assets in its inventory; and (3) consistent, systemwide methodology for estimating the deferred maintenance costs for its assets. As a result, agency managers and the Congress should receive much more accurate and reliable information on the amount of deferred maintenance needs throughout the national park system. Nonetheless, while the Park Service's current efforts are promising, GAO reported on a few areas that the agency needed to address to improve the performance of the process. These included the need to (1) develop costs and schedules for completing the implementation of the process, (2) better coordinate the tracking of the process among Park Service headquarters units to avoid duplication of effort within the agency; and, (3) better define its approach to determine the condition of its assets, and how much the assessments will cost.

Since that report, the agency appears to have made progress. While the complete implementation of the process will not occur until fiscal year 2006, the agency has completed, or is nearing completion of, a number of substantial and important steps. According to the Park Service, the agency has completed its asset inventory and trained staff on the use of the required computer software. In addition, the Park Service provided information indicating that it was addressing each of the concerns identified in GAO's 2002 report. Specifically, the Park Service (1) developed cost and schedule estimates for the complete implementation of the process, (2) developed a plan with an implementation schedule to eliminate any duplication or inconsistencies between organizational components, and (3) completed annual condition assessments—visual inspections—on all but nine of the larger parks in the system for which it only plans to perform a more comprehensive condition assessment. According to the Park Service, the work done so far are necessary steps and reflect some of the best practices of the private sector in developing and implementing an effective facility management process.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the National Park Service's maintenance backlog. GAO, the Department of the Interior, and others have reported on the Park Service's efforts to develop an effective maintenance management process that would, among other things, enable the agency to provide accurate and reliable estimates of the amount of deferred maintenance on its assets. Over the years, the agency's estimates of the amount of its deferred maintenance backlog have varied widely—sometimes by billions of dollars. Currently, the agency estimates its deferred maintenance backlog at over \$5 billion. Although the Park Service has spent almost two decades addressing its maintenance backlog, it acknowledges that it still does not have the data it needs to properly manage the broad array of historic, cultural, and natural assets placed in its care—including accurate and reliable data on its deferred maintenance needs.¹ In 1998, spurred by continuing congressional concerns and new federal accounting standards,² the Park Service initiated the design of a new asset management process that is intended to provide the agency with a better overall approach to managing its asset inventory. A major goal of this new process is to provide the Park Service with a reliable and systematic method for estimating and documenting its deferred maintenance needs and tracking progress in reducing the amount of deferred maintenance.

My testimony today will (1) summarize our prior work regarding the potential of the Park Service's new asset management process to provide maintenance data that will permit agency managers and the Congress to monitor progress in reducing deferred maintenance and (2) update the progress the Park Service is making in implementing its new asset management process and realizing its potential for improved management.

¹This maintenance includes resources and activities needed to maintain facilities and the infrastructure in the system, such as buildings, trails, botanical gardens, bridges, and other structures. It does not include maintenance or restoration of natural landscapes, such as removing non-native plant species from a meadow.

²The Statement of Federal Financial Accounting Standards No. 6, *Accounting for Plant, Property, and Equipment*, issued by the Federal Accounting Standards Advisory Board in 1996, requires that deferred maintenance be disclosed in federal agencies' annual financial statements beginning in fiscal year 1998.

For the most part, my testimony is based on a report we issued last year.³ At that time, the design of the new process was complete but implementation was just beginning. In preparing for today's hearing, we obtained updated information from the Park Service. However, we did not have the opportunity to independently verify the information the Park Service provided. To do so would have required work at regional offices and parks. We conducted our work in accordance with generally accepted government auditing standards.

Results in Brief

As we previously reported, the Park Service's new asset management process is designed to address deferred maintenance, commonly referred to as the maintenance backlog, as part of a much broader approach to asset management. When fully and properly implemented, the new process is expected, for the first time, to enable the agency to have a (1) reliable inventory of its assets; (2) process for reporting on the condition of each asset in its inventory; and (3) consistent, systemwide methodology for estimating the deferred maintenance costs for each asset. As a result, agency managers and the Congress should receive much more accurate and reliable information on the extent of deferred maintenance needs throughout the national park system. Nonetheless, while the Park Service's current efforts are promising, we reported on a few areas that the agency needed to address to improve the performance of the process. These included the need to (1) develop costs and schedules for completing the implementation of the process so that the agency's performance could be monitored and assessed, (2) better coordinate the tracking of the process among Park Service headquarters units to avoid duplication of effort within the agency, and (3) better define its approach to assessing the condition of its assets, and determining how much the assessments will cost.

Since our report last year, I am pleased to say that the agency appears to have made progress. While complete implementation of the process will not occur until fiscal year 2006, the agency has completed, or nearly completed, several substantial and important steps. According to the Park Service, it has completed its asset inventory, trained staff on the use of the required computer software, and completed most of the on-site inspections necessary to determine the condition and maintenance needs

³U.S. General Accounting Office, *National Park Service: Status of Efforts to Develop Better Deferred Maintenance Data*, [GAO-02-568R](#) (Washington, D.C.: Apr. 12, 2002).

of inventoried assets. In addition, the Park Service provided information indicating that it was addressing each of the concerns identified in our prior report.

Background

The national park system contains 388 park units. These park units have a diverse inventory of facilities and other assets, including over 18,000 permanent structures, 8,000 miles of roads, 1,800 bridges and tunnels, 4,400 housing units, about 700 water and wastewater systems, over 400 dams, and 200 solid waste operations. The Park Service values these assets at over \$35 billion. Needless to say, the proper care and maintenance of the national parks and their supporting infrastructure is essential to the continued use and enjoyment of our national treasures by this and future generations. However, for years Park Service officials have highlighted the agency's inability to keep up with its maintenance needs. In this connection, Park Service officials and others have often cited a continuing buildup of unmet maintenance needs as evidence of deteriorating conditions throughout the national park system. The accumulation of these unmet needs is commonly referred to as its "maintenance backlog." Although the Park Service has spent almost two decades and about \$11 billion addressing this problem, it still does not have a reliable estimate of deferred maintenance needs for its facilities and other assets.

In the past several years, concerns about the cost of operating and maintaining federal recreation sites within the National Park Service, as well as other federal land management agencies, led the Congress to provide a significant new source of funds. This additional source of funding—the Recreational Fee Demonstration Program⁴—was, in part, aimed at helping the agencies address their backlogged repair and maintenance problems. This new funding source is in addition to annual appropriations the Park Service receives each year for maintenance activities.⁵

⁴Since fiscal year 1996, the Park Service, as well as three other federal land management agencies, have been authorized to have a fee demonstration program. Under this temporary program, the agencies are permitted to experiment with increased and/or new recreation fees. The revenue generated from this program remains available for agency use to address a variety of needs, including maintenance, without further appropriation.

⁵The House Committee on Appropriations has stressed that recreation fees should never be used to replace appropriated funds; the fees should be used for direct improvements on site that enhance the recreation experience. H.R. Rep. No. 106-646 (2000).

Despite the years of attention and funding and the well-intended efforts of the agency and the Congress to resolve the maintenance backlog dilemma, it has not gone away. While Congress continues to provide hundreds of millions of dollars annually to deal with the maintenance backlog at the national parks, the Park Service still has no reliable data on the size of the problem, raising questions about what has been accomplished with the provided funds.

When Fully and Properly Implemented, the Park Service's New Asset Management Process Should Provide Accurate and Reliable Deferred Maintenance Data

As we reported in April 2002, the Park Service has made progress in developing a new asset management process that, when fully and properly implemented, should provide the agency with more accurate and reliable estimates of the amount of deferred maintenance of its assets. As currently planned, the new process will, for the first time, enable the agency to have a (1) reliable inventory of its assets; (2) process for reporting on the condition of assets in its inventory; and (3) systemwide methodology for estimating deferred maintenance costs for assets.

The new asset management process is composed of both systemwide, integrated software to track cost and maintenance data and regular condition assessments of Park Service assets. The cornerstone of the new asset management process is the Facility Management Software System. This cradle-to-grave asset and work management process will allow park, regional office, or Park Service headquarters managers to track when, what, and how much maintenance and related costs has been directed at each specific asset.

In addition to using the software system, the Park Service plans to assess the condition of its assets. These assessments will be inspections to document the condition of an asset as measured against applicable maintenance or condition standards. There are two types of condition assessments—annual and comprehensive. Annual assessments are essentially “eyeball inspections” of facilities to identify obvious and apparent deficiencies. Comprehensive assessments are more in-depth inspections to identify less obvious deficiencies, such as foundation or structural problems. While the eye-ball assessments are annual, the comprehensive assessments, which are much more expensive and time-consuming, occur in 5-year cycles. The Park Service is to use the information obtained from these condition assessments to establish the overall condition of a facility or asset, including the resources needed to address its deferred maintenance needs and future facility needs. The cost of identified deferred maintenance needs will be estimated using another computer software system that will provide a uniform method for

estimating repair and maintenance costs for each asset in the inventory. Agency managers will use the condition assessment information in combination with an asset priority ranking system to set priorities for deferred maintenance projects.

While the design of the new process is complete, we reported in April 2002 that the Park Service had just begun implementing it. For example, at that time, the agency was still inventorying its assets and training staff on how to use the new process at about a third of the park units in the national park system. We reported that because managers at each park will be required to implement this new process using a uniform systemwide methodology, the resulting deferred maintenance estimates should permit agency managers, as well as the Congress, to monitor progress in reducing deferred maintenance both at the individual park and systemwide levels. However, we noted that while the new process is promising, its success cannot be determined until staff in each of the park units are trained and the new asset management process is fully and properly implemented.

In our last report, we also raised three concerns about the Park Service's implementation of the new asset management process. While these matters were not significant enough to undermine the overall merit of the new process, we believed that addressing them would improve the effectiveness of the process. First, even though the Park Service had been developing its new process for more than 3 years, it had not yet estimated its total implementation costs or developed a schedule for completing implementation. While the agency had made progress in developing schedules and costs for some components of the process, it had not yet estimated when it will complete all the required condition assessments or what they will cost. We noted that monitoring and assessing performance against budgets and time frames would be difficult without complete estimates and schedules that include all components of the process, including the completion of condition assessments.

Second, two different operating divisions within the Park Service—Concessions Management and Facilities Management—were developing separate processes for tracking and reporting deferred maintenance, even though both units are responsible for managing the condition of government-owned facilities. Because both of these units have similar responsibilities, it seemed reasonable that they would work together in a coordinated way to ensure that their efforts are not duplicative.

Finally, the Park Service reported that about one-third of the park units were to complete annual condition assessments by the end of fiscal year

2002. We noted that this approach may be appropriate for meeting programmatic and financial reporting needs in the short term; however, without comprehensive assessments, this approach might result in overlooking more complex and costly problems in the long term. As a result, this approach could understate the extent of the deferred maintenance problem. Park Service officials told us that the agency eventually planned to conduct comprehensive assessments for all assets. However, at the time they had not developed a plan detailing where, when, and how the assessments will be done or what they will cost.

The Park Service Has Made Progress Implementing Its Asset Management Process Since Our Last Report

Although full implementation of the new asset management process is still years from completion, the Park Service appears to have made progress since our last report. Also, importantly, Park Service management has demonstrated its commitment to implementing this process by withholding some fiscal year 2003 funding from parks that are not complying with the agency's implementation goals.

The agency now reports that it has completed its inventory of assets for all park units as well as the first round of staff training on the use of the facilities management software. The agency also contracted with a consulting firm to evaluate its training and implementation efforts to help ensure that the training is effective and that the software system is being consistently applied throughout the park system. The Park Service has analyzed the firm's results and is now developing a training curriculum to address the firm's recommendations. The Park Service expects to begin implementing the training in January or February 2004.

The agency is also addressing each of the issues raised in our last report. Specifically, the Park Service has now developed cost and schedule estimates for the complete implementation of the process. According to the schedule, the process is to be fully implemented by the end of fiscal year 2006, when all the comprehensive condition assessments are complete for all park units and deferred maintenance and other needs can be estimated on a reliable and consistent basis for assets throughout the national park system. The Park Service estimates now that the cost of the complete rollout and implementation, including performing condition assessments, will be about \$91 million from fiscal years 1999 through 2006. Thereafter, it estimates that the annual costs of sustaining the process once it is fully operational will be about \$20 million.

In response to our concern that two different operating divisions within the agency—Concessions Management and Facilities Management—were

developing separate processes for maintaining government-owned facilities, the Park Service told us that they agreed and are committed to implementing a single facilities management process. According to the agency, it has developed a plan with an implementation schedule to eliminate any duplication or inconsistencies between these two components of the organization.

The Park Service has also made progress in performing its servicewide facility condition assessments. According to the Park Service, it has completed annual condition assessments—visual inspections—on all but nine of the larger parks in the system.⁶ In addition, the Park Service is concurrently performing the more detailed, comprehensive condition assessments on other park units. According to the Park Service, the work done so far are necessary steps and reflect some of the best practices of the private sector in developing and implementing an effective facility management process.

Conclusion

The Park Service has a solemn responsibility to take care of the nation's natural, cultural and historic treasures. While it has unfortunately taken decades to achieve the current level of focus on maintaining these treasures, the Park Service apparently now has made substantive progress in developing and implementing a system it can use to determine the conditions of the assets in its portfolio and develop accurate and reliable estimates of its deferred maintenance needs. However, the agency has not yet completed the task. Determining the assets' conditions and their maintenance costs will require years of sustained commitment by the agency and by the Congress to ensure that the full benefits of the agency's new facility management process are realized.

Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions that you or Members of the Subcommittee may have.

⁶In order to expedite the condition assessments, the Park Service decided to only complete the more comprehensive condition assessments on the nine larger parks. These parks include Appalachian Trail, Delaware Water Gap, Gateway, Golden Gate, Grand Canyon, Great Smoky Mountains, Rocky Mountain, Yellowstone, and Yosemite. By the end of fiscal year 2003, the Park Service will have completed these assessments for five of the nine parks with the remaining four to be completed by the end of fiscal year 2004.

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Acknowledgments**

For further information about this testimony, please contact me at (202) 512- 3841. Cliff Fowler, Roy Judy, and Patrick Sigl made key contributions to this statement.