

National Park Service FY 2007 Budget Justifications General Statement

Introduction

The National Park Service plays an integral role in the Department of the Interior's mission to "protect and manage the Nation's natural and cultural resources and cultural heritage; provide scientific and other information about those resources...." As the steward of 388 national park sites, the NPS is charged with preserving "unimpaired" these lands and historic features that were set aside by the Nation and are valued for their environmental resources, recreational and scenic worth, their cultural and historical significance and vast open spaces. The NPS further helps the Nation preserve and protect historical, cultural and recreational resources through its many grant and technical assistance programs.

This request proposes total discretionary budget authority of \$2.156 billion, a net decrease of \$100.5 million below the FY 2006 enacted level. It covers the Operation of the National Park System, U.S. Park Police, National Recreation and Preservation, Historic Preservation, Construction, and Land Acquisition and State Assistance appropriations. The request also includes \$350.2 million in mandatory accounts, including fee and concession receipts, donations, the United States Park Police Pension Fund and other special revenue authorities. The FY 2007 budget request includes an increase of \$46.6 million for non-discretionary fixed cost increases, of which \$33.8 million are budgeted and \$12.9 million are absorbed.

NPS Mission Statement

"The National Park Service preserves unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations. The Park Service cooperates with partners to extend the benefits of natural and cultural resource conservation and outdoor recreation throughout this country and the world."

Overview of FY 2007 Budget Request (Dollars in Thousands)

| Budget Authority | FY 2005 Actual ¹ | FY 2006 Estimate ² | FY 2007 Request | 2007 Request Change from 2006 | |
|------------------|-----------------------------|-------------------------------|------------------|-------------------------------|---------------|
| | | | | Amount | Percent |
| Discretionary | 2,361,616 | 2,256,293 | 2,155,823 | -100,470 | -4.45% |
| Mandatory | 316,319 | 316,121 | 350,154 | +34,033 | +10.8% |
| Total | 2,677,935 | 2,572,414 | 2,505,977 | -66,437 | -2.58% |
| <i>FTEs</i> | <i>20,485</i> | <i>20,463</i> | <i>20,441</i> | <i>-22</i> | <i>-0.11%</i> |

¹FY 2005 Discretionary total includes \$50.802 million in supplemental appropriations for emergency storm damage.

²FY 2006 Discretionary total does not include \$19.0 million in supplemental appropriations for emergency storm damage or the Fort Baker transfer

NPS Performance

Within the available resources for FY 2007 (-\$100.47 million), the NPS has prioritized the available funding to meet the needs of the organization. The proposed budget includes: \$872.9 million for Resource Protection, a decrease of \$44.7 million (-4.9%); \$1,019.2 million for Recreation, a decrease of \$50.7 million (-4.7%), and; \$263.7 for Serving Communities, a decrease of \$5.1 million (-1.9%). Within the overall reduction, there is increased funding from FY 2006 appropriated levels for the US Park Police (+5.7%) and Operation of the National Park System (+1.4%). There is reduced funding for all other accounts including: National Recreation and Preservation (-38.6%), Historic Preservation Fund (-0.4%), Construction (-27.0%) and Land Acquisition and State Assistance (-48.2%). These cuts reflect a change of funding priorities toward the existing resources and responsibilities of the NPS and away from funding

the acquisition of additional lands and resources. As the Administration strives to trim the Federal deficit, by exhibiting fiscal prudence, focusing on higher priority mission areas is imperative.

The proposed budget changes affect three of the four Departmental Strategic Plan goals shown below. NPS funding has been prioritized to meet the greatest needs and in areas having the best performance. For example, \$2.8 million will be used to implement improvements in and sustain the United States Park Police, \$1.0 million will be used to complete the inventory work of the vital signs networks and to expand the work of the highly successful exotic plant management teams. A \$10.0 million increase is planned for cyclic maintenance of park facilities, allowing a predictive cycle of maintenance to prevent disrepair resulting in additions to the maintenance backlog and a decrease in the Repair and Rehabilitation Program (-\$10.0 million). Deferred maintenance activity will also be augmented through the use of additional fee revenue. This budget also propose a significant decrease in the Line Item Construction (-\$93.0 million), reflecting a return to sustainable funding levels after the completion of a five-year surge in funding. The total budget is described in detail in the accompanying tables and justifications. Performance information for all NPS program areas is provided throughout the budget justification document and in the Goal Performance Table section.

The following table summarizes the relationship of NPS funding to the Department's mission goals.

2007 Budget Discretionary Request by DOI Mission Component
(Dollars in Thousands)

| Mission Goal | 2006 Enacted | 2007 Request | Change From 2006 |
|---------------------|-----------------|-----------------|------------------|
| Resource Protection | 917,602 | 872,934 | - 44,668 |
| Resource Use | N/A | N/A | N/A |
| Recreation | 1,069,981 | 1,019,234 | - 50,747 |
| Serving Communities | 268,710 | 263,656 | - 5,055 |
| Total | 2,256,293 | 2,155,823 | -100,470 |

Budget Highlights

Significant funding restraints in FY 2007, along with the partial absorption of pay and benefits costs, have required the NPS to make hard decisions regarding funding priorities. The result is a shift in FY 2007 to emphasize law enforcement and prioritize the protection and maintenance of existing NPS assets and resources. As always, the NPS request supports Departmental strategic plan goals and/or Presidential Initiatives. The highlights of the budget request are as follows:

- I. **Improve cyclic maintenance of park facilities** through increases for parks with facilities needing preventive maintenance that will maintain the Facility Condition Index (FCI).
- II. **Enhance management of natural and cultural resources** through increases for Inventory & Monitoring networks, Exotic Species Management teams, and the Natural Sounds program.
- III. **Support visitor and resource protection** through funding for law enforcement training, additional special agents, and sustaining the USPP force per the recent mission review.
- IV. **Accelerating partnership initiatives** through improved oversight for the partnership program and the creation of the America's Heritage & Preservation Partnership program.

I. Improve Cyclic Maintenance of Park Facilities

The NPS is requesting \$10.0 million in the FY 2007 budget for improving cyclic maintenance at parks. This marks a shift in focus of the NPS to the Cyclic Maintenance Program. Cyclic maintenance funds assist the NPS in preventing the continued deterioration of NPS assets. Parks have the ability to maintain recently rehabilitated and/or repaired assets in a state of good condition, as well as continue to maintain assets that are presently in a fair or good condition. The cyclic program is intended to maximize cyclic maintenance work, so that assets are maintained on a predictive cycle, rather than falling into disrepair, and is a key component of reducing the deferred maintenance backlog.

Including the FY 2002 budget, nearly \$4.7 billion has been invested in deferred maintenance work, with nearly 6,000 facility improvements undertaken. NPS facilities and assets have been inventoried and assessed and a baseline has been developed of Servicewide facility conditions. This investment has also allowed NPS to target funds to the highest deferred maintenance priority needs. As a result, with the funds expected through 2009, park assets will be brought into acceptable condition.

II. Enhance management of natural and cultural resources

The NPS will focus in FY 2007 on managing natural and cultural resources through increases for Inventory & Monitoring networks, Exotic Species Management teams, and the Natural Sounds program.

The FY 2007 budget proposal provides an increase of \$2.402 million and two FTE to comply with NPS responsibilities under the Air Tour Management Act of 2000. The Act requires that the NPS and the FAA work together to develop Air Tour Management Plans (ATMPs), which will determine if, when, or where commercial air tours will occur over NPS units. Currently, commercial air tours affect 120 NPS units. ATMPs are vital to the preservation of natural sounds in park units and aid the NPS in achieving its mission of preserving unimpaired the natural and cultural resources of the national park system.

In order to further preserve natural resources, the NPS needs to understand species diversity, abundance and distribution. The NPS employs the resources of a Servicewide Inventory and Monitoring (I&M)

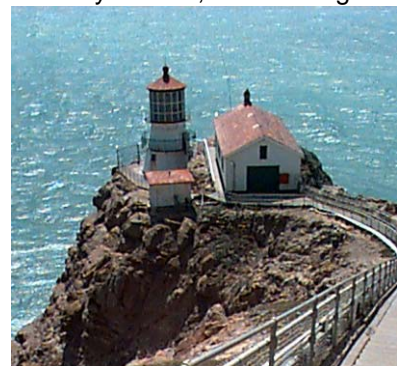


Desert Bighorn Sheep at Lake Mead NRA

Program at 270 parks to create this understanding. The I&M program monitors vital signs essential to providing park managers with key information concerning the status and trends in park ecosystem health; defines normal limits of variation in measurable features; provides early warning of situations that require management intervention; suggests remedial treatments and frames each research hypothesis; and in some instances, determines compliance with laws and regulations. Inventory and monitoring components are integral parts of other programs, such as air quality and water resources. The FY 2007 budget proposal provides an additional \$1 million and eight FTE to fund the final two of the planned 32 networks for vital signs monitoring.

A major hindrance to preserving natural resources in parks is the intrusion of exotic species. The FY 2007 budget proposal provides an additional \$0.750 million and four FTE to enhance three existing Exotic Plant Management Teams (EPMTs) in support of the continued progress in containing exotic plant damage. The funding is part of the DOI-proposed cross-cut budget for invasive species management, which addresses the severe damages invasive species cause to natural resources and the economy. The NPS has developed a successful and unique invasive species management tool: the rapid response EPMT, 16 of which have been deployed to identify, control, and measure performance of control actions of non-native vegetation in many parks. The proposed funding would provide \$250,000 additionally to support each of the three EPMTs focused on DOI priority areas: the Florida EPMT, which targets lygodium; the Great Plains EPMT, which targets leafy spurge; and the Rio Grande Valley EPMT, which targets tamarisk.

In addition to natural resource preservation, the NPS strives to preserve cultural resources in parks. Funding is requested for inventory and monitoring of historic structures and cultural landscapes which have been identified as a high priority need. This increase would enable significant progress toward completing and updating the Cultural Landscapes Inventory (CLI) and the List of Classified Structures (LCS) and the performance of an annual verification of inventory data. This request would result in a 16.7 percent increase in the number of historic and prehistoric structures and a 10.9 percent increase in the number of cultural landscapes that have complete, accurate and reliable information in FY 2007. In FY 2008 and beyond, an additional 16.7



Point Reyes NS Lighthouse

percent of historic and prehistoric structures and 9.9 percent of cultural landscapes would have complete, accurate and reliable information.

III. Support visitor and resource protection

The NPS is tasked with the essential duty of protecting resources and visitors in parks. In order to do this effectively, law enforcement training must be supported and force levels must be made complete.

A funding increase of \$0.750 million is requested to expand basic law enforcement training for the NPS at the Federal Law Enforcement Training Center (FLETC) to an average of four basic law enforcement training classes per year. This funding will cover training costs and staffing levels for basic law enforcement training, including mission critical areas such as defensive tactics instruction and firearms instruction. Field units will use this funding to fill vacant law enforcement positions and raise staff law enforcement credentials to the full performance level. The funding will also be instrumental in allowing field units to dedicate critical law enforcement funding to visitor and resource protection missions, and fill critical vacancies within those units.

To further protect visitors and resources, critical vacancies need to be filled in the NPS Special Agent program. An increase of \$0.500 million is requested for special agents who conduct, coordinate, and prosecute felony and other complex criminal, civil, and administrative investigations in parks, in partnership with uniformed law enforcement park rangers. Special agents are an integral part of interagency task forces related to drug trafficking, homeland security, and domestic and international resource crimes. They are usually centrally located in a home park enabling them to provide investigative support to several parks.

The USPP carry out the NPS mission to protect resources and visitors at some of the most highly visible sites throughout the National Park System. A joint DOI/NPS/USPP mission review and staffing plan for USPP was recently completed. In order to implement the recommendations, it is necessary to increase the number of USPP recruits that graduate each year to offset the annual rate of officer attrition. The force has actually declined from 624 officers prior to September 11, 2001 to 603 deployed officers at the beginning of FY 2006.



An increase of \$0.755 million will bring the number of graduates from USPP training to 38 officers annually, thus offsetting attrition. Specifically, this funding increase would be used to recruit, test, train, equip, and pay salaries for 10 recruits during their six-month training process, and result in the graduation and deployment of approximately 8 additional officers each year. In conjunction with this request, an increase of \$2.074 million will enable the USPP to implement the recommendations of the joint DOI/NPS/USPP mission review and put the USPP in compliance with NAPA recommendations. This increase will be used in FY 2007 and FY 2008 to recruit, test, train, equip, and pay salaries for additional recruits, resulting in a total of 33 new graduates in FY 2007 and 27 new graduates in FY 2008. By the end of FY 2007, sworn officer strength is anticipated to rise to 620.

IV. Acceleration of Partnership Initiatives

The ability of the NPS to advance its mission is enhanced by relationships enjoyed with thousands of partners nationwide. The Service's leadership and employees embrace the use of partnerships as a primary way of doing business and accomplishing the core mission.

The NPS developed the Partnership Construction Process (Building Better Partnership Program) to provide guidance on how partnership projects, particularly those where philanthropy is a component of funding, are managed, monitored, and approved. Funding is requested to hire a Partnership Program Coordinator to manage and cover expenditures of the newly established Process.

In FY 2007 the NPS proposes to create, within the Heritage Preservation Fund appropriation, the America's Heritage and Preservation Partnership Program activity. As part of the President's Preserve America initiative, this activity includes funding for Save America's Treasures grants, Preserve America grants, and the Heritage Partnership Program. The combination of these programs will allow local communities to determine which strategies best suit their heritage needs; apply to the most appropriate programs to conserve heritage resources and promote heritage tourism; and better and more efficiently coordinate cultural resource preservation.



These two initiatives aid the NPS in achieving the goal to provide educational, recreational, and conservation benefits for the American people through partnerships with other Federal, State, and local agencies and nonprofit organizations.

Legislative Changes

In FY 2007 the NPS will continue to implement the legislative changes in the fee program recently passed by Congress. The fee structure will be redesigned according to the legislation and will result in recreation fee revenue estimated to total \$171.2 million in FY 2007, including new revenue of at least \$10 million. This redesign seeks to simplify and standardize the fee rate structure; group parks and set fees by categories of like parks; and review the pass program and pricing.

Departmental Working Capital Fund (WCF)

The FY 2007 budget includes an increase of \$1.644 million for projects funded through the Department's WCF including consolidation of diverse, separate messaging systems onto one enterprise system; a contracted effort to eliminate, over three years, the Department's backlog of nearly 2,000 appeals to Freedom of Information Act requests; the creation of an enterprise system that will improve the effective use of geographic information; and the Enterprise Services Network that became operational in 2005 and provides access to the Internet, a Department-wide Intranet, and a technical support center.

Compliance with Section 405 of the FY 2006 DOI Appropriations Act

Prior to FY 2004, each of the seven Regional Directors of the NPS dealt with unplanned contingencies and Servicewide centrally billed items by pooling a fixed, limited sum of park and project funds at the beginning of each fiscal year and drawing down those funds as needed to meet these requirements. These funds were managed in accordance with the reprogramming guidelines mandated by the Appropriations Subcommittees. No program was altered in an amount that exceeded 10 percent or \$500,000 unless approved through a formal reprogramming procedure. The NPS does not have a Servicewide or "Director's" reserve.

However, FY 2004 appropriation language (Section 343 of P.L.108-108) mandated that details on the management and use of contingency funds be presented in annual budget justifications. In the 2006 Interior, Environment, and Related Agencies Appropriations Act (P.L.109-54) the requirement is repeated as follows:

Section 405. Estimated overhead charges, deductions, reserves or holdbacks from programs, projects and activities to support governmentwide, departmental, agency or bureau administrative functions or headquarters, regional or central operations shall be presented in annual budget justifications and subject to approval by the Committees on Appropriations. Changes to such estimates shall be presented to the Committees on Appropriations for approval.

In order to comply with this continuing requirement, the NPS for the first time implemented procedures in FY 2004 to direct the management of the Regionally-managed contingencies that amounted to \$20.042 million in that year. [Prior to FY 2004, each region had developed their own rules in accordance with reprogramming guidelines.]

FY 2005

The procedures for FY 2005 allowed each Region to establish a contingency account based on up to 1% collected from its allocation of ONPS Park Management activity funds. [This was a reduction from the 2% allowed during FY 2004.] The contingency account thus established was the only Regional assessment of funds allowed. The purpose of the account is to allow each Regional Director the ability to respond to unforeseen emergencies, and other specific unfunded needs. Once this account is established, the Regional Directors had to establish criteria for prioritizing and approving requests for the funds in the account. Permitted uses of this account included:

- Park Operational shortfalls;
- Unfunded employee costs for relocation, awards and other work-life issues, such as the Employee Assistance Program;
- Projects that benefited multiple parks for which there was no other fund source;
- Regional safety, EEO, or related training that has primarily a regional audience and is not otherwise funded.

The contingency accounts could not be used to fund recurring costs or salaries except for emergency overtime.

Revised instructions to the field were issued for FY 2005 that reduced by half the maximum allowed for the contingency fund. Also, the following restrictions on the use of the fund were added to the criteria:

- The principal use of the account is to allow sufficient funding flexibility to enable the Regional Director to resolve specific non-recurring park operating problems that warrant priority consideration.
- Travel from this fund is only allowed when needed to respond to an unforeseen emergency, or as part of an otherwise approved project.
- Centrally billed, but unbudgeted items such as IT charges, GSA rental charges and training costs for the Federal Law Enforcement Training Center must be passed directly to the benefiting organization and may not be charged to the contingency account.
- Employee benefit costs for relocation payments, lump sum leave payments and awards may only be covered from this account when the benefiting organization can demonstrate that they do not have the resources to cover the costs.
- Costs for projects that benefit multiple parks are permitted, but only when they present a special opportunity and cannot be appropriately funded from a project fund source.
- Training costs may not be charged to this account unless needed to meet an urgent and unforeseen need.

The seven Regional Contingency Accounts totaled \$10.666 million in FY 2005. Categories of costs paid from these accounts were as follows:

| | |
|--|----------------|
| | <u>(\$000)</u> |
| Park Employee Relocation Costs | 5,357 |
| Operational Shortfalls at Parks | 1,240 |
| Extraordinary Personnel Costs, incl. Lump Sum Leave, Emp. Pay Statement, Trans. Subsidy, Emp. Asst. Programs, Awards | 802 |
| Unfunded Non-Recurring Park Projects | 968 |
| Emergency Damage Response Costs | 341 |
| Management Reviews, Audits, Project Oversight | 647 |
| Law Enforcement Readiness and Response | 279 |
| Legal Support | 158 |
| Non-Law Enforcement Training | 147 |
| Space Rental Charges | 100 |
| Other Multi-Park/Regional Support | <u>627</u> |
| | 10,666 |

50.2% was used to cover the cost of relocating park employees. Federal rules governing relocation allowances are costly, ranging from \$60,000 to \$80,000 to relocate a family of 4, and sometimes

exceeding \$100,000 when high cost housing areas are involved. Parks with small annual budgets cannot afford these moves without help from a central fund.

11.6% was returned to parks to cover critical operational shortfalls, particularly relating to visitor use and access. An additional 9.1% was returned to parks to meet one-time project needs.

7.5% went for extraordinary personnel costs including costs for lump sum leave and awards. These costs can be beyond the ability of the employing office to afford.

5.8% was spent for emergency damage and law enforcement response costs.

FY 2006 and FY 2007

It is estimated that the amount of funds used by Regions for contingencies during both FY 2006 and FY 2007 will remain in the range of funding used in FY 2005 – approximately \$11 million. The criteria upon which the funds will be assembled and spent will remain the same as that which was established for FY 2005 and stated above.

In all cases, Regions will be required to report on the uses of the contingency funds with sufficient detail to ensure conformance with the established criteria.

Departmental charges and billings for centralized business and administration services for FY 2005 – FY 2007 are funded through the Working Capital Fund. The total NPS portions of these charges are detailed in Special Exhibit “Working Capital Fund Billings”. These funds are managed by the Department.

President’s Management Agenda

The President’s Management Agenda (PMA), announced in the summer of 2001, is an aggressive strategy for improving the management of the Federal government. The FY 2007 budget request includes management reform actions that continue to support the PMA in the following seven areas: budget and performance integration, strategic management of human capital, competitive sourcing, improved financial performance, expanding e-government, asset management, and research and development. The most recent internal PMA Scorecard rated the Service as green on strategic management of human capital, yellow on budget and performance integration, green on competitive sourcing, yellow on improved financial management, green on expanding E-Government, and yellow on asset management. Research and development has not been scored yet because it was added last year.

1. Budget and Performance Integration

With an increasing emphasis on integrating budget and performance, agencies are being called upon to fully link budget decisions to future performance. Understanding how base and incremental budgetary allocations influence performance allows agencies to assess more accurately the impact of certain allocation scenarios. Since the FY 2000 budget formulation process, when the NPS fully automated the budget formulation and performance systems (OFS, PMIS, and PMDS), the Service has incorporated performance results into the budget formulation decision-making process. The NPS continues to be at the forefront of the President’s drive to integrate budget and performance. The NPS Park Scorecard was developed in 2004 to further the integration of budget and performance for the bureau. Through continued participation in PART reviews and implementation of PART recommendations, the NPS has improved its program management. The NPS implementation of Activity Based Costing/Management (ABC/M) is ongoing and will provide the Service with more accurate and precise information for financial and programmatic decision-making. GRPA Data Validation and Verification is used to improve the quality of data collected.

NPS Park Scorecard

The NPS continually works to further the integration of budget and performance and did so in 2004 by creating the NPS park scorecard. The scorecard is an indicator of park financial, operational, and managerial performance relative to other parks. It is used, in conjunction with other factors, to identify and evaluate base budget increases and potential park performance if budget increases are received. The scorecard is used in conjunction with OFS to offer context for proposed base budget increases and will

eventually be integrated within the OFS system. In FY 2006, the newest version of the Scorecard will be tested and piloted and it will be integrated into the Regional and Servicewide budget formulation processes leading to a national priority list for park base funding requests.

Program Assessment Rating Tool (PART)

PART reviews were conducted on four NPS program areas for the FY 2007 Budget Request: Visitor Services, External Programs – Technical Assistance, External Programs – Financial Assistance, and Concessions Management. PART evaluations and recommendations continue to inform both budget formulation and program management decisions. The NPS has completed ten PART reviews since FY 2002 and is planning one PART review for the FY 2008 budget cycle. During the FY 2006 PART review cycle, Cultural Resource Stewardship was reviewed and received a PART rating of Adequate (66 percent). Recommendations from that review, as well as the PART reviews for the Concessions Management and Visitor Services programs support the requests for increased funding in FY 2007.

Activity Based Costing/Management

The NPS has tracked activities and tasks by fund source for many years. In 1997, as a means to meet the requirements of the Government Performance and Results Act of 1993, the NPS began linking activities and costs to performance. Now, the NPS is participating in the Department's program for ABC/M which will ultimately provide more accurate and precise information for financial and programmatic decision-making.

ABC/M is a costing methodology that provides a managerial view of operations rather than an organizational or programmatic view. It is used to more accurately assign the indirect and direct resources of an organization to the activities performed based on consumption. ABC/M focuses on the activities of a production cycle, based on the premises that (a) an output requires activities to produce, and (b) activities consume resources. The NPS is using ABC/M to identify all value-added and non-value added activities performed in the production of products and services (outputs) and to determine the actual full costs for producing products and services. ABC/M identifies and quantifies activity cost and performance data into a format which stratifies decision variables into a configuration which makes the decision clearer and easier to make, such as gathering administrative, cultural resources, and maintenance services that go into restoring a historic structure.

The ABC/M process is designed to track costs for 381 activities. In order to achieve all the benefits of this analysis the NPS has retained consultants to review the "real activities" that are applicable to the NPS functions. The goal is to translate the NPS activities to costs and to DOI activities in preparation for the transition to Financial and Business Management System.

GPRA Data Validation and Verification

The NPS continues to improve the quality of data collected by improving the verification and validation process and developing Technical Guidance for the field. More information can be found on NPS efforts in the "Performance Summary" section at the end of this General Statement.

2. Strategic Management of Human Capital

Effective leadership is a critical component of mission accomplishment. New competencies are needed to address changing workforce needs and enhance partnership efforts. Due to competing, higher priorities within the FY 2007 budget, several Servicewide human capital initiatives will be managed within existing funding levels over the next several years.

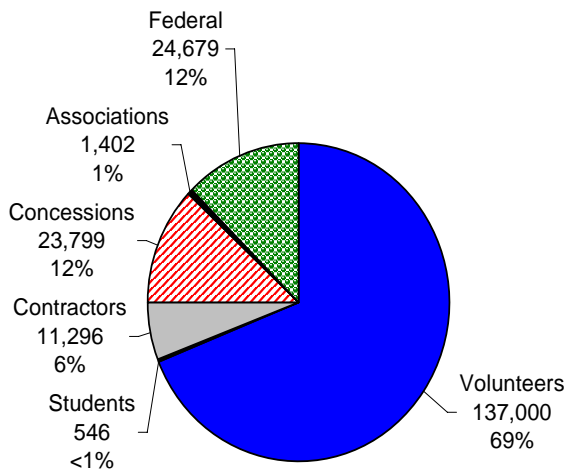
In FY 2007, many efforts begun in FY 2006 will be completed or continued. The NPS will continue implementation of a recruitment model that builds the diversity of the workforce through a consortium consisting of diverse serving institutions. The Preliminary Planning Effort (PPE) of all human capital resources will be completed and a most efficient organization (MEO) model will be established. The results of evaluating the use of technology to streamline human capital work processes will be implemented.

In FY 2005, a multilevel performance evaluation process that links performance to mission goals was implemented. In addition, a tracking system for recruitment actions that profiles applicants and increases accountability for the timely filling of vacancies was developed and implemented and a background security program for employees, contractors, and volunteers that screens new hires prior to the start of NPS employment was implemented.

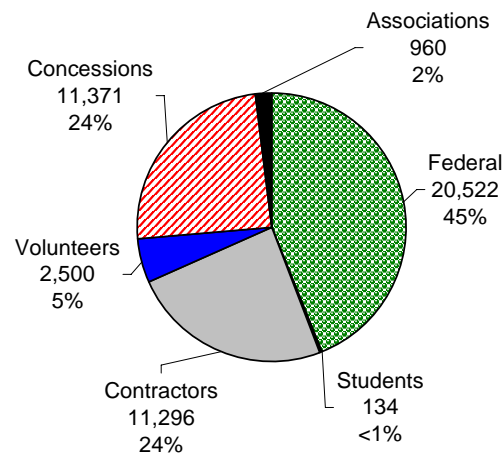
NPS Workforce (as of 1/10/06)

| Types of Employees | # of FTE | # of Employees |
|--------------------|----------|----------------|
| Federal Employees | 20,522 | 24,679 |
| Students | 134 | 546 |
| Contractors | 11,296 | 11,296 |
| Volunteers | 2,500 | 137,000 |
| Concessions | 11,371 | 23,799 |
| Associations | 960 | 1,402 |

**DRAFT
NPS WORKFORCE
Types of Employees
Numbers of Employees
1/10/06**



**DRAFT
NPS WORKFORCE
Types of Employees
Full Time Equivalents (FTEs)
1/10/06**



3. Competitive Sourcing

Competitive Sourcing sets up a process of competition between the public and private sectors on work that is commercial in nature. The NPS has continued to improve its competitive review process by exercising the full flexibility embodied in the May 2003 revision to OMB Circular A-76 while remaining consistent with the PMA. The NPS PPE process generates statements of requirements, identifies the most efficient organization, and develops market research-based estimates of private sector performance. NPS conducts detailed analysis of these documents prior to initiating formal public-private competitions. Based on expected savings over baseline costs achieved by the proposed Most Efficient Organization (MEO), and the cost difference between the MEO and the estimate of private sector performance, NPS decides whether to implement the MEO or, conversely, to proceed with formal competition to achieve greater savings. This process minimizes potential disruption to operations while ensuring the essential mandates of the PMA are met.

Upon completion of review of about 700 FTEs in FY 2007, opportunities for achieving efficiencies and effectiveness among individual units and programs of the Service will be identified and implemented. Designation for individual units as High Performing Organizations (HPO) will be requested where

appropriate and existing tools, such as VERA/VSIP authority, will be used to achieve efficient and effective organizations and services.

Three park units began PPE's in FY 2005 which will be concluded in FY 2006 with a total of 304 FTEs being reviewed. The units are Indiana Dunes National Lakeshore (121 FTEs reviewed), Boston National Historical Park (105 FTEs reviewed), and San Juan National Historical Park (78 FTEs reviewed).

In FY 2007, the NPS will conclude its implementation of PPEs that were begun in FY 2006, including a Servicewide review of human capital that includes human resources, training, and equal opportunity. Other PPE's will begin in FY 2007, but the nominations have not been completed at this time.

4. Improved Financial Performance

The NPS continues working towards the goal of strengthening the usefulness of financial information to program managers and bureau decision makers. The use of Activity-Based Cost Management (ABC/M) information continues to be vital, as well as, the continued refining of the NPS Park Scorecard tool. In FY 2006, the NPS will successfully implement OMB Circular A-123, *Management's Responsibility for Internal Control* and return to a "green" status on the Department's financial management scorecard. Other efforts to improve financial performance include:

Automated Finance System III (AFS III): The Automated Finance System, developed by the NPS, has enabled the Service to program, track and reconcile funds. The centrally maintained and secured financial management data in AFS III is updated nightly and accessible to all parks and offices via the NPS Intranet. The program has enabled the NPS to have greater accountability and transparency and provides a centralized database and a centralized application. Appropriate functions of AFS III will be incorporated into the new Departmental Financial and Business Management System (FBMS).

Accounting Standards: Effective October 1, 2003, as part of the DOI's efforts to standardize processes across its bureaus, the NPS implemented a required capitalization threshold of \$100,000 for fixed capital assets, reducing it from the previous threshold of \$500,000. Projects to build, renovate, repair or expand non-heritage fixed assets costing over \$100,000 are recorded as depreciable assets of the Service. This lower threshold improves the accounting and reporting capability for the current value of non-heritage fixed assets in the Service.

Material Weaknesses & Non-compliance Issues: The NPS continues to receive "clean" annual audits, without qualification, and has demonstrated significant improvements in the areas of material weakness, quarterly financial statements, accelerated annual financial closing, and custom analytical tools. The NPS received its tenth consecutive unqualified audit opinion on its FY 2005 financial statements with no financial management material weaknesses identified. In addition, the NPS fully implemented 19 GAO and eight OIG audit recommendations and conducted several hundred internal control reviews, in addition to conducting a comprehensive audit follow up program leading to the issuing of an unqualified assurance statement on management controls that was accepted by the Department. There are no remaining material weaknesses. On-site management and internal control reviews of park financial management operations will continue in FY 2006.

Accelerated Annual Closing: The Service has developed and deployed automated solutions to assist with the general ledger accounts comparative/variance analysis, the investigation of unnatural account balances, and reconciling the budgetary accounts with the proprietary accounts. These tools significantly contribute to identification of potential audit issues in advance, and to the speed and accuracy of the financial statement preparation process. Through the use of these tools the NPS continues to meet the accelerated reporting milestones for closing the fiscal year and preparation of the financial statements as required by the Department and OMB.

Financial and Business Management System (FBMS): The NPS continues to be an active participant in the planning and development of the FBMS Project. Implementation of the Departmental FBMS will enable the NPS to improve service within the bureau and to operate more effectively. Benefits gained from implementing the FBMS include the ability to access and share real-time, accurate business

information, support effective business decisions for mission delivery, issue accurate financial reports and analyze managerial data, support timely decision-making in the field, free-up more time for mission-focused programs, focus on value-added analysis rather than data gathering, and eliminate redundant administrative tasks and multiple login screens.

Business Plans: The Business Planning Initiative (BPI) has provided a framework for examining the fiscal and budgetary management of selected parks. The business planning process has progressed well and each year has produced higher quality plans with more refined analysis and strategies for improving the financial management of a park. This year the Service intends to integrate the NPS Park Scorecard tool and the Core Operations Analysis process into the park business plan initiative. Workforce planning is supported through the BPI by hiring financial management staff via the business planning program and the Department's Financial Management Intern program. In FY 2005, 12 park business plans were completed in partnership with the Student Conservation Association (SCA).

Other efforts to improve financial performance in FY 2005, included: being the lead pilot bureau in Treasury's TGA.net program for electronic deposit of collections in support of the PMA E-Government effort; making 99% of vendor payments on time as measured by the requirements of the Prompt Payment Act, exceeding the DOI goal for this metric; exceeding the DOI goal by having referred 99% of eligible debt to the Department of the Treasury for cross servicing; and increasing electronic funds transfer (EFT) payments to 92.4% of all payments in the fourth quarter, an increase of 10.3 percent.

5. Expanding E-Government

The NPS continues to aggressively pursue the PMA criteria of expanding E-Government by: providing citizens with online services that are easy to find, secure, and private; providing online users of NPS.gov with the option of participating in virtual tours of parks online; ensuring NPS customer online transactions are secure; offering E-Government programs and services that are results oriented and designed to benefit the customer; and developing partnerships to best provide services to NPS customers nationwide and worldwide.



In FY 2007, the NPS plans to implement network infrastructure to support an extranet for use by NPS partners and migrate to the Department's Enterprise Messaging System (EMS) that will replace bureau electronic mail systems such as Lotus Notes and Novell Groupwise. The national desktop and server infrastructure will be secured using centralized management tools and an adequate network infrastructure and security will be provided for NPS employees through ESN.

In FY 2006, the OCIO plans to expand E-Government through the following actions:

- Continue FTS2001 Transition Planning to new GSA Networks Contract (Long-Distance/Data-Wide Area Network).
- Design data and voice telecommunications inventory monitoring program.
- Migrate the Service Active Directory forest to the Department's mandatory DOI.net network.
- Introduce MAID (Massive Array of Idle Disks) storage solutions as a viable, cost savings alternative to more expensive Storage Area Networks (SANs).
- Implement Blade server technology to reduce the cost of hosting applications.
- Create backup and restore capability to the SMS project, messaging, and other Service software and data.
- Implement an approved configuration and patch management program for all IT desktops, notebooks, and servers.
- Test Linux and 64 bit Operating Systems to validate potential efficiency and security gains
- Upgrade the Service's messaging desktop and server applications to improve functionally and security.
- Implement Symantec Security Appliance for IT operations, upgrade desktop security to include personal firewalls and other security services, and implement Outages and IT Impact Alert System.

The NPS continued to be dedicated to the expansion of E-Government throughout FY 2005. Many efforts were undertaken, including the following:

- Migrated NPS Active Directory from local services to nine NT Domains and implemented Microsoft's System Management Service (SMS) for the active directory infrastructure.
- Replaced outdated storage area network with new Dell and Xiotech technology.
- Updated the messaging major application Certification and Accreditation documentation.
- Implemented change management program for the National Information Technology Center.
- Pilot tested national Voice Over Internet Protocol (VOIP) to integrate voice and data communications as a measure of cost efficiency.
- Successfully tested a new helpdesk software application.
- Transferred the Smartnet maintenance program for network routers to the Department's Enterprise Service Center, resulting in significant savings to the NPS.
- Created a Portfolio Management and Strategic Planning Division in January 2005 to focus on IT investment monitoring and setting a strategic direction for IT within the NPS.
- Completed the remaining critical elements to reach Stage Two of the Information Technology Investment Management (ITIM) process.
- Published Records Management handbook.
- Processed 15 Notice of Findings Reports (NFR) from the annual financial audit by KPMG as well as three responses to Office of the Inspector General (OIG) reviews conducted in FY 2005.
- Collaborated with the Department and other NPS programs to improve the online experience of the NPS.gov for visitors.
- Developed a prototype of a "one-stop" portal to provide accurate information on Native Americans for Native Americans and other interested online visitors.

6. Asset Management

Executive Order (EO) 13327 – Federal Real Property Asset Management – requires the NPS to develop an asset management plan that identifies and categorizes all real property owned, leased, or otherwise managed by the NPS; prioritizes actions to improve the operational and financial management of the NPS's inventory, using life-cycle cost estimations; and identifies specific goals, timelines, and means for measuring progress against such goals and timelines.

In order to meet these requirements, the NPS is implementing and executing an effective asset management plan that addresses all phases of an asset's lifecycle and is committed to the total cost of ownership. Decisions about acquiring new assets are based on the existing portfolio of facilities and assets, the condition of those assets, and their importance to the park. FCI and API are used to manage an asset through its life cycle, which maximizes the productivity of operations and maintenance funds applied against assets. The information collected is loaded into the Facility Management Software System (FMSS) so it is easily accessible and can support daily decision-making. Additional information on Asset Management can be found under the Park Management – Facility Operations and Maintenance section of this book.

7. Research and Development

The Department is using the Administration's Research and Development (R&D) investment criteria to assess the value of its R&D programs. Please see the Special Exhibit section for a discussion of the Department's and Bureau efforts in the use of Research and Development Criteria.

FY 2007 Performance Summary

Reflecting a "One DOI" concept, the DOI developed a strategic plan, extending to FY 2008, which encompasses the missions and goals of its eight bureaus and is organized around the four principal mission areas identified by the Department: Resource Protection; Resource Use; Recreation; and, Serving Communities. The Strategic Plan extends to FY 2008 and will be updated in FY 2006. The National Park Service's mission and goals are derived from the NPS Organic Act and subsequent legislation and contribute to the Department's commitment to protect and manage the Nation's natural and cultural heritage resources and provide recreation opportunities for America.

Part of the difficult task of identifying where allocate resources in FY 2007 was determining which NPS resources would require additional financial support and where cuts could be made that would result in the least adverse impacts to NPS resources.

Resource Protection Goals – Improve health of watersheds, landscapes, and marine resources

The NPS contribution to the DOI land health goals includes establishing baselines and performance targets and requires the completed identification of park vital signs and their monitoring; work on watershed assessments; and developing or updating all regional resource stewardship plans. The NPS will work with the EPA, USGS, and other Federal and State agencies to establish air and water quality information and to improve the quality of both in park units. During FY 2007, the NPS plans to improve water quality in 0.1% of its rivers and streams and 0.8% of its lakes, reservoirs and other surface waters. The number of Class 1 parks meeting ambient air quality standards and the number of Class 1 parks meeting visibility objectives are expected to remain stable in FY 2007. Increased funding will be used to initiate the identification of vital signs in the remaining 30 parks and monitoring in an additional 22 parks. While overall funding for this Resource Protection end outcome measure will be reduced by three percent, or \$6.5 million, below FY 2006, most of the cuts will be in new construction spending and land acquisition. Operational funding will increase 1.4% (\$2.5 million). Specifically, measures for vital signs identification and monitoring will have increased funding of \$1.0 million.

Resource Protection Goals – Sustain biological communities

By the end of FY 2007, NPS contributions to DOI biological communities goals will include a planned improvement of 1.9% to species of special management concern on park lands and a 0.9% increase in the number of invasive animal populations controlled. A 0.6% improvement in the number of canopy acres impacted by invasive plant species is planned. The NPS will work with other Interior bureaus and Federal agencies to monitor biological communities, develop and institute strategies to control or protect biological communities, and seek additional volunteers to assist with field work. Funding for this Resource Protection measure will drop by 0.6%, or about \$400,000. Again, the majority of cuts will be in new construction spending. Operational funding will increase by 1.4% or \$793,000. The invasive plant species goal will get increased funding of \$0.750 million to improve performance by an additional 1,915 canopy acres annually.

Resource Protection Goals – Protect cultural and natural heritage resources

NPS contributions to DOI cultural and natural heritage goals by the end of FY 2007 include a 0.1% improvement in the number of NPS cultural resources in good condition. The condition of NPS cultural resources is planned to improve only slightly over the next five years. Additional cultural resources are continually being added to the NPS inventory that impact the Service's ability to maintain the condition of resources currently being managed. To support the work of its partners in resource preservation, the NPS is proposing to create the America's Heritage and Preservation Partnership Program that will combine three existing grant and partnership programs as part of the President's Preserve America initiative. This combination will allow local communities to determine which strategies best suit their heritage needs; apply to the most appropriate programs to conserve heritage resources and promote heritage tourism; and better and more efficiently coordinate cultural resource preservation. During 2007, the NPS plans to increase the percent of its museum collections in good condition by 2.1% and paleontological localities in good condition by one percent. Funding for this Resource Protection measure will drop by nearly six percent, or \$37.7 million. But a majority of the cuts will be in new construction spending and land acquisition. Operational funding will increase by 1.4% or nearly \$5 million. Measures related to enhancing the quality of cultural resource inventories will see increased funding (\$1.0 million) to support increased performance of 16-18%.

Recreation – Provide for a quality recreation experience

Visitors to NPS units have consistently given the Service an overall satisfaction of 95% rate or better since FY 2000. In FY 2005, visitor surveys were conducted in 321 units with overall visitor satisfaction measured at 96%. Results from the surveys are used by park superintendents to identify areas where visitor satisfaction can be improved. Efforts continue to make reservations and passes more available to visitors as well as to provide greater public access to facilitated programs in the parks. Community

partnerships are critical to the successful management of NPS units and will continue to be nurtured. Through management actions and partnerships, NPS expects to see an additional 25,356 acres of land and 840 miles of streams and rivers available for public recreation. Funding for this Recreation end outcome measure will drop by nearly five percent, or \$49 million, with cuts of \$54.0 million in new construction, Federal land acquisition and LWCF State Conservation Grants and an operational increase of 1.4% (\$11.7 million). The NPS will focus its funding on protecting existing resources and not the acquisition of additional lands.

Recreation – Provide for and receive fair value in recreation

The NPS will work with concession managers to increase the return from concessions by 9.4%. In FY 2005, the NPS began measuring visitor satisfaction with the value for entrance fee paid at all parks participating in the Visitor Survey Card study. The result was that 92% of surveyed visitors were satisfied. Funding for this Recreation end outcome goal will drop by about seven percent (\$2.0 million) with most of the cuts in funding for construction of new visitor facilities. An overall operational increase of 1.4% is planned (\$0.26 million).

Serving Communities – Protect lives, resources and property

The NPS continues to work on development of a tracking system to collect and track data on visitor injuries or loss of life related to illegal activities on NPS managed lands. Information from this database will be used to identify illegal activity trends and problem areas where resources can be directed to achieve the best results in controlling illegal activities. The NPS continues its efforts to decrease the number of other visitor accidents or loss of life through continued training and awareness of park staff and by providing better, more readily available health and safety related information to visitors. Work on improving the condition of NPS structural assets (improving the FCI rating) will continue to be a priority use of funds. Funding for this Serving Communities end outcome measure will drop by 1.9%, or \$5.1 million. New construction will be cut \$8.2 million and there is a planned operational increase of 1.4%

Data Verification and Validation

The NPS established data verification and validation processes for its FY 1998 Annual Performance Report and has continually refined those processes. Measured performance is verified and validated at several levels including the field, Regional and Servicewide levels. Each goal references one or more unique performance indicator that often requires special handling for data collection, data reporting, or verification and validation. For example, State agencies audit park air quality measuring equipment for quality control purposes, and validation of the visitor satisfaction survey is achieved by using a control group of 30 parks. Other methods used to assure quality data include standardized definitions, random sampling and testing of data, statistical analysis, and modeling. The NPS also makes use of both Servicewide and regional subject matter experts to review park reported data for inconsistencies and conducts additional statistical analysis to detect possible reporting errors. These efforts are consistent with verification and validation guidance issued by the Department.

Data Limitations – most NPS data are derived from the field by employees with varying levels of expertise and experience. Medium and large parks typically have a high level of expertise available for data collection. Efforts continue to improve field expertise and provide regional office support for smaller parks.

NPS anticipated problems would be encountered beginning with the FY 2004 data due to the extensive changes made to NPS goals to link to the new DOI Strategic Plan. To mitigate these problems, the NPS developed additional goal reporting guidance and implemented additional verification and validation processes to ensure validity of data before it is forwarded to the Department.

Distribution of Funding by DOI Outcome Goals and Goal Performance Tables

A table displaying the FY 2007 NPS proposed budget by DOI Strategic Plan End Outcome Goals is presented in the Performance Tables tab. In addition, a complete listing of NPS goals and PART measures is included under the Performance Tables tab. The changes to the NPS budget affect the effort, and consequently the results, of managing national park lands and resources. The Goal Performance Table goals and measures reflect those changes.