

GAO

Report to the Chairman, Subcommittee  
on National Parks, Forests, and Public  
Lands, Committee on Natural Resources,  
House of Representatives

September 1993

# NATIONAL PARK SERVICE

## Condition of and Need for Employee Housing



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United States  
General Accounting Office  
Washington, D.C. 20548

**Resources, Community, and  
Economic Development Division**

B-253925

September 30, 1993

The Honorable Bruce F. Vento  
Chairman, Subcommittee on National  
Parks, Forests, and Public Lands  
Committee on Natural Resources  
House of Representatives

Dear Mr. Chairman:

This report responds to your request that we review the National Park Service's employee housing program. Specifically, the report discusses the condition of the Park Service's housing inventory, the Park Service's justification for providing housing to employees, and the accuracy of the backlog estimate for housing repairs and replacement.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies to the Secretary of the Interior; the Director, National Park Service; and the Director, Office of Management and Budget. We will also make copies available to others upon request.

This report was prepared under the direction of James Duffus III, Director, Natural Resources Management Issues, who can be reached at (202) 512-7756, if you or your staff have any questions. Major contributors to this report are listed in appendix II.

Sincerely yours,

J. Dexter Peach  
Assistant Comptroller General

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# Executive Summary

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## Purpose

Since 1916, the National Park Service, Department of the Interior, has provided housing for many of its park employees and currently has an inventory of about 5,200 housing units. In April 1991, the Park Service identified an estimated \$546 million backlog for employee housing repairs and replacements. Concerned about the Park Service's housing and the size of the backlog estimate, the Chairman, Subcommittee on National Parks, Forests, and Public Lands, House Committee on Natural Resources, asked GAO to (1) describe the condition of employee housing, (2) evaluate the Park Service's justification for employee housing, and (3) determine the accuracy of and reasons for the backlog estimate.

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## Background

About 60 percent of the Park Service's housing inventory (single-family houses, duplexes, and mobile homes) is used year-round by permanent employees. The remaining 40 percent (cabins, apartments, and dormitories) is used by seasonal employees. Some housing units are located in isolated parks, defined as those not within a reasonable commuting distance (30 miles or more than 60 minutes by automobile from an established community). GAO visited 17 parks, 6 of which are isolated.

The Park Service's housing consists of older housing built before park units were established and housing built during two major construction periods—in the 1920s and 1930s, and between 1956 and 1966. In 1988, the Park Service began a third major housing initiative for which the Congress has provided \$45 million through fiscal year 1993.

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## Results in Brief

As of July 1992, on the basis of GAO's analysis of the Park Service's housing data base, about 2,080 housing units (40 percent) were classified in good or excellent condition, requiring no more than routine maintenance. About 2,255 housing units (45 percent) were rated in fair condition, requiring maintenance ranging from replacing outdated appliances to minor structural repairs. The remaining 695 units (15 percent) were rated poor to obsolete, requiring extensive repairs.

The need for about 4,570 units (88 percent) of the Park Service's housing inventory was adequately justified. These units provide housing for (1) seasonal employees, (2) permanent employees at isolated parks, and (3) permanent employees at nonisolated parks who provide necessary visitor services or protection of government property or resources. The justification for the remaining 630 units (12 percent), which provided

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housing for permanent employees at nonisolated parks, was questionable. For example, at the 11 nonisolated parks GAO visited, the justification for these housing units was based largely on park managers' subjective judgment rather than on analyses of local housing availability as required by Park Service guidance.

GAO could not verify the accuracy of the Park Service's \$546 million estimate for employee housing repair and replacement. Park Service headquarters did not provide guidance to regional offices and park units on how to prepare their estimates. At the 17 parks GAO reviewed, officials generally could not support their estimates and in some cases did not know how the estimates were derived. Park Service officials maintain that a sizeable backlog exists because rental income has covered only about 50 percent of maintenance costs and operating funds have not been sufficient to make up the difference. Rental income has been limited because (1) the Park Service administratively reduces rents for such factors as isolation and lack of amenities and (2) the Congress has imposed a limit on rental rate increases.

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## Principal Findings

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### Condition of Park Service's Housing

The Park Service maintains a data base with information on the location, type, size, age, and condition of each housing unit. Using the information in the data base, GAO determined that 40 percent of the housing units were rated good to excellent, 45 percent fair, and 15 percent poor to obsolete. According to the Park Service, housing units in good to excellent condition were either like new or required only routine maintenance. Units in fair condition required replacement of outdated appliances, exterior and interior painting, and minor structural repairs. The poor to obsolete units required more than routine maintenance. Such housing included a 60-year-old, rodent-infested, leaking cabin, occupied by four seasonal employees, and a 30-year-old "temporary" housing unit with warped flooring and defective electrical wiring, occupied by a permanent employee.

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### Justification for Housing Units

In accordance with the Office of Management and Budget's (OMB) guidance, the Park Service is authorized to provide housing for seasonal employees in all locations and for permanent employees if it determines

that (1) housing is not available within a reasonable commuting distance or (2) housing is needed to provide necessary services to visitors or to protect government property and resources. Justification appeared adequate for 2,200 units that provide housing for seasonal employees, for 1,700 units that provide housing for permanent employees at isolated locations like Yellowstone, Yosemite, and Grand Canyon National Parks, and for 670 units that provide housing for permanent employees who provide necessary visitor services or protection of government property or resources at nonisolated parks.

The Park Service did not adequately justify its need for 630 housing units. These units were also justified as needed for employees who provide necessary visitor services or protection of government property or resources. However, none of these units were occupied by employees specifically required to live in the park in order to provide such services and protection. Park managers reported that these units were needed because local housing was either not available or not affordable. The Park Service's guidance requires park managers to determine the need for housing by analyzing available housing in the local market. While park managers and headquarter's officials stated that some housing was retained because Park Service employees could not afford local rents, only 1 of the 11 nonisolated parks GAO visited prepared the required analysis to show that local housing was not affordable. In addition, about 75 percent of the permanent employees at the 11 nonisolated parks were living in nearby communities.

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### Accuracy of Housing Maintenance Backlog Estimate

Park Service headquarters officials told us that, when the April 1991 housing maintenance backlog estimate was prepared, individual park units were given discretion in preparing their estimates. At the 17 parks GAO visited, some park officials said their figures came from preliminary estimates for proposed projects, while others said they did not know how the estimates were developed. GAO believes the accuracy of the Park Service's 1991 estimate is questionable because it cannot be verified.

Rental income from housing remains in the individual parks and is used for housing maintenance. According to Park Service officials, the following factors have contributed to the backlog: current rental income has been limited, and other demands for operating funds have limited the extent to which they can be used to supplement rental income. The Park Service reduces base rental rates up to 60 percent for such factors as isolation (required by OMB) or for lack of amenities such as sidewalks,

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street lights, or modern appliances (allowed for by OMB). Because of these adjustments, the Park Service, in fiscal year 1991, collected \$9.1 million in rents but incurred housing maintenance costs of \$19.2 million.

Rental income was further reduced when the Congress limited rental rate increases in fiscal years 1992 and 1993 to no more than 10 percent of the rent paid in the prior year for land management agencies, including the Park Service. According to Interior officials, the intent of the rental rate limitation was to lessen the impact of sharp rent increases, particularly in the northeast region of the country.

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## Recommendations

Although the Park Service has a long-standing tradition of providing employee housing, the need for all of the housing units has not been justified, and many of its housing units have deteriorated. Therefore, GAO recommends that the Secretary of the Interior direct the Director of the Park Service to (1) reassess the need for all permanent housing units especially those justified on the basis of nonavailability or unaffordability in nonisolated areas, and develop a strategy to eliminate those units that are not needed, (2) develop a repair and/or replacement estimate that can be supported for those units that are needed, and (3) develop a strategy for closing the gap between rental income and maintenance costs. As part of this strategy, the Park Service needs to reassess the administrative adjustments to rental rates and analyze the impact on employees of eliminating or increasing the rental rate increase limitation. If the Park Service concludes that the rental rate increase limitation should be changed, the rationale for the change should be communicated to the appropriate congressional committees.

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## Agency Comments

GAO discussed the factual material contained in this report with Park Service officials responsible for employee housing—the Chief, Division of Engineering and Safety, and the Quarters Officer—who agreed with the facts as presented. However, as requested, GAO did not obtain written comments on its findings from the Department of the Interior.

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**Abbreviations**

GAO	General Accounting Office
HMP	housing management plan
OMB	Office of Management and Budget

# Background

Since its establishment in 1916, the Department of the Interior's National Park Service has provided housing for many of its park employees. Of the 376 park units in the National Park System, 228 have employee housing, and as of July 1992, the Park Service had a housing inventory of about 5,200 units. Most of the inventory comprises older housing which existed when park units were established and housing built during two major construction periods. In 1988, the Park Service began a third major housing effort—the employee housing initiative—to address a Park Service-identified backlog of rehabilitation and replacement needs.

## Sources of Park Service's Housing Inventory

When individual parks were added to the park system, existing housing on the land was acquired. Such housing included living quarters from U.S. Army operations, rustic hotels, and cabins built by railroad companies. The Park Service retained many of these structures, especially at isolated parks, so employees could live in the parks, protecting natural and cultural resources and providing services to visitors. The Park Service built additional housing during two major construction periods. The first period occurred during the 1920s and 1930s. About 965 units, such as cabins, bunkhouses, and lodges, were built in this period.

The Park Service's second period of housing construction was a 10-year capital investment program called "Mission 66." About 1,780 units were built between 1956 and the program's end in fiscal year 1966. During the next 20 years, the Park Service built or acquired about 470 houses, apartments, and duplexes. It also acquired about 550 mobile homes as "temporary" solutions to housing needs because no other housing was available.

## Park Service's Housing Initiative

In February 1988, at the request of the Congress, the Park Service completed an analysis that identified an estimated \$267 million backlog in housing needs, which included maintenance as well as the need to rehabilitate, replace, and build additional housing units. The 1988 analysis found that (1) housing units built under the Mission 66 program were approaching 30 years of age, (2) mobile homes acquired for housing were deteriorating, and (3) seasonal housing needs were a top priority. Two of the Park Service's 10 regions—the Rocky Mountain and Western regions—accounted for over half of the backlog. The Park Service began receiving appropriations in fiscal year 1989 to improve employee housing and began the employee housing initiative.

Goals of the initiative include (1) replacing mobile homes, most of which are costly to maintain and have long passed their useful life, and (2) rehabilitating and constructing additional housing for seasonal employees. In addition, the Park Service set new standards for employee housing such as larger rooms, garages, modern kitchens with upgraded appliances, additional bathrooms, and storage space.

Between fiscal years 1989 and 1993, the Congress appropriated \$45 million for the initiative. The Park Service has divided the initiative money among its 10 regions so that all receive some funds. In total, about 600 units have been rehabilitated or replaced, and 50 new units were constructed between fiscal years 1989 and 1992. In April 1991, the Park Service revised its 1988 estimated backlog. The new estimate identified a \$546 million backlog—\$409 million to replace deteriorated or unsuitable housing and \$137 million to rehabilitate existing units.

## Objectives, Scope, and Methodology

Concerned about the Park Service's housing in general and, in particular, the increase in the Park Service's estimated housing backlog, the Chairman, Subcommittee on National Parks, Forests and Public Lands, House Committee on Natural Resources, asked us to (1) describe the condition of the housing inventory, (2) evaluate the Park Service's justification for the need for employee housing, and (3) determine the accuracy of and reasons for the Park Service's 1991 cost estimate to eliminate the backlog.

To describe the condition of the Park Service's housing inventory, we obtained data from the Park Service's computerized housing inventory data base. We did not determine the accuracy and completeness of this data base. Instead, we used it simply to provide information on the number, age, type, location, and condition of the housing inventory.

To evaluate the Park Service's justification for the need for employee housing, we reviewed appropriate laws and regulations and the Office of Management and Budget's (OMB) and Park Service's guidance, and discussed them with the Park Service's headquarters, regional, and park officials. We also discussed the laws, regulations, and guidance with the Quarters Management Program Manager for the Department of the Interior, who is responsible for the Department's employee housing.

To determine how the Park Service used laws, regulations, and guidance to justify the need for employee housing at the regional and park levels,

we selected 17 parks on a nonstatistical basis with a range of characteristics including the amount of reported backlog, isolated and nonisolated areas (6 and 11 parks, respectively), number of housing units, and geographic location. We visited or contacted Park Service officials at parks in the Rocky Mountain Region (seven parks), the Pacific Northwest Region (two parks), the Western Region (two parks), the Mid-Atlantic Region (one park), the North Atlantic Region (two parks), and the National Capital Region (three parks). The housing inventory at these selected parks ranged from 3 units, all for permanent employees, to over 400 housing units for both permanent and seasonal employees. In total, these parks contained about 1,800 housing units, or about 35 percent of the Park Service's July 1992 housing inventory. (App. I contains a listing of the parks selected and number of housing units.)

To determine the accuracy of and reasons for the 1991 backlog estimate, we discussed with headquarters, regional, and park officials the basis for the estimate. At the 17 parks visited, where available, we also obtained and reviewed information and supporting documents relating to the backlog figure.

We conducted our review from June 1992 to July 1993 in accordance with generally accepted government auditing standards. We discussed the factual material in this report with Park Service officials responsible for employee housing—the Chief, Division of Engineering and Safety and the Quarters Officer—who agreed with the facts as presented in this report. However, as you requested, we did not obtain written comments on our findings from the Department of the Interior.

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# Condition of Park Service's Housing

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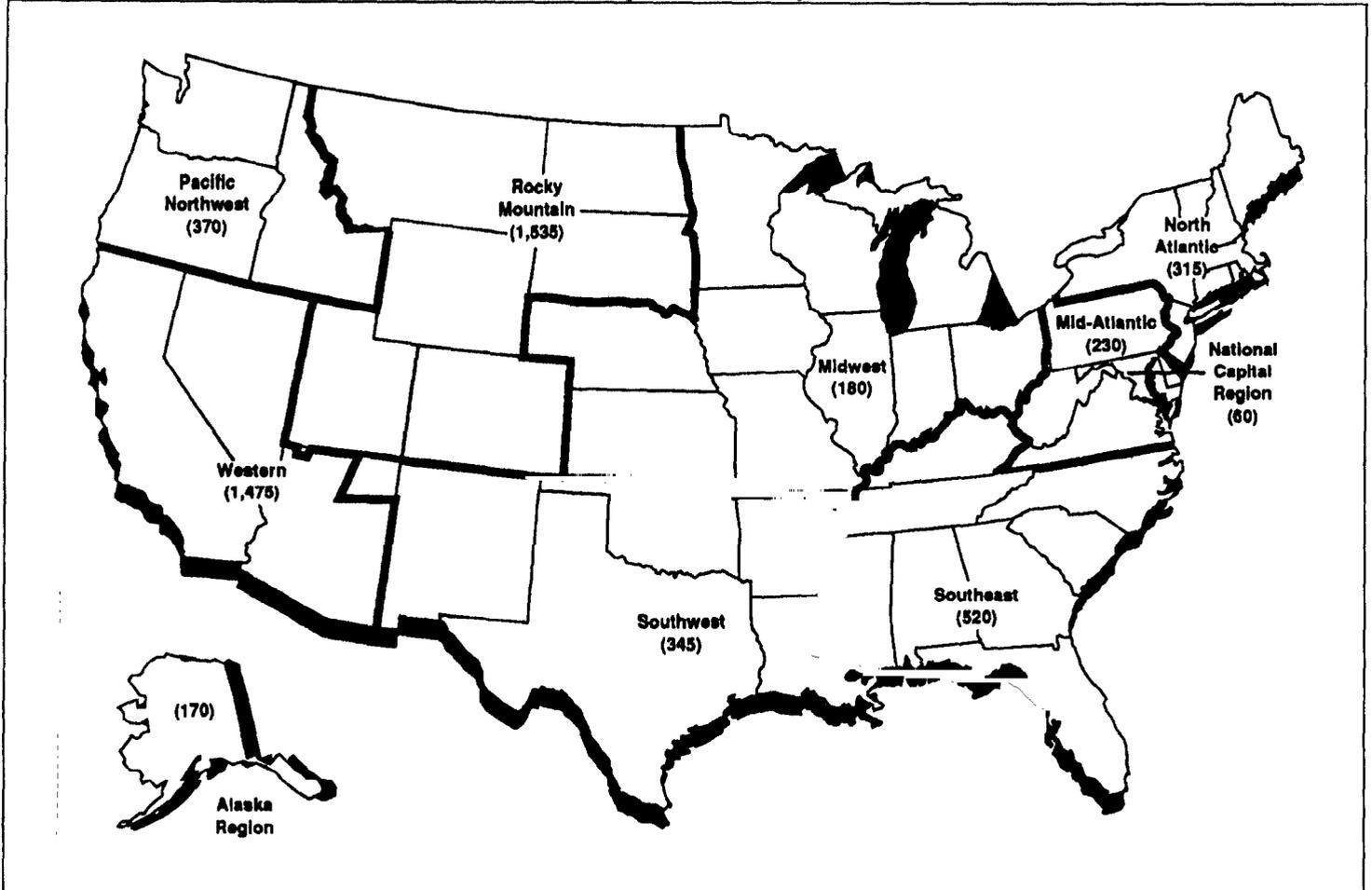
The Park Service maintains a housing inventory data base that contains information on the location, type, age, size, and condition of each housing unit as well as the reason for retaining the unit. Each national park within the system is responsible for updating information in the housing data base at least every 2 years. As of July 1992, the data base listed about 5,200 units ranging from single-family houses to tents and travel trailers. The data base shows that about 15 percent of the housing inventory is in poor to obsolete condition, requiring major interior and structural repairs to remain habitable. Another 45 percent of the housing units are in fair condition, requiring the replacement of outdated appliances and other fixtures as well as minor structural repairs to prevent further deterioration. The remaining 40 percent of the units are in good to excellent condition, requiring no more than routine maintenance.

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## Location of Housing Inventory

According to the Park Service's housing inventory data base, 4 of its 10 regions (Rocky Mountain, Western, Alaska, and Pacific Northwest) account for about 70 percent of the 1992 housing inventory. The other six regions (Midwest, North Atlantic, Mid-Atlantic, Southwest, Southeast, and National Capital) account for the remaining 30 percent of the inventory. Figure 2.1 shows the Park Service's 10 regions and the number of housing units within each region.

Figure 2.1: Park Service's Regions and Number of Housing Units as of July 1992



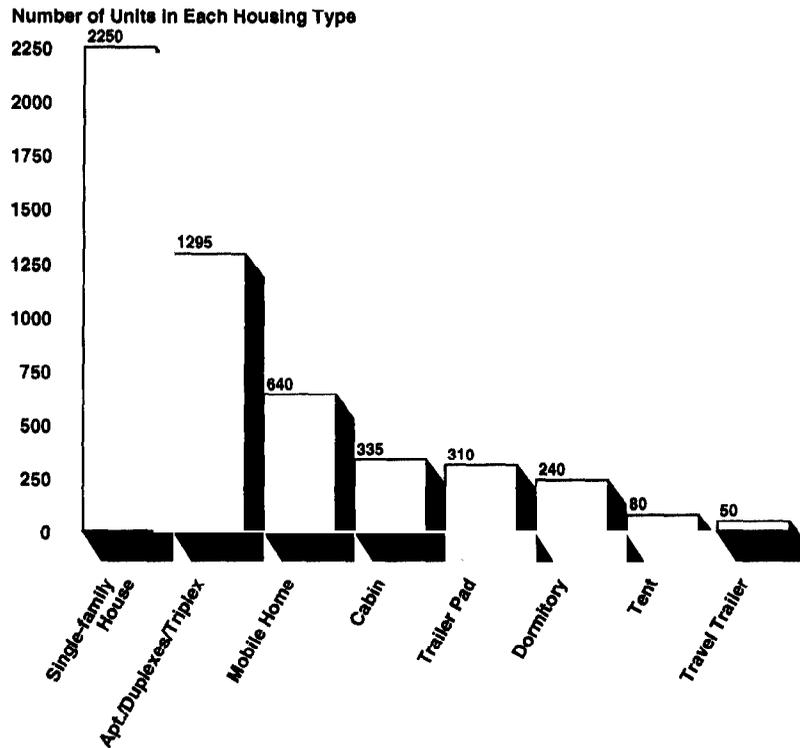
Note: The number of housing units in each region appears in parentheses.

Source: National Park Service.

## Type and Age of Housing Inventory

As of July 1992, the inventory showed that single-family houses are the most common type of housing unit. The inventory also includes other types of housing such as apartments, duplexes/triplexes, mobile homes, and tents. Figure 2.2 shows the number of the Park Service's housing units by type.

Figure 2.2: Park Service's Housing Profile July 1992



Source: National Park Service.

About 60 percent of the housing units, or 3,000, can be used year-round and consist primarily of single-family houses, duplexes/triplexes, and mobile homes. About 40 percent, or 2,200, of the housing units are seasonal; are usually used between 3 to 6 months of the year; and consist of cabins, apartments, dormitories, and mobile homes (trailers).

About 32 percent of the Park Service's housing was built before 1950. The largest housing type, single-family, averages almost 50 years of age, and mobile homes average about 20 years of age. The 21 newest units were built in calendar year 1992.

## Condition of Housing Inventory

Park managers use Interior's and the Park Service's criteria to separately rate the interior and exterior condition, respectively, of each housing unit as excellent, good, fair, poor, or obsolete.<sup>1</sup> Park Service officials agreed that for our reporting purposes, we could combine the interior and exterior ratings. Where a housing unit had a different rating for the interior and exterior, we chose the lower of the two ratings. According to our analysis, the condition of the housing inventory is as follows:

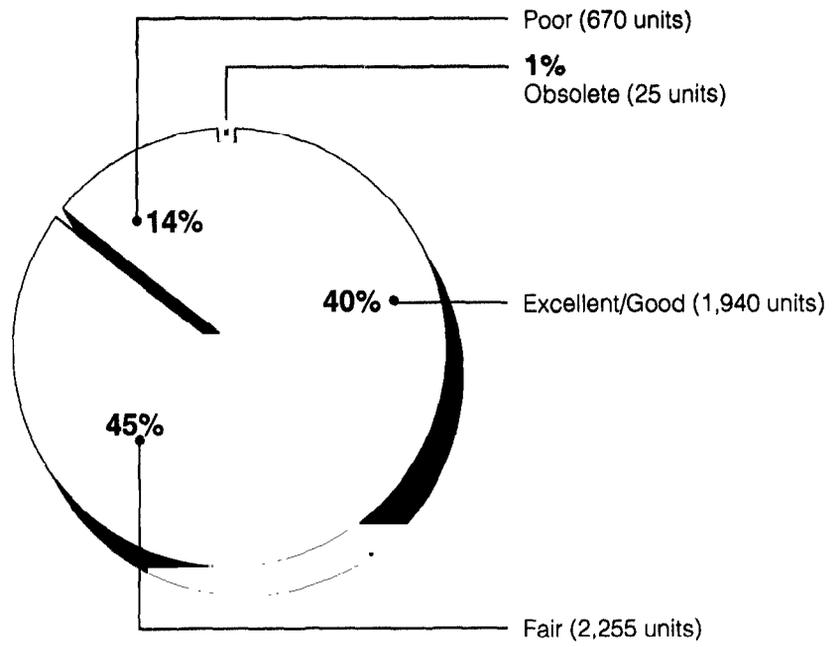
- Excellent (in a like-new condition): 240 units (5 percent).
- Good (needs minor routine maintenance or repair): 1,700 units (35 percent).
- Fair (shows early signs of reversible deterioration): 2,255 units (45 percent).
- Poor (needs major repairs): 670 units (14 percent).
- Obsolete (beyond economic rehabilitation): 25 units (less than 1 percent).

See figure 2.3 on page 15, for a visual breakdown of these categories.

In our visits to 17 parks, we saw employee housing in various conditions. The houses in fair to poor condition often contained small rooms, outdated kitchen and bathroom fixtures, worn flooring, and needed interior and exterior painting. Many of the mobile homes showed signs of advanced deterioration, e.g., leaking roofs, warped floors, outdated plumbing, and rodent infestation. The new housing units we saw contained larger rooms and modern appliances and fixtures and were also better insulated with more efficient heating and cooling systems. Figures 2.4 to 2.7 are examples of the Park Service's housing that we observed in our visits to 17 parks.

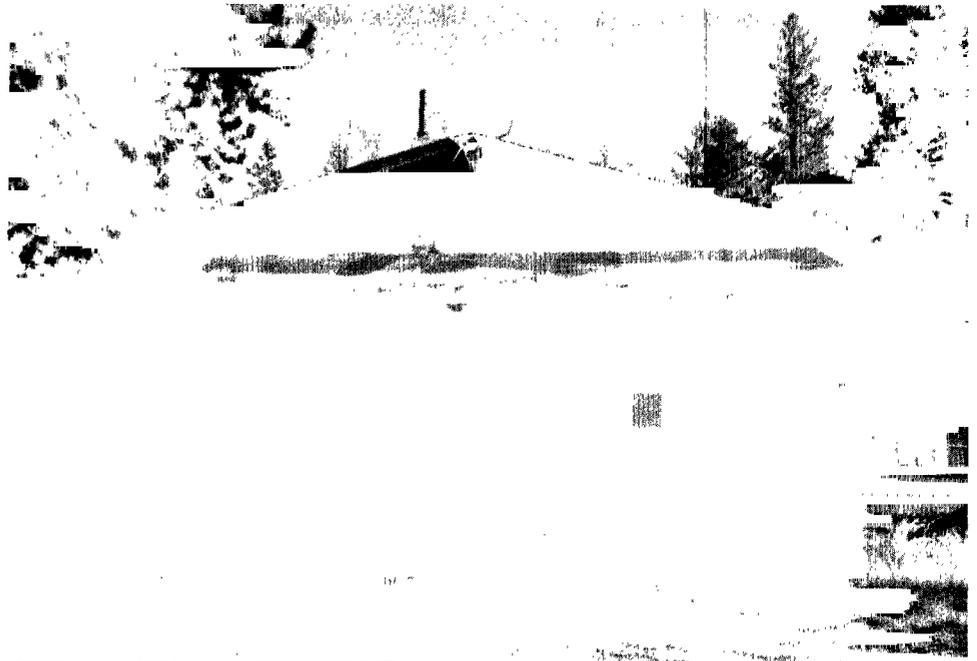
<sup>1</sup>The Park Service does not evaluate the condition of the 310 trailer pads in its housing inventory. Trailer pads are used by employees who bring their own recreational vehicle or travel trailer to a park.

Figure 2.3: Condition of Housing Inventory



Note: The Park Service does not evaluate the condition of the 310 trailer pads in its housing inventory.

**Figure 2.4: Single-Family House in  
Obsolete Condition, Grand Teton  
National Park, Wyoming**



A three-bedroom house with structurally deficient foundation, leaking roof, and outdated plumbing and electrical systems (monthly rent for 1992 was \$173).

**Figure 2.5: Modular Housing Unit in Poor Condition, Yellowstone National Park, Wyoming**



A two-bedroom modular housing unit with leaking ceiling and warped floors. Electrical system does not comply with building codes (monthly rent for 1992 was \$133).

**Figure 2.6: Trailer in Fair Condition, Shenandoah National Park, Virginia**



A three-bedroom trailer needing some exterior repairs. Interior fixtures outdated (monthly rent for 1992 was \$108).

**Figure 2.7: Single-Family Home in Good Condition, Antietam National Battlefield, Maryland**



A three-bedroom house remodeled and repainted in 1991 with new carpet, paneling and a furnace, storm windows, and an insulated attic and basement (monthly rent for 1992 was \$440).

# Park Service's Need for Current Employee Housing Inventory Levels Not Fully Supported

The Park Service appears to have reasonably justified the need for 4,750 (88 percent) of its inventory of 5,200 housing units—the housing for seasonal employees, for employees at isolated parks where no housing is available within a reasonable commuting distance, and for permanent employees at nonisolated parks who provide necessary visitor services or protection of government property and resources. However, the justification for the remaining 630 housing units (12 percent) in nonisolated parks is questionable. The justification given by park managers for these housing units was that they are required (1) in order for park employees to provide necessary visitor services or adequately protect government property and resources or (2) because housing is not available in the local area. However, at the 11 nonisolated parks we visited, the need for these housing units was largely determined by the personal experience and judgment of park personnel rather than supportive analysis as required by the Park Service's guidance.

## Criteria for Providing Housing

In accordance with federal legislation, OMB's policies, and Interior's policies, the Park Service is authorized to provide employee housing when the housing is essential to accomplish its mission. Conditions that justify providing housing include the seasonal nature of park operations, the nonavailability of units for rent or sale within a reasonable commuting distance to an established community, and the need to provide necessary visitor services or protect government property and resources.

In accordance with federal legislation (P.L. 88-459) and OMB Circular A-11, dated July 2, 1992,<sup>1</sup> the Park Service is authorized to provide housing for seasonal employees whenever necessary and for permanent employees when park units determine that

- employees must live in the park to render necessary visitor services or protection of government property and resources (required occupant) or
- present and prospective housing is not available for rent or sale within reasonable commuting distances (isolation).<sup>2</sup>

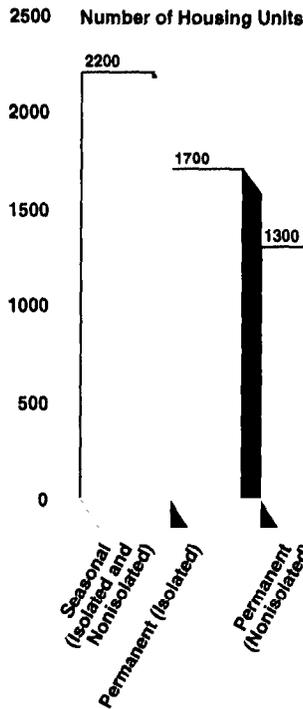
Park managers document the need for providing housing to their employees in individual park housing management plans (HMP). The Park

<sup>1</sup>OMB Circular A-11 superseded OMB Circular A-18, dated Oct. 18, 1957.

<sup>2</sup>The Park Service considers reasonable commuting distance to be less than 30 miles or not more than 60 minutes of travel by automobile one-way from the nearest established community. (See app. I for a list of isolated parks reviewed.) The Park Service's guidance defines "nearest established community" as the nearest population center having a year-round population of 1,500 or more (5,000 or more in Alaska) and at least one licensed/certified general practicing medical doctor and dentist.

Service's guidelines require individual park managers to complete an HMP every 2 years. The purpose of the HMP is to provide the rationale for retaining, upgrading, or replacing existing housing units, as well as identifying excess housing and justifying the need for additional units. The guidelines also require park managers to certify the need for each individual housing unit, at least once every 2 years, as part of the physical inspection of the housing inventory. The certifying process requires park managers to indicate why a particular housing unit is essential to the park's mission. Figure 3.1 shows our analysis of the reasons cited in the HMPs for retaining the 5,200 housing units.

**Figure 3.1: Justifications for Retaining 5,200 Housing Units (Park Service-Wide Inventory)**



Source: National Park Service HMPs.

## Isolated and Seasonal Housing Inventory Appears Justified

The Park Service has justification for 75 percent (about 3,900) of the 5,200 units in its housing inventory which provide housing to seasonal employees and permanent employees living in isolated parks (more than 30 miles or 60 minutes from an established community by automobile).

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As shown in figure 3.1, 2,200<sup>3</sup> (40 percent), of the Park Service's total inventory of 5,200 housing units have been justified by park managers to meet seasonal housing needs. Seasonal employees are those employees providing services during the heaviest visitor-use period and are usually hired for 3 to 6 months. Housing for these employees is generally provided by the park in the form of dormitories, mobile homes, and in some cases, tents.

About one-third, or 1,700, of the housing units for permanent employees was justified by park managers because of isolation. For example, Yellowstone National Park in Wyoming, Grand Canyon National Park in Arizona, and Yosemite National Park in California are in remote areas (averages of more than 50 miles from an established community). Our analysis of the Park Service's housing inventory data base also showed that the units classified as isolated were, on average, located 67 miles from the nearest established community—more than twice the 30-mile distance cited in the Park Service's guidelines.

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## **Justification for Nonisolated Permanent Housing Not Well Supported**

The Park Service has not sufficiently justified the need for about one-half of its 1,300 housing units for permanent employees in nonisolated locations. In reviewing the HMPS and interviewing park managers at the 11 nonisolated parks in our sample, we found that the evidence supporting the need for these units was largely based on the judgment of park managers rather than on the type of analysis and supportive documentation required by the Park Service's guidelines.

According to the Park Service's guidelines, in order to provide housing, park managers must demonstrate in the HMPS that (1) housing is needed to provide necessary visitor services or protection of government property and resources or (2) housing is not available in the local area. The justification for housing for employees providing visitor services or protection of government property is contained in a required occupancy plan, which is a key component of the HMP. The required occupancy plan identifies the positions which require employees to live in the park to ensure that necessary visitor services are provided or government property and resources are adequately protected. Our review of HMPS at the 11 nonisolated parks and the information provided by Park Service officials showed that, of the 1,300 housing units in nonisolated locations justified on the basis of services or protection, only 670 were occupied by

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<sup>3</sup>This figure combines 1,400 housing units in isolated locations and 800 units in nonisolated locations.

employees whose jobs are to provide necessary visitor services or protect government property and resources. For example:

- At Cape Cod National Seashore in Massachusetts, park managers' justification for providing 19 housing units for permanent personnel was that they provide necessary visitor services or protection of government property and resources. However, only four of these housing units were occupied by personnel whose positions specifically required them to live in government-furnished housing in order to provide necessary visitor services or protection of government property and resources.
- Similarly, at Arches National Park in Utah, park managers' justification for providing four housing units for permanent personnel was that they provide necessary visitor services or protection of government property and resources. But only one of the four units was occupied by an employee whose position specifically required occupying government-furnished housing.

Park managers at 8 of the 11 nonisolated parks we visited were reviewing their required occupancy positions to determine if they could reduce the number of employees required to live in the parks. For example, in the Rocky Mountain Region, regional officials instructed park managers to review required occupant positions and recommended that managers and other employees be released from required occupancy. However, even if the number of required occupant positions were reduced, park managers did not necessarily anticipate a corresponding reduction in their park's housing inventory since, in their judgment, housing was either not available or not affordable in the local area. However, park managers were unable to provide either documentation or additional analysis to support their position.

With regard to availability, the Park Service's guidance requires that park managers analyze the local real estate market to determine if sufficient housing is available in the local area. The guidance requires that this analysis include general information on housing in the area such as information on the number of various types of housing available and the range of costs. However, 10 of the 11 HMPs in the nonisolated parks we reviewed did not contain the required analysis, but simply contained a statement that housing was not available. For example, the HMP for Harpers Ferry National Historical Park in West Virginia justified its housing needs with the single statement that rental units are difficult to find in the surrounding area because of its proximity to a race track, and commuter rail transportation to the Washington, D.C./Baltimore,

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**Chapter 3**  
**Park Service's Need for Current Employee**  
**Housing Inventory Levels Not Fully**  
**Supported**

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Maryland, metropolitan areas. We found no additional information or analysis of housing in the local area to support the statement in the HMP. In addition, park managers reported that 59 of the park's 66 permanent employees lived in local area housing.

Several park managers reported that the Park Service has a long-standing tradition of providing employee housing and that employees consider the affordability (as well as availability) of park housing when deciding to accept or reject assignments and transfers. HMPS or park managers at 8 of the 11 nonisolated parks we visited cited the high cost of local housing as justification for retaining their housing in order to attract employees to their park. For example,

- “Lower [GS] graded employees find it difficult to obtain decent housing within their price range or in a decent commuting distance.” Shenandoah National Park, Virginia.
- “Fluctuations in the local real estate market make it difficult to estimate the need for housing with any reliability. The recent boom years made it extremely difficult for any employee not already in private housing to afford a home.” Cape Cod National Seashore, Massachusetts.
- “Some rentals and permanent housing are available in Moab [a town 5 miles from the park], but the cost and conditions are variable, and in some cases beyond the reach of employees.” Arches National Park, Utah.

Park managers and headquarter's officials stated that because Park Service salaries were low and local housing costs were high, housing was retained in order to attract employees to individual parks. However, we found that most of the HMPS we reviewed for the nonisolated parks did not contain any analysis of local housing costs compared to employee salaries as required by Park Service guidance. As previously stated, of the 11 HMPS we reviewed, 10 did not contain the required analysis, but simply contained a statement that housing was not available. In addition, we found that about 75 percent of the permanent employees were living in local areas outside the 11 nonisolated parks we visited.

# Park Service's Housing Maintenance Backlog Estimate Cannot Be Verified

The Park Service's 1991 reported backlog estimate of about \$546 million to repair, rehabilitate, and replace employee housing—nearly double the \$267 million estimate reported to the Congress in 1988—cannot be verified. We were unable to verify the accuracy of this figure because parks were not provided guidance in preparing the estimate and supporting documentation was not required or available. However, Park Service officials reported that a sizable backlog does exist and that the condition of employee housing continues to decline as maintenance is often postponed because of the recurring gap between rental income and maintenance needs.

## Limited Support for Backlog Estimate

During appropriations hearings held in 1991, the Congress directed the Park Service to provide, for the record, an update of its earlier (1988) housing backlog estimate. Consequently, Park Service headquarters officials instructed the regions and parks to provide an estimate of their housing backlog needs. The headquarters official responsible for compiling the backlog said the instructions to the regions and parks did not require documentation, since the purpose of compiling a backlog figure was to “estimate” the funding needed to improve housing. The official further stated that the development of the estimate was left to the discretion of the regions and individual park managers.

In discussing the basis for the 1991 backlog estimate with park officials at the 17 parks we visited, we found little documentation to support how the estimate was developed. In some parks, officials could not tell us how the estimate was compiled. At other parks, officials indicated that estimates came from lists of preliminary estimates for proposed rehabilitation and replacement projects. In addition, parks may or may not have included in their estimates new housing beyond that needed for current operations. For example, Yellowstone National Park in Wyoming included in its \$60 million housing backlog estimate \$21 million in construction costs for projects which included an expansion of its housing inventory to accommodate higher projected staffing levels. Additionally, officials at several parks reported to us that their existing needs were different from those reported in 1991. For example, at a park with a 1991 backlog estimate of \$570,000, officials reported to us that, beyond routine maintenance, there were no existing needs. Regardless of how the Park Service's estimate was prepared, in no case did we find sufficient documentation that would allow us to verify the accuracy of the \$546 million figure; however, Park Service officials continue to state to us and the Congress that a sizable backlog exists.

## Insufficient Funds Are Principal Reason for Backlog

The source of funding for maintaining the Park Service's housing is rental income from the units supplemented by operating funds. However, in recent years, both of these funding sources have been limited, which contributed to the maintenance backlog. OMB's and the Park Service's policies for reducing rents through administrative adjustments contribute to the gap between rental income and housing maintenance needs. While rental income collected by park units can be used only for housing, this income is not required to equate to maintenance costs. The Park Service practice has been to supplement rental income used for maintenance with operating funds. However, other demands on the operating funds have limited the extent to which the Park Service can supplement rental income. As a result, the maintenance backlog, according to Park Service officials, has continued to grow.

In determining rental rates, the Park Service participates in a multiagency program which surveys regional markets and uses statistical programs to establish base rental rates for government furnished housing. Once base rental rates are established, OMB's and the Park Service's guidance requires park managers to administratively reduce rents for isolation and allows reductions for a variety of factors including the inadequacy or absence of standard services or amenities (e.g., street lighting, sidewalks, modern appliances). Such adjustments can reduce the established base rental rates up to 60 percent. For example, at Grand Canyon National Park in Arizona, the 1991 monthly base rental rate of a two-bedroom housing unit rated in good condition was \$189. After adjustments for isolation (\$112) and the inadequacy of amenities (\$2), the base rental rate was reduced about 60 percent to \$75.

The administrative adjustments to the base rental rate limits income, reducing funds available for maintenance. For example, an analysis of 1989 rental income data by a housing official at Yellowstone National Park in Wyoming showed that if rents had not been adjusted downward, rental income would have exceeded maintenance expenditures by \$19,000 instead of creating a maintenance funding shortfall of \$509,000. Overall, the Park Service, in its 1988 Employee Housing Initiative Report to the Congress, estimated that rents covered about 60 percent of the maintenance costs. In fiscal year 1991, the Park Service collected \$9.1 million in rents, which was less than 50 percent of the \$19.2 million it incurred in maintenance costs. The difference (\$10.1 million) in these amounts came from annual operating funds allocated to individual parks.

For fiscal years 1992 and 1993, the Congress further limited the amount of rent available for housing maintenance by limiting rent increases for employees of agencies funded through Interior's appropriations legislation; the Park Service, Bureau of Land Management, and Fish and Wildlife Service in Interior; and the Forest Service in the Department of Agriculture, to no more than 10 percent over the rent paid in the prior year. This further contributed to the maintenance backlog.

According to Interior officials, the intent of the rental rate limitation was to lessen the impact of sharp rent increases, especially in the northeast region of the country. Prior to 1992, government housing rents in the northeast region had not been adjusted for 5 years. When the new base rental rates were established, the impact was significant—without the limitation, rental rates would have almost doubled for some units. For example, for 1991, the monthly rent for a three-bedroom apartment rated in good condition in Boston National Historic Park in Massachusetts would have increased 151 percent from \$270 to \$408. Recognizing that these rent increases would mean that a larger percentage of their income would be needed for housing, park rangers lobbied against the increases. Subsequently, amendments were included in Interior's appropriations acts for fiscal years 1992 and 1993 to limit the amount of the rent increases. With the 10-percent rent increase limitation, the rent increased to only \$297.

In commenting on proposed legislation in 1992, that would have capped rent rates for some of their employees,<sup>1</sup> officials from both Interior and Agriculture testified in opposition to the proposed legislation. Interior officials stated that capping rents as proposed would upset the salary/housing cost equilibrium among federal civilian employees which the multiagency program used to establish base rental rates was designed to achieve. Also, the Interior officials said that, since the proposed legislation was aimed at only Interior and Agriculture employees, other agencies may feel that these agencies' employees were receiving benefits not available to the employees of the excluded agencies. Agriculture officials had similar concerns.

While figures for the Park Service as a whole were not available, an Interior study estimated that, in fiscal year 1992, the Department stood to lose as much as \$860,000 in rental income because of the rent increase limitation. An Interior official estimated that the same amount of income would be lost in fiscal year 1993.

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<sup>1</sup>This legislation, the Ranger Fair Housing Act of 1991 (S. 1704), was not enacted.

# Conclusions and Recommendations

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## Conclusions

The Park Service's employee housing program is at a crossroads. According to the Park Service, it has a repair, rehabilitation, and replacement backlog amounting to about \$546 million. However, because of a lack of documentation, we could not verify the accuracy of the Park Service's reported backlog estimate. On the basis of our analysis of information in the Park Service's housing inventory data base, which the Park Service develops on the basis of physical inspections of each unit, about 60 percent of the units are classified as being in fair to obsolete condition and will require extensive repair, rehabilitation, or replacement. However, because the Park Service has not adequately justified the need for all of its housing inventory—particularly those housing units retained in nonisolated parks for permanent employees—it does not know how many units it actually needs.

Maintaining an inventory greater than what can actually be justified dilutes available funds. Rental income and operating funds have not kept pace with maintenance costs, thus contributing to the multimillion dollar maintenance and repair backlog. Annual rents charged to employees make up less than 50 percent of annual maintenance costs—the difference coming out of funds available for park operations or special appropriations. Finally, congressionally imposed limits on rental rate increases have also contributed to the multimillion dollar backlog.

While the Park Service has a long-standing tradition of providing housing to employees, we believe that this tradition should be reviewed and policies regarding providing employee housing reexamined and updated. Current procedures used by park managers to justify employee housing inventory levels have not resulted in sufficient analysis or documentation to support the need for all units—particularly those housing units retained for permanent employees in parks near local communities. At these parks, the viability of local real estate and rental markets should be closely examined as an option to housing in parks. In addition, policies regarding the consideration of the affordability of local housing for employees should be tempered with an analysis of whether the park can afford to maintain housing. Finally, the Park Service must determine which units are not needed and develop a strategy to retire them from the housing inventory. Park managers should, as much as possible, assure that those units identified as needed receive the maintenance and repair funds to keep them in or return them to a safe and habitable condition. Units not identified as needed should be retired from the inventory. As units are rehabilitated and brought up to standard, we believe the Park Service

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should reconsider its use of administrative adjustments and charge rents in line with maintenance costs.

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## Recommendations

Although the Park Service has a long-standing tradition of providing employee housing, many of its housing units are in a deteriorated condition, and the need for all of the housing units has not been justified. Therefore, we recommend that the Secretary of the Interior direct the Director of the Park Service to take the following measures:

- Reassess the need for all permanent housing units, especially those justified on the basis of nonavailability or unaffordability in nonisolated areas, and develop a strategy to eliminate from the housing inventory those units not needed.
- Develop a repair and/or replacement estimate that can be supported for those units that are needed. One method of supporting the estimate would be to use historical repair and/or replacement costs.
- Develop a strategy for closing the gap between rental income and maintenance costs. As part of this strategy, the Park Service needs to reassess the administrative adjustments to rental rates and analyze the impact on employees of eliminating or increasing the rental rate limitation. If the Park Service concludes that the rental rate increase limitation should be changed, the rationale for the change should be communicated to the appropriate congressional committees.



# List of National Parks Visited by GAO and the Number of Housing Units as of July 1992

Region	Park's Name	Number of Units
National Capital	Antietam National Battlefield, Md.	3
	Catoctin Mountain Park, Md.	6
	Harpers Ferry National Historical Park, W.Va.	14
Mid-Atlantic	Shenandoah National Park, Va.	52
North Atlantic	Boston National Historical Park, Mass.	24
	Cape Cod National Seashore, Mass.	82
Rocky Mountain	Arches National Park, Utah	9
	Black Canyon of Gunnison National Monument, Colo.	6 12
	Colorado National Monument, Colo.	29
	Canyonlands National Park, Utah <sup>a</sup>	204
	Grand Teton National Park, Wyo.	22
	Curecanti National Recreation Area, Colo. Yellowstone National Park, Wyo. <sup>a</sup>	433
Western	Grand Canyon National Park, Ariz. <sup>a</sup>	338
	Yosemite National Park, Calif. <sup>a</sup>	372
Pacific Northwest	Mt. Rainier National Park, Wash. <sup>a</sup>	133
	North Cascades National Park, Wash. <sup>a</sup>	64
<b>Total number of units in GAO's selected sample</b>		

<sup>a</sup>Isolated park (all or most of the housing units are 30 miles or more from the nearest established community).

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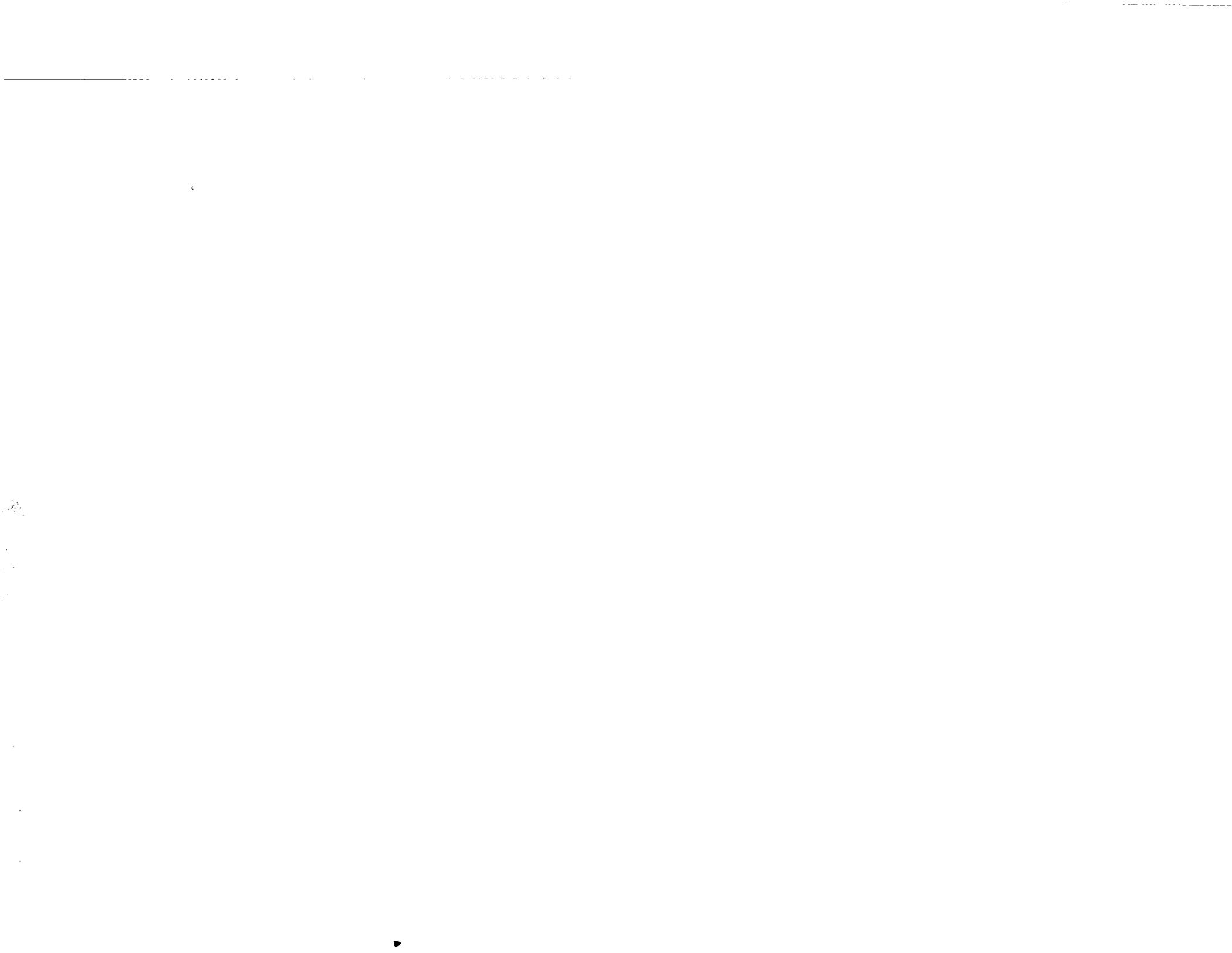
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