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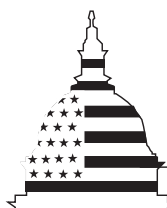
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NATIONAL PARK SERVICE

Concerns About the Implementation of Its Employee Housing Policy

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G A O

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Mr. Chairman and Members of the Subcommittee:

We are here today to discuss the National Park Service's housing program. The Park Service provides housing for its employees when either (1) affordable housing is not generally available or (2) staff are needed so that they can be available to respond to after-hours incidents within the park. Within the agency, the housing program involves a large financial commitment. Over the past 10 years, the agency has spent about \$175 million on employee housing. In addition, the agency currently has almost \$20 million in unspent construction funding that it plans to use to address current housing needs. Furthermore, the Park Service estimated that it needs about another \$300 million to repair and replace some of its existing housing inventory.

In October 1997, we testified before this Subcommittee about the Park Service's management of this program. At that hearing, the Park Service committed to improve its housing program by (1) revising its housing policy and (2) conducting a park-by-park assessment of its need for employee housing. You asked us to assess what progress the agency has made since that time. Our response is centered on two questions: (1) what did the Park Service do as a result of the Omnibus Parks and Public Lands Management Act of 1996—one purpose of which was to move the agency to eliminate unnecessary government housing and rely more on the private sector to supply housing for employees, and (2) what impact is that action likely to have?

In summary,

- The Park Service carried out both actions that it committed to in October 1997. In November 1997, it issued a revised housing policy. Generally, the revised policy permits the agency to provide housing under two situations: (1) to assure timely responses to park emergencies and (2) where parks are located in remote areas or in areas where affordable housing is not available. This policy was aimed at minimizing the amount of employee housing it provides—which was consistent with the goals of the 1996 law. In 1997, the Park Service also began a park-by-park housing needs assessment to determine the number of housing units needed under the new policy. In order to ensure that this assessment was independent and objective, the agency hired two contractors to perform the assessment.
- The contractors' park-by-park assessments found that the Park Service had 522 more housing units than it needed. However, in reviewing the

contractors' assessments, park managers and regional officials disagreed with the contractors' findings and concluded that 760 more units than they now have were needed—a difference of 1,282 units. This wide divergence of opinion about how much housing the agency should provide reflects many park managers' fundamental disagreement with the revised housing policy. The disagreement with Park Service policy by park managers raises serious concerns about the credibility of future Park Service housing initiatives and any funding requests that the agency might have for providing employee housing.

Background

The Park Service provides nearly 5,300 housing units for its employees. These include such facilities as detached single-family homes, multiplexes, apartments, cabins, dormitories, trailers, and trailer pads. These housing units are located in over 200 of the 378 parks throughout the country—mostly in the West.

The amount and condition of Park Service housing has been a matter of concern for some time. In 1993 and 1994, we reported that the Park Service (1) had not fully justified the need for all of its employee housing units and that many of its housing units were badly deteriorated and (2) had not developed a strategy for minimizing its housing inventory.¹ It is important that the agency understand its need for housing so that it can justify requests to Congress for funding housing repairs or construction. In November 1996, the Congress enacted legislation, the Omnibus Parks and Public Lands Management Act of 1996. This law required the Park Service to review and revise its employee housing policy and conduct a park-by-park assessment of housing needs and condition. One purpose of the law is to move the agency to eliminate unnecessary government housing and rely more on the private sector to supply housing for employees in order to reduce the need for federal appropriations. The law also provided park managers with additional authorities for working with the private sector to help address park housing needs.

The Park Service's response to concerns about the amount and condition of Park Service housing has been slow in coming. In our October 1997 testimony before this Subcommittee, we reported that the Park Service's assessment of housing needs was not scheduled to be completed until

¹National Park Service: Condition of and Need for Employee Housing (GAO/RCED-93-192, Sept. 30, 1993) and National Park Service: Reexamination of Employee Housing Program Is Needed (GAO/RCED-94-284, Aug. 30, 1994).

2002—9 years after we first recommended such assessments.² In response to concerns raised by this Subcommittee in October 1997, the Park Service Director committed to (1) finalizing a revised housing policy and (2) completing a housing needs assessment by October 1998.

Housing Policy Has Been Revised and Housing Needs Have Been Assessed

The Park Service has met both of its commitments that it made to the Subcommittee in October 1997. In November 1997, the Park Service issued a revised housing policy. This policy's stated goal is for parks to have the minimum number of housing units they need to meet their mission, which is consistent with the goals of the 1996 legislation. The new policy calls for the Park Service to rely on the private sector to provide housing for its employees to the maximum extent practical and for government housing to be provided only after all other alternatives have been exhausted. Generally, the policy permits the agency to provide in-park housing under two situations: (1) to assure timely responses to park emergencies and (2) where parks are located in remote areas or in areas where affordable housing is not available. In addition, housing can be provided under certain other circumstances. For example, parks may house volunteers and other unpaid staff when excess housing units are available.

Also in November 1997, the Park Service awarded contracts for a total cost of about \$1.9 million to two firms to conduct park-by-park assessments of the need for housing. Park Service officials said that they used contractors rather than conducting their own internal analysis because the agency wanted to obtain a consistent and objective review of housing needs, and because park staff generally do not have the expertise needed to properly analyze local real estate markets. Park Service officials were concerned that the culture, traditions, and past practices of on-site park managers would affect their ability to perform an objective analysis of their parks' employee housing needs. In addition, the Park Service officials believed that the contractors would add to the process their expertise in assessing the availability and affordability of housing in areas surrounding parks.

The contractors' assessments were conducted by applying the agency's housing policy to individual parks. Specifically, the contractor determined how many housing units a park needed (1) to assure timely responses to park emergencies and/or (2) because the park was located in remote area or in an area where affordable housing was not available. The two contractors conducted 145 park assessments—primarily at parks with 5 or

²National Park Service: Employee Housing Issues (GAO/T-RCED-98-35, Oct. 29, 1997).

more housing units.³ The contractors did not include trailers, trailer pads, tents, and temporary housing in their assessment because the agency is trying to minimize putting employees in these types of units. The agency currently has about 900 of these types of units. The 145 parks assessed by the contractors contained about 4,250 of the agency's 4,400 housing units, or about 97 percent. The contractors completed their assessments in November 1998.

The contractors' assessments included recommendations to the agency for the minimum number of housing units needed at each park. After the assessments were completed, the agency permitted individual park managers to review the contractors' work and determine their own minimum number of housing units needed for their parks. According to Park Service officials, because park managers are responsible and accountable for the areas they manage, they were allowed to make changes to the number of minimum housing units needed at their parks. Once park managers determined their parks' housing needs, their revised numbers were reviewed by the agency's regional directors.

Implementation of New Housing Policy May Not Lead to Intended Reforms

While the Park Service has followed through in its commitment to revise its housing policy and assess its need for park employee housing, its implementation of these initiatives may not lead the agency to effectively achieving the purposes of the 1996 law. In fact, after spending about \$1.9 million for getting an independent assessment of its housing needs, the agency may be in no better position to justify its housing inventory than before the recent initiatives began. Our concerns about the implementation of the agency's initiatives focus on two areas: (1) significant differences between the contractors' assessment of the amount of housing needed under the agency's new policy, and what park managers believe they need, and (2) little response to pursuing and implementing alternatives to in-park housing. The financial impact of not implementing the agency's housing policy are significant as the agency estimated in 1998 that about \$300 million was needed to address deferred maintenance and replacement of its housing inventory.⁴

³A few of the contractors' needs assessments included more than one park. This was done where park units were either jointly managed or located in close proximity to each other. As a result, the 145 park assessments included 152 parks.

⁴The Park Service reported these estimates in February 1998—before the contractors had completed the housing needs assessments.

Contractors' assessments Show Too Much Housing; Park Managers Believe More Housing Is Needed

The contractors' assessments showed that under the housing policy, the Park Service had 522 more housing units than it needs. At nearly three-fourths of the parks assessed (106 of 145), the contractor found the parks had too much housing with the excess totaling 1,072 housing units. Twenty-eight parks were assessed as having too little housing, with a total shortage of 550 units. The remaining 11 parks had the proper amount of housing.

After park managers were permitted to determine their own parks' minimum housing needs, a much different picture emerged. Instead of having too much housing, park managers indicated that the agency needs 760 more housing units than it currently has—about 18 percent of the assessed parks' housing inventory. Specifically, these managers believe that 37 parks have too much housing, 64 parks need more housing, and 44 parks had the proper amount of housing. According to revisions made by park managers and reviewed by regional directors, the number of excess housing units dropped from 1,072 to 165, and the number of units needed at parks with housing shortages rose from 550 to 925. In all, the total difference between the contractors' assessments and the park managers' revisions amounted to 1,282 units—about 30 percent of the assessed parks' inventories. Figure 1 summarizes the differences.

In commenting on a draft of this testimony, Park Service officials indicated that much of the difference between the contractors' numbers and the park managers' numbers was due to the number of historic structures currently used as housing units. In their view, many of these historic structures may not be needed as housing, but they nonetheless must be preserved and maintained by the parks. According to these officials, using them to house employees is in many cases the best option available to park managers. While the use of historic structures does account for some of the difference between the numbers of the contractors and park managers, agency data indicates it likely accounts for less than 20 percent of this difference.

Figure 1. Contractors' Assessments of Housing Units Needed Under the New Housing Policy Versus Park Managers' Assessments of Housing Needs



Our analysis showed that the major difference between the two assessments was that the park managers did not assess their housing needs consistent with the Park Service's housing policy. As part of our work, we visited 10 parks to discuss the results of their housing needs assessments. (App. I lists the park units we visited.) Most of the reasons given by the park managers for the disparity between their analysis and the contractors' assessments were not consistent with the agency's housing policy. Most of the reasons given by park managers for the need to provide more housing fell into the following three categories:

- providing housing to volunteers or other unpaid staff,
- providing housing to deter crimes against park visitors or park resources, or
- more than doubling the number of housing units needed for staff designated to respond to after-hours incidents.

The following examples demonstrate what we found.

Housing for volunteers or unpaid staff. The current housing policy allows volunteers or other unpaid staff working in a park to occupy in-park housing as long as the housing is not needed for park employees. However, many park managers were providing housing to volunteers and unpaid staff even though the housing was not considered excess. Furthermore, many park managers told us that while providing this amount of housing may not be consistent with the agency's housing policy, they believed that the significant contributions made by volunteers and other unpaid staff justified the costs of providing them with housing. At the 145 parks assessed, about 830 housing units—or about 20 percent of these parks' inventories—are currently occupied by volunteers and other unpaid staff.

For example, in Rocky Mountain National Park in Colorado, the contractor's assessment indicated that under the current housing policy, the park had an excess of 18 housing units. However, park officials disagreed with this assessment. Officials at the park believe that they need to increase their housing by 22 units in order to, among other things, retain 20 housing units for volunteers and other unpaid staff. Park officials also indicated that they would like to provide housing for more volunteers.

Detering crime. The Park Service's housing policy does not recognize deterrence as a reason to provide in-park housing where it is otherwise available. Nonetheless, several parks we visited justified additional housing beyond the contractors' assessments on the basis of providing a deterrence to crimes against park resources. For example, at Prince William Forest Park in Virginia, the contractor's assessment indicated that the park did not need to provide any housing to its staff. However, the park manager decided to retain three park rangers in park housing in order to provide a deterrent to crimes against park facilities or resources.

Increasing the number of housing units for staff needed to respond to after-hours incidents. The revised housing policy states that providing housing for staff needed to respond to emergencies is a criterion that can be used to justify housing. Accordingly, in performing the needs assessments, the contractors determined the number of housing units needed for staff at each park to respond to after-hours incidents. The methodology used by the contractors in doing these assessments were approved by the Park Service and based on a review of the frequency and

nature of after-hours incidents, as well as individual circumstances that could affect needs at each park. For example, some parks maintain their own fire departments while others do not. However, some parks managers increased the number of housing units needed for staff to address after-hours incidents—far beyond the number of units suggested in the contractors' assessments.

For example, at Yosemite National Park, the contractor determined that, based on agency criteria, the park needed 69 units for staff to respond to after-hours incidents. However, in revising the results of the contractor's assessment, park managers more than doubled this number to 175 housing units. They did this in order to have what they thought was an acceptable number of employees who could be called back to duty during the middle of the night, when there are typically no staff on duty, or during unusually busy periods of the day. The park managers indicated that the park needed the additional 100-plus housing units because it was difficult to get staff to respond to after-hours incidents. These managers said that the park normally must call about four off-duty law enforcement staff or other staff in order to get one to respond to an after-hours incident. The Yosemite park managers' views are not consistent with the direction of the Park Service's policy that encourages parks to minimize its employee housing. In this case, there may be other options for the agency to address its after-hours needs other than providing this amount of housing—for example through using shift work to cover the off-duty period.

These factors help explain much of the disparity between the results of the contractors' assessments and the views of park managers. Moreover, there is some evidence to suggest that park managers have not accepted the new housing policy or the need to minimize the agency's housing inventory. A recent study by senior park managers provides evidence of this. At the request of the Director of the Park Service, several of the agency's most senior park managers formed a task force to review key issues associated with the contracted needs assessment. In October 1998, the task force presented an internal report to the Director of the Park Service.⁵ The first issue discussed in that report was whether the housing needs assessment was trying to "address a problem that does not exist." The report stated that "We have seen no accurate description of the problem that the Service set out to address through the contractor's process." It also states that by assessing the housing needs of the parks, "we could be needlessly and unnecessarily going about a mission that does not need to be done."

⁵This report is the final reporting document from the task force reviewing the housing needs assessment process. This report has been marked "draft" for the agency's continued internal review.

This report indicates that senior park managers were not aware or convinced of the agency's objectives in performing the housing needs assessment.

Overall, the wide disparity between the contractors' assessments and the views of park managers raises questions about how much housing the agency really needs including whether the agency needs all of the \$300 million it has identified for repairing and replacing its current housing inventory. For example, in February 1998, the agency estimated that part of the \$300 million in housing needs was \$180 million to replace about 460 trailers used for employee housing with newly constructed housing units.⁶ Based on our work, we question the agency's ability to justify construction of new employee housing until it fully implements its new housing policy.

Parks Have Not Pursued Alternatives That Would Reduce Housing Needs

Another way to help accomplish the Park Service's policy of minimizing its employee housing inventory is to pursue other options to in-park housing such as (1) moving administrative functions outside of parks to nearby communities which have affordable housing, (2) leasing or purchasing private residences in communities and renting them to employees at rates similar to in-park housing, or (3) working with private developers to build apartments or other dwellings. Consideration of these and other alternatives is required by current policy and consistent with the purposes of the Omnibus Parks and Public Lands Management Act of 1996.⁷ Pursuing these kind of housing alternatives would not only be consistent with the agency's housing policy, it could also help preserve park resources as fewer facilities would need to be located inside parks. However, none of the parks we visited could provide us examples where they had pursued and implemented alternatives to in-park housing. In addition, only one example of a park implementing an alternative to in-park housing was provided by officials at the 2 regional offices we visited. (These two regions contained over half of the agency's housing inventory.) Furthermore, agency headquarters housing officials were aware of less than 5 examples where parks that had implemented some alternatives to in-park housing—although they acknowledged that parks would not necessarily alert headquarters staff on the details of their pursuit of alternatives.

⁶In commenting on a draft of this testimony, Park Service officials indicated that they now have 367 trailers. Agency officials indicated that not all of these trailers will be replaced. However, they could not provide details on the locations of the trailers that would be replaced or at what cost.

⁷P.L. 104-333.

While agency officials acknowledge that more could be done to reduce the amount of housing provided through implementing alternatives, they also indicated that there is frequently no incentive for park managers to pursue alternatives to in-park housing. Frequently there is a disincentive to implementing alternatives, as the funding for many alternatives would come from park operating budgets. Thus, under current circumstances, alternatives to park housing compete for funding against all other park operating needs. For example, the cost to lease administrative space in a nearby community that has affordable housing would come from park operating budgets. In contrast, funding for the construction of in-park housing does not come out of park operating funds but rather the agency's construction program. As such, the funds for the construction of park housing are a supplement to the funds parks receive for operating needs. This is important because some alternatives may actually be less expensive to the agency than constructing and maintaining in-park housing. However, because they would use operating funds, there is no incentive for park managers to pursue alternatives that could result in cost savings.

Agency Comments

We provided copies of a draft of this testimony to Park Service and Department of the Interior officials for their review and comment.

The Director of the Park Service commented that while he agrees with some of the points in our testimony, he disagrees with our conclusion that the employee housing policy is not being implemented. He commented that the agency still needs time to work through the differences between the contractors' findings and the determinations made by park managers to decide whether they need to modify their housing policy. In our view, while the agency is still in the process of implementing its employee housing policy, we are concerned that the approach being used by the agency in determining its actual housing needs may result in a larger housing inventory than suggested by its policy. Furthermore, to the extent any revisions to the current housing policy are made, they need to be consistent with the purposes of the Omnibus Parks and Public Lands Management Act of 1996. The Park Service also provided us with technical and clarifying comments, which have been incorporated into this testimony as appropriate.

We also discussed the draft with the Housing Officer for the Department of the Interior. The Department monitors and oversees the employee housing programs of all Interior agencies including the Park Service. He agreed

with the thrust and findings of our analysis, and said that the implementation of the Park Service's housing policy would result in a smaller housing inventory and, accordingly, reduced costs over the long-term.

In closing, Mr. Chairman, it has taken an Act of Congress to move the agency to revise its housing policies and make arrangements to determine its need for its housing inventory. However, while the Park Service has taken these steps, many park managers appear to be resisting the agency's new housing policy. In addition, the agency may be compromising the benefits it obtained from its contractors' needs assessments if it permits park managers to determine their own parks' needs for housing. These factors, combined with the absence of park managers' initiatives in pursuing alternatives to in-park housing, raise questions to us about whether the agency is positioning itself to meet its housing needs in the most efficient and effective way. If the agency implements its policy, then its housing inventory will be reduced and the costs associated with providing housing will decrease. If, on the other hand, the agency does not implement its policy, then the number of housing units and the costs associated with the agency's housing program are likely to increase. Furthermore, until this situation is resolved, any future funding request to Congress for additional in-park housing would be questionable.

Park Units Visited by GAO

Park unit	Location
Gettysburg National Military Park	Pennsylvania
Golden Gate National Recreation Area	California
Harpers Ferry National Historical Park	West Virginia, Maryland and Virginia
Mount Rainier National Park	Washington
Olympic National Park	Washington
Prince William Forest Park	Virginia
Rocky Mountain National Park	Colorado
Sequoia and Kings Canyon National Parks	California
Yellowstone National Park	Wyoming, Montana, and Idaho
Yosemite National Park	California

Note: Sequoia National Park and Kings Canyon National Parks are jointly managed by the same superintendent and for the purposes of our work were considered one park unit.

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