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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON D.C. 20548

B-202445

APRIL 10, 1981

The Honorable Don Young  
Ranking Minority Member, Subcommittee  
on Public Lands and National Parks  
Committee on Interior and Insular Affairs  
House of Representatives

Dear Mr. Young:

Subject: Establishing Development Ceilings for all National Park Service Units (AFMD-81-31)

The July 30, 1980, letter from the former Ranking Minority Member of the Subcommittee asked us to provide information concerning the use of ceilings to control development costs at National Park Service units. This information was to include (1) units that have development ceilings, (2) units for which ceilings have been exceeded, and (3) items to consider in establishing development ceilings.

SCOPE, OBJECTIVE, AND METHODOLOGY

In responding to the request, we interviewed program, planning, and budget officials at the Service's central office and at its Rocky Mountain Regional Office. In addition, we examined Service records relating to development ceilings and compared those records with the legislation cited in them to ascertain if development ceilings had been exceeded.

Our objective was to determine if development ceilings were controlling the development costs of Park Service units. Therefore, we did not expend the extensive audit effort required to determine if ceilings were exceeded in cases where records did not readily indicate it. And also because of the extensive audit work that would have been required, we were unable to determine--except in the cases that were obvious from our other work--if the Service made recordkeeping errors.

DEVELOPMENT CEILINGS--SHOULD THEY BE DISCONTINUED OR THEIR USE EXPANDED?

A development ceiling is the total authorization available for development of a particular park unit. Such a ceiling is established in legislation which is passed by an authorizing committee. Not all park units have development ceilings--in fact, over half do not and none has an estimated completion date.

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We found that development ceilings have not been an effective tool for the Congress to use in controlling costs because (1) ceilings have not been established for most parks, (2) where ceilings have been established, recordkeeping is inadequate to readily ascertain if ceilings are exceeded, (3) ceilings do not have estimated completion dates, and (4) there is uncertainty about which expenses are covered by ceilings.

The list that was requested of National Park Service units currently having ceilings was supplied to a member of the Subcommittee staff. It showed that the National Park system consists of 323 units; 138, or 43 percent, have development ceilings, none of which has a completion date.

According to Park Service officials, appropriations have surpassed authorized limits in two cases: Hamilton Grange National Memorial, by \$15,000, and Vicksburg National Military Park-Gunboat Cairo, by \$3,981,000. However, neither case constitutes a legal violation because lawful appropriations were passed allowing authorized limits to be exceeded.

In addition to the two cases where ceilings have been exceeded, we found 36 errors in recording the remaining 136 development ceilings. The errors included

- 3 ceilings which were not accounted for at all,
- 21 statute citations and/or ceiling amounts which were either lacking or inaccurate,
- 6 errors in recording the existence or deletion of escalation clauses, and
- 6 inconsistencies between Service data and the 1981 Justification of the Budget Estimates.

Such recording errors raise the possibility that other ceilings may have been exceeded without the records indicating it.

In addition to the problems noted with the ceiling data, from a previous review <sup>1/</sup> we know of inconsistencies in identifying expenditures to be charged against development ceilings. We believe the examples in that review demonstrate the importance of agreement between Service officials and interested congressional committees on which expenditures are to be charged against development ceilings. To assist in identifying such expenditures, we have attached a list of applicable definitions.

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<sup>1/</sup>"Why the National Park Service's Appropriation Request Process Makes Congressional Oversight Difficult," (FGMSD-79-18, Mar. 1, 1979).

CONCLUSIONS

Development ceilings have not been a very effective method of control. If the Congress wishes to continue to use ceilings, it should (1) establish them for all units, (2) review them on a cyclical basis, and (3) require proper accounting to make them effective in controlling development costs. Considering the additional workload such requirements will impose on both the agency and the Congress, and considering the ineffectiveness of the ceilings without these additional requirements, another option available to the Congress is to eliminate development ceilings altogether. Such an option, however, would diminish the control that authorizing committees now exercise.

If ceilings are to be continued, the Service and interested congressional committees should agree upon precise definitions of the type of expenditures to be charged against the ceilings. As mentioned earlier, we have attached a list of definitions that we believe will be helpful in this endeavor.

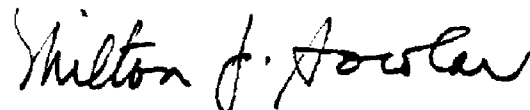
AGENCY COMMENTS AND  
OUR EVALUATION

We discussed the contents of this report with National Park Service officials. They contend that development ceilings have not proven useful citing the increased workload that ceilings require and expressing the belief that each project should be judged on its own merits. The applicability of the agencies' position depends on whether the Committee wishes to fully implement development ceilings.

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We trust that this report satisfies the request. As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its date. At that time we will send copies to the Secretary of the Interior and other interested parties and make copies available to others who request them.

Sincerely yours,



Acting Comptroller General  
of the United States

Enclosure

DEFINITIONS TO BE USED WHENESTABLISHING DEVELOPMENT CEILINGS

The following definitions may be useful in identifying expenditures that will apply toward established ceilings. The first definition is one the National Park Service uses. The other three are taken from the Federal Property Management Regulations (41 CFR 101-20.003-1 and 101-20.003-2).

- Construction describes new facilities or additions programed to (1) protect existing Federal investments, (2) develop parks for visitor use and enjoyment, (3) accommodate use with as little damage to park resources as possible, and (4) rehabilitate and restore historic structures.
- Alteration describes the repair, remodeling, improvement, extension or other change to a public building, exclusive of maintenance repairs, which are preventive.
- Maintenance means to preserve or keep in existing state or condition with periodic or occasional inspection, adjustment, lubrication, cleaning, and minor repairs. Ordinary maintenance is routine recurring work that is incidental to everyday operations. Preventive maintenance is work that is programed at scheduled intervals.
- Repair means to restore a facility to a condition substantially equivalent to its original state and efficiency. Whereas maintenance is preventive, repair is curative. Repair may involve replacement of a component unit, in whole or in part, if the new unit is no better than the replaced unit was when it was acquired.

In our view, expenditures for new facilities or additions to facilities should apply against established ceilings, whereas maintenance and repairs should not. Also, expenditures for alterations should apply toward ceiling limitations only when the alterations add something new or make the facility better than when originally acquired.