

## **Pictured Rocks National Lakeshore Briefing Paper**

### **Lakeshore Financial Status and Outlook**

Using standard methodologies (Business Planning Initiative and Core Operations Analysis) recognized and accepted by the National Park Service, the Department of the Interior, the Office of Management and Budget and the Congressional Oversight Committees, Pictured Rocks National Lakeshore completed detailed reports on its current financial status and outlook for five years (FY 2007 to FY 2011). These analyses were completed in 2006.

Based on park size, complexity and visitation, the **Business Planning Initiative** established operational standards for individual parks in 34 separate program areas necessary to fulfill that park's legislated mission and purpose and meet basic visitor expectations. This analysis indicated that in Fiscal Year 2005, Pictured Rocks National Lakeshore had a funding shortfall of \$592,284, necessary to meet those operational standards. According to this analysis, in Fiscal Year 2005, the Lakeshore was operating approximately 11 Full-Time Equivalents (FTEs) below established operational standards. These shortfalls are reflected in permanent and seasonal positions that have been left vacant, lack of necessary inventory and monitoring of critical park resources, diminished maintenance of park facilities and trails, inadequate ranger patrols and declining visitor services. When adjusted for inflation, the Lakeshore entered into Fiscal Year 2009, which began on October 1, 2008, with a budget shortfall of \$659,670.

The **Core Operations Analysis** builds on the Business Planning Initiative by using a computer model called the **Budget Cost Projection** (BCP) to predict the park's budget status over the course of five years (Fiscal Years 2007-2011). In the case of Pictured Rocks, the BCP predicts an additional budget shortfall of \$109,627 in fiscal year 2007, growing to \$417,294 by fiscal year 2011. In order to operate within anticipated available funds, the Lakeshore will have to lapse an additional five FTE during this period, with a resulting additional decline in resource protection, the condition of park facilities and visitor services. This is of particular concern as park visitation is expected to steadily increase during this period, due to the completion of paving of Alger County Road H-58 (the primary access road to the Lakeshore and key attraction points within the Lakeshore), with a commensurate increase in potential impacts to park resources and expectations regarding the condition of park facilities and visitor services.

Park management is aggressively pursuing every possible option for addressing these budget shortfalls including working to make the current park operation as efficient as possible, considering increases in park fees, and pursuing new partnerships to sustain and enhance park operations. However, these measures, even when taken together, can not adequately address the park's current and anticipated budget shortfalls. In order to maintain current operations and implement the park's approved Core Operations Target Organization the park needs a base budget increase of \$1.1 million.

In the absence of significant financial relief in the form of a base operating increase, several additional Lakeshore positions will have to be left vacant, with a resulting significant decline in organizational capacity and effectiveness, resource and facility condition, services available to the public, employee and visitor safety and morale.

Copies of the park's Business Plan and Core Operations Report are available for further review.