

National Park Service
U.S. Department of the Interior

Denali National Park and Preserve

2004 Business Plan







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Introduction

Come take a financial tour of Denali National Park and Preserve!

This business plan was created to communicate our financial status to our stakeholders—a group principally comprised of the public, Congress, our employees, local communities, Native corporations, and park partners. It will also provide park management with financial and operational baseline knowledge that will inform future decisions.

Essentially, the plan has three components: a synopsis of the park’s funding history, a detailed picture of the state of current park operations and funding, and an outline of park priorities and funding strategies.

Methodology

All national parks apply a common methodology when developing business plans; this provides a measure of comparability across park units. In the business plans, parks report expenditures in terms of activities rather than fund sources, enabling them to communicate their financial situation to external audiences more clearly.

Throughout the National Park Service, the business planning process is aided by an Electronic Performance Support System, a Web-based application that allows parks to complete data collection, analysis, and document production with step-by-step instruction.



Skinner Collection, 44-5-2, Alaska State Library

Enabling Legislation

“... said tract is dedicated and set apart as a public park for the benefit and enjoyment of the people...for recreation purposes by the public and for the preservation of animals, birds, and fish and for the preservation of the natural curiosities and scenic beauties thereof...and that said park shall be, and is hereby, established as a game refuge....”

An Act to Establish the Mount McKinley National Park, in the Territory of Alaska
February 26, 1917

ANILCA Legislation

“...to preserve unrivaled scenic and geological values associated with natural landscapes; to provide for the maintenance of sound populations of, and habitat for, wildlife species of inestimable value to the citizens of Alaska and the Nation, including those species dependent on vast relatively undeveloped areas...”

Alaska National Interest Lands Conservation Act
December 2, 1980

PARK MISSION

To protect intact the globally significant Denali ecosystems, including their cultural, aesthetic, and wilderness values, and ensure opportunities for inspiration, education, research, recreation, and subsistence for this and future generations.

Strategic Goals

- Develop and implement a strategic research and resource protection program
- Provide those facilities necessary to effectively serve park visitors
- Develop human resources
- Create a model education program
- Develop and practice sound, sustainable financial management
- Develop and maintain effective working relationships to achieve the park mission
- Provide additional appropriate visitor and user opportunities

Management Team's Foreword

Denali National Park and Preserve has long been the flagship of Alaska national parks.

Denali's popularity is partly due to its lengthy history and name recognition, and partly a result of its ease of access compared to other Alaska parks. Primarily, though, Denali is popular because of what you can see and do here.

The tallest mountain in North America, spectacular glaciated peaks and gorges, vast stretches of undeveloped wildland, and limitless opportunities for backcountry exploration—these are what immediately grab the attention of most visitors. Soon after, visitors notice the wildlife. Caribou, bears, Dall sheep, moose, and wolves roam their native land, and are easily seen.

What is more unusual: these spectacular northern mammals still live within an intact natural ecosystem.

Our responsibility as managers remains first and foremost to protect these vital resources for future generations. As park visitation increases, so do the challenges. Wildlife and ecosystem resources are particularly fragile in subarctic environments, limiting the capacity of existing destinations and necessitating flexible, vigilant management.

We are entrusted with the care of a very special place. By managing it responsibly, we can help to ensure the enduring protection of one of the world's last remaining wild places.

— *Denali National Park and Preserve Management Team*



Denali National Park and Preserve Management Team 2004, left to right:

Michael Cobbold, Kris Fister, Dutch Scholten, Philip Hooge, Paul R. Anderson, Blanca Stransky, Mike Tranel, Julie Wilkerson, Elwood Lynn, Donna Sisson, Hollis Twitchell, Peter Armington

Executive Summary

This business plan describes our current financial position and provides a view to our future.

Denali National Park and Preserve encompasses six million acres of subarctic Alaska and protects resources of global significance. These resources have made the park a “must see” attraction. As tourism in Alaska grows, and the park’s visitation numbers rise, the park faces increasing pressure to provide more services and amenities.

Business planning helps us to prepare for the future.

In developing this plan we’ve reviewed our recent progress, identified our challenges, refined our strategic plans, and articulated our financial position and needs. Below are our primary conclusions.

Our current funding is not sufficient to meet our operational needs.

In FY2003, \$14.1 million was available for park operations. Yet, \$18 million was needed to meet existing operating standards, leaving us with a funding shortfall of \$3.9 million. Our efforts to streamline operations mitigated the shortfall, but we were unable to eliminate it. Fixed costs, many of which are beyond our control, are rising. The 2004 Budget Cost Projection analysis revealed that payroll (including benefits), utilities, aviation, and other non-discretionary costs now consume over 88% of our appropriated base. This leaves little latitude to meet other operational needs. Looking ahead, our base budget will be further strained as we begin to operate new park facilities.

The funding shortfall has had the greatest impact on aviation services, wildlife research, programs in visitor services, and the maintenance of roads, trails, utility systems, and buildings. Accordingly, we have given a high priority to investments in these areas, as articulated in our investment strategies.

Appropriated Non-base funding accounts for an increasing portion of our budget.

Over the past 20 years, our Appropriated Base budget has grown at a compound annual rate of only 1.8%, after accounting for inflation. This rate is significantly lower than

that of other funding sources; consequently, the percentage of park activities funded by Appropriated Base has declined. As we increasingly fund park operations with potentially non-recurring funding, the financial stability of our operation decreases, reducing our ability to engage in long-term strategic planning.

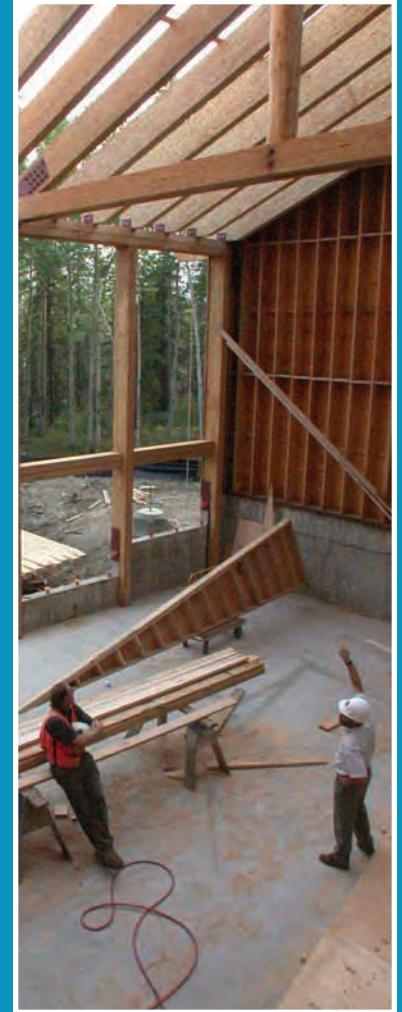
We are making critical investments for the preservation of park resources.

We have at last begun to invest in new facilities to meet current and future visitor demand. Construction of a new visitor campus in the park entrance area nears completion, and our investment priorities identify funds for upgraded facilities along the park road and new facilities on the park’s south side. We believe these investments, which will improve visitor access, reduce pressure on the limited-capacity park road and promote education and research, are critical to long-term protection and preservation of park resources.

Investments don’t address operational deficiencies.

Investments—one-time expenditures funded with Appropriated Non-base funds and Revenues—provide needed facility and infrastructure improvements, but they don’t always make up for operational deficiencies. In fact, they can diminish the spending power of our budget because oversight of these projects falls to Appropriated base-funded program managers, drawing resources away from current operations. We estimate that in FY2003, over \$700,000 in park funds (including the equivalent of 9 employees) were utilized for planning, supervision, contracting, and other activities to support investment projects.

This business plan identifies our operational needs so we don’t lose sight of them as we take on investment projects. With a clear plan, we leverage our investments and integrate new facilities in a manner that will balance protection and preservation of our resources with increased demands for visitation, land use, and development.



Summer 2004: Construction on the Denali Visitor Center, one of several new park facilities.



Created as a “game refuge” in 1917, the park continues to offer refuge to the Dall sheep. Because the park supports diverse life and encompasses an intact ecosystem, it has been designated an International Biosphere Reserve.



Shuttle bus passengers can disembark almost anywhere along the park road and strike out into the wilderness.

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Park Overview

Six million acres of wild land—one ribbon of road.

The sheer size of the park is a test of the imagination. When the park was established in 1917, as Mount McKinley National Park, it encompassed nearly 1.6 million acres of Interior Alaska. Today, at more than six million acres, it’s larger than the state of Massachusetts. Within this vast territory is a single, primitive, 92-mile road.

Traveling this thoroughfare through the wilderness is the defining park experience—an experience that almost every visitor chooses. As park visitation has increased so have pressures on the park road and so, since 1972, visitors who choose to travel beyond Savage River must do so by bus, by bicycle, or on foot.

However traveled, the route is spectacular. The narrow road dips and winds through a mosaic of landscapes. It threads through low-lying forests of stunted spruce and an undulating carpet of tundra. It crosses braided rivers in high, spacious valleys and skirts wetlands large and small. Traveling the road, one looks up as well as out, to alpine meadows, massive glaciers, and the cloud-piercing peaks of the Alaska Range.

All who travel the road search for wildlife. Few are disappointed. Moose, caribou, wolves, and grizzly bears may wander into view. Scrutinized with binoculars, the white dots on mountain ridges prove to be Dall sheep, the animals whose vulnerability to overhunting led hunter-naturalist Charles Sheldon to lobby for the creation of the park. All five species coexist with scores of smaller animals and diverse, often miniature, plant life, in an intact subarctic ecosystem. Scientists as well as travelers value this ecosystem, for here they are able to study what is elsewhere altered or gone.

Visitors who follow the road to its western terminus arrive at the historic mining district of Kantishna, a legacy of the miners and other fortune-seekers who came to this region

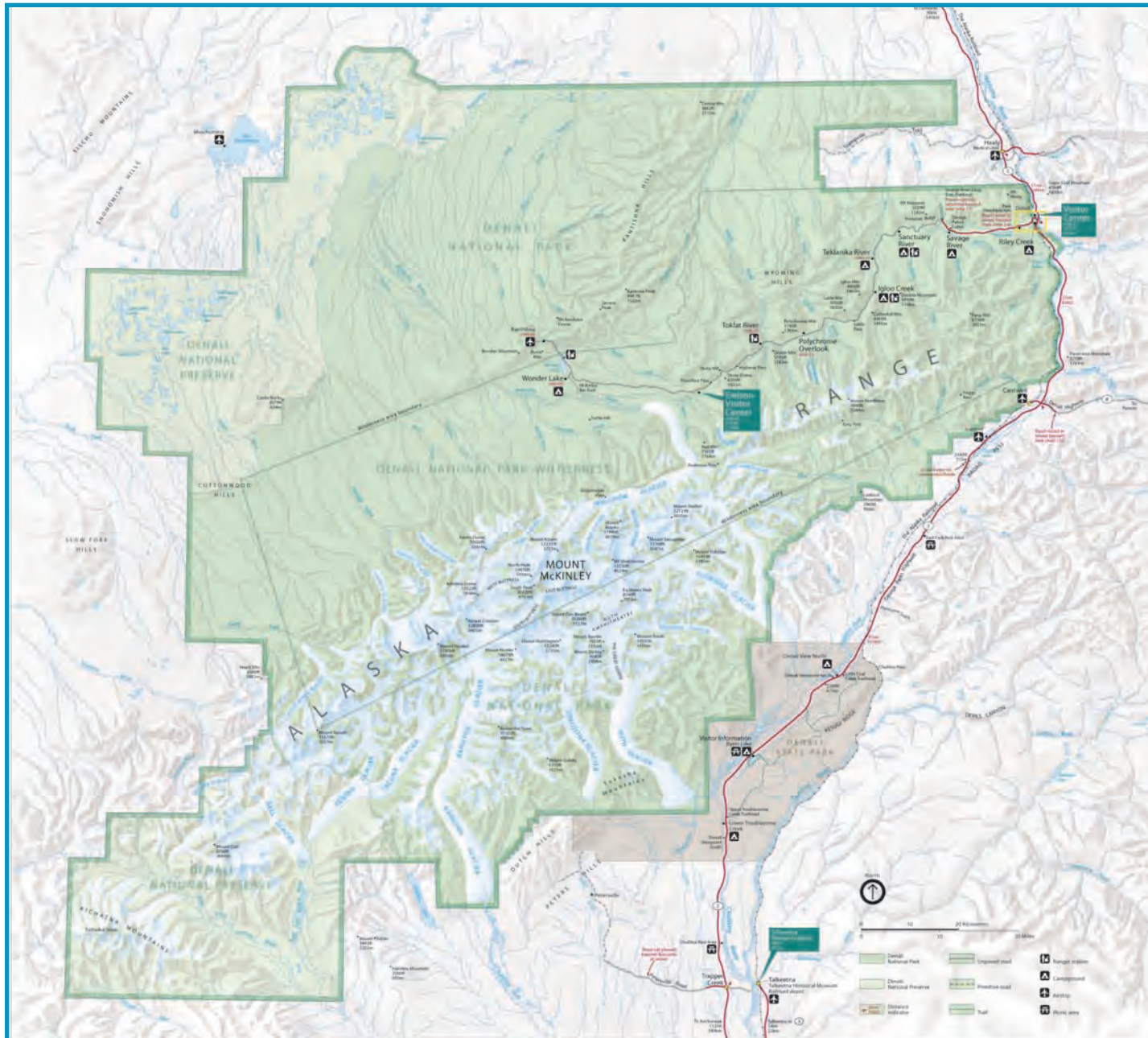
beginning in the early 1900s. Far earlier, and for thousands of years, native Athabaskans seasonally migrated to what are now the park and preserve lands, to hunt the abundant game and gather other resources the land provides. Native Athabaskans continue to hunt, fish, trap, and engage in other subsistence activities here today.

Locally, the park’s most famous feature is known by its Athabaskan name: Denali, “the high one.” To others, this is Mount McKinley, or simply, “the mountain.” At 20,320 feet, the mountain is the highest peak in North America, the centerpiece of the Alaska Range, and (when the clouds part) astonishing to behold. Harry Karstens, the park’s first Superintendent, was co-leader of the first expedition to summit the mountain’s highest peak. Hundreds of climbers follow in his footsteps each year.

The park as a whole draws hundreds of thousands of visitors annually—this is the most accessible of Alaska’s national parks. Access, once chiefly via the railroad, has become easier with time: In 1957, the park was linked to Alaska’s highway system, and in 1972, it became possible to drive here directly from Anchorage or Fairbanks. Despite these changes, the park remains essentially remote. This is part of the draw, and part of the challenge for park managers.

In 1980, Congress passed the Alaska National Interest Lands Conservation Act (ANILCA). ANILCA added more than four million acres to the park, changed its name to Denali National Park and Preserve, and strengthened and expanded the mission of the National Park Service. Under ANILCA, the National Park Service is mandated to protect wilderness values, unaltered ecosystems, and fish and wildlife habitat. ANILCA also permits the continuation of subsistence activities in the new park and preserve lands.

Map of Denali National Park and Preserve



Denali Resources

Natural Features

- 6,028,203 acres
- 2,125,679 acres of wilderness
- 20,320 feet at highest point (South Peak of Mount McKinley)
- 200 feet at lowest point
- 1,000,000 acres of glaciated terrain
- Over 10,000 lakes
- 3,359,449 acres of woody vegetation
- 754 vascular plant species
- 167 bird species
- 39 mammal species
- 1 amphibian species
- 0 threatened or endangered animal species
- 0 obstructed rivers or streams

Cultural & Historic Features

- 183 known archeological sites
- 144 historic structures
- 387,852 items in museum collection

Facilities

- 37 miles of hiking trails
- 6 campgrounds
- 270 campsites
- 3 visitor contact stations
- 15 miles of paved road
- 77 miles of gravel road
- 252 buildings

Vehicles and Equipment

- 64 staff transport vehicles
- 45 work and utility trucks
- 23 pieces of heavy equipment
- 12 emergency response vehicles
- 14 snowmobiles
- 8 all-terrain vehicles

A Promising Collaboration

The Murie Science and Learning Center (MSLC) is an education and research center that represents Denali and seven other northern Alaska national parks. It aims to increase the understanding and appreciation of these parks, in order to further the preservation and protection of their natural and cultural resources. This aim is met by promoting scientific research, providing science-based information to the public, and providing educational opportunities for all levels of students.

Since its creation in 2003, the MSLC has been a collaborative effort. Education outreach programs have largely been funded through innovative partnerships because, while the MSLC has been identified in the Natural Resource Challenge as a Research Learning Center, we have yet to receive base funding from Congress to support this effort.

In 2004, the MSLC moved to a permanent location: a new classroom facility in Denali's entrance area. In addition to classrooms, the facility provides interpretive displays, office space for visiting scientists and others, and it serves as a visitor center in the winter, when the main Denali Visitor Center is closed. In the future we intend to add a research center so that park and visiting researchers will have a first-class facility for their work.

Historical Context

Recent Accomplishments

We have accomplished many of the objectives articulated in our last business plan.

The pages that follow describe trends in Denali National Park and Preserve's funding and spending over the ten-year period that concludes with FY2003. As we look back, we take pride in noting that we have achieved many of the objectives set out in the park's last business plan, which was completed in 2001. Thanks to our dedicated employees and the assistance of our partners, we accomplished the following during the past five years:

- Completed \$24.1 million in new construction for entrance area facilities and services
- Secured \$10.8 million in financing from partners, allowing us to leverage \$13.3 million of appropriated funds received from Congress
- Initiated construction of the Entrance Area Campus, including the Murie Science and Learning Center, the Denali Visitor Center, new trails, expanded campgrounds, bus shelters, information kiosks, and restroom facilities
- Secured additional investments in the Entrance Area Campus from our partners, funding the construction of a food court and retail facility, a mercantile building for camper services, and improved train depot facilities
- Successfully outsourced entrance area campgrounds and camper services to our concessioner, Doyon/ARAMARK Joint Venture
- Implemented a School-to-Work program to construct small buildings at reduced costs and develop the trade skills of local students, while developing a local employment pool
- Increased volunteer hours by over 40%, from 23,460 in 1999 to 32,951 in 2003



August 16, 2004: NPS Deputy Director Randy Jones, Alaska Regional Director Marcia Blaszak, Science Advisor to the Secretary of the Interior Dr. James Tate, Dr. Jan Murie, and Superintendent Paul Anderson join Denali's partners in the MSLC ribbon-cutting ceremony.



Fund Source Analysis

We have increased our use of Appropriated Non-base funds and Revenue to support park operations.

Park funding comes from four sources:

- **Appropriated Base**, which is set by Congress and funds day-to-day operations.
- **Appropriated Non-base**, which supports projects and is awarded on a competitive basis.
- **Revenue**, which is generated primarily from user fees and concessioner fees.
- **Reimbursable funds**, which are fees such as concessioner utility bills and employee housing costs that are paid to the park for services rendered. Reimbursable funds account for less than 5% of total funds.

Annual funding for Denali National Park and Preserve from all sources was \$17.3 million in FY2003. Looking at funding in earlier years, several trends become apparent:

Appropriated Base funding is declining as a percentage of our budget

Appropriated Base funding has dropped from a high of 83% of total funds in FY1996 to a low of 49% in FY2001. Between FY1994 and FY2003, Appropriated Base funds on average accounted for 65% of the park's annual budget. As operations become a smaller percentage of the park's overall program, managers spend more time coordinating projects and operations suffer as a result.

Our dependence on Appropriated Non-base funds is increasing.

Between FY1994 and FY2003, an average of 25% of the park's expenditures were funded with Appropriated Non-base funds—although the percentage varies greatly from year-to-year, ranging from 8% of total funds in FY1996 to 33% in FY1994. Generally, project funding is growing in its importance as a source of funds for the park. Given the Congressionally mandated purposes of non-base funding and its considerable yearly fluctuation, the park should not

depend on this funding source to support operations and maintenance activities.

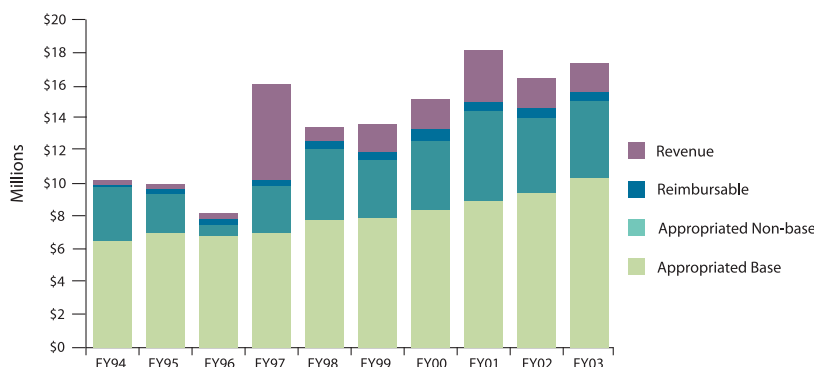
Revenue has become an important part of the park's expenditures.

Revenue funds increased from \$333,000 in FY1994 to \$1.8 million in FY2003, an annualized growth rate of 20%. Revenue represented 10% of total expenditures in FY2003, compared to just 3% in FY 1994. The increase in Revenue is attributed to the implementation of user fees in 1997 and an increase in franchise fees from concessioners.



User fees have enabled us to expand visitor services and facilities, including new entrance area trails.

Historical Expenditures from All Fund Sources



The growth in funds shown here is primarily the result of increases in Appropriated Non-base funding for critical road repairs, and for infrastructure investments to accommodate increased visitation.

The high amount of Revenue in FY1997 and FY2001 was due to anomalies in the timing of receipts and does not represent potential revenue for future years.



Park visitation has grown substantially. Appropriated Base has not kept pace.



Park staff of the 1940s.

Adjusted Base Budget

Our current base budget does not adequately meet our operational needs.

An Appropriated Base budget should fund a park's permanent labor costs and annually recurring non-labor expenses. The park's current base budget does not accomplish this. Two important trends emerge from the graph below:

The park's inflation-adjusted Appropriated Base budget has remained relatively flat over the last 20 years.

The base budget increased at a compound annual growth rate of 5.0% between 1984 and 2003. After adjusting for inflation this growth rate was actually 1.8%.

Appropriated Base funds have not kept pace with visitation.

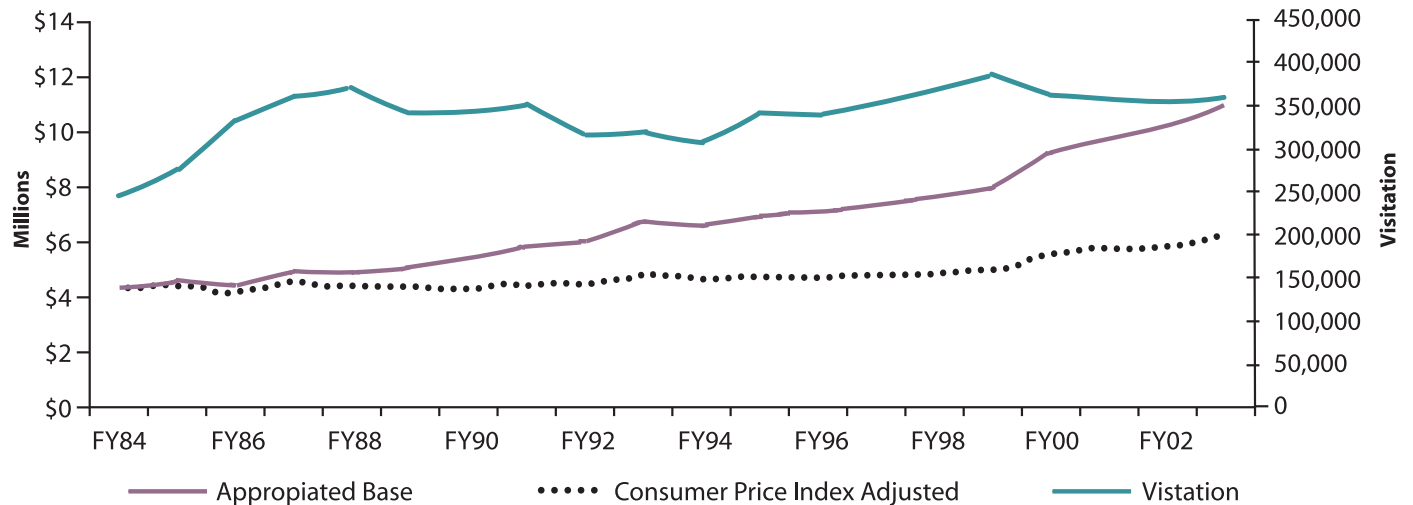
Much of the growth in the base budget occurred during the past ten years. Despite substantial increases in visitation in the 1970s and 1980s, the budget grew only 0.6% from 1984 to 1994, after adjusting for inflation.

Recent operating increases to our base budget include:

- FY2003: \$845,000 for new facilities
- FY2001: \$525,000 to restore and maintain deteriorated infrastructure
- FY2000: \$460,000 to accommodate increased visitation, expand research for resource protection, and ensure climber safety on Mount McKinley

Today, though the park budget appears to have grown over the years, Denali struggles to support operational activities with its Appropriated Base funding. High visitation, increased labor costs and an aging infrastructure will continue to strain this important funding component.

Appropriated Base Budget History



Analysis of Real Growth

Personnel costs are rising—at a faster rate than our funding.

The table below illustrates the increase in the park’s labor costs from FY1995 to FY2003. The calculations use the NPS standard in which one employee, or Full Time Equivalent (FTE), is equal to 2,080 hours of work annually. Increased personnel costs, which are paid from base funding, can be attributed to several factors:

The cost of existing staff has increased.

Total personnel costs increased 47% over the past nine years. (In contrast, non-labor costs rose only 3%.) On average, an FTE costs the park \$13,550 more today than in FY1995, resulting in a labor cost increase of almost \$1.4 million over the nine-year period. This can be attributed in part to automatic annual salary increases and national initiatives to professionalize many positions, such as Ranger and Resource Careers, which have increased average base pay.

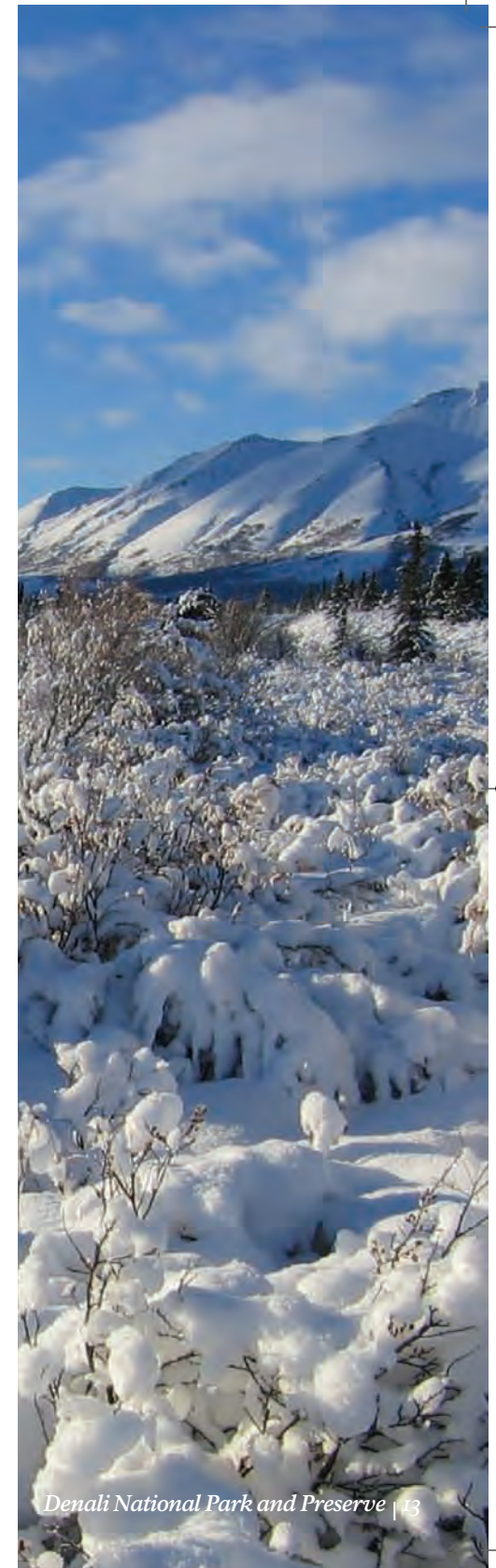
Benefit costs are increasing faster than salaries.

The cost of employee benefits increased by 46.4%, while average salaries increased by only 18.7%. This is a result of mandatory changes in the NPS retirement system as well as the Protection Ranger 6C Retirement and Benefits package. Benefits also increase as we convert seasonal positions to term or subject-to-furlough, to meet longer visitation seasons while complying with regulations from the Office of Personnel Management regarding the annual hours allowed under seasonal status.

New positions have been added.

Between FY1995 and FY2003, 16.7 FTE were added to the park’s staff, resulting in increased costs of \$1.1 million. These new positions are in response to mandated new initiatives, growing political complexity, and increased visitation.

	FTE	FY 1995 Actual Costs		FY 1995 Inflation Adjusted		FY 2003 Actual costs		Net Cost Increase	
		Average	Total	Average	Total	Average	Total	Average	Total
FY1995 Staff	99.9								
Salary		\$32,899	\$3,285,001	\$39,721	\$3,966,142	\$47,162	\$4,709,128	\$7,441	\$742,985
Benefits		\$10,904	\$1,088,734	\$13,165	\$1,314,482	\$19,274	\$1,924,512	\$6,109	\$610,031
Subtotal		\$43,803	\$4,373,734	\$52,886	\$5,280,624	\$66,436	\$6,633,640	\$13,550	\$1,353,016
New Staff	16.7								
Salary						\$47,162	\$787,134	\$47,162	\$787,134
Benefits						\$19,274	\$321,684	\$19,274	\$331,684
Subtotal						\$66,436	\$1,108,818	\$66,436	\$1,108,818
Total Labor			\$4,373,734		\$5,280,624		\$7,742,458		\$2,461,834
Non-Labor			\$2,058,202		\$2,484,968		\$2,548,398		\$63,430
Total	116.5		\$6,431,936		\$7,765,592		\$10,290,856		\$2,525,264



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The park's experienced staff is a critical investment.

Fixed Cost Analysis

Personnel costs, unfunded mandates, and assessments limit our operational flexibility.

Personnel Costs

Personnel costs are the park's largest fixed cost, representing 75.2% of our Appropriated Base budget. These costs continue to grow at a faster rate than our budget, as illustrated by the following growth rates, annualized from FY1994 to FY2003.

Appropriated Base budget:	5.3% growth
Base funded full-time salaries:	8.5% growth
Base funded benefits and overtime:	9.6% growth

Personnel costs are increasing as a result of mandatory pay increases, higher benefit calculations, and other programs initiated at the national level. This means that the park's base budget, though increasing, has become less flexible over time, with an ever increasing percentage devoted to fixed rather than discretionary expenditures.

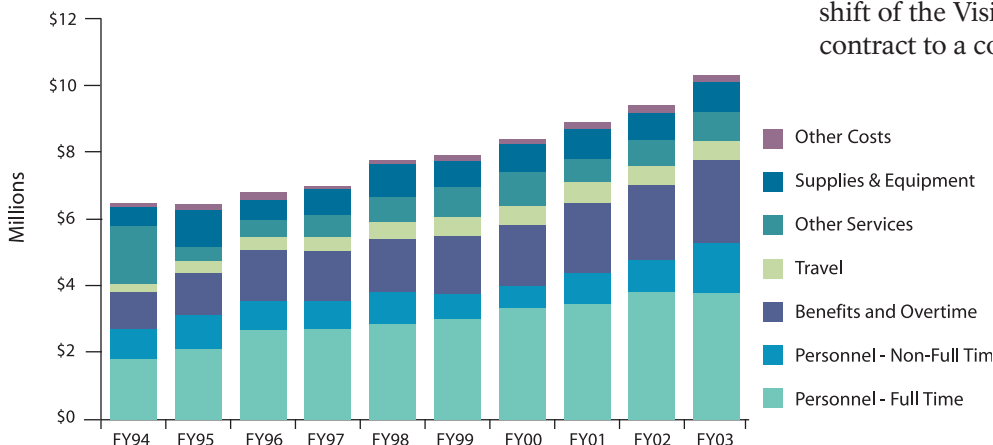
This was illustrated in 2004 when the spending power of our \$10.3 million base budget was reduced to \$9.5 million at the beginning of the budget cycle. The loss was the result of deductions for regional and national assessments, the cost of implementing mandated national initiatives, and increased costs due to inflation. The erosion of \$816,000 had to be absorbed from discretionary expenditures, turning a 7% reduction in base budget into to a 26% decline in discretionary spending power. This decline limited the park's flexibility in operational spending decisions, and created a higher reliance on non-base funding for basic operations.

While we reduced costs by leaving permanent positions vacant, converting vacant permanent positions to subject-to-furlough, eliminating seasonal positions, reducing funding for training, and reducing supplies, materials, and travel—these are not sustainable solutions.

Other Services

Other Services include all contracted services. Since FY1995, these have increased at an annualized rate of 9.1%, primarily as a result of our heavy reliance on aviation services. The drop in Other Services in 1995 reflects the shift of the Visitor Transportation System from an NPS contract to a concession operation.

Historical Expenditures from Appropriated Base Budget



Analysis of Expenditures

Investments are critical to our operation, yet they diminish the spending power of our base budget.

Total expenditures for the park, from all fund sources, have ranged from approximately \$8 million in FY1996 to over \$18 million in FY2001. This variability is due to fluctuations in the amount of project funding received.

While projects are supported primarily by non-base funding, they impact core park operations by diverting resources and funds from daily operations and maintenance. In FY2003, over \$700,000 in park funds (including 9 FTE) were required for planning, supervision, contracting, and other activities to support capital investment.

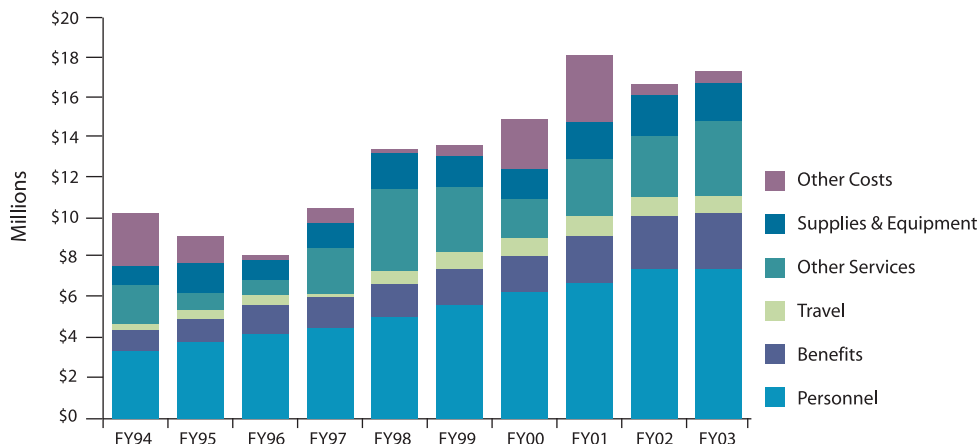
Other Services

Other Services captures the contracted portion of work for projects. In FY1998, Other Services of \$4.1 million were significantly larger than normal due to expansion of water and sewer infrastructure in the entrance area, at a cost of approximately \$3 million.

Other Costs

Other Costs represent direct, non-contracted expenditures on fixed assets and utilities, as well as other expenditures, such as tort claims, that usually are not significant. In FY2000, expenditures on fixed assets were greater than normal due to rehabilitation of our carpenter shop, improvements in road safety, and the continuation of work on Wonder Lake Ranger Station. In FY2001, expenditures on fixed assets remained high due to planning activities to implement the *Entrance Area and Road Corridor Development Concept Plan*, along with work on other projects.

Historical Expenditures from All Fund Sources



Aviation is a significant operating expense for the park, due to long distances, difficult terrain, and limited road access.





The train depot in 1939. Today almost half of visitors still arrive by train.

Visitation

Current visitation levels strain the park's capacity, and visitation is on the rise.



The graph below illustrates several trends in the park's visitation:

- Visitation increased dramatically with the completion of the George Parks Highway in 1972 and has continued to increase with improved transportation to and within Alaska
- From 1971 to 2003, visitation grew at an annual compounded rate of 7%, equating to a doubling of visitors every 11 years
- Visitation declined slightly during recessionary periods that occurred in the early 1980s and early 1990s, and in the first years of the twenty-first century

In 2003, 360,000 visitors came to experience Denali National Park and Preserve—visitation numbers that challenge the capacity of current visitor facilities and services. Because tourism has become more important to Alaska's economy, we face pressure from the State of Alaska and the tour industry to accommodate more visitors.

Package Tour Participants

The cruise industry controls the park's largest visitor segment: almost half of the park's visitors arrive by rail as

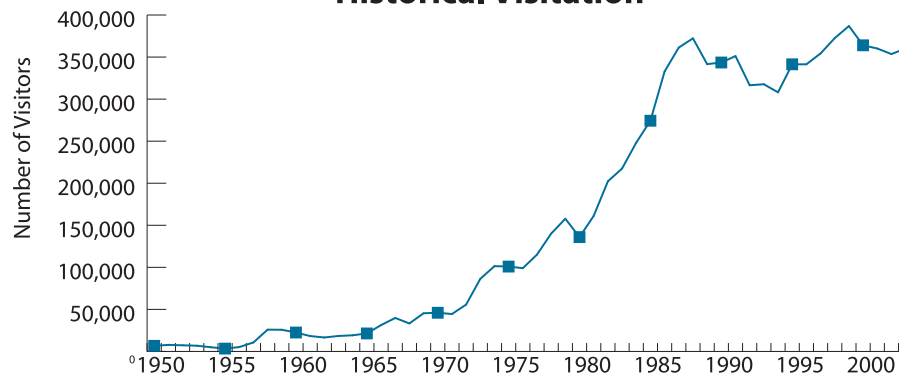
part of a "package" tour provided by one of several cruise companies. Consequently, the logistics of package tours influence what visitor services are offered by the park and how, when, and where they're delivered.

- Visitors arrive at the park in pulses determined by train and bus schedules
- A train can unload as many as 1,300 visitors at one time, overwhelming facilities
- Tour groups have limited time and, often, a closely timed schedule
- Tour groups require activities that can accommodate at least 50 visitors at once
- Package tours feature one of two formal park tours, each with a limited capacity

Independent Travelers

The number of independent travelers has also increased. These visitors are more apt to choose a park experience that does not include a formal tour, but the formal tours are available to them. The challenge is to allocate an appropriate quantity of tours to the cruise industry without limiting the options of independent visitors.

Historical Visitation



Current Park Operations

This section of the business plan outlines the funds needed to carry out the day-to-day business of the park.

Denali National Park and Preserve’s day-to-day activities are divided into five functional areas—described below and discussed in detail in the pages that follow.

Resource Protection encompasses all activities related to the management, preservation and protection of the park’s cultural and natural resources. Activities include research, restoration efforts, species-specific management programs, wildland fire management, archives and collections management, historic site protection, and information integration activities.

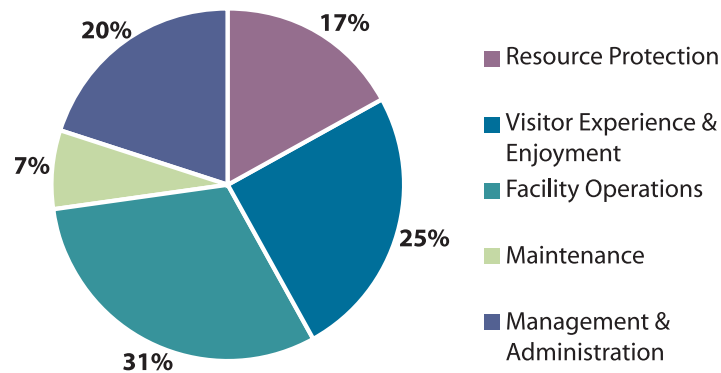
Visitor Experience & Enjoyment includes all activities directly related to providing park visitors with a safe and educational experience. It encompasses all interpretation, visitor center management, interpretive media, concessions management, fee collection, and visitor safety services.

Facility Operations includes all activities required to manage and operate the park’s infrastructure on a daily basis. Buildings, roads, trails, utilities, and campgrounds require a range of operational activities, from basic sanitation to snow plowing to water testing.

Maintenance includes activities directed solely at prolonging the life of park assets and infrastructure through substantial repair, replacement, or rehabilitation of park assets, such as buildings, roads, trails, utilities, fleet vehicles, and equipment.

Management & Administration encompasses all parkwide management and administrative support activities. It includes all park communications and external affairs activities, park-level planning, human resource management, information technology, park leadership, and financial management.

FY03 Expenditures by Functional Area



Denali National Park and Preserve Headquarters: Operating facilities in Alaska’s harsh subarctic environment contributes to high expenditures in Facilities Operations.

How We Determine Funding Needs

Our analysis began by organizing park activities into five functional areas. These areas were further divided into 39 programs that more precisely describe park operations.

A detail sheet was completed for each program. Detail sheets include a statement of work, a set of operational standards, and an allocation of resources for the program area they represent.

The statement of work describes the critical functions and outcomes of the program. The operational standards outline the specific activities, duties, and responsibilities required to meet those critical functions. The operational standards are the baseline by which we determine the total financial resources required to perform the program’s standard tasks. By comparing the operational standards to actual park activities, we are able to identify the shortfall between the resources required to run the program and the resources that were available in 2003.



One of our priorities is to continue to fund the research of predator/prey relationships that biologist Adolph Murie began in 1939.

Resource Protection

Resource Protection furthers our knowledge of the park's resources and our ability to manage them.

Resource Protection programs help us understand the park's unique biological, physical, and cultural resources, so we can manage them in a way that meets our mission of preservation. Adequate funding for these programs is critical to getting the information we need to address key issues, such as the impact of ground and air traffic on park species and environments. In FY2003, expenditures in Resource Protection totaled \$2.5 million, accounting for 17% of the park's expenditures. Across all programs in Resource Protection, we have identified a shortfall of \$605,000, which includes 12 FTE.

Biological Resource Management

FY2003 Shortfall: \$77,000 (includes 1.9 FTE)

The Biological Resource Management program is responsible for the park's wildlife and vegetation programs. The shortfall in this program represents the need for a wildlife biologist and wildlife technician to study and manage wildlife-human interactions, including monitoring the impact of road use on wildlife behavior and habitats.

The program's available funds include \$108,000 from the National Park Service's Central Alaska Network. In 2003, Denali's Long-Term Ecological Monitoring Program was integrated into the Central Alaska Network. The program now combines Denali's natural resource monitoring efforts with those of Yukon and Charley Rivers National Preserve and Wrangell-St. Elias National Park and Preserve.

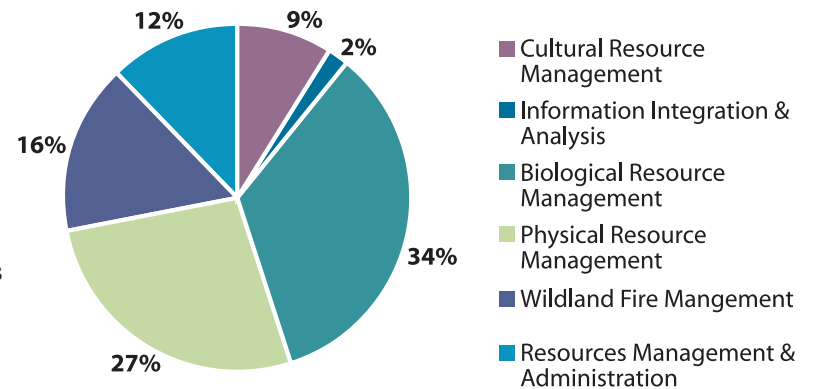


Physical Resource Management

FY2003 Shortfall: \$94,000 (includes 2.8 FTE)

Physical Resource Management preserves the physical resources of the park by preventing their degradation, deterioration, destruction, and loss. Priority program activities include determining the impact of air traffic on soundscape, monitoring global climate change, monitoring glaciers over long spans of time, and reclaiming areas disturbed by mining. The shortfall in this program represents the need for resources, including a hydrologist, to address these priority activities. The program's available funds include \$188,000 from the Central Alaska Network.

Resource Protection FY03 Expenditures by Program



Total Required		Available		Shortfall	
FTE	Funds	FTE	Funds	FTE	Funds
36	\$3,059,229	24	\$2,453,850	12	\$605,380



Wildland Fire Management

FY2003 Shortfall: \$129,000 (includes 2.2 FTE)

Wildland Fire Management researches, monitors, and manages fire and fire-related issues. The program is stationed at Denali but is also responsible for wildland fire management at Lake Clark National Park and in the Western Arctic parklands. Therefore, the expenditures and requirements specified for this program are not specific to Denali. In all of the areas the program serves—in fact, throughout Alaska—the National Park Service recognizes and manages wildland fire as a natural ecological occurrence.

Cultural Resource Management

FY2003 Shortfall: \$117,000 (includes 2.0 FTE)

The Cultural Resource Management program is responsible for the protection and preservation of the park's historic structures, archaeological sites, and museum collection. The park has not conducted a comprehensive inventory of its archeological sites and expects the number of sites to far exceed those currently known. An archeologist and museum curator have been identified as additional resources required to meet the operational standards of this program.

Subsistence Management

FY2003 Shortfall: \$48,000 (includes 0.8 FTE)

The passage of ANILCA created special obligations for all Alaska parks, including allowance for traditional and subsistence uses. The Subsistence Management program's responsibilities include monitoring fisheries, issuing permits for hunting activities, resolving user conflicts, and determining eligibility for subsistence use. This program actively engages with native tribal councils and local communities to manage subsistence use. Aviation services are required to monitor use and transport park staff to mandatory meetings with tribal and subsistence councils in villages that cannot be reached by road.

Information Integration and Analysis

FY2003 Shortfall: \$97,000 (includes 1.5 FTE)

Information Integration and Analysis is a relatively small but important program within Resource Protection. In FY2003, one full-time employee used GPS/GIS to catalogue natural and cultural resources. The shortfall in this program represents the need for a data manager and a cartographic technician.



Our Keep Wildlife Wild program—now a model for other national and state parks—protects wildlife and reduces human-wildlife conflicts through education and by fostering appreciation.

Bear Management in Denali

Human-bear interactions in the park escalated in the 1970s and 1980s. By 1982, Denali had the highest rate of backcountry grizzly bear incidents of any U.S. national park. Some of these incidents involved human injury, property damage, or both. They occurred when bears, attracted by improperly stored human food and trash, went looking for easy food. Between 1946 and 1983, 48 bears involved in such incidents were relocated or destroyed.

In 1982, the park implemented the Bear-Human Conflict Management Action Plan. The plan called for programs that would educate visitors and provide bear-resistant containers for food and garbage. These programs have dramatically decreased negative interactions with bears and other wildlife. Of the 23 human injuries caused by bears in the park, only six have occurred since 1983. Since 1983, only four bears have been destroyed. Another bear was sent to a wildlife park, and two others were relocated.



The park's visitors include the hundreds of climbers that attempt Mount McKinley and other peaks within the park.



Backcountry rangers educate visitors about camping in wilderness, where there are no signs, maintained trails, bridges, or designated campsites.

Visitor Experience & Enjoyment

Funding for programs in this area will be further strained as new visitor facilities begin operation.

Employees in the Visitor Experience and Enjoyment (VEE) functional area are responsible for ensuring that visitors have a safe, enjoyable, and meaningful experience while visiting the park. As visitation increases, VEE programs struggle to meet their operational standards with available funds. Program funding will be further strained when new visitor facilities begin operation in 2005, necessitating additional staff. The VEE shortfall of \$982,000 in FY2003 represents 21.5% of VEE's required resources.

Visitor Safety Services (Non-mountain)

FY2003 Shortfall: \$496,000 (includes 6.4 FTE)

The National Park Service has the sole legal responsibility to provide law enforcement and emergency services within the one-third of the park that is under exclusive federal jurisdiction. This responsibility extends to the provision of emergency medical services and technical search and rescue. The shortfall in FY2003 limited our ability to provide the safety services required by regulation. Our ability to provide timely response to emergencies was further reduced in FY2004 with the loss of 10 seasonal ranger positions. In addition, we no longer have an airplane pilot dedicated to law enforcement. Restoring full functionality to the Visitor Safety Services program is a park priority identified on page 34.

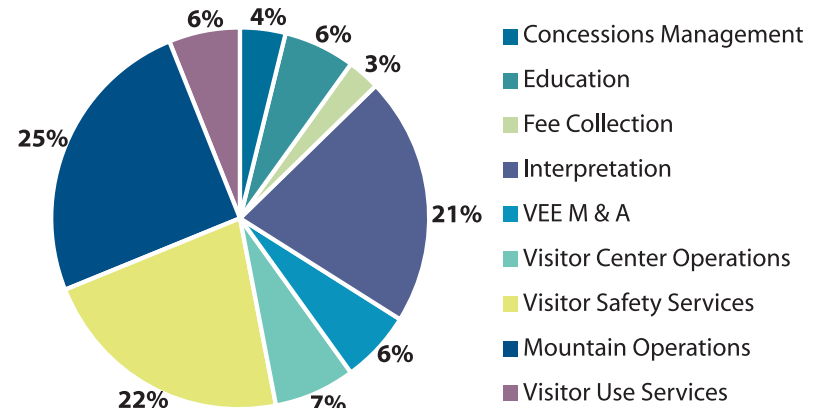
Mountain Operations

FY2003 Shortfall: \$46,000 (includes 2.8 FTE)

The Mountain Operations program is responsible for the safety of climbers and the protection of natural resources on Mount McKinley and related terrain. Mountaineering rangers, with the help of over 40 skilled volunteers, patrol the mountainous areas of the park unit by plane and through climbing and ski patrols. These patrols provide emergency medical and search and rescue services, along with resource monitoring. Their presence, together with the services of a high altitude helicopter, has resulted in a

significant decrease in mountaineering fatalities. The Mountain Operations program also administers climber registrations and provides detailed climber orientation in an effort to prevent accidents, illness, and resource degradation.

Visitor Experiences & Enjoyment FY03 Expenditures by Program



Total Required		Available		Shortfall	
FTE	Funds	FTE	Funds	FTE	Funds
71	\$4,556,345	50	\$3,574,512	21	\$981,833



Education provides the foundation for preservation through appreciation.

Visitor Use Services

FY2003 Shortfall: \$146,000 (includes 3.8 FTE)

Visitor Use Services is responsible for patrolling the backcountry and staffing the backcountry desk where permits are issued. For FY2003 the deficit represents funds needed for additional backcountry rangers and a Permit Operations Supervisor. Filling these positions will enhance opportunities for education and visitor interaction through additional hours of service at the backcountry desk and increased backcountry patrols.

Interpretation

FY2003 Shortfall: \$27,000 (includes 1.3 FTE)

The park's formal interpretive programs include ranger-led walks, hikes, campground programs, evening presentations, and sled dog demonstrations. Beyond formal interpretation, park employees in all divisions provide interpretive information to visitors. Facility Operations and Maintenance employees have frequent visitor contact and may be the only National Park Service employees visitors have contact with. In FY2003, \$121,000 (includes 3.1 FTE) were allocated from Maintenance to the Interpretation, to account for interpretation provided by Maintenance Staff.

The FY2003 shortfall of funds in Interpretation understates future needs. In FY2004, donations to the Interpretation program by the Alaska Natural History Association were significantly lower than the FY2003 total of \$120,000. In FY2005, opening the 14,000-square-foot Denali Visitor Center, as well as a winter visitor center in the Murie Science and Learning Center, will require an additional 10 FTE.

Education

FY2003 Shortfall: \$83,000 (includes 1.8 FTE)

Education is a strategic priority for the park. We are currently developing an educational program that will foster resource protection. Funding is needed for a Research Coordinator and a Southside Education Specialist, a position which was redirected in order to hire an Education Coordinator in 2004. The needs of this program are linked to the Murie Science and Learning Center and as the center is developed, the needs of the Education program will grow.

Visitor Center Operations and Fee Collection

FY2003 Shortfall: \$83,000 (includes 3.4 FTE)

In FY2003, the park operated three visitor contact facilities: the Visitor Access Center in the entrance area, the South District Ranger Station in Talkeetna, and Eielson Visitor Center at Mile 66 of the park road. None of these facilities operate solely as a visitor center; employees at each have broad responsibilities that fall into several program classifications. We do not have an entrance fee station. Entrance fees are collected through our concessioners when a bus ticket or other service is sold, or by relying on independent visitors to pay at our information desk. In FY2005, we will add new facilities (see Interpretation above) that will require resources beyond the shortfall identified for FY2003.

Clean Mountain Can Campaign

Mount McKinley climbers have been required to pack out their garbage since the late 1970s. Now, they are also required to remove their human waste.

In 2001, a grant from the American Alpine Club funded the fabrication of 50 portable toilets, known as Clean Mountain Cans (CMCs). Trials conducted in 2001 and 2002, in which climbers used the CMCs on a voluntary basis, were highly successful. As of 2003, CMCs must be used on the West Buttress route above 14,200 feet.

Climbing Mt. McKinley—2003

Elevation: 20,320 feet
 Expeditions: 325
 Climbers: 1,179
 Summits (climbers): 688
 Summit percentage: 58%
 Average duration: 17.8 days
 Average climber age: 35
 Female climbers: 125
 Guided expeditions: 30%
 Countries represented: 45
 Maintained base camps:
 7,200 feet, 14,200 feet,
 and 17,200 feet
 Climbing user fee: \$150
 Park expense per climber:
 Between \$500 and \$800



The D7 bulldozer pioneers the first pass up Tattler Grade. It takes more than 11 weeks each spring to clear the 92-mile park road for the operating season.



Keeping our fleet of 245 vehicles and equipment operating requires a variety of technical skills and a professional auto shop.

Facility Operations

Owing to remote facilities, a severe climate, and the nature of the park road, Facility Operations accounts for a high percentage of park expenditures.

Facility Operations programs encompass all activities necessary to keep facilities operating daily. In FY2003, expenditures in Facility Operations were the highest of any functional area, representing 31% of the park's expenditures. There are several reasons for this. First, accessing and maintaining remote facilities in a vast territory poses logistical challenges that can only be overcome at considerable expense. Second, a harsh subarctic environment increases the cost of operations, especially as compared to facility operations in the contiguous United States. Finally, our park road is an historic road of special character that requires significant funds for proper management.

Across all programs in Facility Operations, we have identified a shortfall of \$649,000, which includes 9 FTE. This shortfall is understated to the extent that we have leveraged Appropriated Non-base funds to support operational needs.

Facility Management Software System

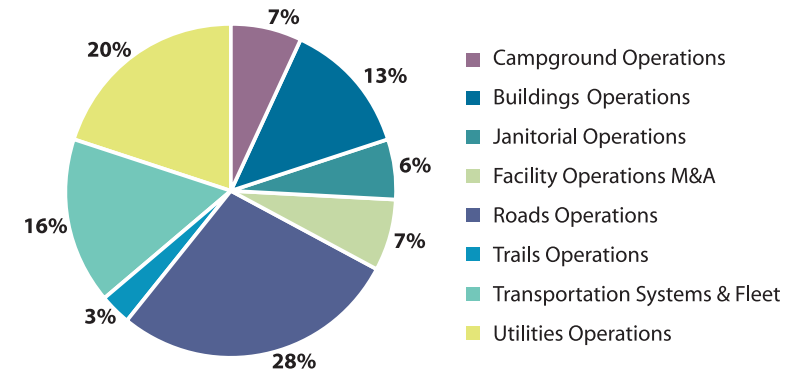
Our analysis of resource allocation and funding needs related to the three maintenance division programs of Facility Operations, Maintenance, and Investments is based on data captured in the National Park Service's Facility Management Software System (FMSS). The conscientious use of FMSS at Denali provides precise information regarding how employee time was utilized in FY2003. FMSS also outlines industry standards for the activities required to successfully care for our facilities, allowing us to confidently articulate where our resources fall short. While these standards are not provided in this plan, they are available at the park and relied on extensively to manage our maintenance division activities. Implementation of FMSS is another example of the park's commitment to best management practices.

Roads Operations

FY2003 Shortfall: \$126,000 (includes 1.6 FTE)

Nearly 400,000 visitors travel the road each year during the four-month season. Opening the road in the spring and keeping the road open throughout the operating season requires substantial funds for such daily activities as grading, brushing, surface replenishment, bridge and sign maintenance, the application of calcium chloride to reduce dust, and winter plowing and sanding. In FY2003, expenditures related to Roads Operations totaled \$1.2 million. 47% came from Appropriated Non-base funds. If Non-base funds are reduced or eliminated, the park will not be able to satisfactorily carry out Roads Operations.

Facility Operations FY03 Expenditures by Program



Total Required		Available		Shortfall	
FTE	Funds	FTE	Funds	FTE	Funds
54	\$4,927,922	45	\$4,278,502	9	\$649,420



Essential for winter operations, and popular with visitors, Denali's "four-footed fleet" is an Alaska tradition.

Transportation Systems and Fleet Operations

Fy2003 Shortfall: \$265,000 (includes 2.8 FTE)

This program includes vehicle fleet services, dog sled operations, and aviation services. The total costs associated with the park's 245 vehicles and equipment—\$1.1 million in FY2003—have been allocated to the specific programs that use them. The deficit of 2.8 FTE includes 2.0 FTE to restore our aviation program.

Trails Operations

FY2003 Shortfall: \$93,000 (includes 1.8 FTE)

To accommodate more visitors, we have invested in the construction of new trails. Because of this focus we were unable to meet the operational standards for Trails Operations in FY2003. Funds are needed to hire trail crew, manage volunteers, and perform brushing, inspection, and repair activities on our existing 37 miles of trails. Securing Appropriated Base funds for trails is an operations and maintenance priority highlighted on page 35.

Utilities Operations

No Shortfall

The Utilities Operations program is responsible for drinking water treatment and distribution, wastewater treatment, electricity generation in our remote locations, and fuel storage and distribution.

Janitorial Operations

FY2003 Shortfall: \$22,000 (includes 0.4 FTE)

Janitorial services include seasonal cleaning of visitor facilities and year-round cleaning of over 130 offices, restrooms, and other areas. The deficit of 0.4 FTE in FY2003 represents the need for a seasonal janitor at the Talkeetna Ranger Station. In FY2005, janitorial needs will increase beyond the FY2003 shortfall, as the Entrance Area Campus opens, adding additional workload.

Campgrounds Operations

No Shortfall

The Campgrounds Operations program is responsible for servicing campgrounds operated by the National Park Service as well as rest stop comfort stations along the park road. Just prior to FY2003, we successfully transitioned operations of the Riley Creek and Savage River campgrounds to our concessioner, Doyon/ARAMARK. As a result, we did not have a shortfall for this program in FY2003.



A hybrid generator at Eilson Visitor Center draws power from the sun and a battery bank. It replaced a diesel generator, reducing fuel costs, running times, maintenance, and noise.

Alternative Energy Projects

Denali National Park and Preserve is a National Park Service Center for Environmental Innovation. We employ alternative energy technologies to showcase resource stewardship, reduce operational costs, and improve visitor experiences.

The park's Wonder Lake Ranger Station, built in 1939, relied on a loud, 35-kilowatt diesel generator that ran continuously. The generator required weekly oil changes and fuel hauled 85 miles from our headquarters area. In 2002, we installed a hybrid energy system that utilizes a 1-kilowatt photovoltaic array and battery bank. This has reduced the need to run the generator to eight hours every fifth day. Oil changes now occur annually instead of weekly. A similar hybrid generator system serves the Eielson Visitor Center, where it fulfills much higher energy demands.



Buildings Maintenance activities include the restoration and preservation of historic structures, such as the Moose Creek Cabin food cache.



Parker Cabin—before and after: Our Buildings Maintenance crew performs maintenance on historic structures to ensure their preservation.

Maintenance

At Denali, Maintenance activities often take a back seat to Operations activities.

Maintenance programs prolong the life of our infrastructure and assets by performing preventative maintenance, repair, and rehabilitation. Organizationally we do not separate Maintenance and Facility Operations and the majority of employees in these areas have overlapping responsibilities.

While we recognize the importance of preventative and cyclic maintenance, we also have an obligation to ensure that our facilities are open and safe for our visitors and employees. As a result, Maintenance activities are often neglected in deference to Operations activities, and funds originally designated for Maintenance are used to meet needs in Operations. Maintenance activities also suffer because a large number of employees are involved with one-time investment projects. For these reasons, in FY2003 the Maintenance functional area as a whole had a substantial shortfall of \$1.2 million, which includes 13.0 FTE. This shortfall represents 54% of the resources required for Maintenance. Obtaining sufficient base funding for Facility Operations, thereby eliminating the need for Maintenance to indirectly support Operations, would greatly reduce this shortfall.

Buildings Maintenance

FY2003 Shortfall: \$258,000 (includes 2.5 FTE)

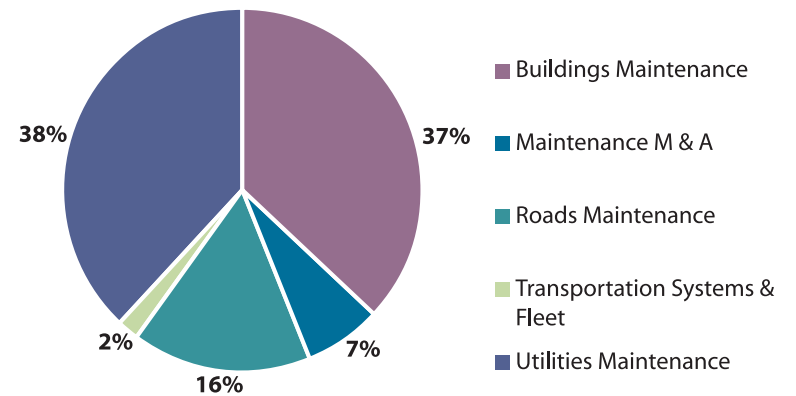
The Buildings Maintenance program performs cyclic and preventative maintenance, major repairs, rehabilitation, and reconstruction of the 252 buildings in the park's inventory, more than half of which are historic structures. In FY2003, our employees in Buildings Maintenance spent 41% of their time on maintenance activities, 49% of their time on investments, and 10% of their time on buildings operations. Historically, preventative maintenance, the primary need of this program, has been deferred to free resources for investment activities or Buildings Operations activities, causing facility conditions to deteriorate faster than normal and necessitating more frequent rehabilitation efforts.

Utilities Maintenance

FY2003 Shortfall: \$149,000 (includes 1.0 FTE)

The Utilities Maintenance program is responsible for utility systems that include wastewater, energy and fuel storage, backup energy, solar energy, drinking water treatment and distribution, and steam boilers. Of the \$386,000 available for Utilities Maintenance, \$318,000 was expended to eliminate sludge from our primary wastewater lagoon. One of our investment priorities (page 36) is to retrofit our wastewater lagoon in order to bring lagoon effluent into compliance. Apart from the large sludge removal expenditure, utility systems received little preventative maintenance in FY2003.

Maintenance FY03 Expenditures by Program



Total Required		Available		Shortfall	
FTE	Funds	FTE	Funds	FTE	Funds
20	\$2,215,714	7	\$1,029,621	13	\$1,186,093



Mile 42: In November 2002, a magnitude 7.9 earthquake gave our Roads Maintenance crew another task to complete to prepare the road for the 2003 season.

Roads Maintenance

FY2003 Shortfall: \$243,000 (includes 3.4 FTE)

The gravel-surfaced park road, built through muskeg and taiga and traversing four mountain passes, must be maintained to preserve its wilderness character and the wilderness spirit of the landscape. At the same time, the road must be maintained to support traffic that has increased a hundredfold since the road was constructed, and vehicles that are larger than ever before. Maintenance activities must take place in a manner and at a time least disruptive to visitor access, since the park road is central to most visitors' experience. Additional resources are needed for a variety of Roads Maintenance activities including repairing slumps, cracks, sub-grade failures and washouts; installing and replacing culverts; repairing bridges; and crowning and re-graveling the road annually. Diverting crews to Roads Operations from Maintenance activities regularly impacts the Roads Maintenance program.

Trails Maintenance

FY2003 Shortfall: \$292,000 (includes 4.0 FTE)

Trails Maintenance activities include reconstruction and repair of existing trails. Due to the construction of new trails in FY2003, an activity that is considered an investment, there were virtually no resources available for Trails Maintenance.

Maintenance Management and Administration

FY2003 Shortfall: \$115,000 (includes 1.0 FTE)

Combined with Facility Operations Management and Administration, this program oversees a budget greater than \$6 million and more than 125 National Park Service employees. It manages investment and construction activities, and co-manages a successful School-to-Work program with the local community (see sidebar).

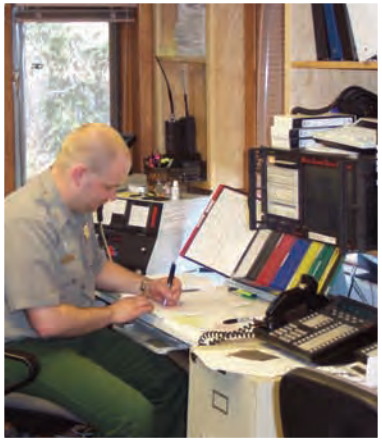
Additional funds are needed to hire a maintenance facility management specialist to help oversee this large division.



School-to-Work Building Trades Program

In 1998, the park developed a School-to-Work Cooperative Agreement with the Denali Borough School District. This partnership provides a means for National Park Service employees to teach local students vocational skills. It helps students understand the role of the park and the National Park Service and learn about careers in the NPS. This partnership also contributes to the local economy and NPS recruitment initiatives by helping to develop a skilled local labor pool.

The most successful aspect of this partnership is the Building Trades program. In this program, students from Tri-Valley Schools design and build small buildings at an off-site location and then relocate the buildings to the park. In 2003, students constructed two 18- by 26-foot cabins for seasonal housing, with a finished value of \$70,000 per cabin. In addition to the long-term benefits for the students and the park, there is an immediate savings of approximately 50% when compared to conventional contracted construction costs.



Our Ranger Division lacks the resources to maintain a 24-hour dispatch center that would fully support fire departments, ambulances, law enforcement rangers, other park employees, and visitors.



Planning activities are required to address the challenges that arise as the park road and other amenities reach capacity.

Management & Administration

As we execute our vision, we have increased requirements for resources in Planning, Partnerships, and External Affairs.

The park's senior management team sets policy, establishes goals and objectives, and provides long-term strategic planning. Historically, funding for Management and Administration has primarily supported internal operations. However, the execution of our strategic vision over the past several years has increased our requirements for resources in Planning, Partnerships, and External Affairs. Management and Administration's FY2003 shortfall of \$396,000, which includes 4.5 FTE, identifies requirements for these areas, along with requirements in the Communications program.

General Management *No Shortfall*

The General Management program provides park leadership and oversees human resource functions that include recruitment and placement, labor management relations, and oversight of the employee assistance program. Managers support an annual workforce of over 550 employees and volunteers who operate throughout six million acres—this is a logistical and fiscal challenge. The FY2003 \$140,000 surplus in General Management was related to funds available for one-time costs associated with moving allowances. We do not expect these funds to be available to this program in the future.

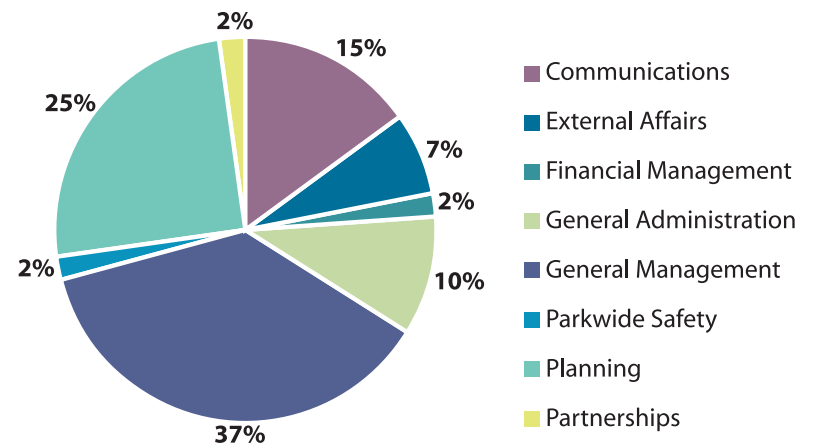


Communications

FY2003 Shortfall: \$103,000

Our Information Management team maintains our information technology (IT) infrastructure and provides telecommunications support throughout the park. Many of our locations are remote and without commercially available utility services. Operating these locations safely and efficiently calls for complex, customized communications and IT systems. The Communications Program requires additional funds to maintain a digital radio network, improve our computer infrastructure, and address additional security needs.

Management & Administration FY03 Expenditures by Program



Total Required		Available		Shortfall	
FTE	Funds	FTE	Funds	FTE	Funds
31	\$3,170,399	26	\$2,774,551	4.5	\$395,848

Parkwide Safety

FY2003 Shortfall: \$36,000 (includes 0.4 FTE)

The park hired a Safety Manager in January 2002 to develop and administer a culture of safety throughout the park. At a minimum, our Safety Manager ensures that our operations comply with Occupational Health and Safety Administration standards, and that our work environments are safe, healthful, and productive. Safety is the responsibility of all park employees, and all managers participate in safety training and safety seminars. However, in this business plan the resources represented in this program area are limited to the activities of our Safety Manager. The Safety Manager also serves as the Sustainability Coordinator and leads our Environmental Management System development team.

Planning

FY2003 Shortfall: \$175,000 (includes 1.4 FTE)

The Planning program determines how best to provide for new or improved visitor opportunities in the park unit, and ensures that laws and policies are followed in the process. The Planning program provides information and recommendations to the public and the management team through documents, such as development concept plans, general management plan updates and amendments, environmental impact statements, environmental assessments, newsletters, and briefing statements. The Planning program developed the 1997 *Final Entrance Area and Road Corridor Development Concept Plan (DCP)*, which is currently being implemented. Current efforts are focused on the *South Side Development Concept Plan*, the *Backcountry Management Plan*, and a *North Access Visitor Facilities Study*. The shortfall in this program represents a continuing need to fund the strategic activities of this division.



The Denali Institute and ANHA help us to fulfill our education objectives. The Denali Institute has developed a program in which participants use telemetry to study park wolves.

Partnerships and External Affairs

FY2003 Shortfall: \$143,000 (includes 2.3 FTE)

Several mutually beneficial partnerships help us to fulfill our mission. Our non-profit partners include the Alaska Natural History Association (ANHA) and the Denali Institute, the Denali Foundation, the Denali Borough School District, the Student Conservation Association, the Youth Conservation Corps, and the University of Alaska. Doyon/ARAMARK is an important partner that accommodates visitors through services and amenities we are unable to provide.

The External Affairs program informs visitors and community members about park events and incidents, replies to visitor comments, communicates with governments, and participates in community meetings. Cultivating partnerships, particularly with our gateway communities and tourism-dependent industries is a critical component of our long-term strategy. Additional support for this program will allow current staff to develop communication plans and materials to leverage partnerships and external resources.

Environmental Leadership

On August 12, 2003, NPS Director Fran Mainella presented the Environmental Protection Agency's Champions for Environmental Leadership and Green Government Innovation Award to Superintendent Paul Anderson. We received the award because of our commitment to new technologies and alternative energy (see page 23). The park was one of three federal recipients in Alaska and the only Department of Interior recipient.

In 2003, Secretary of the Interior Gale Norton presented the park with the DOI Environmental Achievement Award. The award recognizes our efforts to establish environmental sustainability as a foundation for operations and as a thread that is woven throughout our interpretive programs and visitor services.



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Financials

Summary Operational Financial Statement

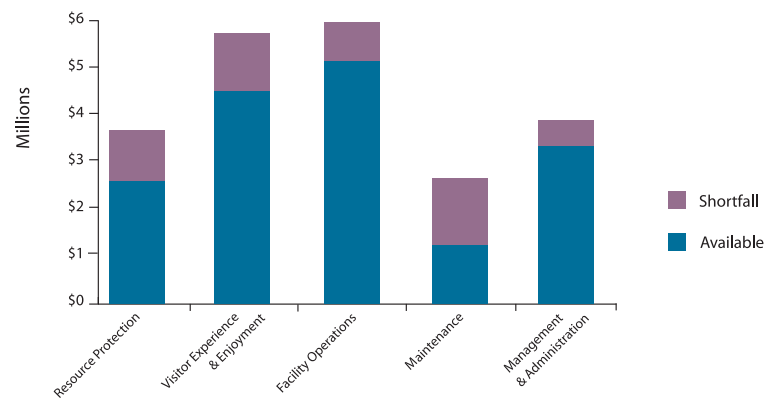
In FY2003, \$18 million was needed for operations. Only \$14.1 million was available, leaving a shortfall of \$3.9 million.

The Summary Financial Statement on the following page provides details of how the park’s funding is distributed across park programs. Among functional areas, Maintenance had the greatest deficit with a shortfall of \$1,186,093, or 53.5% of the resources required to meet program goals. This deficit reflects our focus on daily operations and visitor services at the expense of Maintenance. Within functional areas, the programs most severely affected by our funding shortfall included facility maintenance, visitor safety services (law enforcement and emergency medical services), roads and trails, and Resource Protection programs.

Together, Maintenance and Facility Operations accounted for 46.8% of the park’s total funding shortfall. Because of the importance of these two programs, many of the operations and maintenance priorities and the investment priorities articulated in this plan focus on needs in Maintenance and Facility Operations.

In FY2003 our Appropriated Base funds comprised 69% of total available funds and Appropriate Non-base accounted for 21% of park funding. The Summary Financial Statement excludes funds allocated to investments in FY2003, which are discussed on page 32.

FY03 Required Funds by Functional Area



FY2003 Functional Area Shortfalls		
Functional Area	Deficit	% of Total Deficit
Resource Protection	\$605,380	15%
Visitor Experience & Enjoyment	\$981,833	25%
Facility Operations	\$649,420	17%
Maintenance	\$1,186,093	30%
Management & Administration	\$395,848	10%

FY2003 Summary Financial Statement

FUNCTIONAL AREAS AND PROGRAMS	REQUIRED		OPERATIONAL FUNDS AVAILABLE				SURPLUS/(DEFICIT)			NOTES	
	FTE	Funds	APPROPRIATED	NON-APPROPRIATED	TOTAL	FTE	Funds	Percent			
			Base	Non-base	Reimbursable	Revenue					
Resource Protection											
Cultural Resource Management	4.5	\$317,792	\$166,000	\$32,770	\$1,501	\$124	2.5	\$200,396	-2.0	(\$117,396)	-36.9%
Subsistence Management (ANILCA)	1.8	\$162,177	\$95,519	\$17,082	\$1,547	(\$150)	0.9	\$113,998	-0.8	(\$48,178)	-29.7%
Information Integrations and Analysis	2.1	\$153,308	\$55,332	\$966	\$34	(\$70)	0.6	\$56,262	-1.5	(\$97,046)	-63.3%
Biological Resource Management	8.9	\$979,377	\$475,075	\$210,514	\$23,322	\$93,722	6.9	\$802,633	-1.9	(\$76,743)	-8.7%
Physical Resource Management	8.2	\$719,930	\$278,845	\$319,293	\$21,211	\$6,787	5.4	\$626,136	-2.8	(\$93,794)	-13.0%
Wildland Fire Management	6.2	\$500,880	\$7,903	\$364,137	\$359	(\$471)	4.0	\$371,928	-2.2	(\$128,953)	-25.7%
Resource Protection Management and Administration	4.6	\$325,766	\$201,561	\$68,308	\$9,971	\$2,656	3.7	\$282,496	-0.9	(\$43,270)	-13.3%
Subtotal	36.1	\$3,059,229	\$1,280,237	\$1,013,070	\$57,946	\$102,597	24.0	\$2,453,850	-12.2	(\$605,380)	-19.8%
Visitor Experience & Enjoyment											
Concessions Management	2.8	\$226,771	\$142,668	\$720	\$2,733	\$8,774	1.7	\$154,894	-1.0	(\$71,877)	-31.7%
Education	4.4	\$288,483	\$158,019	\$37,141	\$1,986	\$8,400	2.5	\$205,546	-1.8	(\$82,937)	-28.7%
Fee Collection	4.4	\$202,076	\$19,610	\$696	\$16,617	\$86,254	3.0	\$123,176	-1.4	(\$78,900)	-39.0%
Interpretation	15.5	\$764,760	\$666,542	\$3,659	\$36,382	\$31,293	14.2	\$737,875	-1.3	(\$26,884)	-3.5%
VEE Management and Administration	3.3	\$238,782	\$203,352	\$61	\$241	\$4,720	2.7	\$208,373	-0.5	(\$30,409)	-12.7%
Visitor Center Operations	7.7	\$240,176	\$73,469	\$571	\$13,328	\$148,946	5.7	\$236,314	-2.0	(\$3,862)	-1.6%
Visitor Safety Services (Non-mountain)	16.0	\$1,282,472	\$758,898	\$12,416	\$10,620	\$4,677	9.5	\$786,612	-6.4	(\$495,860)	-38.7%
Mountain Operations	9.0	\$943,667	\$627,858	\$143,169	\$94,583	\$32,475	6.2	\$898,085	-2.8	(\$45,582)	-4.8%
Visitor Use Services	8.4	\$369,159	\$155,360	(\$443)	\$5,594	\$63,126	4.6	\$223,637	-3.8	(\$145,521)	-39.4%
Subtotal	71.2	\$4,556,345	\$2,805,775	\$197,990	\$182,082	\$388,665	50.2	\$3,574,512	-21.1	(\$981,833)	-21.5%
Facility Operations											
Buildings Operations	7.0	\$666,456	\$379,479	\$49,479	\$17,121	\$126,281	5.7	\$572,360	-1.2	(\$94,096)	-14.1%
Campgrounds Operations	3.7	\$290,862	\$162,963	\$23,095	\$89,916	\$13,032	3.7	\$289,005	0.0	(\$1,858)	-0.6%
Facility Operations Management and Administration	4.5	\$376,226	\$239,499	\$44,934	\$2,820	(\$2,274)	3.5	\$284,980	-1.0	(\$91,247)	-24.3%
Grounds Operations	0.2	\$5,616	\$4,444	\$647	\$333	\$2,022	0.1	\$7,445	0.0	\$1,830	32.6%
Janitorial Operations	5.9	\$224,615	\$183,725	\$10,575	\$9,634	\$42,247	5.5	\$246,180	-0.4	\$21,565	9.6%
Roads Operations	14.0	\$1,339,898	\$634,057	\$571,836	\$5,216	\$2,991	12.4	\$1,214,100	-1.6	(\$125,799)	-9.4%
Trails Operations	3.6	\$219,547	\$63,847	\$23,735	\$2,147	\$37,065	1.8	\$126,794	-1.8	(\$92,753)	-42.2%
Transportation Systems and Fleet Operations	9.3	\$958,984	\$626,885	\$8,704	\$28,591	\$29,791	6.5	\$693,970	-2.8	(\$265,014)	-27.6%
Utilities Operations	6.1	\$845,717	\$687,468	\$28,486	\$117,313	\$10,403	6.1	\$843,669	0.0	(\$2,048)	-0.2%
Subtotal	54.2	\$4,927,922	\$2,982,366	\$761,489	\$273,090	\$261,557	45.4	\$4,278,502	-8.8	(\$649,420)	-13.2%
Maintenance											
Buildings Maintenance	6.2	\$635,709	\$182,310	\$158,119	\$5,989	\$31,497	3.7	\$377,915	-2.5	(\$257,794)	-40.6%
Maintenance Management and Administration	1.6	\$186,522	\$65,234	\$7,840	\$1,724	(\$2,922)	0.6	\$71,875	-1.0	(\$114,646)	-61.5%
Roads Maintenance	5.3	\$410,523	\$56,152	\$111,049	\$0	\$578	1.9	\$167,779	-3.4	(\$242,744)	-59.1%
Trails Maintenance	4.1	\$292,501	\$32	\$250	\$0	\$352	0.0	\$633	-4.0	(\$291,867)	-99.8%
Transportation Systems and Fleet Maintenance	1.5	\$155,978	\$16,499	\$8,988	\$0	\$0	0.4	\$25,487	-1.1	(\$130,490)	-83.7%
Utilities Maintenance	1.3	\$534,483	\$26,906	\$357,501	\$677	\$847	0.3	\$385,931	-1.0	(\$148,551)	-27.8%
Subtotal	19.9	\$2,215,714	\$347,133	\$643,746	\$8,390	\$30,353	6.9	\$1,029,621	-13.0	(\$1,186,093)	-53.5%
Management & Administration											
Communications	6.0	\$518,364	\$372,888	\$4,326	\$27,480	\$11,017	6.1	\$415,711	0.1	(\$102,654)	-19.8%
External Affairs	4.1	\$278,954	\$170,125	\$11,400	\$117	\$0	2.5	\$181,642	-1.6	(\$97,312)	-34.9%
Financial Management	1.2	\$80,101	\$68,208	\$0	\$0	\$0	1.1	\$68,208	-0.1	(\$11,893)	-14.8%
General Administration	3.1	\$341,709	\$271,252	\$1,897	\$2,484	(\$2,066)	3.4	\$273,567	0.3	(\$68,141)	-19.9%
General Management	6.9	\$901,861	\$983,632	\$9,349	\$14,223	\$34,853	6.1	\$1,042,057	-0.7	\$140,196	15.5%
Parkwide Safety	1.0	\$81,699	\$45,780	\$69	\$289	(\$110)	0.6	\$46,028	-0.4	(\$35,672)	-43.7%
Partnerships	1.3	\$98,034	\$51,262	\$249	\$1,038	\$0	0.6	\$52,549	-0.7	(\$45,485)	-46.4%
Planning	7.1	\$869,676	\$351,164	\$339,997	\$392	\$3,236	5.7	\$694,789	-1.4	(\$174,887)	-20.1%
Subtotal	30.6	\$3,170,399	\$2,314,312	\$367,286	\$46,023	\$46,930	26.2	\$2,774,551	-4.5	(\$395,848)	-12.5%
Grand Total	214.0	\$18,030,876	\$9,729,822	\$2,983,581	\$567,531	\$830,102	152.6	\$14,111,036	-61.3	(\$3,919,840)	-21.7%

a. Wildland Fire Management is a regional responsibility. Requirements, Available Funds, and Deficit reflect amounts applicable to the region as a whole, not solely Denali.

b. Deficit of (\$265,014) includes a Park Pilot, and Aviation Manager resulting in labor requirements of \$131,292

c. 'Grand Total' for required resources includes \$101,267 for labor requirements (1.8 FTE) associated with managing investment activities that were not allocated with specific programs or investment projects.

This financial statement was prepared from the books and records of the National Park Service in accordance with NPS accounting policies. The resources available reflect the total operations and maintenance expenses incurred by the park unit during FY2003, the last complete fiscal year at the time this analysis was undertaken. The resources required represent the funding needed to operate the park while fully meeting operational standards as defined in business plan supporting documentation. Program requirements are presented as a five-year planning tool based on salary and wage tables from the same fiscal year, given current resource inventories and infrastructure. Changes resulting from one-time projects and capital improvements (e.g. investments) may impact the operational requirements presented.

The value of donated materials and in-kind services is not included in the financial summary as an available resource because these materials and services are not directed exclusively at basic program operations.

The financial statement presents the available and required resources for the operational activities of the park unit only. Investment expenditures for capital improvements or other one-time projects are not accounted for in this statement. For information on the park's Funded Investments, see page 32.



In FY 2003, the park had the benefit of the myriad talents and fresh enthusiasm of 254 volunteers.



Volunteers are vital to the park's kennel operation.

Volunteer Analysis

We rely heavily on the contributions of volunteers.

The park benefits from strong partnerships with the Student Conservation Association, Youth Conservation Corps, Denali Borough School District, and local community organizations. In FY2003, volunteers from these organizations, together with independent volunteers, contributed almost 33,000 hours of time to the park.

FY2003 Volunteer Summary	
Volunteers:	254
Hours of work:	32,951
FTE equivalent:	15.8
Net benefit to the park unit:	\$542,000

The majority of volunteer hours occurred during May through September, coinciding with our short summer season. The net benefit calculation is based on a Servicewide valuation of volunteer time at \$17.19 per hour, less administrative costs of \$24,000.

Maintenance-related activities accounted for 41% of total volunteer hours. Within this category, trail crew volunteers spent 9,864 hours to rehabilitate social trails, provide new routes, and ensure sustainable access in high-traffic areas.

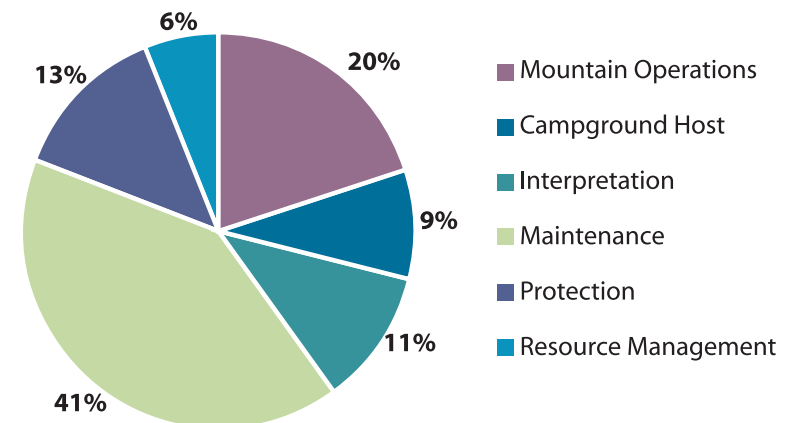
In 2003, 42 volunteers provided over 9,000 hours of service to Mountain Operations, accounting for 20% of total volunteer hours. These volunteers are skilled mountaineers who assist with safety and rescue operations, visitor safety, and resource protection on Mount McKinley. Our mountaineering volunteer program was one of 15 groups recognized by Secretary of the Interior Gale Norton at the 2003 Take Pride in America awards ceremony.



Volunteers also provide valuable support to Campground Operations, Interpretation, and Resource Protection. Our volunteer campground hosts logged over 3,000 hours in 2003. Volunteers assisted with winter dog sled patrols, and 30 individuals walked sled dogs during the summer months.

Volunteer programs do more than help us extend our services to visitors—they also provide another avenue for the park to develop public stewardship and understanding. We thank our volunteers for their essential contribution.

FY03 Volunteer Hours by Category



Government Performance and Results Act

Most expenditures and shortfalls impact NPS service-wide goals of resource preservation, and public enjoyment and visitor experience.

The Government Performance and Results Act (GPRA), passed by Congress in 1993, was designed to improve federal management practices and to provide greater accountability for achieving results. GPRA requires agencies to become less process-oriented and more results-driven. The four goals listed on the sidebar comprise the National Park Service’s primary focus areas. The park is required to report to goals I and II, and we have allocated the expenditures for Denali National Park and Preserve’s 39 programs across these goals.

Goal I: Preserve Park Resources

Many of the programs within the Resource Protection functional area contribute a large percentage of their time to achieve this goal. In FY2003, this goal accounted for 41% of available resources and represented 46% of the total GPRA shortfall for the park. The shortfall in the Wildland Fire Management and Cultural Resource Management programs accounts for the majority of this deficit.

Goal II: Provide for the Public Enjoyment and Visitor Experience of Parks

The primary programs devoted to public enjoyment and positive visitor experiences are Visitor Safety Services, Interpretation, Education, and all of the Maintenance and Facility Operations programs. In FY2003, 59% of our funding was spent toward this goal. We identified a shortfall of \$2.1 million in funding for this goal, representing 54% of the total GPRA shortfall for the park. The Maintenance and Visitor Safety Services programs account for the largest shortfalls overall.

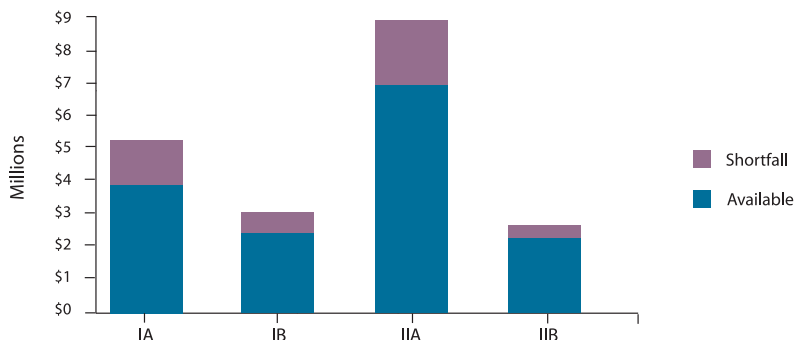
Goal III: Strengthen and Preserve Cultural Resources and Enhance Recreational Opportunities Managed by Partners

Denali’s activities and outcomes support the objectives of this goal, as illustrated in our discussions of the Murie Science and Learning Center collaboration (page 10), South Side Development (page 37) and the Partnerships and External Affairs Program (page 27). However, the park does not report on these goals as we do not have any formally legislated partnerships in historic preservation, recreation, or conservation. Our efforts related to this goal are reported to GPRA goals I and II.

Goal IV: Ensure Organizational Effectiveness

Goal IV represents operational efficiencies and organizational effectiveness that result in benefits that cannot be quantified. Hence, while many park activities, such as participation in the Business Plan Initiative, support this goal, no funds are reported to Goal IV.

FY03 Expenditures by GPRA Goal



GPRA Mission Goals

I. Preserve Park Resources

- a. Natural and cultural resources and associated values are protected, restored, and maintained in good condition and managed within their broader ecosystem and cultural context.
- b. The National Park Service contributes to knowledge about natural and cultural resources and associated values; management decisions about resources and visitors are based on adequate scholarly and scientific information.

II. Provide for the Public Enjoyment and Visitor Experience of Parks

- a. Visitors safely enjoy and are satisfied with the availability, accessibility, diversity, and quality of park facilities, services, and appropriate recreational opportunities.
- b. Park visitors and the general public understand and appreciate the preservation of parks and their resources for this and future generations.

III. Strengthen and Preserve Natural and Cultural Resources and Enhance Recreational Opportunities Managed by Partners

- a. Natural and cultural resources are conserved through formal partnership programs.
- b. Through partnerships with other federal, state, and local agencies and nonprofit organizations, a nationwide system of parks, open space, rivers and trails provides educational, recreational, and conservation benefits for the American people.
- c. Assisted through federal funds and programs, the protection of recreational opportunities is achieved through formal mechanisms to ensure continued access for public recreational use.

IV. Ensure Organizational Effectiveness

- a. The National Park Service uses current management practices, systems, and technologies to accomplish its mission.
- b. The National Park Service increases its managerial resources through initiatives and support from other agencies, organizations, and individuals.



Visitor facilities enable the park to provide services such as the Junior Ranger program, which enhance the visitor experience.



A network of weather stations provides important baseline data that is used by a variety of Resource Protection projects.

Investments Funded in 2003

We are in a period of significant investment.

In 2003, we spent \$3.6 million from appropriated funds and revenues, and an additional \$8.4 million from line item funds, for infrastructure and visitor services. Much of this investment activity represents the implementation of the 1997 *Entrance Area and Road Corridor Development Concept Plan*. After securing financing, we began an aggressive development program to construct new visitor facilities in the entrance area and road corridor. The major investment projects in FY2003 are described below.

Expansion of Entrance Area Visitor Facilities *Investment: \$8,400,000*

For much of the park's history, its primary visitor facility was the McKinley Park Hotel, which opened in 1939. Located near the train depot, the hotel lodged the majority of park visitors and served as a focal point for logistics and information. Transportation along the park road was arranged at the hotel or a separate trailer facility named the Riley Creek Information Center. No true visitor center was built and as visitation increased, the hotel and trailer became inadequate. In 1990, we opened the Visitor Access Center, primarily to arrange transportation and backcountry trips into the park, yet we did not significantly enhance visitor facilities. In 2003, we began construction of several entrance area facilities to expand and improve visitor opportunities for education, research, interpretive programs, and recreational activities. The primary facilities include the 14,000-square-foot Denali Visitor Center and the 5,870-square-foot Murie Science and Learning Center.

Construction of Entrance Area Trails *Investment: \$392,000*

Denali is mostly a 'trail-less' park. The experience of hiking through the wilderness off-trail is key to connecting visitors with the park's intact ecosystem. However, not all visitors are able to experience Denali in this manner. Further, with increased visitation, a number of 'social trails' have developed around popular hiking areas. In an effort to increase hiking opportunities and reduce social trails, we have invested in our trail system in the entrance area, including the Savage River Trail and the Rock Creek Trail, and along the park road corridor, particularly at the Eielson Visitor Center. Our trail crews also invest time in revegetation efforts to mitigate resource impacts throughout the park.

Repair Primary Electrical System, Headquarters Area *Investment: \$815,000*

The primary electrical system for the park's headquarters area was built in 1978. In the winter of 2002/2003, over 30% of the distribution system failed due to old age. The park secured emergency funding from repair/rehabilitation and fee demonstration funds and successfully replaced the entire distribution system in the summer of 2003.





Trails throughout the entrance area will increase access and encourage exploration.

Emergency Stabilization of Toklat River Bank

Investment: \$442,500

West District activities are based at Mile 53, where the Denali Park Road crosses the Toklat River. The seasonally operated facility located here provides a rest stop for tour bus passengers. It functions as the center for visitor safety services and for road and maintenance operations past Mile 45. This area also provides housing for National Park Service employees and partner employees. Erosion from the Toklat River was endangering facilities; a stabilization barrier was required to protect the area.

Rehabilitation of Buildings

Investment: \$530,000

Many of the original park buildings, several of which are classified as historic structures, still exist in Denali. We have made significant investments to rehabilitate these buildings for new uses. This helps meet our growing administrative needs without the expense of new construction. In 2003, we restored several historic patrol cabins, the resource protection building, and a housing complex in the headquarters area. We also rehabilitated a former bathroom facility for use as office space.

Natural Resource Protection

Investment: \$130,000

Investment activities for natural resource protection increase our knowledge base and help us to manage the restoration of natural resources. In FY2003, investments for natural resource protection included the North Access Baseline surveys, Glacier Creek reclamation, glacier baseline surveys, and Caribou Creek reclamation.

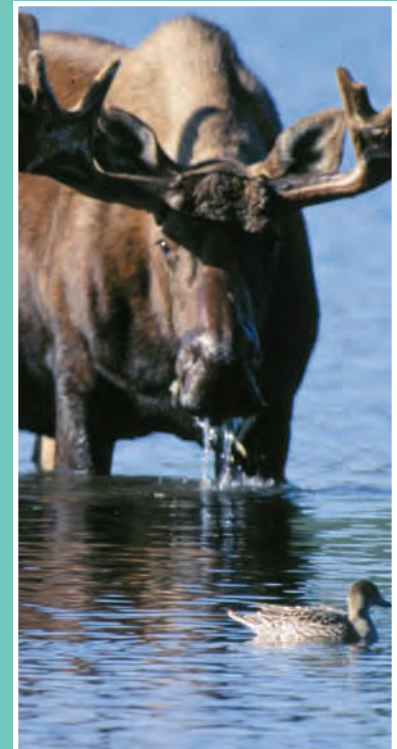
Interpretive Exhibits

Investment: \$100,000

In FY2003, we contracted for the design and development of interpretive exhibits for our new Murie Science and Learning Center. The investment of \$100,000 financed the fabrication and installation of these exhibits, which represent a significant improvement over existing exhibits in the Visitor Access Center, and will provide our visitors the opportunity to learn about the park in a self-guided, interactive manner.



Projects to restore historic cabins, such as the Riley Creek Cabin, are required to comply with the National Historic Preservation Act.



The North Access Baseline surveys will monitor moose populations to determine potential impacts of North Access development.



Monitoring predator/prey relationships is an ongoing management responsibility mandated by ANILCA.



Law enforcement rangers play a critical role in resource protection issues, such as this investigation of wildlife poaching.

Priorities and Strategies

Operations and Maintenance Priorities

Looking to the future, our immediate priorities are to restore under-funded programs and implement the forthcoming Backcountry Management Plan.

The operations and maintenance priorities listed below are critical candidates for funding from Appropriated Base, representing what is needed to operate existing and future facilities for the next three to five years. Denali National Park and Preserve's requests for operational base increases in the NPS Operations Formulation System closely mirror these conclusions.

The priorities presented here total approximately \$5.0 million, which includes 66 FTE. Of this amount, over \$1 million represents operations that are currently funded from Appropriated Non-base funds, but need to be switched to more reliable Appropriated Base funds in order to represent their importance to park operations and to ensure that they will continue to receive funding.

RESOURCE PROTECTION

Restore Core Law Enforcement, Public Safety, and Emergency Services

\$771,000 (includes 10.0 FTE)

Visitor Safety Services provides law enforcement, search and rescue, and emergency medical services in the park unit. A current Law Enforcement Needs Assessment identified serious deficiencies in staffing, equipment, and training. Staffing in the Ranger Division has fallen by two-thirds in recent years and supporting funds have also been reduced. Special initiatives such as Homeland Security further impact our ability to carry out basic law enforcement activities. Today, program standards cannot be met and the ability to fulfill core ranger responsibilities is threatened. Backcountry patrols have been severely curtailed. The funding need presented here is greater than the FY2003 deficit represented in this business plan because of ten additional seasonal positions lost in FY2004.

Establish Base Funds for Predator/Prey Research

\$475,000 (includes 2.0 FTE)

Monitoring of predator/prey relationships is an ongoing management responsibility mandated by ANILCA. Denali wolves and bears are species critical to the health of the park ecosystem and are high-profile attractions for our visitors. We must take a proactive role in monitoring their populations and evaluating and regulating the harvest of predators and their prey. Currently, research associated with the relationships among wolves, bears, and ungulates is funded from Appropriated Non-base and Revenue funds. Fully funding this priority would ensure the continuation of successful management programs, and of one of the longest-established research programs on large mammal predator/prey systems in the world.



Restore Aviation Program to Meet Minimum Safety Standards

\$261,000 (includes 2.0 FTE)

Denali's aviation program provides logistical support to every park program area. Funds for the park pilot and flight time have declined to program-threatening levels. A review of the program by Regional Office and Departmental staff directed the park to establish an aviation manager position to insure compliance with aviation policies, improve safety, and utilize aviation resources appropriately. The amount identified above would enable us to comply with the review's directive. Of this amount, \$131,000 is identified within the Transportation and Fleet Operations program and \$130,000 is identified within the Visitor Safety Services (Non-Mountain) program.

FACILITY OPERATIONS & MAINTENANCE

Establish Base Funds for Roads Operations

\$940,000 (includes 16.0 FTE)

The park road is critical for park access and it is an essential component of our visitors' experience. In the wake of increased pressure for longer operating seasons, Roads Operations should be funded from Appropriated Base to allow the park to effectively plan and provide appropriate levels of visitor services on the park road.

Establish Trails Maintenance and Operations

\$410,000 (includes 6.0 FTE)

Investment in new entrance area trails to diversify visitor experiences is a high priority. Managing new trail construction has diverted resources from daily trails operations and maintenance. As we continue to build new trails, it will be necessary to increase funding for trail operations and maintenance. Funding FTE for trails also increases our capacity to leverage volunteers, since many youth groups and other volunteer organizations are eager to assist on trails projects.



VISITOR ACCESS & SERVICES

Restore Operations and Maintenance Staff for All Entrance Area Facilities

\$864,000 (includes 14.0 FTE)

In 2004, we opened the Murie Science and Learning Center, which also functions as a winter visitor center. In 2005, we opened our first interpretive visitor center in the entrance area. In 2007, we plan to open the new facility that will replace the current Eielson Visitor Center. Although NPS staff working at current facilities will be relocated to the new facilities, the new facilities are larger and require additional staff for operations, maintenance, and administrative support. The resource requirements listed above are not identified in the Summary Financial Statement for FY2003 because the new facilities were not operating at that time.

Backcountry Plan Implementation

\$1,240,000 (includes 16 FTE)

The preferred alternative of the *Denali Backcountry Management Plan* emphasizes the use of adaptive management: adjusting visitor use levels to achieve desired resource conditions. Implementing this flexible strategy will help to maximize visitor access to backcountry areas—but will require extensive resource monitoring, visitor contact, and education. Additional staff will be required in several programs. The needs listed here capture only priorities for implementation; the eventual cost of plan implementation would be higher, in part because of the addition of a visitor contact station in the Broad Pass area. These needs are not reflected in the financial statement for FY2003. See the sidebar on this page for additional information.

Backcountry Management Plan

Denali's backcountry includes almost all six million acres of the park and preserve—only the park road corridor and associated development zones are not considered backcountry. Renewed attention to the backcountry is necessary in the face of new proposals for commercial and educational activities, growing participation in backcountry activities such as mountaineering, and rapidly increasing use by visitors who access the park additions by airplane and snowmobile. Management of all these uses is complex because of ANILCA special access provisions.

The *Denali Backcountry Management Plan*, now in development, will guide us as we address concerns regarding backcountry use. The plan proposes to divide the backcountry into several management areas, each of which has different resource and social conditions, such as different levels of disturbance to the natural sound environment, damage by social trails, and crowding. The National Park Service would monitor these and other conditions over time, to determine when and where management intervention is necessary to protect park resources and recreational opportunities. The plan is scheduled for completion in 2005, with implementation to begin the following year.



Each season, more than 220,000 visitors overwhelm the Toklat Rest Area, which still offers only the basic service of chemical toilets, originally intended as a temporary solution.

Investment Priorities

Increased visitation and deferred maintenance drive our investment needs.

We have identified over 200 projects with a total investment need of more than \$167 million over the next several years. These one-time funding needs are represented in the National Park Service's Project Management Information Systems (PMIS). This section of the business plan lists the investment projects that are our priorities for the next three to five years. They represent approximately 26% of our total needs in PMIS. We have identified \$45 million in planned investment, of which \$28 million remains unfunded.

UNFUNDED NEEDS

Upgrade Toklat Rest Area

Required Investment: \$2,702,000

This project is one of the park's highest priority investment needs, yet it is not included in the NPS 5-year Line Item Construction Program. The Toklat Rest Area receives over 220,000 visits each season, but still offers only basic, temporary services. The existing temporary chemical toilets will be replaced with a new facility comprised of restrooms, an enclosed bus shelter, wayside exhibits, an interpretive loop trail, covered picnic shelters, an access road, and parking for five to eight buses. The redesigned site will require approximately 2,000 linear feet of bank stabilization along the Toklat River.

South Side Facilities

Required Investment: \$15,000,000

Development within the park on the south side of the Alaska Range would provide an alternative destination, to expand and diversify the park experience and provide for continued preservation of park resources. This investment need was articulated after several years of planning and partnering to craft what we feel is the best future for Denali. See the sidebar on the following page for more information.

Research Facilities

Required Investment: \$3,901,000

Our Murie Science and Learning Center has yet to reach its potential. The center's goal—to increase understanding and appreciation of parks (see sidebar on page 10)—relies on the contribution and interaction of outstanding educators and scientists. Without an appropriate research facility, we are unable to attract these resources. The proposed facility would provide two laboratories, office space, workstations, a library, and a conference room. This investment priority is not included in the NPS 5-year Line Item Construction Program.

Retrofit Wastewater Treatment Facility

Required Investment: \$1,997,000

The entrance area sewage lagoon supports all visitor facilities in the entrance area. The current lagoon does not comply with Alaska Department of Environmental Conservation standards regarding nitrate discharges. Retrofitting the lagoon system is an upgrade required to bring the system into compliance.



The park lacks covered, heated storage for emergency vehicles, which is essential in this climate.

Upgrade Utilities Systems

Required Investment: \$4,821,000

Many utilities systems at Denali National Park and Preserve have exceeded their serviceable life and in some cases no longer meet regulatory codes. The utility systems in need of upgrade include potable water systems, septic systems, and electrical systems. The fire suppression capability of the existing seasonal water system also requires an upgrade. These investment priorities are represented as multiple project requests in PMIS, none of which are included in the NPS 5-year Line Item Construction Program.

FUNDED INVESTMENTS

Replace Eielson Visitor Center

Required Investment: \$7,420,000

Eielson Visitor Center receives approximately 160,000 visits per year. It was built in 1959 when annual park visitation was only 26,000. The existing facility is severely undersized and in violation of health and safety codes. The new facility will be sized to accommodate current visitation and will significantly enhance visitor opportunities for interpretive experiences. The funding for this project was approved for FY2005. Significant engineering, logistical, and administrative support will be required to support this project until it is completed.

Consolidate Emergency Services and Law Enforcement

Required Investment: \$5,312,000

The current office space for our Ranger Division has been carved out of an historic parking garage that is inadequate and does not allow for growth. There is no covered, heated storage for emergency vehicles, which is critical in Alaska's subarctic climate. A new Emergency Services facility will consolidate offices for law enforcement, emergency services, and a dispatch center. The building will also house a newly created regional dispatch center to serve the needs of NPS units across the state. This project is scheduled for funding in FY2007.



Parkwide Radio System

Required Investment: \$1,076,000

The federal government has mandated that all federal radio users switch to new narrowband technology, starting in 2005, to meet more stringent national privacy and security requirements. Completion of this project will replace 165 portable radios, 87 mobile/base stations, and 7 repeaters with compliant digital radios. This investment is funded for FY2005.

Replace Savage Area Rest Stops

Required Investment: \$2,934,000

The Savage East and Savage West rest stops will be rehabilitated to accommodate increased visitation and mitigate resource damage. Eight new vault toilets will be installed; parking areas, access roads and site areas will be redesigned; and improved signage, exhibits, and picnic shelters will be constructed. Savage Campground Area rest stop facilities will be expanded. This investment is funded for FY2007.

South Side Development

The traditional park activity—taking a bus along the park road to view wildlife and scenery—is approaching capacity. It is unlikely that road traffic can be increased significantly without diminishing wildlife viewing opportunities and harming wildlife. A long-term solution is to provide an alternate destination for visitors. The area of the park south of the Alaska Range is considered the most appropriate location for such a destination. A south side destination would offer superb views of Mount McKinley and other features of the Alaska Range, along with opportunities for wildlife viewing and wilderness recreation. Closer to Anchorage and Seward, it would serve visitors who have less time to travel to the park and would provide an entirely new venue for the tourism industry.

Planning for south side visitor facilities and services has involved extensive community consultation, community planning workshops, and multi-agency effort. It produced the *South Side Denali Development Concept Plan*, which was finalized in 1997. In 2004, Congress appropriated funding for the *South Denali Implementation Plan*. This plan will determine locations for enhanced recreational experiences that do not jeopardize natural and cultural resources or the quality of life in local communities.



The School-to-Work Building Trades program has resulted in seven new buildings for Denali while teaching trade skills to students.



Base camps are critical for Mountain Operations. Our ability to set them up each season depends on a U.S. Army partnership that is in jeopardy because of the activation of Alaskan troops.

Strategies for Reducing Costs

We benefit from a culture that emphasizes cost efficiency and continual improvement.

Our employees already engage in several strategies, listed below, that have significantly reduced our operating costs. A second list outlines potential strategies for achieving greater economic efficiencies and generating even more cost savings.

CURRENT COST-REDUCTION STRATEGIES

School-to-Work Building Trades

Estimated Annual Cost Savings: \$70,000

We have leveraged our School-to-Work Building Trades program to cut the cost of constructing small buildings in the park (see page 25). We will continue to leverage this program and expand it to include other schools, to keep our construction costs to a minimum.

Partnership with Military Aviation

Estimated Annual Cost Savings: \$175,000

Search and rescue operations on Mount McKinley depend on the annual installation and removal of camps at 7,200 and 14,200 feet on the West Buttress route. Under a General Agreement with the US Army Alaska, the park has been using military Chinook helicopters to transport all camp supplies—about 30 tons of supplies each year. This requires approximately 25 hours of flight time annually. At \$7,000 per flight hour, the army's assistance saves the park over \$175,000. The helicopters also provide backup for rescues in the event the NPS helicopter experiences difficulty at high altitude. In the fall of 2004, the Army units were dispatched to Iraq and were not available for the 2005 climbing season. The park covered these costs from existing funding.

Video Conferencing and Distance Learning

Estimated Annual Cost Savings: \$50,000+

Employee training is now offered through the National Park Service's Technology Enhanced Learning system. This satellite-based system delivers real-time training in a format that permits interaction with the instructor and class participants from parks around the country. Due to our remote location, we have struggled to provide the resources for adequate training. Travel alone averages \$1,000 per trip: providing the required annual 40 hours of supervisory training to 50 supervisors in the 'usual' fashion would cost at least \$50,000. TEL allows us to avoid these travel expenses and ensure that our supervisors and other employees continue to develop and perform at the highest level.

Safety Programs

Estimated Annual Cost Savings: \$12,000+

Safety programs that aim to develop a safety culture in the park have resulted in cost benefits. Continuation of pay hours fell from 783 in FY2001 to 107 and 143 in FY2002 and FY2003, respectively. The resulting continuation of pay savings totaled \$12,000 from FY2001 to FY2003, and the lost time injury rate dropped by more than 50% over the same time period. Safer operation of motor vehicles has reduced accidents and the costs associated with vehicle repair.





POTENTIAL COST-REDUCTION STRATEGIES

Manage GSA Fleet for Cost Effectiveness

Estimated Annual Cost Savings: \$80,000

The NPS issued a directive to reduce overall fleet numbers by 10% before 2006. We will work to exceed this goal by managing transportation vehicles for entrance area operations out of a centralized motor pool. We also plan to institute an NPS employee shuttle within the entrance area for pickup and delivery of staff and freight. All vehicles will require performance-based justifications and fuel inefficient vehicles will be phased out of the motor pool when appropriate. Finally, GSA (General Services Administration) fuel, labor, and parts will reflect actual costs when billed back to GSA, allowing full cost recovery.

Replace Pit and Chemical Toilets with SSTs

Estimated Annual Cost Savings: \$55,000

The outhouse-style pit and chemical toilets located at many of our campgrounds and rest stops are not compliant with the Americans with Disabilities Act and are labor-intensive to maintain. During the summer season, these toilets must be pumped daily, a time-consuming and logistical challenge. Currently, \$60,000/1.1 FTE is allocated to pit toilet maintenance. SST (Sweet Smelling Toilet) replacements would require only \$5,000/0.1 FTE to maintain, creating an annual net savings of \$55,000 on labor alone. Replacing pit and chemical toilets with SSTs also improves the visitor experience.

Fully Utilize Park-Owned Aircraft

Estimated Annual Cost Savings: \$63,000+

We have two fixed-wing aircraft that are not fully utilized. In 2002, a park pilot position was vacated and the position has not been filled. Of the 854 flying hours in FY2003, 636 were charter hours. The average cost per hour for a charter aircraft is \$100 more than flying our own aircraft. By flying our aircraft 100% of the time we would save \$63,600 in rental fees alone.

Assessment of Load and Energy Reduction Techniques (ALERT)

Implementation of recommendations resulting from energy audits could effectively reduce energy costs in future years. This is not without precedent. At two park facilities, reductions in baseline loads and the installation of hybrid generator systems have resulted in reduced run times, reduced fuel use, and fewer oil changes. A costly maintenance activity is now done annually instead of weekly.

Core Operations Analysis

Ensuring that park resources are clearly focused on activities and goals that support the core mission of the park is one way to find efficiencies and, thereby, reduce operational costs. The management team has participated in a core operations analysis and will implement these findings when making decisions on staffing and funding alternatives. This process provides a foundation for additional cost reduction strategies such as competitive sourcing and strategic position management discussed below. The core operations analysis will also improve the basis of analysis for future business plans.

Strategic Position Management

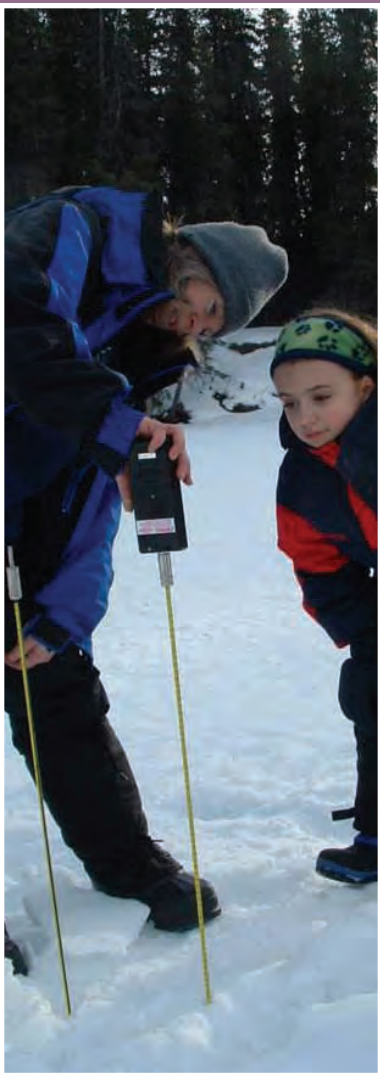
Personnel practices tend to rely on historical employment patterns rather than on current goals and future needs. To optimize human resources, the management team must ensure precise alignment between our mission, goals, park priorities, and staff structure. The management team is scheduled to conduct a review of our organizational structure, to align it with our goals and priorities. We anticipate that managing personnel needs in line with our strategic priorities will reduce unnecessary overhead and enable the creation of positions that correspond to our priorities.



Fully utilizing our park-owned aircraft will reduce our expenditures on chartered aviation services.



Replacing chemical outhouse toilets with SSTs will reduce costs and enhance the visitor experience.



Collecting data at Horseshoe Lake: Partners enable the MSLC to offer field programs that benefit the participants and the park.

Strategies for Increasing Non-Appropriated Funding

We look to partnerships and cost-recovery programs to increase our Revenue and Reimbursable Funds.

In FY2003, we relied on non-appropriated fund sources for \$1.4 million of our operations and maintenance expenditures, of which \$830,000 consisted of Revenue and \$568,000 consisted of Reimbursable funds. Entrance fees and concession franchise fees, in particular, have been critical in helping us carry out our mission. We must continue to evaluate opportunities for generating non-appropriated funds.

As a steward of the public trust, we manage to a high standard in our efforts to generate funding. We must be careful not to enter into partnerships that might suggest bias or compromise our standard of resource protection. This limits our ability to generate non-appropriated funds.

The following strategies for increasing non-appropriated funds emphasize two concurrent paths: partners and external parties, and cost-recovery through fees related to specific visitor activities.

PARTNERS AND EXTERNAL PARTIES

Increase Partnership Contributions to MSLC

The Murie Science and Learning Center (MSLC) is a virtual and physical hub for eight northern Alaska National Park units, promoting education and science in Interior Alaska. As the MSLC develops, we must learn to articulate its value so that academic institutions, research scientists, and private enterprises will find it a compelling investment.

Develop Public-Private Partnership Revenue

There are many stakeholders that have substantial interests in the park. Some parties rely on the park unit for their livelihood, through activities that range from subsistence to tourism. To enhance our ability to serve these stakeholders, we must seek partners that share our vision of long-term, sustainable park use, and strengthen public-private partnerships with them. For example, cruise lines are already assisting with interpretive media, special events, and support of park programs, because they realize the value that National Park Service interpretation can add to the visitor experience. Obtaining support from the tourism industry for the construction or rehabilitation of three entrance area trails could help offset the required funds of \$1.0 million identified for these trails projects.



Implement Lodge Donation Program

In October 2003, the Secretary of the Interior authorized the extension of the Lodge Donation Program, which gives lodge guests the opportunity to check a box on their hotel bill and conveniently donate \$1.00 to the park. With approximately 2,500 beds in the gateway community, we conservatively estimate that this strategy could generate over \$50,000 annually.

Increase Entrance Fees and Collection

In 2005 the park increased entrance fees to \$10 per person and \$20 per family. The increased revenue will be used to enhance visitor services and address deferred maintenance. We have typically collected the majority of entrance fees from visitors traveling beyond Mile 15 of the park road by bus. We are evaluating options to collect entrance fees from all visitors to the park. Options currently under evaluation include a fee collection station in the entrance area and collecting fees from air taxi passengers who land on Mount McKinley. We expect our current strategy to increase annual revenues by \$1.2 million.

COST-RECOVERY FEES

Road Lottery

Since 1990, the park has awarded permits that allow private vehicles to drive on the park road during a four-day period at the end of the season. 1,600 permits are awarded through a lottery that attracts thousands of entries. The cost of conducting the lottery and maintaining appropriate staffing levels to manage the event has been approximately \$80,000. In the summer of 2004, we implemented a \$10 fee for each lottery entry and a \$35 fee for the permit, which included the park entrance fee. We anticipate that these fees will recover costs associated with managing the lottery process, result in a more efficient application process, and allow the park to maintain the staffing levels necessary to support the event.



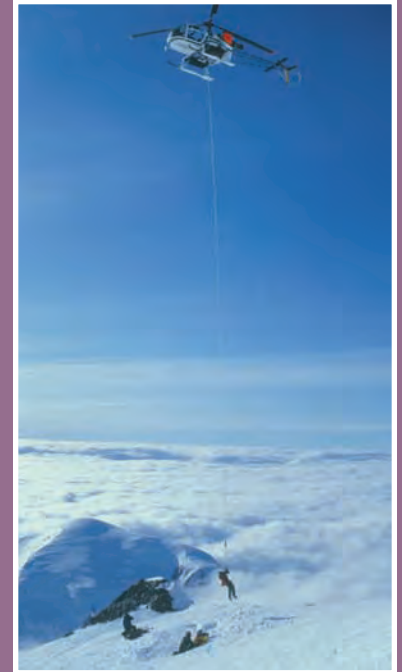
In 2004, the park began to charge fees in order to recover costs for Road Lottery, an annual event that brings additional traffic to the park road and requires supplementary resources to manage.

Mountain Use

Mount McKinley is one of the preeminent mountain climbing destinations in the world. As a result of our presence, fatalities and injuries on the mountain have decreased significantly. The cost of our mountain operations is approximately \$800,000, or more than \$650 per climber. To recover a portion of the costs, a mountain use fee of \$150 per climber was implemented in 1995. In 2005 we increased the fee by \$50 and expect that this will increase cost-recovery revenues by approximately \$50,000. We will continue to evaluate this program for full cost-recovery potential.

Sled Dog Demonstration

During the winter, sled dogs provide the primary transportation for the backcountry rangers that patrol the park unit. In the summer, the sled dogs are kept at kennels at park headquarters and are the feature of the park's oldest formal interpretive program. Traditionally, this interpretive program has been offered as a free program, in contrast to similar sled dog demonstrations provided outside of the park. We are evaluating options to recover the costs associated with this program, including the implementation of a nominal fee and the sale of an educational booklet.



The safety of mountaineering rangers and climbers often depends on use of a high-altitude helicopter.



The sled dog demonstration program was Denali's first formal interpretive program and remains a popular summer program for our visitors.



Additional Information

Other management and planning documents expand on the strategies and solutions put forward in this business plan.

Please refer to the following documents for a more comprehensive understanding of our management decisions:

- (2001) *Denali National Park and Preserve Business Plan 2000-2001*
- (1997) *Final Entrance Area and Road Corridor Development Concept Plan and Abbreviated Final Environmental Impact Statement*
- (1997) *Final South Side Development Concept Plan and Environmental Impact Statement*
- (1986) *General Management Plan/Land Protection/Wilderness Suitability Review* (modified by subsequent planning documents)
- (1976) *Denali National Park Backcountry Management Plan* (currently being updated; final plan expected in 2005)

These documents are available by calling the Office of the Superintendent at (907) 683-9581, or by accessing our website at www.nps.gov/dena.

*Only through wise management
and investment
can we ensure the preservation
of Denali National Park and Preserve
for all future generations.*

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