United States Government Accountability Office

Report to Congressional Committees

September 2021

COVID-19

Reviewing Existing Policies Could Help Selected Agencies Better Prepare for Dedicated User Fee Revenue Fluctuations

A Century of Non-Partisan Fact-Based Work

GAO-21-104325

GAO@100 Highlights

Highlights of GAO-21-104325, a report to congressional committees

September 2021

COVID-19

Reviewing Existing Policies Could Help Selected Agencies Better Prepare for Dedicated User Fee Revenue Fluctuations

Why GAO Did This Study

Each year, federal agencies collect billions of dollars in dedicated user fee revenue from fees charged to users of federal goods and services, which are dedicated by law for a specific purpose or program. The COVID-19 pandemic disrupted critical government operations for agencies that rely on these revenues.

The CARES Act included a provision for GAO to review the effects of the pandemic on public institutions of the U.S. This report examines how dedicated user fee revenues have changed since the onset of the pandemic and how selected agencies managed revenue changes related to the pandemic, among other objectives.

To determine revenue changes, GAO compared dedicated user fee revenues in fiscal years 2020 and 2021 to amounts from prior years. GAO selected three agencies to review—FAA, NPS, and USCIS—based on whether they relied on dedicated user fee revenue to a high (FAA and USCIS) or low (NPS) extent, among other factors. GAO interviewed officials at the selected agencies and reviewed relevant documents to determine how these agencies managed revenue changes, and compared those actions to internal control standards and leading practices for fee design.

What GAO Recommends

GAO is recommending that FAA and NPS review their cash management plan and target carryover balance policy, respectively, and document processes to review the plan and policy in the future. The Departments of Transportation and the Interior concurred with GAO's recommendations.

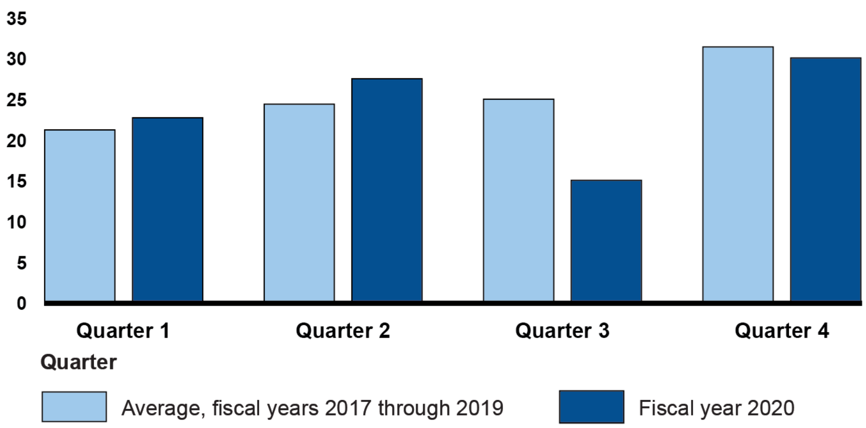
View GAO-21-104325. For more information, contact Jeff Arkin at (202) 512-6806 or arkinj@gao.gov.

What GAO Found

Executive branch agencies' revenues from dedicated user fees were lower in fiscal year 2020 and in the first half of fiscal year 2021 compared to average annual revenues in fiscal years 2017 through 2019, the 3 fiscal years prior to the start of the COVID-19 pandemic. Following the declaration of the pandemic as a national emergency in March 2020, these revenues were about 39 percent lower than the previous 3-year average during the same period.

Executive Branch Agencies' Revenue from Dedicated User Fees in Fiscal Year 2020 Was Lower Overall than the Previous 3-year Average

Revenue (billions of dollars)



Source: GAO analysis of Department of the Treasury data. | GAO-21-104325

Note: For more details, see figure 2 in GAO-21-104325.

The Federal Aviation Administration (FAA), National Park Service (NPS), and U.S. Citizenship and Immigration Services (USCIS) all prioritized spending on essential expenses, sought to increase available funds or operational flexibilities, and relied on carryover balances to cover essential expenses during the pandemic. However, FAA and NPS have not documented plans to review certain management plans and policies.

- FAA drafted a cash management plan containing measures to help it carry out mission-critical functions in a time of Airport and Airway Trust Fund (AATF) revenue instability. FAA officials told GAO they may revisit the plan to align it with leadership priorities in case of future AATF revenue instability. However, FAA has not documented plans to conduct such a review, which could help FAA better prepare for future periods of revenue instability.
- NPS parks relied on funds carried over from previous years during the pandemic to various extents, depending on local circumstances. NPS requires many fee-collecting parks to carry over no more than 35 percent of the previous year's revenue from certain fees. The agency has not completed an analysis to determine the efficacy of this policy since its implementation in 2010. Because of this, NPS may not be maintaining its carryover balances in the most effective way.

Contents

Figures

Abbreviations

AATF	Airport and Airway Trust Fund
COVID-19	Coronavirus Disease 2019
FAA	Federal Aviation Administration
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System
IEFA	Immigration Examinations Fee Account
IOAA	Independent Offices Appropriation Act of 1952
NPS	National Park Service
OMB	Office of Management and Budget
TAS	Treasury Account Symbol
USCIS	U.S. Citizenship and Immigration Services
USSGL	United States Standard General Ledger

441 G St. N.W.
Washington, DC 20548

September 29, 2021

Congressional Committees:

Each year, the U.S. government collects billions of dollars in dedicated user fee revenue—revenues from fees charged to users of federal goods and services that are dedicated by law for a specific purpose or program. In fiscal year 2019, executive branch agencies collected approximately $105 billion in dedicated user fee revenue. Dedicated user fees help fund a variety of programs and operations. For example, fees paid by the public to visit national parks help fund visitor experience improvements. The global Coronavirus Disease 2019 (COVID-19) pandemic, which caused serious economic repercussions and turmoil, disrupted fiscal year 2020 dedicated user fee revenues and critical government operations for executive branch agencies.[1]

The CARES Act includes a provision for us to review the effect of the COVID-19 pandemic on the health, economy, and public and private institutions of the U.S.[2] This report addresses (1) how executive branch agencies' revenues from dedicated user fees have changed since the onset of the COVID-19 pandemic; (2) how dedicated user fee revenues have changed at selected agencies during the COVID-19 pandemic; (3) how selected agencies monitored revenue instability risks related to the COVID-19 pandemic; and (4) how selected agencies managed revenue changes during the COVID-19 pandemic, including the use of selected program reserves, and the extent to which those actions aligned with requirements and guidance.

To address our first objective, we analyzed data from the Department of the Treasury's Bureau of the Fiscal Service's Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS). Agencies use GTAS to provide proprietary financial reporting information and information about budget execution to Treasury. To determine how dedicated user fee revenues changed during the COVID-19 pandemic,

[1]We regularly issue government-wide reports on the federal response to COVID-19. For the latest report, see GAO, *COVID-19: Continued Attention Needed to Enhance Federal Preparedness, Response, Service Delivery, and Program Integrity*, GAO-21-551 (Washington, D.C.: July 19, 2021). Our next government-wide report will be issued in October 2021 and will be available on GAO's website at https://www.gao.gov/coronavirus.

[2]Pub. L. No. 116-136, 134 Stat. 281 (2020).

we reviewed dedicated user fee data for all executive branch agencies that submitted dedicated collection revenue in fiscal year 2020.[3]

We analyzed these data from October 2017 through March 2021, the most recent data available at the time of our analysis. We analyzed relevant financial accounts to determine which to include in our scope of dedicated user fees. For instance, we limited our analysis to revenue transaction accounts and excluded accounts that we determined were not related to user fee-type revenue. Some of these determinations, which we based on information from Bureau of the Fiscal Service documents and officials and our knowledge of agencies and financial accounts, were necessarily judgmental. The inclusion of other financial accounts in our analysis—such as donations or forfeitures—could also have been reasonable and would have yielded different results.

To assess the reliability of the GTAS data, we reviewed relevant documentation, interviewed knowledgeable officials at the Bureau of the Fiscal Service, and conducted electronic data testing. We determined that these data were sufficiently reliable to indicate general trends in dedicated user fee revenues across the executive branch. For additional details about our scope and methodology, including how we scoped our GTAS analysis and analyzed dedicated user fee revenue data across the executive branch, see appendixes I and II.

To address our remaining three objectives, we selected three agencies for review to serve as illustrative examples of how dedicated user fee revenues changed during the pandemic and how agencies responded to these changes: the Department of Transportation's Federal Aviation Administration (FAA), the Department of the Interior's National Park Service (NPS), and the Department of Homeland Security's U.S. Citizenship and Immigration Services (USCIS). To understand the potential effects of the COVID-19 pandemic across a range of revenue situations, we selected agencies based on the extent that they relied on dedicated user fee revenue in recent years–both high reliance (FAA and USCIS) and low reliance (NPS), according to Office of Management and Budget (OMB) data.

We also considered contextual information in our selection process, including whether an agency was potentially financially affected by the

[3]For the purposes of this report, we collectively refer to departments, agencies, bureaus, government corporations, and other government entities as "agencies."

COVID-19 pandemic, whether an agency's activities were related to economic sectors most affected by the pandemic, and media reports of agencies affected by the pandemic. We reviewed revenue, budget, policy, and planning documents at each selected agency, and interviewed knowledgeable agency officials, to determine how dedicated user fee revenues changed during the pandemic, how selected agencies monitored revenue instability risks, and how selected agencies managed revenue changes during the pandemic.

To assess the reliability of revenue data related to each selected agency, we reviewed the data for reasonableness and compared these values to amounts in agency budget justification documents when possible. We determined that these data were sufficiently reliable to calculate revenue changes at selected agencies following the onset of the COVID-19 pandemic.

To address our fourth objective, we assessed selected agencies' revenue monitoring and management processes during the COVID-19 pandemic against *Standards for Internal Control in the Federal Government* (Principle 12 – Implement Control Activities) and leading practices for fee design options that we identified in prior work.[4]

We conducted this performance audit from May 2020 to September 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Dedicated collections are revenues dedicated by law for a specific purpose or program, and dedicated user fees are a subset of those collections. User fees are charges to users for goods or services provided by the federal government. User fees are an approach to financing federal programs or activities that, in general, are related to some voluntary transaction or request of government services above and beyond what is normally available to the public. User fees may also be

[4]GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 2014); and *Federal User Fees: Fee Design Options and Implications for Managing Revenue Instability*, GAO-13-820 (Washington, D.C.: Sept. 30, 2013).

collected through excise taxes.[5] For the purposes of this report, we include excise taxes with a "user pays" element within our definition of user fees.[6]

Agencies derive their authority to charge fees either from the Independent Offices Appropriation Act of 1952 (IOAA) or other statutory authority.[7] The IOAA provides agencies broad authority to assess user fees or charges through regulation for services or things of value they provide. The IOAA itself does not provide authority for agencies to retain fees they collect.[8] Some agencies, however, have specific statutory authority to retain and use fees without additional legislative action.

Carryover Balances

Carryover balances are composed of two elements:

- unobligated funds, and
- obligated funds for which payment has not yet been made.

Source: GAO. | GAO-21-104325

Regulations prescribed by the heads of executive agencies are subject to policies prescribed by the President.[9] For agencies whose fee collections are available for obligation on a no-year or multi-year authority basis, unobligated balances can be carried forward from year to year.[10] OMB Circular No. A-25 establishes federal guidelines regarding user fees assessed under the authority of the IOAA and other statutes, including

[5]Although payroll taxes comprise a large portion of all federal dedicated collections, for the purposes of this report, we do not consider them a direct transaction from the public to the federal government in exchange for a good or service and, therefore, have excluded them from our scope of dedicated user fees.

[6]The Congressional Budget Office has defined user charges as fees or taxes that are based on benefits individuals or firms receive from the federal government or that in some way compensate for costs they might impose on society or its resources. See Congressional Budget Office, *The Growth of Federal User Charges* (Washington, D.C.: Aug. 1993). For budget purposes, we define user fees as fees assessed on users for goods or services provided by the federal government. See GAO, *A Glossary of Terms Used in the Federal Budget Process*, GAO-05-734SP (Washington, D.C.: Sept. 2005).

[7]Pub. L. No. 82-137, 65 Stat. 268 (1951), *codified at* 31 U.S.C. § 9701.

[8]Agencies may have specific statutory authority to deposit fees into receipt accounts but may not use them without further congressional appropriation of the funds (offsetting receipts), or specific statutory authority to credit the collections to an expenditure account and use the fees without additional congressional appropriation (offsetting collections).

[9]31 U.S.C. § 9701.

[10]Budget authority can be provided for one or multiple years, while some budget authority never expires. An obligation is a definite commitment that creates a legal liability of the government for the payment of goods and services ordered or received, or a legal duty on the part of the U.S. that could mature into a legal liability by virtue of actions on the part of the other party beyond the control of the U.S. An agency incurs an obligation, for example, when it places an order, signs a contract, awards a grant, or purchases a service. An unobligated balance is the portion of obligational authority that has not yet been obligated.

the scope and types of activities subject to user fees and the basis upon which the fees are set.[11] It also provides guidance for executive branch agency implementation of fees and the disposition of collections.[12]

Under OMB Circular No. A-25, agencies must review their user fees for agency programs biennially, to include: (1) assurance that existing charges are adjusted to reflect unanticipated changes in costs or market values; and (2) a review of all other agency programs to determine whether fees should be assessed for government services or the user of government goods or services.

Federal Aviation Administration

FAA is responsible for the safety and oversight of commercial aviation. The agency does this by conducting safety inspections, operating the air traffic control system, and researching improvements to aviation safety, among other things. The majority of FAA's appropriations in the Consolidated Appropriations Act, 2021, were from the Airport and Airway Trust Fund (AATF), which accounted for approximately 95 percent of FAA's fiscal year 2021 enacted budget.[13] The remaining 5 percent of FAA's appropriations that year came from general revenues.[14]

The AATF helps fund the development of a nationwide airport and airway system and funds FAA investments in air traffic control facilities such as capital investments, construction and safety improvements at airports, and technological upgrades to the air traffic control system.[15] The AATF receives income from a variety of excise taxes paid by users of the national airport and airway system, and may receive other appropriations.

[11]Office of Management and Budget, *User Charges*, Circular No. A-25 Revised (Washington, D.C.: July 8, 1993).

[12]OMB Circular No. A-25 does not apply to the activities of the legislative and judicial branches of government or to mixed ownership government corporations as defined in 31 U.S.C. § 9101.

[13]Pub. L. No. 116-260, div. L, 134 Stat. 1182, 1830 (2020).

[14]General revenues are held in General Fund accounts, which hold all federal money not allocated by law to any other fund account.

[15]The AATF was established by the Airport and Airway Revenue Act of 1970. Pub. L. No. 91-258, § 208, 84 Stat. 219, 250 (1970) *codified, as amended*, at 26 U.S.C. § 9502. FAA's authority to collect aviation excise taxes through the AATF, as well as spend from the trust fund, is periodically extended by statute. The most recent reauthorization statute was signed into law on October 5, 2018, and extended FAA's funding and authorities through fiscal year 2023. FAA Reauthorization Act of 2018, Pub. L. No. 115-254, 132 Stat. 3186, 3199-200, 3428 (2018).

The largest source of tax income is generated through the transportation of passengers (see table 1).

Table 1: Airport and Airway Trust Fund Excise Tax Lines and Revenue Sources

Tax line	Revenue source	Percentage of fiscal year 2019 trust fund gross tax receipts
Transportation of Persons by Air	Domestic passenger ticket tax; domestic flight segment[a] tax (excluding flights to or from rural airports); and tax on mileage awards (frequent flyer awards tax)	68.3 percent
Transportation of Property by Air	Tax on domestic cargo or mail	3.4 percent
Use of International Air Facilities	Tax on international arrivals and departures; and tax on flights between the continental U.S. and Alaska or Hawaii (or between Alaska and Hawaii)	24.2 percent
Aviation Fuel Commercial Use	Domestic commercial fuel tax	2.7 percent
Aviation Fuel Other than Gasoline[b]	Domestic general aviation jet fuel tax	0.1 percent[c]
Aviation Gasoline	Domestic general aviation gasoline tax	0.2 percent

Source: Federal Aviation Administration and Department of the Treasury data. | GAO-21-104325

[a]A flight segment consists of one takeoff and one landing.

[b]Taxes collected on kerosene used in aviation are initially deposited in the Highway Trust Fund and then transferred by accounting adjustments to the Airport and Airway Trust Fund. Pub. L. No. 109-59, § 11161(c), 119 Stat. 1144, 1972 (2005).

[c]This percentage includes fiscal year 2019 gross tax receipts for Liquid Fuel – Fractional Ownership Flight.

Income deposited in the AATF is subject to congressional appropriations; therefore, while receipts are authorized to be deposited in the trust fund, congressional action is required for FAA to use the funds. Balances in the AATF are invested in Treasury securities and accrue interest.

AATF income tends to reflect general economic conditions, which can affect the number of tickets purchased, the fares paid by passengers, the amount of fuel purchased, and the value of air cargo shipped. Treasury estimates AATF income levels based on these factors, which inform how much is appropriated to FAA to spend.[16] Since the AATF's creation in 1970, aggregate annual income has generally exceeded spending

[16]To ensure that revenues deposited into the trust fund are used for aviation purposes and that FAA's capital account is funded to the fully authorized level, the total budget resources made available from the AATF must be equal to the sum of 90 percent of the estimated level of receipts plus interest credited to the AATF and the actual level of receipts plus interest credited to the AATF in fiscal years 2014-2018. 49 U.S.C. § 48114(a)(1).

commitments from FAA's appropriations, resulting in a surplus. This surplus is referred to as the trust fund's uncommitted balance.[17]

National Park Service

NPS manages the National Park System with the purpose of conserving the scenery, natural and historic objects, and wildlife therein and to leave them unimpaired for the enjoyment of future generations.[18] Funding for NPS comes from two sources:[19]

Annual appropriations. NPS generally receives funding through annual appropriations acts, which provide funds used by parks or applicable entities, such as states and local governments. In fiscal year 2021, these appropriations constituted approximately 75 percent of NPS's enacted budget.

Fees, donations, and other funding sources. NPS collects and uses funds from fees, donations, and other miscellaneous charges. These include:

- **Recreation fees.** The Federal Lands Recreation Enhancement Act authorizes NPS to collect and use recreation fees, including entrance fees and amenity fees for certain equipment and services, such as campgrounds.[20] The act states that not less than 80 percent of the recreation fees and admission revenues collected at a specific unit or

[17]The uncommitted balance is the amount of cash in excess of what is required to cover future expenditures of unpaid budget authority, or the amount of the AATF cash balance that is "unclaimed" by existing appropriations, according to an FAA projections document.

[18]54 U.S.C. § 100101. This report collectively refers to the park units, national scenic and national historic trails, and wild and scenic rivers that NPS manages as "parks."

[19]In its budget justification, NPS calls these funding streams discretionary and mandatory appropriations. It uses "discretionary appropriations" to refer to funding that comes from the annual appropriations process while it uses "mandatory appropriations" to refer to funding that includes fees and donations. Mandatory amounts typically refer to the level of budget authority, outlays, or other budgetary resources that are controlled by laws other than appropriations acts.

[20]At a specific site or area, these fees shall only be used for repair, maintenance, and facility enhancement related directly to visitor enjoyment, visitor access, and health and safety; interpretation, visitor information, visitor service, visitor needs assessments, and signs; habitat restoration directly related to wildlife-dependent recreation that is limited to hunting, fishing, wildlife observation, or photography; law enforcement related to public use and recreation; direct operating or capital costs associated with the recreation fee program; and a fee management agreement established under section 6805(a) or a visitor reservation service. Pub. L. No. 108-447, div. J. tit. VIII, 118 Stat. 2809, 3377 (2004) *codified as amended* at 16 U.S.C. §§ 6801-6814.

area of federal land management shall remain available for expenditure at that park. The Secretary of the Interior may determine the need for a reduction in that percentage, but not below 60 percent of these revenues may be retained by a park. Recreation fees represented approximately 6 percent of NPS's enacted budget in fiscal year 2021.

- **Concession franchise fees.** The National Park Service Concessions Management Improvement Act of 1998 authorizes NPS to collect and use franchise fees from concessioners who operate restaurants, lodges, and other business operations inside parks.[21] These fees are generally assessed as a percentage of the concessioners' total gross receipts. Concession franchise fees represented about 2 percent of NPS's enacted budget in fiscal year 2021.
- **Donations.** NPS is authorized by law to receive and use cash donations from individuals, nonprofit organizations, and corporations.[22] Cash donations represented approximately 1 percent of NPS's enacted budget in fiscal year 2021.
- **Other miscellaneous charges.** These other charges include transportation fees NPS collects to operate public transportation systems in parks; rents collected for employee housing; rents for leases of buildings and associated property to businesses, individuals, and government entities; and funding from Treasury for certain pension payments for U.S. Park Police annuitants. NPS also collects fees for commercial use authorizations, which include small-scale commercial activities, such as leading workshops or tours. These other funding sources accounted for approximately 16 percent of NPS's enacted budget in fiscal year 2021.

U.S. Citizenship and Immigration Services

USCIS, an agency component of the Department of Homeland Security, is responsible for administering the federal government's immigration services function. USCIS is charged with adjudicating applications and petitions for immigration benefits, such as humanitarian relief, adjustment to lawful permanent resident status, change or extension of nonimmigrant (i.e., visitor) status, and naturalization. USCIS processes millions of such immigration benefit and other requests, including for employment authorization, each year; and provides services such as immigration

[21] Pub. L. No. 105-391, tit. IV, 112 Stat. 3497, 3503 (1998), *codified as amended* at 54 U.S.C. §§ 101911-101926.

[22] 54 U.S.C. §§ 100725, 101101.

status verification for federal, state and local public benefit-granting agencies, and resources for new residents and citizens.

To fund the cost of processing and adjudicating applications and associated support services, USCIS charges a variety of fees.

- **Immigration Examinations Fee Account (IEFA).** This account comprises USCIS fee collections from two sources: (1) fees collected for processing applications for immigration benefits (i.e., non-premium processing fees), which USCIS uses to fund program operations; and (2) premium processing fees collected for expedited review of certain applications.[23] Revenues from IEFA accounted for approximately 96 percent of USCIS's enacted budget for fiscal year 2021.
- **Fraud Prevention and Detection Fee.** The Department of Homeland Security imposes this fee on nonimmigrant petitioners to fund the costs of activities related to preventing and detecting fraud for all immigration benefit types, including efforts to oversee and enhance policies and procedures pertaining to the performance of law enforcement background checks on applicants and petitioners.[24] The Department of Homeland Security receives one-third of the revenue, and the remaining revenue is shared between the Department of Labor and the Department of State. Revenues from this account represented about 1 percent of USCIS's enacted budget for fiscal year 2021.
- **H-1B Nonimmigrant Petitioner Fee.** This fee is imposed on an employer, excluding employers of certain educational institutions, for certain petitions for nonimmigrant workers under the H-1B program.[25] The Department of Homeland Security receives 5 percent of the H-1B Nonimmigrant Petitioner Fee collections; the remaining amount is shared between the Department of Labor and the National Science

[23]The Immigration and Nationality Act, as amended, directs USCIS to deposit all adjudication fees into the IEFA. 8 U.S.C. § 1356(m). USCIS may set fees for providing adjudication services at a level that will ensure recovery of the full costs of providing all such services, including the costs of adjudication services provided without charge to certain immigrants, such as those seeking asylum in the U.S., and any additional costs associated with the administration of the fees collected. As such, Congress has permanently appropriated amounts collected for these purposes. The Immigration and Nationality Act, as amended, sets the premium processing fee at $2,500, except that the premium fee for a petition for classification of a nonimmigrant described in subparagraph (H)(ii)(b) or (R) of section 1101(a)(15) of the act shall be $1,500. 8 U.S.C. § 1356(u).

[24]8 U.S.C. § 1184(c)(12)-(13), 1356(v).

[25]8 U.S.C. § 1184(c)(9), (11), 1356(s).

Foundation. In fiscal year 2021, revenues from this account represented approximately 0.4 percent of USCIS's enacted budget.

Executive Branch Agencies' Revenues from Dedicated User Fees Declined during the COVID-19 Pandemic

Executive Branch Agencies' Dedicated User Fee Revenues Fell Starting in March 2020 and Remained Lower Than Average into 2021

Executive branch agencies' revenues from dedicated user fees were lower in fiscal year 2020 and in the first half of fiscal year 2021 compared to average revenues collected during comparable periods from fiscal years 2017 through 2019, the 3 fiscal years prior to the beginning of the COVID-19 pandemic.[26] Specifically:

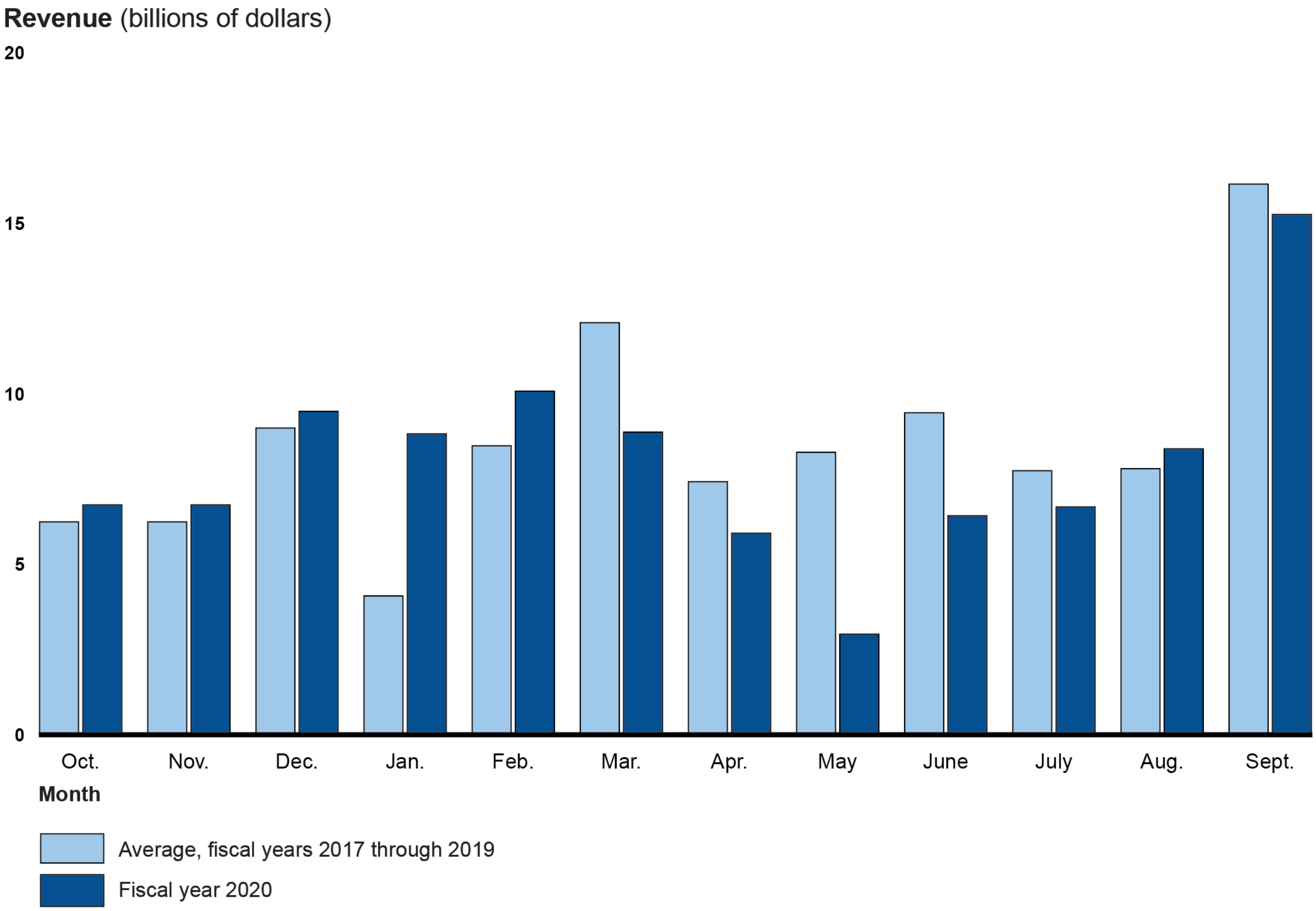
- In fiscal year 2020, total revenues ($96.5 billion) were about 6 percent (or $6.7 billion) lower than the average total revenues in fiscal years 2017 through 2019 ($103.2 billion).
- In the first half of fiscal year 2021 (October 2020 through March 2021), total revenues ($42.7 billion) were about 8 percent (or $3.5 billion) lower than the average total revenues in the first half of fiscal years 2017 through 2019 ($46.2 billion), and about 16 percent (or $8.2 billion) lower than the total revenues in the first half of fiscal year 2020 ($50.8 billion).

During the first 5 months of fiscal year 2020 (October 2019 through February 2020), executive branch agencies' revenue from dedicated user fees largely followed trends from previous years. However, starting in March 2020, when the federal government declared the COVID-19 pandemic a national emergency, executive branch agencies collected lower-than-average amounts of these revenues. Dedicated user fee revenues in May 2020 were particularly low in comparison to previous years, with revenues approximately 65 percent lower than the average May revenue in fiscal years 2017 through 2019. This trend continued

[26]In order to determine how revenues during the pandemic compared to revenues prior to the pandemic, we compared fiscal year 2020 and 2021 revenue data to the average revenues from the 3 years prior to the pandemic (fiscal years 2017 through 2019).

through the second half of fiscal year 2020, with the exception of August 2020, when revenues slightly exceeded the previous 3-year average, as shown in figure 1.

Figure 1: Executive Branch Agencies' Monthly Revenue from Dedicated User Fees, Fiscal Year 2020 Compared to Average Dedicated User Fee Revenue from Fiscal Years 2017 through 2019



Source: GAO analysis of Department of the Treasury data. | GAO-21-104325

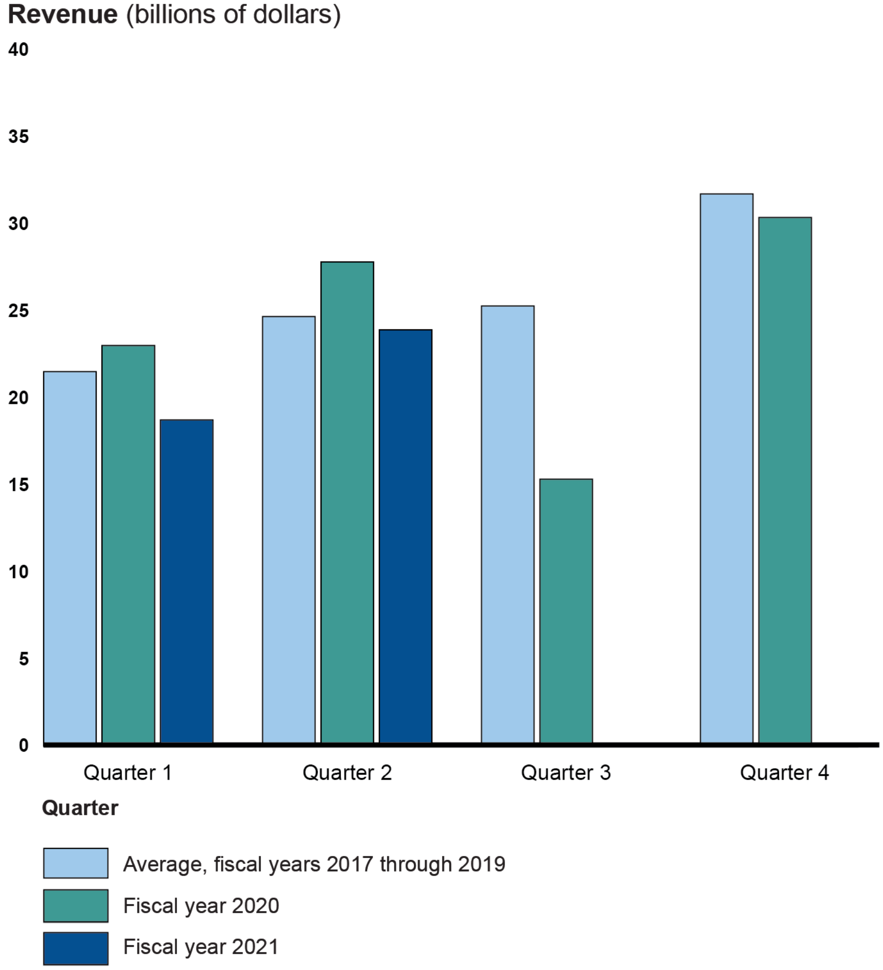
Notes: Due to the government shutdown that occurred from December 22, 2018, through January 25, 2019, the Department of the Treasury cancelled the reporting requirement for January 2019, resulting in zero revenue reflected for that month. The average value for that period is therefore smaller than it might have otherwise been without a government shutdown. For instance, the average dedicated user fee revenue across fiscal years 2017 and 2018 was approximately $6.1 billion, compared to the $4.1 billion average from fiscal years 2017 through 2019.

Because the Department of the Treasury does not require agencies to submit revenue data for October, we split revenue reported in November evenly across October and November to avoid having artificially high revenue reflected in this graph.

On average, for fiscal years 2017 through 2019, the amount of dedicated user fee revenue increased in each quarter. In fiscal year 2020, however, revenues decreased in the third quarter (April through June 2020), just after the U.S. government declared the COVID-19 pandemic a national emergency.

During the third quarter of fiscal year 2020, total dedicated user fee revenues across executive branch agencies were lower than the previous 3-year third quarter average by about 39 percent, or approximately $10.0 billion. These revenues were also lower in the fourth quarter of fiscal year 2020 compared to the previous 3-year average for that quarter by about 4 percent, or approximately $1.4 billion. In the first two quarters of fiscal year 2021, revenues remained lower than quarterly revenues collected in 2020 and average quarterly revenues collected from 2017 through 2019 (see fig. 2).

Figure 2: Executive Branch Agencies' Quarterly Revenue from Dedicated User Fees, Fiscal Years 2020 and 2021 Compared to Average Dedicated User Fee Revenue from Fiscal Years 2017 through 2019



Source: GAO analysis of Department of the Treasury data. | GAO-21-104325

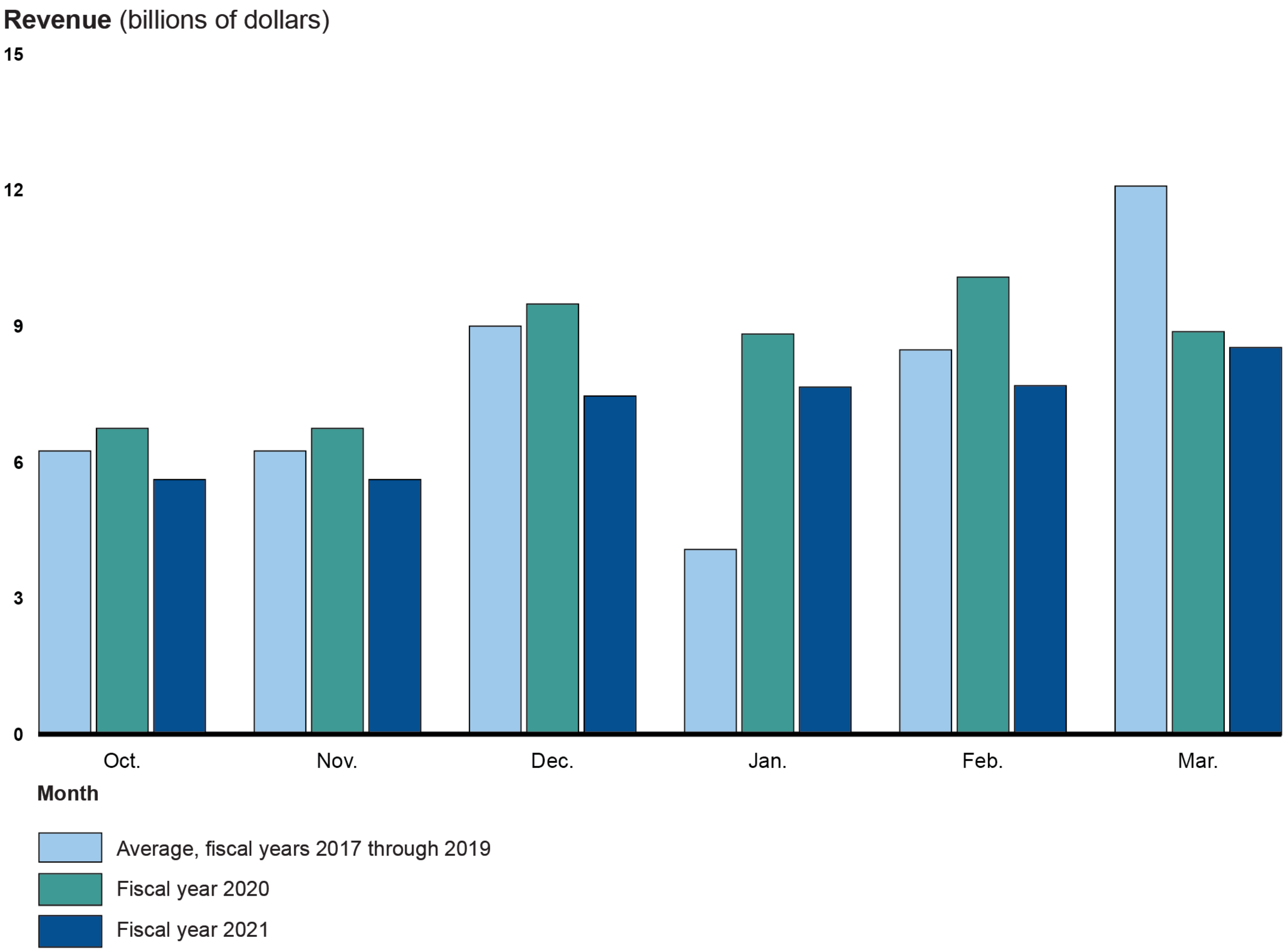
Notes: Due to the government shutdown that occurred from December 22, 2018, through January 25, 2019, the Department of the Treasury cancelled the reporting requirement for January 2019, resulting in zero revenue reflected for that month. Despite this, the average value for that second quarter is similar to what it might have otherwise been without a government shutdown. For instance, the average dedicated user fee revenue in the second quarter of fiscal years 2017 through 2019 was approximately $24.7 billion, compared to the $24.4 billion average across fiscal years 2017 and 2018.

Fiscal year 2021 data include revenue through March 31, 2021, or through the end of the second quarter, the most recent data available at the time of our analysis.

In fiscal year 2021, dedicated user fee revenue continued to be generally lower in comparison to average revenues from fiscal years 2017 through

2019. Revenues for fiscal year 2021 were lower than fiscal year 2020 revenues in all 6 months with available data, and lower than the average fiscal year 2017 through 2019 revenues for 5 of the 6 months with available data, as shown in figure 3.

Figure 3: Executive Branch Agencies' Monthly Revenue from Dedicated User Fees, First Half of Fiscal Years 2020 and 2021 Compared to Average Dedicated User Fee Revenue from Fiscal Years 2017 through 2019



Source: GAO analysis of Department of the Treasury data. | GAO-21-104325

Notes: Due to the government shutdown that occurred from December 22, 2018, through January 25, 2019, the Department of the Treasury cancelled the reporting requirement for January 2019, resulting in zero revenue reflected for that month. The average value for that period is therefore smaller than it might have otherwise been without a government shutdown. For instance, the average dedicated user fee revenue across fiscal years 2017 and 2018 was approximately $6.1 billion, compared to the $4.1 billion average from fiscal years 2017 through 2019.

Because the Department of the Treasury does not require agencies to submit revenue data for October, we split revenue reported in November evenly across October and November to avoid having artificially high revenue reflected in this graph.

A Majority of Executive Branch Agencies' Dedicated User Fee Revenue Declined in Fiscal Year 2020, Particularly in the Third Quarter

Dedicated user fee revenue declined in fiscal year 2020 for most of the 25 executive branch agencies that collected these revenues. Specifically, 16 of these 25 agencies collected lower revenues from dedicated user fees in fiscal year 2020 compared to the previous 3-year average, while seven agencies collected higher revenues. Two agencies had no revenue from dedicated user fees in fiscal years 2017 through 2019.

Some agencies had smaller declines in dedicated user fee revenue on an annual basis, but had much more severe declines on a quarterly basis. For example, the Department of Transportation had an approximately 11 percent decline in revenue in fiscal year 2020 compared to the previous 3-year average. However, in the third quarter (April 2020 to June 2020), Transportation had about a 63 percent decline in dedicated user fee revenue from the second quarter (January 2020 to March 2020). In comparison, its dedicated user fee revenue increased by about 3 percent, on average, from the second to third quarters in fiscal years 2017 through 2019. Overall, 18 of 25 executive branch agencies had dedicated user fee revenue declines from quarters 2 to 3 in fiscal year 2020, while seven agencies had increases.

Across all of the 25 executive branch agencies that collected dedicated user fee revenue in fiscal year 2020, there were 118 unique dedicated user fee accounts that had dedicated user fee revenue in fiscal years 2017 through 2019.[27] Of these accounts, 56 percent (66 accounts) had lower revenues from dedicated user fees in fiscal year 2020 compared to the previous 3-year average. Some dedicated user fee accounts did not have overall declines in fiscal year 2020, but had revenue changes in the third quarter following the onset of the COVID-19 pandemic. For example, Transportation's highest revenue-generating dedicated user fee account was the Highway Trust Fund. This account's revenues increased by about 1 percent in fiscal year 2020 compared to the previous 3-year average, but declined by about 45 percent from the second to third quarter of fiscal year 2020.

[27] An additional six accounts did not have dedicated user fee revenue in fiscal years 2017 through 2019.

Selected Agencies' Dedicated User Fee Revenues Decreased after the Onset of the Pandemic

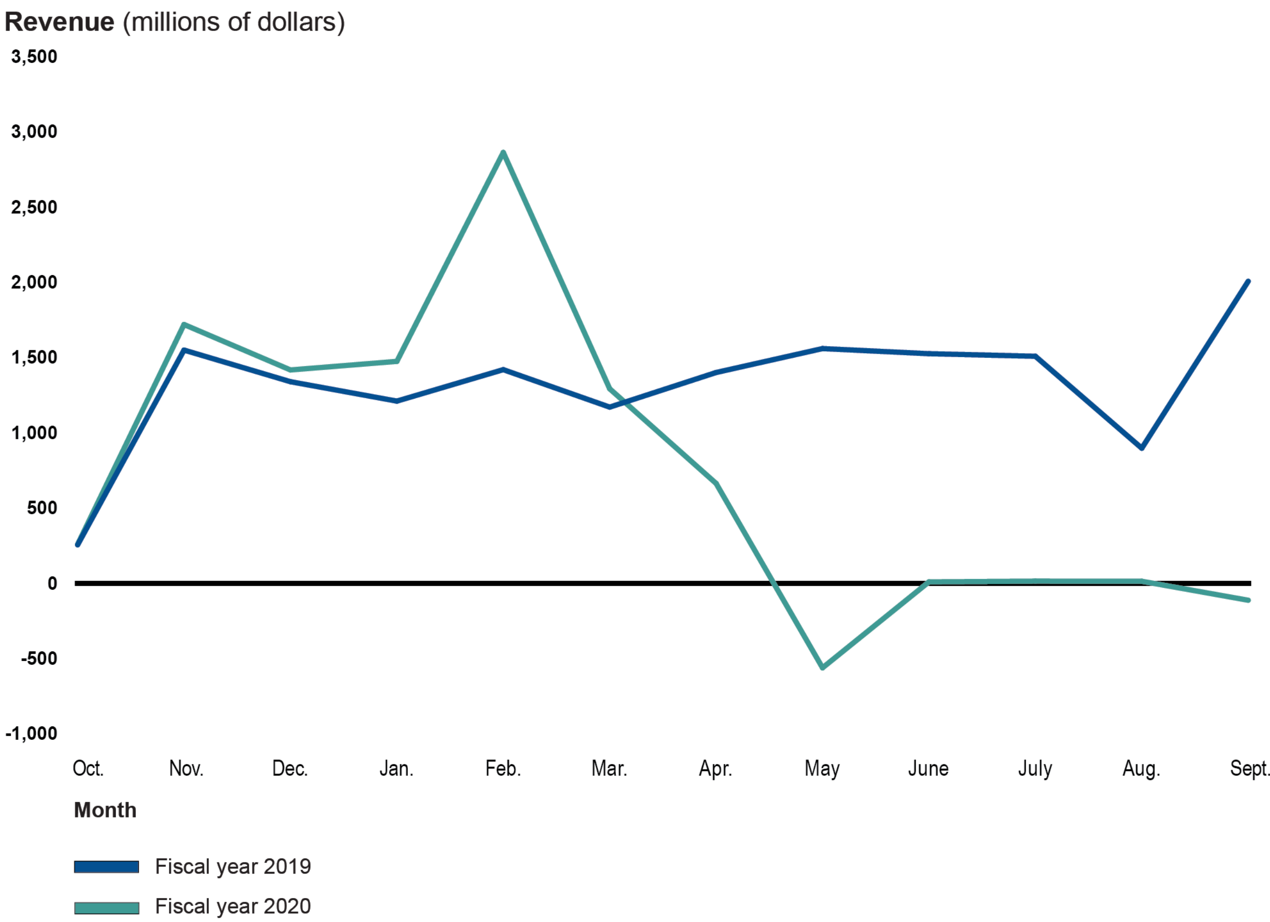
Gross Receipts That Fund FAA Fell during the Pandemic Due to a Tax Holiday and Decreased Air Travel Demand

In fiscal year 2020, the Airport and Airway Trust Fund (AATF)—which funds most of FAA's operations, investments, and grants—had gross receipts totaling approximately $9 billion, according to Monthly Treasury Statement data.[28] This amount was $6.8 billion (43 percent) lower than gross AATF receipts in fiscal year 2019, according to Monthly Treasury Statement data, as seen in figure 4.[29]

[28]In fiscal year 2020, approximately 97 percent of FAA's annual budget was appropriated from the AATF. This percentage excludes amounts appropriated to FAA by the CARES Act.

[29]Congress appropriated $14 billion to the AATF from general revenues in October 2020. Continuing Appropriations Act, 2021 and Other Extensions Act, Pub. L. No. 116-159, § 1204, 134 Stat. 709, 728 (2020). The additional funding ensured that FAA operations could continue despite the decreases in excise tax collections, according to FAA officials.

Figure 4: Airport and Airway Trust Fund Gross Receipts, Fiscal Years 2019 and 2020



Source: GAO analysis of the Department of the Treasury's Monthly Treasury Statement data. | GAO-21-104325

Notes: Gross receipts represent the total amount received by the U.S. government without regard to refunds or other offsets, for the month.

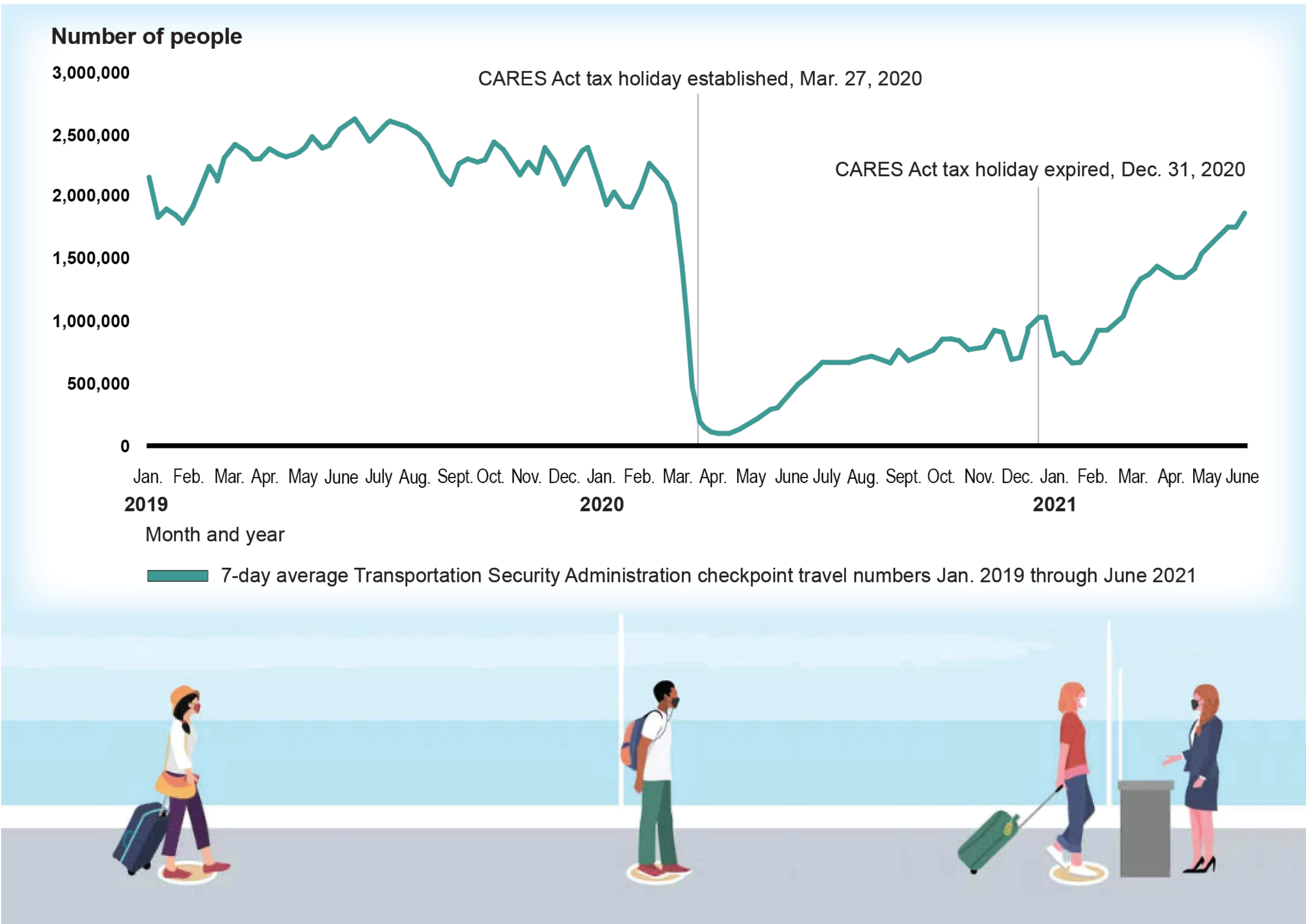
According to Federal Aviation Administration officials, some spikes in revenue are due to the Bureau of the Fiscal Service's quarterly certification of excise tax amounts collected into the Airport and Airway Trust Fund. For example, the February 2020 spike was the result of an approximately $1.46 billion upward adjustment for the quarter ending September 2019, according to officials. Similarly, negative revenue in May 2020 was the result of a downward adjustment of $150 million for the quarter ending December 2019.

On March 27, 2020, the CARES Act established a tax holiday for the remainder of 2020 for four of the six excise taxes that fund the AATF—transportation of persons by air, transportation of property by air, aviation fuel for commercial use, and use of international air facilities.[30] Receipts for these four excise taxes totaled approximately $7.1 billion in fiscal year 2020, or about 59 percent lower than the $17.4 billion collected in fiscal year 2019. These excise taxes collectively accounted for about 99 percent of fiscal year 2019 AATF gross excise tax collections.

Demand for air travel decreased during the pandemic, and this decreased demand continued into 2021 after the tax holiday expired on December 31, 2020, resulting in lower-than-usual excise tax revenues and potentially fewer AATF funds available for future appropriations to FAA in fiscal year 2022 and beyond, according to FAA officials. Figure 5 shows the 7-day average number of people who passed through Transportation Security Administration airport checkpoints from January 2019 to June 2021.

[30]Pub. L. No. 116-136, tit. IV, § 4007, 134 Stat. at 477, *codified at* 15 U.S.C. § 9046.

Figure 5: Seven-Day Average of Transportation Security Administration Airport Checkpoint Numbers, Jan. 2019 to June 2021

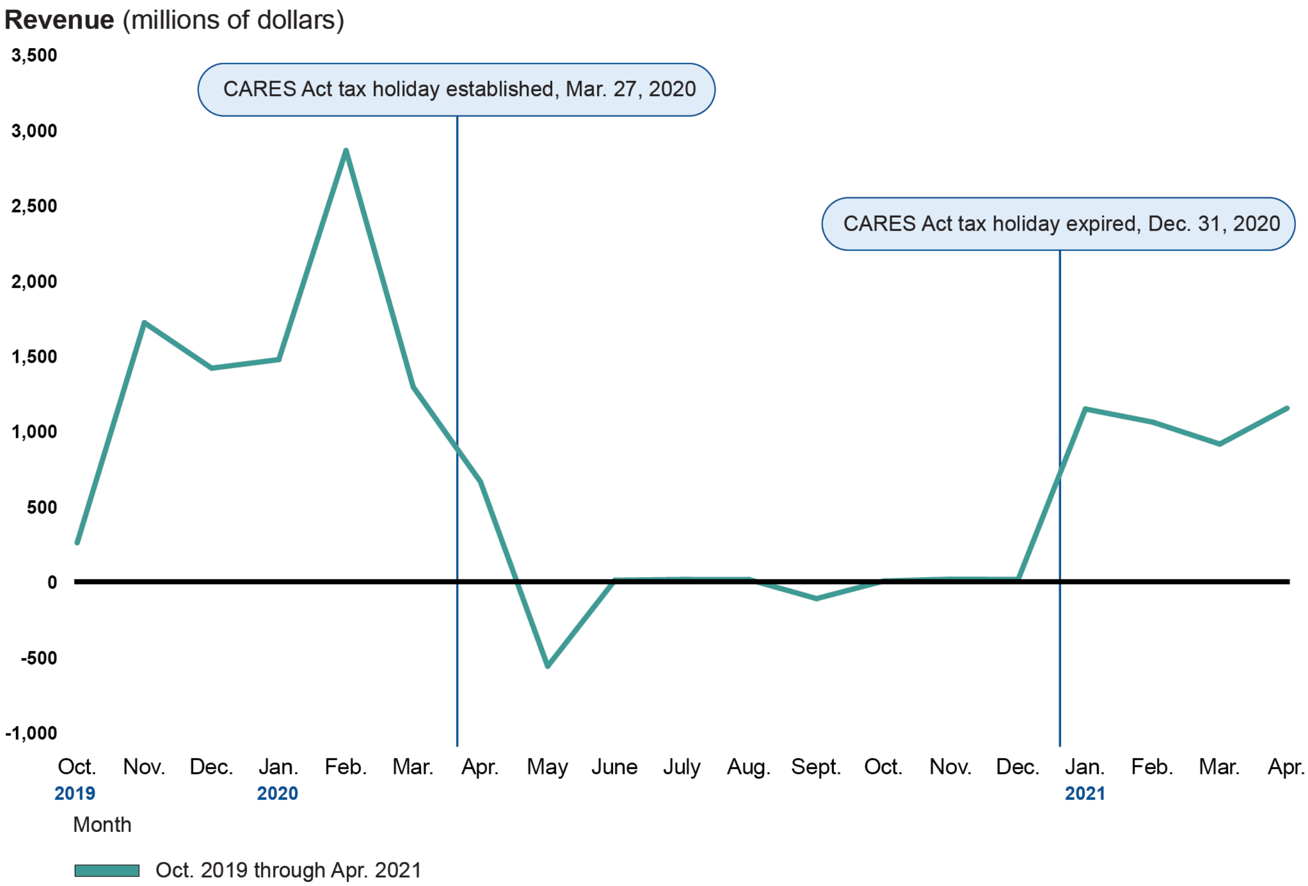


Source: GAO analysis of Transportation Security Administration airport checkpoint data. Voranee/stock/adobe.com. | GAO-21-104325

Note: We obtained Transportation Security Administration checkpoint travel numbers from https://www.tsa.gov/coronavirus/passenger-throughput, accessed July 20, 2021.

AATF revenues have increased in 2021, compared to 2020, due to both the expiration of the excise tax holiday and increased demand for air travel. However, average annual domestic airfare receipts dropped from $352.27 in 2019 to $292.20 in 2020, indicating that revenues may not fully recover until airfares also recover, even with increased demand for air travel.[31] Figure 6 shows that AATF gross receipts following the expiration of the tax holiday on December 31, 2020, continued to be lower than gross receipts prior to the implementation of the tax holiday on March 27, 2020.

Figure 6: Airport and Airway Trust Fund Gross Receipts, Oct. 2019 through Apr. 2021



Source: GAO analysis of the Department of the Treasury's Monthly Treasury Statement data. | GAO-21-104325

Notes: On March 27, 2020, the CARES Act established a tax holiday for certain excise taxes that fund the Airport and Airway Trust Fund. This tax holiday expired on December 31, 2020. Pub. L. No. 116-136, tit. IV, § 4007(c), 134 Stat. 281, 477 (2020), *codified at* 15 U.S.C. § 9046(c).

Gross receipts represent the total amount received by the U.S. government without regard to refunds or other offsets, for the month.

[31]Bureau of Transportation Statistics, Airline Origin & Destination Survey, *Average Domestic Airline Itinerary Fares*, accessed July 19, 2021, https://www.transtats.bts.gov/AVERAGEFARE/.

According to Federal Aviation Administration officials, some spikes in revenue are due to the Bureau of the Fiscal Service's quarterly certification of excise tax amounts collected into the Airport and Airway Trust Fund. For example, the February 2020 spike was the result of an approximately $1.46 billion upward adjustment for the quarter ending September 2019, according to officials. Similarly, negative revenue in May 2020 was the result of a downward adjustment of $150 million for the quarter ending December 2019.

The impact of the COVID-19 pandemic was unprecedented, according to FAA officials. For example, U.S. airlines carried 96.3 percent fewer scheduled service passengers in April 2020 than in April 2019, according to the Bureau of Transportation Statistics. The agency also reported that U.S. airlines carried 557 million fewer passengers in 2020 than in 2019, down 60 percent year-to-year.

NPS Revenues Decreased in Spring 2020 and Are Expected by NPS Officials to Be Lower Than Usual through Fiscal Year 2021

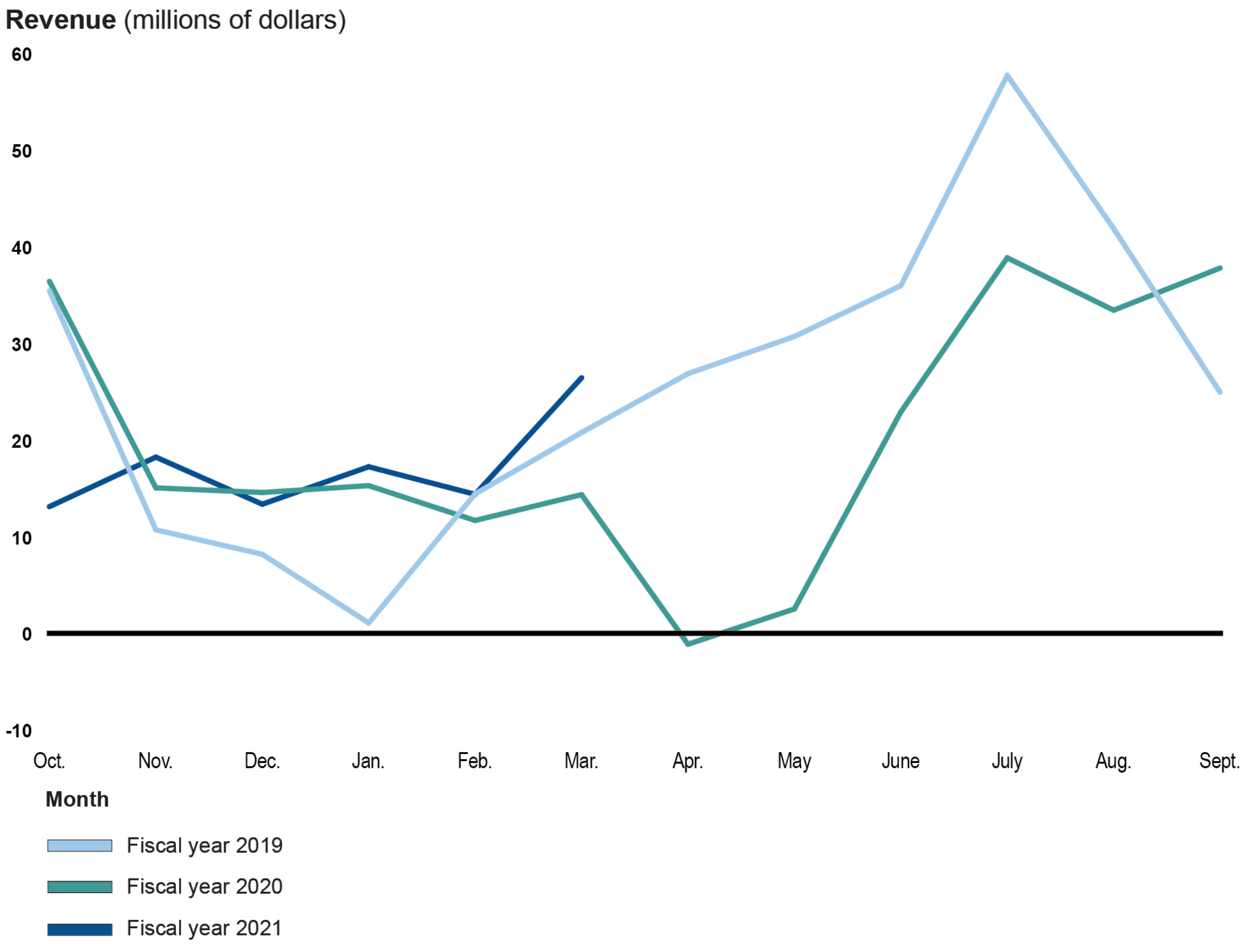
NPS revenues from dedicated user fees—those from recreation and concession franchise fees—were down overall in fiscal year 2020, despite being higher than fiscal year 2019 revenues in the months prior to March 2020. The primary contributor to reductions in recreation and concession franchise fee revenues in fiscal year 2020 was the change in consumer demand due to the COVID-19 pandemic, according to NPS officials. Unlike natural disasters that may affect some parks, the pandemic affected the entire park service, and NPS officials described the pandemic's disruption to operations and revenue as "substantial."

Recreation fees. Prior to the start of the pandemic, fiscal year 2020 recreation fee revenues from October 2019 through February 2020 ($93.5 million) were higher than the same period in fiscal year 2019 ($70.4 million). In fiscal year 2020 overall, however, NPS collected $243 million in revenue from recreation fees. This amount was about 29 percent lower than projected fiscal year 2020 collections ($344.6 million) and about 22 percent lower than fiscal year 2019 collections ($309.9 million). According to NPS officials, the lower revenue resulted in fewer funds available for the execution of projects and program management at NPS parks.

Even with lower dedicated user fee revenues across the agency in fiscal year 2020, some NPS parks collected increased recreation fee revenues depending on location, according to NPS officials. Recreation fee revenues are driven by park visitation, and consumer demand varies by park, according to NPS officials. For example, these officials told us that some NPS parks have been particularly affected by revenue loss, while others have seen higher-than-ever demand for activities such as boating or camping. These increases in recreation fee revenues were potentially due to higher demand for outdoor activities during the COVID-19 pandemic.

NPS expected fiscal year 2021 recreation fee revenues to be similar to fiscal year 2020 revenues. In the first half of fiscal year 2020, however, recreation fee revenues were higher in some months than revenues for those months in fiscal year 2019, as shown in figure 7.

Figure 7: National Park Service Recreation Fee Revenue, Oct. 2018 through Mar. 2021

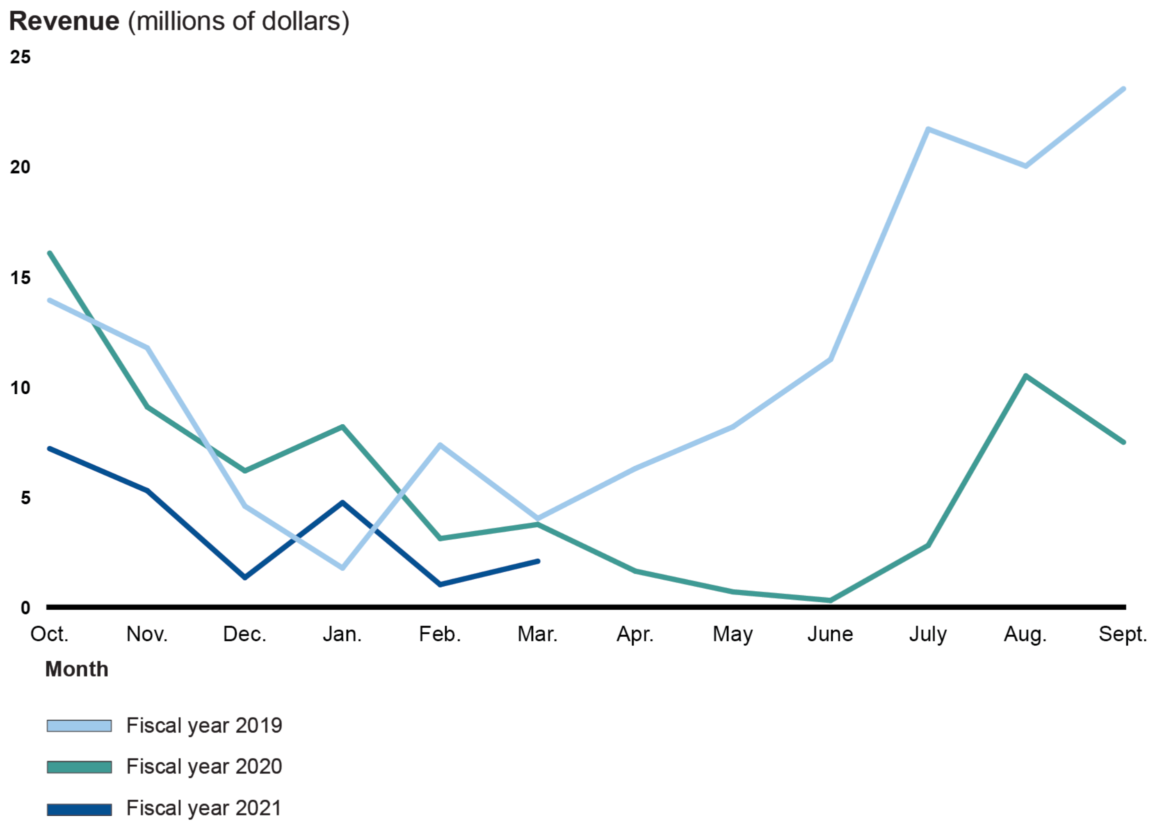


Source: GAO analysis of National Park Service recreation fee revenue data. | GAO-21-104325

Note: According to National Park Service officials, negative recreation fee revenue in April 2020 was due to mass recreation.gov refunds from facility closures due to the Coronavirus Disease 2019 pandemic.

Concession franchise fees. From October 2019 to February 2020, NPS collected $42.6 million in concession franchise fee revenue. This amount was 8.3 percent higher than concession franchise fee revenues collected during the same period in fiscal year 2019 ($39.4 million). By March 2020, however, concession franchise fee revenues were lower than in fiscal year 2019, a trend that continued for the remainder of fiscal year 2020. These revenues totaled $69.8 million in fiscal year 2020. This amount was about 50 percent lower than projected fiscal year 2020 collections ($138.4 million) and about 48 percent lower than fiscal year 2019 collections ($134.3 million). Overall, concession franchise fee revenues have generally been lower than in fiscal year 2019 since the pandemic began, and NPS expects these revenues to remain lower than fiscal year 2019 revenues for the next few fiscal years. Figure 8 shows concession franchise fee revenue for fiscal years 2020 and 2021, through March 2021, compared to concession franchise fee revenues for fiscal year 2019.

Figure 8: National Park Service Concession Franchise Fee Revenue, Oct. 2018 through Mar. 2021



Source: GAO analysis of National Park Service concession franchise fee revenue data. | GAO-21-104325

Concession franchise fee revenues are based on concessioners that operate hospitality and recreation services in NPS parks. Public health regulations aimed at reducing the spread of COVID-19 affected NPS concessioners, according to NPS officials, including limited capacity in visitor centers and indoor dining restrictions. According to NPS officials, these changes have contributed to less revenue from concessions operations, resulting in fewer concession franchise fee revenues for NPS.

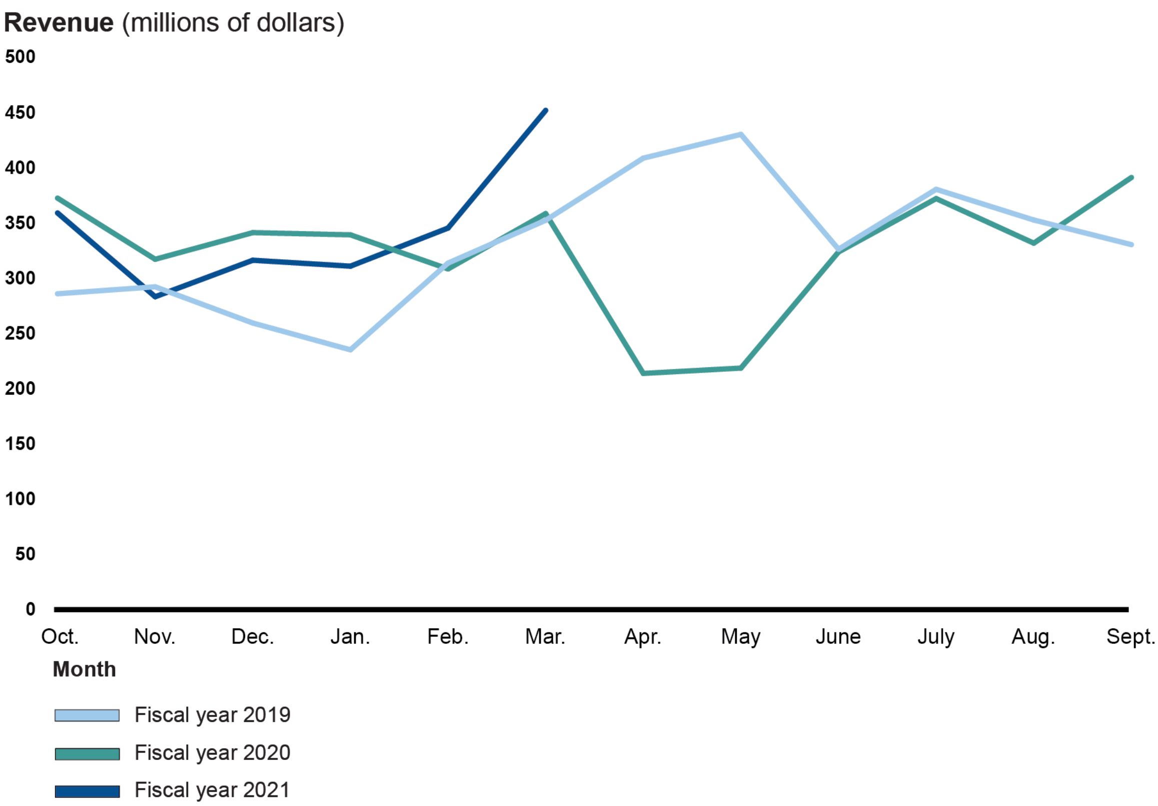
NPS collected nearly 50 percent of its annual concession franchise fee revenue in the last quarter of each fiscal year from 2015 through 2019. Because of this, parks typically spend money that they collected in the prior fiscal year to maintain operations early in a new fiscal year, according to NPS officials. In fiscal year 2020, however, NPS collected only about 30 percent of its concession franchise fee revenue in the last quarter. According to NPS officials, the agency will face uncertainty over the coming years about whether concession franchise fee revenues and spending will remain lower than normal.

USCIS Had Immediate Revenue Declines during the Pandemic, but Revenues Have Largely Recovered

USCIS revenues from dedicated user fees initially decreased following the declaration of the COVID-19 national emergency. Some of these revenue decreases were due to travel restrictions imposed by the U.S. and other countries following the emergency declaration and USCIS field office closures, according to USCIS officials.

The largest revenue decreases for USCIS's dedicated user fees occurred at the beginning of the pandemic when overall revenues decreased by about 40 percent. This decrease persisted for approximately 6 weeks in March to May 2020, according to USCIS officials, with the lowest revenues of the pandemic occurring in April 2020. Even with this dip in revenue, USCIS collected fee revenue between June 2020 and March 2021 that was generally equal to or higher than revenues from June 2019 through March 2020, as shown in figure 9.

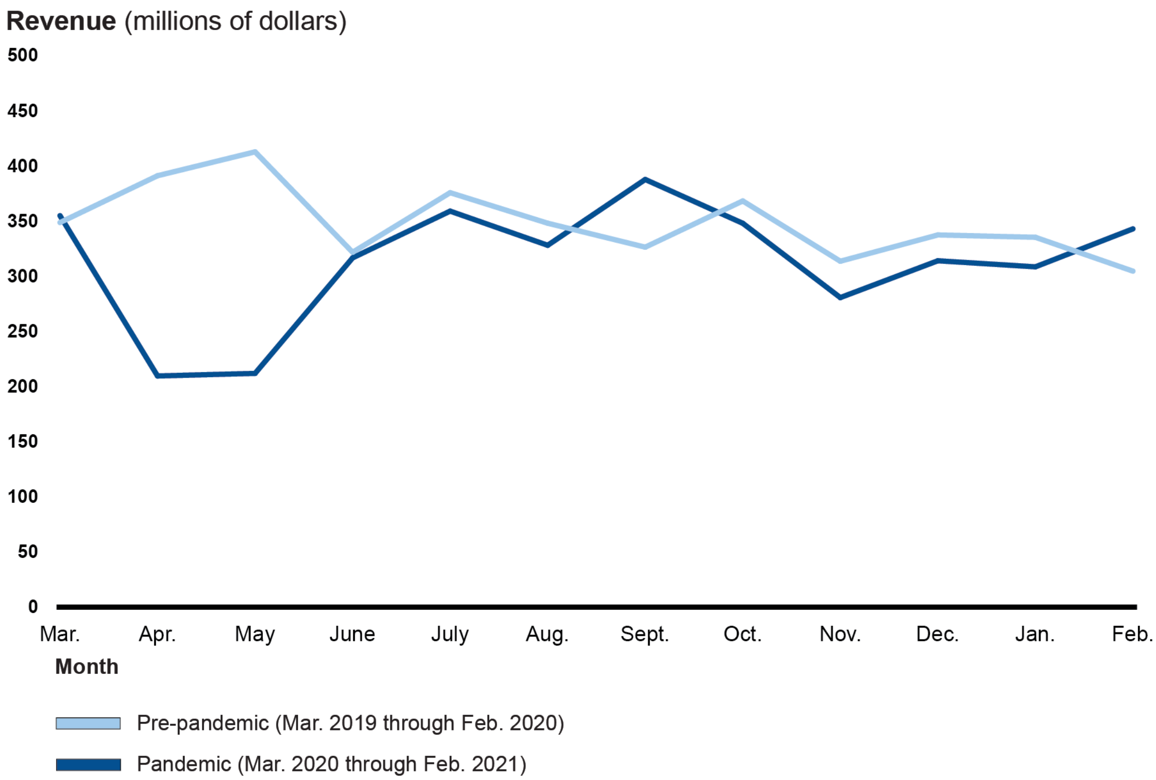
Figure 9: U.S. Citizenship and Immigration Services Fee Revenue, Oct. 2018 through Mar. 2021



Source: GAO analysis of U.S. Citizenship and Immigration Services fee revenue data. | GAO-21-104325

Revenue for USCIS's Immigration Examinations Fee Account (IEFA), the agency's largest fee account, decreased from $354.9 million in March 2020 to $209.6 million in April 2020, a drop of about 41 percent. While IEFA revenues initially fell, they began to increase in May 2020 and reached fiscal year 2019 levels in June 2020, as shown in figure 10.

Figure 10: U.S. Citizenship and Immigration Services Immigration Examinations Fee Account Revenue, Mar. 2020 through Feb. 2021 Compared to Mar. 2019 through Feb. 2020



Source: GAO analysis of U.S. Citizenship and Immigration Services Immigration Examinations Fee Account revenue data. | GAO-21-104325

While overall IEFA revenues were close to pre-pandemic levels by June 2020, recovery differed between non-premium IEFA revenues (i.e., revenue from fees collected for processing applications for immigration benefits) and premium IEFA revenues (i.e., revenue from fees collected for expedited review of certain applications). For example, non-premium IEFA revenue from October 2020 to March 2021 totaled $1.7 billion. This was $ 228.5 million (15.6 percent) higher than the $1.47 billion in projected revenue for that period.

While non-premium IEFA revenues had been higher than forecasted from October 2020 through March 2021, premium IEFA revenues during this period ($344.7 million) were approximately 16 percent lower than forecast ($410.1 million). USCIS officials primarily attributed this to Presidential Proclamations issued in 2020 suspending the entrance of non-immigrant workers into the U.S. through March 2021, which resulted in fewer non-immigrant application filings with USCIS.[32] According to USCIS officials, such non-immigrant applications drive premium processing fees and revenue. These officials said that although deviations from IEFA premium revenue forecasts were large, they were within historical ranges.

Revenue changes at USCIS also varied among the agency's approximately 100 forms. Some USCIS forms had increased submissions during the pandemic. For example, USCIS received an influx of I-539 forms, *Application to Extend/Change Nonimmigrant Status*, because the COVID-19 pandemic prevented people from traveling home to their countries of origin, according to USCIS officials.

Conversely, the immigrant visa workload decreased during the pandemic, according to USCIS officials. These officials told us that individuals seeking to immigrate to the U.S. would typically obtain a visa abroad from an embassy or consulate and then travel to the U.S. However, since the pandemic prevented most international travel, these types of immigrant visas decreased by over 90 percent, according to USCIS officials.

Selected Agencies Had Both Incidental Cost Savings and Additional Expenses as a Result of the COVID-19 Pandemic

Officials at all three selected agencies said they had marginal cost savings related to the pandemic, such as decreased costs for travel. Similarly, all three agencies incurred marginal expenses related to the pandemic, including personal protective equipment, enhanced cleaning services, and new signage, according to agency officials.

FAA officials told us the drop in air traffic since the pandemic began had little effect on FAA's costs, other than lower overtime costs because FAA did not staff at the levels it typically does for peak travel seasons. FAA did incur additional costs for expenses such as enhanced cleaning services in its buildings. Officials said that, although there has been some cost variation over time, these additional savings and costs generally offset each other.

According to NPS officials, the pandemic resulted in a general reduction in travel costs, but the agency incurred additional costs for expenses such

[32]See, for instance, Executive Office of the President, *Suspension of Entry as Immigrants and Nonimmigrants of Persons Who Pose a Risk of Transmitting 2019 Novel Coronavirus and Other Appropriate Measures To Address This Risk*, Proclamation 9984, 85 Fed. Reg. 6709 (Feb. 5, 2020); and *Suspension of Entry as Immigrants and Nonimmigrants of Certain Additional Persons Who Pose a Risk of Transmitting 2019 Novel Coronavirus*, Proclamation 9993, 85 Fed. Reg.15045 (Mar. 16, 2020).

as additional signs to inform park visitors of social distancing requirements during the pandemic (see fig. 11), personal protective equipment for staff, and Plexiglas barriers to separate and protect staff and visitors.

Figure 11: Sign to Promote Social Distancing in Great Falls Park, Virginia

Source: GAO file photo. | GAO-21-104325

USCIS had some cost savings associated with travel and training during the pandemic, as well as additional costs as a direct result of the pandemic, according to USCIS officials. These officials said the pandemic eliminated most travel and training at USCIS, as spending on these items declined due to health concerns related to the pandemic. USCIS's additional costs ranged across a wide variety of services, equipment, and supplies such as personal protective equipment, facility cleaning, air filters for buildings, and Plexiglas barriers for interview and customer service counters, according to officials. These officials said that, as of May 28, 2021, USCIS had obligated and expended $19.9 million for costs specifically related to the pandemic since it started tracking such costs on February 20, 2020.

Selected Agencies Enhanced Revenue Monitoring and Processes for Making Projections during the Pandemic

FAA Developed Revenue Projection Processes to Monitor Cash Flow and Activities during the Pandemic

Prior to the pandemic, FAA relied on Treasury's Office of Tax Analysis to project AATF revenues, according to FAA officials.[33] These officials told us they closely monitored the revenues and cash balances of the AATF prior to the pandemic for two general purposes:

- **Recommending to Congress an allocation between the AATF and general revenues.** In order to do that, officials said they need a sense of what the AATF balances are and what they are likely to be.
- **Internal control over financial recording.** Although FAA does not record excise tax receipts, agency officials said they have a responsibility to oversee their agency's financial statements, and to follow up on anything that seems irregular.

[33]According to FAA officials, Treasury took responsibility for AATF revenue projections in 2011 to align with its projections responsibilities for other agencies. FAA does not manage the collection of revenues that support the AATF, as Treasury collects those revenues based on tax provisions written in U.S. law. Pub. L. No. 91-258, § 208, 84 Stat. at 250, *codified at* 26 U.S.C. § 9502(b).

FAA officials told us they also relied on data from Treasury to monitor actual AATF excise tax receipt figures prior to the pandemic. Treasury's Bureau of the Fiscal Service provides data on actual AATF revenues on a quarterly basis, according to FAA officials. These officials told us that FAA receives a monthly statement from the Bureau of the Fiscal Service and has therefore never had "real-time" data on AATF balances. This limitation did not negatively affect FAA's financial monitoring prior to the pandemic, according to FAA officials, even if revenues were less than Treasury projected, as the trust fund historically had balances large enough to cover FAA obligations and outlays.

During the pandemic, however, these limitations led FAA to develop its own internal AATF revenue projections, according to FAA officials. Officials told us they based their AATF revenue projections for calendar year 2021 on a wide variety of sources, including

- airline filings with the U.S. Securities and Exchange Commission;
- guidance and investor updates from airlines that provide short-term forecasts of operations, load factors (percent of occupied seats on flights), and price changes;
- published data on weekly traffic levels;
- historical data on AATF revenues;
- Transportation Security Administration passenger screening statistics;
- conversations with industry executives; and
- forecasts from sources such as Moody's and Standard & Poor's.

FAA officials told us they also based revenue projections during the pandemic on assumptions about current and future air traffic levels—including when air traffic might return to normal levels—to determine how much the AATF might have been affected by the pandemic after the expiration of the tax holiday on December 31, 2020. Additionally, during the pandemic, FAA officials also said that they reviewed AATF balances in more detail than they had previously. For example, officials reported that they began calculating the trust fund's unobligated balances, which they said was a more precise measure of available funding than the uncommitted balance that they had used as a metric in the past.[34]

NPS Used Established Approaches for Evaluating Revenues and Costs during the Pandemic

NPS officials told us that prior to the pandemic, they typically examined planned spending for recreation and concession franchise fee revenues on an annual basis. For recreation fee revenues, parks conducted an annual 5-year project prioritization exercise each fiscal year to determine spending plans, according to NPS officials, and they continued adjusting these plans as needed throughout the year. Similarly, for concession franchise fee revenues, NPS headquarters staff typically looked at park spending plans once a year and engaged with regional and park officials to update them as needed, according to NPS officials.

During the pandemic, parks began monitoring recreation and concession franchise fee revenues and evaluating planned projects funded by these revenues on a more frequent basis than in typical years, according to NPS officials. These officials said that NPS instructed parks to conduct their recreation and concession franchise fee revenue and project prioritization reviews in April 2020 to reevaluate spending priorities. This iteration of the exercises included a new rating system where parks could indicate which projects were necessary to continue, which could continue if additional funding became available, and which could be delayed until future years, according to NPS officials.

NPS also continued its pre-pandemic process of tracking park revenues and obligations on a monthly basis during the pandemic, according to NPS officials. NPS parks did not have a mandate to examine their revenues more frequently than monthly during the pandemic, but they had the ability to do so by checking register receipt amounts or conducting fee deposit reconciliation against data in their accounting systems, according to NPS officials.

NPS officials said the pandemic reinforced that the processes in place were valuable and able to be used beyond the annual exercise. For example, officials said the cash flow tools used to monitor concession franchise fee revenues helped parks make adjustments as these revenues changed during the pandemic. NPS officials said the pandemic

[34]The uncommitted balance is the amount of cash in excess of what is required to cover future expenditures of unpaid budget authority, or the amount of the AATF cash balance that is “unclaimed” by existing appropriations, according to an FAA projections document. The unobligated balance is the amount of budget authority that remains available for obligation in unexpired accounts.

demonstrated to park staff that the revenue and project prioritization processes that rely on local input and knowledge are effective in emergency situations.

USCIS Reevaluated Its Revenue Projections Multiple Times during the Pandemic

After the pandemic began, USCIS had decreases in revenue that led it to reevaluate its revenue projections more frequently in fiscal year 2020, according to officials.[35] The agency revised its revenue and workload projections in April, June, and July 2020 due to uncertainty resulting from the pandemic. Additionally, officials said that during the pandemic, they regularly evaluated volume and revenue performance compared to both forecasted amounts and prior-year actual amounts.

Volume Projection Committee

U.S. Citizenship and Immigration Services (USCIS) has a Volume Projection Committee that projects and periodically updates form application and petition volume estimates for workforce, resource, and production planning purposes. For example, the committee identifies upcoming policy changes that could affect the number of people applying for certain forms and will adjust projections accordingly.

The committee develops and formally reviews these workload projections at least twice every fiscal year and disseminates the projections for public review at least once a year.

Primary committee membership comprises representatives from the following USCIS offices:

- Service Center Operations Directorate;
- Field Operations Directorate;
- Refugee, Asylum and International Operations Directorate;
- the Office of the Chief Financial Officer;
- the Office of Policy and Strategy; and
- the Office of Performance and Quality.

Source: USCIS Volume Projection Committee charter document and interviews with USCIS officials. | GAO-21-104325

USCIS did not conduct stakeholder consultation with its Volume Projection Committee for revenue and workload projections during the pandemic, as it normally would have, according to agency officials. These officials said that if revised forecasts are determined to be necessary going forward, USCIS will attempt to consult with a larger range of Directorates and Program Offices than it was able to in fiscal year 2020. At that time, the severity and unprecedented nature of the situation required rapid action by a few critical participants, according to officials. These officials said they were operating under a crisis mentality to produce new numbers rapidly during the pandemic, so there was little time for the typical revision process.

In addition to revising revenue projections more frequently, USCIS officials told us they monitored and communicated about revenue trends more frequently during the pandemic. These officials said that prior to the pandemic, they monitored revenue and communicated this information to agency leadership on a monthly basis but began doing this weekly during the pandemic. Having more timely revenue data allowed agency leadership to make decisions with the most up-to-date information during the pandemic, according to USCIS officials. Officials told us this practice would likely continue after the pandemic. Having timely information is paramount for the agency's cash flow management as it allows quick identification of emerging trends, according to USCIS officials. These officials said they will determine the need to revise projections if revenue

[35]According to USCIS officials, the agency conducts an annual revenue projection exercise, focusing on the following fiscal year, and typically does not reevaluate its projections, which have been within 2 percent of actual collections over the 5 fiscal years prior to fiscal year 2021. This includes fiscal year 2020, according to officials, which finished with revenue collections within 1.7 percent of original projections despite significant revenue dips in April and May 2020.

substantially differs from projected amounts or if form-filing behavior undergoes rapid, unexplained changes.

During the pandemic, USCIS also began monitoring non-payroll spending more closely. Rather than planning one quarter ahead, as it had done historically, officials said they examined non-payroll spending in 1- or 2-month increments during the pandemic to determine which items to obligate. This increased frequency led agency leadership to examine funding needs more closely and obligate smaller amounts at a time, according to USCIS officials. These officials told us that they intended to reserve as much funding as possible in order to have funds available to continue operations in case revenue continued to decline.

Officials said that they felt confident in USCIS's fiscal year 2021 workload and revenue projections and saw no indication at the time of our review that additional revisions would be necessary for fiscal year 2021. Based on their experience during the pandemic, USCIS officials said that the Volume Projection Committee now considers at each meeting whether the projections should be revised, which it did not routinely consider prior to the pandemic.

Two of Three Selected Agencies Have Not Reviewed Certain Monitoring and Management Processes Used during the Pandemic

Selected Agencies' Efforts Prioritized Essential Expenses, but FAA Has No Formal Review Process for Cash Management Plan

In response to revenue declines and instability during the COVID-19 pandemic, all three selected agencies prioritized spending on essential expenses and either implemented or planned to implement cuts in areas not deemed mission-critical, as necessary. NPS and USCIS achieved cost savings by limiting or delaying projects or contracts.

FAA. In response to the pandemic, FAA drafted a cash management plan that it could have used during the pandemic in the event Congress had not provided an appropriation, according to agency officials. The plan contained measures to help FAA carry out mission-critical functions in a time of AATF revenue instability. FAA planned to implement the cash management plan in October 2020 absent any appropriation from Congress, according to agency officials. These officials told us FAA developed the plan in coordination with the Department of Transportation and the Federal Highway Administration, incorporating lessons learned from the Federal Highway Administration's existing cash management plan for the Highway Trust Fund.

Each step in the cash management plan featured potential actions that FAA would have taken to manage obligations and cash during a period when the AATF's revenues and balances declined. For example, the plan included an option to minimize obligations that were not mission-critical, with the intent of making funds available to cover payroll. According to FAA officials, many individual components of the plan were relatively small compared to the payroll expense and would have taken time to have any effect on the agency's cash availability. The cash management plan also described the possible need to operate in a "shutdown" mode similar to what happens when there is a lapse in appropriations and authorization. This option would have been triggered when the AATF cash balance reached a level that was insufficient to make new obligations.

Agency officials told us they had internal discussions about implementing the initial phases of the plan prior to October 2020 based on AATF projections. However, they said that they delayed execution of the plan because discussions with Congress indicated that the AATF was likely to receive additional funding. According to these officials, FAA ultimately did not need to use its cash management plan because Congress appropriated additional funding to the AATF at the beginning of October 2020.[36]

FAA officials explained that the cash management plan we reviewed represented the circumstances and the agency's options and priorities at the time they drafted the plan. While FAA drafted this plan in direct response to the COVID-19 pandemic, FAA officials told us they planned to reassess the cash management plan to determine whether the plan reflects the best options for FAA to address any potential future periods of revenue instability. These officials said that doing so would better prepare the agency if it needs to activate the plan in the future and noted that the

[36]*See* Pub. L. No. 116-159, § 1205, 134 Stat. at 728.

plan should offer a number of options for officials to consider, depending upon the situation.

FAA and Department of Transportation officials stressed that each potential period of revenue instability requires its own set of options and priorities. A senior Department of Transportation official also told us that the cash management plan would need to be customized for any future period of revenue instability. This official said that going through the planning process in advance of any periods of revenue instability would help protect internal controls at FAA. A senior FAA official from the Office of Finance and Management told us that the agency may review the cash management plan in fall 2021 and annually thereafter to help ensure it aligns with leadership priorities. However, the agency does not have any formal written plans or timeframes in place for conducting such a review, in part because the additional appropriation into the AATF reduced the imminent risk of revenue instability, according to FAA officials.

Standards for Internal Control in the Federal Government state that agencies should implement control activities—procedures, techniques, and mechanisms—through policies, in part by documenting and periodically reviewing those policies.[37] For example, agencies can document the offices responsible for assessing policies and procedures, such as those found in FAA's cash management plan. Agencies can also periodically review policies and procedures for continued relevance and effectiveness in addressing related risks, as well as document the planned timing of those reviews.

Additionally, Congress, OMB, or other entities may change an agency's objectives or how an agency achieves those objectives, according to *Standards for Internal Control in the Federal Government*. The agency can then consider these changes in its periodic review of policies. By developing and documenting processes for reviewing its cash management plan to align with leadership priorities, FAA can better prepare for and respond to potential future periods of revenue instability.

[37]GAO-14-704G.

National Parks Deferred Projects and Made Staffing Changes to Curtail Spending During the Pandemic

- Grand Teton National Park officials told us they deferred a paving project in fiscal year 2020 that would have been funded with recreation fee revenue, after determining that they could return to the project the following year without an adverse effect.
- Yosemite National Park officials told us they made staffing decisions based on available recreation fee revenue in fiscal year 2020.
- Statue of Liberty National Monument officials told us they did not hire any summer staff and curtailed all permanent hiring.

Source: National Park Service information. | GAO-21-104325

NPS. To address revenue declines during the pandemic, NPS used its existing cash flow analyses to prioritize spending at individual parks for critical projects and staffing, according to NPS officials. These officials said the agency's use of cash flow plans at the park level allowed parks to prioritize projects and identify those that could be deferred until collections returned to normal levels.

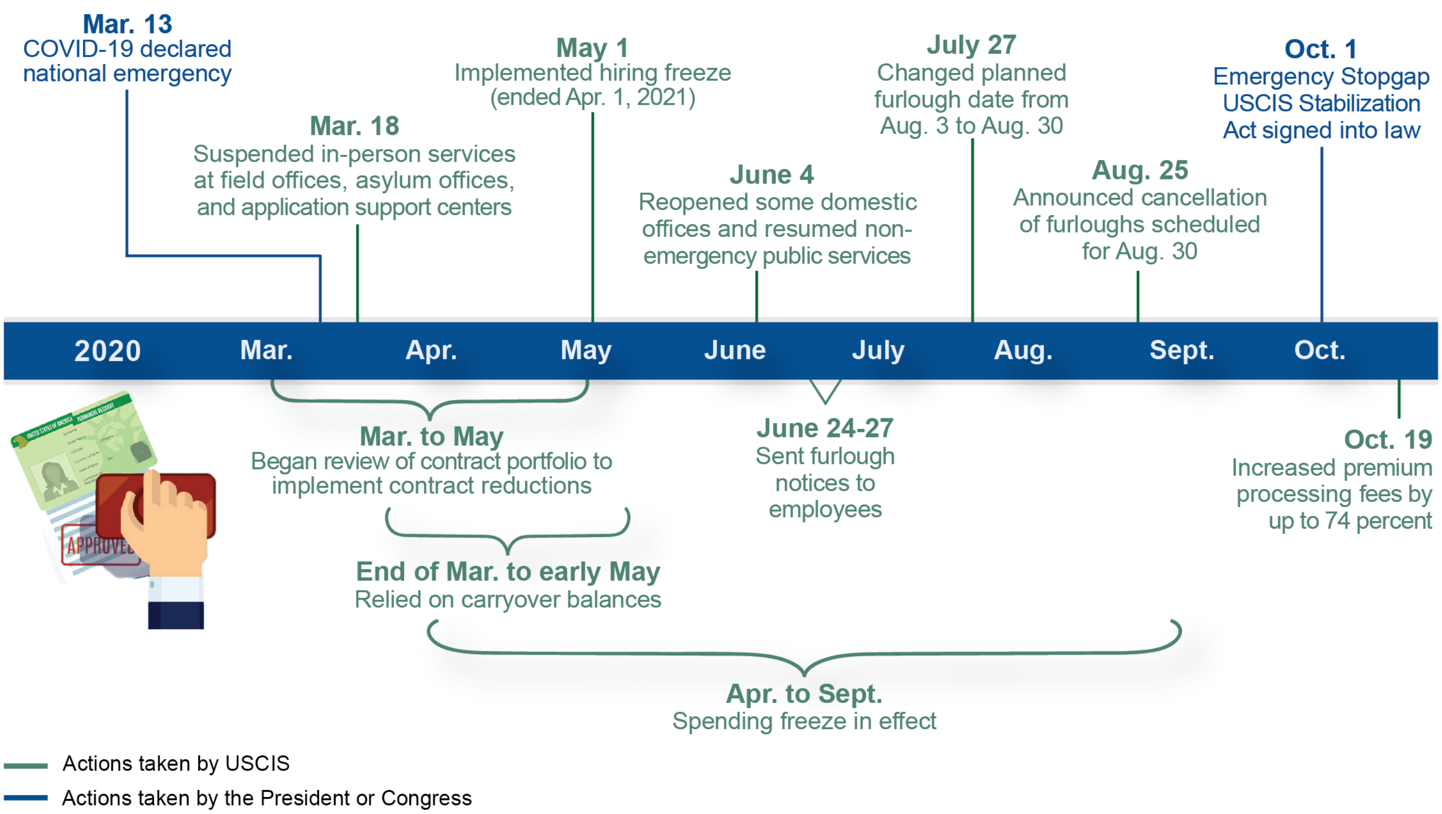
These officials told us that the projects that parks prioritized tended to relate to essential activities like maintenance, repairs, and custodial services. Deferred projects included activities such as research studies, printing park publications, or non-essential maintenance of trails or boundary fences. In addition to deferring projects, some parks implemented reductions or delays in staffing or contracts in the face of decreased visitation and revenue declines during the pandemic.

USCIS. In response to revenue declines and uncertainty caused by the pandemic, USCIS officials told us that they evaluated anticipated expenses and prioritized those that would enable the agency to continue providing the services that support its core mission. During the pandemic, USCIS prioritized payroll—which accounts for 50 percent of the agency's budget—and other mission-critical expenses, such as rents, utilities, leases, and physical security costs, according to USCIS officials. For all other costs, USCIS implemented a spending freeze, expending funds on an as-needed basis in the third and fourth quarters of fiscal year 2020.

USCIS officials told us they initially determined they would need to furlough staff to maintain solvency after examining revenue projections alongside essential spending. They developed a register of staff they planned to furlough, and in June 2020 sent furlough notices to approximately 13,400 affected employees. USCIS postponed its formal furlough plans, and eventually cancelled them in August 2020, as a combination of revenues returning to normal levels and cost-saving measures improved the agency's financial situation.

USCIS achieved significant cost savings through contract reductions and the implementation of a hiring freeze that was in place from May 2020 to April 2021, according to agency officials. In fiscal year 2020, USCIS officials conducted a review of the entire contract portfolio to identify and prioritize funding for contracts that provided the most critical mission-essential services, such as information technology contracts to maintain operations and secure networks and case management systems. Through a combination of contract delays and reductions, USCIS's net obligations on contracts in fiscal year 2020 were approximately $500 million less than in fiscal year 2019, according to USCIS officials. Figure 12 shows these and other cost-cutting actions USCIS took to manage revenue instability during the COVID-19 pandemic.

Figure 12: Timeline Depicting Major Cost-Cutting Actions Taken by U.S. Citizenship and Immigration Services during the COVID-19 Pandemic



Source: GAO analysis of U.S. Citizenship and Immigration Services (USCIS) information. K3Star/bearsky23/stock/adobe.com | GAO-21-104325

Note: The Emergency Stopgap USCIS Stabilization Act was enacted within the Consolidated Appropriations Act, 2021 and Other Extensions Act. Pub. L. No. 116-159, div. D, tit. I, 134 Stat. 709, 738 (2020).

Selected Agencies Sought to Increase Available Funds and Operational Flexibilities during the COVID-19 Pandemic

As selected agencies had declines in revenue during the COVID-19 pandemic, they each—to a varying extent—sought new flexibilities or funding.

FAA. FAA officials said they worked with Congress on addressing the AATF's revenue instability during the pandemic using alternate funding. These officials said that when FAA's tracking of the AATF suggested the balance could drop to zero in fiscal year 2021, the agency consulted with, and provided technical assistance to, Congress to identify a solution. According to FAA officials, Congress developed various proposals and ultimately appropriated $14 billion from general revenues to the AATF.[38] These officials told us the $14 billion will support FAA's activities and accounts through all of fiscal year 2021 and into fiscal year 2022, thus mitigating the forecasted revenue instability.

With the combined effects of the public health emergency and the tax holiday, fiscal year 2020 was the first time that the AATF had a decrease in receipts that was both significant and sudden enough that Congress could not address the source of FAA's funding through its annual appropriations process, according to FAA officials. The passage of the CARES Act tax holiday on March 27, 2020, occurred soon after FAA's fiscal year 2020 appropriations became law (December 20, 2019) and the agency delivered its fiscal year 2021 budget request to Congress (February 10, 2020).

Because of this timing, AATF revenue instability resulting from the pandemic would not have been addressed for at least half a year during the fiscal year 2021 appropriations process, according to FAA officials. Instead, Congress remediated the AATF's revenue decline through a general revenue additional appropriation to the trust fund. FAA officials said they will continue to monitor the outlays, receipts, and cash balances of the AATF and recommend an appropriate general revenue share of funding in the annual President's Budget request to Congress going forward.

NPS. To address revenue declines during the pandemic, NPS sought additional funds for one park to cover security-related expenses that would normally be funded by revenue from fees, according to agency officials. These officials told us they worked with the Department of the Interior to obtain $7.9 million in funding for Statue of Liberty National Monument through the department's CARES Act appropriation for these expenses.[39] These security services comprise more than half of the park's operating budget from fee revenue, according to NPS officials, and are normally supported by fees from concessioners.

NPS officials told us the CARES Act funding the Department of the Interior allocated to the park was vital in addressing the park's significant

[38]Pub. L. No. 116-159, div. B, tit. II, § 1205, 134 Stat. at 728.

[39]Pub. L. No. 116-136, 134 Stat. at 547.

revenue declines during the pandemic. NPS officials said they planned to communicate the agency's budgetary priorities to Congress through the President's Budget request, to address additional needs resulting from the pandemic in the long term.

USCIS. USCIS officials said they worked with Congress in summer 2020 on legislation to allow flexibilities in the use of revenues from premium processing fees, which agency officials said helped them manage revenue declines during the pandemic.[40] Congress granted these flexibilities in the Emergency Stopgap USCIS Stabilization Act.[41] The law increased the premium processing fee amounts, expanded the number of forms eligible for premium processing, and provided additional flexibilities on the purposes for which premium processing funds can be used. USCIS officials said they would continue to address future fund availability through timely biennial fee reviews, as required by OMB Circular No. A-25.

Selected Agencies Relied on Carryover and Cash Balances during the Pandemic, but NPS Has Not Completed a Planned Review of Target Balances

With decreased incoming revenues from dedicated user fees during the pandemic, selected agencies relied to varying degrees on existing cash balances carried over from previous years and the first half of fiscal year 2020 to cover essential expenses.

FAA. During the pandemic, FAA executed its budget as required by law, according to FAA officials, relying on AATF cash balances that were not replenished by incoming revenue from waived aviation excise taxes. With the cessation of virtually all revenue to the AATF under the tax holiday, which was in place from March 27, 2020, through the end of calendar year 2020, FAA relied almost exclusively on AATF cash balances to execute its budget as normal, according to agency officials. When Congress appropriated an additional $14 billion to the AATF in October 2020, FAA no longer needed to rely almost completely on existing cash balances within the trust fund, according to these officials.[42] In addition, new revenue from aviation excise taxes resumed with the expiration of the tax holiday, although passenger volume had not yet returned to pre-pandemic levels as of June 2021.

[40]USCIS offers an optional service in which applicants pay an additional filing fee to expedite the adjudication of certain forms to within generally 15 days.

[41]Pub. L. No. 116-159, div. D, tit. I, § 4102, 134 Stat. at 738.

[42]Pub. L. No. 116-159, div. B, tit. II, § 1205, 134 Stat. at 728.

NPS. NPS parks relied on carryover balances during the pandemic to varying extents, depending on local circumstances regarding both the pandemic and spending plans or patterns, according to NPS officials.

Grand Teton National Park Visitation Reached Record Levels in Fall 2020

Grand Teton National Park closed due to the pandemic on March 24, 2020, beginning its visitor season in mid-May with lower attendance than normal. The number of visitors to the park increased to typical levels from June to August 2020, and then increased to record levels in fall 2020. In October 2020, for example, Grand Teton National Park hosted an estimated 351,000 recreation visits—an 88 percent increase compared to October 2019 and an all-time high for visitation for that month.

Source: National Park Service information. | GAO-21-104325

For example, Grand Teton National Park typically relies on carryover balances from high spring and summer visitation to sustain operations in the beginning of the new fiscal year in the fall, according to NPS officials. Upon reopening after a 2-month closure in spring 2020, visitation at Grand Teton National Park soon rebounded to pre-pandemic and then record levels. This resulted in higher-than-expected revenue and a sufficient carryover balance, which prevented the park from having to make additional spending cuts during fiscal year 2021, according to NPS officials.

Other parks, such as Yosemite National Park, do not generally rely on carryover funds and do not typically maintain high carryover balances, according to NPS officials. Prior to the pandemic, however, Yosemite National Park set aside concession franchise fee revenue for a project the park planned to start in fiscal year 2022. Park officials told us they were able to divert these funds to cover fixed costs early in fiscal year 2021 as they faced revenue declines from pandemic-related caps on visitation.

NPS headquarters monitors uncommitted balances that parks carry over each year for both recreation and concession franchise fee funds, according to NPS officials. While NPS manages concession franchise fee unobligated carryover on a case-by-case basis, according to these officials, a February 2010 policy requires all parks that collect over $500,000 in recreation fees annually to carry over no more than 35 percent of the previous year's recreation fee revenue. NPS put this policy in place to encourage parks to spend recreation fee revenue to enhance visitors' park experiences rather than continuing to grow unobligated carryover balances indefinitely, according to NPS officials.

NPS implemented the 35 percent carryover target policy at parks to meet an agency-wide target for an unobligated fee carryover balance of no more than $80 million by January 1, 2011. NPS officials told us the policy was effective in helping reduce unobligated carryover balances to move closer toward that goal, but said there have been no subsequent dollar amount goals for service-wide carryover balances in the years since 2011.

NPS officials told us they usually approve parks' waiver requests for the carryover balance policy, especially if a natural disaster has occurred or a contract has been delayed. For example, in fiscal year 2019, 53 out of 153 recreation fee-collecting parks (35 percent) carried over amounts in excess of the 35 percent limit; NPS headquarters granted waivers to all 53 parks to exceed that carryover limit, according to officials.[43] Parks may request waivers for various reasons. For instance, staffing shortages, natural disasters, and project cost increases resulted in delayed obligations on park projects, according to a regional request for a fiscal year 2019 carryover waiver. In 2020, NPS implemented a blanket waiver of this maximum carryover policy, as parks faced revenue instability from the effects of the COVID-19 pandemic.

Prior to July 2021, NPS had not recently assessed its target carryover amount guidance for effectiveness or reasonableness, and NPS officials were not aware of any formal, documented analysis the agency has conducted to determine the efficacy of the policy since its implementation in 2010. For example, NPS officials said they were unaware of any prior agency analysis that provided the basis for the target carryover figure of 35 percent. NPS officials told us they began a review of the agency's carryover target policy in July 2021 and that, as of September 2021, the effort was in the data collection phase.

NPS officials did not provide documentation related to this effort, and they stated they did not have a planned date to conclude the effort because their focus was on flexibility, innovation, and finding the best solution for the agency. These officials said that, as part of the review currently underway, they are considering a trial 3-year average instead of the current fiscal year average to establish a carryover target. If implemented, NPS would plan to review the trial at the end of fiscal year 2022 to determine its success. NPS officials said they believed this would be a continuous cycle of trial and evaluation to ensure that their final decision was fully formed and vetted.

[43]If a park does not spend its recreation fee fund balance down to 35 percent or lower by December of each fiscal year without an approved waiver, NPS headquarters has the ability to decrease the portion of recreation fee revenue that the park keeps. Under the Federal Lands Recreation Enhancement Act, fee-collecting parks retain at least 80 percent of revenue from recreation fees; the retention rate, however, may be reduced to not less than 60 percent when revenues collected exceed the reasonable needs of a park. 16 U.S.C. § 6806. Under its maximum carryover policy, NPS reduces retention of gross recreation fee park revenue to 60 percent for parks that fail to achieve the 35 percent target for recreation fee carryover.

In 2013, we reported that agencies relying on revenue from user fees may benefit from having a reserve fund in place that will allow them to continue providing goods and services despite fluctuations in collections, and to act quickly in response to changing conditions.[44] We found that the level of reserves should be assessed for reasonableness and justified with program data and risk management considerations.

Additionally, agencies should implement control activities—procedures, techniques, and mechanisms—through policies, in part by documenting those policies, according to *Standards for Internal Control in the Federal Government*.[45] These standards also say that an agency can periodically review policies and procedures for continued relevance and effectiveness in achieving the agency's goals, such as NPS's agency-wide target for an unobligated fee carryover balance of no more than $80 million by January 1, 2011. Until NPS documents and implements its plans to review the agency's 35 percent carryover target policy—which agency policy documents described as "stringent" at the time of its implementation—NPS will not have assurance that the policy is still reasonable or effective at meeting the agency's current or future goals, including managing future periods of revenue instability. Additionally, NPS may not be maintaining its unobligated carryover balances in the most effective way.

USCIS. USCIS also relied on carryover balances in the face of decreased revenue during the COVID-19 pandemic, and may have trouble rebuilding carryover balances to target levels as planned fee increases are on hold, according to USCIS officials. As USCIS had declines in fee collections from late March 2020 through the beginning of May 2020, officials said the agency relied on its carryover balance to fund operations during that time.

USCIS officials projected that a routine fee review and an anticipated fee increase that was due to go into effect in October 2020 would have

[44]GAO-13-820.

[45]GAO-14-704G.

allowed the agency's fees to meet its operational costs.[46] However, that fee rule, which is not related to the pandemic, was subsequently enjoined pending litigation. USCIS officials stated that, while the fee increase is enjoined, it will be difficult for USCIS to rebuild its carryover balances to projected levels by the end of fiscal year 2021 if the agency fully funded its operational requirements.[47]

Conclusions

The COVID-19 pandemic has caused serious economic repercussions and turmoil in the U.S., and has affected government operations and revenues. Across executive branch agencies, the most significant dedicated user fee revenue decreases occurred immediately following the start of the pandemic, from March through June 2020. Dedicated user fee revenue at FAA, NPS, and USCIS generally reflected these declines.

To help monitor these changing revenues, these agencies used new and existing revenue monitoring and projections processes. During the pandemic, FAA developed a cash management plan that it could have used to align remaining AATF cash balances to the agency's mission-critical functions, though it ultimately did not need to. FAA officials told us they plan to review the cash management plan for future use, but the agency has not documented processes to review the plan to ensure that it aligns with leadership priorities and can help the agency address future potential periods of revenue instability. Similarly, NPS recently started a review of its carryover balance target policy for parks, but this review is still in its early stages. Documenting and implementing these review

[46]On August 20, 2020, the Immigrant Legal Resource Center and several other plaintiffs filed suit challenging the Department of Homeland Security final rule published at 85 Fed. Reg. 46799. On September 29, 2020, the U.S. District Court for the Northern District of California preliminarily enjoined the Department of Homeland Security from implementing or enforcing any part of the final rule. In the Spring 2021 Unified Agenda entry for the rulemaking listed a November 2021 target date for a notice of proposed rulemaking that would rescind and replace the changes made by the final rule and establish new USCIS fees to recover USCIS operating costs. As a result, on September 9, 2021, the United States District Court for the Northern District of California ordered that the case be stayed to allow the Department of Homeland Security to either publish a notice of proposed rulemaking regarding a proposed new fee rule or advising the plaintiffs that the department will not propose a new fee rule. Immigrant Legal Resource Center v. Department of Homeland Security, Case No. 4:20-cv-5883-JSW (N.D. Cal. May 13, 2021). According to USCIS officials, this is not related to the effects of COVID-19 but is instead an Administration priority.

[47]For more information on how the COVID-19 pandemic and other factors have affected USCIS's processing times, see GAO, *U.S. Citizenship and Immigration Services: Actions Needed to Address Pending Caseload*, GAO-21-529 (Washington, D.C.: Aug. 18, 2021).

processes would help FAA and NPS address potential disruptions in dedicated user fee revenue in the future.

Recommendations for Executive Action

We are making two recommendations, one to FAA and one to NPS.

The Administrator of the Federal Aviation Administration should review the agency's cash management plan to prepare for future periods of revenue instability. As part of this review, the agency should develop and document processes for future reviews of the cash management plan. (Recommendation 1)

The Director of the National Park Service should document and implement plans to periodically review the agency's target rate for recreation fee carryover balances at individual park units. (Recommendation 2)

Agency Comments and Our Evaluation

We provided a draft of this report to the Department of Transportation, the Department of the Interior, the Department of Homeland Security, and the Department of the Treasury for review and comment.

In Transportation's comments, reproduced in appendix III, the department agreed with our recommendation and said it would provide a detailed response to the recommendation within 180 days of the report's issuance. The department also provided one technical comment, which we have incorporated into the final report.

In its comments, which are reproduced in appendix IV, the Department of the Interior agreed with a recommendation in our draft report to develop, document, and implement plans to periodically review NPS's target rate for recreation fee carryover balances at individual park units. The department's comments also state that NPS plans to review its 35 percent carryover target rate to determine the efficacy of the policy and the reasonableness of the carryover levels, and to set a schedule for periodic review. NPS also provided additional information on the development of its plans to review this policy, which we incorporated into the final report as appropriate. Given this additional information, we have modified the recommendation to NPS in our final report to focus on documenting and implementing the agency's plans to review its policy.

The Department of Homeland Security and USCIS provided technical comments, which we incorporated into the final report as appropriate. Treasury informed us that it reviewed the draft report and did not have any comments.

We are sending copies of this report to the appropriate congressional committees and the Secretaries of Transportation, the Interior, Homeland Security, and the Treasury. In addition, the report is available at no charge on the GAO website at https://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-6806 or arkinj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix V.

Jeff Arkin
Director, Strategic Issues

List of Committees

The Honorable Patrick Leahy
Chairman
The Honorable Richard Shelby
Vice Chairman
Committee on Appropriations
United States Senate

The Honorable Ron Wyden
Chairman
The Honorable Mike Crapo
Ranking Member
Committee on Finance
United States Senate

The Honorable Patty Murray
Chair
The Honorable Richard Burr
Ranking Member
Committee on Health, Education, Labor, and Pensions
United States Senate

The Honorable Gary C. Peters
Chairman
The Honorable Rob Portman
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Rosa L. DeLauro
Chairwoman
The Honorable Kay Granger
Ranking Member
Committee on Appropriations
House of Representatives

The Honorable Frank Pallone, Jr.
Chair
The Honorable Cathy McMorris Rodgers
Republican Leader
Committee on Energy and Commerce
House of Representatives

The Honorable Bennie G. Thompson
Chairman
The Honorable John Katko
Ranking Member
Committee on Homeland Security
House of Representatives

The Honorable Carolyn B. Maloney
Chairwoman
The Honorable James Comer
Ranking Member
Committee on Oversight and Reform
House of Representatives

The Honorable Richard E. Neal
Chairman
The Honorable Kevin Brady
Republican Leader
Committee on Ways and Means
House of Representatives

Appendix I: Objectives, Scope, and Methodology

This report examines (1) how executive branch agencies' revenues from dedicated user fees have changed since the onset of the Coronavirus Disease 2019 (COVID-19) pandemic; (2) how dedicated user fee revenues have changed at selected agencies during the COVID-19 pandemic; (3) how selected agencies monitored revenue instability risks related to the COVID-19 pandemic; and (4) how selected agencies managed revenue changes during the COVID-19 pandemic, including the use of selected program reserves, and the extent to which those actions aligned with requirements and guidance.

To address our first objective, we analyzed data from the Bureau of the Fiscal Service's Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS). Agencies use GTAS to provide proprietary financial reporting information and information about budget execution to the Department of the Treasury. For our analysis, we reviewed data for all executive branch agencies that submitted dedicated collection revenue data in fiscal year 2020. We further scoped our analysis to specifically review GTAS data related to agencies' dedicated user fees and made decisions about what GTAS entries were most likely to be dedicated user fees.

We analyzed data from October 2017 (the start of fiscal year 2017) through March 2021 (halfway through fiscal year 2021), the most recent data available at the time of our analysis. We analyzed relevant financial accounts to determine which to include in our scope of dedicated user fees. We used our judgment to determine which were relevant, but other decisions may be reasonable and yield different results. We compared executive branch agencies' dedicated user fee revenue in fiscal years 2020 and 2021 to the average dedicated user fee revenue for those agencies in fiscal years 2017 through 2019 to determine how these revenues changed during the COVID-19 pandemic. We also calculated changes in dedicated user fee revenue at individual agencies by comparing dedicated user fee revenue in fiscal year 2020 to average annual amounts from fiscal years 2017 through 2019.

To assess the reliability of the GTAS data, we reviewed related documentation, including data dictionaries and GTAS validation and edit check documents; interviewed knowledgeable officials at the Bureau of the Fiscal Service; and conducted electronic data testing for missing data and obvious errors. Based on this assessment, we determined the data were sufficiently reliable to indicate general trends in dedicated user fee revenues across the executive branch. For additional details on how we scoped our analysis, treated the GTAS data, and determined which revenue to include, see appendix II.

To address our remaining objectives, we selected three agencies for review to serve as illustrative examples of how dedicated user fee revenues changed during the pandemic and how agencies responded to these changes: the Federal Aviation Administration (FAA), National Park Service (NPS), and U.S. Citizenship and Immigration Services (USCIS). We selected these agencies based on budget information and contextual information, such as whether the agency's dedicated user fee revenues may have been affected by the COVID-19 pandemic and whether the agency's activities relate to sectors of the economy most severely affected by the pandemic. We selected agencies across a range of budget conditions to better understand how the pandemic potentially affected agencies that have varying reliance on dedicated user fees.

To determine which agencies had potentially been affected by the COVID-19 pandemic, we first analyzed agency budget data using the Office of Management and Budget's (OMB) MAX database. Agencies use OMB MAX to report most of the information required for preparing the President's Budget, including information on budgetary resources, outlays, and receipts. We reviewed OMB MAX data related to gross budget authority, offsetting collections, and receipts from Schedule N (Special and Trust Fund Receipts) for fiscal years 2015 through 2019 to identify agencies with a significant share of offsetting collections and receipts from Schedule N as compared to gross budget authority.

Offsetting collections result from businesslike transactions with the public and other government accounts, and they include amounts collected for materials or services furnished to the public, when authorized by law. Schedule N shows the flow of funding into and out of special and non-revolving trust funds. It shows new receipts deposited into the fund, new appropriations taken out of the fund—including any amounts appropriated but precluded from obligation—and the remaining balances of unappropriated receipts, if any. We used these data, the most appropriate data available at the time of our analysis, as a proxy for dedicated user fees.

In our analysis of OMB MAX data, we excluded agencies with an average share below 15 percent of offsetting collections and receipts from Schedule N as a share of gross budget authority from fiscal years 2015 through 2019. We also excluded agencies with a fiscal year 2019 gross budget authority below $1 billion. This resulted in 73 agencies to potentially review as part of the engagement.

To understand the potential effects of the COVID-19 pandemic across a range of revenue situations, we ultimately selected two agencies that were mostly funded by offsetting collections and receipts from fiscal years 2015 through 2019, and one that was not.

- FAA's average share of offsetting collections and receipts as a share of gross budget authority from fiscal years 2015 through 2019 was 95.5 percent.
- USCIS's average share of offsetting collections and receipts as a share of gross budget authority from fiscal years 2015 through 2019 was 108.1 percent.[1]
- NPS's average share of offsetting collections and receipts as a share of gross budget authority from fiscal years 2015 through 2019 was 20.6 percent.

We also considered the following contextual information in selecting agencies to review.

- **Whether the agency was potentially financially affected by the COVID-19 pandemic.** Where possible, we reviewed Monthly Treasury Statement data for each of the 73 agencies to determine whether agency receipts had been potentially affected by the COVID-19 pandemic. Specifically, we reviewed Monthly Treasury Statement data from January through July 2020, as well as comparable data for 2019 (i.e., January through July 2019). We reviewed table entries for each of the 73 agencies to determine whether they had gross receipts data for any part of 2020. For those agencies that did have relevant Monthly Treasury Statement data, we compared 2019 receipts to 2020 receipts and excluded agencies that had increased or relatively flat gross receipts from 2019 to 2020.
- **Whether the agency's activities related to economic sectors most affected by the COVID-19 pandemic.** We reviewed information from the Bureau of Labor Statistics household survey and establishment survey to determine economic sectors that were

[1]An agency's offsetting collections and receipts from Schedule N can exceed the gross budget authority.

potentially affected by the pandemic.[2] The household survey measures labor force status, including unemployment, by demographic characteristics. The establishment survey measures nonfarm employment, hours, and earnings by industry. We used employment data as of July 2020 compared to the previous year from these surveys to determine which agencies relying on user fees might have lost revenue from those sources. Using available data in these tables, we considered which affected economic sectors related to the activities of the potential agencies to review. We did not use a lack of Bureau of Labor Statistics data as a criterion to exclude agencies, but the presence of such data provided additional context for our final selection. Separate from the Bureau of Labor Statistics information, we excluded agencies whose activities involved internal departmental operations, administration, or management services, as those activities are not public-facing and were less likely to be affected by the COVID-19 pandemic.

- **Media reports of agencies affected by the COVID-19 pandemic.** We searched a variety of news media sources to determine whether particular agencies appeared to be more affected by the COVID-19 pandemic. We did not use a lack of media reports as a criterion to exclude agencies, but the presence of media reports provided additional context for our final selection.

To address our second objective, we reviewed and analyzed dedicated user fee revenue data at our three selected agencies to identify revenue changes during the COVID-19 pandemic.

- For FAA, we reviewed Monthly Treasury Statement data, which is separate from GTAS data, on gross receipts into the Airport and Airway Trust Fund (AATF) for fiscal years 2019 to 2021.
- For NPS, we reviewed and analyzed recreation fee and concession franchise fee data from fiscal years 2019 to 2021.
- For USCIS, we reviewed and analyzed the agency’s fee revenue data from fiscal years 2019 to 2021.

We also reviewed revenue, budget, and policy documents at each selected agency, and interviewed knowledgeable officials from each selected agency, to determine how the pandemic potentially affected

[2]Department of Labor, Bureau of Labor Statistics, *The Employment Situation – July 2020*, USDL-20-1503 (Washington, D.C.: Aug. 7, 2020).

revenues at each agency, including any additional expenses or cost savings that each agency had as a result of the pandemic.

To assess the reliability of Monthly Treasury Statement data related to the AATF, we reviewed documentation related to data reconciliation procedures and reviewed the data for reasonableness by performing manual checks for missing data, outliers, and obvious errors. To assess the reliability of revenue data provided by NPS, we reviewed the data for reasonableness and compared these values to amounts in the agency's fiscal years 2021 and 2022 budget justification documents. We also reviewed documentation related to the submission of agency budget data and interviewed knowledgeable officials about NPS parks' revenue data entry and reconciliation processes. To assess the reliability of revenue data provided by USCIS, we assessed the data for reasonableness and compared revenue amounts to historical collection amounts provided in the agency's fiscal year 2021 budget justification document. We determined that these data were sufficiently reliable to calculate revenue changes at selected agencies following the onset of the COVID-19 pandemic.

To address our third objective, we interviewed knowledgeable officials at each of our three selected agencies to determine what revenue monitoring and projections processes they used prior to and during the COVID-19 pandemic. Officials described the timing of their processes, how the pandemic affected their existing processes, and the changes selected agencies made to those processes during the pandemic. We also reviewed planning and projections process documents from NPS and USCIS that described these processes.

To address our fourth objective, we assessed selected agencies' revenue monitoring and management processes during the COVID-19 pandemic against *Standards for Internal Control in the Federal Government* (Principle 12 – Implement Control Activities) and leading practices for fee design options that we identified in prior work.[3] At FAA, we reviewed the agency's cash management plan, a policy document describing potential actions the agency could have taken to address revenue instability during the COVID-19 pandemic. At NPS, we reviewed policy documents related to the agency's recreation fee carryover target balances, which parks

[3]GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 2014); and *Federal User Fees: Fee Design Options and Implications for Managing Revenue Instability*, GAO-13-820 (Washington, D.C.: Sept. 30, 2013).

used to continue operating during the pandemic. At USCIS, we reviewed the agency's carryover balance target policies, fee review documentation, and communications with employees regarding potential management actions. We interviewed knowledgeable officials at each selected agency to determine their operational priorities during the pandemic, how they sought additional funding or flexibilities to address those priorities, and how they relied on carryover and cash balances to continue operations during the pandemic.

We conducted this performance audit from May 2020 to September 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Methodology for the Analysis of Executive Branch Agencies' Dedicated User Fee Revenue

To determine how executive branch agencies' revenues from dedicated user fees have changed since the onset of the Coronavirus Disease 2019 (COVID-19) pandemic, we analyzed Department of the Treasury data from the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS). We analyzed data from October 2017 (the start of fiscal year 2017) through March 2021 (halfway through fiscal year 2021), the most recent data available at the time of our analysis.

Scope of Analysis

We analyzed data for executive branch agencies for which dedicated collections revenue was included in GTAS in fiscal year 2020. Each entry in GTAS—which equates to a monthly reporting of balances—falls under two types of account codes. The Treasury Account Symbol (TAS) account specifies the agency and the program area of the entry (for example, the Department of Agriculture's Timber Sales Pipeline Restoration Fund).[1] The United States Standard General Ledger (USSGL) account specifies the type of financial transaction of the entry (for example, "Administrative Fees Revenue"). Every entry in GTAS therefore has a specific TAS-USSGL combination.

A given TAS may have revenue accounted for under multiple USSGL accounts, including some USSGL accounts that are clearly related to dedicated user fees and some that are clearly unrelated. Likewise, a given USSGL account may be used for TAS that are clearly related to dedicated user fees and TAS that are clearly unrelated. Therefore, we scoped our analysis by both TAS and USSGL to identify both the program areas and the revenue types that were most relevant to dedicated user fees.

We analyzed relevant TAS and USSGL accounts to determine which to include in our definition of dedicated user fees, as described in this section. Some of these determinations—which we based on information from Bureau of the Fiscal Service documents and officials and our knowledge of the agencies, TAS, and USSGL accounts—were necessarily judgmental. The inclusion of TAS and USSGL accounts other than those described below—such as donations or forfeitures—could also have been reasonable, and would have yielded different results.

[1]A TAS is an identification code assigned by Treasury in collaboration with the Office of Management and Budget (OMB) and the owner agency, to an individual appropriation, receipt, or other fund account. The term "Treasury Account Symbol" is a generic term used to describe any one of the account identification codes assigned by Treasury and is also referred to as the "account." All financial transactions of the federal government are classified by TAS for reporting to Treasury and OMB.

Additionally, because of the structure of these accounts, any set of decisions would result in including some revenue that is not actually from dedicated user fees, and excluding some dedicated user fee revenue. When we say "dedicated user fee revenue" in this report, it should be understood to mean, specifically, revenue that was recorded under the TAS and USSGL accounts we included in our analysis.

Treasury's Bureau of the Fiscal Service classifies TAS accounts and assigns them to an individual appropriation, receipt, or fund group based on their characteristics and the nature of the transactions they support. Many fund groups could potentially include dedicated user fees, but some fund groups in the data we analyzed were more specifically focused on dedicated user fees. We determined that TAS in the Special Funds, Public Enterprise Revolving Funds, and Trust Funds groups were most related to dedicated user fees, since these fund types are designed to link revenue with their expenditure. We therefore limited our analysis to these three fund types. We excluded TAS under the General Funds category, which is credited with receipts that are not classified as dedicated collections as defined by law for a specific purpose.

We limited our analysis of USSGL accounts (financial transaction types) to revenue transactions. We consulted with the Bureau of the Fiscal Service to identify which kinds of USSGL accounts were most related to dedicated user fees, and we limited our analysis to those revenue accounts. Within that range of revenue USSGL accounts, there were account types that could have potentially included revenue streams for dedicated user fees, such as "Revenue From Services Provided" and "Tax Revenue Collected - Excise." There were also a number of USSGL accounts that were not related to user fee-type revenue, such as those for contra and other transfer accounts.[2]

We excluded all USSGL accounts not related to user fee-type revenue, such as the account for "Tax Revenue Collected - Individual," which includes payroll tax revenue used to support a number of major entitlement programs. Although payroll taxes comprise a large portion of all federal dedicated collections, for the purposes of this report, we do not consider them a direct transaction from the public to the federal

[2]For example, we excluded from our analyses USSGL account types related to custodial collections processes, which represent amounts collected on behalf of receiving agencies. In our analysis, the original collection from the public to the collecting agency would be reflected in the revenue totals for the collecting agency and not in the revenues for the receiving agency.

government in exchange for a good or service and, therefore, have excluded them from our scope of dedicated user fees.

There were two USSGL accounts that agencies could use to categorize revenue streams that did not fit into any other USSGL revenue account: "Other Revenue" and "Tax Revenue Collected - Not Otherwise Classified." During our USSGL selection process, we found that some agencies used these two USSGL accounts for revenue streams that belonged under another USSGL category. For example, in fiscal years 2017 and 2018, the Department of Transportation categorized excise tax revenue for its Airport and Airway Trust Fund (AATF) as "Tax Revenue Collected - Not Otherwise Classified" before changing that account designation to "Tax Revenue Collected - Excise" in fiscal year 2019. In this example, we determined that revenue tied to the AATF belonged in our scope based on our research of the trust fund.

Other TAS under these two USSGLs, however, we did not consider to be user fee-type revenue. We developed a selection process for TAS categorized under the "Other Revenue" and "Tax Revenue Collected - Not Otherwise Classified" USSGLs to help ensure we excluded non-user fee revenue streams from our analysis. We applied the following criteria:

1. Exclude TAS with annual revenues under $500 million for all fiscal years in scope (2017 to 2021).[3]
2. Exclude TAS that relate to payments, royalties, or forfeitures, as indicated in the TAS name.
3. Exclude TAS that, based on the coding analyst's professional judgment and research and a second analyst's independent verification, were not user fee-type revenues. This step resulted in six unique TAS included in our final selection of revenues within the "Other Revenue" and "Tax Revenue Collected - Not Otherwise Classified" USSGLs. These six TAS, along with those included as a result of our USSGL selection process, brought the total to 124 TAS in our final analysis.

[3]Because 95 percent of all revenues categorized under USSGL accounts "Other Revenue" and "Tax Revenue Collected - Not Otherwise Classified" were from TAS with annual revenues above $500 million in any fiscal year between 2017 and 2021, we determined that this dollar amount threshold was appropriate for the needs of our analysis. Although applying a threshold means we did not review nor include all TAS under these USSGLs that could be user fee-type revenues, we did include the user fee-type TAS under these account types that had the highest revenues.

Preparing the Data for Analysis

Every entry in the GTAS data that the Bureau of the Fiscal Service provided us represents either a beginning-of-month or end-of-month balance for a specific TAS-USSGL combination. Balances are cumulative month-to-month and restart at zero at the beginning of a new fiscal year. We limited our analysis to the end-of-month balances. In general, revenue by period (i.e., month of the fiscal year) for a particular TAS-USSGL combination can be calculated by subtracting the prior month's ending balance from the current month's ending balance.[4] However, we found some types of missing data while conducting our analysis.

We determined our method of handling missing data would provide an adequate approximation of the flow of dedicated user fee revenue over the course of fiscal years 2017 to 2021. Below we describe the types of missing data we identified and how we treated them in our analysis.

- Period 1 of each fiscal year (October) is not included in our GTAS data because Treasury does not require agencies to submit reports for that month. Therefore, all October revenue first appears in the balances for November. To avoid having artificially high November revenue showing in our graphs, we spread all revenue reflected in that month over October and November, at a 50:50 ratio for each unique TAS.
- If the ending balance of November is missing, we assumed there was no activity for that account in both October and November. If another month's ending balance is missing, we assumed there was no activity and—because balances are cumulative—implicitly filled in the balance from the previous month. For example, if January had a balance, but February was missing, we filled in February's balance with January's balance, which equates in our analysis to no activity and no new revenue for February. There are many cases where revenue is missing for the first several months of the fiscal year, but where revenue is present in all the subsequent months. The Bureau of the Fiscal Service confirmed that it is normal and allowable for agencies to start reporting revenue for a particular TAS-USSGL combination only when activity begins for that fiscal year.
- We learned from the Bureau of the Fiscal Service that January data for fiscal year 2019 is missing for all agencies due to the fiscal year

[4]Agencies may report data into GTAS on a monthly basis. The Bureau of the Fiscal Service refers to months as periods, with each new fiscal year beginning at Period 1, so that October of each year is Period 1, and September of each year is Period 12.

2019 government shutdown.[5] We treated that month's balances as described above, with the result of no revenue reflected for the month across executive branch agencies. In graphs that include average values for fiscal years 2017 to 2019, the average value for January of fiscal year 2019 is smaller than it might have otherwise been without a government shutdown.

We confirmed with Bureau of the Fiscal Service officials that our treatment of the above irregularities was appropriate. We also identified cases in which particular TAS-USSGL combinations had months without any revenue following months showing revenue (not including the 2019 shutdown period). We provided this list to Bureau of the Fiscal Service officials, who explained that these cases generally fall into one of the following situations:

1. The agency did not certify the TAS-USSGL combination for that month.
2. The TAS-USSGL combination failed checks for validations or edits in the GTAS system, which the Bureau of the Fiscal Service employs to improve consistency in agency reporting.
3. The agency switched from using one USSGL to another.

We handled the first two situations by applying the same method described above—assuming the balance from the previous month. Though Bureau of the Fiscal Service officials told us the agency would not use uncertified data for their own purposes, we determined that this approach was the best approximation available to us of what likely happened during the month with missing data. Bureau of the Fiscal Service officials agreed this approach was reasonable for the purposes of our analysis.

[5]A lapse in appropriations resulted in the federal government partially shutting down from December 22, 2018, to January 25, 2019. Executive branch agencies' GTAS reporting for January of fiscal year 2019 was cancelled. Reporting for February was optional.

Appendix III: Comments from the Department of Transportation

U.S. Department of Transportation

Office of the Secretary of Transportation

Assistant Secretary for Administration

1200 New Jersey Avenue, SE
Washington, DC 20590

August 24, 2021

Jeff Arkin
Director, Strategic Issues
U.S. Government Accountability Office (GAO)
441 G Street NW
Washington, DC 20548

Dear Mr. Arkin:

The Federal Aviation Administration (FAA) requires a cash balance in the Airport and Airway Trust Fund (AATF) that is sufficient to ensure the uninterrupted operation of the National Airspace System and other Agency functions. To this end, the FAA monitors the AATF's cash balance, excise tax collections, and outlays on an ongoing basis. Additionally, in late FY 2020 the FAA developed a cash management plan in response to the unprecedented, sharp drawdown in the AATF cash balance resulting from the COVID-19 global pandemic.

Upon review of GAO's draft report, the Department concurs with the recommendation that the FAA Administrator should review the FAA's cash management plan to prepare for future periods of revenue instability and that as part of this review, the agency should develop and document processes for future reviews of the cash management plan. We will provide a detailed response to the recommendation within 180 days of the final report's issuance.

DOT appreciates the opportunity to respond to the GAO draft report. Please contact Madeline M. Chulumovich, Director of Audit Relations and Program Improvement, at (202) 366-6512 with any questions or if GAO would like additional information.

Sincerely,

Philip A. McNamara
Assistant Secretary for Administration

Appendix IV: Comments from the Department of the Interior

United States Department of the Interior

NATIONAL PARK SERVICE
1849 C Street, NW
Washington, DC 20240

Jeff Arkin
Director, Budget Issues
Strategic Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Arkin,

Thank you for providing the Department of the Interior (Department) an opportunity to review and comment on the draft Government Accountability Office (GAO) report titled, *COVID-19: Reviewing Existing Policies Could Help Selected Agencies Better Prepare for Dedicated User Fee Revenues Fluctuations* (GAO-21-104325). The NPS generally agrees with the findings and concurs with the recommendation.

We appreciate GAO's review of NPS policies and how those policies contributed to the agency's response to revenue impacts related to the COVID-19 pandemic. GAO's thorough analysis of impacts and responses across agencies is noteworthy. We value GAO identifying that the NPS had not re-evaluated the 35 percent carryover target policy that was implemented in 2010 to reduce the unobligated fee carryover balance to no more than $80 million by January 1, 2011. As noted in the report, NPS has an initiative underway to review the 35 percent carryover target to determine the efficacy of the policy and the reasonableness of carryover levels. This initiative implements GAO's recommendation.

The GAO issued one recommendation to the Department as part of its overall findings. GAO recommends that the Director of the National Park Service should develop, document, and implement plans to periodically review the agency's target rate for recreation fee carryover balances at individual park units. Below is the response to the specific recommendation, including the steps the NPS has taken or will be taking to address the concern raised

Recommendation 2: "The Director of the National Park Service should develop, document, and implement plans to periodically review the agency's target rate for recreation fee carryover balances at individual park units."

Response: Concur. The National Park Service's planned action for your consideration when finalizing the report is to review the 35 percent carryover target to determine the efficacy of the policy and the reasonableness of carryover levels and to thereafter set a schedule for periodic review.

1

Responsible Official: Recreation Fee Program Manager

Target Date: October 1, 2021

If you should have any questions or need additional information, please contact Chris Williamson, Recreation Fee Program Manager, at chris_williamson@nps.gov or 720-360-9903.

Sincerely,

Shawn Benge
Deputy Director, Operations
Exercising the Delegated Authority of the Director

2

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

Jeff Arkin, (202) 512-6806 or arkinj@gao.gov

Staff Acknowledgments

In addition to the contact named above, Kathleen Padulchick (Assistant Director), Alyssia Borsella (Analyst in Charge), Paul Aussendorf, Ann Czapiewski, Ashley Davis, Elizabeth Erdmann, Michele Fejfar, Rebecca Gambler, Susan J. Irving, Amalia Konstas, Heather Krause, Meghan Kubit, Samantha Lalisan, Hannah Laufe, John Mingus, Meredith Moles, Katherine Morris, Dawn Simpson, Ardith Spence, and Carolyn Voltz made key contributions to this report.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through our website. Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. You can also subscribe to GAO's email updates to receive notification of newly posted products.

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, https://www.gao.gov/ordering.htm.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on Facebook, Flickr, Twitter, and YouTube.
Subscribe to our RSS Feeds or Email Updates. Listen to our Podcasts.
Visit GAO on the web at https://www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact FraudNet:

Website: https://www.gao.gov/about/what-gao-does/fraudnet

Automated answering system: (800) 424-5454 or (202) 512-7700

Congressional Relations

A. Nicole Clowers, Managing Director, ClowersA@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548

Strategic Planning and External Liaison

Stephen J. Sanford, Managing Director, spel@gao.gov, (202) 512-4707
U.S. Government Accountability Office, 441 G Street NW, Room 7814, Washington, DC 20548