

BUSINESS PLAN 2000

Statue of Liberty National Monument
Ellis Island Immigration Museum



BUSINESS PLAN 2000

Statue of Liberty National Monument
Ellis Island Immigration Museum



The Business Plan

Business plans play an important role in many organizations in attracting potential investors and convincing them that an enterprise is worthy of investment. Most importantly, the plan can answer three key questions: What are my goals and objectives? Does the current arrangement for the organization's allocation of limited resources advance those goals as fully and efficiently as possible? Does the organization have the resources it needs to meet customer demands at a high level of service? In other words, is this organization poised to build upon its current base of customers and investors?

The exercise of writing a business plan in itself plays a critical role in helping an organization review its ends and means. Once reviewed and refined, a business plan can help communicate a renewed sense of purpose to existing and potential investors.

This plan analyzes the financial history, functional responsibilities, resource allocations, operational standards and outlook of the Statue of Liberty National Monument and Ellis Island.



Continuous improvement and benchmarking are largely unknown in civilian agencies of the U.S. government. They would require radical changes in policies and practices which the bureaucracy, the federal employees' unions, and Congress would fiercely resist. They would require every agency to define its performance objective, its quality objective, and its cost objective. They would require defining the results that the agency is supposed to produce.

Peter F. Drucker,
Really Reinventing Government,
February 1995

Contents

Introduction	4
Park Growth	7
<i>Historical Funding Analysis</i>	
<i>Park Visitation</i>	
<i>Analysis of Real Growth</i>	
Functional Areas	12
<i>Visitor Experience and Enjoyment</i>	
<i>Resource Protection</i>	
<i>Facility Operations</i>	
<i>Park Maintenance</i>	
<i>Management & Administration</i>	
Financial Analysis	18
<i>Financial Summary Statement</i>	
<i>Operations & Maintenance Funding Sources</i>	
<i>Park Operations and Maintenance Budget</i>	
<i>Managing Results</i>	
Strategies & Outlook	22
<i>Operational Needs</i>	
<i>South Side Restoration</i>	
<i>Managing Concession Fee Monies</i>	
<i>Investment Priorities</i>	
<i>Resource Maximization</i>	
<i>Stakeholders & Alliances</i>	
Superintendent's Afterword	35



Introduction

Mission Statement

The National Park Service preserves for posterity and provides for public enjoyment of and education about the "Statue of Liberty Enlightening the World" and Ellis Island. These sites symbolize and commemorate the living reality of freedom, democracy and opportunity in the United States. Woven into the history of these sites are the aspirations and contributions of millions of immigrants who made the United States their new home and the world leader it is today. Preservation of the Statue of Liberty National Monument encompasses all cultural and natural resources on Liberty and Ellis Islands.



The President Declares

Whereas the millions of people who passed through the Ellis Island Depot were important to America for their contribution in making the United States of America the world leader it is today; and

Whereas the Statue of Liberty is a symbol to the world of the dreams and aspirations which have drawn so many millions of immigrants to America; and

Whereas the public interest would be promoted by preserving this area for proper protection and preservation:

The property known as Ellis Island is hereby added to and made a part of the Statue of Liberty National Monument.

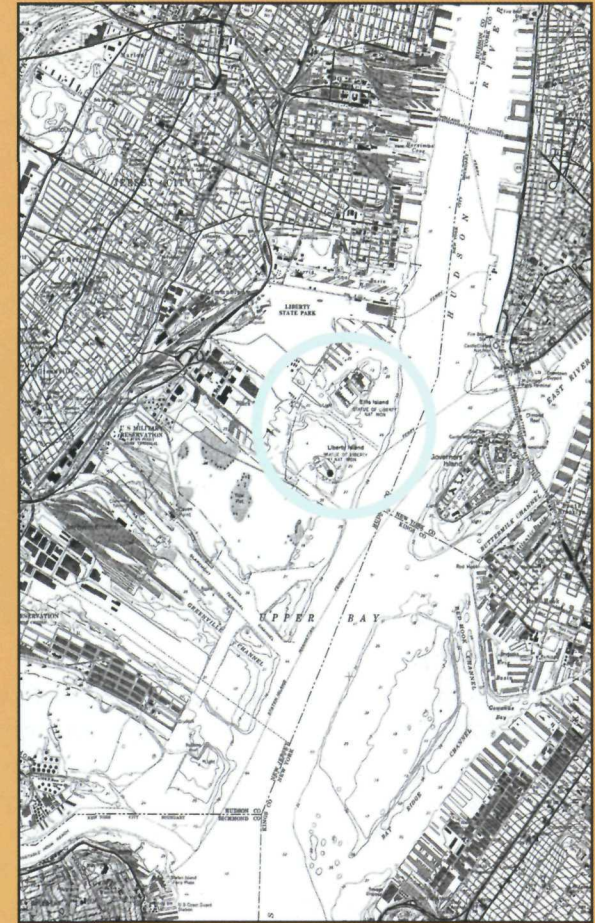
President Lyndon B. Johnson,
May 11, 1965

The Park

Conceived as the embodiment of political freedom and a gift of international friendship, the Statue of Liberty has been a universal beacon for people in search of freedom and opportunity for over a century. The Statue soars 305 feet above Liberty Island, where it rests atop a granite pedestal, which in turn is seated in historic Fort Wood. The statue was a triumph of design at the time of its creation. Its French designer, Auguste Bartholdi, envisioned a colossal structure that would viscerally capture the ideals of the young American republic and bind the French citizenry in their commitment to republican government. Building the Statue took ten years. Bartholdi assembled over 300 separate pieces into a sculpture towering 152 feet. 179,000 pounds of copper sheeting, forming Liberty's skin, hang on flexible iron bars that are anchored to a huge iron pylon that serves as Liberty's skeleton. The internal structure, designed by Gustave Eiffel, provides stability while allowing the Statue to withstand high winds and temperature fluctuations. Installment of "Liberty Enlightening the World" in New York Harbor was completed only after immigrant newspaper publisher Joseph Pulitzer took it upon himself to raise funds necessary for building the pedestal.

While Liberty is an enduring symbol of the noblest American ideals, the Statue is not immune to the ravages of time. Through the efforts of the Statue of Liberty & Ellis Island Foundation, Liberty was completely refurbished for her centennial celebration in 1986. Corroded iron was replaced with stainless steel, her arm was strengthened, and a gold-plated copper flame lit by reflection was installed in the torch, in keeping with Bartholdi's original conception.

The Statue has long lit the path for people from around the globe seeking freedom and opportunity. 12 million Americans took their first step from a dream into reality on the docks of Ellis Island, which stands as the foremost symbol of our nation's remarkable immigrant heritage. For more than six decades—1892 to 1954—the immigrant depot processed the greatest tide of incoming humanity in the nation's history. Today, the descendants of immigrants who came through Ellis Island account for almost 40% of the country's population. Opened on January 1, 1892, the Ellis Island depot ushered in a new era of immigration, with the Federal Government assuming from the states the duty of processing new arrivals. During the years that immigrant processing was conducted at Ellis more than 70% of all the nation's newcomers were processed on the 27-acre island.



In 1954 the Federal Government closed the island. President Lyndon B. Johnson recognized the importance of the deserted facility to our national heritage by including it in the National Park system in 1965. The facility remained abandoned until 1982, when the Park Service and the Foundation took up the daunting challenge of restoring the Great Hall and adjacent buildings. Work began in 1984, and by September of 1990 the refurbished Main Building was opened to the public as a museum. Covering 200,000 square feet, the museum tells the poignant story of the millions who entered America through the door of Ellis Island. The museum features permanent exhibits in 30 galleries, an interactive learning center, a research library, a gallery for special exhibits, restored areas, educational facilities and two theaters. The museum houses almost 1,000,000 artifacts, photos, books and documents, and a collection of 2000 immigrant oral histories that is growing every year.

The Statue of Liberty National Monument and Ellis Island is one of the abiding images of America. It is also one of the nation's most heavily visited parks. Over 5.5 million visitors flock to Liberty and Ellis Islands each year. During summer months the park typically greets over 20,000 members of the public each day. On busy days a trip to Liberty's crown can require a three-hour wait. In the ten years since its grand reopening in 1990, Ellis Island has received over 16 million visitors, 4 million more than it received during the 62 years it served as an immigration processing center. The extension of visitation hours by two hours each day during summer months is one strategy recently implemented to help meet this increasing demand. If visitation levels continue to increase the park may be forced to consider a reservation system for its guests.

While both the Statue of Liberty and the Main Hall on Ellis Island have undergone extensive restorations in the past 15 years, a staggering amount of work still needs to be done to protect 30 historic buildings on Ellis Island. These buildings, which have been ravaged by time and harsh winters in New York Harbor, represent a significant portion of Ellis Island's cultural history and architectural wealth. The 30 historic structures, mostly on Ellis Island's south side, include former hospital and psychiatric buildings, contagious disease wards, former staff housing, the baggage and dormitory building, and the New Ferry Terminal, a fine example of 1930's art deco style. While \$8.6 million has been pledged from a variety of sources to stabilize endangered buildings and prevent further deterioration, far greater resources will be needed to rehabilitate the buildings and establish new uses. A May 2000 estimate put the full cost of the restoration of these buildings in the range of \$200 million.

Park at a Glance - 1999

1 Colossus, 152'
1 World Heritage Site
64 Historic Structures & Sites
200,000 Square Foot Museum
30 Galleries
993,749 Museum Objects and Documents
2000 Oral History Interviews
3 Theaters

5.5 Million Visitors
2112 Tours
93 Special Events
154.78 Full Time Employees (FTEs)
21,000 Volunteer Hours

58.38 Acres
30 Unrestored Buildings
63 Motorized Vehicles
7 Elevator Systems
5 Marine Vessels

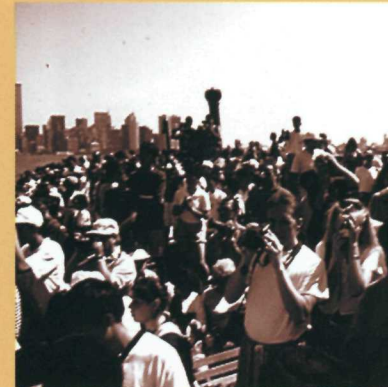
5008 Feet of Fencing
630 Trees and Shrubs
2,380 Feet of Hedge Row
653 Square Yards of Flower beds
55,406 Feet of Water Lines
6,974 Feet of Sewer Lines
17,834 Sq. Feet of dock space
9,496 Line Feet of Seawall
8 500,000 BTU Steam Boilers
2 Hydronic Air Cooling Systems
2 Computerized Fire Detection & Suppression Systems

Park Growth

Historical Funding Analysis

Park Visitation

Analysis of Real Growth

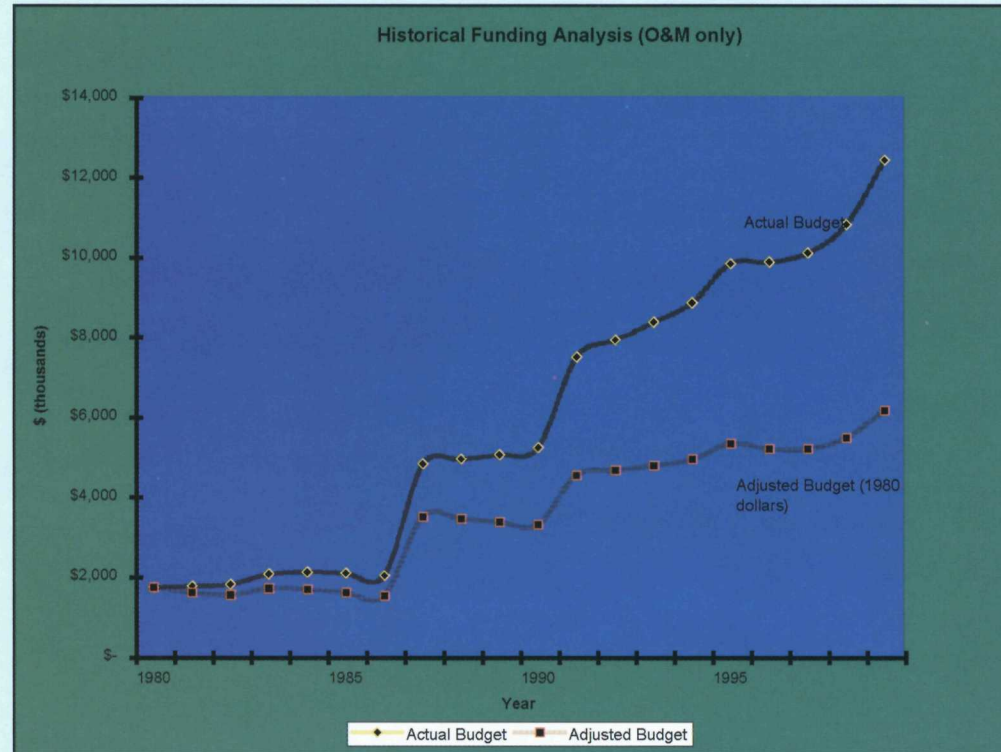




Historical Funding Analysis

The chart shows the historical trend for park operations and maintenance (O&M) base funding since 1980. While the park's budget has grown by more than 700 percent over the past two decades, in reality the increase is far less dramatic when adjusted to the Consumer Price Index. The adjusted increase is \$4.4 million, or 360 percent. When considering the adjusted increase, it must be noted that the park is a vastly larger and more complex operation today than it was in 1980.

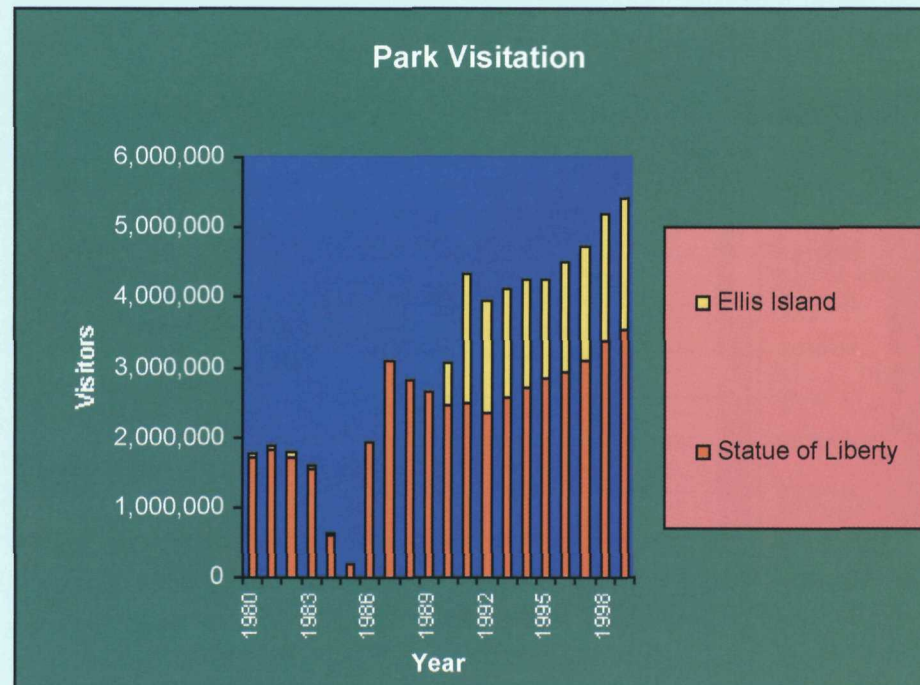
Jumps in funding in 1986 and 1990-91 correspond to the years the Statue and Ellis Island, respectively, were reopened to the public after restoration. The park's staff nearly doubled in size from 1985-1987, rising to 126, to accommodate the massive increase in visitation following the restoration of the Statue. New staff was also needed to manage and support the restoration of the Ellis Island Museum and supporting buildings. There was a less pronounced staff increase of 13 for the reopening of Ellis Island in 1990-91.



Note: the Statue of Liberty and Ellis Island receive funds from both federal and non-federal sources in addition to O&M base funds. The sum of these base and non-base funds represent the park's total operations & maintenance budget. On average, this combined sum has been 10 to 20 percent higher over the past decade than the O&M base allocation.

Park Visitation

Park visitation has been rising steadily since 1992. Ellis Island had minimal visitation prior to completion of the restoration in 1990. The Statue underwent its own restoration in 1984-86, accounting for its relatively low visitation in those years. Today, the rapidly increasing rate of visitation is one of the major challenges facing the park. The impact of high visitation includes strains on staff, heightened security concerns, overtime costs, increased management involvement in visitor operations, faster depreciation of visitor facilities and park infrastructure, and increased need for visitor services, such as janitorial services. The massive increase in visitation since 1986 is the single biggest cost driver in the park's budget.



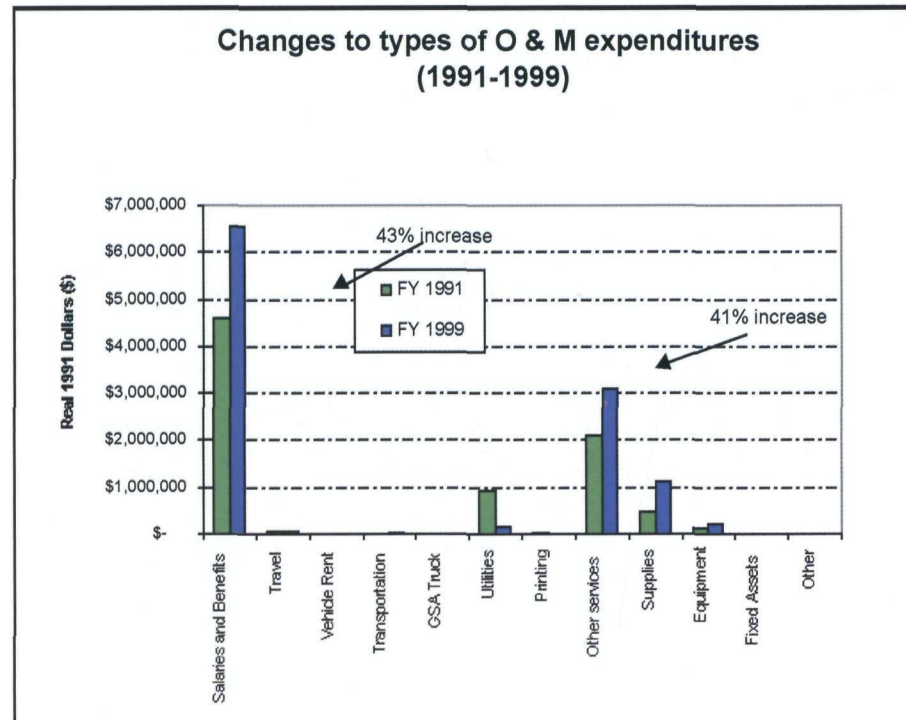


Analysis of Real Growth

This chart shows changes to types of operations and maintenance expenditures in the park from 1991 to 1999. 1991 is the first year for which there is comprehensive data for spending of funds from all sources, including ONPS base, ONPS projects, fees, donations, and grants. There have been significant increases in the costs of salaries and benefits and other services, especially contracts for security, landscaping, building and janitorial services.

Most of the increases in personnel costs are attributable to mandated increases in salaries and benefits (only

12 additional full-time equivalents have been added since 1991). Service-wide initiatives have raised the pay structures for employees in park ranger and administrative functions and readjusted park contributions to retirement packages. Additionally, there have been multiple cost of living adjustments for federal employees living in the greater New York metropolitan area since 1991. All of these costs have been absorbed within the park budget.



While issuing contracts for services such as sanitation, landscaping, and security allows the park to focus on its primary goals of protecting resources and providing for visitor enjoyment, the costs of these contracts also rise over time. In 1999, the park issued contracts totaling \$2.8 million, representing approximately 20 percent of O&M expenditures. Since 1991 contract service costs have increased 41 percent.

The result is that despite an inflation-adjusted increase of 36 percent in the operating budget since 1991, the added costs of personnel and other services have resulted in an effective increase of only 5 percent when comparing the 1991 budget to 1999.

Changes to Operating Budget

Actual 1991 Total Budget:	\$8,339,484
Actual 1999 Total Budget:	\$13,827,273
Nominal Increase	\$5,487,789
Nominal % Increase	66%
Adjusted 1999 Budget:	\$11,304,169
Real Increase	\$2,964,685
Real % Increase	36%
Actual Personnel Cost Change	(\$1,141,103)
Additional Workload	(\$438,526)
Increased Contracted Services Costs	(\$988,909)
Net Surplus (Deficit)	\$396,147
Net Surplus (Deficit) % of 1991	5%



Notes: "Personnel Cost Change" is that portion of personnel costs attributable to professionalized pay structures and changes to park contributions to employee retirement packages. "Additional Workload" is that portion of personnel costs attributable to the addition of personnel to the park's payroll since 1991. "Increased Contracted Services Costs" is the real difference between contracted services costs in 1991 and 1999.

Functional Areas

Visitor Experience and Enjoyment

Resource Protection

Facility Operations

Park Maintenance

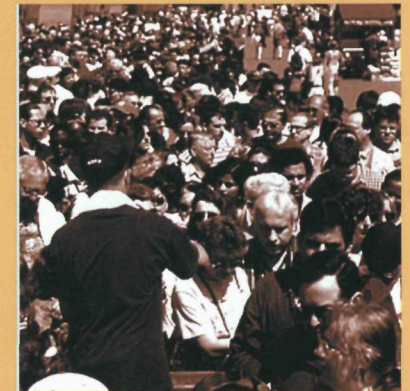
Management & Administration



Visitor Experience and Enjoyment

Because it lies in the heart of the greater New York metropolitan area, the park is one of the most visited units in the National Park System. The Visitor Experience and Enjoyment function was allocated \$5.55 million in Fiscal Year 1999 and encompasses the work of 88.9 Full Time Equivalents (FTEs) and a variety of visitor services. The Park has 29.2 FTE whose work falls under the Formal and Informal Interpretation programs and the Interpretive Media program. These personnel provide a variety of services, including tours at both the Statue of Liberty and Ellis Island, theater presentations at Ellis Island, the Junior Ranger Program, distance learning, off-site educational presentations, production of brochures and handouts, administration of the park web site and production of exhibits.

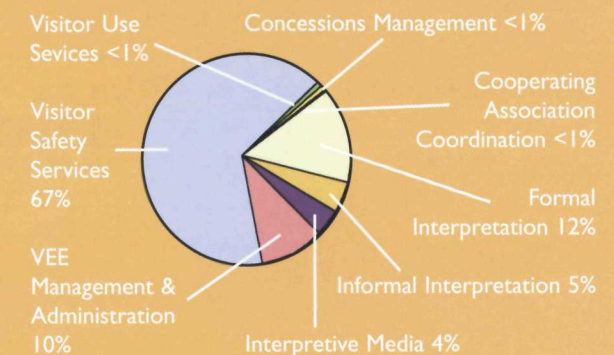
Program	Required		Available Funds			Available		Surplus (Deficit)	
	Funds	Staff	Appropriated	Reimbursable	Revenue	Funds	Staff	Funds	Staff
Visitor Experience and Enjoyment (VEE)									
Concessions Management	\$45,950	0.60	\$45,950	\$0	\$0	\$45,950	0.60	\$0	0.00
Cooperating Association Coordination	\$19,904	0.20	\$14,404	\$0	\$0	\$14,404	0.20	(\$5,500)	0.00
Formal Interpretation	\$1,346,163	32.64	\$644,674	\$0	\$145,044	\$789,718	18.04	(\$556,445)	(14.60)
Informal Interpretation	\$361,569	9.02	\$253,007	\$0	\$0	\$253,007	7.02	(\$108,561)	(2.00)
Interpretive Media	\$794,775	4.81	\$163,761	\$0	\$44,793	\$208,554	4.11	(\$586,221)	(0.70)
VEE Management and Administration	\$531,567	7.27	\$520,567	\$0	\$0	\$520,567	7.27	(\$11,000)	0.00
Visitor Safety Services	\$3,792,932	51.10	\$3,681,432	\$0	\$0	\$3,681,432	51.10	(\$111,500)	0.00
Visitor Use Services	\$44,498	0.55	\$13,904	\$28,683	\$0	\$42,587	0.55	(\$1,912)	0.00
Subtotal	\$6,937,357	106.19	\$5,337,699	\$28,683	\$189,837	\$5,556,218	88.89	(\$1,381,139)	(17.30)

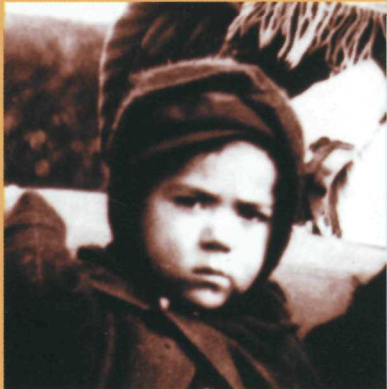


These services form the core of the visitor experience at the Statue of Liberty and Ellis Island, and with visitation reaching as high as 25,000 people per day during the peak season, these programs are drastically understaffed. The Business Plan review shows that an additional 17.3 FTE and \$1.25 million are needed to bring these programs up to the operational standards identified for this plan. More interpretive rangers are needed, as well as guides, and an educational specialist. Staffing shortfalls in the Formal and Informal Interpretation programs have become especially pronounced since 1998 when the park extended its visitation hours by two hours during the high season. During the summer, interpretive staff assist visitors between 8:30am and 6:30pm. The park is open to visitors 364 days a year.

Visitor safety programs use 51.1 FTEs in support of this functional area. Programs include law enforcement, emergency medical services and crowd control. Law enforcement activities include canine patrol, marine operations, bicycle patrol, SWAT operations and fixed walking posts on both Liberty and Ellis Islands. U.S. Park Police and National Park Service Law Enforcement Rangers ensure the physical safety of the park's visitors, structures and museum collections. Visitor assistants from the Protection Division control the extensive pedestrian lines inside and outside the Statue of Liberty and respond to visitor questions and requests for assistance.

Visitor Experience and Enjoyment





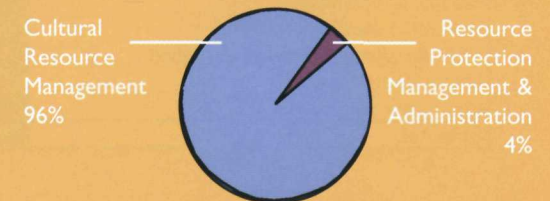
Resource Protection

The park currently has 12.9 FTEs devoted to cultural resource management. The staff works primarily with the museum collection (in storage and on exhibit), the research library, the oral history program and the ethnography program, and collaborates with migration museums and institutions throughout the world to share information, programs and resources. The staff also oversees the archeology and ethnography programs, and works with the Maintenance staff on managing historic structures and cultural landscapes.

The museum collection includes items relating to the Statue of Liberty and Ellis Island and consists of history objects, archeology collections and archival collections. Part of the combined collection is on exhibit in the museums at Ellis Island and at the base of the Statue of Liberty, while the remainder of the collection is in museum storage in 3 different locations on Ellis Island. Collection items are used for study by researchers and are occasionally on loan to other museums worldwide. The preservation and protection of this museum collection is essential to the park's mission and the mission of the National Park Service.

To achieve full protection and preservation of resources, we estimate that 3 FTEs and \$189,814 in additional annual funding are needed for full implementation of a comprehensive resource management program. The majority of the additional funding and personnel would be used to bring cultural resource activities at the park into compliance with various federal and state mandates.

Resource Protection



Program	Required		Available Funds			Available		Surplus (Deficit)	
	Funds	Staff	Appropriated	Reimbursable	Donation	Funds	Staff	Funds	Staff
Resource Protection									
Cultural Resource Management	\$788,117	15.49	\$600,303	\$0	\$0	\$600,303	12.49	(\$187,814)	(3.00)
Resource Protection Management & Administration	\$26,340	0.41	\$24,340	\$0	\$0	\$24,340	0.41	(\$2,000)	0.00
Subtotal	\$814,457	15.90	\$624,644	\$0	\$0	\$624,644	12.90	(\$189,814)	(3.00)

Facility Operations

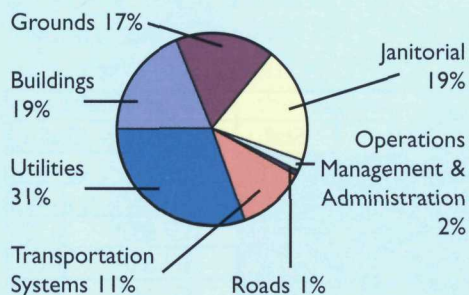
In the BPI accounting model this function includes programs necessary to keep park facilities operational and tend to be recurring activities that occur daily, weekly or annually. The park's major facilities include the Statue of Liberty and its museum, the Ellis Island Main Building and other associated buildings, staff areas, electrical generation and distribution systems on both islands, climate control systems, two passenger boats, two work boats, and 41.5 acres of tended landscapes. In FY 1999 this functional area was allocated 30.81 FTEs and \$4.67 million in O&M funding, or 35 percent of the park's O&M budget.

Facility Operations include buildings operations, transportation systems operations, janitorial operations, utility operations, grounds operations and road

Program	Required		Available Funds			Available		Surplus (Deficit)	
	Funds	Staff	Appropriated	Reimbursable	Revenue	Funds	Staff	Funds	Staff
Facility Operations									
Buildings	\$930,431	3.18	\$546,284	\$335,000	\$0	\$881,284	2.78	(\$49,147)	(0.40)
Grounds	\$1,130,840	25.22	\$757,054	\$33,734	\$0	\$790,788	15.96	(\$340,052)	(9.26)
Janitorial	\$924,636	1.25	\$806,241	\$98,539	\$0	\$904,780	0.75	(\$19,856)	(0.50)
Operations Management & Administration	\$105,678	1.06	\$92,135	\$0	\$0	\$92,135	0.99	(\$13,543)	(0.07)
Roads	\$49,150	1.05	\$39,460	\$0	\$0	\$39,460	0.90	(\$9,690)	(0.15)
Transportation Systems	\$627,662	9.27	\$537,023	\$0	\$0	\$537,023	7.57	(\$90,639)	(1.70)
Utilities	\$1,452,687	2.26	\$1,425,540	\$0	\$0	\$1,425,540	1.86	(\$27,147)	(0.40)
Subtotal	\$5,221,084	43.29	\$4,203,737	\$467,273	\$0	\$4,671,010	30.81	(\$550,074)	(12.48)



Facility Operations



operations. Of these, the park issues contracts for janitorial services, utility operations and buildings operations. The total value of these contracts in FY 1999 was \$2.2 million, or 17 percent of the park's O&M spending. The park's location in a major city makes it possible and economically feasible to issue contracts for so many services. While the quality of services provided by contract is usually quite good, there is still a need to monitor all contracts very closely. Contract quality assurance presently consumes a large portion of time and effort in certain Facility Operations programs.

The BPI review shows that 12.48 additional FTEs and \$550,074 in additional funding are needed to raise all facility operations programs to the performance levels set out in the operational standards for each program. These additions are needed for engineering and electrical expertise, transportation operations, contract oversight and grounds operations.



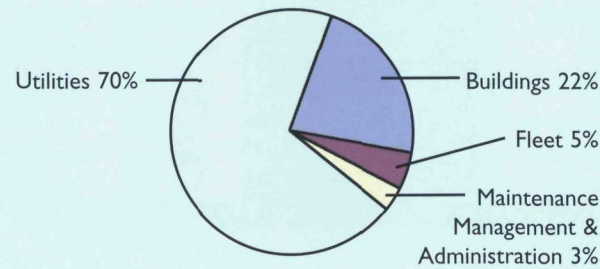
Park Maintenance

The Maintenance functional area was allocated 5.1 FTEs and \$1.14 million, or 9 percent of the park's budget, in Fiscal Year 1999. This function includes programs specifically devoted to prolonging the useful life of park assets, including buildings, fleet vehicles and utilities.

Building maintenance is an especially daunting task at Ellis Island. Besides the Main Building, which was renovated last decade, there are numerous buildings on the South Side of the island that are in a serious state of disrepair. Buildings investment projects on the South Side include hazardous waste removal, preparation for stabilization, and utility replacements and upgrades.

In addition to the investment needs for this program, which will be addressed more fully in chapter five, the operational and maintenance shortfalls for this functional area are 2.13 FTE and \$161,242. These personnel and funds are needed for engineering expertise, project reviews, contract monitoring and building preservation training.

Park Maintenance



Program	Required		Available Funds			Available		Surplus (Deficit)	
	Funds	Staff	Appropriated	Reimbursable	Revenue	Funds	Staff	Funds	Staff
Maintenance									
Buildings	\$337,410	3.68	\$255,857	\$0	\$0	\$255,857	2.68	(\$81,553)	(1.00)
Fleet	\$95,413	1.17	\$57,733	\$0	\$0	\$57,733	0.47	(\$37,680)	(0.70)
Maintenance Management & Administration	\$48,379	0.39	\$33,517	\$0	\$0	\$33,517	0.36	(\$14,862)	(0.03)
Utilities	\$828,286	1.97	\$790,366	\$10,773	\$0	\$801,139	1.57	(\$27,147)	(0.40)
Subtotal	\$1,309,488	7.21	\$1,137,473	\$10,773	\$0	\$1,148,246	5.08	(\$161,242)	(2.13)

Management & Administration

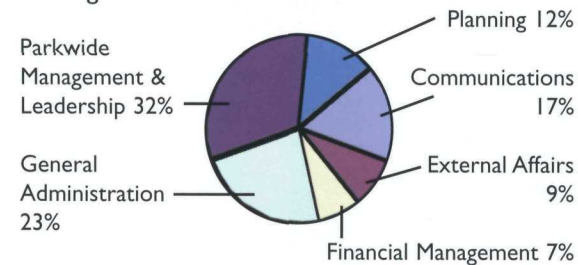
The Management and Administration function captures all of the work done by the Management and Administration divisions. The foremost duty of the Management Division is to provide leadership, goals and direction for park staff. The function also includes all administrative support, such as budgeting, personnel, contracting, procurement, & information technology, to ensure that other park divisions can fulfill their missions. Management and Administration ensures financial accountability to all park stakeholders and, ultimately, the American public.

A major management function at the park is the planning that goes into the ongoing stabilization and restoration efforts on Ellis Island. Park management is in continual correspondence with numerous constituencies, including the Statue of Liberty-Ellis Island Foundation and Save Ellis Island, to ensure these efforts are carried out properly. Another time-consuming function is event planning. Dozens of elected officials, foreign dignitaries, and foundation directors visit the park each year. Providing public information, dispute resolution, emergency response, special permit event management, and concession oversight are also management functions.

In FY 1999 the entire function encompassed the work of 21.4 FTE, including an administrative staff of 10 and 5 persons in the Superintendent's Office. The total allocated to this functional area was \$1.55 million, 12 percent of the park's operations and maintenance budget. In addition to providing leadership and support to the Statue of Liberty and Ellis Island, the personnel within this functional area assist several other National Park Service sites in the New York metropolitan area on an as-needed basis.

We estimate that 1 additional FTE and \$98,012 in additional funding are needed to fully implement programs in this area. The added staff would provide external affairs support and planning expertise to assist management with the complex stabilization and restoration issues facing the park in coming years.

Management & Administration



Program	Required		Available Funds			Available		Surplus (Deficit)	
	Funds	Staff	Appropriated	Reimbursable	Revenue	Funds	Staff	Funds	Staff
Management and Administration									
Communications	\$269,150	4.25	\$258,650	\$0	\$0	\$258,650	4.25	(\$10,500)	0.00
External Affairs	\$176,865	1.90	\$132,903	\$0	\$0	\$132,903	1.40	(\$43,962)	(0.50)
Financial Management	\$113,243	2.00	\$113,243	\$0	\$0	\$113,243	2.00	\$0	0.00
General Administration	\$357,529	5.70	\$357,529	\$0	\$0	\$357,529	5.70	\$0	0.00
Parkwide Management & Leadership	\$510,150	6.04	\$502,150	\$0	\$0	\$502,150	6.04	(\$8,000)	0.00
Parkwide Safety	\$0	0.00	\$0	\$0	\$0	\$0	0.00	\$0	0.00
Planning	\$225,947	2.54	\$190,397	\$0	\$0	\$190,397	2.04	(\$35,551)	(0.50)
Subtotal	\$1,652,884	22.43	\$1,554,872	\$0	\$0	\$1,554,872	21.43	(\$98,012)	(1.00)

Financial Analysis

Financial Summary Statement

Operations & Maintenance Funding Sources

Park Operations and Maintenance Budget

Managing Results



Summary Financial Statement

The summary financial statement describes the park operating budget of \$13.5 million for Fiscal Year 1999. This is the sum of direct congressional appropriations funding through the Operation of the National Park System (ONPS), special ONPS funds, and other funding such as fees, grants, and donations. The summary financial statement shows the five functional areas further divided into 29 programs. For each program the table shows the current level of spending, the source of funds, and the allocation of staff (stated in terms of Full Time Equivalent positions). Each program also has a set of operational standards that were developed through the Business Plan process. In many cases gaps exist between the available resources in funds and personnel and what is required to meet the operational standards.

Notes: Totals do not include \$246,017 in reimbursables to Special Permits account.
Totals do not include non-operations and maintenance spending, including building stabilization.

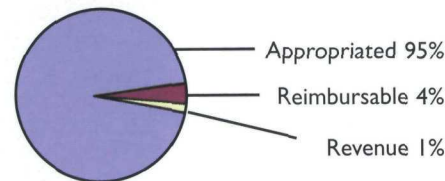
Summary Financial Statement									
Program	Required		Available Funds			Available		Surplus (Deficit)	
	Funds	Staff	Appropriated	Reimbursable	Revenue	Funds	Staff	Funds	Staff
Visitor Experience and Enjoyment (VEE)									
Concessions Management	\$45,950	0.60	\$45,950	\$0	\$0	\$45,950	0.60	\$0	0.00
Cooperating Association Coordination	\$19,904	0.20	\$14,404	\$0	\$0	\$14,404	0.20	(\$5,500)	0.00
Formal Interpretation	\$1,346,163	32.64	\$644,674	\$0	\$145,044	\$789,718	18.04	(\$556,445)	(14.60)
Informal Interpretation	\$361,569	9.02	\$253,007	\$0	\$0	\$253,007	7.02	(\$108,561)	(2.00)
Interpretive Media	\$794,775	4.81	\$163,761	\$0	\$44,793	\$208,554	4.11	(\$586,221)	(0.70)
VEE Management and Administration	\$531,567	7.27	\$520,567	\$0	\$0	\$520,567	7.27	(\$11,000)	0.00
Visitor Safety Services	\$3,792,932	51.10	\$3,681,432	\$0	\$0	\$3,681,432	51.10	(\$111,500)	0.00
Visitor Use Services	\$44,498	0.55	\$13,904	\$28,683	\$0	\$42,587	0.55	(\$1,912)	0.00
Subtotal	\$6,937,357	106.19	\$5,337,699	\$28,683	\$189,837	\$5,556,218	88.89	(\$1,381,139)	(17.30)
Resource Protection									
Cultural Resource Management	\$788,117	15.49	\$600,303	\$0	\$0	\$600,303	12.49	(\$187,814)	(3.00)
Resource Protection Management & Administration	\$26,340	0.41	\$24,340	\$0	\$0	\$24,340	0.41	(\$2,000)	0.00
Subtotal	\$814,457	15.90	\$624,644	\$0	\$0	\$624,644	12.90	(\$189,814)	(3.00)
Facility Operations									
Buildings	\$930,431	3.18	\$546,284	\$335,000	\$0	\$881,284	2.78	(\$49,147)	(0.40)
Grounds	\$1,130,840	25.22	\$757,054	\$33,734	\$0	\$790,788	15.96	(\$340,052)	(9.26)
Janitorial	\$924,636	1.25	\$806,241	\$98,539	\$0	\$904,780	0.75	(\$19,856)	(0.50)
Operations Management & Administration	\$105,678	1.06	\$92,135	\$0	\$0	\$92,135	0.99	(\$13,543)	(0.07)
Roads	\$49,150	1.05	\$39,460	\$0	\$0	\$39,460	0.90	(\$9,690)	(0.15)
Transportation Systems	\$627,662	9.27	\$537,023	\$0	\$0	\$537,023	7.57	(\$90,639)	(1.70)
Utilities	\$1,452,687	2.26	\$1,425,540	\$0	\$0	\$1,425,540	1.86	(\$27,147)	(0.40)
Subtotal	\$5,221,084	43.29	\$4,203,737	\$467,273	\$0	\$4,671,010	30.81	(\$550,074)	(12.48)
Maintenance									
Buildings	\$337,410	3.68	\$255,857	\$0	\$0	\$255,857	2.68	(\$81,553)	(1.00)
Fleet	\$95,413	1.17	\$57,733	\$0	\$0	\$57,733	0.47	(\$37,680)	(0.70)
Maintenance Management & Administration	\$48,379	0.39	\$33,517	\$0	\$0	\$33,517	0.36	(\$14,862)	(0.03)
Utilities	\$828,286	1.97	\$790,366	\$10,773	\$0	\$801,139	1.57	(\$27,147)	(0.40)
Subtotal	\$1,309,488	7.21	\$1,137,473	\$10,773	\$0	\$1,148,246	5.08	(\$161,242)	(2.13)
Management and Administration									
Communications	\$269,150	4.25	\$258,650	\$0	\$0	\$258,650	4.25	(\$10,500)	0.00
External Affairs	\$176,865	1.90	\$132,903	\$0	\$0	\$132,903	1.40	(\$43,962)	(0.50)
Financial Management	\$113,243	2.00	\$113,243	\$0	\$0	\$113,243	2.00	\$0	0.00
General Administration	\$357,529	5.70	\$357,529	\$0	\$0	\$357,529	5.70	\$0	0.00
Parkwide Management & Leadership	\$510,150	6.04	\$502,150	\$0	\$0	\$502,150	6.04	(\$8,000)	0.00
Parkwide Safety	\$0	0.00	\$0	\$0	\$0	\$0	0.00	\$0	0.00
Planning	\$225,947	2.54	\$190,397	\$0	\$0	\$190,397	2.04	(\$35,551)	(0.50)
Subtotal	\$1,652,884	22.43	\$1,554,872	\$0	\$0	\$1,554,872	21.43	(\$98,012)	(1.00)
TOTAL	\$15,935,271	195.02	\$12,858,425	\$506,729	\$189,837	\$13,554,991	159.11	(\$2,380,281)	(35.91)

Operations & Maintenance Funding by Source

In Fiscal Year 1999 the park derived its total Operations & Maintenance budget from a variety of sources, including appropriations, reimbursements and revenue. Appropriated funds include both base ONPS and ONPS project funds, for which the park must compete on an annual basis. Reimbursable funds are those paid to the park by outside parties in return for use of park resources. Revenue includes donations from foundations and individuals, as well as grants and volunteer hours.



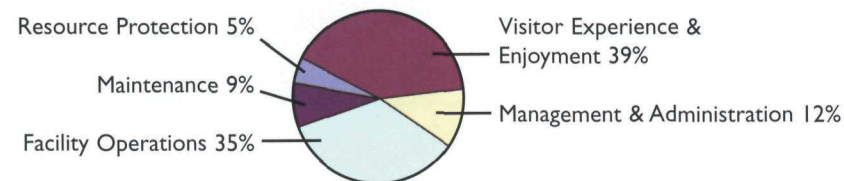
Operations & Maintenance Funding by Source



Park Operations & Maintenance Budget

The combined costs of each park function represent the Fiscal Year 1999 Operations and Maintenance (O&M) budget of \$13.5 million for the Statue of Liberty and Ellis Island National Monument. The allocation to each park function as a portion of the park's O&M spending are depicted in the chart below.

Park Operations & Maintenance Budget



Managing Results

The Government Performance and Results Act (GPRA) of 1993 directs federal agencies to use performance management as a tool for setting goals and enhancing effectiveness. With a focus on outcomes rather than efforts, this tool tracks the effectiveness of spending within particular programs. The chart shows park Operations and Maintenance spending and needs organized by GPRA goal category. The park focuses its spending on public enjoyment and visitor experience. Additional funds are necessary to bring all goal categories to the operational standards developed in the Business Plan process.

GPRA goals fall into one of the following four categories:



I Preserve Park Resources	<p>Ia: Natural and Cultural Resources and associated values are protected, restored and maintained in good condition and managed within their broader ecosystem and cultural context.</p> <p>Ib: The National Park Service contributes to knowledge about natural and cultural resources and associated values; management decisions about resources and visitors are based on adequate scholarly and scientific information.</p>
II Provide for the Public Use and Enjoyment and Visitor Experience	<p>IIa: Visitors to the National Parks safely enjoy and are satisfied with the availability, accessibility, diversity, and quality of park facilities, services, and appropriate recreational opportunities.</p> <p>IIb: Park visitors and the general public understand and appreciate the preservation of the National Parks and their resources for this and future generations.</p>
III Strengthen and Preserve Natural and Cultural Resources and Enhance Recreational Opportunities Managed by Partners	<p>IIIa: Natural and Cultural Resources are conserved through formal partnership programs.</p> <p>IIIb: Through partnerships with other federal, state, and local agencies and nonprofit organizations, a nationwide system of parks, open space, rivers, and trails provides educational, recreational, and conservation benefits for the American people.</p>
IV Ensure Organizational Effectiveness	<p>IVa: The National Park Service uses current management practices, systems, and technologies to accomplish its mission.</p> <p>IVb: The National Park Service increases its managerial capabilities through initiatives and support from other agencies, organizations, and individuals.</p>

Strategies & Outlook

Operational Needs

South Side Restoration

Managing Concession Fee Monies

Investment Priorities

Resource Maximization

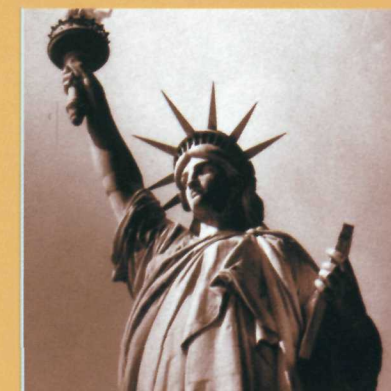
Stakeholders & Alliances



Operational Needs

The chart below shows the difference between the staffing shortfalls identified by the Business Plan review process and those identified by the park for its most recent submission to the National Park Service Operations Formulation System (OFS) in April 2000. In the process of identifying operational standards for each park program, the Business Plan consultants identified additional unfunded operational needs beyond those identified for OFS in every functional area of the park except Resource Protection.

<i>Functional Area</i>	<i>Funding Shortfall</i>	<i>Business Plan Staffing Shortfall (FTE)</i>	<i>OFS Request</i>
Resource Protection	\$189,814 OFS package identifies need for 2 museum technicians and 1 archaeologist, the same conclusion drawn for the Business Plan.	3.00	3.00
Visitor Experience & Enjoyment	\$1,381,139 OFS package includes 7 park rangers and 7 park guides to keep up with year-round increases in visitation, off-site presentation requests, web-based interpretation, and special VIP tours. While the OFS request includes 14 full-time permanent positions, the Business Plan review showed that 3.3 more FTEs are required.	17.3	14.00
Management & Administration	\$98,012 While no requests are presently in the OFS system for the Management and Administration functional area, the Business Plan shows the need for 1 management professional to assist with external affairs and planning. These operations are growing in complexity as the park seeks partners to help with the stabilization and restoration of the buildings on the south side of Ellis Island.	1.00	0.00
Facility Operations	\$550,074 OFS package includes 1.9 FTE for contract support, and various combinations of workers for buildings and landscapes. The Business Plan cites the need for an engineer in place of part of the contract support request, an electrician, additional laborers for grounds operations, and a deckhand for the staff vessel.	12.48	10.00
Maintenance	\$161,242 OFS package is for preservation specialists, while the Business Plan identifies a need for a wider variety of expertise in engineering, electrical work and mechanics, as well as historic structure maintenance training for current personnel.	2.13	2.00
Total	\$2,380,281	35.91	29.00





South Side Restoration

10 years after the restoration of the Main Hall was completed, 30 buildings on Ellis Island still remain in a state of serious disrepair. 29 of those buildings are on the South Side of the island, separated from the Main Hall by a boat slip where ferries load and unload visitors to the park. A May 2000 status report to National Park Service Director Bob Stanton provided an estimate in the range of \$200 million for rehabilitation costs.

Since May of 1999 the park has been working with a real estate and urban economics consulting firm (the Sedway Group/Namoi Porat Consulting) on a market and financial feasibility study for the South Side. The leading reuse concept developed by the consulting team after a series of interviews and workshops with key parties calls for the establishment of an "Ellis Island Institute." The Institute would provide a venue for advancing dialogue, understanding, and policies on the themes that Ellis Island has historically represented, including immigration, ethnic diversity, ethnic reconciliation, public health and refugee struggles. The concept for the Institute includes a policy and retreat center; cultural and educational programs and exhibitions, a living history program, and a banquet facility.

The feasibility study indicates that the capital improvements needed for implementation of the reuse concept would be possible only with a major private fundraising campaign, accompanied by some level of federal, state and local governmental contributions over a 10 to 15 year period. The proposed uses of the Institute would be appropriate for a national landmark and a place of tremendous historical significance. This concept does not include establishing highly commercial ventures on the South Side, and would therefore not attract investment in amounts sufficient to pay for the capital costs of rehabilitation or the costs of operations and maintenance. Conventional financing and private equity investment could be generated for some reuse components, resulting in an anticipated capital shortfall in the range of \$160 to \$165 million.

Governor Whitman's Advisory Committee on Ellis Island has been reformed into the Save Ellis Island Foundation, a new non-profit dedicated to raising funds for the preservation, maintenance, and beneficial re-use of the South Side. The park is working with the Foundation to develop a fundraising agreement in accordance with NPS 21.

The feasibility study recommendations and several other reuse alternatives, including no action, will be considered in a development concept plan and environmental impact analysis that will be initiated in the fall of calendar year 2000. Throughout the decision making process there will be numerous opportunities for input from the general public and interested parties. This process is expected to take 18 months to two years.

While the park moves towards a plan of action, stabilization of the South Side and the Baggage & Dormitory Building on the North Side is needed to slow further decay of the buildings. By the end of FY 2000 the park expects to have in hand the final portion of an \$8.6 million package for stabilization. The State of New Jersey is providing \$3.25 million in direct appropriations and labor services, \$2.35 million will be drawn from the park's concession fee account, and \$3 million has been made available by Congress through line item construction funding.

The National Park Service is charged by Congress with protecting resources for future generations and providing for public enjoyment of those resources. A significant portion of an American treasure is in shambles. The park's management team has been very entrepreneurial in building alliances that will move forward the goal of restoring the South Side, but the park has been mostly left to its own devices to solve the problem. It is the conclusion of the Business Plan consultants that resolve is needed in Congress to tackle this momentous task with increased vigor. It is time to insist on greater recognition in Congress of the enormity of the task and the value of the resource.

Managing Concession Fee Monies

In 1998 Congress passed legislation that authorized parks to begin receiving fee money from concessionaires that was formerly directed to the U.S. Treasury for general discretionary spending. In FY 2000 the three major park concessionaires are expected to contribute \$4.7 million dollars to the park's concession fee account. In FY 1999 that amount was \$4.6 million, and in FY 2001 the park estimates that it will receive \$4.8 million. The authorizing legislation allows parks to draw back 80% of the funds deposited each year into their respective concession fee accounts. An understanding exists between the park and Congress that a sizeable portion of the concession fee money released to the park each year will be used for stabilization and restoration of decaying structures on the South Side of Ellis Island. This means that the park might have at its disposal as much as \$3 million (in FY 2000 dollars) per year from its concession fee account for purposes other than historic building restoration.

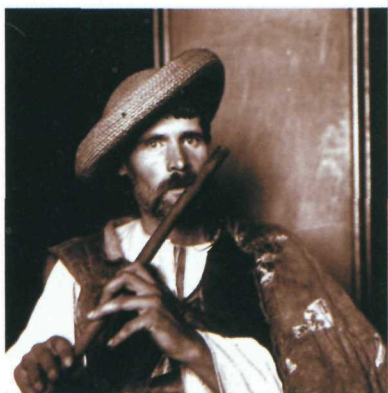
The park plans to do everything within its power to leverage concession fee money to maximum effect, and these efforts can be supplemented by the imminent fundraising campaign by Save Ellis Island. It is the park's hope that Save Ellis Island will be able to attract matching funds for concession fee money dedicated to restoration of the South Side, as well as significant additional private contributions.

While the significant funding that will be available to the park through the concessions fee account is clearly a blessing, Congress and NPS must recognize the limitations STLI faces in using these new funds. The authorizing legislation lists definite priorities for use of the money, with concession-related activity being the first. Management is concerned that the concession fee account will come to be viewed as a cure-all for the park's diverse needs, particularly as a complete substitute for cyclic maintenance, repair/rehab, and line-item construction project funding. Many of these projects are operational in nature, and are not properly funded with concession fee money. The park looks to the NPS Northeast Regional office to help clarify which projects are most appropriately funded by concession fee money, and to provide the park with funding for those projects which fall outside the purview of the concession fee program, as set forth in Public Law 105-391 and a September 23, 1999 NPS memorandum providing guidelines for the new program.

Another concern is that the pace of approval for projects funded by the concession fee account has been slowed by strict oversight requirements since the inception of the concession fee program in 1999. At the same time, the park has come to recognize that the NPS Washington and Northeast Regional offices will expect the park to fund a major portion of its investment needs through the concession fee account. This is not unreasonable in the case of appropriate projects, but the NPS chain of command must recognize that approval of projects funded through the concession fee account must keep pace with the approval of line item construction and repair/rehab projects at other NPS units in the region. If concession fee monies are not approved for STLI on a timely basis, the park will face a real shortfall in its project funding despite the growing size of the concession fee account.

A final concern, identified by the Business Plan consultants, is the potential for variance in concessionaire receipts, which in turn would impact contributions to the concession fee account. At the time of this writing New York City is flush with tourism spending. The Manhattan hotel occupancy rate is close to 100 percent, and almost one quarter of all non-business visitors to New York City visit the park. A great deal of this tourism boom is fueled by the remarkably U.S. economic expansion and the strength of European currencies against the dollar. Shifts in the economy or exchange rates could result in significant variance in concessionaire contributions to the park. Should the park be forced into a state of dependency on its concession fee account for maintenance projects, real shortfalls could occur in an economic downturn.





Investment Priorities

Investment needs are mostly non-cyclic, one time strategic investments. Each of the twenty investment priorities listed below would further one or more of the mission goals of the National Park Service and the park. Certain projects, such as Item 10, would help broaden the National Park Service's constituency among young Americans across the country.

While the majority of these projects have been submitted for approval through the NPS Project Management Inventory System, STLI management recognizes that the majority of these projects will not be funded through NPS repair/rehabilitation accounts or line item construction allocations. The most likely sources of funding for the majority of these projects are the park's own concession fee account and the Statue of Liberty-Ellis Island Foundation endowment.

This list shows only the park's most urgent priorities. Many more projects will require funding from a variety of sources each year. The park's twenty investment priorities for fiscal years 2000 through 2002 are:

1. Install Fire Suppression System Utilities, Liberty Island - \$817,254 (PMIS #60166)

Liberty Island currently lacks utilities necessary for rapid suppression of fire, posing a potential threat to visitors, staff, and invaluable cultural resources. In March 2000 the Fire Department of New York recommended the immediate installation of a yard hydrant system, redesign of the existing standpipe system, and a higher maintenance standard for existing sprinkler systems.

Target Year: FY 2000 Most Likely Fund Source: Concession Fee Account

2. Repair Roof of Main Hall, Ellis Island - \$600,000 (PMIS #59540)

The roof of the Ellis Island Museum leaks during rainstorms, threatening the museum's exhibits and collections. The park has attempted to repair these leaks, but an engineering review concluded that a complete resurfacing of the roof is necessary to protect museum resources.

Target Year: 2001 Most Likely Fund Source: Concession Fee Account

3. Study of Solid Waste Disposal, Recycling, & Incineration - \$85,000 (PMIS #63392)

Voluminous amounts of solid waste are produced at Ellis and Liberty Islands each day, particularly by restaurant concessions. There is a pressing need to identify the most economical and environmentally sound methods of solid waste collection and removal from the park. The park seeks a contract study that will analyze the entire waste stream at STLI and develop recommendations for source reduction, reuse and recycling. A cost savings analysis and five-year action plan would be included.

Target Year: 2000 Most Likely Fund Source: Concession Fee Account

4. Reinforce Ellis Island Construction Bridge - \$400,000 (PMIS #63586)

A construction bridge was erected between Ellis Island and Jersey City in 1985 to facilitate the restoration of the Main Hall and adjoining buildings. 15 years of wear have weakened the bridge. Reinforcement is necessary if the bridge is to continue handling dozens of heavy trucks per day, particularly when restoration of the South Side begins.

Target Year: 2000 Most Likely Fund Source: Concession Fee Account

5. Repair Sidewalks, Liberty & Ellis Islands - \$480,000 (PMIS #62238/62215)

Sidewalks are in disrepair on the grounds of Ellis Island and on either side of the mall on Liberty Island. Uneven surfaces in stone, brick and other paving materials may pose a tripping hazard to visitors, requiring corrective action to protect the park against possible liability.

Target Year: 2001 Most Likely Fund Source: Statue of Liberty-Ellis Island Foundation Endowment

6. Upgrade Air Conditioning System in Statue of Liberty - \$600,000 (PMIS #56001)

The Statue's air conditioning system is now over 14 years old and needs replacement. The existing system is at the end of its useful life and does not provide adequate climate control during summer months. Proper humidity and temperature control are critical for protecting the cultural resources housed in the Statue museum. Proper air conditioning is also needed to protect the safety of visitors to the Statue, who climb over 600 steps to reach the crown.

Target Year: 2000 Most Likely Fund Source: Concession Fee Account

7. Replace Staff Vessel - \$1,250,000 (PMIS #56006)

The Park has one primary vessel (Liberty IV) and one reserve (Liberty III) to transport a majority of the NPS, concessions, and contract staff to work each day. Liberty III, used when Liberty IV requires service, lacks sufficient passenger capacity even for off-peak months, resulting in delays in employee transport. Liberty III has an aluminum hull, which makes it unsuitable for use during winter months when ice floes fill New York Harbor. A new vessel will require at least one year to build once funding is approved.

Target Year: 2002 Most Likely Fund Source: Concession Fee Account





8. Repair Segment of Eastside Seawall, Liberty Island - \$267,000 (PMIS #62346)

Granite blocks from the eastside of the seawall at Liberty Island have become dislodged from the wall and have fallen into the water. This has caused a breach in the structural integrity of the wall and subsequent erosion of soil. The brick walkway adjacent to the breached areas of the wall shows signs of erosion and settlement. Continued erosion will cause further damage to the historical wall and poses a health and safety issue to pedestrian traffic.

Target Year: 2002 Most Likely Fund Source: Concession Fee Account

9. Train and Equip Structural Fire Brigade, Liberty Island - \$255,000 (PMIS #63630)

The Fire Department of New York further recommends that the park form its own 12 person fire brigade by providing supplemental training to current personnel. Significant costs include training, personal protective equipment, tools, computer linkage with the FDNY, transport truck, radios and a chute system for rescuing visitors and staff from the upper reaches of the statue.

Target Year: 2002 Most Likely Fund Source: Concession Fee Account

10. Complete Overhaul & Upgrade of Learning Center, Ellis Island - \$250,000

The Ellis Island Learning Center houses an interpretive video system that enables park rangers to create rewarding video presentations for visitors and school groups, but the equipment and technology is now antiquated. The proposal for rehabilitation consists of upgrading the computer & video system, as well as adding technology and equipment to enable park rangers to lead school groups around the country on real time tours of the park via the internet. The project will also add a fixed virtual tour to the park's website.

Target Year: 2002 Most Likely Fund Source: New York Institute of Technology

11. Inter-Island High Band-Width Fiber Cable - \$274,000 (PMIS #62338)

Inter-island electronic telecommunications are currently handled by a 1.5 megabit T1 line provided by Bell Atlantic. A fiber line between the islands would save the park monthly service charges and allow much greater amounts of electronic information to flow rapidly between the islands. A fiber cable would also enable the Protection Division to monitor the Liberty Island closed-circuit security camera network from Station Command at Ellis Island. Similarly, a fiber cable would allow the Maintenance Division to monitor alarm systems on both islands from either Liberty or Ellis. A cable would provide virtually unlimited bandwidth for any future telecommunication needs.

Target Year: 2002 Most Likely Fund Source: NPS Equipment Replacement Account

12. Rehabilitate Museum Exhibits in Statue of Liberty - \$1,500,000 (PMIS #63605)

The existing Statue of Liberty museum exhibits were installed in 1986 and need to be updated. This project would include research, design, fabrication and installation.

Target Year: 2002 Most Likely Fund Source: Concession Fee Account

13. Condition Assessment of Statue of Liberty and Fort Wood, Liberty Island - \$35,000 (PMIS #17892)

An existing condition survey, using historical architects and conservators, would be done for the Statue of Liberty, its pedestal and Ft. Wood to identify problem areas and provide a list of future projects and costs to upgrade the overall condition.

Target Year: 2001 Most Likely Fund Source: Statue of Liberty-Ellis Island Foundation Endowment

14. Update Museum Exhibits, Stage I, Ellis Island - \$2,000,000 (PMIS #63606)

The existing Ellis Island exhibits have been in place since 1990 and need to be updated. The total process will require research, design, fabrication and installation. This phase will include research and design.

Target Year: 2002 Most Likely Fund Source: Statue of Liberty-Ellis Island Foundation Endowment

15. Statue of Liberty Historic Resource Study - \$90,000 (PMIS #36712)

Produce Historic Resource Study, doing original research on iconography and using existing research materials. Write, edit and produce HRS for publication through Government Printing Office.

Target Year: 2002 Most Likely Fund Source: Cultural Resource Preservation & Protection Program

16. Archeological Data Recovery Study, Ellis Island - \$60,000 (PMIS #17889)

Prepare archeological report for excavations conducted on Ellis Island during the 1980's restoration project. This report will include information on the prehistoric site found beneath the main building. Site information will be added to ASMIS for Ellis Island. The report will be produced and published through the Government Printing Office.

Target Year: 2001 Most Likely Fund Source: Concession Fee Account





17. Environmental Monitoring System for Museum Collection - \$25,000 (PMIS #17900)

Purchase and install system of data loggers for all areas that contain museum collections at the Statue of Liberty and Ellis Island. Temperature and relative humidity readings will be taken at predetermined intervals and recorded, for use by computer.

Target Year: 2002 Most Likely Fund Source: Museum Collections Preservation & Protection Program

18. Continue Ellis Island Oral History Interviews - \$260,000 (PMIS #63608)

Approximately 500 persons who emigrated to the United States through Ellis Island or worked there as a staff person have been identified as good candidates for oral history interviews. The Columbia University History Department, which operates its own oral history program, estimates the average cost of each interview to be \$1300. The Museum Services Division could reasonably process 100 interviews per year at a high level of academic rigor. The amount above represents a manageable sum for FY 2001 & 2002.

Target Year: 2002 Most Likely Fund Source: Private Foundation yet to be identified

19. Catalog and Re-house Ellis Architectural Archives - \$130,000 (PMIS #35940)

The Ellis Island architectural archives from the 1980's restoration measure 54 linear feet. The archives need to be re-housed & catalogued with a finding aid to assist in providing access to the information in this archival collection.

Target Year: 2002 Most Likely Fund Source: Cultural Resource Preservation & Protection Program

20. Prepare Cultural Landscape Report, Part I, Ellis Island - \$40,000 (PMIS #52994)

The Cultural Landscape Report, Part I will document the evolution of Ellis Island, from the prehistoric-European contact period to the present, with an emphasis on the institutional use of the island as an immigration station, 1892-1954.

Target Year: 2001 Most Likely Fund Source: Concession Fee Account

Priority Demand on Concession Fee Account, FY 2000-2002: \$5,874,254

Priority Demand on Foundation Endowment, FY 2000-2002: \$2,515,000

Priority Demand on Cultural Resource Preservation & Protection Program, FY 2002: \$220,000

Resource Maximization

The park enjoys varied sources of funding, but care should be taken by Congress, NPS and the Northeast Regional Office not to let STLI become overly dependent on potentially unstable sources of revenue. The park is a government entity, and it is reasonable to expect that the bulk of the park's operations, maintenance and investment needs will be funded by the American public, who are both the park's owners and its customers. STLI has no plan to charge visitors an entrance fee now or in the future. The bulk of public funding must continue to come through federal allocations.

Outsourcing

The park has outsourced many of its functions, including janitorial operations, utilities operations, elevator operations and certain security operations. The total cost of these contracts in FY 1999 was \$2.8 million. The park is always looking for ways to maximize its available resources and maintain the highest standards, and will continue to look for opportunities to meet operational needs through service contracts with the private sector.

Volunteers

The park benefits from roughly 21,000 hours of volunteer service annually. This aid is provided by a variety of groups and individuals, including the Lexington School of the Deaf, the Church of Latter Day Saints, Wagner College, Rutgers University's Public History Department, and various students at New York University who are fulfilling internship requirements. Groups are also recommended through the New York City Mayor's Volunteer Office for one day projects. In March of 1999 graduate students from Cornell University's Historic Preservation Program provided assistance for three days in stabilizing abandoned buildings on the South Side. Many seniors and expatriates with an interest in immigration issues aid the Museum Services and Interpretation Divisions. The park is very grateful to its exceptional volunteers, and shows its thanks through certificates, an awards banquet, and transportation subsidies. In addition to those costs, it must be remembered that volunteers require management by paid staff. There is no such thing as a free volunteer, and STLI is careful to accept only those volunteer efforts that advance NPS mission goals and provide a demonstrable economic benefit to the park. At this time park management believes that its corps of volunteers is sufficient to aid park operations without associated costs exceeding the return on their efforts. But more rigorous analysis would be useful. Given the emphasis in the National Park Service on utilizing volunteers to supplement paid personnel, the park believes it would benefit from the ability to methodically assess the value of its volunteer program on an annual basis. Specifically, STLI feels that it and every other unit in the Park Service could make good use of a volunteer cost-benefit analysis tool. NPS WASO should strongly consider developing such a tool for broad use by all units within the system.





Accidents, Lost Time, and Liabilities

Staff and visitor safety is a priority at STLI, and the park has recently renewed its efforts to ensure that the park's guests, employees and resources are protected to the greatest extent possible. In order to improve safety and reduce park costs due to lost time or workers' compensation, the park has undertaken a systematic review of its safety program. The park hired a safety officer in FY 2000 to review its entire operation, and help make safety-related changes.

An employee work group on boat safety has been formed to develop and implement recommendations on boat safety. Injuries sustained during embarkation and disembarkation from staff vessels have been the leading cause of employee injury in recent years, and the park is now re-doubling its efforts to reduce those accidents to the greatest extent possible.

In June 2000 the Deputy Superintendent attended a regional safety training seminar for park managers. The park's Executive Safety Council is being formed as a result, and management is now more actively involved in safety planning. In August 2000 the park invited representatives of the Occupational Safety and Health Administration to work proactively with the safety officer and the park's division chiefs to identify and eliminate any safety hazards.

The Fire Department of New York was invited to the park in early 2000 to review all aspects of the structural fire program on Liberty Island. A report was produced by the FDNY in April 2000, and the park has moved quickly to meet those recommendations. Investment priorities numbers one and nine reflect the park's sense of urgency.

Another measure taken to protect visitors includes a ticketing system for entrance to the Statue's crown during summer months. In order to protect visitors from possible heat exhaustion, the crown is only open to visitors arriving on the first two ferries of the day, before rising temperatures can make the 354 step climb to the crown hazardous.

The park has identified walkway tripping hazards as the leading source of liability claims against the park. Investment priority number five reflects the park's desire to address this matter expeditiously.

The Protection Division would find useful a database and software application for analyzing trends in liability claims. The Business Plan consultants agree that this would provide the park a relatively easy way to identify common factors in tort claims against the park, and would underscore the need for prompt corrective action where problems exist. A similar database application provided by the Department of the Interior, the Safety Management Information System, exists for analyzing trends in workplace accidents and is now in use at the park.

Support Services

An issue of growing concern to the park is the costs it absorbs to provide staff support and services to other NPS units in the greater New York metropolitan region. In 1999 STLI assumed the salary costs of the Deputy Superintendent at Valley Forge NHS, preventing STLI from hiring a much-needed management & planning assistant. The park provides staff support and services to numerous NPS sites in Manhattan and northern New Jersey, and is playing a significant role in funding the development of the National Parks of New York Harbor initiative.

All of these aforementioned efforts advance GPRA goal IV, but also tug at the park's resources. STLI will derive the greatest benefit from alliances with other parks that are reciprocal. The National Parks of New York Harbor initiative could provide direct benefits to STLI if the former were to hire a public information officer, web page designer, or education specialist that could provide support to the park.

Annualize Cyclic Maintenance Costs

In addition to developing a capital investments management program for the strategic management of PMIS submissions and other targeted fund sources, the park will work with technical advisers in the Office of the Comptroller of the Park Service to develop a plan for annualizing its cyclic maintenance costs. These cyclic costs are those recurring costs borne by the park to maintain the quality of its equipment, infrastructure, and resources.

A cyclic maintenance program would schedule the timing and costs for major capital maintenance projects that are predictable. Examples include rebuilding engines in the staff vessel every 100,000 hours or repairing the Main Hall roof every ten years. By understanding the future schedule of cyclic costs, the park can level out peaks in funding requirements into the future, internal management of the projects can be improved, and the impact on resources, visitors and staff can be reduced or avoided. Ultimately, regular funding is far easier to manage than irregular funding.

A critical component of any cyclic maintenance program is the recognition that both equipment purchases and equipment replacement stimulate new cyclic maintenance costs. Identifying and predicting these costs can help managers better administer buildings, utilities and fleets, and reduce unanticipated costs.

The final implementation of such a plan would require statutory authorization for the establishment of layaway accounts that can accept annual, dedicated contributions for predictable projects. This is standard practice for the private sector. If the National Park Service and its units are to be managed according to business models, the establishment of such accounts for cyclic maintenance is critical.



Stakeholders & Alliances

Since the early 1980s the park has successfully sought to forge alliances with foundations, preservation advocates, universities and philanthropists in order to advance the goals of cultural resource protection at Ellis Island and the Statue of Liberty. In the past ten years STLI has been among the most entrepreneurial units in the National Park Service, welcoming many new stakeholders to the mission of protecting the national treasures in its keep.

Today some of the park's leading friends include:

The Statue of Liberty & Ellis Island Foundation, Inc.
Save Ellis Island (formerly the New Jersey Governor's Committee on Ellis Island)
Save America's Treasures
The State of New Jersey
The New York Landmarks Conservancy
The Lexington School for the Deaf/New York City Public School System



The Statue of Liberty & Ellis Island Foundation is currently undertaking an ambitious project to establish the American Family Immigration History Center. Once complete, visitors to the Center will be able to search ship passenger logs for names of ancestors, create albums of family data, and contribute electronic copies of family documents to the Center's archives. The long term goal of this project is to raise money for restoration of the Baggage & Dormitory Building.

As mentioned earlier, the State of New Jersey, Save America's Treasures and Save Ellis Island are making great contributions to the stabilization and restoration of the buildings on the South Side of Ellis Island. All three organizations have contributed \$1 million or more in FY 2000 to the stabilization of the South Side, and management is currently working with Save Ellis Island to develop goals for an ambitious fundraising campaign that will be undertaken by Save Ellis Island. The New York Landmarks Conservancy was instrumental in developing a demonstration project on stabilization techniques.

While the park is honored to count these organizations among its major benefactors, STLI's leadership team is very receptive to the possibility of alliances with new partners in the effort to preserve and enhance of the park's resources. Restoration of the south side buildings will be enormously expensive, and management recognizes that it has been mostly left to its own devices to save this national treasure. In rising to this challenge posed by Congress and the National Park Service, STLI will continually seek out new alliances that will further the protection of these two American landmarks. The door is always open at the Statue of Liberty and Ellis Island to new partners who wish to contribute to the protection of this great resource for posterity.

Superintendent's Afterword

For almost four centuries oppressed and pioneering people from other countries have crossed oceans in search of freedom and opportunity on these shores. As an international icon of our country's great promise of freedom, the Statue of Liberty continues to represent hope and opportunity around the globe. Millions of individuals passed through the hallowed halls of Ellis Island in search of a better life. We must preserve these symbols of the American dream for future generations.

Participating in the Business Plan Initiative is one of many ways the park is planning for the future in order to protect its rich past. The development and implementation of a business plan, in cooperation with the National Park Service and the National Parks Conservation Association, is one of many pilot programs that the park has taken on in recent years.

We view this initiative as an opportunity to explain how we use our resources to maximum benefit in order to preserve a priceless piece of our country's heritage. We find ourselves in an era when government operations are under continual financial scrutiny. The White House, Congress, think tanks and academia are looking to instill government agencies at all levels with private sector management practices. At the Statue of Liberty National Monument we welcome this new vision. Antiquated modes of thought and operation have no place in this organization's model.

The Business Plan will be used in the short term to present a clear picture of the park to Congress, the Office of Management & Budget, the Department of the Interior, and all administrative levels of the National Park Service. We will use the plan as a prospectus for foundations, philanthropies and non-federal government agencies that come to us with an interest in the park's mission. We will also use the Business Plan as an internal management tool, applying the BPI methodology on a regular basis to assess operational standards, staffing needs, and investment priorities.

We are proud of the findings in this business plan. It shows where we are as an organization, directly addresses our most pressing concerns, and makes clear to current and potential stakeholders our strong sense of purpose. The future of the National Park Service is taking shape today at the Statue of Liberty National Monument and Ellis Island.

Diane H. Dayson
Superintendent



Superintendent Dayson welcomes Mr. and Mrs. Dale Merski and their children Jeff and Samantha of North Andover, Massachusetts as the 12 millionth visitor to Ellis Island.



Acknowledgements

The Business Plan Initiative is the result of a groundbreaking public-private partnership between the National Park Service and the National Parks Conservation Association. The Business Plan Initiative has been made possible through the generous support of the following philanthropies:

Henry P. Kendall Foundation
The Roy A. Hunt Foundation
Walter & Elise Haas Fund

Park Foundation, Inc.
Compton Foundation, Inc.
Vira I. Heinz Endowment

The Business Plan Consultants would like to thank Superintendent Diane H. Dayson and Deputy Superintendent Cynthia Garrett for their leadership and support of the Business Plan.

Much thanks go to Delores Thompson-Gad, Administrative Officer and BPI coordinator for the park, for her tremendous support and great humor.

Other park staff whose close involvement made the production of this report possible were Budget Officer Jim Watkins and Graphic Designer Robert Checchi.

Considerable time and energy was contributed by Deputy Chief of Maintenance Walter Fleming, Museum Services Chief Diana Pardue, Chief of Interpretation Danni Brown, Education Specialist Vincent DiPietro and Administrative Sergeant Ian Crane.

The Statue of Liberty BPI Team:

Frederick S. Richardson, Consultant
LBJ School of Public Affairs, University of Texas

Peter L. "Trace" Jurica, Consultant
Tulane University Business School

Jon Meade, Program Analyst
National Park Service

Scott Edwards, Program Manager
National Parks Conservation Association

Steven Bosak, Program Manager
National Parks Conservation Association

Design & Production:
Robert Checchi, Designer



