PERC
PROPERTY AND ENVIRONMENT RESEARCH CENTER

Comment on National Park Service Policy Regarding Allocation of Recreation Fee Revenues to Deferred Maintenance

Property and Environment Research Center (PERC)

Bozeman, Montana

June 2025

Main Points

- The National Park Service's long-standing directive requiring 55 percent of fee revenues be spent on deferred maintenance hinders effective park management and distorts maintenance priorities.
- Local superintendents and park staff are best positioned to assess operational needs and respond to site-specific maintenance demands.
- The National Park Service should remove the 55 percent requirement and issue policies that empower local decision-making, including operations and staffing determinations, and build accountability through transparency and performance, not rigid mandates.

The Property and Environment Research Center (PERC) respectfully submits this comment in response to the Department of the Interior's request for recommendations to reduce regulatory burdens while promoting responsible stewardship of America's public lands and resources. In particular, we urge the department to eliminate a long-standing National Park Service policy that mandates 55 percent of recreation fee revenues be spent on deferred maintenance.

This rigid allocation rule limits local discretion, discourages preventive care, and contributes to the very maintenance backlog it seeks to address. A more effective approach would grant park superintendents greater authority over how to allocate fee revenues, including for operations and staffing, and hold them accountable for those decisions through appropriate metrics and reporting.

The Property and Environment Research Center

PERC is the national leader in market solutions for conservation, with over 45 years of research and a network of respected scholars and practitioners. Through research, law and policy, and innovative field conservation programs, PERC explores how aligning incentives for environmental stewardship produces sustainable outcomes for land, water, and wildlife.

With decades of research on public land policy and stewardship challenges, we have consistently advocated for reforms that empower local managers, align incentives, and produce durable conservation outcomes. Our research demonstrates that when managers can retain and reinvest recreation fees on-site, they have stronger incentives to maintain facilities, improve visitor experiences, and ensure fiscal responsibility. But such incentives are weakened when spending is dictated by centralized, one-size-fits-all rules.[1]

The Problem with the 55% Deferred Maintenance Rule

Under the Federal Lands Recreation Enhancement Act (FLREA), the majority of park fee revenues are retained in the park where they are collected to be reinvested to enhance visitor experiences.[2] For years, an internal National Park Service directive has required that 55 percent of these revenues be allocated to deferred maintenance projects.[3] While grounded in understandable concern over the ballooning deferred maintenance backlog, the policy discourages routine maintenance and creates perverse incentives. To further complicate the matter, the agency has had no standard approach to classify which and when maintenance projects become "deferred."[4] Superintendents may delay routine upkeep so that projects qualify as deferred and meet the threshold for funding—an inefficient and costly outcome over the long term. As one of the National Park Service's own superintendents has noted, the rule effectively rewards local managers who allow assets to deteriorate, which contradicts basic principles of asset stewardship.[5]

Similarly, agency directives can restrict operational flexibility on the ground. For instance, due to agency policies, fee receipts cannot always be used for basic operating costs, including hiring maintenance staff or responding to peak visitation seasons—even when those uses would deliver timely and effective results. Furthermore, top-down directives can actually reduce accountability; when managers are required to spend based on rigid rules rather than operational judgment, responsibility becomes diluted, and accountability weakens.

---

[1] Tate Watkins, *A Path Forward for America's Best Idea: Lessons Learned for Our National Parks from the Great American Outdoors Act*, PERC (Nov. 13, 2024); Tate Watkins, *Enhancing the Public Lands Recreation Fee System*, PERC Policy Brief (Nov. 18, 2020); Tate Watkins, *Fixing National Park Maintenance For the Long Haul*, PERC Policy Brief (Nov. 18, 2020); Shawn Regan et al., *Breaking the Backlog: 7 Ideas to Address the National Park Deferred Maintenance Problem*, PERC Public Lands Report (Feb. 16, 2016); Donald R. Leal & Holly Lippke Fretwell, *Back to the Future to Save Our Parks*, PERC Policy Series (June 1, 1997).

[2] 16 U.S.C. §§ 6801–14.

[3] Watkins, *Enhancing the Public Lands Recreation Fee System*, *supra* n.1, at 6.

[4] U.S. Department of the Interior, Office of the Inspector General, 2020-CR-066, *The National Park Service Faces Challenges in Managing Its Deferred Maintenance*, at 13 (Sep. 13, 2023).

[5] Don Striker, *Washington's Backward Funding: How National Parks Are Encouraged to Defer Maintenance*, The Hill (Feb. 25, 2019).

Recommendations

1. Remove the policy directing 55% of fee revenues be spent on deferred maintenance

If funds can only be used on deferred maintenance, then the message is that assets must be falling apart before they can be repaired or replaced. The Interior Department should rescind the National Park Service policy to spend 55 percent of fee revenues on deferred maintenance. By removing centralized directives, local park leaders and staff can better align spending with needs.

2. Adopt an improved spending policy rooted in flexibility and accountability

Rather than dictating spending targets from Washington, D.C., the department should revise agency policy to give park superintendents and their teams full authority to allocate fee revenues based on the unique needs of their parks, so long as expenditures fall within the statutory limits of FLREA.[6] This flexibility should include the ability to spend on the following:

- Routine maintenance and upkeep
- Seasonal and full-time staffing
- Operational improvements and visitor services
- Preventive care to avoid future backlogs
- Deferred maintenance, if desired by park staff

Local staff have the best knowledge of site conditions, infrastructure needs, and visitor expectations. Empowering them to make spending decisions—and holding them accountable through performance reviews, transparency, and reporting—will produce better stewardship outcomes and higher-quality visitor experiences.

Such an approach also aligns with congressional intent behind FLREA, which allows agencies to retain and use fee revenues for operations without further appropriation.[7]

Conclusion

The Department of the Interior has an opportunity to reduce internal regulatory burdens and improve stewardship outcomes by rescinding the National Park Service's 55 percent deferred maintenance policy. Doing so will empower local managers, promote more timely and effective maintenance, and build the accountability necessary for long-term park sustainability. Letting local leaders lead—with the

[6] FLREA grants authority to spend fees in ways that, broadly speaking, relate to or improve visitor experiences. 16 U.S.C. § 6807. National Park Service internal policy, rather than statute, has restricted expenditures in additional ways, for instance, by limiting hires of permanent staff funded by fee receipts or by requiring 55 percent of receipts go toward deferred maintenance.

[7] 16 U.S.C. § 6806.

flexibility to meet their parks' unique needs—will help ensure our national parks remain open, accessible, and exceptional for generations to come.