

NATIONAL ARCHIVES *and*
RECORDS ADMINISTRATION

OFFICE *of*
INSPECTOR GENERAL



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Executive Summary

The National Archives and Records Administration (NARA) Office of Inspector General's (OIG) audit of the agency's space management efforts found NARA is facing critical space challenges that must be addressed immediately, efficiently, and economically for NARA to continue to meet its mission of providing public access to Federal Government records. With its current archival storage¹ capacity at 88 percent, NARA is challenged in having sufficient archival space to efficiently accession² and store permanent analog³ records.⁴ As evidenced by a number of previous internal space studies performed, NARA has faced a very significant space challenge for a number of years. Accordingly, the OIG has consistently named space management as one of NARA's Top Ten Management Challenges in its Semi-Annual Reports to Congress.

NARA has managed to implement short-term solutions to its space challenge, but the agency has not sufficiently provided for the agency's long-term archival space needs. While NARA is able to continue to store records appropriately at this time, if it had both followed its own policies and procedures and received all the records scheduled to come in from other Federal agencies, NARA would already be at its total archival capacity today. If NARA does not have the necessary space to accession and store permanent historically significant Federal records, the agency may not be able to meet its mission of providing public access to Federal records, allowing Americans to claim their rights of citizenship, hold their government accountable, and understand their history.

The objective of this audit was to evaluate the adequacy and effectiveness of NARA's space management efforts for storing textual archival holdings. Before the commencement of the audit, NARA's Chief Operating Officer (COO) met with the OIG to discuss space challenges facing NARA. During that meeting, the COO shared with the OIG preliminary summary slides produced by a cross-agency working group, which recently conducted a space study. This space study analyzed NARA's current archival space and projected the agency's need for archival space through 2030. Based on the results of the recent space study, the COO concluded NARA is on the verge of running out of space. The space challenges and summary slides were also shared with NARA staff at a January 2015 All-Hands Meeting and on the agency's internal web pages to foster discussion and engage staff in the process of addressing NARA's space challenges.

¹ Archival storage is space used for storage of permanent analog records in NARA's custody and control.

² Accession is the process of transferring physical and legal custody of permanent records from federal agencies to NARA.

³ Analog records include textual, architectural drawings, still pictures, microfilm/fiche, motion pictures, maps, etc.

⁴ NARA does not expect to see any decrease in the volume of incoming analog records for at least the next ten years.

Our audit assessed the validity of the data used in the study, the reasonableness of the projections, and the effectiveness of the results of the study and potential solutions.

The working group's space study projected NARA will need over 2.4 million additional cubic feet of archival storage space to meet its needs through 2030. Based on our evaluation of the space study, we noted the working group did not use actual record experience⁵ in some of their projections. We identified several other factors in the audit that were not taken into consideration in the working group's final space projection. Therefore, the minimum space need projections through 2030 may not be completely reflective of NARA's actual space need.⁶ However, we agree NARA needs significant additional archival storage space to continue to meet its mission. Further, we found the working group's efforts effective in defining NARA's space challenge and setting a benchmark for NARA to work with in projecting space needs and acquiring additional archival space.

Further, the audit found NARA did not have a formal, long-term strategy for archival storage of its textual holdings and did not include space management as part of its most recent strategic plan. Without an effective long-term space management strategy, NARA is at risk of continual space challenges impacting its mission and strategic goals. NARA must initiate and continue discussions with Congress⁷, the Office of Management and Budget (OMB), the General Services Administration (GSA), and other applicable external parties to efficiently and economically address the agency's space challenges so NARA can continue to meet its mission.⁸

This report makes nine recommendations to strengthen the management, accountability, and oversight of NARA's space management program. Further, the audit noted challenges in other program offices at NARA which impact space management. We will consider potential follow-on audits of those challenges, listed in Appendix B.

⁵ Actual record experience is the historical environment NARA has experienced with obtaining permanent records of the Federal government. For example, the working group projected 100% of all scheduled permanent records to accession each year, when the agency's actual record experience showed only 40% of all scheduled permanent records were accessioned yearly.

⁶ For further discussion on each line item used in NARA's archival space projection, see Finding No. 1 on page 16.

⁷ In NARA's FY16 appropriations bill, the Senate required NARA to report on the volume and type of records NARA expects to receive over the next 15 years and the challenges NARA faces in acquiring space to house these records.

⁸ For further discussion, see Finding No. 2 on page 33.

Background

The National Archives and Records Administration (NARA) preserves, protects, and makes accessible those records deemed to have permanent, historical value to the nation. In its 2013 Performance and Accountability Report, NARA states “we identified appropriate storage of archival and non-archival holdings as two of NARA’s high priority performance goals. Appropriate storage space is the most fundamental component in achieving our mission to safeguard and preserve the records of the Federal Government.” Further, that report states NARA must tackle storage and space issues that challenge it in housing and preserving historically valuable records transferred to its custody. According to its 2013 Annual Performance Plan, NARA “preserves more than 10 billion pages of traditional holdings and the number continues to grow each year as more records are accessioned.”⁹

The Archivist of the United States (the Archivist) may accept for deposit with NARA the records of a Federal agency, the Congress, the Architect of the Capitol, or the Supreme Court determined by the Archivist to have sufficient historical or other value to warrant their continued preservation by the United States Government. United States Code (U.S.C.) Title 44 Chapter 21, Section 2110 requires the Archivist to “provide and maintain facilities he considers necessary or desirable for servicing records in his custody.” The archival records in NARA’s custody and control are stored in NARA’s 18 archival facilities across the country, including the Archives I and Archives II buildings in the National Capital Region (NCR). NARA Directive 1571, *Archival Storage Standards*, establishes standards for storage conditions in these archival facilities.

Management of space nationwide at NARA falls under the Storage Coordination and Logistics Branch in Business Support Services. Among its duties, the Storage Coordination and Logistics Branch conducts storage capacity studies for records and artifacts at NARA locations nationwide, identifies and proposes storage solutions to better serve customers and to save resources, and performs project management, or assists project managers in program areas in implementing storage solutions. The Administration, Policy, and Planning Staff in Business Support Services assists other staff in the office in preparing and coordinating NARA internal directives, communications, and regulations establishing NARA-wide financial, acquisition, security, property, space, and storage matters. Archival Directors of each facility establish and maintain intellectual and physical control of records including the storage and space housing them. These Archival Directors work in Research Services and establish and maintain intellectual and physical control of records (except legislative and

⁹ *Accessioning* is the process of transferring physical and legal custody of permanent records from federal agencies to NARA.

Presidential records and materials), including the storage, arrangement, and security of accessioned and donated records and the space housing these records.

NARA's largest archival facility is the Archives II facility located in College Park, Maryland. This facility has an archival capacity of almost 2.4 million cubic feet, which is roughly half of NARA's total archival capacity nationwide. This facility, which opened in 1994 was planned to meet NARA's archival space needs for twenty years. Due to a lack of available space at the Archives I building in downtown Washington, DC, NARA management chose to accession-in-place¹⁰ records at the Washington National Records Center (WNRC¹¹) in the 1970s and 1980s. When the Archives II facility opened, those accessioned-in-place records were moved from WNRC into archival storage space conditions at Archives II. Due to the volume of these records from WNRC, Archives II was essentially half full when it opened. When NARA sought to build Archives II, it received approval of funding from Congress in 1988 and began construction of the facility in October 1989. It was not until December 1993 that NARA began the three-year process of moving records into Archives II, which officially opened for researcher visits in January 1994.

Space Management Systems

NARA maintains its Holdings Management System (HMS), which allows NARA to more accurately locate its holdings across all facilities, efficiently identify available and suitable storage space, reliably track its holdings, document preservation needs, and reduce labor burden for tracking and reporting requirements. Also, NARA maintains its Archives and Records Center Information System (ARCIS) to allow agencies to transact with the Federal Records Centers (FRC)¹² electronically. ARCIS stores and tracks FRC record transactions, including location of the records and scheduled disposition date.¹³

Archival Space Studies

NARA has commissioned and conducted five studies concerning archival space over the past six years. An outside consulting firm conducted two studies of space in 2009 and 2010. The 2009 study of archival space at Archives I cited space challenges facing that facility, noted inconsistency across internal NARA systems for tracking records storage, and recommended NARA take a bigger picture look at its archival space challenges. The 2010 study assessed archival space in the NCR and concluded NARA was out of space there. This report extended its projections through 2030 and determined NARA would

¹⁰ NARA takes legal custody of the record, but does not store the record in archival space compliant with NARA Directive 1571.

¹¹ The WNRC is located in Suitland, Maryland. As of April 2015, the WNRC held 3,820,639 cubic feet of records.

¹² Federal Records Centers are not 1571-compliant; therefore, FRCs are not archival facilities

¹³ The date on which records are transferred into NARA's custody and control.

need over 1 million additional cubic feet of archival space to meet its needs. The report recommended three paths for NARA to take: construction of a new facility in the NCR; lease of a new facility in the NCR; and lease of a new facility outside the NCR. Of those three paths, the report suggested the first path, particularly the expansion of the Archives II facility.

In 2011, NARA's former Chief Operating Officer (COO) put together a cross-agency team, consisting of subject-matter experts from Research Services and Business Support Services, to study archival space needs across NARA. This team produced a report concluding NARA did not have sufficient archival space to meet its needs and projected NARA to need approximately 1 million additional cubic feet across all archival facilities through 2020. The report proposed six short-term solutions and four long-term storage solutions for NARA management to consider. The team did not propose a new facility in the NCR as a solution due to the expected budget constraints to construct such a facility. The recommendations from this report led to NARA leasing underground archival space at a commercial facility referred to as Subtropolis in Kansas City, Missouri.

NARA staff also produced a report in 2012 summarizing the archival space status across NARA. This report showed NARA was at 96 percent capacity nationwide, before Subtropolis and a new Philadelphia archival bay came online. The report showed 13 of NARA's then-available 17 archival facilities had four or less percent of total capacity available. The report did not project space moving forward or make recommendations on how NARA should address the nationwide lack of archival space capacity.

In 2014, NARA's current COO began another study of NARA's archival space by creating a cross-agency working group to study archival space at Archives I, Archives II, and NARA archival facilities outside of the NCR. This working group included staff from the Office of the Chief Operating Officer, Agency Services, Business Support Services, and Research Services. The COO wanted this team, led by a staff member from his office, to review archival space needs across the agency. This space management working group analyzed current archival capacity, current archival holdings, and current archival space available at each NARA archival facility, and then projected records to come into NARA archival space through 2030. Adding projected archival space totals to current archival space totals¹⁴ gave the working group an estimated total for NARA's archival space needs by 2030. The working group's final product was a PowerPoint presentation documenting study inputs and conclusions. The results of this study were shared across the agency at All-Hands Meetings and on NARA's internal web site. The COO stated none of the previous studies had been shared with the staff at large or outside

¹⁴ All archival space totals were as of January 9, 2015

NARA. The study showed NARA is facing a significant space challenge, which impacts all parts of the agency.

Space Challenges at NARA

At its current capacity, NARA is challenged in having sufficient archival space to efficiently accession and store permanent records. As evidenced by previous studies, NARA has been faced with significant space challenges for an extended period of time. NARA has managed to implement short-term solutions to the space problem, but those short-term fixes have not sufficiently provided for the agency’s long-term archival space needs. While NARA has the ability to continue to accession records at this time, if it had both followed its own policies and received all records scheduled to come in from other agencies, NARA would already be at its total archival capacity today. In fact, more than half of its archival facilities would be over their capacity.

As of January 9, 2015, NARA’s archival facilities¹⁵ were 88 percent full. The chart below lists the percentage of capacity used by each archival facility:

Table¹⁶ No. 1: Current Archival Holdings by Archival Facility

NARA Archival Facilities	Total Archival Storage Capacity	Current Holdings	% Full
San Francisco	51,167	51,167	100%
New York	5,800	5,781	100%
Riverside	51,492	51,000	99%
Boston	45,520	44,951	99%
Kansas City	21,420	21,032	98%
Washington D.C. (AI)	596,051	569,817	96%
Fort Worth	118,470	112,567	95%
College Park (All)	2,394,223	2,252,113	94%
Atlanta	219,810	203,430	93%
Chicago	75,824	69,980	92%
Philadelphia	125,492	114,906	92%
Lee's Summit	121,842	103,361	85%
Seattle	69,044	57,264	83%
Denver	75,000	61,413	82%
Lenexa	186,894	147,592	79%
Boyers	19,436	9,608	49%
Subtropolis	250,000	0	0%
Archival Total	4,427,485	3,875,982	88%

Note: Without the new addition of archival space at Subtropolis, NARA would be 93 percent full across all facilities.

¹⁵ This figure does not include St. Louis, National Personnel Records Center (NPRC), Presidential Libraries, or the Center for Legislative Archives due to the uniqueness of those archival facilities.

¹⁶ Tables were created by the OIG based on information provided by the working group.

With textual holdings growing approximately 2 percent each year, most facilities have capacity to add records for only the next few years based on the figures presented in Table No. 1. However, facilities are running into challenges with the available space. First, facilities are running out of contiguous space, meaning series are not able to be stored together. For example, a facility accessioning ten boxes may only have space for one box on each of ten different shelves, thereby spreading out the boxes that comprise a series. While HMS tracks the physical location of the records, having series stored across the facility adds to the resource burden to maintain control over and provide access to records. Second, the available space may only fit certain types of records (e.g. maps have a different size requirement than standard record boxes). With different types of records being accessioned, the facility may have available space, but the space may not fit the types of records coming into the facility.

Accessioned-in-Place Records

With space challenges facing the archival facilities, NARA has chosen or been forced to accession-in-place at its FRCs. The working group defined accessioned-in-place records as permanent archival holdings not stored in space compliant with NARA Directive 1571. In many instances, NARA has not complied with its own policy. NARA accessions these records, but pays the FRCs for the yearly storage of the records in their space, which is not compliant with NARA Directive 1571. There are currently 278,724 cubic feet of records accessioned-in-place and not in NARA 1571-compliant space. If NARA brought those records into compliant space as of today, that volume of records would have the following effect on available space at each archival facility:

Table No. 2: Total Holdings with Accessioned-in-Place (AIP) Totals by Archival Facility

NARA Archival Facilities	Total Archival Storage Capacity	Current Holdings	% Full	Accessioned-in-Place (AIP)	TOTAL HOLDINGS (current+AIP)	% Full with AIP
San Francisco	51,167	51,167	100%	43,072	94,239	184%
Chicago	75,824	69,980	92%	46,769	116,749	154%
Riverside	51,492	51,000	99%	21,982	72,982	142%
Fort Worth	118,470	112,567	95%	21,321	133,888	113%
Boston	45,520	44,951	99%	6,101	51,052	112%
Philadelphia	125,492	114,906	92%	23,081	137,987	110%
Lee's Summit	121,842	103,361	85%	30,563	133,924	110%
New York	5,800	5,781	100%	0	5,781	100%
Kansas City	21,420	21,032	98%	0	21,032	98%
Washington D.C. (AI)	596,051	569,817	96%	0	569,817	96%
Atlanta	219,810	203,430	93%	5,750	209,180	95%
College Park (All)	2,394,223	2,252,113	94%	0	2,252,113	94%
Lenexa	186,894	147,592	79%	15,800	163,392	87%
Seattle	69,044	57,264	83%	618	57,882	84%
Denver	75,000	61,413	82%	0	61,413	82%
Boyers	19,436	9,608	49%	0	9,608	49%
Subtropolis	250,000	0	0%	63,667	63,667	25%
Archival Total	4,427,485	3,875,982	88%	278,724	4,154,706	94%

While NARA has the overall archival capacity to store accessioned-in-place records properly, not all facilities could bring all of their accessioned-in-place records into compliant space. Note that in Table No. 2, seven facilities would be over their capacity if the facility moved accessioned-in-place records from the FRC into the archival facility. NARA could choose to move these accessioned-in-place records to other facilities with available capacity or convert non-NARA 1571 compliant space to meet archival storage standards. However, movement of that volume of records would be a substantial cost to the agency, as well as an impact to archival staff and researchers. NARA has staff specializing in serving certain records, certain records are more relevant to researchers in certain parts of the country, and records are often located near the originating agency, allowing that agency easy access to research records. Moving large volumes of records would impact both staff and customers. It is not possible for NARA to add onto each facility, so some records movement may be necessary.

Backlog of Permanent Records

Permanent records must be transferred, with some limited exceptions, to NARA when the records are eligible for transfer based on the transfer date specified in a NARA-approved records schedule.¹⁷ A records schedule provides mandatory instructions for the disposition of the records including the transfer of permanent records. However, there are 257,076 cubic feet of permanent records that have passed their scheduled disposition date without being accessioned into NARA (e.g. Backlog)¹⁸. If all of the records were accessioned into the local NARA facility where they are currently stored and as scheduled, NARA facilities would experience the impact shown below in Table No. 3:

Table No. 3: Total Holdings with Backlog Totals by Archival Facility

NARA Archival Facilities	Total Archival Storage Capacity	Current Holdings	% Full	Backlog	Total Holdings with Backlog	% Full with Backlog
San Francisco	51,167	51,167	100%	10,668	61,835	121%
Fort Worth	118,470	112,567	95%	28,000	140,567	119%
Riverside	51,492	51,000	99%	4,694	55,694	108%
Lee's Summit	121,842	103,361	85%	24,842	128,203	105%
Chicago	75,824	69,980	92%	9,629	79,609	105%
Philadelphia	125,492	114,906	92%	12,761	127,667	102%
Denver	75,000	61,413	82%	14,124	75,537	101%
Atlanta	219,810	203,430	93%	17,777	221,207	101%
Boston	45,520	44,951	99%	512	45,463	100%
New York	5,800	5,781	100%		5,781	100%
College Park (All)	2,394,223	2,252,113	94%	108,840	2,360,953	99%
Kansas City	21,420	21,032	98%		21,032	98%
Washington D.C. (All)	596,051	569,817	96%		569,817	96%
Lenexa	186,894	147,592	79%	22,118	169,710	91%
Seattle	69,044	57,264	83%	3,111	60,375	87%
Boyers	19,436	9,608	49%		9,608	49%
Subtropolis	250,000	0	0%		0	0%
Archival Total	4,427,485	3,875,982	88%	257,076	4,133,058	93%

Note: Subtropolis archival bays were fully completed in 2015; therefore, it would not have records scheduled to accession in 2014 and earlier.

If NARA had received all the records scheduled to come in through 2015, it would be at 93 percent total capacity, with nine facilities at or over their archival capacity limits. If the agencies owning the records begin to sign off on the transfer of the records to NARA, most NARA archival facilities would be faced with accessioning-in-place or unable to take custody of the records at their facility for lack of space. These records are permanent records that should be in NARA’s custody and control and stored in a facility compliant with NARA’s archival storage standards. However, neither federal agencies nor NARA have signed off on the transfer, so the records have remained in the FRCs, making those records neither in NARA’s legal custody nor in archival space.

¹⁷ 36 C.F.R §1235.12

¹⁸ Some percentage of these records is likely to be reappraised as temporary. For further discussion, see page 20.

A variety of factors may be causing this backlog, including continued agency use of records, financial cost of transfer, inadequate records management programs at agencies, and other internal agency barriers. NARA has processes in place to address the backlog such as including backlog totals in the Annual Move process¹⁹ and providing agencies with cost analyses of not signing off on transfer. Currently, NARA is focusing on subsets of the backlog, with space as a limiting factor to try to resolve the entire backlog.

The following table shows the impact if NARA accessioned its backlog records and brought accessioned-in-place records into archival facilities. The impact of that action would make NARA 100 percent full nationwide.

Table No. 4: Total Holdings with Accessioned-in-Place and Backlog Totals by Archival Facility

NARA Archival Facilities	Total Archival Storage Capacity	Current Holdings	% Full	Accessioned-in-Place (AIP)	TOTAL HOLDINGS (current+AIP)	% Full with AIP	Backlog	TOTAL HOLDINGS with AIP and Backlog	% Full with AIP and Backlog
San Francisco	51,167	51,167	100%	43,072	94,239	184%	10,668	104,907	205%
Chicago	75,824	69,980	92%	46,769	116,749	154%	9,629	126,378	167%
Riverside	51,492	51,000	99%	21,982	72,982	142%	4,694	77,676	151%
Fort Worth	118,470	112,567	95%	21,321	133,888	113%	28,000	161,888	137%
Lee's Summit	121,842	103,361	85%	30,563	133,924	110%	24,842	158,766	130%
Philadelphia	125,492	114,906	92%	23,081	137,987	110%	12,761	150,748	120%
Boston	45,520	44,951	99%	6,101	51,052	112%	512	51,564	113%
Atlanta	219,810	203,430	93%	5,750	209,180	95%	17,777	226,957	103%
Denver	75,000	61,413	82%	0	61,413	82%	14,124	75,537	101%
New York	5,800	5,781	100%	0	5,781	100%		5,781	100%
Lenexa	186,894	147,592	79%	15,800	163,392	87%	22,118	185,510	99%
College Park (All)	2,394,223	2,252,113	94%	0	2,252,113	94%	108,840	2,360,953	99%
Kansas City	21,420	21,032	98%	0	21,032	98%		21,032	98%
Washington D.C. (AI)	596,051	569,817	96%	0	569,817	96%		569,817	96%
Seattle	69,044	57,264	83%	618	57,882	84%	3,111	60,993	88%
Boyers	19,436	9,608	49%	0	9,608	49%		9,608	49%
Subtropolis	250,000	0	0%	63,667	63,667	25%		63,667	25%
Archival Total	4,427,485	3,875,982	88%	278,724	4,154,706	94%	257,076	4,411,782	100%

NARA must take prompt action to address its archival space challenges so it can continue to store, preserve, and make accessible the records of the federal government.

¹⁹ The legal transfer of historically significant records from FRCs to NARA every year.

Objectives, Scope, Methodology

The objective of this audit was to evaluate the adequacy and effectiveness of NARA's space management efforts for storing analog archival holdings. Specifically, we evaluated the recent archival space study conducted by a cross-agency working group under the direction of NARA's COO. This space study analyzed NARA's current archival space and projected the agency's need for archival space through 2030 at 17 archival facilities across the country. It did not include Presidential Libraries and Congressional records. The audit assessed the validity of the data used in the study, the reasonableness of the projections, and the effectiveness of the results of the study and potential solutions.

To accomplish our objective, we reviewed the following: NARA Directive 1571 "Archival Storage Standards," NARA Directive 1441 "Appraisal Policy of the National Archives and Records Administration," NARA Directive 1540 "Reappraisal and Deaccessioning of Archival Federal Records," Office of Management and Budget (OMB) Memorandum M-12-12 "Promoting Efficient Spending to Support Operations," OMB Memorandum M-12-18 "Managing Government Records Directive," OMB Management Procedures Memorandum No. 2013-02 "Freeze the Footprint," OMB Management Procedures Memorandum No. 2015-01 "Reduce the Footprint," and United States Code (U.S.C) Title 44 Chapters 21 and 29. Further, we reviewed NARA's strategic plans, annual performance plans, performance and accountability reports, strategic information resources management plan, and other internal documents. We also reviewed information available on NARA's internal and public-facing web sites.

We interviewed NARA personnel from the Office of the Chief Operating Officer, Business Support Services, Agency Services, Research Services, and the Office of Innovation. The group of subject-matter experts interviewed included members of the space management working group and other staff performing work impacting space. We obtained and analyzed internal documents related to space management including PowerPoint presentations, internal space spreadsheets, space reports, emails, meeting minutes, and internal discussion board topics.

Our audit work was performed at Archives II in College Park, MD between February 2015 and August 2015. We conducted this performance audit 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 the

evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results

1. Archival Space Needs Not Completely Reflective

The space management working group's projection of archival space needs through 2030 may not wholly reflect NARA's actual space needs. This condition exists because assumptions and projections did not fully consider all factors impacting NARA's space needs. The Government Accountability Office's *Standards for Internal Control in the Federal Government* states "management should use quality information to achieve the entity's objectives." Those standards define quality information as "appropriate, current, complete, accurate, accessible, and provided on a timely basis." The working group's conclusion regarding the minimum space need by 2030 was based on permanent records they expected to be accessioned and not the actual record experience at the agency.²⁰ In its projections, the working group did not consider or take into account several factors identified in the audit. Therefore, the minimum space need projection may not wholly reflect NARA's actual space needs through 2030.

In our audit of the space study conducted in 2014 under the direction of the COO, we examined the inputs to the study and the projections made by the study for each area considered as part of NARA's space needs. We sought to make conclusions on the validity of data and adequacy and effectiveness of the study. The COO communicated the study's overall projected space need was not meant to be an exact figure, but rather a best estimate to quantify the agency's critical need for archival space. This finding details our conclusions on the study and its various components.

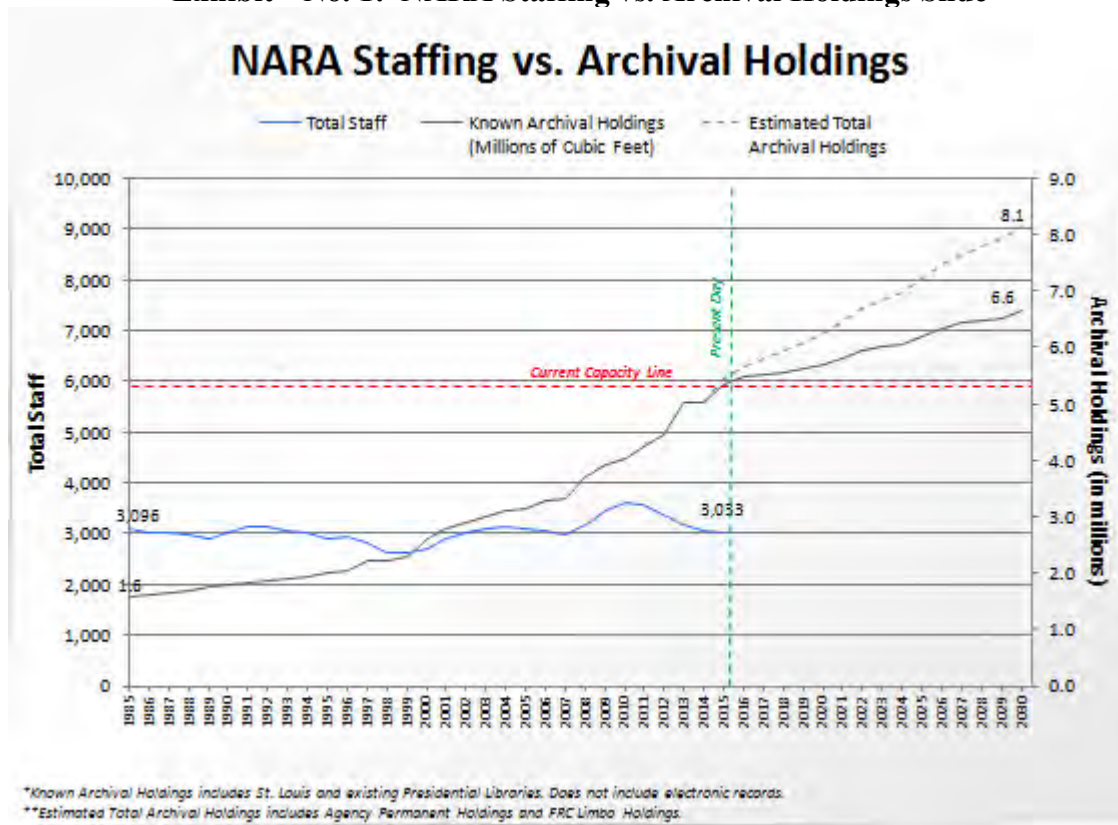
2014 Space Study

In 2014, NARA's COO began a study of NARA's archival space. The COO created a cross-agency working group to study archival space at Archives I, Archives II, and NARA archival facilities outside the NCR. This working group included NARA subject-matter experts from the Office of the COO, Agency Services, Business Support Services, and Research Services. The COO wanted this team, led by a staff member from his office, to review archival space needs across the agency. The COO wanted his staff to develop the study so he could be familiar with the numbers and have input into development of the study and recommended solutions. The COO also wanted to communicate this study and its results across the agency in order to engage all staff in the process.

²⁰ See Footnote 5.

The working group’s final product was a slide deck consisting of two summary slides, with 45 supporting slides behind the summary information. The first summary slide (Exhibit No. 1) depicted NARA archival holdings growth from 1985 to 2015, along with projected archival holdings needs through 2030. The graph also showed total NARA employees during the same time frame. While NARA’s archival holdings grew significantly over the last 30 years, the NARA workforce did not. The study used total NARA employees, including staff not working at archival facilities, along with support staff who do not directly handle the archival records. The working group chose to use total employees as NARA did not have consistent, detailed data to categorize its employees into specific groups for all years. In 1985, there was one NARA employee for every 516 cubic feet of archival holdings. In 2015, there is one NARA employee for every 1,450 cubic feet of archival holdings. So while NARA’s workforce has remained stagnant over the last 30 years, its archival holdings have more than tripled (see Exhibit No. 1 below).

Exhibit²¹ No. 1: NARA Staffing vs. Archival Holdings Slide



While the growth of textual records may eventually decrease, that will not happen anytime soon. As of July 2015, 98 percent of incoming records are textual holdings. The other 2 percent are electronic, motion picture, film, maps, microfilm, microfiche, etc.

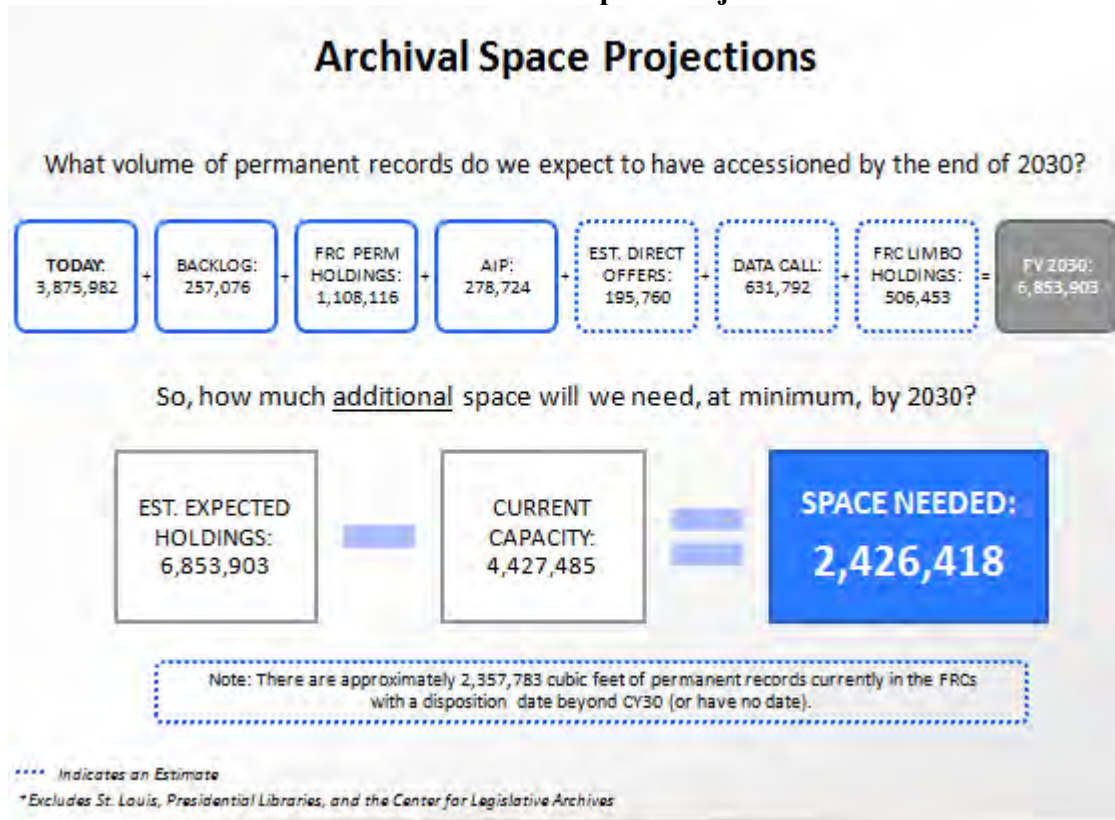
²¹ Exhibits were obtained directly from the working group’s slide deck.

Electronic records are growing, but are not expected to overtake paper records in the near future. The Chief Records Officer estimated it would be at least another ten years before NARA saw a decline in textual records accessioned from FRCs, and stated the impact of OMB Memorandum M-12-18, *Managing Government Records Directive*,²² would not be felt until 2035 or later. There is still a pipeline of textual records at the FRCs scheduled to come into NARA steadily through 2075. While the influx of new textual records will eventually start to decrease, NARA will continue to need physical storage space for new and currently held textual records well into the future.

The second summary slide (Exhibit No. 2) is the working group's archival space projections through 2030. The top boxes indicate how the working group estimated the total archival holdings (in cubic feet) expected to be accessioned into NARA by 2030. The working group broke up the records expected to be accessioned by 2030 into seven boxes: four boxes derived from actual data (Today, Backlog, FRC Perm. Holdings, and AIP) and three boxes derived using estimates (Est. Direct Offers, Data Call, and FRC Limbo Holdings). The eighth box (FY2030) is the sum of the other seven boxes. The bottom boxes indicate how the working group derived the total archival space NARA would need by 2030 (Space Needed box) in order to store all permanent records it expects to accession. This total, 2,426,418 cubic feet, is derived by subtracting NARA's current archival capacity (Current Capacity box) from the working group's projected total (Est. Expected Holdings box) of expected accessioned records by 2030.

²² Requirement 1.1 of that memorandum requires all federal agencies to manage all permanent electronic records in electronic format by December 31, 2019.

Exhibit No. 2: Archival Space Projection Slide



This audit’s objective was to evaluate the adequacy and effectiveness of NARA’s space management efforts for storing textual archival holdings. We found the efforts of the working group were adequate to outline the critical need for space and different areas where NARA was challenged in its space management efforts. However, the minimum space need projections through 2030 may not be completely reflective of NARA’s actual space requirements.

Current Archival Holdings

The first total considered by the working group, the “Today” box, was NARA’s current archival holdings (3,875,982 cubic feet). The working group pulled the space totals from HMS for each facility. Then, the working group asked the Archival Director at each facility to confirm or update each HMS total. The second step was necessary based on problems encountered with HMS. The working group found HMS was not accurate in all cases, and found they needed to adjust the totals based on information obtained from Archival Directors. As an example of data maintained by Archival Directors outside HMS, Washington, DC area Research Services staff perform a biannual space inventory count, where staff surveys the archival stacks and calculates available space based on a shelf-by-shelf review. We found the total used by the working group to be reliable for

each facility as it was based not only on the data within HMS, but adjusted based on data confirmed by Archival Directors responsible for the management of space at each facility.

HMS is supposed to provide users with reliable and accurate current archival space totals. However, the lead working group member stated HMS tends to misstate archival holdings and archival capacity. The working group conducting the space study had to rely upon the Archival Director at each NARA archival facility to confirm or update the unreliable HMS data. These Archival Directors separately tracked archival space totals since they either believed HMS data was inaccurate or not reliable and had not taken steps to correct it, or they had yet to fully implement HMS at their facility. With each facility separately tracking its space, NARA's archival space data reported via HMS can be inconsistent from facility-to-facility. The unreliability of HMS data added work to the space group and unnecessarily takes up staff time at archival facilities as staff is doing manual work the system should reliably perform.

Backlog

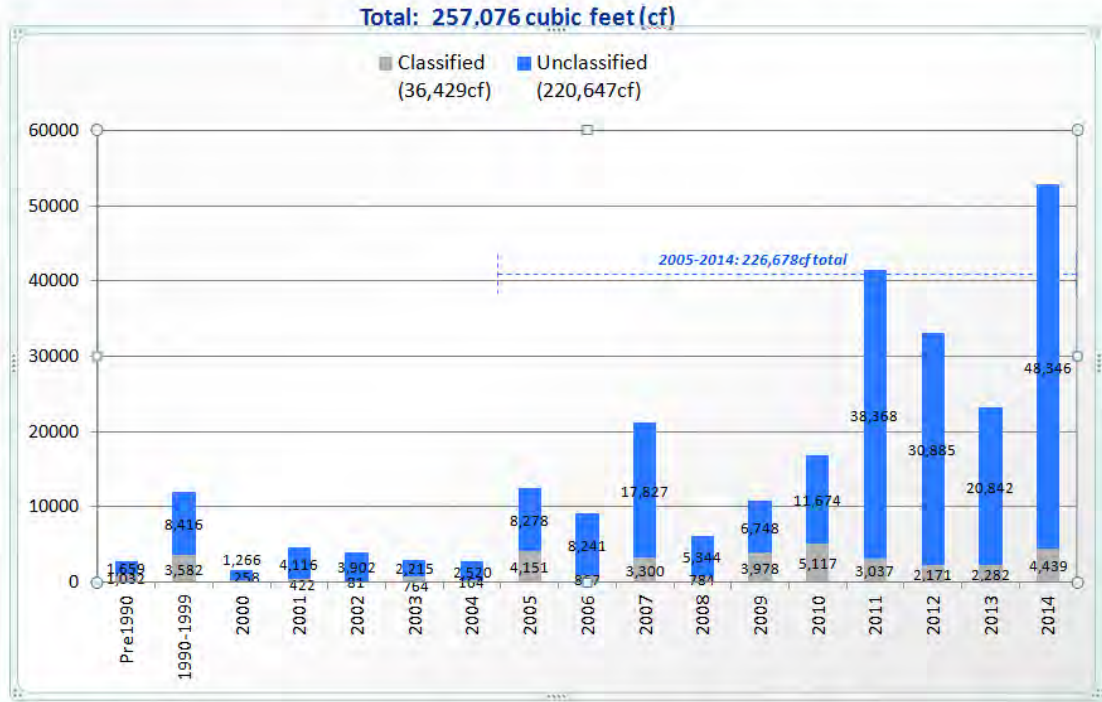
The working group defines "Backlog" as "Record Center permanent holdings with a disposition date of 2014 or earlier." Essentially these are permanent records that should be in NARA's custody, but either agencies or NARA have not signed off on the transfer of these records. The working group cited five reasons why the records have not been transferred: (1) internal agency barriers; (2) agency desire to keep control of records; (3) records not ready to accession; (4) cost of transfer; and (5) unresponsiveness of agencies. The working group concluded a lack of archival space is not a contributing factor to the backlog of records.

The working group used ARCIS, NARA's system through which agencies conduct transactions with the FRCs, to obtain the volume of records in backlog (257,076 cubic feet). ARCIS tracks all records stored in FRC space, and contains numerous data fields with information supporting record information. The working group queried ARCIS data by Disposition Date to obtain all permanent records with a disposition date of 2014 or prior. That query resulted in a total of 257,076 cubic feet of backlog records scheduled to accession into NARA archival facilities considered in the study. That total was broken down into more specific information such as Record Group, FRC location, and Year by the working group. The following chart shows the length of time these records have been overdue:

Exhibit No. 3: Backlog Records by Year

WHEN

How long have these records been overdue?



U.S.C Title 44 Section 2107, *Acceptance of Records for Historical Preservation*, allows agencies to certify in writing to the Archivist of the United States that the records must be retained in their custody for use in the conduct of regular current business of the agency. However, agencies are not following this provision and NARA is not taking action to direct and effect the transfer of these permanent records. Currently, NARA staff is working to implement policies and procedures to promote the requests from agencies and document how waivers should be handled internally. NARA staff is currently working on two items related to this waiver request: (1) working on advertising this waiver method to agencies as part of the Annual Move process as some agencies may be unaware of this requirement; and (2) developing internal procedures to review and approve these waivers. These records should be in NARA’s custody and control unless the originating agency has a valid business need to keep the records longer than the disposition date. Without cooperation from other federal agencies, NARA is challenged and limited in its ability to completely resolve the backlog.

We found the volume of records in Backlog to be reliable, though we noted some percentage of these records is likely to be reappraised²³ as temporary.

Federal Records Centers Permanent Holdings

The working group projected space needs for the permanent records stored at FRCs and scheduled to accession into NARA between 2015 and 2030 (1,108,116 cubic feet). The working group used ARCIS queries to obtain the cubic feet of records scheduled in each year during that timeframe for each archival facility considered in the study. These records are known by NARA to be permanent with a set disposition date and NARA can reasonably expect to need space for these records. We evaluated the source of this data, and found the numbers used to be reliable. When projecting the space need through 2030, the working group assumed NARA would accession all of these records each year, factoring 100 percent of scheduled FRC permanent records into its space projections.

However, we found the projection that all of these FRC permanent records will be accessioned into NARA by 2030 unlikely based on the actual record experience at NARA. First, reappraisal of these records would likely find some percentage of records scheduled as permanent to in fact be temporary records; therefore, space would not be needed for those records reappraised as temporary. The working group considered this fact, but was unable to find a suitable percentage to use and thus did not adjust the data. However, the working group made other projections in the study based off expected percentages, and could have reasonably used an estimate here to signify some of these records will not eventually be accessioned into a NARA archival facility. Further, the absence of data concerning reappraisals is a metric NARA could look to capture and report. The Chief Records Officer stated NARA would like to increase its reappraisal efforts to open the boxes and make sure the records are truly permanent. However, staffing levels and other work required from staff make it difficult to spend as much time as NARA may like on this activity. Further, NARA is in the process of revising its Appraisal Policy (NARA Directive 1441), which may create a more robust effort in correctly appraising federal records so only those of historical value are brought into NARA and require space.

Second, NARA does not accession all eligible records into its holdings each year. Currently, only 40 percent of all eligible records are accessioned into NARA annually. Eligible records are those records first eligible to accession that year, and all records dating back every five years scheduled as permanent, but not accessioned into NARA

²³ The reappraisal process is governed by NARA Directive 1540-*Reappraisal and Deaccessioning of Archival Federal Records*, which defines reappraisal as the process of reevaluating the historical value and thus the final disposition of Federal records.

(e.g. Backlog).²⁴ The COO stated he expected NARA to improve its processes over time to where it will accession 100 percent of all eligible records each year. However, NARA is currently not accessioning 100 percent of eligible records yearly, and it will take significant resources (e.g. staffing, archival space, cooperation from other agencies) to meet the COO's expectation of accessioning 100 percent of eligible records each year.

Part of NARA's accessioning problem lies with other federal agencies who are not signing off on records at the records' scheduled disposition date. Those agencies may have continuing business needs for the records and therefore do not sign off. Inadequate records management programs at other agencies can also cause these records not to come to NARA. NARA can increase outreach efforts to these agencies to get records signed off punctually and place appropriate disposition dates on the records when scheduled.

The working group also noted NARA has FRC permanent records totaling 2,357,783 cubic feet scheduled to accession after 2030 or have no transfer date (but are marked permanent). These records are known permanent records NARA should expect to accession in the future. In total, NARA has over 3.4 million cubic feet of permanent records in its FRCs scheduled to accession. Even if the backlog of records continues to occur, these records would eventually be signed off on and accessioned into NARA, less some percentage of records expected to be reappraised. Perhaps the more effective depiction of NARA's space needs would be to use the 3.4 million cubic feet figure as NARA knows it will need space to store those permanent records in the future.

We found the total scheduled permanent records for which NARA will eventually need archival space to be reliable. However, if current processes do not change, we ascertain all 1,108,116 cubic feet of FRC permanent records scheduled through 2030 will not be accessioned by 2030.

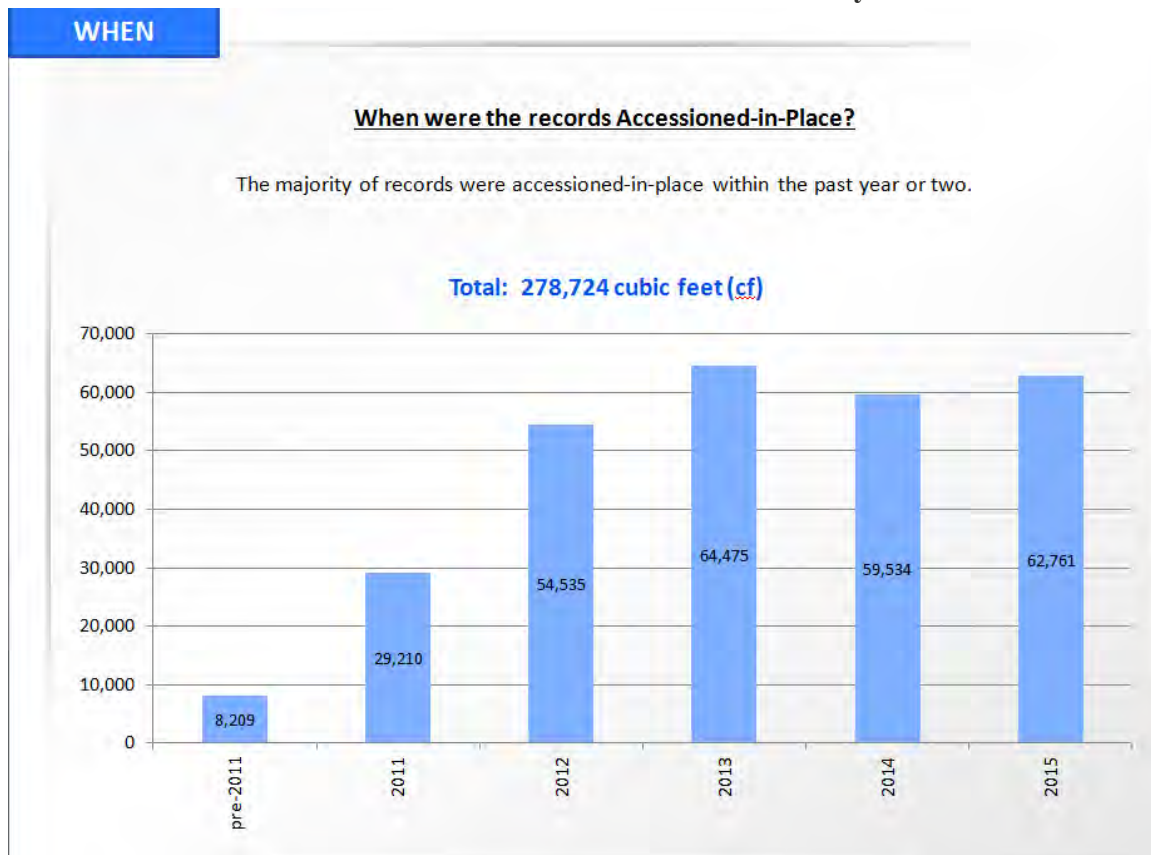
²⁴ For example, in 2016, all records scheduled with a disposition date of 2016 will be eligible to accession for the first time. Also considered eligible in 2016 are Backlog records with disposition dates of 2011, 2006, 2001, and so on.

Accessioned-in-Place Holdings

The working group defined accessioned-in-place records as permanent archival holdings not currently stored in space compliant with NARA Directive 1571 standards. NARA Directive 1571, *Archival Storage Standards*, established structural, environmental control, fire safety, preservation, and security standards for appropriate archival storage conditions in NARA archival facilities. Accessioning is the process of transferring physical and legal custody of permanent records from federal agencies to NARA. The accessioned records become the property of NARA.

The working group used an ARCIS query to find the quantity of records the agency has accessioned-in-place – 278,724 cubic feet as of January 2015.²⁵ The volume of records currently accessioned-in-place should all be in NARA 1571-compliant space, but is not. The working group estimated NARA pays the FRCs approximately \$936,000 per year for storage of these accessioned-in-place records. As the graph below shows, most of these records were accessioned-in-place in the last four years:

Exhibit No. 4: Accessioned-in-Place Records by Year



²⁵ 63,667 cubic feet were at Subtropolis waiting on the completion of the archival storage bay. That quantity will move to current archival holdings upon completion of the archival bay.

The working group found NARA had no established criteria for determining when to accession-in-place. The working group did cite three possible reasons for NARA facilities to decide to accession-in-place: (1) Capacity Issues; (2) Screening Projects,²⁶ and (3) Accretion²⁷ Plans. For example, the San Francisco archival facility is out of archival space; therefore, to accession records, it must accession-in-place on the FRC side of the facility. Certain screening projects across NARA make up approximately 108,000 cubic feet of records that were accessioned-in-place. Finally, some locations may be waiting for larger accretions to series before moving the records to archival storage. Each archival facility with records accessioned-in-place could be using different criteria than other facilities to base the accession-in-place decision. There may be some instances where it is appropriate to accession-in-place (e.g. Subtropolis waiting on completion of archival bay construction), but there should be clearly-defined NARA criteria for those appropriate instances to enhance NARA-wide consistency.

As discussed previously in the report, NARA is not following its own policy on storing permanent records in archival space compliant with NARA standards. These 278,724 cubic feet of records may be at greater risk of loss outside of an archival facility. This volume of records should already be in archival storage. Further, the agency is paying storage fees for these records unnecessarily. We found the total volume of accessioned-in-place records are reasonably expected to need archival space, less some percentage of records potentially deaccessioned²⁸ upon review of the records.

Estimated Direct Offers

Direct offers are records offered by Federal agencies without NARA prompting. Therefore, NARA does not know when, or if, it will be receiving these records. In a given year, a NARA facility could receive no direct offers. In another year, the same facility could receive thousands of cubic feet in direct offers. While the direct offers vary on a facility-by facility and year-by-year basis, NARA must still anticipate receiving some quantity of direct offers each year in its space planning efforts. The working group included its estimate of direct offers, 195,760 cubic feet, in its space projections through 2030.

To arrive at this figure, the working group surveyed Archival Directors at each NARA archival facility to obtain their annual estimate of expected direct offers. Some of the estimates were based on historical direct offers over varying time periods (some facilities gave three years of data, others five) while others provided a best estimate. This

²⁶ Screening is the process of determining if a document contains exempted information.

²⁷ Accretions are additions to accessioned archival materials.

²⁸ The deaccessioning process is governed by NARA Directive 1540-*Reappraisal and Deaccessioning of Archival Federal Records*, which defines deaccessioning as removing a discrete set of Federal records from NARA's legal and physical custody.

inconsistent approach to collecting data reduces the reliability of the final total used for this space projection. Upon receiving the annual estimate, the working group projected the direct offers for each facility through 2030 to derive a total at each facility. Those individual facility totals were summed to arrive at the total figure used in Exhibit No. 2. The COO stated NARA could only rely on the data available, which was the historical average. Therefore, that information was used in the study to make the projection for expected direct offers.

We found the working group's projection for direct offers could be understated. Archives II is the facility receiving the most direct offers (approximately 10,000 cubic feet per year). Of the facilities surveyed in the study, Archives II comprised approximately 80 percent of all direct offers. The Supervisor of Textual Accessioning for the NCR stated those facilities (Archives I and Archives II) had seen an increase in direct offers in recent years, and expected direct offers to continue to grow. That increase was not factored into the working group's projections. With OMB requiring square footage reductions at federal Chief Financial Officer (CFO) Act agencies,²⁹ we concluded NARA may see an increase in direct offers as those agencies move records to NARA to free up space at their own facilities. Further, with Records Management guidance requiring federal agencies to be more involved in records management,³⁰ NARA may see increased direct offers as agencies work to improve their own records management practices. We shared this conclusion with the COO, who agreed an increase in direct offers was possible given those factors.

While the working group's projection for Direct Offers is conservatively reliable, we concluded a more reasonable and accurate projection of Direct Offers would be a higher total of records expected by 2030 based on anticipated growth in direct offers over that time period.

Data Call

In 2012, OMB, along with the Archivist of the United States, issued Memorandum M-12-18, *Managing Government Records Directive*. The memorandum required the Senior Agency Official at all federal agencies to "ensure permanent records that have been in existence for more than 30 years are identified for transfer and reported to NARA." This requirement was to be fulfilled by December 31, 2013. Federal agencies reported this information to NARA as part of their annual reporting requirements. The working group used this reported information to add to the projected space total for NARA by 2030. The total used, 631,792 cubic feet, consists of two parts: (1) data reported by federal

²⁹ OMB Management Procedures Memorandum No. 2015-01.

³⁰ OMB Memorandum M-12-18, *Managing Government Records Directive*.

agencies; and (2) an estimate of records at agencies who did report. The following table shows this breakdown:

Exhibit No. 5: Data Call Projection



Agency Services staff was responsible for receiving and evaluating the data reported by the agencies. For space planning purposes, staff produced a report detailing the results of the “Data Call.” This report showed 115 agencies reported records 30 years or older to NARA in the amount of 537,292 cubic feet. Additionally, the report showed 90 agencies did not report, therefore the report estimated the permanent records totals at those agencies. The report derived the estimate by taking the total of cubic feet reported (537,292) and dividing it by the agencies who did report (115). This total came to 4,672 cubic feet per agency. That per agency total was projected across the 90 agencies who did not report. This estimate came to 420,489 cubic feet. The total reported and the total estimated came to 957,781 cubic feet of permanent records over 30 years old not at a NARA facility.

The space study working group used this “Data Call” report as the basis for its Data Call total. The working group used the same total, 537,292 cubic feet as the Agency Services report for the 115 reporting agencies. However, the working group used a different estimate for the nonreporting agencies. The total cubic feet reported by all agencies consisted of 417,576 cubic feet from one CFO Act agency: the other 114 agencies reported 119,716 cubic feet. Therefore, the working group excluded the outlying agency’s total, and found an average for the nonreporting agencies by taking the total reported by 114 agencies and dividing it by 114 to derive a total per each agency. This average came to 1,050 cubic feet per agency, which the group used to project an estimated total of 94,500 cubic feet for the 90 nonreporting agencies. This difference in estimates caused the working group’s estimate figure to be 325,989 cubic feet lower than

the Agency Services report's estimated figure. The working group sought to have a more conservative estimate for space totals; therefore, it took the lower of the two totals.

We understand the working group's choice to exclude the outlying agency total, but conclude the working group underestimated the total. The internal report listed the 90 agencies who did not report. In reviewing that report, we found 16 CFO Act agencies did not report. Therefore, we found it reasonable to expect those agencies to have more records than the average applied to those agencies. Further, a staff member responsible for the internal report stated the totals reported for some agencies seemed to be low. Based on that staff member's knowledge of the reporting agencies, the staff member concluded the total records reported figure used was low. We discussed with the COO our conclusion that the reasonable expectation of data call records was somewhere between the Agency Services report's total and the working group's projection. The COO agreed the number used by the working group was probably low.

However, while NARA can expect to eventually accession all of the permanent records reported by agencies and projected by NARA, we found it unlikely for NARA to accession the entire volume of data call records by 2030. While the agencies could direct offer these records to NARA at anytime, given that very few of the reported permanent records have accessioned into NARA since first reported in 2014, we find it unlikely the entire universe of these permanent records will be accessioned by 2030. To have all 631,792 (or more) cubic feet of permanent records from the data call accessioned by 2030, NARA would need additional archival space (as context, archival space necessary to store these data call records would be larger than the capacity of Archives I) and greater resources to obtain these records from the agencies, to process this large additional volume of records, and to appraise the records as permanent. Further, NARA is reliant upon other agencies to direct offer these records and work with NARA to move the records into NARA's archival space. Those agencies would have to devote significant resources to efficiently get these permanent records to NARA. Further, OMB M-12-18 only required agencies to report on these records one time. Without continual reporting, NARA will not have sufficient information on permanent records outside of its control to effectively manage and anticipate space needs moving forward.

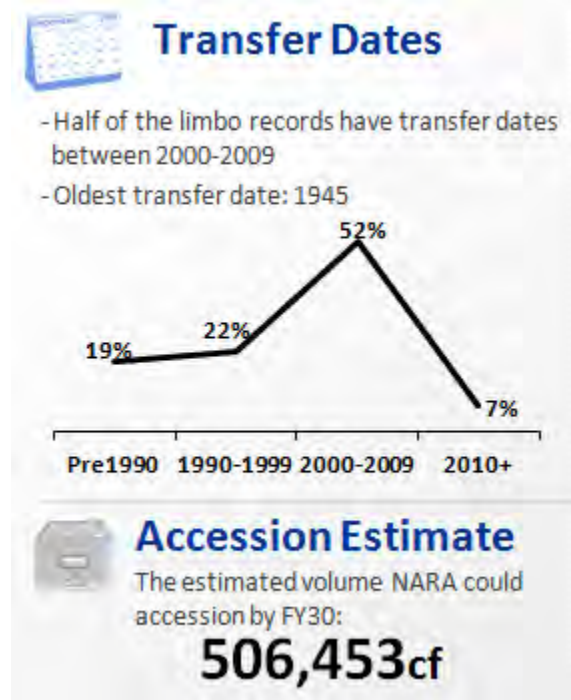
Further, there may be some double counting between this subset of records and the Direct Offers estimate (195,760 cubic feet). These Data Call records would come to NARA via direct offer from the originating agency. We found it likely the majority of the direct offers expected over the period would come from the permanent records 30 years or older at the agency identified in agency review for the OMB M-12-18 reporting requirement. Therefore, we found it reasonable that a significant percentage of the expected direct

offers volume (195,760 cubic feet) could also be counted in the 631,792 cubic feet projected as Data Call records.

FRC Limbo Records

This total represents the 2,679,687 cubic feet of records created by the federal government that are not identified as either temporary or permanent. The records are often scheduled as temporary or permanent, but prior to disposition questions were raised and the records' status in ARCIS was changed to make the records neither temporary or permanent. The owning agency pays annual storage fees for the records stored at the FRCs. Many of these records have disposition dates (the date the records were scheduled to be accessioned into NARA's archival holdings) prior to 2010. Ninety-three percent of these "limbo" records, almost 2.5 million cubic feet, are over 5 years past their disposition date. The oldest transfer date is 1945, making it now 70 years overdue.

The total used by the working group, 506,453 cubic feet, is derived from ARCIS reports on all records stored at FRCs coded in ARCIS as a "Limbo" code, such as "Pending Agency Action," "Unscheduled," or "Deferred." The working group found the total number of records with a "limbo" code, and then estimated a total the group expected were permanent records that NARA would accession by 2030. This estimate was completed in two parts. First, the working group took 264,982 cubic feet of records that staff felt certain would be deemed permanent records when checked. This assumption was based on staff's working knowledge of the records. Then, the working group subtracted that total from the population, and took 10 percent (241,471 cubic feet) of the remainder (2,414,705 cubic feet). The sum of those two totals equals the permanent records the working group projected NARA to have in FRC "limbo" codes.

Exhibit No. 6: FRC Limbo Records Estimated Volume

Efforts to properly identify these records as temporary or permanent require extensive time and resources. Not only will the effort require resources from NARA, it will also require cooperation and resources from other federal agencies. NARA cannot properly plan to store these records and begin work to preserve and make the records accessible without significant assistance and cooperation from the federal agencies that own the “limbo” records. Further, the Assistant Director of Operations for the FRCs, who participated in the space management working group, stated as currently staffed, the FRCs could not do more than what they currently are doing to address these limbo records. The COO stated NARA has not prioritized addressing the limbo records, but the agency could choose to adjust priorities, resources, and processes to address the volume of limbo records.

The records NARA staff believes to be permanent should be the easier records to get out of limbo. Some of these records were initially labeled as permanent, but at some point the permanence was questioned and the code changed to a “limbo” code. ARCIS uses only one data field for these codes. If ARCIS had separate fields (one for permanent/temporary and one for action needed), NARA could better identify what records were marked permanent, even if further agency action is required. Some of these limbo records are court records, and NARA staff is currently working on a screening project to appraise those court records as permanent or temporary.

The 10 percent estimate of remaining “limbo” records was derived by the working group from internal estimates on percentage of permanent records. That internal estimate figures somewhere between 3 and 10 percent of all records are permanent. Without data to more specifically target this estimate, the group chose to use 10 percent to be conservative in estimating space needs, along with their suspicion that more of these “limbo” records would be permanent.

We found the total estimated volume of permanent limbo records expected to be accessioned into NARA appear to be reasonable. However, we found the expectation that all 506,453 cubic feet of estimated permanent limbo records will be reviewed and accessioned by 2030 to be unlikely given current resources. It will take significant staffing increases or changing staffing allocation to begin to address these “limbo” records. Addressing the “limbo” records would have to be prioritized to begin reducing the number of unscheduled records not labeled temporary or permanent. Additionally, getting these records scheduled and out of “limbo” would require the same significant staffing increase and prioritization from other federal agencies. In today’s resource-strained environment, getting the level of commitment from all agencies with “limbo” records is uncertain. The COO stated this box was included in the study to raise awareness of 2.6 million cubic feet of government records needing action. Action does need to be taken to address this group of records. However, it is unlikely the total volume projected will require archival space by 2030.

NARA’s Total Expected Accessioned Holdings by FY2030

The working group expected NARA to have accessioned 6,853,903 cubic feet by 2030. This total is the summation of the seven boxes discussed above (Current Archival Holdings, Backlog, FRC Permanent Holdings, Accessioned-in-Place, Estimated Direct Offers, Data Call, and FRC Limbo Records). However, based on the discussions above, we do not expect that volume of records to be accessioned by 2030.

NARA’s Current Capacity

The working group derived this total the same as it derived the total current holdings: having Archival Directors confirm or update the HMS total for archival capacity at each facility. We found this total (4,427,485 cubic feet) reliable, given previously discussed challenges with HMS data.

Space Needed

The working group concluded NARA needs an additional 2,426,418 cubic feet to meet its space needs through 2030. While we found the projections did not fully consider all factors impacting NARA's projected space needs from Exhibit No. 2, we found the agency's need for significant additional space is certain. NARA could need 2,426,418 cubic feet of additional archival space by 2030. Additional space will be needed after 2030, but policy changes NARA could consider might alleviate some of the agency's pressing space needs. For years, NARA has applied short-term solutions (e.g. new Subtropolis lease) to its space needs. However, the agency has not effectively planned for future space needs. The agency needs to start now to acquire the space it needs. Procurement of additional archival capacity and implementation of other solutions need to be worked into the agency's strategic planning (for further discussion, see Finding 2) and budget formulation so NARA can effectively address its space challenges.

Recommendations

We recommend the Chief Operating Officer:

1. Working with the Chief Records Officer, consider implementing records management guidance to make agencies report to NARA records in their possession 30 years or older on a more regular basis.
2. Implement a strategy to work with other federal agencies to resolve "limbo" records and schedule those records for accessioning or disposal.
3. Work with the Executive for Research Services to facilitate consistent application of HMS at all archival facilities, to capture all archival holdings in HMS, and improve how HMS calculates the available space.

Management Response

Management concurred with the recommendations.

2. Absence of Long-Term Strategy for Space Management

NARA does not have a formal long-term strategy for its space management efforts. Further, space management is not aligned with NARA's most recent strategic plan. NARA did not have a strategic management process in place to make decisions on long-term strategies and solutions for space at the agency. OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget*, requires agencies to develop strategic objectives that "express more specifically the results or direction the agency will work to achieve in order to make progress on its mission." Without an effective long-term space management strategy, NARA is at risk of continual space challenges impacting its mission and strategic goals. NARA must implement a long-term storage strategy to effectively track and manage its archival storage space to continually provide sufficient space at all facilities.

We reviewed NARA's most recent space study, which sought to improve NARA's long-term strategy for archival space planning. In evaluating the study's effectiveness, we sought to determine if the study had improved the agency's long-term strategy for space management. Further, we considered how space management was aligned with NARA's most recent strategic plan, how NARA and its unique mission fit with OMB requirements for Federal Agency square footage, and how NARA planned to address its critical space challenges.

Long-Term Strategy for Archival Space

We found NARA did not have a formal long-term strategy for archival space management. The notes to a January 28, 2014 Executive Leadership Team (ELT) meeting indicate the COO emphasized to the ELT that NARA did not have an overarching, long-term strategy in place for record storage and space planning. The working group conducting the study was tasked with better defining NARA's space issues for management. However, the working group was not tasked with producing a strategy.

The 2011 study conducted under the former Deputy COO included a draft charter for a "NARA Nationwide Archival Records Storage Management Team." This team was never formalized into the standing body envisioned by staff working on the 2011 study. This team was to consist of representatives from across the agency and be led by the Director of the Storage Coordination and Logistics Branch. The working group assembled under the COO to conduct the current space study was only meant to be a temporary fixture.

We determined NARA should establish a permanent group to both track and manage space and advise agency management on space matters across the agency. NARA is monitoring space across its facilities currently, but standing up a permanent group would allow for more formal tracking of space across the agency and input by management on current and future space matters.

NARA Strategic Plans

We found NARA did not include space management in its most recent strategic plan. OMB Circular No. A-11 states an agency's Strategic Plan should define the agency mission, long-term goals, strategies planned, and the approaches it will use to monitor its progress in addressing specific national problems, needs, challenges, and opportunities related to its mission. According to that circular, agencies are to develop strategic objectives in support of their strategic plan to "express more specifically the results or direction the agency will work to achieve in order to make progress on its mission." Having sufficient archival space is crucial to NARA's ability to meet its mission to provide public access to Federal Government records in its custody and control. As discussed previously in this report, space challenges have hindered NARA's ability to bring records into its custody and control. Without having the records in its custody and control, NARA cannot provide access to those records, thereby putting the agency at risk of not fulfilling its mission. Effective strategic planning for space is crucial for NARA to guide decision making and align resources to continue to meet its mission.

OMB Requirements

In May 2012, OMB published Memorandum M-12-12, *Promoting Efficient Spending to Support Agency Operations*, and followed that guidance in March 2013 with Management Procedures Memorandum No. 2013-02, *Implementation of OMB Memorandum M-12-12 Section 3: Freeze the Footprint*. This guidance called for agencies to not increase the size of their square footage, along with other requirements, including tracking and reporting agency square footage to OMB and the General Services Administration (GSA). This memorandum was addressed to "All Executive Agencies," but refers specifically to CFO Act agencies in the body of the memorandum. Although NARA is not a CFO Act agency,³¹ the agency adhered to OMB's guidance.

With the issuance of this policy, NARA began to track its square footage across the agency and monitor the difference between its current square footage and the baseline square footage set in FY2012. NARA's data was not tracked by GSA through its performance.gov website. In response to the OMB requirements, NARA held an

³¹ The CFO Act of 1990 listed the twenty-four major executive agencies in the Federal Government as CFO Act agencies.

informal conversation with OMB staff concerning how the requirements would impact NARA when constructing the President Obama Library after the President leaves office in 2017. OMB assured NARA the President Obama Library would not be subject to those requirements. NARA's mission is unique when viewed under the spectrum of OMB's square footage regulations as NARA's business is archiving government records, which requires space for those records.

In March 2015, OMB superseded its Management Procedures Memorandum No. 2013-02, *Implementation of OMB Memorandum M-12-12 Section 3: Freeze the Footprint* with Management Procedures Memorandum No. 2015-01, *Reduce the Footprint*. This guidance was addressed specifically to CFO Act agencies throughout. It required those agencies to not only freeze their footprint, but to reduce their footprint below a set baseline. We contacted OMB staff responsible for this guidance to discuss how this guidance applied to NARA and its unique mission. In that conversation, OMB staff stated the *Freeze the Footprint* and *Reduce the Footprint* policies do not apply to NARA as NARA is not a CFO Act agency. Therefore, NARA is free from the requirements of those policies, and can add to its footprint as needed, given funding and necessary approvals. OMB staff stated NARA has a unique mission, which entails the need for NARA to continually grow its footprint as it brings in records of the federal government.

According to a report on NARA's square footage footprint obtained in March 2015, the agency is 952,403 square feet under the baseline it set for itself, which would allow the agency to build more space while still falling within OMB regulations. However, since the OMB footprint requirements do not apply to NARA, NARA may exceed the baseline it set for itself as needed. NARA will still have to work through OMB and GSA should it decide to pursue funding and approval for a new facility(s), but will not be limited by these footprint requirements.

Budget Implications

NARA has yet to define its space needs in a budget request to Congress and OMB. While NARA has not chosen an exact solution for its space needs, the agency will require a significant budget increase to properly address its space challenge. As the agency's archival space is 88 percent full, NARA must start its necessary budget communications now in order to address its critical space need. When NARA sought to construct Archives II, the process took over five years from Congressional approval until Archives II opened for researchers, and an additional three years before all records were moved to the facility from NARA's overfull facilities. Considering the same pace to acquire, construct, staff, and fill the new facility, a new facility would not open until 2022 if Congress approved funding in the agency's FY2017 budget request. With significant

time needed to build new archival space, NARA must act with urgency to acquire the funds necessary so the agency can continue to meet its mission of providing public access to Federal Government records in its custody and control.

Potential Solutions to NARA's Space Needs

While NARA has not defined the solutions it plans to take to address its archival space challenges, the COO discussed numerous potential actions the agency was considering taking to lessen the space burden. The COO stated the agency was “taking nothing off the table” and it would take a hard look at all of its policies and processes to see where improvement was needed. Through slides developed by the working group and discussions held with various personnel across the agency, we were able to evaluate some of these potential actions. Further, we considered additional potential actions the agency could take or study to address its space needs.

Potential actions being considered by the agency included both physical actions (building a new facility, adding onto existing facilities, etc.) and nonphysical actions (revising policies, increasing efforts in some areas, etc.). All potential actions are impacted by a variety of factors, chiefly funding. Any new build, whether a new facility or an addition to an existing facility would require a significant funding increase for NARA for both the one time build cost, plus new on-going operations, maintenance, and staffing costs.

At the time of this report, we had not yet received formal input on solutions from the COO. The COO previously stated there were six scenarios he was considering to address its critical space needs. The COO has welcomed input from NARA staff concerning potential solutions, and wanted to give staff time to make those suggestions before finalizing his initial “suite of solutions” for further consideration from NARA management. Through discussions with the COO and other staff, we were able to understand several of these potential actions. NARA must continue to study and dialogue on the potential solutions discussed below and other potential solutions not discussed below that NARA believes can address the space challenge and make the best choice possible to support the agency’s mission. The following are potential solutions under consideration:

- **New NCR Facility.** A potential solution to NARA’s space challenges is the construction of a new facility in the NCR: an Archives III. That solution is likely the most expensive, although a cost estimate did not exist before the conclusion of our audit. An Archives III facility would be in the NCR where the cost (e.g. land, materials, labor) would be more expensive than in most other parts of the country. This facility would most likely be strictly archival storage, with limited space

reserved for staff. Building the facility in the NCR would allow NARA to largely service the records with its current staff and in preexisting research rooms. Also, having the facility in the NCR has the potential to keep the records in closer proximity to the creating agency, allowing easier access by agencies to their records. Currently, researcher visits to Archives I and Archives II make up over 88 percent of total yearly researcher visits to NARA facilities.

- **Archives II Expansion.** Another potential option is the completion of an addition to Archives II in College Park, MD. That building was constructed with the option to someday add two “pods” onto one end of the facility. Construction of the addition to Archives II would allow NARA to take advantage of already having the land for the site, along with having staff and research rooms at the facility. Building those pods would provide NARA with approximately 1 million cubic feet of new storage space at an estimated cost of \$235 million. NARA must also consider the disruption to staff and researchers during construction of this addition. Further, NARA can only expand Archives II by a finite amount. If constructed, these “pods” would maximize the available archival space on the Archives II property.
- **New Midwest Facility.** Another option being considered is the construction of a new archival facility in the Midwest. This new facility would store only one series. Currently, that series accounts for approximately 1 million cubic feet of storage space, which is stored in multiple facilities nationwide. This potential new facility would allow NARA to consolidate those records in one location, thereby freeing up space at the archival facilities currently storing those records, creating efficiencies for archival staff servicing the records, and providing researchers access to all records in the series in one facility. A cost estimate for the potential construction of this facility did not exist before the conclusion of our audit.
- **Leased Facility(s).** Another potential option is leasing the archival space in the NCR or another part of the country. Leasing the space would not require the upfront costs a new build would, but leases present a variety of challenges. First, while GSA has excess government property available for lease, not all of those facilities would meet NARA’s unique needs. These GSA facilities would not necessarily have the structural, environmental, and other conditions required for NARA archival facilities. Further, these facilities would not have the shelving necessary for NARA to properly store its records. Also, GSA has recently changed its policy on shelving costs. No longer can those costs be amortized over the life of the lease, the costs must be borne upfront. Second, if NARA is to

preserve, protect, and make accessible the records of the federal government for the “life of the republic,” owning its own facility would most likely be beneficial to the long-term mission of the agency.

The following are additional solutions NARA may not be considering, but we believe discussions in those areas should take place:

- **Digitization.** One area the study did not consider in its projections was the impact digitization has on space. As the flagship initiative of the agency, digitization should be considered moving forward as part of NARA’s space management efforts. Currently however, digitization is not a robust enough program to significantly alleviate the space burden. The Director of Digitization stated he is unsure if NARA could ever digitize records and then dispose the original. He believed increased digitization efforts could help with the cost of space since digitized records could be moved to lower cost storage areas, which is an objective of NARA’s Digitization Strategy. He suggested the potential to create more robust digitization efforts in NARA’s Midwest facilities where storage of the original records would be cheaper than storage in the NCR. Digitizing records there would allow NARA to still serve high interest documents to researchers nationwide, but realize cost savings. Having discussions on how digitization can work with physical archival space needs will help NARA in its efforts to obtain sufficient space, along with furthering its strategic digitization initiatives and goals.
- **New Records Management Guidance.** We met with NARA’s Chief Records Officer to discuss if NARA could consider implementing new records management guidance to lessen its physical space burden. The Chief Records Officer was open to a new approach, but stated the efforts of his team would likely increase the space needs of the agency. Specifically, direct offers of clearly permanent records from agencies and the resolution of limbo records would increase NARA’s space needs. We asked if NARA could publish guidance requiring agencies to only submit electronic records when making direct offers after a certain cutoff date (e.g. five years from today). We considered this option since the stop of textual direct offers would cut about a third of the COO’s projected space needs by 2030 (both Direct Offers and Data Call boxes from Exhibit No. 2 in Finding 1 of this report). The Chief Records Officer stated this approach was a possible action item, but would need additional thought and planning from the agency to ensure effective implementation. The COO stated an alternative could be publishing guidance stopping the intake of all textual records (with some limited exceptions) after a certain date well into the future. After that

date, NARA would instead require the conversion of the records to electronic format prior to transfer. By stopping the acceptance of textual records, NARA would lessen its need for physical records storage in the future, and shift the risk and need to electronic storage.

- **Increased Reappraisal Activity.** As discussed in Finding No. 1 above, NARA has the ability to reappraise a percentage of scheduled permanent records as temporary before the records are accessioned into NARA. Multiple NARA staff members communicated a desire to increase reappraisal activity, but noted resource constraints impacted NARA's ability to do so. It was suggested, if given sufficient resources, perhaps ten percent of all scheduled incoming permanent records could be reappraised as temporary and thereby disposed before accessioning. Using archival space to store records of temporary value limits the archival space necessary to store permanent, historically valuable records. Increasing reappraisal efforts requires shifting existing resources within, or adding additional resources to, the agency. If increasing resources in this area could lessen NARA's space needs, the agency could consider shifting or adding resources in this area to assist the agency in accessioning only those records of historical significance.

Recommendations

We recommend the Chief Operating Officer:

4. Establish a permanent group to both track and manage space and advise NARA management on space matters across the agency.
5. Develop a long-term space management strategy for the agency.
6. Develop cost estimates for potential solutions.
7. Incorporate space management into NARA's strategic planning initiatives and include the agency's space need in all necessary reporting. Consider self-reporting space management as a Federal Manager's Financial Integrity Act weakness and track it appropriately through the Management Control Oversight Council.
8. Create a timeline for the agency to have necessary discussions with both internal and external stakeholders to address NARA's space challenges.
9. Develop requirements necessary for NARA to prepare a budget request to address the agency's critical space challenges. After a strategy is implemented and requirements are developed, prepare and submit a budget request.

Management Response

Management concurred with the recommendations.

Appendix A – Acronyms and Abbreviations

AIP	Accessioned-in-Place
ARCIS	Archives and Records Centers Information System
CFO	Chief Financial Officer
COO	Chief Operating Officer
ELT	Executive Leadership Team
FRC	Federal Records Center
GSA	General Services Administration
HMS	Holdings Management System
NARA	National Archives and Records Administration
NCR	National Capital Region
NPRC	National Personnel Records Center
OIG	Office of Inspector General
OMB	Office of Management and Budget
SF	Standard Form
U.S.C.	United States Code
WNRC	Washington National Records Center

Appendix B – Future Follow-On Audits

Based upon the findings of this report and an assessment of risk, we believe the following audits need to be conducted:

- Audit of ARCIS System Performance
- Audit of HMS System Performance
- Audit of NARA's Accessioning Process
- Audit of NARA's Annual Move Process
- Audit of NARA's Records Management Process
- Audit of NARA Archival Facility Standards Compliance
- Audit of NARA's Appraisal and Reappraisal Processes
- Audit of the Resolution of the Federal Record Centers Limbo Records Process

Appendix C - Management's Response to the Report



Date: SEP 24 2015
To: James Springs, Inspector General
From: David S. Ferriero, Archivist of the United States
Subject: OIG Draft Audit Report 15-14, Audit of NARA's Space Management

Thank you for the opportunity to provide comments on this revised draft report. We appreciate your willingness to clarify language in the report. We concur with the nine recommendations in this audit, and we will address them further in our action plan.

NARA's ability to acquire additional storage space to meet the ever-growing volume of permanently valuable records has been a challenge since the beginning of the agency. This challenge has become more acute over time with the growth in records generation, our success in improving records management by departments and agencies, and as we have enhanced the storage standards.

We appreciate the work of your staff on this audit and their validation of our analysis of NARA's needs for additional storage capacity.



DAVID S. FERRIERO
Archivist of the United States

NATIONAL ARCHIVES *and*
RECORDS ADMINISTRATION
8601 ADELPHI ROAD
COLLEGE PARK, MD 20740-6001
www.archives.gov

Appendix D - Report Distribution List

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Chief Innovation Officer
Chief Strategy and Communications Officer
Chief Financial Officer
General Counsel
Director, Congressional Affairs