

**Committee on Natural Resources
Subcommittee on Oversight and Investigations
Subcommittee on Federal lands
Oversight Hearing
1324 Longworth House Office Building
January 10, 2024
10:15 AM**

**Joint Oversight Hearing titled “National Park Service’s Deferred Maintenance Backlog:
Perspectives from the Government Accountability Office and the Inspector General”**

**Questions from Rep. Grijalva for Cardell Johnson, Director, Natural Resources and
Environment, Government Accountability Office**

1. Based on the Government Accountability Office’s (GAO) findings in its January 2024 report, please explain the primary reasons that the National Parks Service’s (NPS) deferred maintenance costs have increased since Fiscal Year 2021.

Agency officials at the National Park Service (NPS) attributed some of the increases in deferred maintenance to changes in data management. Specifically, NPS changed its approach to determining total deferred maintenance in fiscal year 2022. Previously, NPS conducted comprehensive in-person assessments of its assets. In 2022, the agency began using a modeling method for non-transportation assets, where staff conduct rapid visual assessments of assets to model deferred maintenance. This change allowed NPS to more consistently develop and track deferred maintenance data for these assets in its data system, according to NPS officials. Additionally, in fiscal year 2021, NPS added a 35 percent markup to deferred maintenance estimates for non-transportation assets to account for project execution costs (such as design, construction management, compliance, and project management). NPS’s previous assessment methodology only considered construction costs.

NPS officials also said deferred maintenance increased in part because inflation drove up costs to address deferred maintenance. From October 2019 through September 2023, the construction material price index increased 42 percent, according to our analysis of Federal Reserve data. Additionally, NPS officials said increases were due in part to agency staff putting in more effort to log all deferred maintenance because of the increased funding available from the National Parks and Public Land Legacy Restoration Fund (LRF). Agency officials told us that when funding was limited, there was not an emphasis on logging complete data on all deferred maintenance needs because so much of it would not be funded. As a result, they did not dedicate many resources to inputting data. The LRF’s creation led the agencies to reevaluate their asset management approach and fostered a cultural change toward maintaining better data on deferred maintenance, according to agency officials.

2. GAO’s January 2024 report notes that NPS recently applied a 35% markup to deferred maintenance projects to account for additional project execution costs (e.g., design, construction management, compliance, and project management), partly explaining the increased valuation for deferred maintenance. Is there precedent for similar changes in accounting methodology within other federal agencies that resulted in substantial changes in estimated deferred maintenance and repair costs?

We have previously reported that similar changes in methodology for other agencies resulted in substantial changes in estimated deferred maintenance. For example, State Department officials said their deferred maintenance estimates increased from \$96 million in fiscal year 2019 to \$3 billion in fiscal year 2020 as a result of adopting a new methodology for determining its deferred maintenance.¹ The State Department introduced parametric modeling to supplement data collected through its annual condition assessments. This model estimates the extent building systems have deteriorated over time and the estimated costs for replacement, if needed, based on the ages and expected useful life of individual systems.

As another example, Department of Energy officials have said that the main cause of an increase of about 35 percent in its estimated deferred maintenance from fiscal year 2018 through fiscal year 2019 was a National Nuclear Security Administration (NNSA) initiative designed to improve the quality of its data on its assets.² NNSA began using a new software application and updated information to calculate deferred maintenance for its buildings. Officials said this new method led to about a \$2 billion increase over previous calculations.

3. Has the Government Accountability Office encountered any evidence to suggest that the National Park Service has been negligent or has failed to follow leading practices in its management of deferred maintenance?

Our January 2024 report evaluated NPS's processes for selecting deferred maintenance projects for LRF funding and found that they generally followed all six of the selected leading practices for managing deferred maintenance.³ This review focused on processes for selecting LRF projects in particular and excluded three leading practices for managing deferred maintenance more generally.

Other recent GAO work on government-wide deferred maintenance examined two of those leading practices which were excluded from our January 2024 report, specifically that agencies (1) structure budgets to separately identify funding to address maintenance and repair and deferred maintenance backlogs and (2) employ models for predicting outcome of investments, analyzing tradeoffs, and optimizing among competing investments.⁴ That report found that Department of the Interior budget documents identified funding for maintenance but did not identify funding for addressing deferred maintenance backlogs separately or plans that include time frames for addressing backlogs. In addition, the report found that Interior officials were unaware of the agency using models to predict the outcomes of its investments.

¹GAO, *Overseas Real Property: Prioritizing Key Assets and Developing a Plan Could Help State Manage Its Estimated \$3 Billion Maintenance Backlog*, [GAO-21-497](#) (Washington, D.C.: Sept. 15, 2021).

²GAO, *Federal Real Property: Agencies Attribute Substantial Increases in Reported Deferred Maintenance to Multiple Factors*, [GAO-23-106124](#) (Washington, D.C.: Oct. 28, 2022).

³GAO, *Deferred Maintenance: Agencies Generally Followed Leading Practices in Selections but Faced Challenges*, [GAO-24-106495](#) (Washington, D.C.: Jan. 8, 2024).

⁴GAO, *Federal Real Property: Agencies Should Provide More Information About Increases in Deferred Maintenance and Repair*, [GAO-24-105485](#) (Washington, D.C.: Nov. 16, 2023).

In response to our findings, the officials observed that it may be difficult to quantify in advance how much deferred maintenance costs from prior estimates would be addressed by the amount of funding they request; and the amount of funding spent on a project would not necessarily correlate to the amount of deferred maintenance addressed. In addition, Interior officials said that, while they recognized the value of such models, Interior agencies did not need complex models to understand that funding levels are insufficient and would lead to increased deferred maintenance. Further, they said that tradeoffs between projects are analyzed during project prioritization at the local, regional, and headquarters levels.

4. The Republican-passed Interior Appropriations bill includes a decrease of \$433 million or 12.5% to the National Park Service and a 52% cut to the construction account. Would a cut like this worsen or improve the Park Service's deferred maintenance? Would repeated cuts in successive years worsen or improve the Park Service's deferred maintenance?

When available funding does not cover the cost of all needed annual and preventative maintenance, maintenance and repairs are not performed when they should be and must be delayed. This can result in an increase in deferred maintenance.

5. How does the availability of confirmed, guaranteed funding for planning and executing maintenance projects as opposed to relying on the fluctuations of the annual appropriations process benefit an agency's ability to manage deferred maintenance?

Officials told us having the LRF funding specified for 5 years allows them to know in advance that they will have steady funding, compared with having less predictable surges of annual funding. As a result, agencies can plan better for the coming years, according to agency officials.