

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 Mark Greenblatt, Inspector General, U.S. Department of the Interior

1. Based on the OIG’s findings in its September 2023 report on the National Park Service’s (NPS) deferred maintenance management, please explain the primary reasons that NPS deferred maintenance costs have increased since Fiscal Year 2021.

Response: The Office of Inspector General (OIG) has not independently evaluated the root causes of deferred maintenance. In our September 2023 report, we found that the National Park Service (NPS) was unable to effectively identify and manage its deferred maintenance due to inaccurate and unreliable data. Even though its identified number of assets remained relatively constant, the NPS’ deferred maintenance cost estimate has continuously increased from \$11.3 billion in Fiscal Year (FY) 2016 to \$20 billion in FY 2021. Our review determined that the NPS did not consistently identify, enter, and classify deferred maintenance work orders or verify their accuracy—which in some cases understated and in others overstated its deferred maintenance estimates.

For example, during our review of San Juan National Historic Site, we found that, between FYs 2015 and 2016, the NPS canceled all deferred maintenance work orders at the park that were more than 10 years old. As a result, the park’s deferred maintenance decreased from \$330 million in FY 2015 to \$18 million in FY 2016. This led to underestimated reporting of the park’s deferred maintenance cost estimates for several fiscal years. As the park reentered the work orders with updated cost estimates, its deferred maintenance costs appeared to significantly increase through FY 2020.

Overall, the NPS has cited multiple factors that contributed to this increase, including aging infrastructure, heavy visitor use, growing construction costs, insufficient funding to keep pace with repair needs, change in how deferred maintenance costs are estimated, and the application of a blanket 35-percent markup. We found that there was not sufficient documentation demonstrating whether the amount of the markup was reasonable.

2. The OIG's 2023 report notes that NPS is in the process of implementing a new assessment method that is expected to address many of the OIG's recommendations. Does the OIG have any reason to think this new methodology will be less accurate than the methods that were in place when the OIG started its audit?

Response: Given that the OIG has not evaluated the new methodology being implemented by the NPS, we do not have a basis to opine on its accuracy.

3. Will the 35% markup result in an overestimate or an underestimate of the size of NPS's deferred maintenance?

Response: We could not determine with certainty whether the blanket 35-percent markup overstated or understated NPS' deferred maintenance overall. As we note in the report itself, the markup may overstate deferred maintenance in instances where the work will be performed by park service staff. For example, during our review, we learned that NPS staff at multiple parks complete some work orders instead of contractors. For example, the New River Gorge National Park and Preserve had its NPS staff replace roofs for 13 buildings at an approximate cost of \$265,000 during FY 2020. Had the NPS applied the 35-percent markup to these work orders, the cost—and consequently, the deferred maintenance—would have been overestimated by approximately \$93,000.

Conversely, the markup could potentially understate project management costs for certain contracted work. While the NPS acknowledged that this 35 percent markup likely overstates deferred maintenance in some cases and underestimates it in others, it stated that 35 percent is a good representation across the deferred maintenance portfolio because it is an overall average estimate of markup. However, NPS was unable to provide the OIG an analysis demonstrating that the overstated and understated estimates would average to 35 percent or that 35 percent was a reasonable amount to mark up the portfolio. Although adding a markup may be appropriate for some NPS deferred maintenance projects, adding such a significant amount to the overall balance without an appropriate methodology can lead to inaccurate cost estimates.

4. Considering the substantial deferred maintenance list at NPS, the multi-year process for completing critical maintenance projects, and the ongoing funding shortfall for routine maintenance, is it reasonable to assume that deferred maintenance will continue to grow in the immediate future, regardless of any accounting changes implemented by NPS or additional funding from the Great American Outdoors Act?

Response: OIG's work did not examine this issue and so we cannot opine on the reasonableness of this assumption. However, we note that the NPS may be able to provide information on this topic.

5. 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?

Response: The OIG has not conducted an independent analysis of the NPS' budget request or funding needs and therefore we do not have a basis to address this question.