

In Brief

What OIG Did
The objective of this audit was to determine to what extent the Smithsonian Institution (Smithsonian) has developed and implemented strategies to manage its deferred maintenance backlog based on leading practices.

Background
The Smithsonian has more than 12 million square feet of owned and leased buildings and structures to maintain. These include 19 museums and galleries, 9 research centers, and the National Zoological Park.

Deferred maintenance refers to maintenance and repair activities that were not performed when they should have been. Deferring maintenance can reduce the overall life of facilities and may lead to higher costs in the long run.

Deferred maintenance is not unique to the Smithsonian. The U.S. Government Accountability Office (GAO) identified the management of federal real property across the government as a high-risk area, in part because federal budget constraints limit agencies’ ability to address deferred maintenance backlogs.

What Was Found
The Office of the Inspector General (OIG) found that, in fiscal year 2014, the Smithsonian fully followed seven of nine leading practices for managing its $785 million deferred maintenance backlog. GAO identified these nine leading practices for managing federal deferred maintenance backlogs. The Smithsonian followed these practices when, for example, it conducted facility condition assessments to evaluate the condition of its facilities and to calculate the estimated dollar amount of the deferred maintenance backlog, and it established priorities for deferred maintenance projects.

The Smithsonian did not follow the leading practice of identifying types of facilities as being either mission critical or mission supportive, and it does not have criteria for doing so. As a result, the Smithsonian may be hindered in efforts to allocate limited resources to the most mission-critical and mission-supportive facilities. Additionally, the Smithsonian only partially followed the leading practice of structuring budgets to identify the funding (1) for maintenance and repair and (2) to address its deferred maintenance backlog. The Smithsonian structures its federal budget justifications to specifically identify the funding allotted for maintenance and repair, which meets the first part of this leading practice. However, its budget does not have sufficient detail to determine how much the backlog will be reduced by federal spending. Since OIG analysis showed that maintenance spending has little impact on the deferred maintenance backlog, providing additional information on how capital revitalization spending reduces the backlog would help decision makers, including Congress, evaluate the Smithsonian’s budget requests.

Smithsonian management has not reduced the backlog of deferred maintenance because it is spending less than the recommended amounts to maintain the condition of its facilities. The National Research Council recommends that government-funded organizations spend between 2 percent and 4 percent of the current replacement value of their facilities on maintenance. The Smithsonian spent approximately 1 percent on maintenance annually between fiscal years 2007 and 2014. The Smithsonian has a strategy to reduce the size of its deferred maintenance backlog by increasing its federal budget requests for both maintenance and capital revitalization funding. However, this strategy faces challenges due to federal budget constraints.

What Was Recommended
OIG recommended that the Smithsonian (1) develop criteria for identifying facilities as mission critical or mission supportive, and then designate facilities as mission critical or mission supportive; and (2) develop and implement a method to estimate how much planned capital revitalization spending will reduce the deferred maintenance backlog. Management concurred with these recommendations.

For additional information or a copy of the full report, contact the OIG at (202) 633-7050 or visit http://www.si.edu/oig.