

GAO Highlights

Highlights of [GAO-22-104481](#), a report to the Subcommittee on Readiness and Management Support, Committee on Armed Services, U.S. Senate

Why GAO Did This Study

DOD manages facilities worldwide with an estimated aggregate plant replacement value of about \$1.3 trillion. Sustaining these facilities involves maintenance and repair to keep them in good working order. Deferring maintenance can lead to deterioration, potentially affecting DOD's ability to support missions.

GAO was asked to review DOD facility sustainment. This report examines the extent to which (1) DOD's cost factors for estimating its facility sustainment funding requirements are comparable to those of other federal agencies and fully account for DOD's sustainment costs; (2) DOD's facility sustainment funding aligns with its funding goals; and (3) DOD has a deferred maintenance backlog and a process for managing any such backlog. GAO reviewed documentation and interviewed officials about DOD's process for estimating facility sustainment funding requirements and managing deferred maintenance; analyzed funding and deferred maintenance data for FY2017 through FY2020; and contacted a non-generalizable sample of 12 DOD installations from six DOD components to discuss facility sustainment.

What GAO Recommends

GAO made four recommendations, including that DOD account for the costs to sustain facilities that exceed their expected lifespans and improve the implementation of SMS. DOD did not concur with the first recommendation but concurred with the other three to improve SMS implementation. GAO maintains all four recommendations are valid, as discussed in this report.

View [GAO-22-104481](#). For more information, contact Elizabeth Field at (202) 512-2775 or fielde1@gao.gov.

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DEFENSE INFRASTRUCTURE

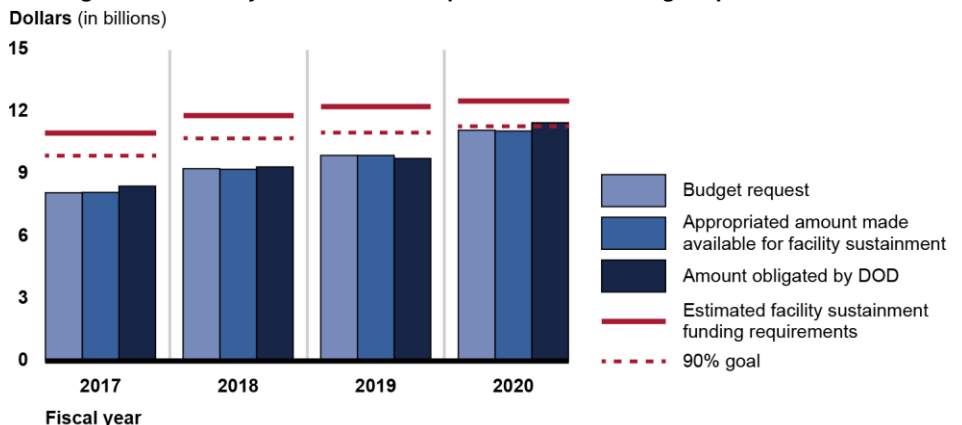
DOD Should Better Manage Risks Posed by Deferred Facility Maintenance

What GAO Found

To estimate the funding needed to sustain its roughly 550,000 facilities worldwide, the Department of Defense (DOD) uses cost factors that are comparable to those used by other selected federal agencies, including factors that account for geographic differences and inflation. However, DOD does not fully account for the costs of sustaining facilities that exceed their expected lifespans. Thus, DOD likely underestimates its annual funding requirements, because nearly 30 percent of its facilities have exceeded their expected lifespans.

DOD's facility sustainment funding has not aligned with funding goals, although the gap has been decreasing (see figure). From fiscal year (FY) 2017 through FY2020, the six components reviewed by GAO estimated a total of \$47.5 billion in facility sustainment funding requirements. The budget request for DOD identified \$38.3 billion (80.6 percent of requirements). Appropriated amounts made available for facility sustainment totaled \$38.2 billion (80.5 percent of requirements). And DOD, using appropriated amounts and other allowable amounts, obligated \$38.9 billion (81.9 percent of requirements). DOD's goal is for components to fund facility sustainment at a minimum of 90 percent of annually estimated requirements, but according to DOD officials competing priorities led to budget requests below those goals.

Funding for DOD Facility Sustainment Compared to DOD Funding Requirements and Goals



Source: GAO analysis of Department of Defense facility sustainment funding data. | GAO-22-104481

Note: According to DOD, obligations surpassed 90 percent of estimated requirements in FY2020 due to reprogramming.

For fiscal year 2020, DOD reported deferred maintenance backlogs totaling \$137 billion, but DOD has yet to implement the Sustainment Management System (SMS), which it expects will allow it to better manage the risk of these backlogs. Installation officials stated that deferred maintenance leads to the premature failure of facility systems and often leads to more costly repairs, and that maintenance is most often delayed for lower-priority facilities such as living quarters and childcare facilities. SMS implementation is over 3 years behind schedule, does not have dedicated funding, and is being implemented inconsistently by DOD components, particularly as it pertains to facility condition assessments. Without addressing these issues, DOD's efforts to mitigate risks to its management of facility sustainment will be jeopardized.