



Pew



Assessing and Reporting Deferred Maintenance Needs

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Background

- The Volcker Alliance estimated that the U.S. has accumulated at least **\$1 trillion** in deferred maintenance at the federal and state levels
- Few states report their deferred maintenance needs in their capital budgeting documents
- There is **no comprehensive** statewide system for assessing, valuing, and funding this gap

Methodology

- Conducted in-depth case studies
 - 10 states Alaska, California, Hawaii, Idaho, Illinois, Montana, Oklahoma, Pennsylvania, and Tennessee
 - Conducting statewide efforts to assess and address deferred maintenance needs
- First, conducted a document review (e.g., executive orders, statutes, state codes, budget documents, capital improvement plans and maintenance reports)
- Second, conducted interviews with state officials (e.g., budget directors, directors of fiscal divisions, budget analysts, financial administrators, legislative budget analysts)
 - Interviews with 17 officials in 7 interviews
 - May 2024 – February 2025

Overview of Findings

- Definitions of maintenance and deferred maintenance
- Policies that enable or require the assessment and reporting of deferred maintenance
- The processes for assessing and budgeting for addressing deferred maintenance needs
- Estimated amount of deferred maintenance needs
- Funding allocations to address deferred maintenance needs

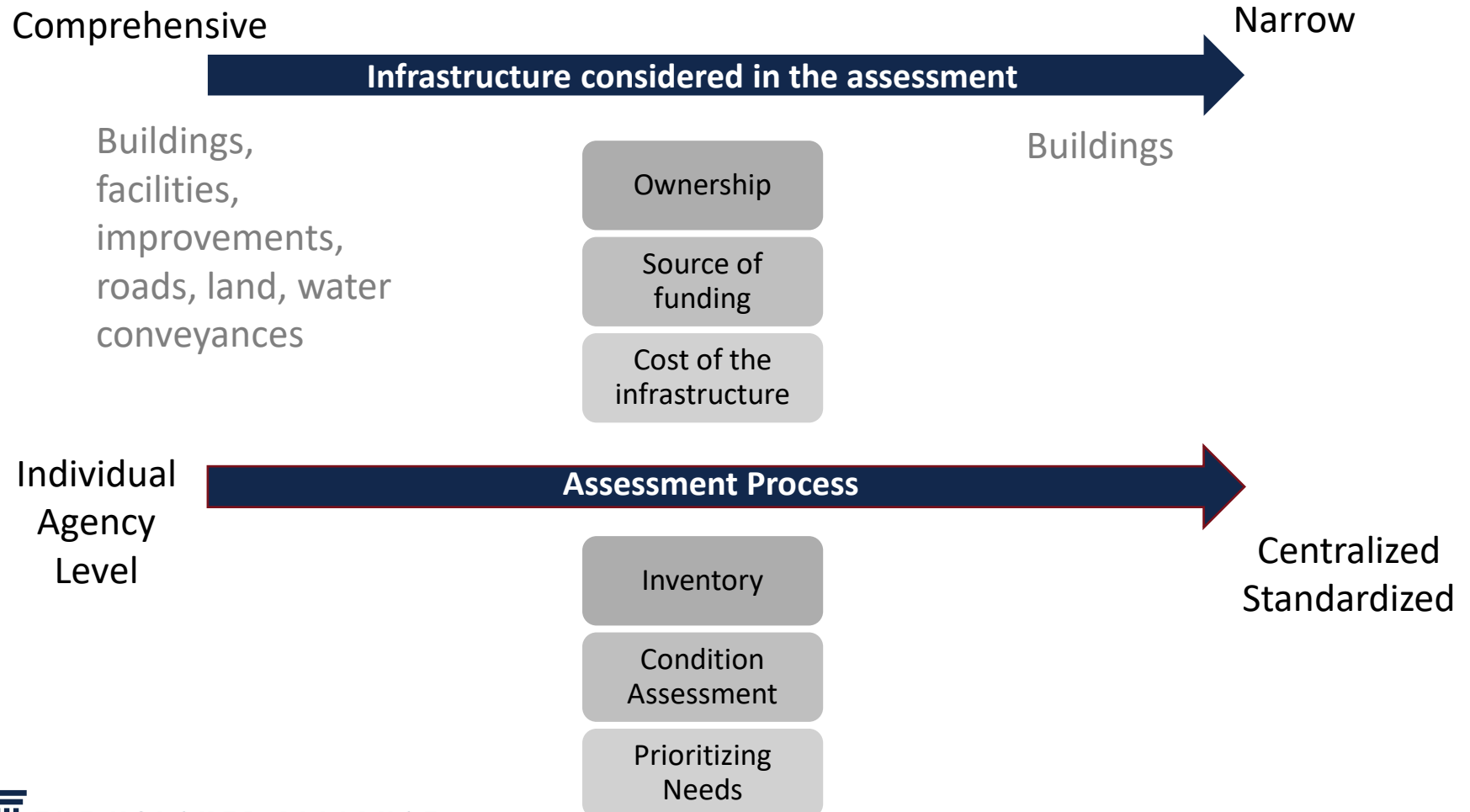
What is Deferred Maintenance?

- **Maintenance:**

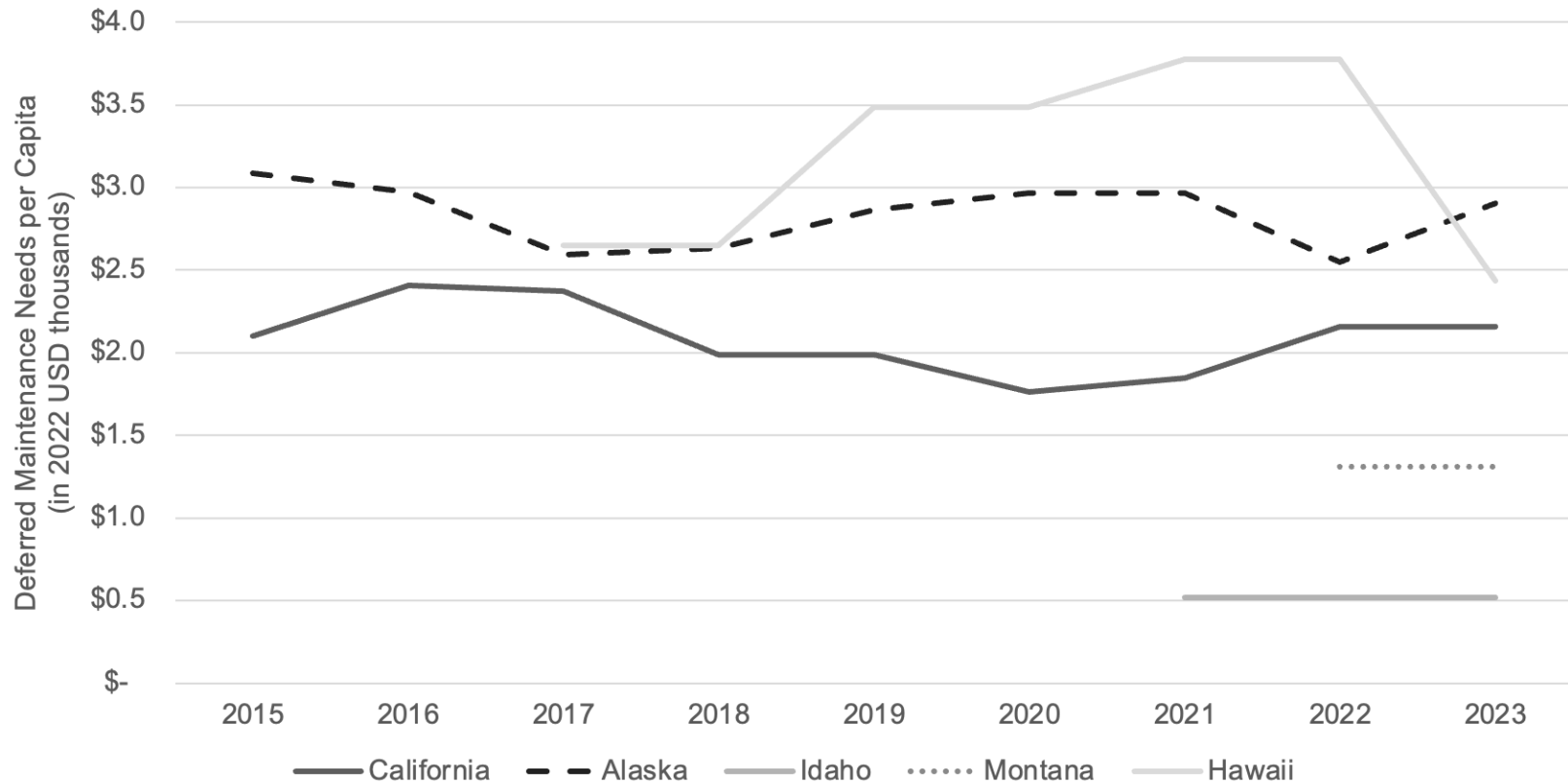
“Infrastructure repairs that are recurrent and scheduled to maintain, preserve, and extend the functionality of the infrastructure.”

- **Deferred:** Clarifying the period in which maintenance becomes deferred.
 - In Hawaii, the period is given by the repair and maintenance cycle
 - In Alaska, the period is given by the operating budget cycle (which is an annual cycle in the state).
- Reasons for postponing:
 - Insufficient funding
 - Perceived low priority
 - Poor facility management practices

Processes for Assessing and Reporting Deferred Maintenance Needs



Deferred Maintenance Needs (per capita)



Note: Infrastructure needs correspond to the state portion (55.9% of total needs). Deferred maintenance and infrastructure needs values adjusted for inflation and expressed in constant 2022 USD. Researchers impute values of the previous year when information is not available (California in 2019; Hawaii in 2018, 2020, 2022; Idaho after 2021; Montana and Tennessee in 2023). **Source:** Deferred Maintenance from California, Alaska, Idaho, and Hawaii. Infrastructure needs from Tennessee. Population from the U.S. Census Bureau (2021, 2023).

Funding Allocations for Deferred Maintenance

Funding allocation for deferred maintenance in California

Concept	2015	2016	2017	2018	2019	2020	2021	2022
Allocations for Deferred Maintenance	\$ 333.4	\$ 838.9		\$ 388.1	\$ 602.1		\$ 2,387.9	
<i>Annual change</i>		151.6%		-53.7%	55.1%		296.6%	
Deferred Maintenance Needs	\$ 81,672.4	\$ 94,334.5	\$ 93,294.7	\$ 78,357.4	\$ 78,357.4	\$ 69,710.6	\$ 72,236.6	\$ 84,227.0
<i>Annual change</i>		15.5%	-1.1%	-16.0%	0.0%	-11.0%	3.6%	
Share of Deferred Maintenance Funded	0.4%	0.9%		0.5%	0.8%		3.3%	

Notes: Deferred maintenance values and allocations adjusted for inflation and expressed in 2022 USD million. The deferred maintenance value in 2019 is imputed to be the same as in 2018. **Source:** (LAO, 2022).

Funding allocation for deferred maintenance in Alaska

Concept	2015	2016	2017	2018	2019	2020	2021	2022	2023
Allocations for Deferred Maintenance	\$ 76.4	\$ 33.4	\$ 25.4	\$ 23.3	\$ 23.5	\$ 35.8	\$ 6.4	\$ 49.0	\$ 26.4
<i>Annual change</i>		-56.3%	-23.9%	-8.1%	0.7%	52.7%	-82.2%	669.0%	-46.1%
Deferred Maintenance Needs w/o University	\$ 932.7	\$ 887.2	\$ 715.2	\$ 702.3	\$ 685.0	\$ 732.5	\$ 645.5	\$ 474.6	\$ 675.7
<i>Annual change</i>		-4.9%	-19.4%	-1.8%	-2.5%	6.9%	-11.9%	-26.5%	42.4%
Share of DM w/o University Funded	8.2%	3.8%	3.5%	3.3%	3.4%	4.9%	1.0%	10.3%	3.9%
Deferred Maintenance Needs (total)	\$ 2,280.1	\$ 2,204.8	\$ 1,919.6	\$ 1,939.2	\$ 2,100.6	\$ 2,172.2	\$ 2,180.0	\$ 1,867.6	\$ 2,129.4
<i>Annual change</i>		-3.3%	-12.9%	1.0%	8.3%	3.4%	0.4%	-14.3%	14.0%
Share of Deferred Maintenance Funded	3.3%	1.5%	1.3%	1.2%	1.1%	1.7%	0.3%	2.6%	1.2%

Notes: Deferred maintenance values and allocations adjusted for inflation and expressed in 2022 USD million. **Source:** (Steininger et al., 2019; Steininger & Sakalaskas, 2023).

Questions and Comments

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