



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

Indian Affairs Is Unable To Effectively Manage Deferred Maintenance of School Facilities

This is a revised version of the report prepared for public release.



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INSPECTOR GENERAL
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Memorandum

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Assistant Secretary, Indian Affairs

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Assistant Inspector General for Audits, Inspections, and Evaluations

Subject: Final Evaluation Report – *Indian Affairs Is Unable To Effectively Manage Deferred Maintenance of School Facilities*
Report No. 2022-CR-036

This memorandum transmits our evaluation report on the Indian Affairs' management of deferred maintenance at facilities funded by the Bureau of Indian Education (BIE).

We will track open recommendations for resolution and implementation. We will notify Congress about our findings, and we will report semiannually, as required by law, on actions you have taken to implement the recommendations and on recommendations that have not been implemented. We will also post a public version of this report on our website.

If you have any questions about this report, please contact me at aie_reports@doioig.gov.

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Results in Brief

What We Evaluated

Indian Affairs (IA), in collaboration with the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE), manages a portfolio of school facilities and structures that requires ongoing maintenance and repair to mitigate risks to the health and safety of staff and students. As of September 2022, IA reported in its facility management system that it would cost more than \$1 billion to address its deferred maintenance at school facilities. Because of the longstanding issues with facility conditions at BIE-funded schools and the additional funding provided to BIE for deferred maintenance through the Great American Outdoors Act,¹ we evaluated whether IA effectively manages deferred maintenance at these facilities.

What We Found

We found that IA was unable to effectively manage deferred maintenance due, in part, to funding delays, processing work orders based on a monetary threshold, limited project management capacity, and unreliable work order data. Specifically, we found that work on deferred maintenance has been delayed, in part, because IA used a \$2,500 monetary threshold, rather than the type of maintenance or repair needed, when designating work orders as “deferred maintenance.” For example, we found instances of preventive maintenance, equipment, and other non-deferred maintenance work orders processed as deferred maintenance.

Processing these work orders as deferred maintenance rather than operations and maintenance (O&M) contributed to delays. While school facility staff can immediately address O&M work, deferred maintenance work orders require a more time-intensive funding and approval process that must go through multiple layers of approval. Further, we identified approved deferred maintenance work orders that, even 22 years after approval, were still not funded. IA and other officials stated that the lack of managers to oversee projects contributed to the delays in funding and completing approved work orders. Based on our visits to 10 schools, we found that facility assets had deteriorated due to delays in schools receiving funding to make necessary repairs.

Additionally, we found that IA, BIE, and BIA cannot properly manage the deferred maintenance work orders due to unreliable data in the IA facility management system. More than half of the deferred maintenance work orders we reviewed at schools we visited were listed as open in the system, even though the work had been addressed. This leads to inaccurate information regarding the amount of reported deferred maintenance and the work that needs to be done at these schools, which may affect project prioritization or funding decisions.

¹ 54 U.S.C. §§ 200401-2.

Why This Matters

The poor condition of BIE school facilities is a longstanding concern. For example, multiple Government Accountability Office (GAO) reports have identified poor quality data and inadequate funding and procedures as contributors to deferred maintenance of school facilities.² GAO placed Federal agencies' management of Indian education on its "High-Risk List" in 2017, where it remained in 2023. Our own review found deficiencies causing health and safety risks as well as systemic weaknesses in facilities program management, including inaccurate data in the facility management system.³

BIE, with support from IA, manages, funds, or operates a host of education facilities⁴ for tens of thousands of Tribal members across the United States. In recognition of this responsibility, the Department has a strategic goal that "all students will benefit from an education system that is effective, efficient, transparent, and accountable."⁵ As part of its implementation strategy for this goal, BIE has committed to improving the condition of schools. BIE is and will continue to receive substantial funding for these projects through the Great American Outdoors Act, which will provide BIE up to \$95 million per year through 2025 to address priority deferred maintenance projects. This supplemental funding provided to BIE schools increases the importance of accurate accounting of deferred maintenance for internal and external decision making.

Without reliable deferred maintenance data and standardized policies and procedures, IA and BIE cannot appropriately prioritize their deferred maintenance projects or accurately estimate costs of deferred maintenance at Indian education facilities.

What We Recommend

We make nine recommendations that, if implemented, will help IA and BIE improve the management of deferred maintenance at school facilities.

² Report No. GAO-15-389T, *Indian Affairs: Preliminary Results Show Continued Challenges to the Oversight and Support of Education Facilities*, issued February 2015; Report No. GAO-13-774, *Indian Affairs: Better Management and Accountability Needed to Improve Indian Education*, issued September 2013.

³ Report No. C-EV-BIE-0023-2014, *Condition of Indian School Facilities*, issued September 2016.

⁴ Education facilities include spaces such as classrooms and living spaces such as dormitories and staff housing.

⁵ *Bureau of Indian Education Strategic Direction 2018-2023*, issued August 2018.

Introduction

Objective

Our objective was to determine whether the Bureau of Indian Education (BIE), in conjunction with Indian Affairs (IA), effectively manages its deferred maintenance.

See Appendix 1 for our scope and methodology.

Background

The Assistant Secretary for Indian Affairs supports the Secretary of the Interior in fulfilling the Department’s trust responsibilities to American Indian Tribes and individuals.⁶ The Assistant Secretary discharges these duties with the authority and direct responsibility to administer a wide array of laws and regulations, including those for providing educational facilities to American Indians. The Bureau of Indian Affairs (BIA) and BIE supports the Assistant Secretary with carrying out this educational mission.

BIE’s mission is “to provide quality education opportunities in accordance with a Tribe’s needs for cultural and economic well-being, in keeping with the wide diversity of Indian Tribes and Alaska Native villages as distinct cultural and governmental entities.”⁷ In doing so, BIE manages a system of 183 elementary and secondary schools, dormitories, and off-reservation boarding schools. These facilities provide educational services to approximately 45,000 elementary and secondary students in 23 States. For example, the Hunters Point Boarding School in Arizona is a tribally controlled school that has both classrooms and boarding facilities (see Figure 1).

BIE may operate the elementary and secondary schools that it funds, or Tribes and Tribal organizations may use grants authorized under the Tribally Controlled Schools Act of 1988, 25 U.S.C. § 2501 et seq., or contracts authorized under the Indian Self-Determination and Education Assistance Act of 1975, 25 U.S.C. § 5301 et seq., to directly operate them. The majority of BIE-funded schools are tribally operated. See Figure 2 for a breakdown of BIE-operated and tribally operated schools funded by BIE.

Figure 1: Hunters Point Boarding School, Arizona



⁶ 43 U.S.C. § 1453.

⁷ BIE’s mission can be found on its website at: <https://www.bie.edu/node>.

Figure 2: Number of BIE-Funded Schools for Fiscal Year 2022

BIE-Funded Schools	Tribally Operated	BIE-Operated	Total
Elementary/secondary schools	128	55	183
<i>Day schools</i>	90	28	118
<i>Boarding schools</i>	22	22	44
<i>Dormitories</i>	13	1	14
<i>Off-reservation boarding schools</i>	3	4	7

The poor condition of Indian school facilities has been reported for nearly 100 years. For example, a 1928 report⁸ described “deplorable” conditions at Indian education facilities, some of which—unusable boilers, cracks in walls, and inferior construction—we also found during site visits in connection with this evaluation of deferred maintenance. Multiple Government Accountability Office (GAO) reports have identified poor quality data and inadequate funding and procedures as contributors to deferred maintenance of school facilities.⁹ Considering the seriousness of its findings, GAO placed Indian education on its “High-Risk List” in 2017, where it remained in 2023.¹⁰ The April 2023 report noted that BIE’s challenges include limited workforce capacity to oversee schools and a high staff vacancy rate of 27 percent.¹¹ Our own 2016 review found deficiencies causing health and safety risks as well as systemic weaknesses in facilities program management, including inaccurate data in its facility management system.¹²

The Department defines deferred maintenance for all bureaus and offices that own real property as “maintenance and repairs that were not performed when they should have been or were scheduled to be and which are put off or delayed for a future period. Maintenance and repairs consist of activities directed toward keeping fixed assets in an acceptable condition.”¹³ As of September 2022, IA reported in its facility management system that it would cost more than \$1 billion to address its deferred maintenance at education facilities.

⁸ Lewis Meriam, Institute for Government Research, *The Problem of Indian Administration*, issued February 21, 1928. This document reported on a survey made at the request of the Honorable Hubert Work, Secretary of the Interior.

⁹ Report No. GAO-15-389T, *Indian Affairs: Preliminary Results Show Continued Challenges to the Oversight and Support of Education Facilities*, issued February 2015; Report No. GAO-13-774, *Indian Affairs: Better Management and Accountability Needed to Improve Indian Education*, issued September 2013.

¹⁰ Report No. GAO-23-106203, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, issued April 2023.

¹¹ *Id.* at 101.

¹² Report No. C-EV-BIE-0023-2014, *Condition of Indian School Facilities*, issued September 2016.

¹³ *DOI Acquisition, Arts, and Asset Policy*, “Standards for Deferred Maintenance and Repairs, Repair Needs, Investment Categories, and Other Requirements,” effective August 16, 2023. The Department’s definition of deferred maintenance is derived from *Statement of Federal Financial Accounting Standards 40: Definitional Changes Related to Deferred Maintenance and Repairs: Amending Statement of Federal Financial Accounting Standards 6, Accounting for Property, Plant, and Equipment*, issued May 11, 2011.

BIE receives funding to maintain and repair these facilities through its education construction program, for which it received approximately \$264 million in fiscal year 2022. From fiscal years 2017 through 2022, BIE cumulatively received more than \$1.3 billion to address school construction and facilities improvement and repair. Additionally, through the Great American Outdoors Act, Congress has authorized up to \$1.9 billion annually to be deposited in the Legacy Restoration Fund for projects that reduce deferred maintenance on public lands for fiscal years 2021 through 2025.¹⁴ BIE is allocated 5 percent of this amount to fund priority deferred maintenance projects and has received approximately \$95 million for each fiscal year from 2021 through 2025.

Facility Management of BIE-Funded Schools

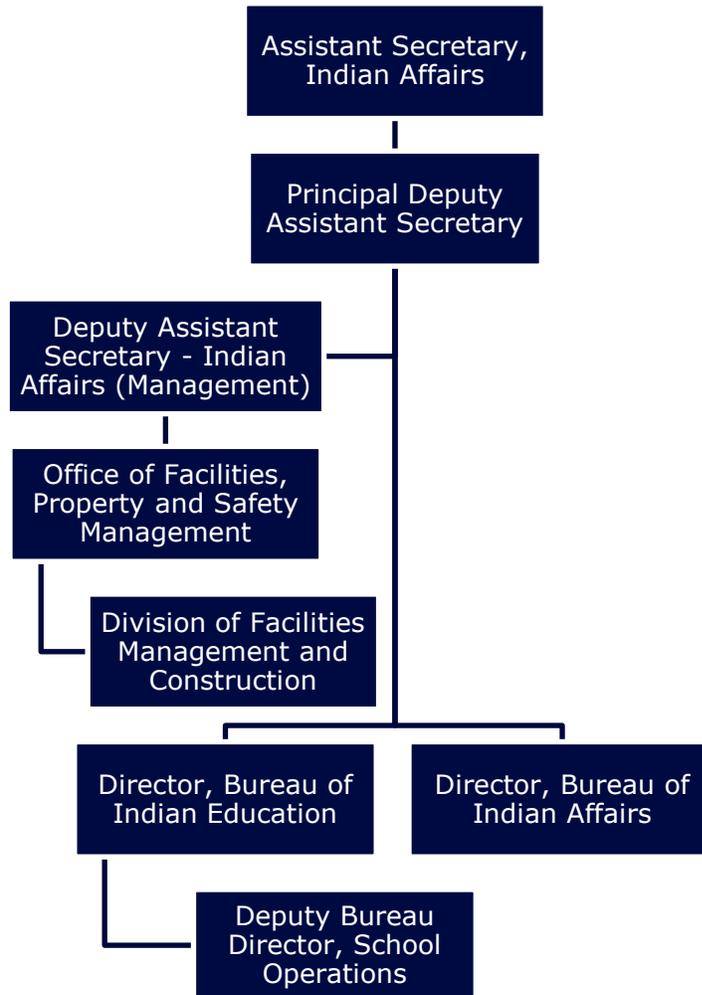
IA, in collaboration with BIA and BIE, manages a portfolio of school facilities and structures that requires ongoing maintenance and repair to mitigate risks to health and safety. In 2014, a secretarial order¹⁵ restructured IA administrative support functions and affected the facility management of BIE-funded schools. One result of this secretarial order is the service level agreement (agreement)¹⁶ among IA's Division of Facilities Management and Construction (DFMC), BIA's Regional Facility Management, and BIE's Branch of Facility Management. The agreement described how DFMC, BIA, and BIE "will provide oversight, management, and technical assistance and training in facility management to BIE-funded schools." As part of the agreement, BIA transferred the facility management of these schools, by BIA region, to BIE on October 2, 2023. Additionally, BIE established its own facility programs within its Division of School Operations: Facilities Management, Safety and Occupational Health, Environmental Management, Property, Supply Management, and Acquisitions. Figure 3 outlines the relevant offices within the Office of the Assistant Secretary for Indian Affairs.

¹⁴ 54 U.S.C. § 200402(b).

¹⁵ Secretarial Order No. 3334, *Restructuring the Bureau of Indian Education*, issued June 12, 2014.

¹⁶ *FY 2021 Service Level Agreement Between Bureau of Indian Affairs and Bureau of Indian Education for Facility Management*, updated June 2022.

Figure 3: Indian Affairs Organization Chart



BIA Regional Facility Management Offices

Before school facility management transferred to BIE on October 2, 2023, BIA maintained all oversight and planning responsibilities and served as the lead for all communication and decision making for the BIE-funded school facilities within their regions. BIA regional facility managers provided the main oversight, management, technical support, decision making, and processing and review of deferred maintenance work orders related to the identification of BIE facility repair needs. They were responsible for ensuring the inventory of assets within their respective regions was accurate, including scheduling and completing improvements and repairs. BIA regional offices also developed projects for imminent funding and execution and offered project management opportunities to Tribes. Active projects at the time of the transition remained with BIA. BIA also is responsible for providing coaching opportunities to BIE, such as on-the-job training, when available.

BIE Branch of Facility Management

BIE's Branch of Facility Management coordinated with DFMC and BIA to implement the agreement and manage the transfer of the facility management of the schools. The agreement and IA policy describe BIE's facility management responsibilities. The agreement states that, prior to the final transfer, BIE was responsible for providing input in the development of project priorities when requested and developed by BIA regions. Since the transition, BIE has assumed the facility management duties transferred from BIA, as described above. BIE continues to work with Tribes and schools to develop prioritized lists of deferred maintenance work orders to consolidate into projects for funding and execution.

IA Division of Facilities Management and Construction

DFMC, a division of IA's Office of Facilities, Property and Safety Management, provides resources for school facility improvements and repairs as well as operations and maintenance (O&M)¹⁷ for BIE-funded schools. It operates and maintains the IA facility management system, which is a suite of software applications for facility asset management; approves and funds deferred maintenance work orders; and manages major improvement and renovation deferred maintenance projects, including for new construction and renovation projects. DFMC funds and annually prioritizes BIA and BIE's outstanding deferred maintenance work orders with the goal of ensuring safe, functional facilities and minimizing staff and students' exposure to potential safety and health hazards.

BIA and BIE Local-Level Facility Staff

Local-level facility staff are responsible for planning and managing the routine operations and maintenance of education assets, including identifying facilities' maintenance needs. Staff are responsible for ensuring timely identification and entry of facility deficiencies, including safety inspection abatement plans, into the facility management system. Staff are also responsible for using the system to create, modify, and update deferred maintenance work order requests and ensure that site-specific facility inventory data are accurate.

Work Order Approval and Funding

Requests to repair or maintain BIE-funded education facilities are submitted in the facility management system and then processed as either deferred maintenance or O&M work orders in the system based on the estimated cost to complete them. According to IA's work order training guidance,¹⁸ a repair or maintenance request estimated to cost less than \$2,500 is processed as O&M, while those costing more than \$2,500 are processed as deferred maintenance.

School officials can start maintenance or repair work immediately using O&M funds. By contrast, deferred maintenance work orders go through a lengthier process and must be approved

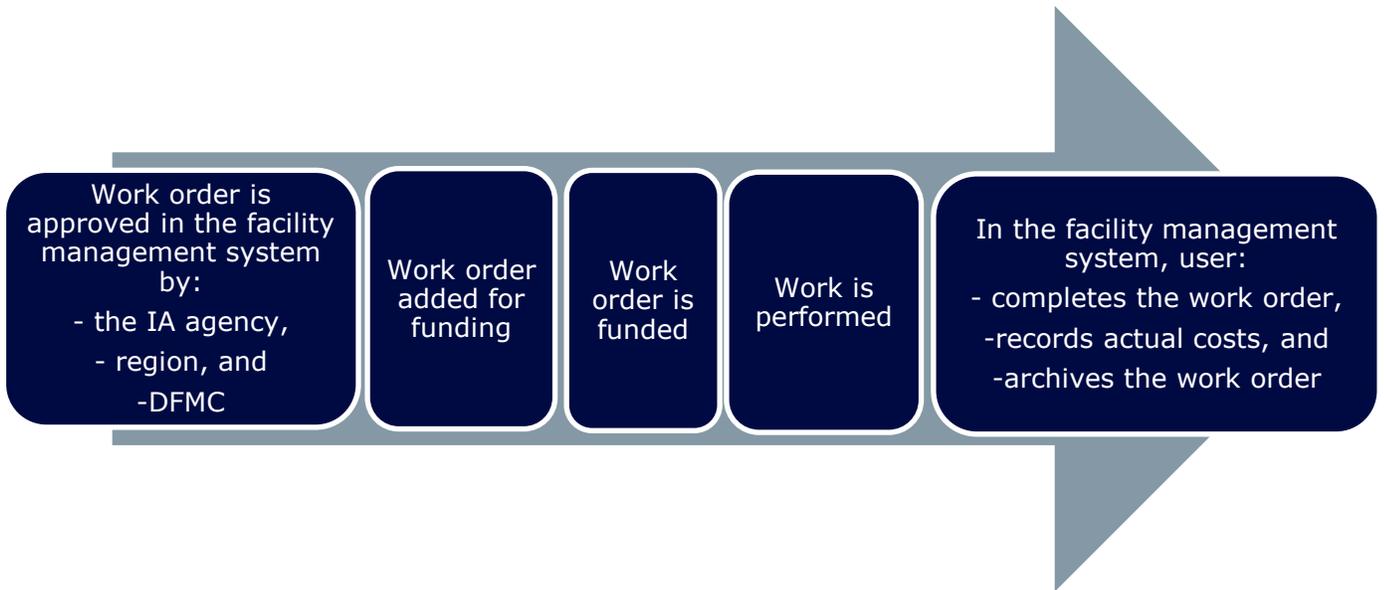
¹⁷ IA defines O&M as "the performance of day-to-day activities required to maintain bureau-owned and/or maintained facilities (buildings, grounds, equipment, systems) to the maximum extent possible for the benefit of the facility users . . . O&M is divided into three categories: operations, preventive (scheduled) maintenance, and unscheduled maintenance." O&M is defined on BIA's website: <https://www.bia.gov/as-ia/ofpsm/dfmc/om>.

¹⁸ [REDACTED] *Work Orders for DFMC Users*, issued June 2022.

by multiple parties including agency, region, and DFMC officials. Emergency deferred maintenance work orders, which result from unforeseen deficiencies and require immediate corrective action, require the approval only of regional and DFMC officials.¹⁹

Once DFMC has approved a deferred maintenance work order, the project manager creates a project to fund the work orders. After IA funds the project and the work is performed, the user should complete and close the associated work orders after submitting the actual costs of the project. Figure 4 shows a simplified process for work orders processed as deferred maintenance.

Figure 4: Simplified Process for Deferred Maintenance Work Orders



According to IA work order guidance,²⁰ the purpose of the approval process is to allow DFMC to evaluate and verify the accuracy of deferred maintenance work orders created in the facility management system. It states that the accuracy of deferred maintenance work orders and their cost estimates is the primary objective of the approval process. This is because deferred maintenance work order cost estimates are included in critical calculations such as the facility condition index, which indicates the facility's overall condition and is used to prioritize school replacement projects.

¹⁹ A deferred maintenance work order is automatically escalated to the next approval level in 10 days, except for emergency work orders, which escalate after 2 days.

²⁰ *DM Work Order Approval (Gatekeeper) Process Training Manual, ver. 7.6, issued April 2020.*

Results of Evaluation

We found that IA was unable to effectively manage its deferred maintenance due to funding delays, processing work orders based on a monetary threshold, limited project management capacity, and unreliable work order data. IA processes all work orders with estimated costs of \$2,500 and greater as deferred maintenance. As a result, some work orders are processed as deferred maintenance when they should be addressed as O&M, contributing to delays. Additionally, IA officials stated that a lack of DFMC, BIA, and BIE facilities staff and project managers contributed to delays in funding and completing approved work orders.

We also found work orders in the facility management system that were not current or accurate. Specifically, more than half of the deferred maintenance work orders at schools we visited were listed as open, even though they had been addressed. This overstates the amount of reported deferred maintenance and inaccurately reflects the work that needs to be done at these schools and may affect project prioritization or funding decisions. This occurred in part because of insufficient guidance for onsite personnel's use of the facility management system.

We found many instances at the 10 BIE-funded schools we visited in which repairs were delayed, resulting in deterioration of assets we observed at three sites. During our school visits, we also found that deferred maintenance work orders were still waiting to be completed years after being submitted.

Ultimately, without accurately processing deferred maintenance work orders, having sufficient staffing and related resources to manage projects, and using reliable data that accurately reflects the portfolio of open work orders, IA, BIE, and BIA cannot effectively manage deferred maintenance. We emphasize that these difficulties are longstanding and that the poor condition of Indian school facilities has been reported for close to a century. Without reliable, accurate, and complete deferred maintenance work order data, IA cannot determine the estimated costs of deferred maintenance at BIE-funded schools, which in turn may lead to funding delays and further deterioration of school facilities.

IA Was Unable to Effectively Manage Its Deferred Maintenance

We found that IA was unable to effectively manage deferred maintenance due, in part, to funding delays, its practice of processing work orders based on a monetary threshold, limited project management capacity, and unreliable work order data.

The Department defines deferred maintenance as a maintenance and repair activity that was not performed when it should have been or was scheduled to be and which is put off or delayed to a future period. Maintenance and repairs are activities directed toward keeping fixed assets in an

acceptable condition.²¹ The *DOI Lifecycle Guidance* further divides maintenance into recurring, preventive, deferred, and unplanned maintenance, and separates operational maintenance—such as custodial services, landscaping, mowing, debris or storm cleanup—into a distinct category.²² The Department also warns against the risks of deferred maintenance, stating that “infrastructure that is not properly cared for with scheduled maintenance and timely repair work can become unsightly, unsafe, more susceptible to damage, and can deteriorate more quickly. Deferring maintenance may increase the cost to maintain an asset over its lifetime.”²³ 80 *Indian Affairs Manual (IAM)* 9 likewise states that timely identifying and prioritizing deferred maintenance requirements enables funds to be allocated and acquisition actions to be coordinated effectively and efficiently to initiate the required corrective actions.

10 *IAM* 2 also states that “all information disseminated by IA must comply with basic standards of quality to ensure and maximize its objectivity, utility, and integrity.” Specifically, it notes that:

IA will ensure information quality at each stage of information development, develop information only from reliable data sources . . . and make IA’s methods for producing information transparent, to the maximum extent practicable, through accurate documentation, use of appropriate internal and external review procedures, consultation with experts and users, and verification of its quality.

In addition, GAO’s *Standards for Internal Control in the Federal Government* characterizes “quality information” as information that is current, complete, and accurate. GAO further states that management uses quality information to make informed decisions to evaluate its performance in achieving its objectives.

Work Orders Were Not Completed in a Timely Manner

While IA requires work orders to be addressed within risk-based timeframes, actual completion times vary based on considerations such as funding, the nature of required project management, and the scope of the project. During our review, we visited 10 BIE-funded schools and found many instances in which assets had deteriorated due to delays in completing necessary repairs. We also found that deferred maintenance work orders were still waiting to be completed years after being submitted. We noted examples of deterioration, including foundation issues, corroding pipes, and inoperable boilers during our visits to schools in Arizona and New Mexico. The work orders for these issues were submitted, respectively, in 2008, 2021, and 2008 (see Figures 5 through 7).

²¹ “Deferred Maintenance and Repair,” <https://www.doi.gov/deferred-maintenance-and-repair>, and *DOI Acquisition, Arts, and Asset Policy*, “Standards for Deferred Maintenance and Repairs, Repair Needs, Investment Categories, and Other Requirements,” effective August 16, 2023.

²² *Department of the Interior Lifecycle Investment Planning Guidance*, revised May 2022.

²³ “Deferred Maintenance and Repair,” <https://www.doi.gov/deferred-maintenance-and-repair>, and *DOI Acquisition, Arts, and Asset Policy*, “Standards for Deferred Maintenance and Repairs, Repair Needs, Investment Categories, and Other Requirements,” effective August 16, 2023.

Figures 5-7: Deteriorating Conditions at BIE-funded Schools



From left to right: A crumbling foundation at Many Farms Community School (work orders submitted July 10, 2008); a corroded water line pipe at To'Hajiilee Community School (work orders submitted September 20, 2021); and an inoperable boiler that failed inspection at Many Farms High School (work order submitted January 9, 2008).

We determined that work orders were not consistently completed in a timely manner in part because of how IA determines which work orders are deferred maintenance. Instead of using the Department's definition of deferred maintenance, IA uses a monetary threshold and processes all work orders over \$2,500 as deferred maintenance. This categorization is a crucial distinction that can affect completion times. Specifically, deferred maintenance work orders require a more time-intensive funding and approval process that must go through multiple layers of approval, while school facility staff can immediately address O&M work.

We asked numerous IA employees why IA chose to process the work orders based upon a threshold and received no definitive answer. A senior IA official suggested that the decision may have been based on the previous Federal Acquisition Regulation (FAR) micro-purchase threshold of \$2,500 for the acquisition of supplies and services using simplified acquisition procedures.²⁴ We found no mention of the Department's deferred maintenance definition in the *IAM* or work order guidance.

We believe IA's use of a monetary threshold to define deferred maintenance is not an appropriate method for processing work orders, as it results in some preventive and other non-deferred maintenance work orders that cost more than \$2,500 being processed as deferred maintenance rather than as O&M. Since work orders are processed based solely on their estimated cost and not type of repair or maintenance, work orders like custodial services and purchasing equipment may be treated as deferred maintenance, which is inconsistent with

²⁴ FAR § 2.101 establishes the micro-purchase threshold for the acquisition of supplies and services using simplified acquisition procedures (with exceptions). FAR Part 13 prescribes simplified acquisition procedures to reduce administrative costs, improve opportunities for Government contracts, promote efficient and economic contracting, and avoid unnecessary burdens for agencies and contractors.

Departmental guidance. We found, for example, work orders for purchasing equipment and for recurring and preventive maintenance such as cleaning building ducts and floors that were categorized as deferred maintenance. One facility staff member told us that much of the preventive maintenance on his campus shows up in the facility management system as deferred maintenance because of the \$2,500 limit. When this occurs, school facility staff cannot use the school's O&M funds to complete work with estimated costs above \$2,500 and, instead, must submit a deferred maintenance work order.

We found work orders initially submitted for recurring or operational maintenance such as custodial services and purchasing equipment processed as deferred maintenance, which, as noted previously, is defined as work that was "not performed when it should have been." Since IA processed the work orders based on a monetary threshold rather than type of maintenance or repair, these work orders were mischaracterized as deferred. Specific examples of these mischaracterized work orders include:

- Steam cleaning residential hallways for spring break at Wingate Elementary School for \$13,399, dated February 28, 2020.
- Professional ceiling cleaning at Naa Tsis Aan (Navajo Mountain Boarding) School for \$38,454, dated December 29, 2017.
- Housekeeping services at Riverside Indian School for \$3,000, dated June 12, 2000.
- Cleaning metal duct systems at Dzil Th-Na-O-Dith-Hile Community School for \$22,441, dated November 23, 2019.
- Two machines to clean the building floors on the campus of Seba Dalkai Boarding School for \$12,034, dated June 22, 2018.
- A toaster, ice machine, and range for the Aneth Community School's kitchen for \$20,252, dated October 27, 2015.

Since the estimated costs of these work orders exceeded the \$2,500 monetary threshold, the work orders were added to the backlog of deferred maintenance, possibly delaying their immediate resolution.

During our review of work order data, we found 1,056 work orders that had not been completed 22 years after they were requested. For example, data showed safety work orders to install exit signs at Northern Cheyenne Tribal School and a fire alarm system at Quileute Tribal School were reported in 2000 and approved by DFMC but remained open as of September 2022. Also, a work order was requested in 2000 to replace asbestos floor tiles at Hunters Point Boarding School; inspections confirmed this need in 2015 and 2019. Even though DFMC approved the work orders, the work order remained open in September 2022.

We found that schools have resorted to workarounds to avoid triggering the deferred maintenance approval process. At one school, for example, BIE worked with the principal to use

other available funds to supplement the cost of the work and keep the work order under the \$2,500 threshold. To address needed repairs, BIE facilities staff said that many schools rely on emergency projects rather than deferred maintenance work orders because the school can immediately use its own funds for emergencies and request IA reimbursement later.

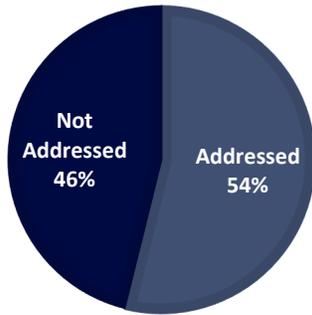
IA officials stated that the lack of BIA and BIE staff available to manage the projects also contributes to delays in completing deferred maintenance work orders. GAO found similar concerns in its April 2023 report, which noted BIE's workforce capacity challenges and a high staff vacancy rate of 27 percent.²⁵ According to BIA, some of its regions do not have enough staff to oversee all the facility programs, including school deferred maintenance projects. For example, BIA's Great Plains Region had only three project managers to oversee all the facilities projects in the region, which includes 34 schools and over 1,200 facilities. Project management workload or capacity is dependent on various considerations, such as the scope of the project. BIA officials confirmed that they did not have enough facility managers to meet the needs of all the projects.

While IA stated that the BIE facilities reorganization may remedy the staffing issues and subsequent work delays for BIA regions, it is possible that this shift may only transfer those problems to BIE's Branch of Facility Management. In terms of the overall transition, BIE officials said that staffing has been a challenge in standing up its facility management program. As of March 2023, BIE's Branch of Facility Management managed the facility programs of 54 schools and had 13 staff to manage those facilities and the associated deferred maintenance work orders and facilities projects. As of October 2, 2023, BIE has inherited the facilities programs at the remaining 129 schools. According to BIE, this date was postponed from January 2, 2023, due in part to BIE staffing capacity and the additional school facilities to be transferred to BIE management. Multiple personnel in management roles expressed concern about the ongoing transition due to the workload of managing those facilities and the associated deferred maintenance work orders.

²⁵ Report No. GAO-23-106203, *High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas*, issued April 2023.

Inaccurate Work Order Data in the Facility Management System

Figure 8: Reviewed Work Orders Open in the Facility Management System



Further, we found that inaccurate work order data hinders IA’s ability to effectively manage deferred maintenance. Specifically, we found that deferred maintenance work orders were not appropriately canceled or closed after the issues were addressed. Eight of the schools we visited had a total of 3,812 open deferred maintenance work orders in the system.²⁶ We judgmentally sampled 26 of those 3,812 work orders, estimated at \$3,320,689, and found that 14—or 54 percent—had been addressed, completed, or were no longer needed (see Figure 8). These orders should therefore have been closed or canceled in the facility management system.

Staff at multiple schools showed us lists of open work orders that should be closed or canceled but remained open (see Figure 9). For example, at one school we visited, school facility staff reported that approximately 35 percent of the school’s work orders, some dating back to June 2008, had been addressed and could be closed or canceled. At another school we visited, all three work orders we reviewed should have been closed. These three work orders were estimated at \$480,105 and were dated from November 2012 to January 2018.

Figure 9: Reviewed Open Deferred Maintenance Work Orders

School Visited	Open Work Orders Reviewed	Open Work Orders Completed or Canceled	Open Work Orders Completed or Canceled (%)
Jemez Day School	4	2	50
Santa Fe Indian School	4	3	75
Many Farms Community School	5	2	40
Many Farms High School	3	0	0
Hunter’s Point Boarding School	3	3	100
Crystal Boarding School	3	2	67
Wingate Elementary School	2	1	50
Wingate High School	2	1	50
Totals	26	14	54%

²⁶ At two schools we visited, we were unable to assess the status of deferred maintenance work orders, as the school staff were either unavailable or recent hires and unfamiliar with the work orders. See Appendix 1 for more information on site and work order selections.

In another example, during our visit to a BIE-operated school, we found that the school had replaced bathroom amenities with COVID-19 funding, but the associated work order, estimated at \$3,700, remained open. We also found an instance where carpet had been replaced in the school, yet the work order, estimated at \$30,981 and dated August 2006, was still open (see Figure 10).

In other locations, school facilities staff could not identify the status of selected work orders. For example, at Many Farms Community School, school officials were new to their positions and could not determine whether a \$2 million project to re-level the floor and foundation was completed or whether the work order should have been closed. Some school facility staff informed us that, rather than using the facility management system, they used a different internal management system to input and track deferred maintenance work orders. By not utilizing the system appropriately or updating the status of work orders, schools and IA did not have a complete or accurate assessment of deferred maintenance work orders.

Inadequate Guidance for and Access to the Facility Management System

We found that inadequate guidance for and access to the IA facility management system likely contributed to the issues described above. First, of the 10 schools we visited, 2 did not have school-level staff with access to the facility management system to manage the deferred maintenance work orders. Additionally, at multiple locations, school facility and BIE regional staff informed us that some schools needed BIA and BIE staff to input or close work orders for them. For example, multiple school facility staff stated that, even after taking the facility management system training, they could not run detailed reports or did not have the access necessary to close deferred maintenance work orders in the system. Also, some staff described the overall deferred maintenance work order process as confusing and challenging: they specifically noted imprecise and duplicate work orders from the safety inspectors; limited or no IT support; and lack of information or access necessary to close the work orders. During our evaluation, we found that training materials included but were not limited to system navigation, asset records, O&M, and deferred maintenance work order creation. We analyzed facility management system guidance and determined that, while the guidance describes the process to close work orders, it does not clearly establish facility staff responsibilities or who should close completed work orders.²⁷

Figure 10: Carpet Replacement at Many Farms Community School



Although this carpet was replaced in 2006, the work order was open.

²⁷ Guidance outlining the process to close work orders is provided in [REDACTED] *Work Orders for DFMC Users*, updated October 21, 2022, and *Step by Step Process for Creating & Costing New Work Orders in [REDACTED]*.

When asked about the large number of open, aged work orders in the facility management system, BIE staff acknowledged the issue and told us they initiated two contracts that would aid BIE and school facility staff in resolving older work orders. We were told that these contracts will help BIE update the facility management system data and ensure remaining work orders are valid. BIE staff explained that one contract will aid in analyzing data, prioritizing work orders, addressing deficiencies, and evaluating work order processes. The second contract will provide BIE staff, school facility managers, and custodial staff with expert assistance in developing work plans, reviewing statements of work, and ensuring proper cost estimations. Both contracts have a performance period from September 2022 through September 2025.

Addressing these issues promptly and maintaining BIE-funded school facilities not only ensures the safety of students and staff but prevents more costly maintenance later on. It is therefore crucial that deferred maintenance at these facilities be appropriately managed. Since we found incomplete, inaccurate, and outdated deferred maintenance work order data in the facility management system, we considered this data unreliable to make facility management decisions. The work order data inaccurately reported the amount of reported deferred maintenance and the work that needs to be done at schools, which may impact project prioritization, staffing, funding timing, and decisions. Without effective methods to process work orders and reliable data, BIE and DFMC cannot make informed decisions to manage its deferred maintenance, such as replacing and renovating schools and addressing health and safety issues.

Conclusion and Recommendations

Conclusion

IA, in collaboration with BIE and BIA, manages a system of 183 elementary and secondary schools, dormitories, and off-reservation boarding schools providing educational services to approximately 45,000 elementary and secondary students in 23 States. To keep them in good repair and mitigate risks to health and safety of staff and students, timely maintenance is vital—as is managing the extensive number of deferred maintenance work orders. As of September 2022, IA reported that it would cost more than \$1 billion to address its deferred maintenance at school facilities.

We found that, generally, IA did not effectively manage deferred maintenance for BIE-funded school facilities. We found that work orders were not always completed in a timely manner in part because IA processes all work orders based on a monetary threshold rather than using work order classifications based on the type of maintenance or repair and the Department’s definition of deferred maintenance. Additionally, more than half of the deferred maintenance work orders we reviewed at schools we visited were listed as open in the facility management system even though they had been addressed. This inaccurately reflected the work that needs to be done at these schools and may affect project prioritization or funding decisions. As a result of this unreliable work order data, IA cannot determine an accurate calculation of estimated costs of deferred maintenance at BIE schools or effectively manage deferred maintenance.

Recommendations Summary

We provided a draft of this report to IA and BIE, and they concurred with all recommendations. BIE in particular commented that it recognized the “unique challenges” associated with properly managing deferred maintenance and stated that it is “actively working to address these areas.” We consider Recommendations 1 through 4 and 6 through 7 resolved, and Recommendations 5, 8, and 9 unresolved. Below, we summarize the responses from IA and BIE to our recommendations, as well as our comments on their responses. See Appendix 4 for the full text of IA and BIE responses. Appendix 5 lists the status of each recommendation.

We recommend that IA:

1. Incorporate the Department’s definition of deferred maintenance into the *Indian Affairs Manual*, the facilities management system’s work order approval process, and the system training guidance.

IA Response: IA concurred with Recommendation 1 and stated that it plans to incorporate the Department’s definition of deferred maintenance into 80 *IAM* 3, “Operations & Maintenance Program,” and 80 *IAM* 9, “Construction Facilities Improvement and Repair Funding Methodology,” as well as the work order creation process. It also stated that the definition is already included in the facility management system training guidance. The target implementation dates for updating 80 *IAM* 3,

80 *IAM* 9, and the work order creation process are September 2, 2024, May 1, 2024, and February 2024, respectively.

OIG Comment: Based on the IA response, we consider Recommendation 1 resolved. This recommendation will be implemented when IA updates the identified manual chapters as described in the response and provides the system training guidance that includes the Department’s definition of deferred maintenance.

2. Define and add work order categories in the facility management system to establish appropriate work order processing and classification based on the type of maintenance or repair.

IA Response: IA concurred with Recommendation 2 and described a plan to make a “drop-down menu” in the facility management system in which users will create a work order and choose either O&M or Deferred Maintenance (DM) to categorize it. The definitions of both categories will also be available in a pop-up window. IA further stated that the O&M and DM work categories already exist in the facility management system, and these categories will be available via this new menu in February 2024.

OIG Comment: Based on the IA response, we consider Recommendation 2 resolved. This recommendation will be implemented when IA provides documentation showing the functionality of this new menu, including the definitions of O&M and DM that are available to the users.

3. Discontinue processing work orders as deferred maintenance based on a monetary threshold.

IA Response: IA concurred with Recommendation 3 and stated it will resolve this recommendation by implementing the first two recommendations. It stated that the new drop-down menu will allow a site’s facility manager to select either O&M or DM as the type of work order upon its creation, regardless of cost. Therefore, work orders will be based on the defined type of work, not on a monetary threshold. Also, IA stated that it issued a memorandum in November 2023 to increase the O&M funding approval threshold in the facility management system from \$2,500 to \$10,000. IA stated that those work orders that meet the definition of O&M and are less than \$10,000 will not require approval in the system, which should increase the timeliness of addressing O&M work orders.

Additionally, DFMC stated that it had already started validating the work order data “by returning over 3,600 work orders to Rework status and cancel[ing] over 14,000 work orders that were generated by Facility Condition Assessments and older than three years.” IA stated that this has “drastically improved its confidence in data quality.” IA’s target implementation date for its system updates is February 2024.

OIG Comment: Based on the IA response, we consider Recommendation 3 resolved. We acknowledge that IA has begun evaluating the status of work orders older than 3 years

and canceling more than 14,000 work orders. We also acknowledge IA's belief that these changes will improve the data quality of these work orders but express no opinion on that conclusion at this time. As described in our responses to the first two recommendations, this recommendation will be implemented when IA provides us with the updated manual chapters, the system training guidance, and documentation showing the functionality of the new user menu. Additionally, to close the recommendation, IA will need to provide evidence of work order classification and O&M funding summaries illustrating the actions taken, along with the November 2023 memorandum.

We recommend BIE:

4. In coordination with Indian Affairs and Many Farms schools, inspect and immediately address the foundation and boiler issues identified in the report.

BIE Response: BIE concurred with Recommendation 4 and stated it plans to coordinate its work with IA and Many Farms schools to inspect and address the foundation and boiler issues we identified in our report. BIE stated that an onsite inspection to assess the foundation and boiler occurred in January 2024. BIE will determine whether the foundation needs a structural engineer assessment, which would then be conducted by March 31, 2024. BIE stated it will then schedule the design and construction work according to the results of the assessment work, with a target date of September 30, 2025.

OIG Comment: Based on the BIE response, we consider Recommendation 4 resolved. We note that BIE's target implementation date for this recommendation is more than 1 year from this report's issuance date. However, BIE has provided us with mitigating or ongoing measures it plans to take until the recommendation is fully implemented, such as inspections and assessments to determine the condition of and risk to the Many Farms facilities. Additionally, BIE stated it would determine whether design and construction work was necessary to address the deficiencies and schedule it accordingly. This recommendation will be implemented when BIE provides documentation of the boiler and foundation assessments and remediation.

5. In coordination with Indian Affairs, conduct a workforce study to ensure BIE has the capacity to oversee the transferred facility management responsibilities in its regions.

BIE Response: BIE concurred with Recommendation 5 and stated it will coordinate with IA to conduct a workforce study by July 31, 2026, to understand its facility management responsibilities.

OIG Comment: Based on the BIE response, we consider Recommendation 5 unresolved because BIE's target implementation date for this recommendation is more than 2 years from this report's issuance date. This recommendation will be resolved when BIE provides a revised target implementation date or establishes mitigating measures or interim steps until the recommendation is fully implemented. The recommendation will be implemented when BIE provides documentation demonstrating it has developed a

workforce plan in concert with IA that ensures BIE has the capacity to oversee the transferred facility management responsibilities in its regions.

6. Close or cancel the 14 work orders that we concluded had been addressed (work order IDs AB157793, AB157794, AB155209, AB154396, AB381236, AB147686, AB159719, AB152087, AB385474, AB488840, AB207746, AB701825, AB664814, AB343991).

BIE Response: BIE concurred with Recommendation 6 and stated it has closed or cancelled six of the identified work orders and will close or cancel the remaining work orders identified by May 31, 2024.

OIG Comment: Based on the BIE response, we consider Recommendation 6 resolved. This recommendation will be implemented when BIE provides documentation showing that it has closed or canceled the 14 work orders identified in the recommendation.

7. Develop and implement a review process to assess the status of all open work orders and make appropriate updates in the facility management system.

BIE Response: BIE concurred with Recommendation 7 and stated that it will develop and implement a review process “to assess the status of all open work orders and make appropriate updates” in the facility management system. BIE stated that it will also create a standard operating procedure to address this recommendation by December 31, 2025. In the interim, BIE stated that it assigned staff to each school to review work orders and assess maintenance issues, and it cited to two contracts to support BIE-funded schools in reviewing and updating work orders in the facility management system. One contract’s scope of work includes reviewing and validating all open work orders for BIE-funded schools. More specifically, the contracted staff will review the work order entries with BIE facility managers to identify duplicate, outdated, and completed work orders for closure. BIE stated that, as of January 2024, it had updated 39,916 work orders for 57 BIE-funded schools. The second contract involves assistance with revising the scopes of work and cost estimates for priority work orders.

OIG Comment: Based on the BIE response, we consider Recommendation 7 resolved. We note that BIE’s target implementation date for this recommendation is more than 1 year from this report’s issuance date. However, BIE has provided us with mitigating or ongoing measures it plans to take until the recommendation is fully implemented, such as continued review of all open work orders to identify duplicate, outdated, and completed work orders for closure. BIE stated that its contracted staff and facility managers had reviewed and updated work orders for more than 30 percent of BIE-funded schools. This recommendation will be implemented when BIE provides documentation that it has assessed the status of work orders at each school and has developed and implemented the review process and standard operating procedure it described in its response to the draft report.

8. In coordination with Indian Affairs, develop and implement a continual monitoring process to assess the statuses of and close deferred maintenance work orders in the

facility management system that have been addressed.

BIE Response: BIE concurred with Recommendation 8 and stated it will coordinate with IA to develop and implement a continual monitoring process to assess work order statuses. BIE referred to the contracts mentioned in its response to Recommendation 7 to review all work orders at BIE-funded schools. Also, it described several current processes in use to assess and close deferred maintenance work orders, including an annual prioritization process by its Branch of Facility Management to review all work orders in the facility management system and work with the schools to submit work orders for funding. BIE referred to a monitoring system it developed for tracking projects to completion and ensuring closeout in the system. It also noted that DFMC conducts annual reviews of all work orders and notifies BIE and school staff to reevaluate work orders that have not been actively addressed in the previous 3 years. In response to Recommendation 3, IA said it has recently addressed work orders older than 3 years and canceled over 14,000 work orders, improving its confidence in the data quality of the facility management system. The target implementation date to fully implement these monitoring processes is July 31, 2026.

OIG Comment: Based on the BIE response, we consider Recommendation 8 unresolved. While BIE described several actions it has already taken to update work orders, such as its contract to review current work orders and IA's annual review of inactive work orders, it did not describe what actions it planned to take or procedures it would develop to continually monitor the status of future work orders. The annual review, for example, does not appear to constitute a continual monitoring process that would enable BIE to address data inaccuracies on a regular basis, apart from inactive work orders. In addition, some processes described in this response appear to have been in place at the time of our fieldwork, which identified concerns. Finally, we note that BIE's target implementation date for this recommendation is more than 2 years from this report's issuance date. This recommendation will be resolved when BIE provides a revised target implementation date or provides documentation that it developed a continual monitoring process with IA that establishes roles and responsibilities for periodically assessing and updating work orders. The recommendation will be implemented when BIE provides documentation that it is conducting continual monitoring of work order statuses.

9. In coordination with Indian Affairs, ensure that every school has staff trained on managing work orders in the facility management system, including procedures for properly classifying, updating, and closing work orders.

BIE Response: BIE concurred with Recommendation 9 and stated that, in coordination with IA, it will ensure that every school has a trained staff member to manage maintenance and repair requests in the facility management system, including the procedures of properly classifying, updating, and closing work orders. BIE stated that it uses a contractor to provide system training to BIE facilities staff. BIE added that it provided "training to school maintenance staff during a 'Boot Camp' event in July 2023 and is planning a similar event to be held, tentatively, in July 2024." It also currently provides ongoing training in principal leadership meetings and as requested by schools

for individual, onsite training. BIE also developed a user guide template to help school facility managers ensure the scope of work and cost estimates are reasonable and properly entered in the facility management system, and BIE staff provide individual guidance as they review projects with the schools. The target implementation date to train school staff is July 31, 2026.

OIG Comment: Based on the BIE response, we consider Recommendation 9 unresolved because its target implementation date for this recommendation is more than 2 years from this report's issuance date. While BIE described several actions it has already taken to provide training to school maintenance staff, it did not outline the agenda for its "Boot Camp" events or provide a plan to fully train its facilities staff at every school. This recommendation will be resolved when BIE provides a revised target implementation date or establishes mitigating measures or interim steps until the recommendation is fully implemented. To resolve the recommendation, BIE also should provide its schedule or plan to fully train its facilities staff at every school. This recommendation will be implemented when BIE provides evidence that it has trained staff at each school on managing work orders in the facility management system, including how to properly classify, update, and close work orders.

Appendix 1: Scope and Methodology

Scope

We evaluated whether the Bureau of Indian Education (BIE) effectively manages its deferred maintenance. We reviewed Indian Affairs (IA) facility maintenance policies and procedures, as well as deferred maintenance work orders associated with the BIE-funded schools we visited. We did not review the annual deferred maintenance work order prioritization as outlined in 80 *Indian Affairs Manual* 9 due to the underlying work order data that we found to be unreliable. The scope included deferred maintenance work orders from the IA facility management system listed with a status of open, complete, or closed as of September 14, 2022.

Methodology

We conducted our evaluation in accordance with the *Quality Standards for Inspection and Evaluation* as put forth by the Council of the Inspectors General on Integrity and Efficiency. We believe that the work performed provides a reasonable basis for our conclusions and recommendations.

To accomplish our objective, we:

- Gathered and reviewed background information about the IA Facilities Management Program related to deferred maintenance.
- Obtained and reviewed applicable laws and regulations.
- Reviewed IA guidance related to facilities management.
- Reviewed IA policies and procedures guiding the facility management system and work orders.
- Analyzed the IA-provided report of deferred maintenance work orders, dated September 14, 2022.
- Reviewed BIE budget documentation and requirements.
- Identified and interviewed Bureau of Indian Affairs (BIA) staff at regional offices.
- Interviewed personnel with IA's Office of Facilities, Property and Safety Management and the Division of Facilities Management and Construction.
- Interviewed officials with BIE's School Operations and Branch of Facilities Management.

- Interviewed IA contractors about BIE deferred maintenance management and the work order process.

We relied on computer-generated data that IA provided from the facility management system as of September 14, 2022. Based on the data obtained from IA, we selected regions to visit with the highest estimated cost of deferred maintenance work orders. The team conducted site visits to 10 Indian schools in 3 BIA regions, whose open deferred maintenance work orders represented 72 percent of the estimated value of all open deferred maintenance work orders. The regions selected were the Navajo, Great Plains, and Southwest Regions.

We obtained and analyzed deferred maintenance work order data for 8 of the 10 schools we visited. At two schools we visited, we were unable to assess the status of deferred maintenance work orders. Staff at Porcupine School had been recently hired and were unfamiliar with the work orders. In addition, our visit to To'Hajiilee Community School occurred after work hours because of winter weather. During our site visits to the other eight schools, we assessed the reliability of facility management system data by:

- Obtaining a judgmental selection of open deferred maintenance work orders in the facility management system at the time of our visit based on work orders that were accessible and not of a technical nature.
- Reviewing existing information about the data and the system that produced them.
- Conducting a walkthrough with school facility staff to assess sampled assets.

During our site visits, we assessed the status of 26 selected open deferred maintenance work orders. Our sample selections were not generated using statistical sampling, and therefore we did not project the results of our tests to the total population of work orders. However, based on our findings from our non-statistical selection of deferred maintenance work orders and our interviews regarding the reliability of the data in the facility management system, we questioned the reliability of the data but determined the data were sufficient and appropriate for the purposes of this report.

Appendix 2: Sites Visited

Bureau of Indian Affairs (BIA) Southwest Region

Jemez Day School	Jemez Pueblo, NM
Santa Fe Indian School	Santa Fe, NM

BIA Great Plains Region

Porcupine School	Porcupine, SD
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BIA Navajo Region

Many Farms Community School	Many Farms, AZ
Many Farms High School	Many Farms, AZ
Hunter's Point Boarding School	Hunter's Point, AZ
Crystal Boarding School	Crystal, NM
Wingate Elementary School	Fort Wingate, NM
Wingate High School	Fort Wingate, NM
To'Hajiilee Community School	To'Hajiilee, NM

Appendix 3: Work Orders Open in the IA Facility Management System

As identified in Recommendation 7, the table below lists the 14 work orders from our sample that had been addressed (due to the work being completed or no longer needed) but should have been closed or canceled in the facility management system.

	Work Order ID	Work Order Description*	School
1.	AB157793	Replace asphalt driveway.	Jemez Day School
2.	AB157794	Clean and seal concrete cracks in site pavements.	Jemez Day School
3.	AB155209	Provide security cameras for the safety of students and staff on campus.	Santa Fe Indian School
4.	AB154396	Replace commercial water heater, gas, 73 up to 110 gph.	Santa Fe Indian School
5.	AB381236	Remove abandoned furnace in east end.	Santa Fe Indian School
6.	AB147686	Replace carpet.	Many Farms Community School
7.	AB159719	Replace playground, complex.	Many Farms Community School
8.	AB152087	Replace base cabinets, hardwood, prefinished or laminate.	Hunter's Point Boarding School
9.	AB385474	Replace D2023 water storage tank, 2,000 gal.	Hunter's Point Boarding School
10.	AB488840	School needs updated playground for safety.	Hunter's Point Boarding School
11.	AB207746	Light fixtures subject to damage to have guards or covers installed.	Crystal Boarding School
12.	AB701825	Hand flush controls are installed on the closed side of the water closet.	Crystal Boarding School
13.	AB664814	D31N20 Bldg. 1592 water heater replacement.	Wingate Elementary School
14.	AB343991	Install ventilation to the exterior.	Wingate High School

*Wording for description taken from the facility management system.

Appendix 4: Responses to Draft Report

The Indian Affairs' response to our draft report follows on page 28. The Bureau of Indian Education's response to our draft report follows on page 30.



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

January 30, 2024

Memorandum

To: Kathleen Sedney
Assistant Inspector General for Audits, Inspections and Evaluations

From: Jason Freihage
Deputy Assistant Secretary – Management, Indian Affairs

Subject: Management Response to Recommendations 1, 2, and 3 in Draft Evaluation Report (No. 2022-CR-036) *Indian Affairs Is Unable to Effectively Manage Deferred Maintenance of School Facilities*

JASON
FREIHAGE

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Date: 2024.01.30 11:23:22
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The Deputy Assistant Secretary – Management, Indian Affairs (DAS-M) appreciates the conclusion and recommendations to help Indian Affairs (IA) increase its effectiveness in identifying and managing its deferred maintenance and the opportunity to comment on the U.S. Department of the Interior Office of Inspector General (OIG) Draft Evaluation Report – Indian Affairs Is Unable to Effectively Manage Deferred Maintenance (DM) of School Facilities dated December 27, 2023.

This memorandum transmits the DAS-M management’s response to each of the audit recommendations, plans for corrective actions, and documentation of corrective actions taken thus far. DAS-M management is committed to improving its effectiveness in identifying and managing deferred maintenance. Our responses are listed below:

Recommendation #1: Incorporate the Department’s definition of deferred maintenance into the Indian Affairs Manual, the Indian Affairs facility management system [REDACTED] work order approval process, and the [REDACTED] training guidance.

Actions Planned: DAS-M management concurs with the recommendation. IA will add the Department’s definition of deferred maintenance into Indian Affairs Manual Chapters 80 IAM 3 – Operations & Maintenance Program and 80 IAM 9 – Construction FI&R Funding Methodology. The Department’s definition of deferred maintenance will be included in the IA-FMS [REDACTED] work order creation process.

Responsible Party: Indian Affairs Division of Facilities Management and Construction (DFMC)

Action Taken: The Department’s definition of deferred maintenance is already included in the [REDACTED] training guidance.

Target Date: The Department’s definition of deferred maintenance will be added to the IA-FMS [REDACTED] work order creation process in February 2024. 80 IAM 9 will be updated by May 1, 2024, and 80 IAM 3 will be updated September 2, 2024.

Recommendation #2: Define and add work order categories in [REDACTED] to establish appropriate work order processing and classification based on the type of maintenance or repair.

Actions Planned: DAS-M management concurs with the recommendation. IA will add a drop-down menu to increase [REDACTED] functionality so that the type of work order, Operations & Maintenance (O&M) or Deferred Maintenance (DM), can be selected by the site Facility Manager creating the work order. The O&M definition will be available via a pop-up.

Responsible Party: Indian Affairs Division of Facilities Management and Construction (DFMC)

Action Taken: The work categories (O&M and DM) already exist in [REDACTED].

Target Date: Department's definition of deferred maintenance will be added to the Indian Affairs Facility Management System (IA-FMS) [REDACTED] work order creation process in February 2024.

Recommendation #3: Discontinue processing work orders as deferred maintenance based on a monetary threshold.

Actions Planned: DAS-M management concurs with the recommendation. This recommendation will be resolved by implementing the actions taken in Recommendations #1 and #2. IA will add a drop-down menu to increase [REDACTED] functionality so that the type of work order (O&M or Deferred Maintenance) can be selected by the site Facility Manager creating the work order. Therefore, deferred maintenance work orders will not be based on a monetary threshold. Going forward, O&M work orders which meet the definition of O&M and are less than \$10,000 do not require approval in [REDACTED]. This will increase the timeliness of addressing O&M and prevent O&M work from being processed and funded as a DM work order.

Responsible Party: Indian Affairs Division of Facilities Management and Construction (DFMC)

Action Taken: IA increased the O&M funding approval threshold in [REDACTED] from \$2,500 to \$10,000 in July 2023 and followed up with an official memo (notification) in November 2023.

In FY23 Quarter 4, DFMC started validating the work order data by returning over 3,600 work orders to Rework status and canceled over 14,000 work orders that were generated by Facility Condition Assessments and older than three years. This has drastically improved the confidence in data quality.

Target Date: IA will add a drop-down menu to increase [REDACTED] functionality so that the type of work order (O&M or Deferred Maintenance) can be selected by the site Facility Manager creating the work order by February 2024.

Through our concurrence with the recommendation, IA will continue to work to implement actions to address the recommendations identified by the OIG. If additional information is needed, please contact Michael Wischnewski, Deputy Director, Office of Facilities, Property and Safety Management (OFPSM), at [REDACTED] @bia.gov or at [REDACTED].



UNITED STATES DEPARTMENT OF THE INTERIOR
 Bureau of Indian Education
 1849 C Street NW, MIB-3610
 Washington, DC 20240

January 30, 2024

Memorandum

To: Kathleen Sedney
 Assistant Inspector General for Audits, Inspections and Evaluations

From: Tony L. Dearman 
 Director, Bureau of Indian Education

Subject: Management Response to Recommendations 4 through 9 in Draft Evaluation Report (No. 2022-CR-036) *Indian Affairs Is Unable to Effectively Manage Deferred Maintenance of School Facilities*

The Bureau of Indian Education (BIE) appreciates the opportunity to comment on the U.S. Department of the Interior Office of Inspector General (OIG) Draft Audit Report – (No. 2022-CR-036) *Indian Affairs Is Unable to Effectively Manage Deferred Maintenance of School Facilities*. This memorandum provides BIE’s response to each of the audit recommendations. The BIE concurs with the six recommendations identified in the draft audit report. The BIE’s plans for corrective actions and actions taken are detailed below:

Recommendation 4. In coordination with Indian Affairs and Many Farms schools, inspect and immediately address the foundation and boiler issues identified in Figures 4 and 6.

Response and Actions Planned: The BIE concurs with the recommendation. The BIE Branch of Facilities Management (BFM) will work in coordination with Indian Affairs and Many Farms Schools to inspect and address the foundation and boiler issues. During the week of January 15, 2024, BFM Staff will conduct an on-site inspection to assess the foundation and boiler. For the foundation, BFM will determine whether a Structural Engineer Assessment is needed and pending that determination, an assessment will be conducted by March 31, 2024. Furthermore, the BIE will determine additional design and construction work and will schedule accordingly.

Responsible Official: BIE Branch of Facilities Management

Target Date: September 30, 2025

Recommendation 5. In coordination with Indian Affairs, conduct a workforce study to ensure BIE has the capacity to oversee the transferred facility management responsibilities in its regions.

Response and Actions Planned: The BIE concurs with this recommendation. In coordination with Indian Affairs, the BIE will conduct a workforce study to understand the facility management responsibilities across the BIE.

Responsible Official: BIE Central Office

Target Date: July 31, 2026

Recommendation 6. Close or cancel the 14 work orders in [REDACTED] that we concluded had been addressed ([REDACTED] IDs AB157793, AB157794, AB155209, AB154396, AB381236, AB147686, AB159719, AB152087, AB385474, AB488840, AB207746, AB701825, AB664814, AB343991).

Response and Actions Planned. The BIE concurs with the recommendation. The BIE Branch of Facilities Management will close or cancel the 14 work orders listed above in [REDACTED].

As of January 12, 2024, a total of six of the 14 work orders identified were closed or cancelled. BIE BFM Staff are working to gather the appropriate documentation necessary to close the remaining work orders by the target date identified below.

Responsible Official: BIE Branch of Facilities Management

Target Date: May 31, 2024

Recommendation 7. Develop and implement a review process to assess the status of all open work orders and make appropriate updates in the work order tracking system (currently [REDACTED]).

Response and Actions Planned: The BIE concurs with the recommendation. The BIE's BFM will develop and implement a review process to assess the status of all open work orders and make appropriate updates in [REDACTED]. Currently, the BFM Division has staff assigned to each school to review work orders and assess maintenance issues at each school. As indicated in the draft report, the BIE's BFM has two contracts that supports bureau funded schools in the reviewing and updating work orders in [REDACTED].

One of the two contracts the BIE has is with [REDACTED]. Under this contract, the scope of work includes a review and validation of all open work orders for bureau-funded schools. More specifically, [REDACTED] reviews the [REDACTED] entries with the BIE Facility Managers and identifies duplicate, outdated, and completed work orders that need to be closed. [REDACTED] also provides training onsite to BIE Facility Managers on the work order entry and closeout process to ensure staff are keeping [REDACTED] updated. As of January 2024, [REDACTED] in partnership with BIE, has completed [REDACTED] reviews and updates at 57 BIE schools. The reviews and updates to [REDACTED] include closing, completing, or cancelling work orders. A total of 39,916 work orders have been updated in the [REDACTED] system. [REDACTED] is currently scheduled to perform this task for the remaining schools.

The second contract the BIE has is with [REDACTED]. [REDACTED] assists with review and revision of scopes of work and cost estimates of work orders that are listed as priority. Under this area, the BFM staff reviews work orders for priority projects to verify the scope of work and independent government estimates include project management and

inspections services; to ensure the quality of work is meeting design standards and in line with project cost and schedule. The BFM staff also review Abatement Plans with the schools to address repeat findings and ensure work orders are entered in [REDACTED]. Lastly, the BIE BFM is drafting a standard operating procedure to address the deferred maintenance recommendation.

Responsible Official: BIE Branch of Facilities Management

Target Date: December 31, 2025

Recommendation 8. In coordination with Indian Affairs, develop and implement a continual monitoring process to assess the statuses of and close deferred maintenance work orders in the work order tracking system (currently [REDACTED]) that have been addressed.

Response and Actions Planned: The BIE concurs with this recommendation and will work in coordination with Indian Affairs to develop and implement a continual monitoring process to assess closed deferred maintenance work orders in [REDACTED]. As indicated in recommendation 7, BIE is working with a contractor to conduct an entire review of all [REDACTED] work orders at bureau-funded schools.

In addition, the BIE's abatement process through BFM includes reviews of work orders with the schools to eliminate duplicate work orders, and close appropriate work orders. BIE BFM has established an annual prioritization process to review all work orders in [REDACTED]. Through this process, BFM works in collaboration with the BIE Facility Managers at schools to submit priority Deferred Maintenance Work Orders (DMWO) for project funding. Supplementing this process, BFM has also developed user-guides and a template for school personnel to develop quality DMWOs that can efficiently move through the funding and execution phases. BFM has also developed a system to monitor the status of projects actively being developed for funding, tracking projects through to completion, and ensuring closeout in [REDACTED]. The Department of Facilities Management and Construction (DFMC) conducts an annual review of all work orders in the [REDACTED] system. Any work orders that have not been actively worked within the previous three years are sent back to rework status and BFM and school staff are notified to re-evaluate.

Responsible Official: BIE Branch of Facilities Management

Target Date: July 31, 2026

Recommendation 9. In coordination with Indian Affairs, ensure that every school has staff trained on managing maintenance and repair requests in the work order tracking system (currently [REDACTED]), including procedures for properly classifying, updating, and closing work orders.

Response and Actions Planned: The BIE concurs with this recommendation. In coordination with Indian Affairs, BIE BFM will ensure that every school has a trained staff member to manage maintenance and repair requests in [REDACTED], including the procedures of properly classifying, updating, and closing work orders.

The BIE through a contract with [REDACTED], provides [REDACTED] training to BIE Facilities staff. The BIE encourages and supports all schools to have adequate staff with access and proficiency in [REDACTED]. The BIE BFM provided [REDACTED] training to school maintenance staff during a “Boot Camp” event in July 2023 and is planning a similar event to be held, tentatively, in July 2024. BIE BFM staff provide ongoing training in Principal Leadership meetings, and as requested by schools for individual, on-site training. Contractors and BFM staff provide individual guidance as they review projects with the schools. To aid schools in these processes, the BIE BFM developed a user-guide template to help school Facility Managers define the scope of projects and ensure the scope of work and cost estimates are reasonable and properly entered into [REDACTED].

Responsible Official: BIE Branch of Facilities Management

Target Date: July 31, 2026

The BIE recognizes the unique challenges identified in the recommendations to properly manage deferred maintenance work order and is actively working to address those areas. In partnership with Indian Affairs, the BIE will ensure our bureau-funded schools receive the support and technical assistance needed to improve the management of deferred maintenance at Indian education facilities. Thank you for the opportunity to review and provide a response on behalf of the Bureau of Indian Education to the U.S. Department of the Interior Office of Inspector General (OIG) Draft Audit Report – (No. 2022-CR-036) *Indian Affairs Is Unable to Effectively Manage Deferred Maintenance of School Facilities*. If you have any questions, or need additional information, please contact Ventura Lovato at [REDACTED] [@bie.edu](mailto:[REDACTED]@bie.edu).

Appendix 5: Status of Recommendations

Recommendation	Status	Action Required
2022-CR-036-01 We recommend that Indian Affairs incorporate the Department's definition of deferred maintenance into the <i>Indian Affairs Manual</i> , the facility management system's work order approval process, and the system training guidance.	Resolved	We will track implementation.
2022-CR-036-02 We recommend that Indian Affairs define and add work order categories in the facility management system to establish appropriate work order processing and classification based on the type of maintenance or repair.	Resolved	We will track implementation.
2022-CR-036-03 We recommend that Indian Affairs discontinue processing work orders as deferred maintenance based on a monetary threshold.	Resolved	We will track implementation.
2022-CR-036-04 We recommend that, in coordination with Indian Affairs and Many Farms schools, the Bureau of Indian Education inspect and immediately address the foundation and boiler issues identified in the report.	Resolved	We will track implementation.
2022-CR-036-05 We recommend that, in coordination with Indian Affairs, the Bureau of Indian Education conduct a workforce study to ensure BIE has the capacity to oversee the transferred facility management responsibilities in its regions.	Unresolved	We will meet with BIE to further discuss resolution of this recommendation.

Recommendation	Status	Action Required
<p>2022-CR-036-06 We recommend that the Bureau of Indian Education close or cancel the 14 work orders that we concluded had been addressed (work order IDs AB157793, AB157794, AB155209, AB154396, AB381236, AB147686, AB159719, AB152087, AB385474, AB488840, AB207746, AB701825, AB664814, AB343991).</p>	Resolved	We will track implementation.
<p>2022-CR-036-07 We recommend that the Bureau of Indian Education develop and implement a review process to assess the status of all open work orders and make appropriate updates in the facility management system.</p>	Resolved	We will track implementation.
<p>2022-CR-036-08 We recommend that, in coordination with Indian Affairs, the Bureau of Indian Education develop and implement a continual monitoring process to assess the statuses of and close deferred maintenance work orders in the facility management system that have been addressed.</p>	Unresolved	We will meet with BIE to further discuss resolution of this recommendation.
<p>2022-CR-036-09 We recommend that, in coordination with Indian Affairs, the Bureau of Indian Education ensure that every school has staff trained on managing work orders in the facility management system, including procedures for properly classifying, updating, and closing work orders.</p>	Unresolved	We will meet with BIE to further discuss resolution of this recommendation.



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