

# CATCH UP OR KEEP UP

BALANCE YOUR DEFERRED MAINTENANCE BACKLOG WITH A TWO-PRONGED APPROACH

## THE CHALLENGE — Backlogs Escalating

K-12 public schools have historically struggled to attain adequate funding, and deferred maintenance is often pushed down the list of financial priorities, further increasing future costs<sup>1</sup>.

- Over the past two decades, deferred maintenance backlogs have increased from \$113 billion to between \$271 billion and \$542 billion
- The national gap in annual K-12 facilities spending is estimated to be \$46 billion
- The national gap in annual capital spending for deferred maintenance is estimated to be \$28 billion

## THE IMPACT — Unsafe & Inequitable Schools

As assets and building conditions deteriorate, occupant safety and student experience decline.

1. Leaky pipes, peeling paint and spalling facades reduce student and teacher enthusiasm.
2. Poor HVAC and maintenance systems result in lower air quality and other health and safety concerns.
3. Quality teachers with the ability to teach elsewhere may leave. Students whose families are financially able to move out of the district take higher property values and taxes with them.
4. Funding for repair and maintenance shrinks
5. Buildings continue to deteriorate
6. Reduced reliability of assets and increased risk of entire system failure

## THE FIX — A Two-Strategy Solution

Addressing deferred maintenance requires both operating and capital strategies working in unison.

### STRATEGY 1

#### “KEEP UP” WITH OPERATIONS

An underfunded operating budget and undisciplined spending approach are the root causes of deferred maintenance. A well-designed operations strategy that balances priorities across **labor, expenses, and energy**, can avoid future deferrals.

## LABOR

Improve productivity and engagement



#### Goals

- Improve productivity
- Improve service quality
- Elevate staff capabilities
- Retain valued employees



#### Tactics

- Smart scheduling of staff based on actual maintenance needs
- Smart application of technology and data analytics
- Training programs
- Aligned with district needs and industry changes



#### Goals

- Limit unnecessary expenditures
- Invest in areas to avoid future deferrals
- Target areas with highest return



#### Tactics

- Develop “asset tiers” based on criticality
- Optimize service contracts through strategic partnerships
- Adopt predictive maintenance technology and techniques

## EXPENSES

Optimize limited financial resources



#### Goals

- Reduce energy cost & consumption
- Maintain energy efficiency
- Secure savings for reinvestment



#### Tactics

- Negotiate better energy rates (supply side)
- Partner for [guaranteed energy savings](#) (demand side)
- Retro-commission existing facilities

#### Results from Lewisville Independent School District

Since partnering with Aramark in 2008, LISD has achieved a **22% reduction in energy usage** and realized more than **\$19 million in savings**. LISD has also obtained over \$100,000 in cash refunds and credits and over \$130,000 in utility company incentives and rebates via utility bill auditing.

### STRATEGY 2

#### “CATCH UP” WITH CAPITAL

The size of a deferred maintenance backlog increases rapidly as systems age and funding remains stagnant, or may even decline. Ultimately, new capital funds will be needed to reduce the backlog and “catch-up” to an ideal state. There exist many capital options to achieve funding and provide savings that can be reinvested to restore facilities.

## FUNDING & STRATEGY TOOLS

Adopt a holistic approach



#### Goals

- Quantify needs & investment priorities
- Provide investment rationale
- Match need with funding limits
- Complete projects on time & budget



#### Tactics

- Facility condition assessment
- Utility master plan
- Strategic financial plan
- Capital program management

#### Results from Council Rock School District

In partnering with Aramark, CRSD was able to establish a plan for prioritizing projects based on energy and cost-savings, and received guidance on projects within and outside the scope of energy management. **CRSD realized a cost avoidance of nearly \$1.4 million.**



#### Goal

- Secure capital for targeted investments



#### Tactics

- Energy performance contract (EPC)
- Asset monetization
- A Public Private Partnership (P3)

## CAPITAL SOLUTIONS

Seek funding options

## Find the Right Partner

Successfully launching and managing these two deferred maintenance strategies can be daunting when faced with a lack of expertise, budget, resources or time. Aramark brings best practices and a documented portfolio of success in developing and executing “keep-up” and “catch-up” strategies. Our solutions successfully drive protection of assets, minimize future deferrals, and secure capital for reinvestment.

**Are you ready to balance your backlog?**  
[Contact Aramark today.](#)

#### WANT TO LEARN MORE?

DISCOVER HOW A STRATEGIC PARTNER CAN HELP REDUCE EXPENSES & FREE UP FUNDING FOR CAPITAL PROJECTS.

[DOWNLOAD THE COMPLETE GUIDE](#)

