Section 1 - Executive Summary:
The University of Maine System must achieve the highest cost-effective use of capital facilities, infrastructure and property in order to best support the collective mission of the University of Maine System and its individual campuses. It needs to work to ensure that each institution has the right amount of space, the right type of space, and its space is in appropriate condition. While more research needs to be done to understand details and implications, a current assessment indicates that the University of Maine System today has a seriously aging facility portfolio and more space than it needs for the current and projected size of its total user community, including its student population.

The data which compare the University of Maine System to other institutions as well as the data which measure the University of Maine System against its own history tell the same story. The University of Maine System has fewer users per square foot of space than at any time since it started routinely measuring this information in 2006. The combined changes in enrollment, employment and space have resulted in the University of Maine System having nearly 15 percent fewer users per unit of space than it did in 2007.

To reach the average density of a comparison group of peer public higher education institutions, the University of Maine System would need more than 4,000 additional students or other users, or it would need nearly 1.4 million fewer gross square feet of space, according to third party assessments. This is approximately the same change that would be needed to return to the University of Maine System’s own peak density since at least 2006, which occurred in 2007, according to Sightlines, LLC. (Sightlines is contracted by the University to provide facilities assessment and benchmarking analysis both within the UMS against its own history as well as across peer comparison groups. Sightlines has amassed a data set for higher education that includes verified data regarding more than 45,000 buildings and 1.2 billion square feet of facility space across North America.)

This single data set does not capture every nuance and variable regarding the University of Maine System’s space, but is a robust, consistent and valuable tool for benchmarking the University of Maine System’s space portfolio over time as well as for comparing it with other institutions. As the University of Maine System’s mix of students continues to change and as technology and educational paradigms evolve, the types of spaces the University of Maine System will require also will change. This type of forecasting has not been figured into the Sightlines assessments.

Moreover, regardless of the desirability of the current amount of space, the current multi-year financial analysis indicates the University of Maine System has more space than it can afford to sustain and annual facility assessments have documented that the facility portfolio continues to age and grow more costly.
In the University of Maine System’s peer group, approximately 19 percent of all space is rated as having a renovation age of 50+ years. This age rating is when buildings are most likely to fail and to require more expensive repair and renovation. The facilities with the oldest renovation age also tend not to fit as well with contemporary programming needs. However, building age does not tell the whole story, and factors such as facility conditions and upgrades should not be overlooked. At the University of Maine System (UMS), the amount of space in this same 50+ year renovation age category has grown to approximately 40 percent of all University of Maine System space, approximately double that of the UMS peer group. This is an increase of 38 percent since 2006 when 29 percent of all University of Maine System space was in this 50+ year renovation age category. Since significant facilities expansion occurred in the 1960’s and 70’s that percentage will grow much more quickly over the next decade. Again, there are myriad complexities to this broad finding and it should not be understood to mean that all UMS programs or services need to reduce space or that the current UMS space is sufficient in type and quality.

The space needs of each campus are as unique as the programs which the space supports. There are many non-academic or non-program considerations, as well. Some facilities have historic value that stand apart from any consideration of density and some programs necessarily require more space per students than others. There are the complexities of understanding online course needs and there is always the question of increasing enrollment. The amount of space is hardly the only measure. The University of Maine System requires not only the right amount of space but also the right kind of space to carry out its mission.

Broadly speaking however, the data strongly indicate the University of Maine System has more facility space than it needs or than it can sustain and that existing resources would go further and better support improved facilities if stretched across fewer square feet of space.
Section 2 - Project to date:

In the fall of 2013, the Board of Trustees endorsed the Administrative Review Facilities Charter, tasking two subteams to begin a review in the facilities functional area. Because of the size and scope of the review, the work was divided between two groups: a Functional Team to review the operational administration and management of all UMS facilities assets and services system-wide; as well as a Planning Team, charged with developing a strategic, system-wide, multi-year plan to manage UMS facilities. This interim report presents the preliminary work of both teams.

Each of the Administrative Review Teams has met seven times. The separate functional and planning meetings are conducted back-to-back each week for 75 minutes. Weekly meetings were scheduled and conducted through December 2014. Those meetings now are expected to continue through 2014.

Functional Team: The Functional Team held its first meeting on October 9th. The Functional team includes Ryan Low, Executive Director of Governmental & External Affairs, UMS (co-chair); Chip Gavin, System Director of Facilities Management and General Services, UMS (co-chair); Norm Fournier, UMS Trustee and Chair of the Finance, Facilities and Technology Committee of the Board of Trustees; Cynthia Huggins, President, University of Maine at Machias (Presidents’ Council representative on both Subteams); Robert Bertram, Executive Director of Facilities Management, University of Southern Maine; John D. Murphy, Vice President for Administration, University of Maine at Fort Kent.

To date, the team has heard presentations or discussed the following areas:

- Reviewed and discussed prior Facilities Management studies, including the 2009 “New Challenges New Directions” report and the January 2013 Facilities Management Pilot Study;
- Discussed in detail the Integrated Workplace Management System timeline and project and its potential role in any preliminary or final recommendations;
- Received a presentation from Facility Engineering Associates (FEA) about their observations of the facilities management practices at UMS;
- Discussed a 2012 Sightlines Density report; and
- Discussed and prioritized functional areas for Review Team consideration in 2014.

Planning Team: the Planning Team held its first meeting on October 23rd. The team includes Ryan Low, Executive Director of Governmental & External Affairs, UMS (co-chair); Chip Gavin, System Director of Facilities Management and General Services, UMS (co-chair); Karl Turner, UMS Trustee; Cynthia Huggins, President, University of Maine at Machias, (Presidents’ Council representative on both Subteams); Janet Waldron, Senior Vice President for Administration & Finance, University of Maine; and Michael Stevenson, Provost and Vice President for Academic Affairs, University of Southern Maine.
To date, the team has heard presentations or discussed the following areas:

- Reviewed and discussed prior Facilities Management studies, including the 2009 “New Challenges New Directions” report and the January 2013 Facilities Management Pilot Study;
- Held a briefing with the Sightlines Leadership Team to discuss the 2012 Sightlines Density report, as well as a detailed discussion of buildings in the 50+ year renovation age;
- Received a presentation from Janet Waldron and the UMaine team: Strategies for Improving the Capital Infrastructure, Targeting and Securing Financial Resources; and
- Heard presentations from UMS staff on tax-exempt debt, debt compliance and funding depreciation.

In addition, both teams met separately in December to discuss the interim recommendations contained in this document.

Section 3 - Communication and outreach:

Both the Functional and Planning teams have placed an emphasis on communications and outreach. Because the facilities areas touches every corner of the UMS and its roughly 5,000 employees, planning for both short- and long-term in facilities cannot be effectively executed without a robust dialogue with the various stakeholders. Each team’s agenda begins with a communications update. Regular group updates are shared with standing groups like the Presidents’ Council, the Shared Services Advisory Council, Chief Academic Officers’ group meetings and Facilities Management Directors across all 7 campuses.

In addition, the team is also working with project-specific groups such as the Integrated Workplace Management System implementation team, a multi-business unit and interdisciplinary group of facility managers, financial personnel, ITS staff and others who are working to implement a new, integrated and unified software solution for work orders and facilities data management systemwide.

Although the Facilities Review teams have significant facilities data available to help inform its decision making, there is unanimous agreement that facts and figures alone are not sufficient. Both the Planning and Functional Teams will be scheduling site visits to the campuses as part of the review process. Team members are interested in hearing from faculty, staff and students to gain their valuable feedback and understand how facilities operations impact them and how things might be done better. Members are also interested in going beyond campus maps to understand the unique facilities challenges that factors such as campus mission, geography, and historical buildings play in the decision-making process.

Additionally, the Facilities Management teams will be posting to the Think Mission Excellence website to allow for regular updates to the faculty and staff of the University of Maine System -- http://thinkmissionexcellence.maine.edu/facilities-management-review/
Section 4 - Timeline:
Still pending: Narrative of anticipated timeline, as it stands – referencing Appendix A, using the "assess, design, implement, audit and repeat" framework.

Section 5 - Emerging recommendations and areas of focus:

1. Interim recommendations and areas of focus:

   Planning Team

   A. UMS should right-size the facility portfolio to reduce costs and improve the quality of facilities:

   a. Increases in space to require Board of Trustee consideration: Adopt interim processes to require that any project, including new leases or renewals, which would result in any net increase in the University of Maine System’s footprint be considered by the Finance, Facilities and Technology Committee of the Board of Trustees or the full Board of Trustees before being authorized.

   b. Facility projects to specify impact on space and operating costs: Adopt interim processes to require that all facility related agenda sheets which are prepared for the Board of Trustees or one of its Committees specifically describe whether the project would result in a net increase in space or operating costs.

   c. Update delegation of authority matrix: Update the delegation of authority matrix already approved by the Board of Trustees to include and make clearer the authority for the disposition of real property pursuant to existing Board policy. The primary Board policies of reference in this area are 701, 801 and 802. The current delegation of authority matrix is found in Appendix C to this document.

   B. Identify and fund the long-term capital needs of the System:

   a. Encourage and support the existing funded depreciation goals of the University of Maine System, as approved or updated in the context of ongoing annual budget authorization cycles.

   b. The University of Maine System should update its limited but existing basic 5-year capital plan in a manner and timeframe that the update can inform the administrative review.

   Functional Team

   C. Review current prioritized processes for best practices or improvements:
a. Prioritize review of best practices, current status and opportunities for construction management and capital project management, in particular, as a functional area.

b. Undertake a LEAN review or process in the Leased Space functional area regarding the review, approval and tracking of leased space agreements.

c. Determine whether the following functional areas would best function as a campus service or a shared service: trades, grounds, custodial, other daily operations. Specifically review third-party fee-for-service models for custodial services.

D. Benchmark UMS operations and institutionalize selected benchmarks:

a. Compile an updated specific inventory of facilities management positions system-wide.

b. Support the ongoing implementation of an Integrated Workplace Management System and coordinate with the Integrated Workplace Management Team, particularly around the issues of Work Control Centers and Key Performance Indicators. The Integrated Workplace Management System, now in the process of implementation with the prior approval of the Board of Trustees and various constituency groups, is a systemwide facilities management information and work order processing tool that will replace multiple legacy systems and will improve efficiency, customer service and the quality and availability of decision-making data.

c. Research APPA Benchmarks and other sources for comparative standards. (APPA is the professional association for facilities management in higher education.)

2. Areas for further research and consideration:

Planning Team

A. Right-size the facility portfolio to reduce costs and improve the quality of facilities:

a. Work to right-size the overall UMS facility portfolio to ensure best value, reduce the cost of ownership through achieving improved space use, condition of facilities, and disposal of property where feasible. As the University of Maine System seeks to achieve the highest effective use, stewardship and asset value of capital facilities, infrastructure and property to support the collective mission of the University of Maine System and its individual campus requirements, it needs
to work long-term to have the right amount of space, the right type of space, and its space in the appropriate condition. Options the team will consider include, but are not limited to: reduction of space leased for occupancy at renewal or termination dates; avoidance of automatically renewing lease terms; outright sale to private parties that allow for non-University uses; consolidation of separate units in standalone structures to shared facilities; demolition and other options. These are further discussed below. The goals are 1) to improve the Net Asset Value of the total facilities owned portfolio 2) to provide appropriate highly functioning education, research, work and living environments and 3) to ensure the lowest cost of operations.

b. Consider establishing a system-wide goal to improve the net asset value of the portfolio or, by another metric, to reduce the renovation age of UMS facilities, with a particular focus on reducing the percentage of buildings in the oldest 50+ year renovation age category. Note that increasing Net Asset Value in this interim report is intended to convey the goal of increasing the respective percentage of a facility which is in good condition and not in need of repair or renovation. It is a measure of the stewardship of facilities. Increasing the Net Asset Value is not intended to convey a goal of increasing space. For more explanation of Net Asset Value in this context, see Appendix E.

c. Disposition of assets: review and support the administrative review of UMS assets for identification or prioritization where functions could be consolidated or which could be disposed of by the University of Maine System, including the incorporation of ongoing analysis by third-party partners and review of the UMS portfolio for any instances of multiple UMS institutions operating different real property assets in the same or nearby communities.

d. Capital renewal and demolition costs for new construction: consider requiring that proposals for new facilities include some percentage of the construction cost in the total project budget to be set aside as a capital renewal fund for the facility, unless expressly approved otherwise by the Board of Trustees. Also, if the project requires the demolition or other disposal of existing space in order to avoid any net increase in total space, then consider that the funds for such demolition or removal also be included in the project budget.

B. Identify and fund the long-term capital needs of the System:

a. Consider requiring each University to establish a single, appropriately detailed Master Facilities and Infrastructure Plan tied to the respective institutional missions in keeping with and as part of an overall plan for the University of Maine System. These plans shall be dynamic in nature but shall serve to connect and guide future facility development, disposal, infrastructure and property improvements and alterations to the strategic plans for each institution and organization. Such plans will be updated regularly.
b. Consider adopting a system-wide mechanism for developing and maintaining an actionable annual version of its capital plan that is integrated with the academic and other mission-driven UMS needs as well as longer term planning and which is updated not less often than as part of the annual budget cycle.

c. Consider how the University of Maine System could develop a long term financial plan that supports the goal of increasing total portfolio Net Asset Value. This plan would recognize the need to leverage multiple sources of financial support and shall be driven both by planning priorities and funding opportunities. Such a plan would necessarily involve a major *multi-year* funding plan and associated funding mechanism for consideration by future administrations and Legislatures to meet the University of Maine System’s infrastructure goals. The review must include consideration of public-private opportunities such as sale and leaseback agreements.

d. Consider options for updating the budgeting mechanism for capital projects and improvements.

e. Research efforts elsewhere to incorporate facility-related metrics in performance budgeting.

f. Consider options for reporting on facility investments by total facility investment in lieu of or in addition to project specific reporting.

g. Consider adopting Total Cost of Ownership as a formal principle for University of Maine System-owned facilities where costs associated with construction, capital improvements, maintenance, repair and operations are recognized to include disposal, where applicable.

h. Adopt metrics and benchmarks to monitor progress regarding long-term planning and capital goals, potentially including using metrics incorporated in the Return on Physical Asset (ROPA) assessments performed by Sightlines LLC as reported annually to the Board of Trustees and referenced elsewhere in this document.

**Functional Team**

**C. Review current prioritized processes for best practices or improvements:**

a. Determine whether the following functional areas would best function as a campus service or a shared service: fleet management, risk management, safety and environmental management.
b. Research the possibilities for improved partnership of major facilities-related purchases with system-wide procurement such as energy, furniture, equipment, carpeting and, potentially, certain non-construction facilities management professional or maintenance-type services.

D. Benchmark UMS operations and institutionalize selected benchmarks:

a. Research industry benchmarks for facilities staffing ratios and consider the potential for updates of UMS practices or other recommendations.

b. Recommend a mechanism for identifying, incorporating and segregating facilities expenditures – both capital projects and non-capital costs – as part of the annual budget cycle as financial benchmark.

Appendices:
Appendix A: Current timeline (Gantt Chart)
Appendix B: Sightlines slide deck regarding density and amount of overall space at UMS
Appendix C: Current Delegation of Authority Matrix
Appendix D: Team charter
Appendix E Net Asset Value of UMS