

Cross-Agency Priority Goal: Real Property

FY2013 Q3 Status Update

Cross-Agency Priority Goal Statement

The Federal Government will maintain the FY 2012 square footage baseline of its office and warehouse inventory.

Goal Leader

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About this document

The Cross-Agency Priority (CAP) Goals were a key innovation introduced in the FY2013 Federal Budget. These goals focus on 14 major issues that run across several Federal agencies. Each of these historic goals has a Goal Leader who is a senior level White House official and is fully accountable for the success and outcomes of the goal.

Historically, areas of shared responsibility for multiple government agencies have been resistant to real progress. Success in these areas requires a new kind of management approach – one that brings people together from across and outside the Federal Government to coordinate their work and combine their skills, insights, and resources. The CAP Goals represent Presidential priorities for which this approach is likeliest to bear fruit.

This report discusses one of these CAP Goals, the Real Property Goal, in detail, describing the plan for achieving the goal and the current status of progress. To see the full list of CAP Goals and to find out more about them, we encourage you to visit performance.gov.

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Overview

The Federal Government owns or leases roughly 1.1 million real property assets, including land, buildings, and structures. Within this portfolio, there are opportunities for savings by reducing Federally-occupied space and using and operating space more efficiently. The Government Accountability Office has identified real property as a potential source of significant government savings. To achieve the goal of shrinking the Federal real estate inventory and reducing operating costs, the Administration has taken several steps to improve the management of Federal real property.

Since the beginning of this Administration, real property reform has been a major focus. In 2010, President Obama established an \$8 billion goal, made up of a combination of \$3 billion in general governmentwide real estate savings and \$5 billion in BRAC-related savings. As part of their work toward the \$3 billion general real estate savings goal, agencies tracked savings and avoided costs associated with efforts to reduce the size of their inventory, improve efficiency, dispose property, and operate sustainably. By the end of FY 2012 Federal agencies identified over \$3.5 billion in non-BRAC real estate savings through disposals, space management, and sustainable energy and innovative real property management practices. In addition, DOD identified \$5.1 billion in real-estate savings related to BRAC.

Following this effort, in FY 2011 President Obama transmitted a proposal to Congress to create a Civilian Property Realignment Board. This proposal would create an independent Board of private and public sector real estate experts that would make recommendations to Congress on properties that should be sold, consolidated, co-located or reconfigured. The Administration recently reiterated its support of this proposal in the President's FY 2014 Budget.

Our new Cross-Agency Priority Goal for real property leverages administrative actions to expedite the improvement of our real property management within the Executive Branch. Last year, in OMB Memorandum M-12-12: "Promoting Efficient Spending to Support Agency Operations," OMB created the "Freeze the Footprint" policy, which directed agencies to freeze the growth in their real estate inventory. This year OMB released the implementing guidance, which will allow agencies to perform their missions while working to freeze growth, lower real estate costs, and develop more efficient workspaces. We have worked closely with agencies and GSA in developing this guidance to create a policy that is firm, yet flexible, to allow agencies to perform their missions while working to freeze growth, lower real estate costs, and develop more efficient workspaces.

Strategies

The goals of the “Freeze the Footprint” policy are to freeze growth in Federal office and warehouse space, help facilitate stronger real estate management controls within agencies, and encourage more efficient uses of space governmentwide. This will be accomplished through an agency planning process, monitored by OMB and GSA.

Agencies will create three year plans, called Revised Real Property Cost Savings and Innovation Plans (“three-year plans”). In these plans, agencies will identify growth and offsets in agency office and warehouse real estate portfolios over the next three years, the policies each agency will utilize carry out mission and program priorities while working towards freezing real property growth, strategies agencies will use space more efficiently and control costs, and a description of each agency’s real estate internal controls. In the three-year plans agencies will also identify progress on three co-location, consolidation, or disposal projects.

Under the guidance, agencies will submit an Annual Agency Evaluation, which will discuss each agency’s year-end performance benchmarked against the information contained within their three-year plan. Agency square footage totals, as well as progress on the co-location, consolidation, and disposal projects identified in the three-year plans will be update and tracked publically on Performance.gov.

To accomplish the goals of freezing growth in Federal office and warehouse space, each agency should work collaboratively with other agencies and GSA to find opportunities for smarter space usage through co-locations and consolidations. Agencies should first consider and pursue available co-location opportunities within the Federal real estate inventory, especially those that will result in no net growth of the overall Federal real estate inventory. Further, each agency should consult with GSA on how to use technology and space management to consolidate, increase occupancy rates in facilities, and eliminate lease arrangements that are not cost or space effective.

Progress Update

Agencies are working on their first “Freeze the Footprint” three-year plans. After OMB and GSA review these plans, we will work with agencies to implement the strategies in their plans to maintain FY 2012 baseline square footage levels for office and warehouse space.

Indicator

Maintain the governmentwide FY 2012 square footage baseline of office and warehouse inventory.

- Status: in progress.

Next Steps

- After agencies submit their Revised Cost Savings and Innovation Plans to OMB, OMB will evaluate agency plans to maintain their square footage baselines, while balancing mission requirements
- Updates on agency square footage baselines and projects are forthcoming and will be posted on Performance.gov

Contributing Programs and Other Factors

The Office of Management and Budget's Office of Federal Financial Management, and General Services Administration, and the agencies, listed below.

- Department of Agriculture
- Department of Commerce
- Department of Defense
- Department of Education
- Department of Energy
- Department of Health and Human Services
- Department of Homeland Security
- Department of Housing and Urban Development
- Department of the Interior
- Department of Justice
- Department of Labor
- Department of State
- Department of Transportation
- Department of the Treasury
- Department of Veterans Affairs
- Environmental Protection Agency
- National Aeronautics and Space Administration
- Agency for International Development
- General Services Administration
- National Science Foundation
- Nuclear Regulatory Commission
- Office of Personnel Management
- Small Business Administration
- Social Security Administration

Additional References

A blog post from Danny Werfel announcing the "Freeze the Footprint" policy can be found here:
<http://www.whitehouse.gov/blog/2013/03/14/freezing-footprint>.

The implementing guidance for the "Freeze the Footprint" policy can be found here:
<http://www.whitehouse.gov/sites/default/files/omb/financial/memos/implementation-of-freeze-the-footprint-guidance.pdf>