

*Public Policy Initiatives*

# **BUILDING FUTURES: Public Policy to Protect Asset Value through Effective Facility Management**



International Facility Management Association

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# Building Futures: Public Policy to Protect Asset Value through Effective Facility Management

IFMA members are a diverse group of leaders concerned with the form and function of the built environment. Among these are facility managers, architects, engineers, designers and real estate professionals. Within their organizations, they are senior decision makers consulted by executive management for strategies and solutions that affect people, place and process. IFMA members hold the key to the future of their organizations and must be prepared to meet the challenges of the 21st Century and beyond. They are willing and able to explore new possibilities, form plans for growth and restructure their businesses to comply with the demands of an ever-changing work environment.

## Disposition of Excess Federal Property

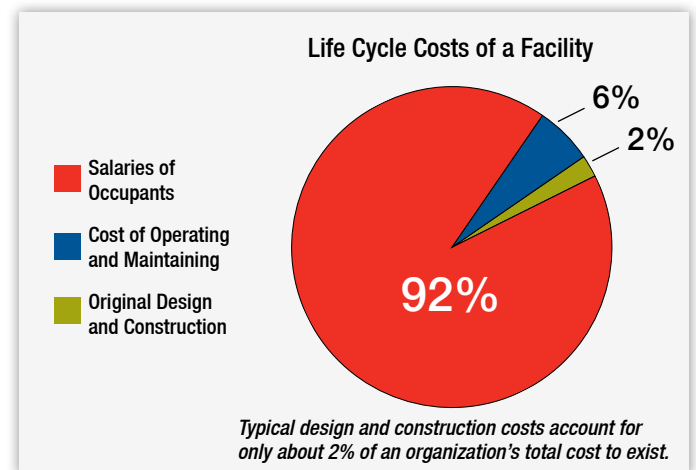
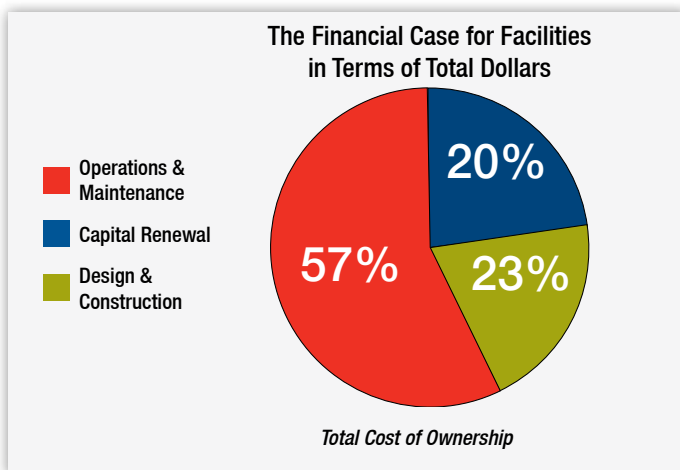
The U.S. government is the world's largest single owner of facilities, operating more than 500,000 buildings and structures as well as their requisite infrastructures. Many of these facilities are either under-utilized or have been operated well past their useful lives. Through effective facility management practices, professionals can ensure that federal real property is worth more at its time of disposition and change the way government facilities are configured, thereby shrinking the size of the federal property portfolio.

The design and construction costs of a facility are a small fraction of the overall expense over its useful life. As most federal facilities are designed to last 50 years or more, the sale of these facilities would not only yield proceeds from the sale of the property, but would also result in savings from avoided maintenance costs and other factors associated with building operations.

IFMA members are routinely engaged in the realignment of their companies' real estate portfolios to ensure property is effectively utilized and maintained. While many professional associations in Washington, D.C., are focused on costly government spending programs such as new construction, building certification and leasing property to government agencies, IFMA is uniquely positioned to serve as an independent broker of information on how to more effectively utilize existing facilities. Facility managers routinely do more with less. The association and its members stand ready to serve as a resource to Congress and the administration as they try to do the same.

## Education, Training and Certification Protect Asset Value - Implementation of the Federal Buildings Personnel Training Act

In the 111th Congress, IFMA led a coalition of industry groups in support of the Federal Buildings Personnel Training Act of 2010 (FBPTA). The measure was strongly supported in Congress by a bipartisan group of members in both chambers and was signed into law by President Obama in December. Many of the leaders in Congress who supported the bill had championed issues affecting the built environment for several years. The bill's premise was simple: if buildings are maintained properly by trained and certified facility managers, buildings will perform better at lower cost, and ultimately be worth more at their time of disposition, thereby providing a return on investment to the American taxpayer. IFMA research shows a four-to-one return in added value for every dollar invested in training.



At a time when taxpayers have made a significant reinvestment in federal property, and as the U.S. General Services Administration and Congress look to realign its building portfolio and dispose of excess property, having qualified facility managers executing these tasks is critical. IFMA hopes to continue working with Congress in its oversight capacity to ensure the intended effect of the FBPTA is met and that federal buildings are assets — not liabilities — in achieving an organization's strategic purpose.

## Energy Efficiency

The built environment, which includes facilities such as factories, schools, hospitals and office centers, has a staggering impact on our nation's energy use. These buildings consume more than 40 percent of the country's primary energy and more than 70 percent of electricity. This level of usage can be significantly reduced by investing in high performance building technologies as well as the individuals who operate and maintain these systems. Such investment would not only cut U.S. energy usage and significantly reduce our dependence on foreign oil, but would also spur investment in the new green collar jobs sector.

In an attempt to incentivize such investments, President Obama in February announced the Better Buildings Initiative, which calls for a 20 percent reduction in energy usage in commercial facilities by the year 2020. In order to meet this ambitious but necessary goal, the president has proposed a program for loan guarantees and reformation of Section 179(d) of the Internal Revenue Code. Previous attempts to incentivize investment in high performance building systems have been underutilized due to confusion about the provision, a lack of flexibility in depreciation schedules and skepticism about the potential return on investment.

As Congress continues to contemplate comprehensive energy legislation and significant deficit reduction measures, utilization of the tax code must be considered in order to encourage investment in new building systems. Changes to the code, however, must be made in a way that ensures deductions are user-friendly and of sufficient value that projects utilizing these provisions will be approved. IFMA is committed to working with public- and private-sector partners to ensure the success of this initiative. The association stands ready to work with Congress in the months ahead by providing insight and information from commercial facility managers who will ultimately be tasked with implementing this important program and certifying the resulting reductions in energy use.

## Workforce Development

In creating and maintaining high performance buildings capable of significantly reducing energy and water use, a well trained facility management staff is an essential element. A trained and certified workforce offers a working knowledge of industry trends, best practices and available resources. It ensures that building systems continue to perform as intended and educates building occupants on the implementation of sustainable practices.

Facility management is the quintessential green job. As the number of high performance buildings and systems continues to grow, so too will the need for trained and certified facility managers. FM jobs are high paying and not outsourceable. Research by the IFMA Foundation suggests that as many as 10,000 new facility managers will be needed each year for the next 10 years. In order to meet this growing need, Congress must consider expanding existing recognized facility management degree programs, the community college network, certification

## About IFMA

The International Facility Management Association (IFMA) is the world's largest and most widely recognized international association for professional facility managers, supporting more than 20,000 members in 78 countries. The association's members, represented in 127 chapters and 16 councils worldwide, manage more than 37 billion square feet of property and annually purchase more than \$100 billion in products and services. Formed in 1980, IFMA certifies facility managers, conducts research, provides educational programs and produces IFMA's World Workplace Conference and Expo, the world's largest facility management conference and exposition ([www.ifma.org](http://www.ifma.org); [www.worldworkplace.org](http://www.worldworkplace.org)).





programs and vocational schools. Additionally, agencies such as the U.S. Department of Veterans Affairs and the U.S. Department of Labor must incorporate facility management training into their workforce development centers.

The ingenuity of the American people has always been the backbone of this country's economy. Now more than ever, the way forward is through innovation. The development of a U.S.-centric workforce with the skill set necessary to maintain high performance buildings will be an essential element of American competitiveness in the 21st Century.

## CBECS Funding

The Commercial Buildings Energy Consumption Survey (CBECS) provides a representative sample of all commercial buildings in the United States, representing more than 1,000 square feet of floor space. The most recent survey results published in 2003 included 5,215 buildings. This data has provided the foundation for many public policy and private-sector studies as well as supported the analysis behind many companies' strategic and marketing plans. IFMA recently used the CBECS data (number of commercial buildings) as the basis for determining how many facility managers exist within the United States.

As part of budget reduction measures enacted in fiscal year 2011, funding for CBECS was cut. IFMA, along with other leaders in the building community, support restored funding for this important program. CBECS data form the basis for understanding patterns of energy use, thereby informing the decisions of the industry and key policy-makers and government programs. Continued funding for this program is critical as the commercial building sector strives to better understand energy use and how to reduce energy consumption.

## Greenhouse Gas Emissions

In the United States, buildings are responsible for 38 percent of the country's greenhouse gas emissions. This number is roughly equivalent to the combined carbon emissions of the United Kingdom, France and Japan. As one of the largest producers of carbon emissions, the built environment must play a central role in reducing GHG emissions and stemming the tide of global climate change.

In the wake of the Supreme Court's ruling in Massachusetts v. Environmental Protection Agency, the EPA is moving forward under authority granted by the Clean Air Act to regulate GHG emissions from more than 400 commercial

facilities. This initiative has caused concern in the commercial building sector as to how any new regulations will be implemented and enforced. IFMA is cognizant of the need to balance the competing concerns of economic growth against negative impact on the environment and supports a measured, industry-driven approach to address global climate change.

## High Performance Buildings Congressional Caucus Coalition (HPBCCC)

IFMA is proud to serve on the executive committee of the High Performance Buildings Congressional Caucus Coalition, which was formed to heighten awareness and inform policymakers about the major impact buildings have on our health, safety and welfare, and the opportunities to design, construct and operate high performance buildings that reflect our concern for this impact. Fundamental to these concerns are: protecting life and property; developing novel building technologies; facilitating and enhancing U.S. economic competitiveness; increasing energy efficiency in the built-environment; assuring buildings have minimal climate change impact and are able to respond to changes in the environment; and supporting the development of private-sector standards, codes and guidelines that address these concerns.

The caucus conducts regular briefings, provides recommendations to Congress and serves as an important conduit for information-sharing between the public- and private-sectors. We would strongly encourage members of Congress and staff interested in learning more about the built environment to participate in upcoming events and consider joining this active caucus.

### Available Resources:

- Federal Facilities Council Reports; [www.sites.nationalacademies.org/DEPS/FFC/DEPS\\_047472](http://www.sites.nationalacademies.org/DEPS/FFC/DEPS_047472)
- High Performance Building Congressional Caucus Coalition; [www.hpbccc.org](http://www.hpbccc.org)
- The IFMA ENERGY STAR® Challenge; [www.ifma.org/resources/sustainability/energy-star-challenge.htm](http://www.ifma.org/resources/sustainability/energy-star-challenge.htm)
- IFMA Foundation Sustainability How-to Guides; [www.ifmafoundation.org/programs/sustain\\_wp.cfm](http://www.ifmafoundation.org/programs/sustain_wp.cfm)
- IFMA Website - Legislative Updates; [www.ifma.org](http://www.ifma.org)
- 2011 IFMA Sustainability Study; [www.ifma.org/files/resources/research/surveys/2011/Sustainability-Findings-2011.pdf](http://www.ifma.org/files/resources/research/surveys/2011/Sustainability-Findings-2011.pdf)
- JCI/IFMA Energy Indicator; [www.ifma.org/files/resources/tools/EEIReport.pdf](http://www.ifma.org/files/resources/tools/EEIReport.pdf)