

Washington Public Universities

FY17 Facilities Benchmarking and Analysis

May 2018

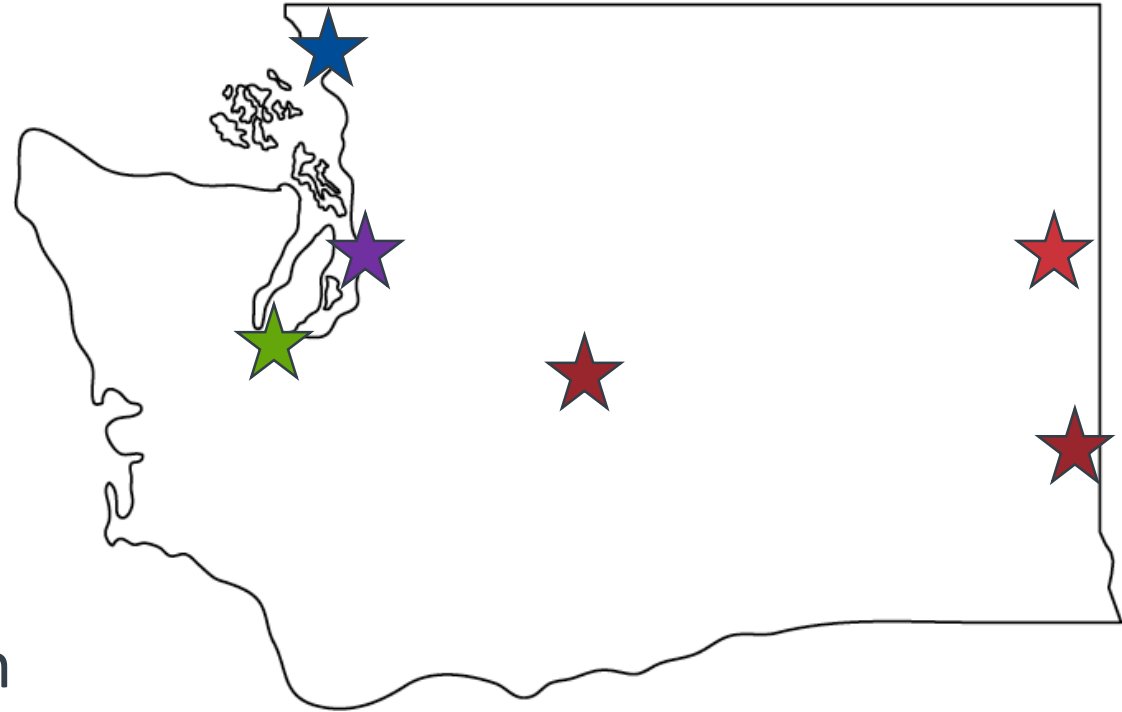
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University of the Sciences in Philadelphia
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University of Vermont
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Virginia Commonwealth University
Wake Forest University
Washburn University
Washington State University
Washington State University - Tri-Cities Campus
Washington State University - Vancouver
Washington University in St. Louis
Wayne State University
Wellesley College
Wesleyan University
West Chester University
West Virginia Health Science Center
West Virginia University
Western Oregon University
Westfield State University
Widener University
Williams College
Worcester Polytechnic Institute
Worcester State University



Today's Agenda

- ✓ Review campus facility data trends from FY2012 through FY2017
- ✓ Discuss how each campus has been utilizing the Sightlines data
- ✓ Showcase Case Studies from across the country
- ✓ Develop a strategy for delivering information to the Office of Financial Management



State Systems Peers

State Systems

Connecticut State University System

Mississippi Institutions of Higher Learning System

Pennsylvania's State System of Higher Education

University of Alaska System

University of Massachusetts System

University of Maine System

University of Missouri System

University System of New Hampshire

West Virginia Higher Education Policy Commission

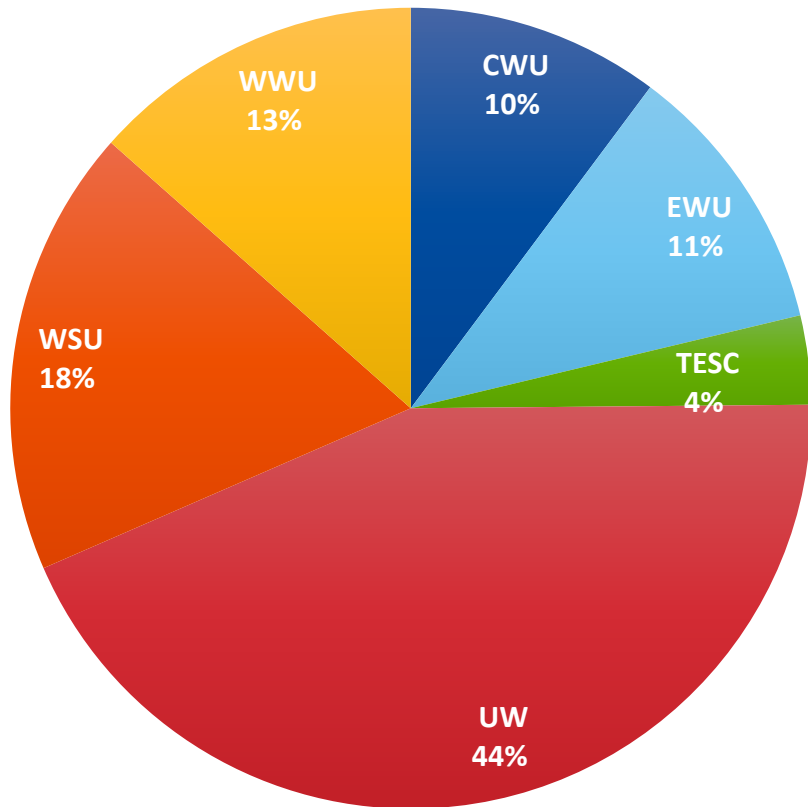


WASHINGTON STATE
Council of
Presidents

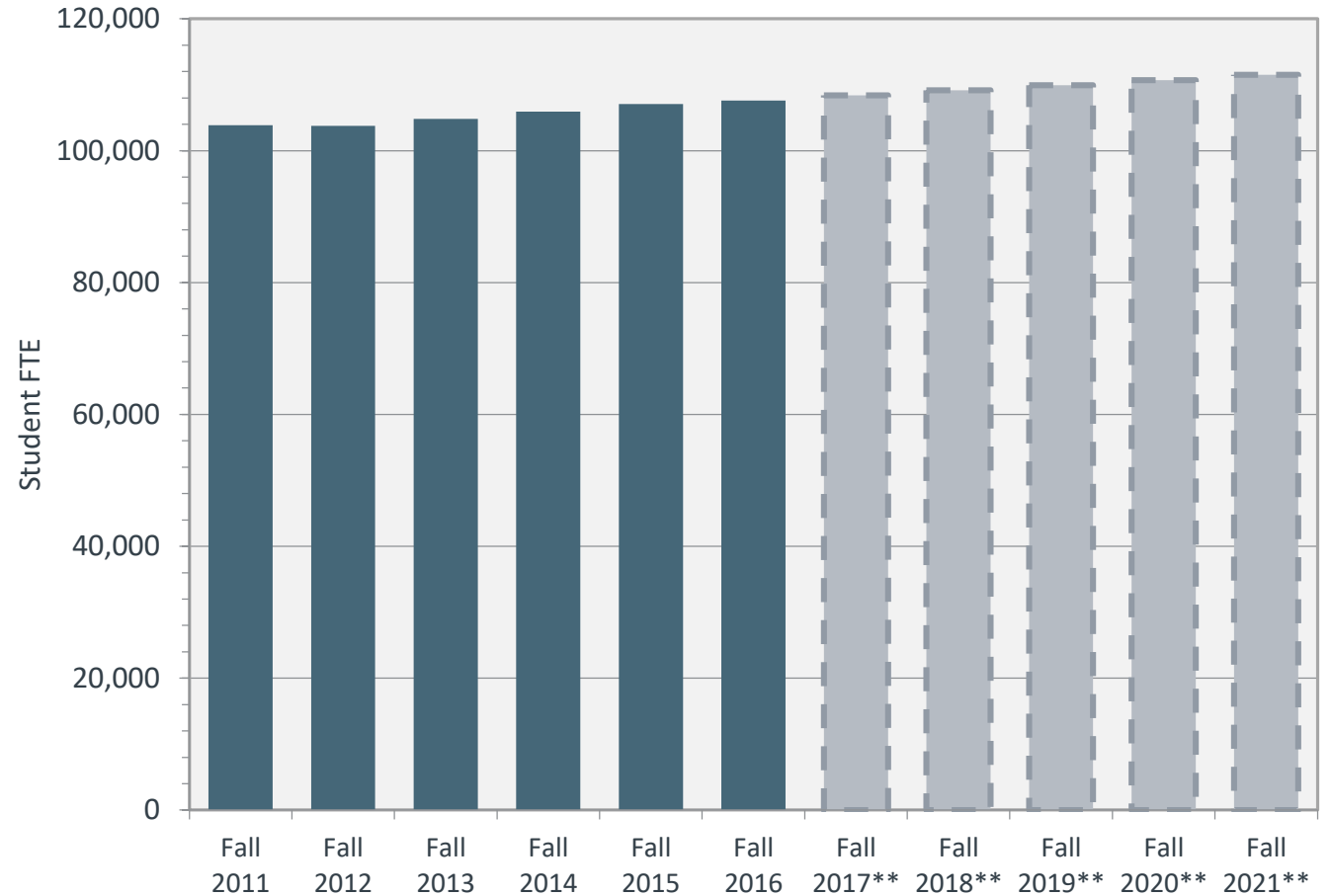
Enrollment Trends in Washington

108K students enrolled in Fall 2016

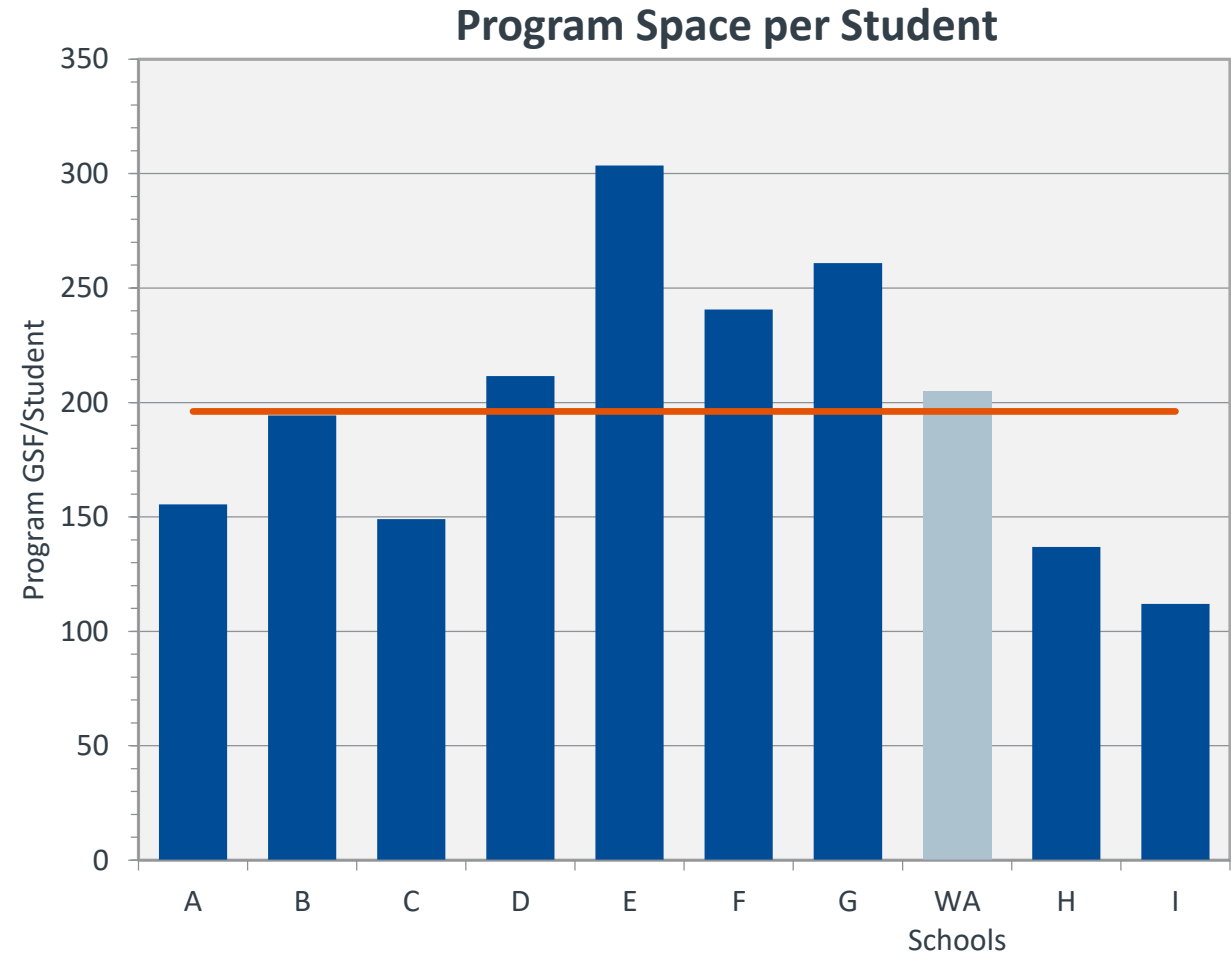
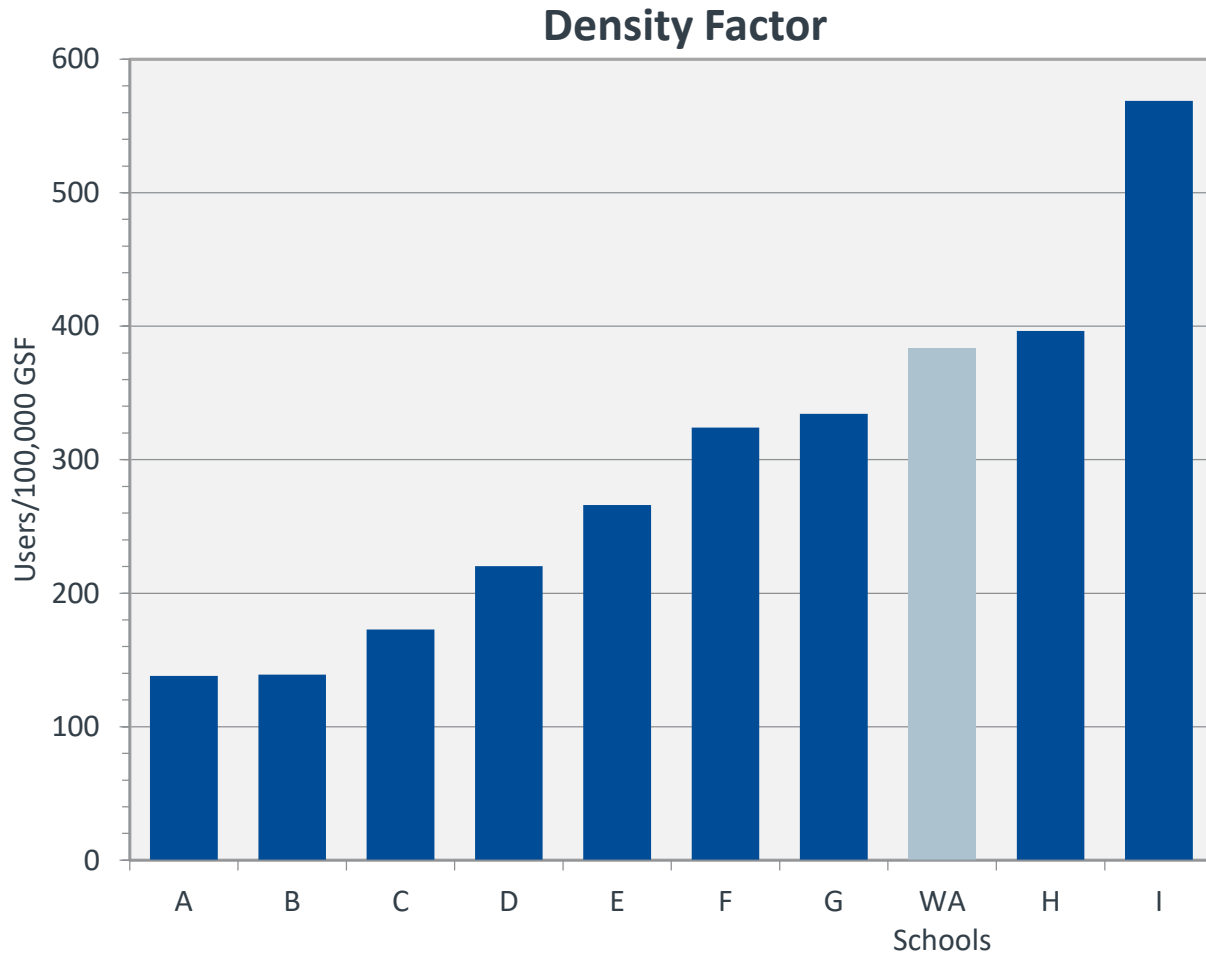
Fall 2016 Enrollment Distribution



Statewide Enrollment Trends

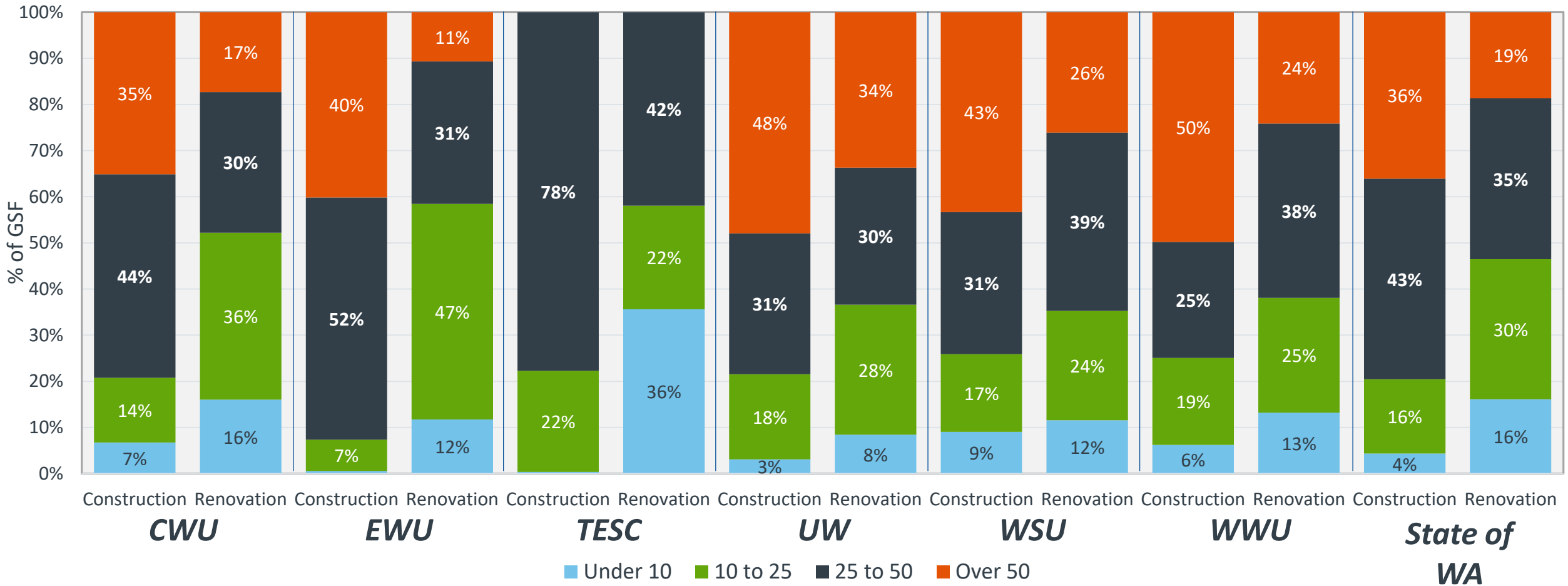


Washington Has a Higher Density than Other Systems



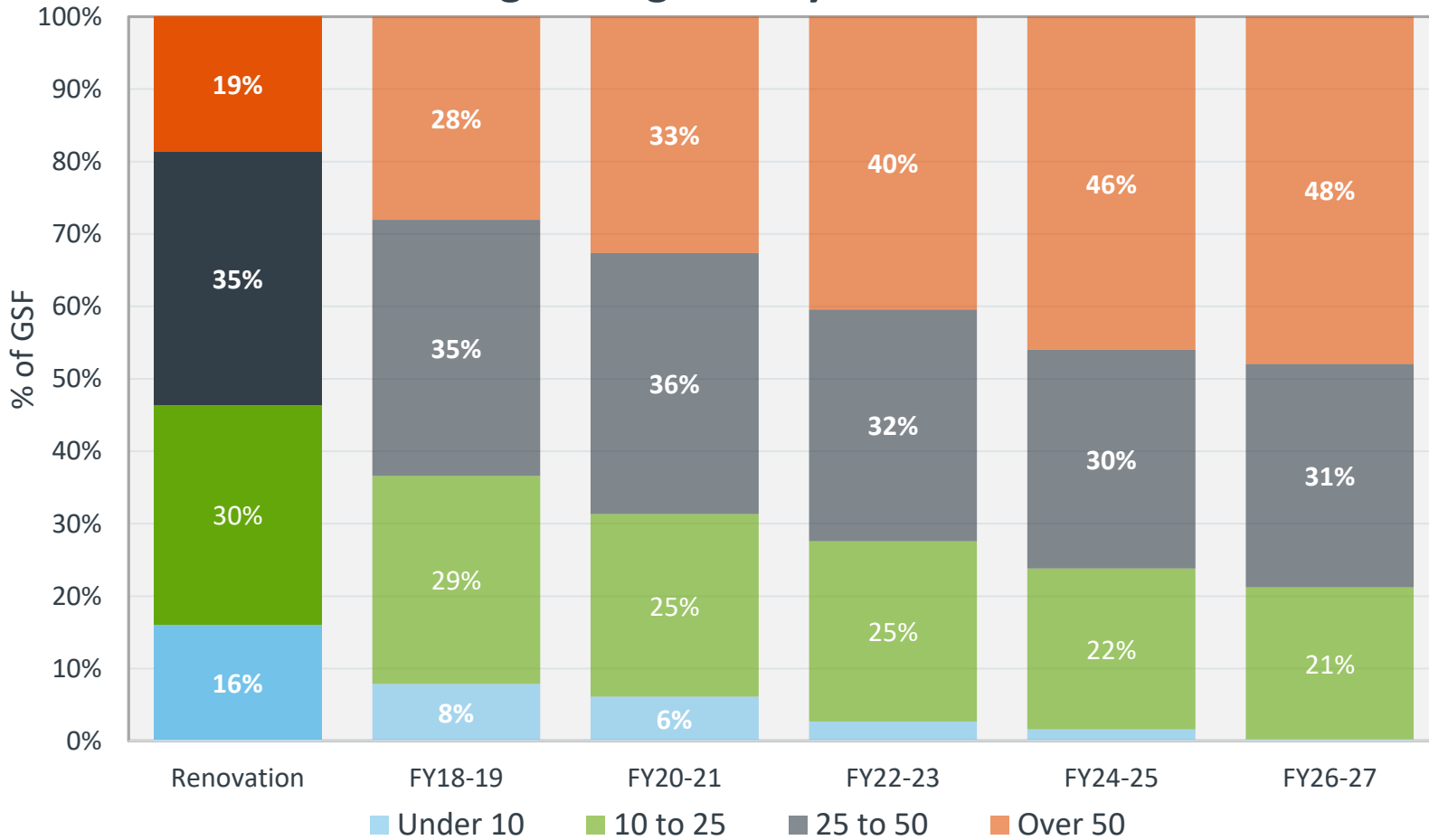
Impact of Major Renovations on the Age Profiles

Washington Campus Age by Category



Renovations Needed to Mitigate Risk Across the State

Age Categories by Biennium*



Buildings Over 50

Life cycles of major building components are past due. Failures are possible. Core modernization cycles are missed.

Highest risk

Buildings 25 to 50

Major envelope and mechanical life cycles come due. Functional obsolescence prevalent.

Higher Risk

Buildings 10 to 25

Short life-cycle needs; primarily space renewal.

Medium Risk

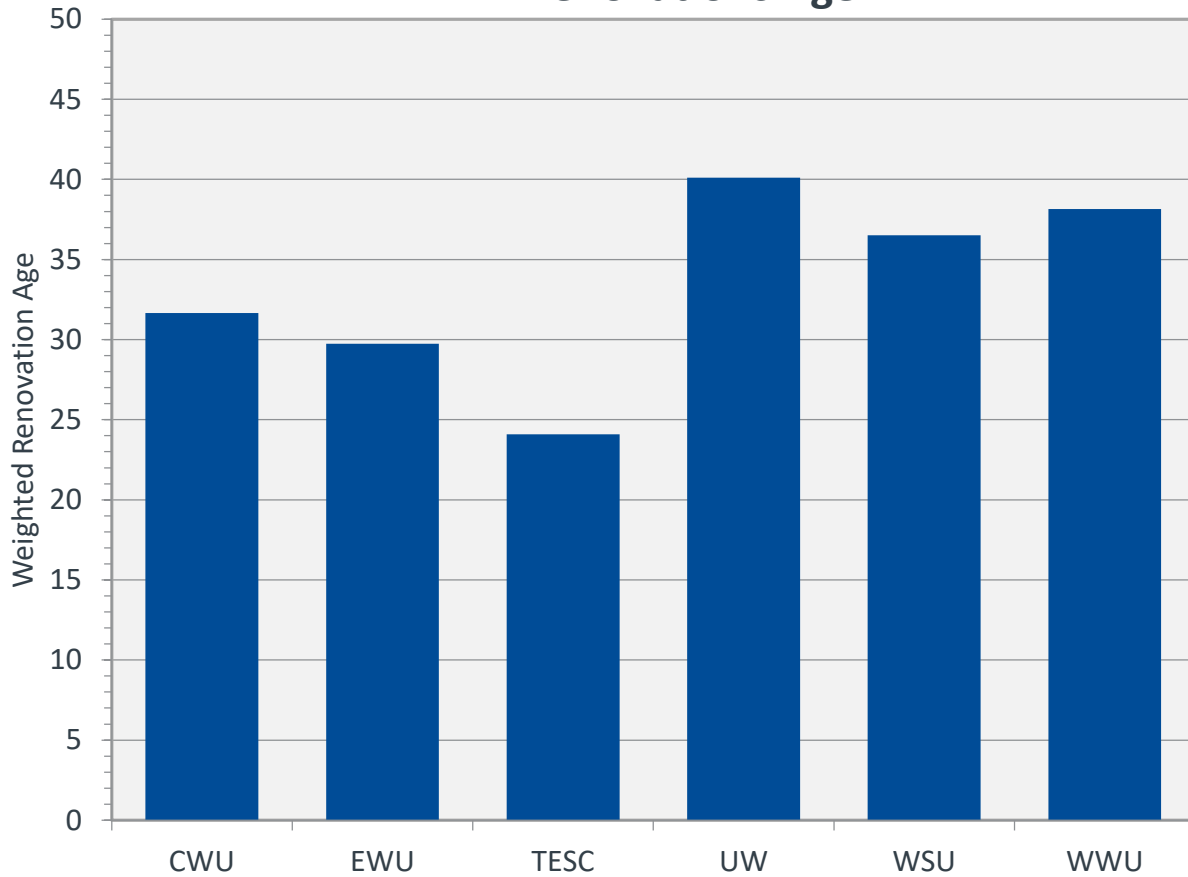
Buildings Under 10

Little work. "Honeymoon" period.

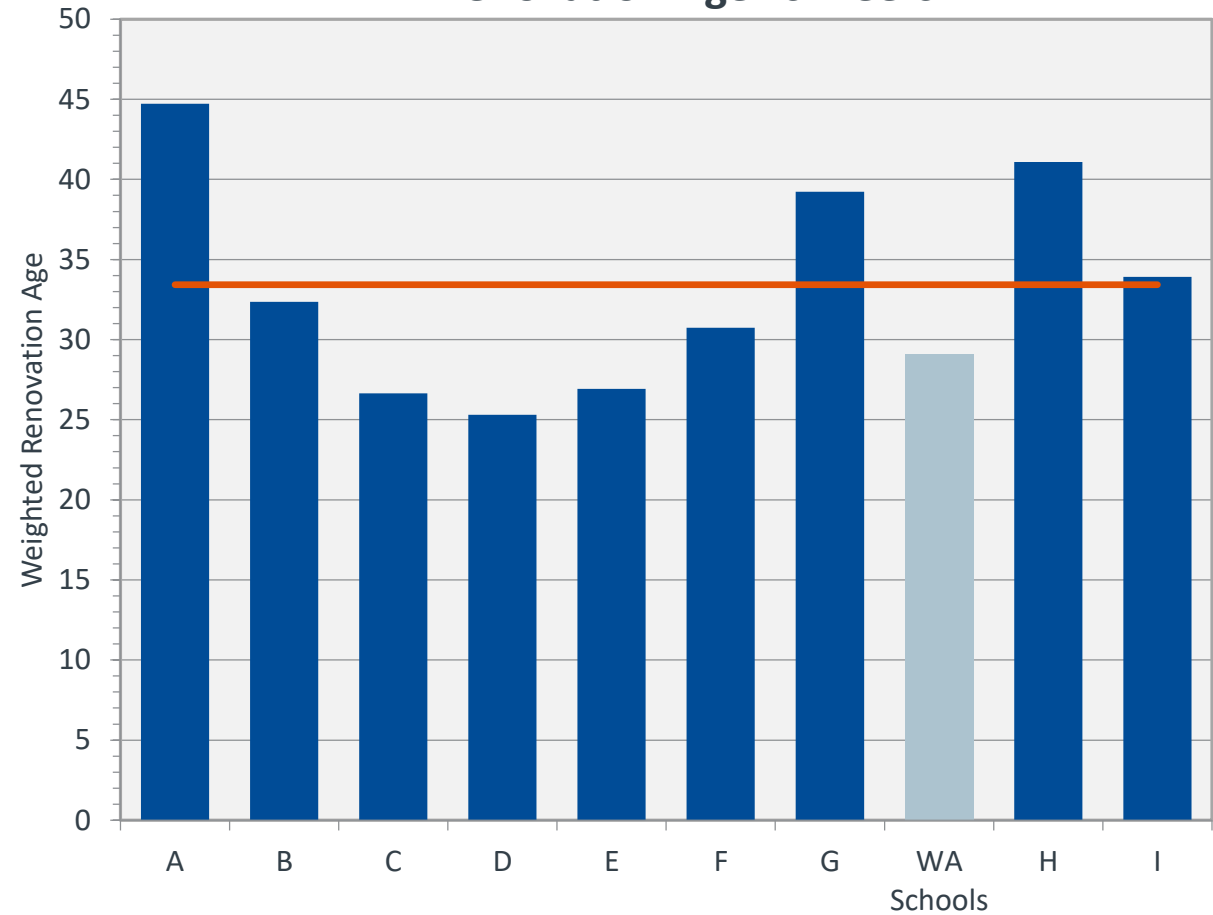
Low Risk

Diverse Age Profile Across the State

Renovations Age

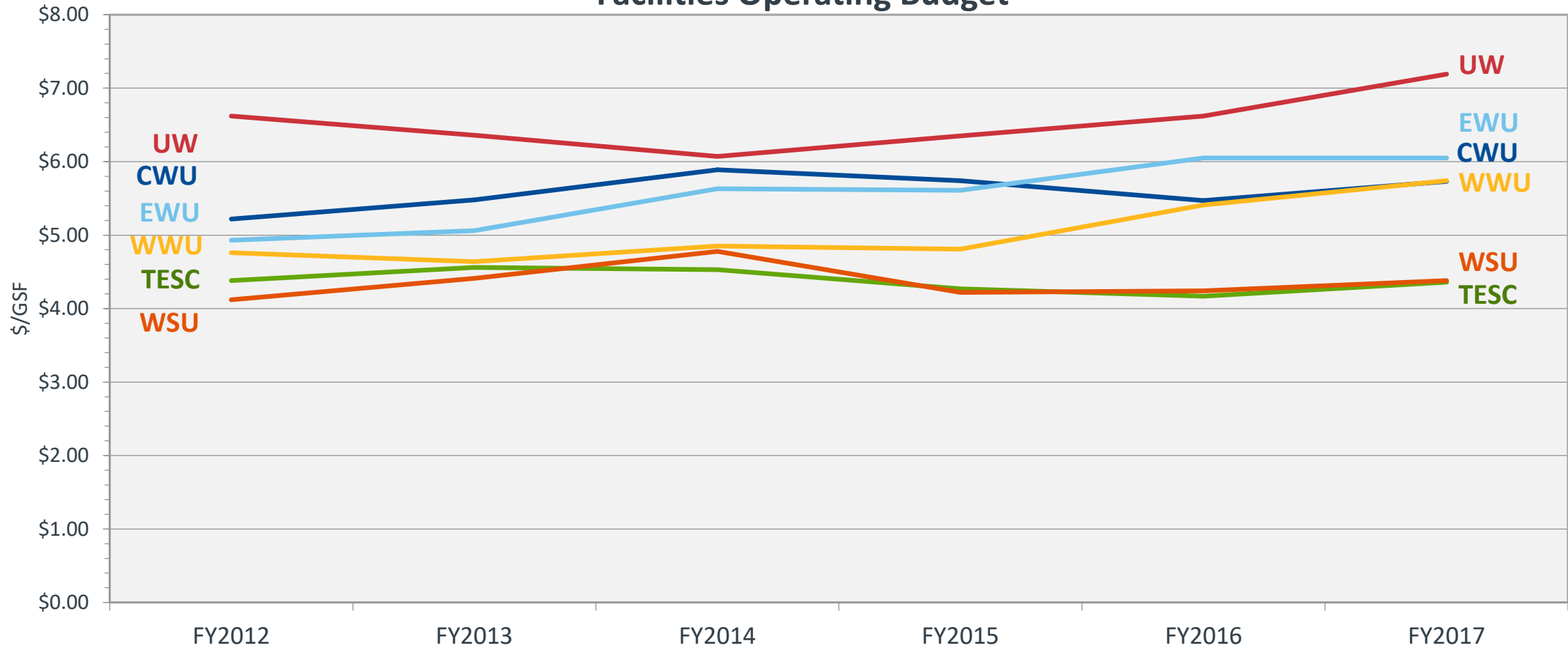


Renovation Age vs. Peers

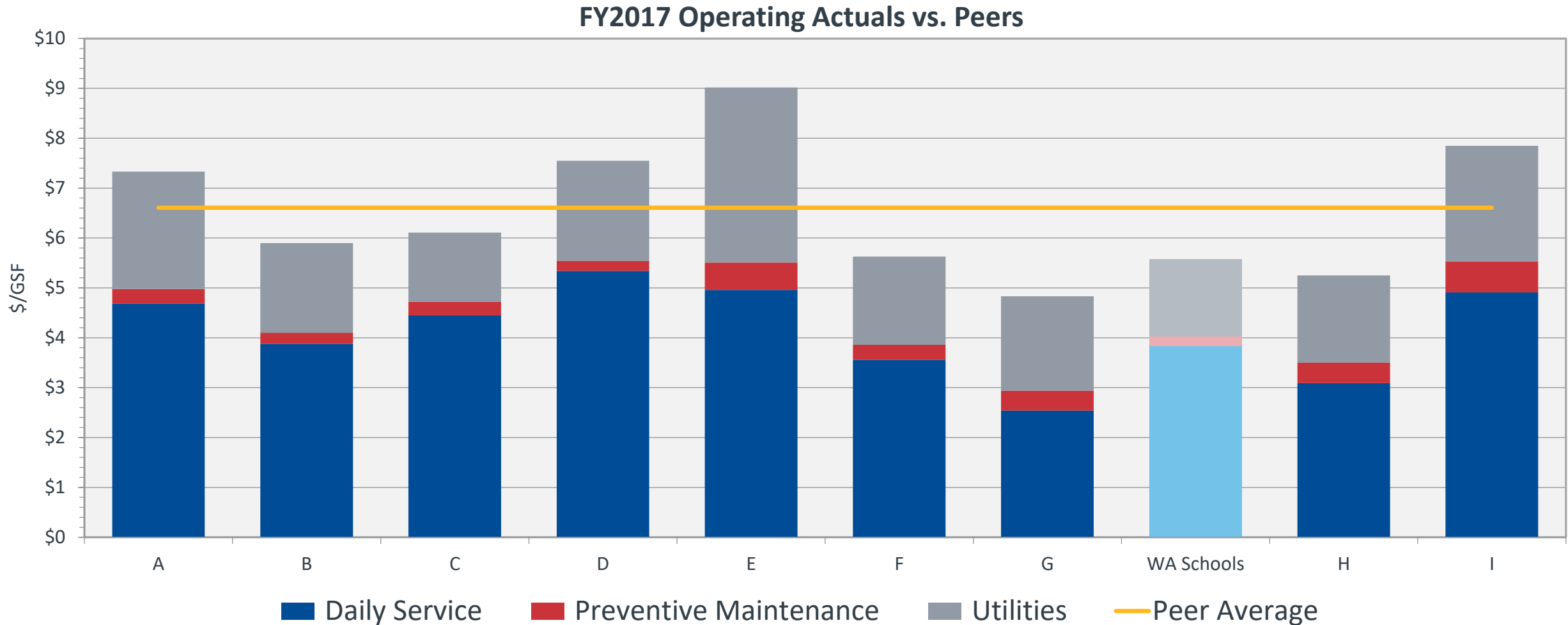


Spending Towards Facilities Have Fluctuated

Facilities Operating Budget*

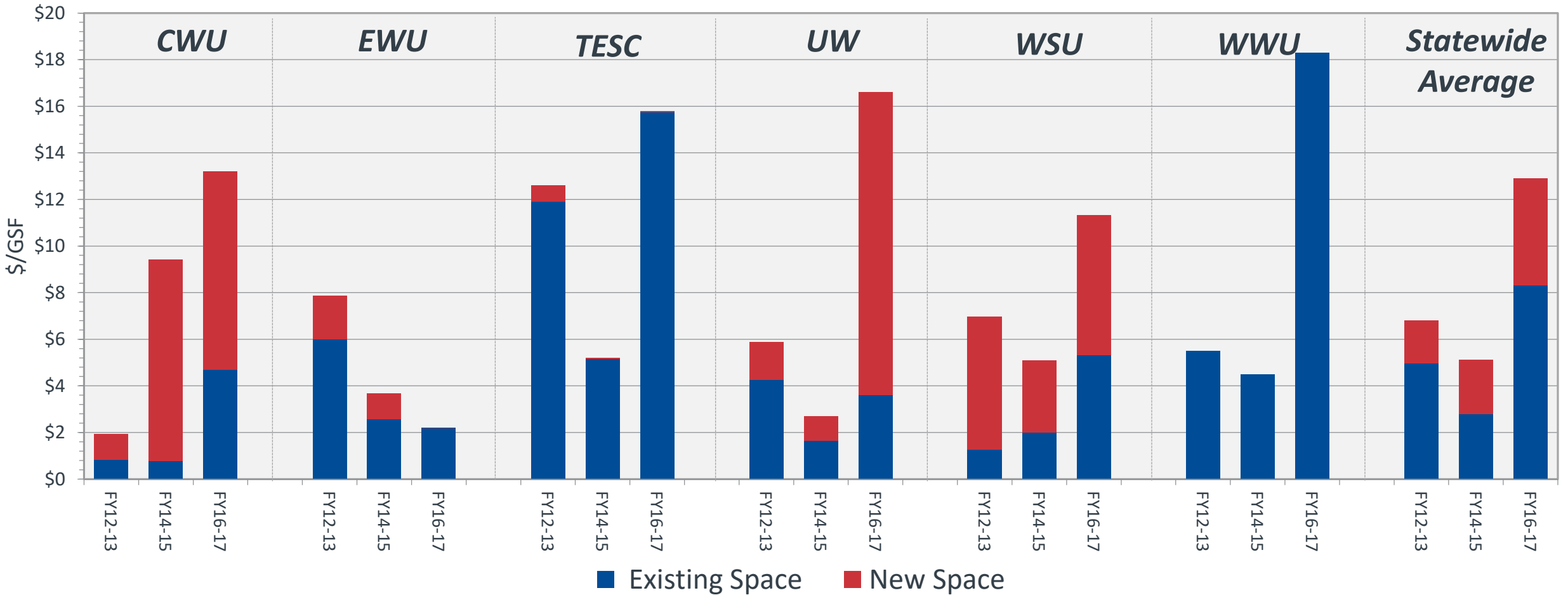


Fewer Operating Resources Than Peers



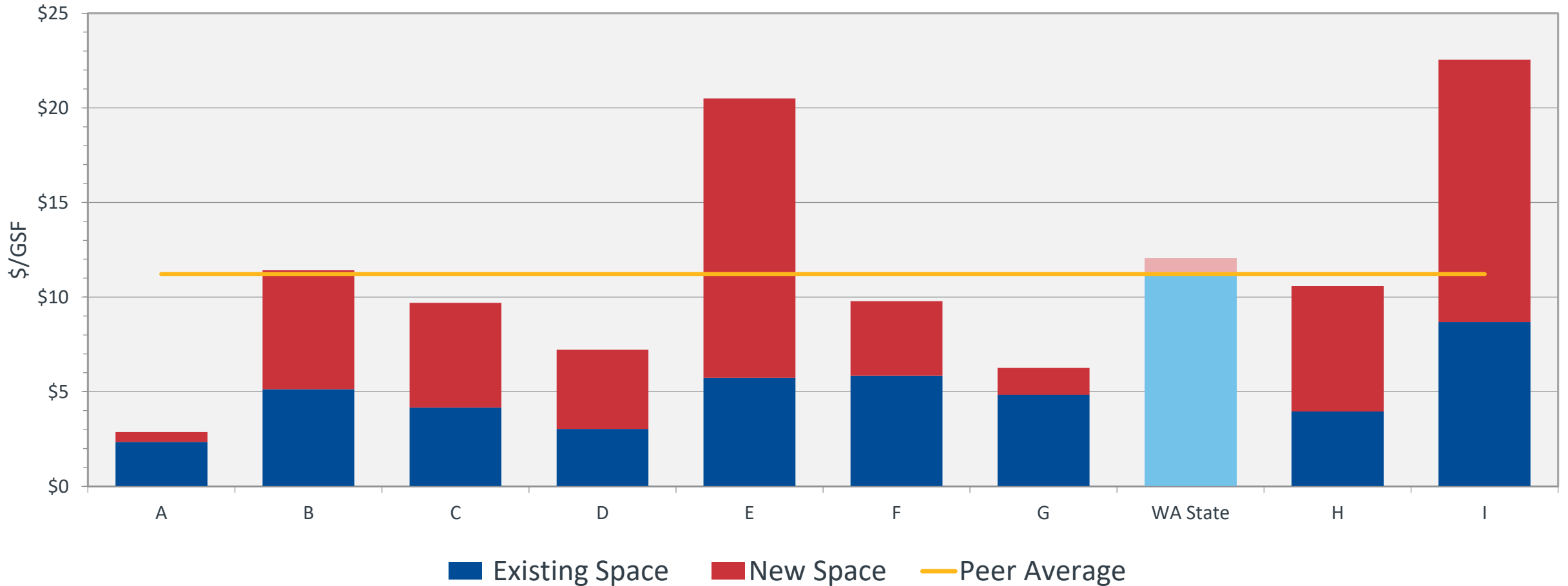
Latest Biennium Saw Highest Spending Since FY12

Normalized Spending by Project Type



Total Capital Spend is Similar to Peers

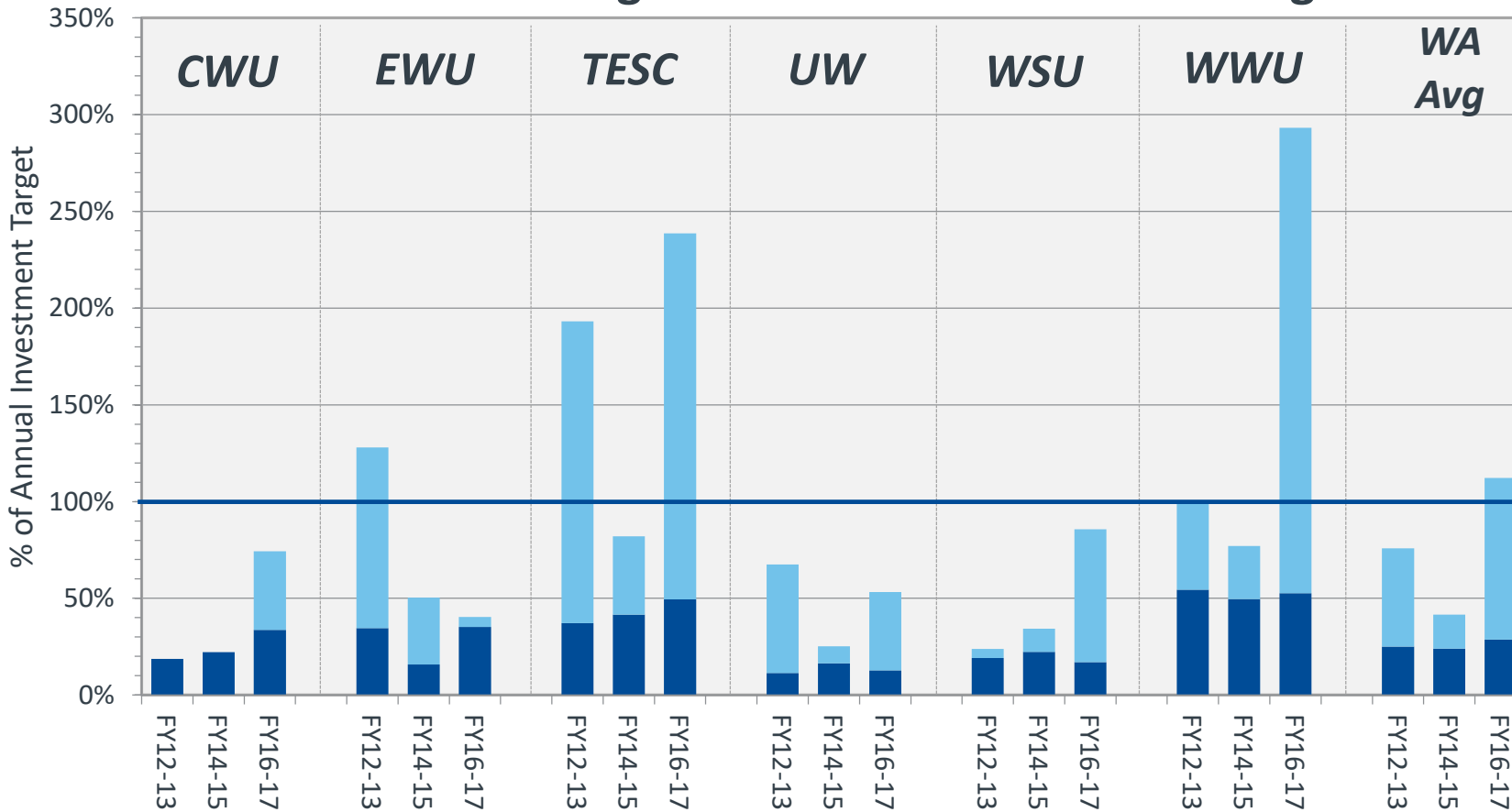
FY2017 Capital Spend vs. Peers



Limited Annual Stewardship Funding Across All Schools

Asset Reinvestment funding is more one-time in nature and less reliable

Funding to the Annual Investment Target



Asset Reinvestment Funding

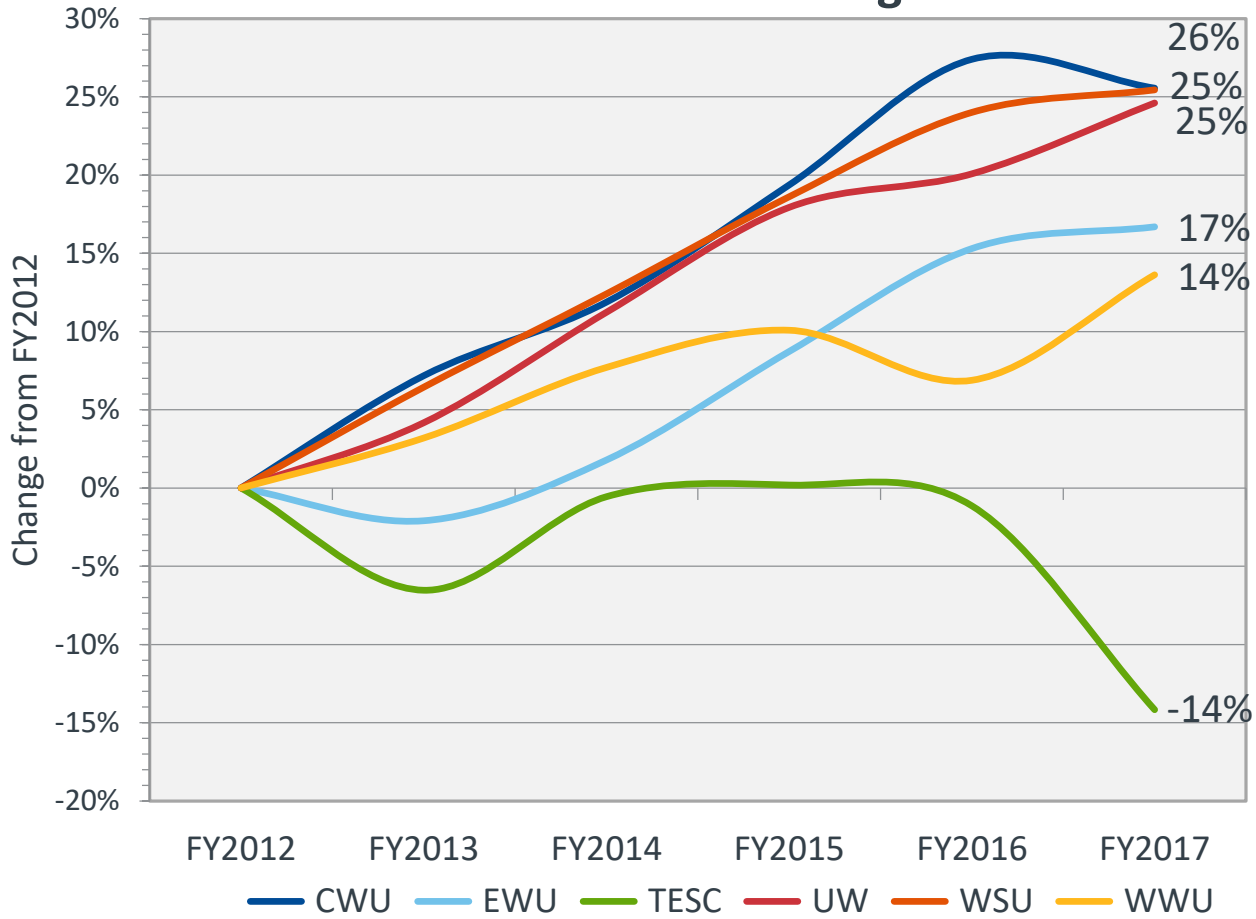
- Major Capital Improvements
- State Major Capital
- Minor Capital Projects (Local/Dep)
- Bond Funding
- Large Capital Projects

Annual Stewardship Funding

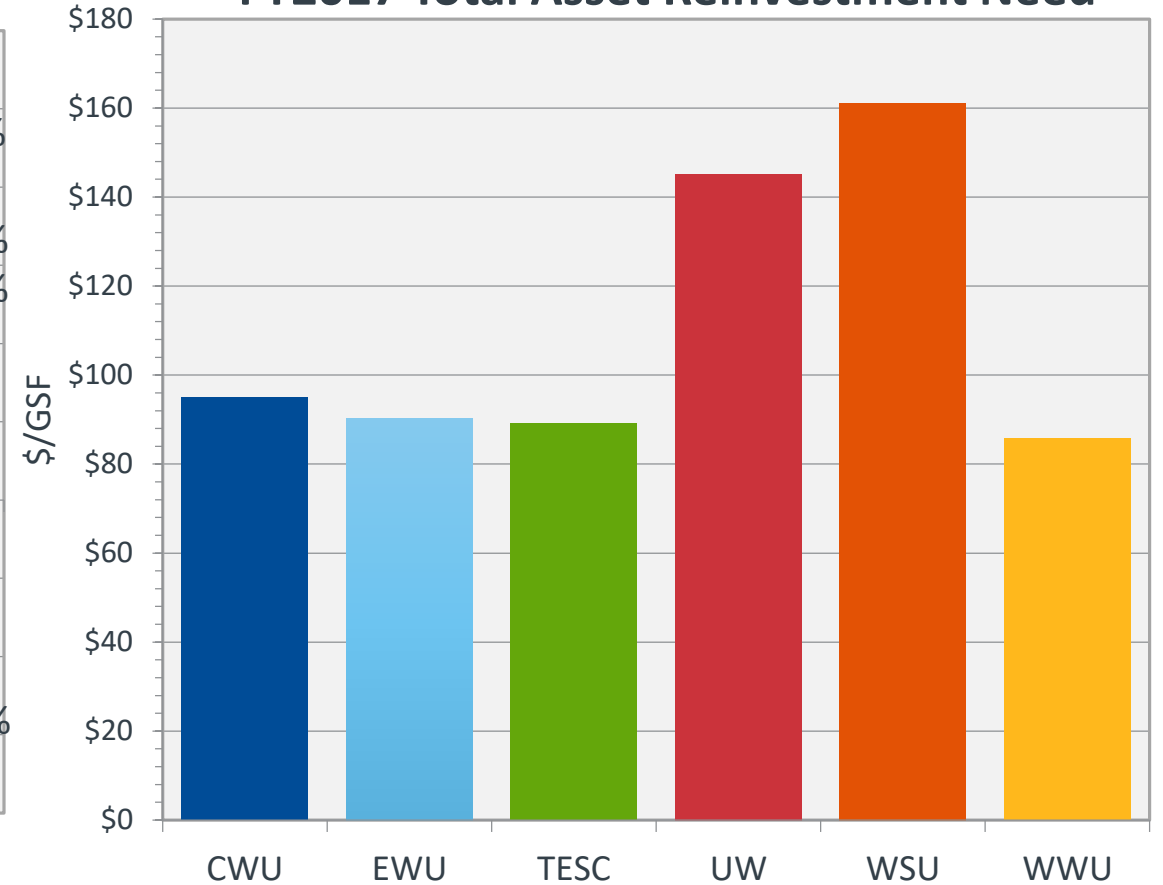
- Preventive Maintenance (from Operations)
- Minor Capital Repair
- Minor Capital Projects (State Funds)
- Reserve Funding
- Minor Works Preservation
- Minor Works Infrastructure
- Preservation and Program
- Small Capital

Growth in Total Backlog of Need

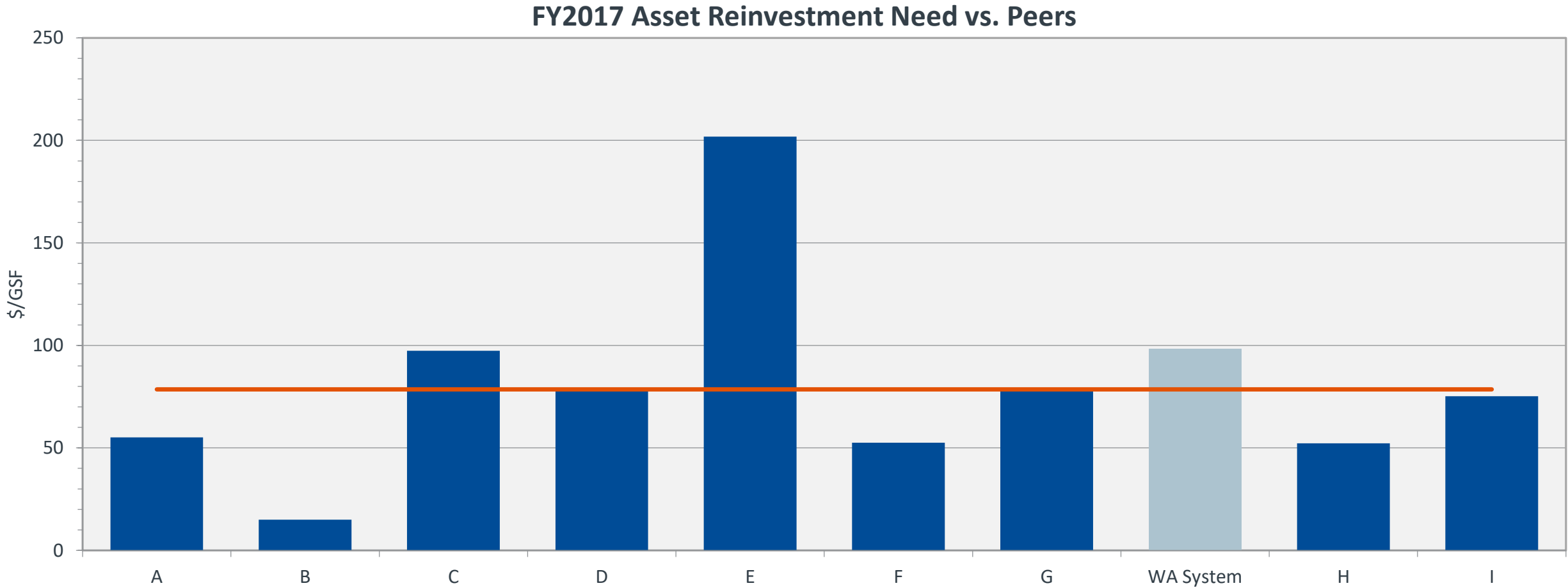
Asset Reinvestment Need Change over 6 Years



FY2017 Total Asset Reinvestment Need

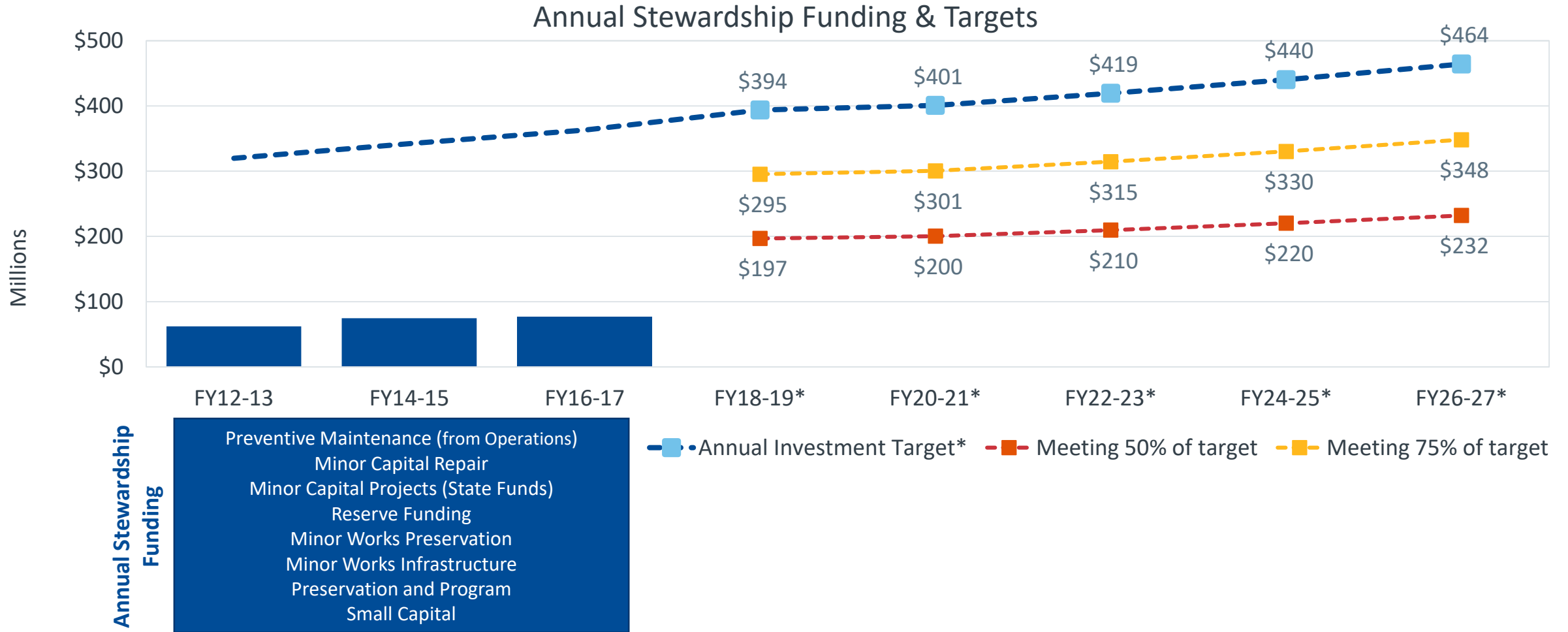


Higher Asset Reinvestment Need than Other Systems



Option 1: Set Stewardship Funding Levels

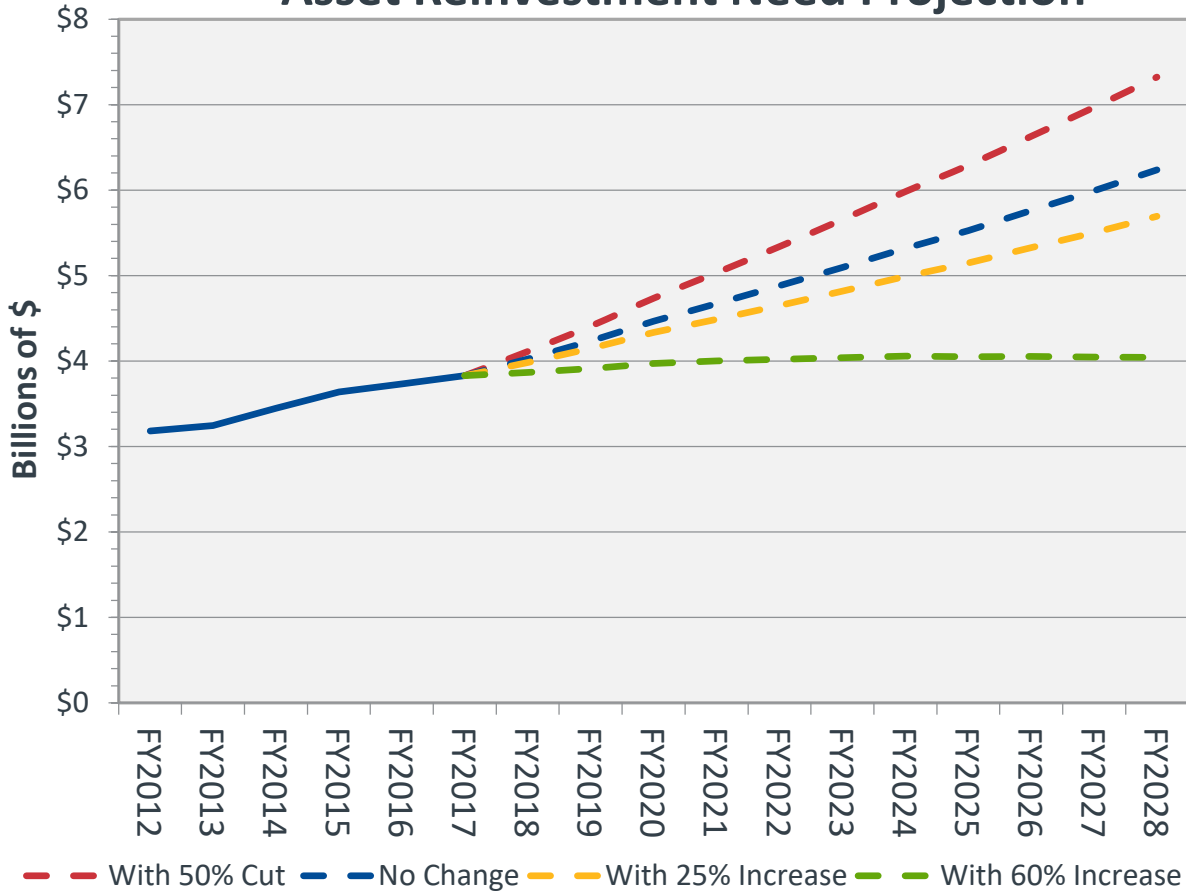
Increase recurring funding sources to meet more of the Stewardship Target



Option 2: Establish Funding Targets to Control Backlog

In FY2017, the Asset Reinvestment Backlog was \$3.8B

Asset Reinvestment Need Projection



Percent Change	Biennial Funding Level	\$/GSF Biennial Project Funding
50% Cut	\$171M	\$6.09
No Change	\$341M	\$12.14
25% Increase	\$427M	\$15.20
60% Increase	\$657M	\$23.38

Concluding Comments

- Compared to other systems, Washington schools are younger than the average. 54% of the space is over 25 years old, though, which is a high risk age category and can demand more facilities spending in day to day operations and capital investment.
- Washington is currently investing \$1/GSF less than other state systems across the country in their facilities operating budgets.
- As a result of having older facilities and spending less in operating costs, Washington has had increasing needs for capital allocations, both at the school level and by the state.
 - Annual needs for funding 100% of the Annual Stewardship needs across the state will reach \$464M by the 2026-27 Biennium. The Annual Stewardship needs is the costs associated with “Keeping Up” with the campus needs as they age.
 - The current Asset Reinvestment Need across Washington is \$3.8B. This is captured as the estimated amount of “Catch Up” need to address the current needs (backlog), future renewal needs over the next 10 years, as well as the modernization and infrastructure needs.
 - *If capital funding for the schools remains consistent over the next 10 years, Sightlines estimates that this Asset Reinvestment Need will grow to \$6.2B.*
 - *If capital funding can increase to \$657M per biennium, it is estimated that the schools would have sufficient funding to keep the Asset Reinvestment need at \$4B.*