Who Partners with Sightlines?

Robust Membership Includes Colleges, Universities, Consortiums and State Systems

Sightlines is proud to announce that:

- 450 colleges and universities are Sightlines clients including over 325 ROPA members.
- Consistently over 90% member retention rate
- We have clients in over 40 states, the District of Columbia and four Canadian provinces
- More than 125 new institutions became Sightlines members since 2013

Serving the Nation’s Leading Institutions:

- 70% of the Top 20 Colleges*
- 75% of the Top 20 Universities*
- 34 Flagship State Universities
- 14 of the 14 Big 10 Institutions
- 9 of the 12 Ivy Plus Institutions

* U.S. News 2016 Rankings

Sightlines advises state systems in:

- Alaska
- California
- Florida
- Hawaii
- Maine
- Massachusetts
- Minnesota
- Mississippi
- Missouri
- Nebraska
- New Hampshire
- New Jersey
- Pennsylvania
- Texas

[Map showing states with blue dots indicating state systems advised by Sightlines]
With ROPA+ as the foundation, take your facilities data deeper with more targeted assessments using Sightlines’ Strategic Facilities Solutions
A Vocabulary for Measurement

The Return on Physical Assets – ROPA℠

- **Annual Stewardship**
  The annual investment needed to ensure buildings will properly perform and reach their useful life “Keep-Up Costs”

- **Asset Reinvestment**
  The accumulation of repair and modernization needs and the definition of resource capacity to correct them “Catch-Up Costs”

- **Operational Effectiveness**
  The effectiveness of the facilities operating budget, staffing, supervision, and energy management

- **Service**
  The measure of service process, the maintenance quality of space and systems, and the customers opinion of service delivery

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**Asset Value Change**

**Operations Success**
Prior Year Peer Institutions

Changes to key comparison factors have made the old peer group outdated.

<table>
<thead>
<tr>
<th>Old Peer Institutions</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Oregon University</td>
<td>La Grande, Oregon</td>
</tr>
<tr>
<td>Lock Haven University of PA</td>
<td>Lock Haven, PA</td>
</tr>
<tr>
<td>Mansfield University of PA</td>
<td>Mansfield, PA</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>Klamath Falls, OR</td>
</tr>
<tr>
<td>Slippery Rock University of PA</td>
<td>Slippery Rock, PA</td>
</tr>
<tr>
<td>University of Maine at Farmington</td>
<td>Farmington, ME</td>
</tr>
<tr>
<td>University of Maine at Fort Kent</td>
<td>Fort Kent, ME</td>
</tr>
<tr>
<td>University of Maine at Machias</td>
<td>Machias, ME</td>
</tr>
<tr>
<td>University of Maine at Presque Isle</td>
<td>Presque Isle, ME</td>
</tr>
</tbody>
</table>

Comparative Considerations
Size, technical complexity, region, geographic location, and setting are all factors included in the selection of peer institutions.
Finding the Right Peer Group

Mix Between Public & Private

Institution Type

- Private
- Public

Narrowing Down the Peer Group

Scope: Public Institutions

- 360
- 214
Narrowing Scope by Size

Selecting Institutions by Size

Size of Public Institutions

- **Outside the Scope**
- **Inside the Scope**

Areas Impacted by Size (GSF)

<table>
<thead>
<tr>
<th>Energy Consumption</th>
<th>Economy of Scale</th>
<th>Stewardship Targets</th>
<th>Building Intensity</th>
</tr>
</thead>
</table>

Narrowing Down the Peer Group

Scope: 185K - 993K GSF

- 360
- 214
- 59
Technical Complexity of Campus

Tech Ratings

Institutions

- Outside the Scope
- Inside the Scope

Areas Impacted by Tech Rating

<table>
<thead>
<tr>
<th>Energy Consumption</th>
<th>Maintenance Staffing</th>
<th>Replacement Values</th>
<th>Stewardship Targets</th>
<th>Operational Demand</th>
</tr>
</thead>
</table>

Narrowing Down the Peer Group

Scope: 2.06 – 3.00

Tech Rating

- 360
- 214
- 59
- 39
Finding Peers with Similar Usage

Density Factor

Narrowing Down the Peer Group

Scope: 196 – 388 Users / 100K GSF

Areas Impacted by Density Factor

<table>
<thead>
<tr>
<th>Wear and Tear on Space</th>
<th>Custodial Operations</th>
<th>Energy Demand</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>
New FY16 Peer Group

Selected Based on Institution Type, Size, Tech Rating & Density Factor

**FY16 Peers**

Concord University
Glennieville State College
Massachusetts College of Liberal Arts
Oregon Institute of Technology
Penn State - DuBois
Penn State - Fayette
Penn State - Hazleton
Penn State - Mont Alto
Penn State - Wilkes-Barre
Potomac State College
South Dakota School of Mines and Technology
Southern Oregon University
University of Maine at Farmington
University of Maine at Fort Kent
University of Maine at Machias
University of Maine at Presque Isle
University of Minnesota Morris
West Virginia State University
West Virginia University Institute of Technology

**Selection Metrics**

- **Institution Type**: Public University
- **Size**: 184K – 993K GSF
- **Tech Rating**: 2.06 – 3.0 Tech Rating
- **Density Factor**: 196 – 388 Users / 100K GSF
Key Connections to Keep in Mind

SPACE
Release the hidden value in balance sheets

CAPITAL $
Multiyear plans that align to mission and risk

OPERATIONS
Improve effectiveness and lower facilities overhead impact
Putting Your Campus Building Age in Context

The campus age drives the overall risk profile

Pre-War
- Built before 1951
- Durable construction
- Older but typically lasts longer

Post-War
- Built from 1951 to 1975
- Lower-quality construction
- Already needing more repairs and renovations

Modern
- Built from 1976 to 1990
- Quick-flash construction
- Low-quality building components

Complex
- Built in 1991 and newer
- Technically complex spaces
- Higher-quality, more expensive to maintain & repair

The campus age drives the overall risk profile.
Campus Age Profile

Significant Renovation has Renewed the Campus Profile

**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
Campus Enrollment is Declining

UAS On-Campus Student FTEs Decreased 25% Since 2012

* Figures shown for Online Students are currently being reviewed. Upon receipt of further requested information from Institutional Research, the figures in this slide will be accurate.
Campus Has Less Traffic Than Peer Institutions

Peers have 430 more users than UAS
2012 UAS Master Plan: Renovate and Grow

Impact of renovations and new space to age profile

Anticipated Renovation Age Profile in 2021

By 2021, Additional:
- 170+ On-Campus Student FTEs
- 170,000+ GSF, New
- Potential Renovations: 105,000 GSF
Operations Success
Annual Operating Spending is Decreasing

Significant reduction in daily service

## Total Operating Actuals

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Millions</td>
<td>$5.0</td>
<td>$5.5</td>
<td>$5.2</td>
<td>$4.8</td>
<td>$4.5</td>
</tr>
</tbody>
</table>

## Operating Actuals $/GSF

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$/GSF</td>
<td>$8.5</td>
<td>$8.3</td>
<td>$8.0</td>
<td>$7.5</td>
<td>$7.0</td>
</tr>
</tbody>
</table>
Operating Costs Match Peer Levels

Planned Maintenance is Where UAS stands out

Operating Actuals $/GSF
Regionally Adjusted

$12.00
$10.00
$8.00
$6.00
$4.00
$2.00
$-

A B C D E UAS F G H I J K L M N O P Q R S

Daily Service Preventive Maintenance Utilities

Ordered by Technical Complexity
High Campus Inspection Scores*

Carefully monitor as changes to the staffing mix are decided.

* Campus Inspections are scored on a scale from 1 to 5. During a Campus Inspection, we are taking a measurement of the appearance of campus by reviewing a cross section of buildings on the following criteria: Cleanliness, General Repair, Mechanical Spaces, Exteriors and Grounds. In this scale, 1 is the lowest score and 5 is the highest.
Total Energy Consumption

Consuming less energy than peer institutions

UAS Energy Consumption

Peer Energy Consumption*

* Peer Institutions use a fossil fuel mix of Natural Gas, Oil #2, Propane, Wood. On average, Peer Institutions primarily use 80% Natural Gas & 20% other Fossil Fuels
Energy Expenses Decreasing

$816K in savings since 2012

UAS Energy Cost

Peer Energy Cost

Fossil

Electric
Asset Value Change
**Funding Categorization**

<table>
<thead>
<tr>
<th>Total Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund 1 (1xxxxx)</td>
</tr>
<tr>
<td>Fund 2 (2xxxxx)</td>
</tr>
<tr>
<td>Fund 5 (5xxxxx)</td>
</tr>
</tbody>
</table>

**State Appropriation/General Funds**
Annual fund for maintenance, operational, and capital projects

**Restricted Dollars**
From granting agencies given for research or facilities modification

**State or Bond Money**
Funding for new construction or deferred maintenance projects, appropriated for specific projects

**Annual Stewardship**

**Asset Reinvestment**

**Exceptions:**
59xxxx funded projects come from the operating budget and would be considered *Recurring Capital Fund 2 and 5* comes from Departmental funding categorized as *One-time Capital*
Defining an Annual Investment Target

Annual Funding Target: $4.5M

FY16 Annual Investment Target

Replacement Value: $342M

3% Replacement Value: $10.24

Life Cycle Need: $4.70

Annual Investment Target: $1.65

- Envelope/Mechanical: $3.84
- Space/Program: $2.88

Functional obsolescence drives investment prior to life cycles & discounts the annual investment target.
Strong Historic Funding

78% of Funds are Spent Into Existing Space Since 2006

Campus Spending vs Target

Increased spending in FY16 related to:

- Hendrickson: $2,962,508
- Annex: $450,870
- Total: $3,413,378
Steady Efforts Have Levelled off Need

### Annual Deferral to Target

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Replacement Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>0.6%</td>
</tr>
<tr>
<td>2013</td>
<td>0.7%</td>
</tr>
<tr>
<td>2014</td>
<td>0.8%</td>
</tr>
<tr>
<td>2015</td>
<td>0.9%</td>
</tr>
<tr>
<td>2016</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

### Asset Reinvestment Need

- **$/GSF**
  - UAS: $100
  - Others: $60, $80, $100

- **$-**
  - A, B, C, D, E: $20
  - F, G, H, I, J: $40, $60
  - K, L, M, N, O, P, Q, R, S: $80, $100
$70M in Total Need Across UAS Campus

10 Year Capital Forecast

- Current Need
- Renewal Need
- Modernization & Infrastructure
- Total Need

UAS SOUTHEAST
learn - engage - change
Concluding Comments

Physical Profile
- University of Alaska Southeast has a young age profile due to many renovations & high capital investment.
- With enrollment decreasing, look for opportunities to leverage current inventory of space to maximize program effectiveness.

Operations Success
- Reductions to the Facilities Operating Budget have had an impact on coverage ratios.
- Energy costs have fallen to be competitive with peers.

Asset Value Change
- Major renovations and Utility Infrastructure projects have been the primary focus of UAS funding historically.
- Evaluate the balance of needs in new space and older facilities and options for targeting requests for the different facilities.
Questions & Comments