

Public Buildings Reform Board

FY 2022 Congressional Justification



PUBLIC BUILDINGS REFORM BOARD

May 28, 2021

Appropriations Language

For carrying out the provisions of the Federal Asset and Sale Transfer Act of 2016 (P.L. 114 - 287), as amended, the Public Buildings Reform Board is requesting \$4,500,000 to remain available until expended.

Program Description

Mission

The Federal Assets Sale and Transfer (FASTA) Act of 2016 (Public Law 114–287), enacted in December 2016, authorizes the Public Buildings Reform Board. The Public Buildings Reform Board (PBRB) is an independent Federal agency, established to expedite the sale of unneeded and/or underutilized federal real estate and maximize value for the Federal government. The purpose of the FASTA legislation is to:

- (1) Continue the consolidation of the footprint of Federal buildings and facilities;
- (2) Continue to maximize the utilization rate of Federal buildings;
- (3) Continue to reduce the reliance on leased space;
- (4) Identify underutilized candidate properties appropriate for selling or redeveloping to obtain the highest and best value for the taxpayer;
- (5) Continue to reduce the operating and maintenance costs of Federal civilian real properties;
- (6) Examine the possibilities for reducing redundancy, overlap, and costs associated with field offices;
- (7) Determine how to create incentives for Federal agencies to achieve greater efficiency in their inventories of civilian real property;
- (8) Expedite the sale or disposal of Federal civilian real properties under the authorities of FASTA;
- (9) As a natural result of the above, assist Federal agencies in achieving the Government’s sustainability goals by reducing excess space, inventory, and energy consumption, as well as by leveraging new technologies.
- (10) Address the Administration’s goals for producing equity through examination of untapped possibilities existing in the disposition process;
- (11) Address the Administration’s goals for ensuring Tribal consultation in the property disposition process.

Board and Staff Members

Angela Styles*, Board Member
David Winstead, Board Member
Mary Phillips, Board Member
Nick Rahall, Board Member
David Talmage Hocker, Board Member
Adam Bodner, Executive Director

* performing the duties of the Chairperson

FY 2021 Successes

In FY 2021, the PBRB began identifying the ‘First Round’ of assets to recommend to the Office of Management and Budget (OMB) for disposition. The FASTA legislation calls for the PBRB to identify assets with a total predicted market value of up to \$2.5 billion. The PBRB culled data from the 2019 Federal Real Property Public (FRPP) database and filtered over one million candidates to determine which would be suitable for disposition. The PBRB also consulted across the Federal government, requesting submissions for properties already identified as candidates for disposition. Conducting extensive due diligence with landholding agencies and vital stakeholders, the PBRB has been able to further refine the list of recommendations and to identify risks and potentialities of candidate assets. In the remainder of this calendar year, the PBRB will continue its work to understand the candidate assets to develop specific recommendations for disposal that will bring the highest and best value to the taxpayer. A final ‘First Round’ list is due to the OMB in December 2021.

The PBRB has learned, through its work with agencies across the Federal government, that significant consolidation opportunities exist which could return considerable savings to the taxpayer. However, agencies lack the funding or chose not to prioritize such actions to affect these consolidations which prolong inefficient space utilization and a large Governmentwide backlog of deferred maintenance. The FASTA intended, that as properties are sold, proceeds would be deposited into the Asset Proceeds and Space Management Fund (“the Asset Fund”). These funds would then be available for appropriation that would enable further consolidations and efficiencies across the portfolio.

The FASTA process continues to rely upon the Asset Fund as the key to success for agencies to engage in serious contemplation of major consolidation. Enactment of the language included in the President’s Budget would facilitate greater success. The Government Accountability Office identified the disposal of federal real properties as a ‘high risk’ area in 2003 because of challenges related to the disposal of unneeded properties. In extensive and continuing discussions with agency officials, the PBRB has found that the greatest deterrent toward enhanced facilities efficiency is the lack of appropriations available for enabling the creation of new and more efficient spaces required by consolidations. The GAO report on the FASTA process noted:

...FASTA created a dedicated funding source to implement Board recommendations including those related to covering disposal costs, such as relocating agency staff. However, officials expressed concern that access to these funds is not automatic and must go through the annual appropriations process, which rarely coincides with the timing of these projects. The administration proposed legislative language to make proceeds from the sale of assets in the fiscal year 2021 available without additional actions by Congress. However, as of January 2021, legislation containing the proposed language had not been enacted.ⁱ

Securing funding for the Asset Fund remains one of the single most important factors in the success of the PBRB's work. In 2021 and beyond, the PBRB will continue to face challenges identifying suitable assets for disposal because of the lack of funding for moving and establishing new spaces for tenant agencies.

FY 2022 Goals

In FY 2022, the PBRB will begin its work to examine properties for the 'Second Round'. FASTA requires the PBRB to submit a list of properties with a total expected value not to exceed \$4.75 billion no earlier than 3 years after the transmittal of the first report. The PBRB expects significant interests from landholding agencies due to evolving space requirements of the post COVID era. The FASTA could serve as a pivotal legislative tool to quickly move unneeded properties to market and, subsequently, prepare more suitable space for agencies' workplace needs. In combination with other funding sources dedicated to improving the nation's infrastructure, the FASTA and the Asset Fund can prove to be a pivotal tool in enabling agencies to pursue space changes that maximize value to taxpayers. As with previous rounds, the success of this round will be contingent upon the availability of funds via the Asset Proceeds and Space Management Fund, as described above.

Summary of the Request

The Public Buildings Reform Board's budget request reflects the continued commitment to faithfully execute the Federal Sale and Transfer Act (FASTA) of 2016, as amended, and continue to bring much-needed value to the American taxpayer through the disposition of underutilized federal real property. The agency budget request includes mission critical funding to support the pivotal strategic activities and due diligence tasks necessary for success. With careful consideration, the Board formally requests \$4.5 million in FY2022 for the following mission-critical activities:

- \$2,000,000 for professional service contracts to analyze the expansive Federal real property portfolio, identify assets viable for disposition, and perform extensive due diligence to ensure disposals maximize value to the taxpayer
- \$2,039,406 for salaries and benefits of the Board, Executive Director, and detailees from other executive branch agencies
- \$150,000 for travel expenses to ensure all assets recommended for disposal meet

prerequisite parameters and provide valuable opportunities for maximizing returns to the taxpayer

- \$500,000 for legal settlements

ⁱ Government Accountability Office, “Federal Real Property; Additional Documentation of Decision Making Could Improve Transparency of new Disposal Process”, January 2021, GAO-21-233

FY 2022 Explanation of Changes

	FY 2020 Enacted	FY 2021 Enacted	FY 2022 Request
Program Increases	-	3,500,000	4,500,000
Program Decreases	-	-	-
Total Adjustments	-	3,500,000	4,500,000

Amount Available for Obligation

	FY 2020 Actuals	FY 2021 Plan	FY 2022 Plan
Unobligated balance, start of the year	4,803,142	1,000,000	800,000
Annual Appropriation	-	3,500,000	4,500,000
Unobligated balance, end of the year	1,345,054	800,000	250,000
Total Obligations	3,458,088	3,700,000	5,050,000
<i>Net Outlays</i>	<i>1,907,023</i>	<i>4,355,500</i>	<i>4,689,406</i>

FY 2022 Obligations by Object Class

		FY 2020 Actuals	FY 2021 Plan	FY 2022 Plan
11.1	Full-time permanent	166,500	171,495	171,495
11.3	Other than full-time permanent	186,500	344,961	344,961
11.8	Other personnel compensation	982,000	883,544	1,250,000
12.1	Civilian personnel benefits	265,000	265,000	272,950
21	Travel and transportation of persons	235,000	100,000	150,000
25	Advisory and assistance services	1,968,648	2,450,000	2,000,000
42.0	Insurance Claims and Indemnities	-	-	500,000
99.9	Obligations, Appropriated			
	<i>Subtotal, PC&B</i>	<i>1,600,000</i>	<i>1,665,000</i>	<i>2,039,406</i>
	<i>Subtotal, Non-labor</i>	<i>2,203,648</i>	<i>2,550,000</i>	<i>2,650,000</i>
	Total Obligations	3,803,648	4,215,000	4,689,406