Executive Summary

Report of the Working Group on
Space Allocation, Facilities and Capital Budgeting

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The Working Group on Space Allocation, Facilities and Capital Budgeting was created by Provost Peter Lange in November 1999 as part of the university’s Planning 2000 initiative and issued it report on May 8, 2000. The working group was co-chaired by Executive Vice President Tallman Trask and Vice Provost Jim Roberts. The primary objective of the Working Group was to review current management principles and systems and to make recommendations for improving them to ensure that the university’s facilities are as effectively and efficiently utilized as possible. This Working Group was not asked to review or make recommendations on specific space allocations or future needs.

Working Group Conclusions

The Working Group concluded that space is an under-managed resource at Duke and that more effective management information systems, greater transparency in associating space costs with programmatic activities, and more effective budget incentives are fundamental preconditions for ensuring that space is utilized more effectively and efficiently at Duke.

The Working Group was also charged to review the process by which facilities maintenance and deferred maintenance budgets are developed and expended. As this material was discussed, we concluded that the funding the university is now providing for building maintenance and deferred maintenance needs has been only minimally adequate. Moreover, the recent commitment to improved accessibility made to the Department of Justice in regards to ADA compliance will require additional review of funding levels and strategies for university facilities.

Finally, we considered the rationale for establishing a formal capital budget and concluded that creating and maintaining a formal capital budget ought to be a significant administrative priority to support the academic planning and campus master planning now under way.

Specific Recommendations

The Working Group recommended the following specific steps to promote for effective and efficient utilization of campus space:

- **University Space Standards and Allocation Priorities:** With input from the Deans Cabinet, Administrative Council and other
appropriate bodies, the Senior Officers should endorse university standards describing normal expectations for office size and outfitting for faculty and staff.

- **School-Based Space Standards, Allocation Policies and Productivity Measures:** The Provost and Chancellor should ask each Dean to provide a formal statement of space standards, allocation policies and productivity measures appropriate to each school. This information should be shared among all the schools for purposes of internal benchmarking, and space utilization information for each school should be reviewed at least annually by the Provost and Chancellor.

- **Information Systems:** The STAR space management system developed in the Medical Center should be made available to appropriate administrative staff in each of the schools. This will enable academic program managers to have real time information on space assignments by individual and function and to update that information as space inventory, room use and individual assignments change.

- **Benchmarking:** Information about space utilization should be shared among the Deans and other senior managers for purposes of internal benchmarking. In addition, Duke should take the lead in promoting systematic information exchanges on space utilization among peer institutions and in selected industrial research organizations.

- **Budgetary Practices and Financial Incentives:** The cost of space occupancy should be a direct cost to Deans and other revenue center managers. In addition, we need to ensure that appropriate incentives are in place to use space as efficiently as possible and reduce space utilization when feasible. To provide this incentive, Deans and other revenue center managers must be able to trade space for budgetary savings under appropriate conditions.

- **Facilities Management:** The university should continue to require central management of facilities maintenance, renovation, construction as well as housekeeping, grounds keeping and utilities. At the same time, the university must run these services in a business-like manner and at competitive price and quality levels. Deans and other revenue center managers can affect their overall space costs by the amount of space they occupy, their investment in upfit, and their intensity of utilization. Whenever practical, utility consumption should be metered to the school and department level.

- **Maintenance, Deferred Maintenance and ADA Accessibility Funding:** Given our significant ADA needs and commitments and the expansion of our physical plant over the last decade, incremental investment in our facilities maintenance and renewal program may be necessary over the next ten years.

- **Telecommuting Policies:** Duke should explore the potential of telecommuting to reduce demands on campus space and university lease obligations and clarify policies and procedures for individuals and departments for whom telecommuting is a viable option.

- **Capital Budgeting:** The university should establish a more formal...
capital budget process at the school and institutional level and create a capital budget committee to provide financial and management review of capital budget submissions, to coordinate funding strategies, including long-term debt, and to assist the senior officers in making priorities decisions.