

**Long Range Financial Plan Information Session Input
Submitted by Facilities Council and Facilities Management & Planning
3/1/17**

The current deferred maintenance list shows about \$35,000,000 in needed facilities infrastructure repairs and replacements. It is based on several facilities infrastructure studies that were conducted in 2011 and 2012. However, these studies did not survey all aspects of facilities infrastructure. The Facilities Management and Planning Department will be overseeing a comprehensive Facilities Conditions Assessment this summer. The result of this assessment will likely be an increase to the \$35M deferred maintenance list.

The leading professional association for facilities management in higher education, APPA, recommends that institutions of higher education budget 2% of the replacement cost of their building stock annually for maintenance. Lane has 1.4 million square feet of building stock. At a replacement value of \$300 per square foot, the annual major maintenance allocation at Lane should be \$8.4 million in addition to an additional allocation to complete projects on the deferred maintenance list. The current maintenance allocation is \$3.1 million*.

There is currently no specific budget for classroom and lab upgrades. Teaching and learning styles evolve and Lane needs to be responsive to changing trends in education. The college currently funds a few such upgrades per year out of the major maintenance budget.

Recommendations:

- Incrementally increase annual major maintenance budget based on APPA recommendation of budgeting 2% of replacement cost of building stock for maintenance annually. Over a period of several years, this would increase the major maintenance by \$5,300,000 bringing it from \$1,000,000 to \$6,300,000.
- Allow for a review and update of the Long Range Financial Plan in light of the comprehensive Facilities Conditions Assessment that will be completed in summer 2017.
- Have a separate budget for programmatic upgrades. This budget can start small with the idea that the college can evaluate its effectiveness after two to three years and determine whether it should be increased or decreased. Recommended starting budget = \$100,000.

*The \$3.1 million includes the major maintenance budget of \$1,000,000 plus general fund budget for trades and trades coordinator salaries and expenditures in the areas of Fire-Life-Safety, Electrical Maintenance, Carpentry Maintenance, Painting Maintenance, Mechanical Maintenance, Special Maintenance, and HVAC.