

Program Name: Facility Management Division

Measurability Assessment Conducted by Program Evaluation Division

Overall Indicator Ratings and Table of Contents

	Overall Indicator Rating			Page Number
	Meets	Partially Meets	Does Not Meet	
1. Program does not duplicate other related programs.			✓	39
2. Program has a problem definition.		✓		40
3. Program has a logic model.		✓		41
4. Program is evidence-based.			✓	42
5. Program has conducted a scalability analysis.			✓	43
6. Program has a strategic plan.		✓		44
7. Program has performance measures.		✓		45
8. Program has a quality improvement system.			✓	47
9. Program has a risk assessment.		✓		48
10. Program has a financial forecast.		✓		49
11. Program has cost sharing documents.	✓			50
12. Program has conducted a staffing analysis.	✓			51
13. Program has an accounting system.	✓			52
14. Program is audited.		✓		53

Facility Management Division

Facility Management is a division within the Department of Administration.

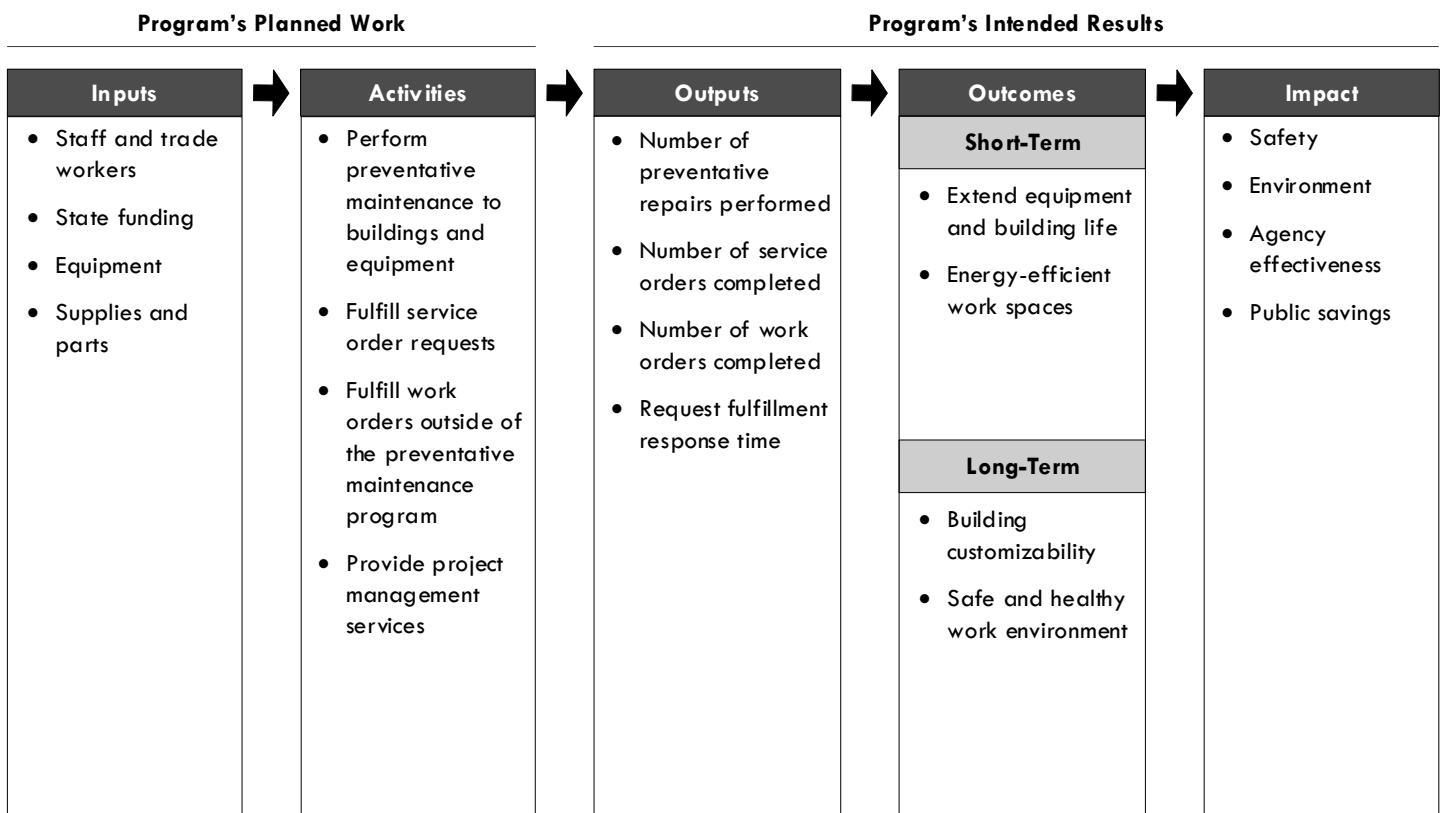
- **Mission:** To provide a safe and healthful work environment for employees and the general public in a cost-effective and energy-efficient manner
- **Statutory Authority:** N.C. Gen. Stat. § 143-341
- **Covered Entities:** State facilities allocated to the Department of Administration

Fiscal Snapshot

	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	\$31,531,658	\$31,169,195	\$31,169,195
Total Receipts	(\$4,030,404)	(\$3,668,687)	(\$3,668,687)
Appropriation	\$27,501,254	\$27,500,508	\$27,500,508
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Total Positions	154.25	147	147
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Note: For Fiscal Year 2016–17, BEACON shows the Division having 149 positions as of June 30, 2017, instead of 154.25.			

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

Logic Model Created by PED



Source: Program Evaluation Division based on information from the Facility Management Division.

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Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.			✓
1.2 Inventory demonstrates how the examined program is unique from the other related programs.			✓
1.3 Inventory identifies the purpose of each program.			✓
1.4 Inventory identifies the services, products, or functions each program is providing.			✓
1.5 Inventory identifies the target population served by each program.			✓
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.			✓
1.7 Inventory is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
1. Program does not duplicate other related programs.			✓

Description: Although the Facility Management Division has a description of its own program, it does not have a program inventory that identifies other current programs active in the policy area that address the same goal. Therefore, the Division cannot demonstrate how it is unique from other related programs. The Division identified issues that arise when other entities do not coordinate with it (e.g., the Division is now responsible for maintaining faulty and substandard materials chosen by the entities that designed and constructed the Public Health Lab and Nature Research Center) but provided no documentation of coordination efforts. Without an inventory, the Division cannot be sure it avoids wasteful competition and duplication.

Suggestions: The Division should conduct a scan of the public sector (both internal and external to its agency) and the nonprofit and private sector to identify any programs that are active in its policy area. For example, this scan could identify programs that provide facility maintenance, alteration services for small to medium size renovations, building security, landscaping, and engineering services for state agencies. Then, the Division should create an inventory that identifies other current programs active in the policy area that address the same goal as the Division. The inventory should identify the purpose of each program; the services, products, or functions each program is providing; and the target population served by each program. The Division should include itself in the inventory so that it is clear which services the Division provides that no other programs provide. The inventory should demonstrate how the Division is unique from related programs and how it coordinates with those programs to avoid wasteful competition and duplication. The Division should update the program inventory periodically.

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Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.		✓	
2.2 Problem definition identifies the major factors contributing to the problem.		✓	
2.3 Problem definition identifies current gaps in services or programs.		✓	
2.4 If program is based on a “promising approach” or “best practice,” problem definition provides a rationale for the transferability of the approach to the population the program serves. <i>If program is not based on a “promising approach” or “best practice,” enter N/A.</i>	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
2. Program has a problem definition.		✓	

Description: The Facility Management Division has a problem definition based on supportive evidence from the State Construction Office’s Facilities Condition Assessment Program Report, which conveys major maintenance needs of state-owned buildings. Many buildings and much of the equipment maintained by the Division have significant, urgent maintenance needs just to keep them habitable or functional. The problem definition identifies the major factor contributing to the problem is, inevitably, every building or system will require maintenance, repair, or replacement. The problem definition identifies current gaps in services based on the backlog of needed repairs listed in the Facilities Condition Assessment Program Report. However, the problem definition does not address all of the operations performed by the Division.

Suggestions: The Division should create a problem definition, in one document, that addresses all of its operations, such as landscaping, safety and security, and engineering services. The problem definition should be based on supportive evidence that clearly describes the nature and extent of all of the problems the Division is intended to address. The problem definition should identify the major factors contributing to all of the problems the Division is intended to address, and the problem definition should identify current gaps in all of the Division’s services.

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Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.	✓		
3.2 Logic model includes specified activities.		✓	
3.3 Logic model includes specified outputs.		✓	
3.4 Logic model includes specified short-term and long-term outcomes.		✓	
3.5 Logic model includes specified impacts.		✓	
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
3. Program has a logic model.		✓	

Description: The Facility Management Division has a logic model that includes specified inputs, such as state appropriations, equipment, and supplies and parts. Although the logic model includes activities (e.g., performing preventative maintenance on buildings, fulfilling service order requests, fulfilling work orders), outputs (e.g., preventative repairs performed), short-term outcomes (e.g., extending equipment and building life), long-term outcomes (e.g., building customizability), and impacts (e.g., safety), the logic model does not address all of the operations performed by the Division.

The Division did not provide documentation demonstrating it shares its logic model with staff and key stakeholders. The Division did not provide documentation demonstrating it updates its logic model periodically.

Suggestions: The Division's logic model should include specified activities, outputs, and outcomes that represent all of its operations (e.g., landscaping, safety and security, engineering services). The logic model should include specified impacts, such as agency effectiveness and public savings. The Division should share its logic model with staff and key stakeholders. The Division should update its logic model periodically and indicate on the document when it was last updated. In addition, the Division's logic model could be strengthened in the following ways:

- phrase outputs in terms of quantity (e.g., number of preventative repairs performed),
- phrase outcomes in terms of the direction of change expected (e.g., increased, decreased),
- differentiate outcomes that are achievable in the short-term (e.g., extend equipment and building life) from those that are achievable in the long-term (e.g., building customizability), and
- differentiate long-term outcomes from impacts.

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Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
4. Program is evidence-based.			✓

Description: Description: Although the Facility Management Division provided a business case by JLL Consulting (2017), this business case is not an impact evaluation. Therefore, the Division did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.

Suggestions: The Division should identify the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted conditions.

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Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.			✓
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.			✓
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.			✓
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
5. Program has conducted a scalability analysis.			✓
<p>Description: Although the Facility Management Division is a statewide program established in statute, it could still conduct a scalability analysis to determine whether it could have a greater impact if it had more resources such as more staff or newer technology. The Division did not provide documentation demonstrating it has conducted a scalability analysis.</p>			
<p>Suggestions: The Division should conduct a scalability analysis to determine whether it has robust evidence of its effectiveness and has the potential for substantially expanded reach and system adoption. The scalability analysis should determine whether an expanded program would be acceptable to target groups and settings and could be delivered at an acceptable cost.</p>			

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Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.		✓	
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.		✓	
6.5 Strategic plan includes identified objectives.		✓	
6.6 Strategic plan includes performance measures.		✓	
6.7 Strategic plan is updated periodically.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
6. Program has a strategic plan.		✓	

Description: The Facility Management Division has a mission statement: “to provide a safe and healthful work environment for employees and the general public in a cost effective and energy efficient manner.” The Division has a values statement: “quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity.”

Although the Division has a vision statement, the statement does not specify what the program can and should be in the future; instead, the statement is more reflective of a Department-wide values statement.

The Division updates its strategic plan every two years in accordance with biennium budgets. The Division is in the process of updating its strategic plan to include a vision statement, goals, objectives, and performance measures.

Suggestions: The Division should update its strategic plan, in one document, to include a program-specific vision statement and program-specific goals, objectives, and performance measures.

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Indicators of a Focus on Results (continued)

Key Elements of Indicator 7: Performance Measurement	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.			✓
7.2 Performance measures assess key outputs.		✓	
7.3 Performance measures assess efficiency/process.			✓
7.4 Performance measures assess quality.		✓	
7.5 Performance measures assess key outcomes.			✓
7.6 Program has a defined method for collecting performance data.			✓
7.7 Program has a standard format for reporting performance data.			✓
7.8 Program validates performance measures periodically.			✓
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.			✓
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
7. Program has performance measures.		✓	

Description: Although the Facility Management Division has performance measures that assess certain key outputs, such as repaired equipment, facilities, and structures, the Division did not provide documentation demonstrating it has performance measures for other key outputs, such as number of requested changes completed. The Division plans to collect performance measures that assess quality (e.g., customer feedback).

The Division did not provide documentation demonstrating it has performance measures that assess inputs, efficiency/process, or outcomes. Therefore, the Division does not have the performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts.

The Division did not provide documentation demonstrating it has a defined method for collecting performance data, has a standard format for reporting performance data, validates its performance measures periodically, or regularly reports its performance measures to managers, staff, and key stakeholders.

Suggestions: The Division should have performance measures that assess inputs (e.g., staff, funding), outputs (e.g., number of preventative repairs performed, number of service orders completed), and outcomes (e.g., extend equipment and building life, energy efficient work spaces). The Division should have performance measures that assess efficiency/process (i.e., the inputs used per unit of output) and quality (i.e., the degree to which services are delivered in accordance with pre-determined standards and/or whether customers are satisfied with the services they receive).

The Division should develop a defined method for collecting performance data that explains what it is going to collect and how (e.g., who will be surveyed and how often). The Division should develop a standard format for reporting performance data. In addition, the Division should periodically

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validate the information that is being reported by reviewing data collection protocols and comparing reported information to a sample of source data. The Division also should ensure that performance data are regularly reported to managers, staff, and key stakeholders in formats that are user-friendly and meet their information needs.

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Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.			✓
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.			✓
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.			✓
8.4 Program takes remedial action if there is a performance shortfall.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
8. Program has a quality improvement system.			✓

Description: The Facility Management Division did not provide documentation demonstrating it has a quality improvement system.

Suggestions: The Division should create a quality improvement system that sets annual objectives and then tracks performance toward these objectives on either a quarterly or monthly basis. The objectives should have indicators, targets, and dates, and the objectives should be consistent with the Division's strategic plan and updated annually. Progress towards objectives should be monitored through an action plan and milestones. The Division should take remedial action if there is a performance shortfall.

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Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
9. Program has a risk assessment.		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. The Facility Management Division provided a business case by JLL Consulting (2017) that identifies the Division's inherent risks and that examines the suitability of existing controls and prioritizes residual risks. The business case does not assess the likelihood and impact of inherent risks or determine risk tolerance.

Suggestions: The Division should expand upon the business case by creating a risk profile that also assesses the likelihood and impact of inherent risks and determines risk tolerance. In addition, the Division should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.

Program Name: Facility Management Division

Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.		✓	
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
10. Program has a financial forecast.		✓	

Description: The Facility Management Division follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. Although the Office of State Budget and Management's budget development process requires the Division to conduct two years of financial forecasting, the Division did not provide documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. The Division did not provide documentation demonstrating its financial forecast attempts to explain trends by discussing why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Division should build in a long-term focus by including revenue and expenditure projections for at least five years in its annual plan. The forecasts should attempt to explain the trends they reveal by discussing why revenue and expenditures are expected to increase or decrease.

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Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. <i>If program does require cost sharing, enter N/A.</i>	N/A		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.3 If program does require cost sharing, documents describe the method used to set charges. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. <i>If program does not require cost sharing, enter N/A.</i>	✓		
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
11. Program has cost sharing documents.	✓		
<p>Description: The Facility Management Division requires cost sharing. The Division charges agencies for work outside the Division's scope of service or the Division's preventative maintenance schedule. The Division provided documentation that includes a description of cost sharing requirements and the methods used to set charges. The documents also review cost sharing levels and recommend modifications as appropriate.</p>			
<p>Suggestions: None.</p>			

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Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
12.1 Staffing analysis measures caseload and workload.	✓		
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
12. Program has conducted a staffing analysis.	✓		

Description: The Facility Management Division has a staffing analysis that measures caseload (e.g., number of properties maintained) and workload (e.g., square feet of properties maintained). The Division used a JLL Consulting report (2017) that benchmarked Division staffing levels against industry standards to establish an internal benchmark for efficient operations. However, the Division did not provide documentation of trends in staffing.

Suggestions: The Division should expand its staffing analysis to identify trends in staffing by using historical data analysis.

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Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
13. Program has an accounting system.	✓		
<p>Description: The Facility Management Division uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.</p>			
<p>Suggestions: None.</p>			

Program Name: Facility Management Division

Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.			✓
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
14. Program is audited.		✓	

Description: The Facility Management Division has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. However, the Division did not provide documentation demonstrating it maintains a record of prior audits, examinations, and evaluations. Also, the Division did not provide documentation demonstrating it maintains a record of corrective actions taken in response to audit findings and recommendations.

Suggestions: The Division should maintain a record of prior audits, examinations, and evaluations by listing key aspects of them (e.g., subject of audit, date completed, major findings) in a separate document from the audits themselves. The Division should maintain a record of corrective actions taken in response to audit findings and recommendations. The corrective actions could be listed in the separate document mentioned above.