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MONTEREY, CALIFORNIA

THESIS

DHS REAL ESTATE, FUNDING MISSION POSSIBLE

by

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December 2023

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DHS REAL ESTATE, FUNDING MISSION POSSIBLE

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ABSTRACT

This thesis examines the U.S. Department of Homeland Security's (DHS) real estate management, focusing on funding strategies within its five-billion-dollar annual real estate portfolio. Initially focusing on the underfunding of colocation projects, it expands to a broader question: "How can DHS more effectively fund real estate investments?" The literature review compares federal real estate management strategies, highlighting challenges in space reduction, operational enhancement, and funding sustainability. The methodology includes interviews and a focus group with DHS, component, and General Services Administration (GSA) executives, exploring diverse perspectives on real estate management challenges. Findings indicate frustration among DHS, component, and GSA officials regarding funding constraints, identifying underfunding impacts, maintenance backlogs, and portfolio management complexities with interdependencies between agencies. The study concludes by advocating for DHS' Office of the Under Secretary for Management to own and operate specific assets for better real property management, which requires new statutory authority and interagency collaboration. The study concludes by acknowledging the obstacles to DHS real property ownership and suggests future research on impacts of workplace conditions and security risks of colocation. The thesis aims to enhance DHS real estate funding, offering insights into federal policy and management.

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LIST OF ACRONYMS AND ABBREVIATIONS

AI	Artificial Intelligence
BIL	Bipartisan Infrastructure Law
BRAC	Base Realignment and Closure
CAPSIS	Consolidated Asset Portfolio and Sustainability Information System
CISA	Cybersecurity and Infrastructure Security Agency
CBP	U.S. Customs and Border Protection
DHS	Department of Homeland Security
DOD	Department of Defense
FAMS	Federal Air Marshal Service
FASTA	Federal Assets Sales and Transfers Act
FBF	Federal Buildings Fund
FEVS	Federal Employment Viewpoint Survey
FEMA	Federal Emergency Management Agency
FFO	Funds from Operations
FMR	Federal Management Regulations
FPS	Federal Protective Service
GAO	U.S. Government Accountability Office
GSA	General Services Administration
HSI	Homeland Security Investigations
I&A	Office of Intelligence and Analysis
ICE	U.S. Immigration and Customs Enforcement
INS	Immigration and Naturalization Service
IRA	Inflation Reduction Act
IRB	Institutional Review Board
ISC	Interagency Security Committee
LLM	Large Language Model

LPOE	Land Ports of Entry
NCR	National Capital Region
NPV	Net Present Value
O&M	Operations and maintenance
OCRSO	Office of the Chief Readiness Support Officer
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PBRB	Public Buildings Reform Board
PBS	Public Buildings Service
PDO	Program Decision Options
POR	Programs of Requirements
PPP	Public-Private Partnerships
R&A	Repair and Alterations
RAP	Resource Allocation Plan
ROI	Return on Investment
RWA	Reimbursable Work Authorization
SCIF	Sensitive Compartmented Information Facility
TSA	Transportation Security Administration
USBP	U.S. Border Patrol
USCG	U.S. Coast Guard
USCIS	U.S. Citizenship and Immigration Services
USSS	U.S. Secret Service

EXECUTIVE SUMMARY

This thesis examines the Department of Homeland Security’s (DHS) real estate management, a pivotal but often overlooked facet of homeland security infrastructure. Focusing on funding strategies, it scrutinizes DHS’ efforts in managing its substantial real estate portfolio, which incurs an annual expenditure of approximately five billion.¹ This study assesses the financial implications of these strategies, and considers colocation or the sharing of workspaces and their impact on operational efficiency and workspace optimization within DHS.

The research initially targeted the underfunding of colocation projects among DHS components, the operational agencies within the Department. However, the scope expanded to include a broader analysis of the Department’s financial practices related to real estate investments. This led to formulating a critical research question: “How can the DHS more effectively fund real estate investments?”

The literature review engages with a range of perspectives on federal real estate management, drawing comparisons and insights from the practices of the Department of Defense (DOD), DHS, and the General Services Administration (GSA), reports from the General Accounting Office (GAO), and the National Academies of Sciences, Engineering, and Medicine April 2023 Committee on Strategy to Renew Federal Facilities report.² This section focuses on the multifaceted challenges of federal real estate management; these

¹ Department of Homeland Security, FY2021-2023 Annual Performance Report (Washington, DC: Department of Homeland Security, 2022), 166, <https://www.dhs.gov/publication/dhs-fiscal-year-2021-performance-accountability-reports>.

² “Base Realignment and Closure (BRAC),” Office of the Under Secretary of Defense for Acquisition & Sustainment Base Realignment and Closure, accessed February 3, 2023, <https://www.acq.osd.mil/brac/>; National Academies of Sciences, Engineering, and Medicine, *Strategies to Renew Federal Facilities* (Washington, DC: National Academies Press, 2023), <https://doi.org/10.17226/26806>; US General Services Administration, *Annual Budget Requests* (Washington, DC: General Services Administration, 2024), <https://www.gsa.gov/reference/reports/budget-and-performance/annual-budget-requests>; Department of Homeland Security, *Real Property Capital Plan Fiscal Years 2021 through 2025* (Washington, DC: Department of Homeland Security, 2020), <https://www.dhs.gov/publication/dhs-real-property-capital-plan>; David C. Maurer and David J. Wise, *Federal Real Property: DHS and GSA Need to Strengthen the Management of DHS Headquarters Consolidation*, GAO-14-648 (Washington, DC: General Accounting Office, 2014).

challenges include reducing space, enhancing operational functionality, and securing adequate and sustainable funding for property assets.

The methodology of this paper centers on qualitative research: in-depth interviews and a focus group discussion with senior executives from DHS, its individual components, and the GSA are used. This approach was designed to create a comprehensive understanding of the diverse viewpoints and challenges in managing and funding DHS' extensive real estate portfolio.

The findings revealed a consistent theme of pessimism from DHS Headquarters (HQ), Component,³ and GSA officials regarding the funding constraints for DHS and federal government real estate investments. The study identified several key challenges: pervasive underfunding, significant maintenance backlogs, and the complexity of managing a highly diverse property portfolio. The thesis, therefore, emphasizes the urgent need for innovative funding models and a collaborative, cross-agency approach to managing federal real estate assets.

The thesis concludes that DHS, and a significant portion of the federal government, face considerable hurdles in effectively funding and managing real estate investments. It advocates for a strategic realignment in DHS' property management, recommending that DHS HQ take ownership, control of funding, and operations of specific real property assets to streamline colocation and space management efforts. This strategic shift, however, would require new statutory authority and a deepened commitment to collaborative efforts among partnering agencies. Should DHS acquire the right to own properties, in addition to funding for the construction and management of these facilities, an inadvertent repercussion may emerge in the form of a need for supplementary staffing resources.

While the study provides critical insights into DHS' real estate management, it acknowledges inherent limitations, such as the constraints of time and potential biases in qualitative data collection. The thesis outlines several avenues for future research,

³ "Component," when capitalized, denotes the specific collective name given to the group interviewed.

including the exploration of how workplace environments affect DHS staff recruitment and retention, the security risks associated with colocation strategies, and the exploration of no-cost transfers of assets between federal agencies.

The thesis underscores the complexities and potential strategies for enhancing DHS' real estate funding and management. It is intended to contribute to understanding the challenges and opportunities in optimizing real estate in support of homeland security goals to support DHS' frontline personnel enabling mission performance, thereby offering insights for policymakers and stakeholders in this critical area of federal infrastructure management.

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I. INTRODUCTION

A. PROBLEM STATEMENT

As a sizable organization, the Department of Homeland Security (DHS) manages a substantial real estate portfolio to provide workplaces for mission performance across diverse operational agencies, referred to as components. The Department strives to plan for these workspaces individually by component and regionally for potential mission support consolidation efforts to colocate components or share mission functional space.¹

In the book *Beyond 9/11*, colocation is defined as “the sharing of spaces, buildings, property, or other physical assets by Components” (component is another word for agency). Homeland security experts Chappell Lawson, Alan Bersin, and Juliette Kayyem also define consolidation, which is “the merging of organizational functions.”² In 2013, the Office of Management and Budget (OMB) codified the federal government’s pursuit of consolidation and colocation by requiring agencies to combine and share office and mission operational spaces as strategies for implementing policy with its *Freeze the Footprint* Memorandum.³ OMB’s 2015 *Reduce the Footprint* memorandum further restricted agencies’ real property footprints.⁴ The Office of Personnel Management (OPM) administers the Federal Employee Viewpoint Survey (FEVS) across the government to assist agencies in understanding the workforce’s experiences and perceptions across the government.⁵ DHS faces pressure to reduce its real estate footprint, the total real estate

¹Department of Homeland Security, *Real Property Capital Plan Fiscal Years 2021 through 2025* (Washington, DC: Department of Homeland Security, 2020), 12, 15, <https://www.dhs.gov/publication/dhs-real-property-capital-plan>.

² Chappell Lawson, Alan Bersin, and Juliette Kayyem, *Beyond 9/11* (Cambridge, MA: The MIT Press, 2020), 50.

³ Danny Werfel, “Implementation of OMB Memorandum M-12-12 Section 3: Freeze the Footprint” (management procedures memorandum no. 2013-02, Washington, DC: Office of Management and Budget, 2013), <https://obamawhitehouse.archives.gov/sites/default/files/omb/financial/memos/implementation-of-freeze-the-footprint-guidance.pdf>.

⁴ David Mader, “Implementation of OMB Memorandum M-12-12 Section 3: Reduce the Footprint” (management procedures memorandum no. 2015-01, Washington, DC: Office of Management and Budget, 2022), <https://www.whitehouse.gov/wp-content/uploads/2017/11/m-15.01Reduce-the-Footprint-Policy.pdf>.

⁵ “Federal Employee Viewpoint Survey,” US Office of Personnel Management, accessed November 12, 2023, <https://www.opm.gov/fevs/>.

portfolio by square footage, while also expecting it to improve workplace conditions for employees. Real estate is land and anything fixed upon it (e.g., buildings, roads, trees, shrubbery, fences, sewers or utility systems), while real property is specifically the buildings or other immovable structures on the land.⁶

The DHS embraces colocations of its operational components across its real property portfolio, given the high cost of managing and operating its assets at five billion-dollars annually.⁷ As noted in a Business Executives for National Security 2016 report, DHS' portfolio totals approximately 100 million square feet.⁸ Assets include “more than fifty-five thousand individual property records, and is comprised of buildings, structures, and land assets,” according to DHS' *FY 2021–2023 Annual Performance Report*. Costs include annual rent for leases (GSA-owned and commercial), and operations and maintenance for buildings and land.⁹ Colocation is a trend across government, including the U.S. Department of Agriculture office spaces and the Department of Defense's (DOD) joint bases.¹⁰ DHS' most extensive colocation effort is at its headquarters consolidation in the National Capital Region in Washington, DC.¹¹ The multi-year project colocated

⁶ The Law Dictionary, s.v. “real estate,” accessed December 8, 2023, <https://libguides.nps.edu/citation/chicago-nb#dictionary>; The Law Dictionary, s.v. “real property,” accessed December 8, 2023, <https://thelawdictionary.org/?s=real+property>; The definitions provided are used interchangeably.

⁷ Department of Homeland Security, *FY2021-2023 Annual Performance Report* (Washington, DC: Department of Homeland Security, 2022), 166, <https://www.dhs.gov/publication/dhs-fiscal-year-2021-performance-accountability-reports>.

⁸ Business Executives for National Security. Department of Homeland Security Real Property Management: A Business Executives for National Security Management and Efficiency Report. Washington, DC: Business Executives for National Security, 2016. <https://bens.org/departments-of-homeland-security-real-property-management-a-business-executives-for-national-security-management-and-efficiency-report/>.

⁹ Department of Homeland Security, 166.

¹⁰ Department of Agriculture, “Who Can I Collocate With?,” Facilities Toolbox: Creative Office Options, accessed March 31, 2023, https://www.fs.usda.gov/eng/toolbox/site_map.php; Brian J. Lepore, *DOD Joint Bases: Management Improvements Needed to Achieve Greater Efficiencies*, GAO-13-134 (Washington, DC: Government Accountability Office, 2012).

¹¹ Jory Heckman, “DHS St. Elizabeths Campus Gains ‘Center of Gravity’ with New Headquarters,” Federal News Network, June 21, 2019, <https://federalnewsnetwork.com/facilities-construction/2019/06/dhs-st-elizabeths-campus-gains-center-of-gravity-with-new-headquarters/>.

multiple Department components at the Saint Elizabeths West Campus in Washington, DC.¹²

The U.S. Government Accountability Office (GAO)'s August 2022 report, *DHS Headquarters Consolidation: Project Cost and Schedule Estimates Are Not Finalized*, indicated that over 2.1 billion-dollars has been allocated to GSA and DHS for the campus, beginning with the U.S. Coast Guard (USCG) in 2013 and the DHS Office of the Secretary in 2019; finally, the headquarters of Cybersecurity Infrastructure Security Agency (CISA), U.S. Immigration and Customs Enforcement (ICE), Intelligence and Analysis (I&A), and a portion of the U.S. Customs and Border Protection (CBP) are planned for occupancy 2025 through 2027.¹³ Components plan their budgets separately, and DHS conducts regional planning studies to improve space utilization and address mission support disparities in the field.¹⁴ Different approaches may be necessary to support the Department's pursuit of colocation and appropriate real estate investments.

Employee engagement is critical for mission performance. Government Accountability Office (GAO), in their 2021 *DHS Employee Morale Report: Some Improvements Made, but Additional Actions Needed to Strengthen Employee Engagement* and the 2017 *Federal Workforce: Lessons Learned from Engaging Millennials and Other Age Groups* report, calls attention to DHS' historically low employee engagement scores across the government, with even lower scores with millennial employee scores (as viewed by OPM's Employee Engagement Index).¹⁵ The prospects of improving DHS and its effective mission performance through strengthening employee engagement within the

¹² "St. Elizabeths West Campus," US General Services Administration, accessed November 15, 2023, <https://www.gsa.gov/about-us/gsa-regions/region-11-national-capital/buildings-and-facilities/development-projects/st-elizabeths-west-campus>; St. Elizabeths is spelled without an apostrophe.

¹³ Chris Currie and Catina B. Latham, *DHS Headquarters Consolidation: Project Cost and Schedule Estimates Are Not Finalized*, GAO-22-105970 (Washington, DC: Government Accountability Office, 2022), 20, 22.

¹⁴ Department of Homeland Security, *FY2021-2023 Annual Performance Report*, 168–69.

¹⁵ Chris Currie, *DHS Employee Morale: Some Improvements Made, but Additional Actions Needed to Strengthen Employee Engagement*, GAO-21-204 (Washington, DC: Government Accountability Office, 2021), 13–14, <https://www.gao.gov/products/gao-21-204>; Robert Goldenkoff, *Federal Workforce: Lessons Learned for Engaging Millennials and Other Age Groups*, GAO-16-880T (Washington, DC: Government Accountability Office, 2017), 16.

workforce could be achieved by future generations, as well as improving the workplaces in the field now.

B. RESEARCH QUESTION

Initially, the paper set out to find out why colocation projects for DHS components in the field were not being funded, and during the literature review, and through the process, there was a realization that it might not be colocation projects or even a DHS-only issue; the focus was too narrow. The employee engagement connection was considered, and it was clear that stand-still projects were not related to whether or not the DHS workforce was engaged. It was also possible that how DHS projects are identified—by and across components—combined with the process of determining feasibility could be part of the problem. These factors might be influencing the Department’s ability to reduce square footage.

This question is based on my professional experience of the Seattle DHS colocation project not being funded, despite our best efforts. I (the author) have thirty-three years of experience: twenty-seven years at the GSA and six years with DHS, currently as a regional coordinator for DHS’ Regional Mission Support Division, specifically working out of the DHS Office of the Chief Readiness Support Officer (OCRSO). Managing DHS’ real property is considered a mission support function, and this research will hopefully directly correlate to policy changes related to colocation and consolidation in the field offices.

The connection of this project to my research will be discussed briefly in Chapters II (Methodology) and IV (Conclusions). Thus, I decided to make the research broader and concentrate on the financial aspect of funding projects to address the following question: **How can the DHS more effectively fund real estate investments?**

C. FEDERAL REAL ESTATE LITERATURE REVIEW

Performing a literature review of sources available, and related to the challenge of funding and managing federal real estate, revealed funding challenges. The management of federal real estate receives significant attention from federal agencies, Congress, and the private sector. Sources used include past research and strategies to address federal real

property, including the DOD’s Base Realignment and Closure (BRAC) efforts, the creation of the Public Buildings Reform Board through the Federal Assets Sales Transfer Act (FASTA), a 2023 study by the National Academies of Sciences, Engineering, and Medicine titled *Strategies to Renew Federal Facilities*, and GSA’s *FY2024 Federal Buildings Fund Congressional Justification for the Annual Budget Request*.¹⁶ Each of these activities related to federal real estate will be discussed briefly.

1. DOD Real Property

The DOD has two examples worth exploring related to its real estate portfolio and the colocation of its armed services. Those two significant efforts are the change in ownership of the Pentagon and the Joint Basing initiative driven by the 1990 Base Realignment and Closure Act (BRAC), amended in 2005.¹⁷ The DOD set out to reduce space and improve operational efficiencies, which is similar to DHS’ efforts. Reviews by the GAO and DOD provide insights into the intent and results of BRAC.

It is essential to understand the ownership history of the Pentagon facility. GSA originally had control and authority, or ownership, of the Pentagon. GSA—as the owner—faced a backlog of necessary maintenance and renovation needs for the Pentagon, which is DOD’s headquarters facility in Virginia.¹⁸ In 1990, Congress transferred ownership of the land and structures from the GSA to the Secretary of Defense, with restrictions on DOD leases in the National Capital Region.¹⁹ This effort resulted in the DOD saving 2.2 billion-

¹⁶ “Base Realignment and Closure (BRAC),” Office of the Under Secretary of Defense for Acquisition & Sustainment Base Realignment and Closure, accessed February 3, 2023, <https://www.acq.osd.mil/brac/>; “Public Buildings Reform Board,” Public Buildings Reform Board, accessed November 5, 2023, <https://www.pbrb.gov/>; National Academies of Sciences, Engineering, and Medicine, *Strategies to Renew Federal Facilities* (Washington, DC: National Academies Press, 2023), <https://doi.org/10.17226/26806>; and US General Services Administration, *Annual Budget Requests* (Washington, DC: General Services Administration, 2024), <https://www.gsa.gov/reference/reports/budget-and-performance/annual-budget-requests>.

¹⁷ Office of the Under Secretary of Defense for Acquisition & Sustainment Base Realignment and Closure, “Base Realignment and Closure (BRAC).”

¹⁸ Office of the Secretary of Defense, *A Status Report to the Congress on Renovation of the Pentagon* (Washington, DC: Department of Defense, 1996), 30–31, https://www.esd.whs.mil/Portals/54/Documents/FOID/Reading%20Room/Other/renovation_1march1996.pdf.

¹⁹ To Provide for the Transfer of the Jurisdiction, Custody, Control Over, and Responsibility for the Operation of the Pentagon Reservation to the Secretary of Defense, H.R. 4436, 101st Cong. (1990).

dollars in rent over the following twelve years for the asset's operations, maintenance, and renovation.²⁰ This was the argument for rental funds to be used directly by the DOD for the Pentagon in lieu of paying directly to GSA.

DOD established a formal process and criteria to assess its massive real estate portfolio, with the BRAC process eventually being codified into law.²¹ Volume 1 of the *Base Alignment Closure Report* says, "The Department owns more than 520,000 facilities (buildings and structures), of which about 87 percent are in the United States and territories."²² A 2004 parametric study, which used 1989 data for forces and infrastructure as the base to project future requirements out to 2009, indicated the DOD had a twenty-four percent excess capacity, though it could not determine where the opportunities existed.²³ The BRAC process focused on high-level closures and realignments.

Depending on perspectives, BRAC efforts can be viewed with varying degrees of success or failure. It did result in a reduction of "26 Service installations into twelve joint bases," though the savings were far less than originally estimated.²⁴ DOD's Office of Inspector General highlighted GAO's findings in their report that DOD was projecting savings of 2.3 billion dollars over twenty years; but DOD achieved only ten percent in savings from joint basing, as said in the report, due to a lack of standardization of support and data quality.²⁵ GAO's 2009 *Report to Congressional Committees*, "DOD Needs to Periodically Review Support Standards and Costs at Joint Bases and Better Inform Congress of Facility Sustainment Funding Uses," highlighted that the BRAC effort has not

²⁰ Office of the Secretary of Defense, A Status Report to the Congress on Renovation of the Pentagon, 35.

²¹ Department of Defense, *Base Closure and Realignment Report*, vol. 1 (Washington, DC: Department of Defense, 2005), 2, <https://www.acq.osd.mil/brac/docs/DOD-BRAC-2005-Report-to-Commission.pdf>.

²² Department of Defense, 1:19.

²³ Department of Defense, 1:2.

²⁴ Department of Defense, Office of the Inspector General, *Audit of Department of Defense Joint Bases*, DODIG-2021-094 (Washington, DC: Department of Defense, Office of the Inspector General, 2021), i, 48–49, <https://www.hsdl.org/c/abstract/?docid=855783>.

²⁵ Department of Defense, Office of the Inspector General, 49. Brian J. Lepore, *DOD Joint Bases: Management Improvements Needed to Achieve Efficiencies*, GAO 13–134 (Washington, DC: Government Accountability Office, 2012).

been without challenges given DOD's costs for joint basing are higher than was expected due to new support standards: "airfield operations, grounds maintenance, custodial services, and child and youth programs, and provided 267 standards to define the expected level of service in each area" that were not in place before consolidation.²⁶ The same report drew attention to the impacts of not funding real estate investments at the joint bases, resulting in deteriorated assets and even higher sustainment costs.²⁷ It was also challenging to know if the requirement to share resources influences collaboration across the consolidated services and departments. The DOD faces similar issues as DHS, as they too are attempting to pursue reductions of its real estate footprint while also considering how to improve operations; all the while, ultimately facing challenges in receiving the funding necessary for the DOD to maintain its real estate assets.

2. Public Buildings Reform Board

Incentives assist in enabling change. The Public Buildings Reform Board (PBRB), created by the 2016 Federal Assets Sales and Transfers Act, set out to change the status quo.²⁸ The PBRB works with federal agencies, primarily GSA, to identify high-value assets to dispose of, specifically in order to sell as a way to generate funds. The intention was to motivate agencies to dispose of unneeded assets, while speeding up real property disposal. Instead of being returned to the General Fund, the funds from the sale are managed by the PBRB and, through Congressional appropriation, can be used for future projects, consolidation, and the reduction of the federal real estate footprint.²⁹ The PBRB was established to dispose of multiple assets, with sales proceeds going into their fund.

The PBRB has mixed results. The GAO highlighted in its 2023 report, *Lessons Learned from Setbacks in New Sale and Transfer Process Could Benefit Future Disposal*

²⁶ Brian J. Lepore, Defense Infrastructure: DOD Needs to Periodically Review Support Standards and Costs at Joint Bases and Better Inform Congress of Facility Sustainment Funding Uses, GAO-09-336 (Washington, DC: Government Accountability Office, 2009), 13.

²⁷ Lepore, Defense Infrastructure, 23.

²⁸ Public Buildings Reform Board, "Public Buildings Reform Board."

²⁹ Federal Assets and Sales Transfers Act of 2016, Pub. L. No. 114-287 (2016).
<https://www.congress.gov/114/plaws/publ287/PLAW-114publ287.pdf>

Efforts, that the Board, along with GSA and OMB, successfully sold ten federal properties for a total of 194 million-dollars.³⁰ It also faced challenges in its efforts. GAO's report identified setbacks due to delays in strategy and a limited number of recommendations due to the delays resulting in sales proceeds.³¹ The PBRB's efforts may ultimately be able to influence change in the future by providing funding for federal real estate, and DHS may be able to access funding from this disposal for DHS investments.

3. GSA's Inability to Fully Access the Federal Buildings Fund

The federal government's real property portfolio has significant deferred maintenance costs, as well as new requirements for functional space which exceed the funding it receives.³² Without the funding required to address asset deficiencies or investments for new functional space, the federal government will continue to plan and fund its workspaces individually by agency. This impacts the federal workforce in the form of poor-quality workplaces, potentially hindering the recruitment and retention of high-quality personnel. As the civilian federal landlord, GSA provides federal agencies workspace for mission performance through a portfolio of "365 million rentable square feet of space for one million Federal employees in either federally-owned assets or commercial leases."³³ Federal buildings do receive funding for building renovation and upgrades, albeit less than required, and is often referred to as "repair and alterations" through the Congressionally appropriated Federal Buildings Fund (FBF) and a general agency fund for tenant improvements and for repair and alterations (R&A).³⁴ Figure 1 shows the cumulative deficit to GSA's federally-owned portfolio not receiving the full funding from the revenue they collect.

³⁰ David Marroni, *Federal Real Property: Lessons Learned from Setbacks in New Sale and Transfer Process Could Benefit Future Disposal Efforts*, GAO-23-106848 (Washington, DC: Government Accountability Office, 2023), i.

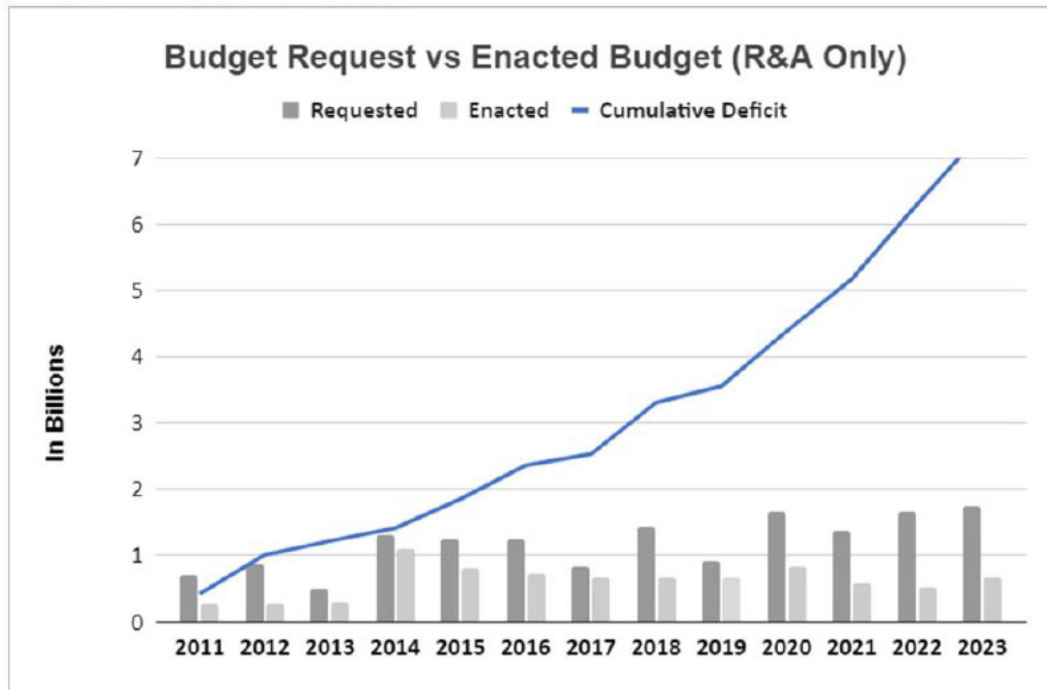
³¹ Marroni, i.

³² General Services Administration, *Annual Budget Requests*, 3.

³³ General Services Administration, *Annual Budget Requests*, 3.

³⁴ General Services Administration, *Annual Budget Requests*, 8.

FBF Funding Trends
Revenue Collected vs. Reinvested



Note: This table represents the Minor and Major R&A budget numbers.

Figure 1. GSA’s Federal Buildings Fund Funding Trends³⁵

GSA’s revenue is based on rent paid by federal agencies to their GSA’s Federal Buildings Fund.³⁶ DHS is impacted by GSA’s struggles given that forty-two percent of the Department’s real estate portfolio is provided through GSA.³⁷ The impact to DHS is further compounded by DHS being GSA’s top customer in terms of rent, with DHS’ 17.2 percent contribution to GSA’s FBF.³⁸ This means that many assets are affected by a lack of funding for renovation or new projects in general.

³⁵ Source: US General Services Administration, 8.

³⁶ General Services Administration, *2020 Agency Financial Report* (Washington, DC: General Services Administration, February 1, 2021), <https://www.gsa.gov/reference/reports/budget-performance/annual-reports/2020-agency-financial-report/managements-discussion-and-analysis/financial-statements-summary-and-analysis/federal-buildings-fund>.

³⁷ Mark Goldstein, *Federal Real Property: DHS Has Made Progress, but Additional Actions Are Needed to Address Real Property Management and Security Challenges*, GAO-07-658 (Washington, DC: Government Accountability Office, 2007), 11.

³⁸ General Services Administration, *2020 Agency Financial Report*.

4. Research Commissioned by the Federal Facilities Council

During one of the interviews conducted for this thesis (methodology discussed below), the author learned that the Federal Facilities Council, an association of twenty-six federal agencies, was tasked by the National Academies of Sciences, Engineering, and Medicine to investigate the management of the federal real property portfolio.³⁹ The National Academies published an April 2023 report titled “Strategies to Renew Federal Facilities.”⁴⁰ This comprehensive resource further discussed the history of funding federal real estate and the government’s ongoing challenges.

The National Academies set out to “address the need for funding for the maintenance, repair, and renewal of aging federal buildings.”⁴¹ They ultimately determined that the primary issue is the renewal or “the extension of functionality beyond its expected service life.”⁴² Their robust study resulted in five recommendations listed in Table 1.⁴³

Table 1. Recommendations for Facility Renewal Strategies 2023 Report from the National Academies of Sciences, Engineering, and Medicine Committee⁴⁴

1. Implement a Federal Facility Asset Management System
2. Implement a Real Property Capital Plan
3. Update the National Strategy for the Efficient Use of Real Property
4. Improve Federal Facility Models, Data, and Measures
5. Implement Federal Facility Renewal Budgeting Strategies

³⁹ “Federal Facilities Council,” National Academies, accessed November 15, 2023, <https://www.nationalacademies.org/our-work/federal-facilities-council>.

⁴⁰ National Academies of Sciences, Engineering, and Medicine, *Strategies to Renew Federal Facilities*.

⁴¹ National Academies of Sciences, Engineering, and Medicine, 1.

⁴² National Academies of Sciences, Engineering, and Medicine, 2.

⁴³ National Academies of Sciences, Engineering, and Medicine, 227–30.

⁴⁴ Adapted from: National Academies of Sciences, Engineering, and Medicine, 227–30.

The fifth recommendation includes specific proposals to access funding through working capital funds, GSA receiving full access to the Federal Buildings Fund, pursuing expedited disposal authority for the FASTA Board, considering public-private partnerships (PPP), and the use of operating leases.⁴⁵ The study finds that “Operating leases require the agency to budget up front the first year’s cost of a lease plus the potential cost to terminate the lease early.”⁴⁶ OMB’s Circular A11, Appendix A—Scorekeeping Guidelines, indicates that operating leases require Congressional approval.⁴⁷ The report highlights the different funding models that are difficult to understand and implement, including the pursuit of an operating lease.⁴⁸ It remains to be seen whether agencies and Congressional decision-makers will implement the recommendations as an avenue for DHS to access funding for real estate reinvestment.

This list, a summary of federal real estate sources, highlights existing sources discovered that relate to the management of federal real estate:

- Acts and Reports associated with DOD’s BRAC and Pentagon transition of ownership from GSA to DOD
- Policy and reports related to DHS’ management of its federal real property portfolio
- GSA FY24 Budget Request and overview of the Federal Buildings Fund
- FASTA and the creation of the PBRB

⁴⁵ National Academies of Sciences, Engineering, and Medicine, 230.

⁴⁶ National Academies of Sciences, Engineering, and Medicine, 97.

⁴⁷ Office of Budget and Management, “Overview of Scoring Legislation,” in *Preparation, Submission, and Execution of the Budget*, OMB Circular No. A-11 (Washington, DC: Office of Management and Budget, 2023), 21–1 thru 21–26, <https://www.whitehouse.gov/wp-content/uploads/2018/06/s21.pdf>; Office of Management and Budget, “Appendix A - Scorekeeping Guidelines,” in *Preparation, Submission, and Execution of the Budget*, Circular No. A-11 (Washington, DC: Office of Management and Budget, 2023), 3, https://www.whitehouse.gov/wp-content/uploads/2018/06/app_a.pdf.

⁴⁸ National Academies of Sciences, Engineering, and Medicine, *Strategies to Renew Federal Facilities*, 97.

- Multiple GAO reports assessing DOD’s BRAC, GSA and DHS’ management of federal real property assets, and the PBRB
- Federal Facilities Council’s tasking of the National Academies’ report titled, “Strategies to Renew Federal Facilities”

The management of federal real estate and funding is a major concern for federal agencies and Congress, with keen interest from the private sector. The above summary of strategies previously used (and currently available) for federal agencies to draw upon include the DOD’s BRAC initiative, the PBRB created by FASTA, and GSA’s effort to gain full access to the FBF. However, these efforts have encountered mixed results, with challenges in achieving projected savings, maintenance and operational issues, and insufficient funding for renovation and new projects. The National Academies’ research findings highlighted their recommendations, which aim to improve federal real estate efficiency, reduce excess capacity, and optimize funding.

D. OVERVIEW OF PRESSURE ON THE DHS PORTFOLIO AND COLOCATION PURSUITS

Workplaces are typical across industries, with a variety of building types, including office buildings, warehouses, or mixed-use facilities in cities across the globe housing private industry. The same is true across the government in federal buildings, DOD facilities, and DHS component locations. As the civilian federal landlord, GSA has federal buildings and commercial leases in nearly every major U.S. city, delivering services to the American people.⁴⁹ GAO’s 2007 report, *Federal Real Property: DHS Has Made Progress, but Additional Actions Are Needed to Address Real Property Management and Security Challenges*, indicates DHS’ real estate portfolio is made up of forty-two percent of space provided by the GSA.⁵⁰ GSA epitomizes colocation, with various agencies occupying the buildings, as well as sharing lobbies, cafeterias, and conference room spaces. DHS

⁴⁹ “GSA Properties,” US General Services Administration, September 14, 2023, <https://www.gsa.gov/real-estate/gsa-properties>.

⁵⁰ Mark Goldstein, *Federal Real Property: DHS Has Made Progress, but Additional Actions Are Needed to Address Real Property Management and Security Challenges*, GAO-07-658 (Washington, DC: Government Accountability Office, 2007), 11.

Components operate out of properties they control, as well as out of GSA federal buildings and GSA-provided commercial leases.

1. Colocation of DHS Components

Colocation as a concept is foundational to the DHS as an organization to deliver on its mission. The *9/11 Commission Report* referenced the DOD Goldwater Nichols Act and its application to homeland security, highlighting the need for increased partnering across the federal government and law enforcement and calling for unity of effort across the foreign-domestic divide, the intelligence community, information sharing, and the U.S. Congress.⁵¹ Unity of effort refers to coordination and communication across components. The Homeland Security Act of 2002, Section 706, specified the consolidation and colocation of DHS agencies (or components).⁵² Unity of effort would include colocation, as it is “the sharing of spaces, buildings, property, or other physical assets by components,” as well as consolidation, which is “the merging of organizational functions.”⁵³ While a single Department was created as DHS, each of the twenty-two agencies that merged under the DHS umbrella continued to operate independently, with separate authorities and funding, which made a complicated web of Congressional committees, policies, and procedures.⁵⁴ While the agency components were re-organized into one Department by title, as well as instructed that they must work together, the existing government substructures of committees and funding were left disjointed in their operations. An overview of the DHS is available from the Congressional Research Service.⁵⁵ See Appendix A for information related to DHS and associated information related to its workplace and planning.

⁵¹ National Commission on Terrorist Attacks Upon the United States, *The 9/11 Commission Report* (Washington, DC: National Commission on Terrorist Attacks Upon the United States, 2004), <https://9-11commission.gov/report/>.

⁵² Homeland Security Act of 2002, Pub L. No. 107-296, 116 Stat. 2135 (2002), <https://www.dhs.gov/homeland-security-act-2002>

⁵³ Lawson, Bersin, and Kayyem, *Beyond 9/11*, 50.

⁵⁴ Lawson, Bersin, and Kayyem, 43.

⁵⁵ William L. Painter, *The Department of Homeland Security: A Primer*, CRS Report No. R47446 (Washington, DC: Congressional Research Service, 2023), <https://crsreports.congress.gov/product/pdf/R/R47446>.

The expectation of colocation was part of the creation of the DHS. Congress intended the component offices to consolidate, as specified in Section 706 of the Homeland Security Act: “the Secretary shall develop and submit to Congress a plan for consolidating and colocating—(1) any regional offices or field offices of agencies that are transferred to the Department under this Act, if such officers are located in the same municipality; and (2) portions of regional and field offices of other Federal agencies, to the extent such offices perform functions that are transferred to the Secretary under this Act.”⁵⁶ During this research, it was not confirmed if this section of the Act resulted in any component agencies consolidating physical offices in the field.

It is not easy to conjure up an image of what a colocated workplace could look like and how the sharing of spaces would function, and any vision is likely to be different for every person. The DHS Office of the Chief Readiness Support Officer (OCRSO), in partnership with GSA, Gensler (a global architecture, design, and planning firm), and Eiger (an architectural visualization and visual effects firm), developed an architectural concept video to aid operators and executives in visualizing how the concept could work.⁵⁷ The generic location provides an example of a campus to show what is possible for colocation in the field.

2. Cost and Time Factors

While DHS’ mission focus can change and surge quickly, the federal real estate acquisition process is lengthy, with the phrase “real estate does not turn on a dime” often used to describe frustration with the steps involved in obtaining space. As a bureaucracy, the federal government has an extensive real estate process which can be challenging for

⁵⁶ Homeland Security Act of 2002.

⁵⁷ DHS, GSA, Eiger & Gensler, “DHS Mission Support Facilities,” video, 2:29, YouTube, April 14, 2021, <https://www.youtube.com/watch?v=aGxNdWuxmlc>.

both building owners and government practitioners.⁵⁸ Albeit, this is done with good intentions—to ensure accurate requirements, promote competition, and for the best price for the government.

People are necessary to carry out their respective missions, and without them, no amount of space or equipment could replace them and ensure the mission’s completion. While technology and Artificial Intelligence (AI) may influence mission performance in the coming years, people are still the most important asset. Within DHS, personnel costs reflect the importance of that asset. Per OMB’s *Fiscal Year 2022 Object Class Analysis* and *Budget of the U.S. Government*, personnel compensation and employee benefits are one of the highest expenditures at 37.4 billion-dollars in actual obligations for FY22; this cost is surpassed only by grants and subsidies at 41.2 billion-dollars.⁵⁹ The FY22 figures are referenced, given they are actual numbers, instead of estimates. The table below was created using DHS’ “Obligations by Object Class,” the method of grouping types of financial obligations.⁶⁰ Table 2 shows the breakdown of types of personnel costs, consisting of salaries and benefits, compared to real estate expenditures.

⁵⁸ “Purchasing and Selling Real Estate: State and Local Government Toolkit,” Thomson-Reuters Practical Law, accessed July 15, 2023, [https://content.next.westlaw.com/practical-law/document/I3117b3c89d3211e598dc8b09b4f043e0/Purchasing-and-Selling-Real-Estate-State-and-Local-Government-Toolkit?viewType=FullText&transitionType=Default&contextData=\(sc.Default\)](https://content.next.westlaw.com/practical-law/document/I3117b3c89d3211e598dc8b09b4f043e0/Purchasing-and-Selling-Real-Estate-State-and-Local-Government-Toolkit?viewType=FullText&transitionType=Default&contextData=(sc.Default)); Paul A. Martin, Michael Boulden, and Suzanne Reifman, “Federal Government Leasing: Look before You Leap,” Mondaq, September 21, 2011, <https://www.mondaq.com/unitedstates/landlord--tenant---leases/146070/federal-government-leasing-look-before-you-leap>.

⁵⁹ Office of Management and Budget, *Object Class Analysis: Budget of the US Government, Fiscal Year 2024* (Washington, DC: The White House, 2023), 13, https://www.whitehouse.gov/wp-content/uploads/2023/03/objclass_fy2024.pdf.

⁶⁰ Office of Management and Budget, 1.

Table 2. DHS FY22 Budget Actuals for Personnel vs. Real Estate Costs⁶¹

Personnel Vs. Real Estate Costs

DHS FY22 Budget Actuals

by Object Class (in millions of dollars)

Object Class	Amount
11.1, 11.3, 11.5, 11.6, 11.7, 11.8, 12.1, 12.2, & 13	\$ 37,447
Total expenditures related to personnel \$ 37,447	

Rental payments to GSA and others (23.1 & 23.2)	\$ 1,978
Operation and maintenance of facilities (25.4)	\$ 3,026
Land and structures (32)	\$ 1,407
Total expenditures related to real property \$ 6,411	

With information from OMB’s FY22 *Object Class Analysis and Budget*, Table 2 illustrates that while real estate costs approximately \$6.4 billion dollars annually and is a significant investment for the Department, DHS’ personnel costs are nearly six times that amount. Ensuring that the people of DHS, its most important asset, can work within their spaces effectively maximizes both investment streams.

3. Headquarters vs. Field

DHS HQ in Washington, DC, has significant differences from the other offices in the field; primarily, it is smaller in size, as seen in the charts based on data provided by DHS’ Consolidated Asset Portfolio and Sustainability Information System (CAPSIS), as shown in Figure 2. Figure 2 compares the relative makeup of locations between DHS in the field and HQ, along with a percentage breakdown of gross square footage and personnel. Given the geography, it is unsurprising that the field is larger on all accounts than HQ.

⁶¹ Adapted from: Office of Management and Budget, *Object Class Analysis: Budget of the US Government, Fiscal Year 2024* (Washington, DC: The White House, 2023), 13, https://www.whitehouse.gov/wp-content/uploads/2023/03/objclass_fy2024.pdf; Source: Melissa Hager.

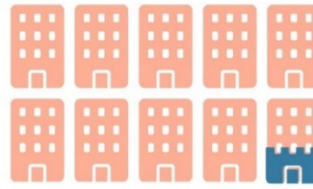
HQ offices within the federal government are administrative, providing field offices with centralized policy and budget support.⁶² For the federal government and DHS specifically, the Washington, DC, office provides departmental oversight. Agency headquarters personnel can connect with OMB and Congress stakeholders at HQ. Given the size of the country, and the fact that HQ serves as a support function for practitioners in the field by providing policy, guidance, and mission support, the large footprint of real estate in the field versus HQ makes sense. HQ activities may be performed in administrative spaces or even remotely, with some federal employees benefiting from telework, given the adjustments made within the federal government in response to the COVID-19 pandemic.

Regarding colocation, the DHS HQ does more space sharing in the National Capital Region than in the field offices. In Figure 2, data is visualized to show that, though HQ is only 2.8 percent of total DHS real property, they have twenty percent colocation, while field offices have an average of eleven percent colocations (one or more components sharing the space). Beyond locations that serve as front-facing operations (i.e., airports, land ports, etc.), there may be other opportunities to explore in sharing functional spaces in the field.

⁶² David Shepardson, “White House Asks Agencies to Step up Workers’ Return to Offices,” *Reuters*, April 13, 2023, <https://www.reuters.com/world/us/white-house-tells-agencies-reconsider-in-person-government-work-plans-2023-04-13/>.

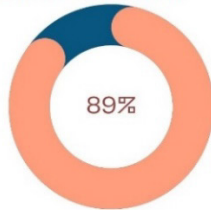
BUILDINGS

DHS' National Capital Region (NCR) makes up only 2.8% of all Department of Homeland Security building locations across the country



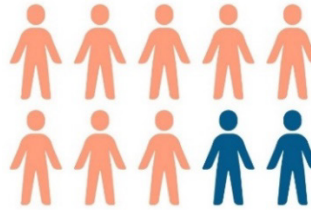
SQUARE FOOTAGE

89% of the Department's gross square footage is located outside of the NCR



PERSONNEL

80% of the Department's personnel are assigned outside the NCR



NCR

Field

COLOCATION

20% of NCR or HQ locations house one or more components versus 11% of the field sharing a location.

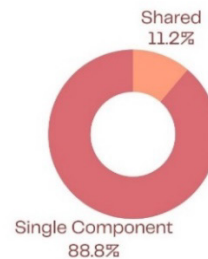
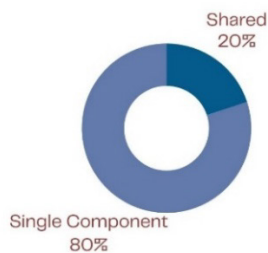


Figure 2. Comparison of DHS HQ, the National Capital Region, to U.S. Field Locations⁶³

Beyond the functionality of space, cost is a constant consideration for government facilities, both in rent and in the cost of construction. Administrative spaces are relatively less expensive to construct than unique mission spaces, given that administrative offices generally consist of an open floor plan with cubicles, closed offices, conference and

⁶³ Adapted from: DHS's Consolidated Asset Portfolio and Sustainability Information System (CAPSIS) data not publicly available; FY2023 data, made possible by DHS OCRSO (the author's employer); Source: Melissa Hager.

meeting rooms, and a copier and break room spaces. The GSA's 2011 Cost Per Person Model found that the cost of accommodating the average federal employee ranges from ten to fifteen thousand-dollars per person annually.⁶⁴ The study looked at typical offices and did not consider law enforcement or specialized spaces. It suggested the costs for DHS components' functional mission spaces would be much higher than the 2011 cost model estimate. Specialized law enforcement spaces, for example, include secure communications rooms, evidence storage, holding, processing, and ammunition and weapons storage. Comparing administrative spaces with mission spaces reveals that the latter's requirement for enhanced security and fortified construction makes them more intricate, and costly to build and modify in the future. Sharing space types would save resources since it would reduce the duplication of costly construction. It would also provide access to practitioners who may not have access to certain space types and allow for collaboration across operations.

Understanding the composition of the Department's real estate footprint, in addition to components working in proximity for increased operational coordination, with the potential for sharing component workspaces, including both administrative and mission spaces, could facilitate the expansion or contraction of operations across and within the Department over time as it responds to the changing homeland security mission. Over the last 18 years since the creation of the department, operational components have been re-organized and moved, forming new components or rearranging a component's place in the department's structure. Colocating and sharing spaces could enable these expansions and contractions to occur within an existing facility as DHS responds to the evolving homeland security mission.

The literature review can be summarized as existing sources relevant to federal real estate, and pressure on the DHS portfolio. The management of federal real estate and funding is a major concern for federal agencies, Congress, and the private sector. Sources identified include the DOD's BRAC initiative, the PBRB created by FASTA, and GSA's

⁶⁴ US General Services Administration, *Workplace Utilization and Allocation Benchmark* (Washington, DC: General Services Administration, 2011), 20, [https://web.archive.org/web/20221020161623/https://www.gsa.gov/cdnstatic/Workspace_Utilization_Benchmark_July_2012_\(1\).pdf](https://web.archive.org/web/20221020161623/https://www.gsa.gov/cdnstatic/Workspace_Utilization_Benchmark_July_2012_(1).pdf).

effort to gain full access to the FBF. The federal government has encountered mixed results, with challenges in achieving projected savings, maintenance and operational issues, and insufficient funding for renovation and new projects. Another discovery made was the National Academies' research findings, which highlighted their recommendations intended to improve federal real estate efficiency, reduce excess capacity, and optimize funding.

When looking at DHS' portfolio, it was discovered that DHS' portfolio has an annual spend of approximately 6.4 billion dollars. Most of DHS' personnel and assets are located in the field, and yet more space sharing appears to occur primarily in the NCR. The literature review compiles and summarizes the existing research related to DHS and the management of their federal real estate to understand what is currently known and what gaps may exist to guide this paper's research. The focus on colocation, consolidation, and real estate shows that there is room for improvement in all DHS field offices, as well as HQ. More detailed information on DHS as an organization and federal real estate policies is available in Appendices A and B.

E. RESEARCH DESIGN

Seeking to build off the exploration in the literature review by pursuing primary research became the main goal of this thesis. Conducting a research project in the author's field—support to the homeland security mission and enterprise—presented a unique opportunity to engage current subject matter experts and policymakers responsible for leading and managing the DHS portfolio. As a result, the primary researcher (the author) reached out to senior executives of the Department, its components, and the GSA, given their partner role as the primary real estate service provider. The intent was to obtain qualitative data to determine how funding is an issue and whether it impacts the mission—as asked in the research question—and curate ideas for improving the management and funding of DHS' portfolio to benefit its personnel in the field.

To go forward with the interviews, a Determination Request Form was submitted to the Naval Postgraduate School's (NPS) Institutional Review Board (IRB), given that the research design proposes data collection from stakeholders. As of May 3, 2023, the

research design proposal was determined not to meet the human subject definition of “research,” defined under the Code of Federal Regulations (CFR) at 32 CFR 219; therefore, the research could proceed. The methodology for the primary research is a standardized, individual interview and a focus group, both with federal government subject matter experts, specifically from the DHS and GSA.

F. ORGANIZATION

This thesis is divided into three remaining chapters. Chapter II details the methodology of the primary and secondary research, and why the research was approached in that way. Chapter III analyzes the data received during the interviews and focus group sessions conducted with the senior federal executives from DHS (and its components) and the GSA, who are all subject matter experts. The thesis ends with Chapter IV, which contains this paper’s findings, recommendations, and a discussion about the limitations to this research; thus, concluding with detailed suggestions for future research, and why this subject needs more attention.

There are a total of four appendices. The first two, A and B, provide background details; Appendix A discusses the Department as an organization, emphasizing the complexity of the components and the culture they operate within, and Appendix B offers a foundational overview of federal real estate policy. These resources provide an introduction for practitioners new to the processes of workspace acquisition by DHS and the federal government, and offer an overview aimed at helping those managing federal real estate understand the complexities in planning workplaces due to DHS’ size, structure, and evolving mission. They are designed to facilitate insight into the intricate dynamics of federal workspace planning.

The last two appendices, C and D, comprise the interview and focus group information. For transparency, each appendix is provided in the order of the questions or activities. These four appendices provide the reader with the context of the problem space, along with transparency of the information gathered.

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II. RESEARCH METHODOLOGY

Chapter I examined the challenges DHS encounters in managing its real property inventory, and therefore, supplying operators with suitable space for executing their missions. These interrelated issues are connected in answering the question of how the DHS can more effectively fund real estate investments.

Although it would have been possible to solely use existing literature related to federal real estate for the research, it was more crucial to gather input from across DHS and GSA leadership, those with knowledge and experience in managing and controlling the federal inventory. It is a belief that a path for change can be identified through the collaborative efforts of this team of experts, unlocking the potential for what is possible to improve and change how buildings are managed, for the betterment of work spaces for employees.

Initially, the paper set out to explore the answers to questions such as, “Which frameworks or a combination are most appropriate for DHS to consider for real estate colocations and consolidations?” and “Which of those could apply to DHS colocation and consolidation considerations?” as well as “Moreover, do certain frameworks provide an appropriate structure for stakeholders and practitioners when considering the best path for selection and implementation?” However, it was soon realized that focusing on colocation was too narrow of a problem statement, and this was a bias, showing an assumption that colocation was the issue. As questions were prepared for the interviews, it was also realized that even the questions were too limited in scope and leaned toward predicting the results of the replies. Therefore, the research question was modified to be broader to allow for more space in the discussion. This is how the thesis settled into “How can the DHS more effectively fund real estate investments?” as its main question. The context of the question considers GSA as they provide DHS with forty-two percent of the DHS portfolio.⁶⁵

⁶⁵ Mark Goldstein, *Federal Real Property: DHS Has Made Progress, but Additional Actions Are Needed to Address Real Property Management and Security Challenges*, GAO-07-658 (Washington, DC: Government Accountability Office, 2007), 11.

A. INTERVIEWS

For this primary research, personnel at DHS and GSA were consulted to identify executive sponsors and stakeholders based on appropriate leadership roles within DHS, components, and GSA who could provide answers as to how DHS could more effectively fund real estate investments, as these government leaders set policy and make real estate decisions. Their input could provide the insights necessary for transforming the Department's approach. These individuals included senior executives from the DHS, its components, and GSA. Initially, personnel from the OMB and Congressional representatives were also going to be included, but this was not possible given the time available to complete the research and write the thesis to graduate by December 2023. Ultimately, the sixteen participants are broken down into groups as follows in Table 3:

Table 3. Summary of Interview Participants by Group⁶⁶

Group	Number of Respondents
DHS OCRSO	6
Components: CBP ICE FEMA USCIS USCG	5
GSA	5
TOTAL	16

⁶⁶ Source: Melissa Hager; created from primary research interviews, conducted between May 31, 2023 and September 6, 2023.

DHS OCRSO is the Department's Office of the Chief Readiness Support Officer, the Department's senior real property authority.⁶⁷ The Components that participated in the interviews included the CBP, ICE, Federal Emergency Management Agency (FEMA), USCG, and U.S. Citizenship and Immigration Services (USCIS). The objective was to hear from various Components, as they each have a diverse mission set (as described in William Painter's *DHS Primer* and further discussed in Appendix A).⁶⁸ Interviews were chosen to obtain qualitative data from subject matter experts, as it would allow respondents to share additional insights on their responses and clarify any questions regarding what was being asked. The interview consisted of eight structured questions, with a final open-ended question inquiring what question should have been asked.

As part of the introduction and overview of the thesis, the author shared with them that this paper had set out, initially, to explore the colocation of DHS components. Using an "elevator pitch," or summary of this thesis project, the process helped to efficiently and effectively describe the research plans to the participants. The visual of this thesis' elevator pitch is shown in Figure 3. This elevator pitch was a good initial stage of development for helping people understand colocation and the research project; it also helped in firmly establishing and understanding the paper's ultimate intentions while in the thick of research. The respondents were told their contributions would be confidential and that the information would be reported in the aggregate. No one's names are shared, and the data is complete at this stage. The questions and a summary response are listed in Appendix C.⁶⁹

⁶⁷ Department of Homeland Security, *Real Property Capital Plan*, 21.

⁶⁸ William L. Painter, *DHS Budget Request Analysis: FY2024*, CRS Report No. R47496 (Washington, DC: Congressional Research Service, 2023), <https://crsreports.congress.gov/product/pdf/R/R47496>.

⁶⁹ Information about raw data from individual responses is available from the author.



Figure 3. Visual of Hager's CHDS Thesis Elevator Pitch⁷⁰

⁷⁰ Source: Melissa Hager, created in Canva.

B. FOCUS GROUP SESSION

Shortly after all interviews were complete, an invitation was extended to participants, resulting in six individuals participating in a one-hour, in-person focus group session on Wednesday, September 20, 2023, in Washington, DC. The attendees represented these organizations: one person from DHS HQ, two from GSA, and three from different DHS Components. The agenda, as shared with participants, is provided in Appendix D.

The focus group session began with the meeting agenda: to gather participants' insights for this master's thesis for the Center for Homeland Defense and Security. The research centered on the question "How can the DHS more effectively fund real estate investments?" The GSA and DHS (and its components) were the focus of exploration for this paper. The thesis aims to explore how can the DHS more effectively fund real estate investment, and will therefore explore the tension between federal agencies, their budgets, their need to reduce space and colocate for cost, finding resource savings, as well as the historical lack of support and funding for such colocation projects. There were also examples of exceptions: projects which receive sufficient funding. These examples offered opportunities for lessons learned or identification of best practices. The notable exceptions include the DHS HQ at St. Elizabeths campus and the DOD's joint basing, especially given that the DOD possesses significant land nationwide. Attendees for the focus group were expressly sought out to allow them to build on their interview input. The intent was to access the participants' expert knowledge of the policies and processes that shape federal real estate investments.

Then, there was time for participant feedback. The "how to fund real investments" exercise, expressed as a "mad creativity" exercise, required each participant to write down two ideas on a separate sheet of paper, leaving a blank space below each idea.⁷¹ Those two ideas were to answer the question, "How can we fund federal real estate projects?" The

⁷¹ Marianne Taflinger, "Mad Creativity" (workshop, Center for Homeland Defense and Security, Naval Postgraduate School, Potomac, MD, June 13, 2022).

result of this exercise and the details shared by the executives in the subsequent collaborative discussion are provided in detail in Appendix D.

C. USE OF ARTIFICIAL INTELLIGENCE TO ASSIST IN ANALYZING RESPONSES

The population size for this research is relatively small: sixteen participants for the interviews and six for the focus group (participants from the initial interviews). That said, there was a mountain of qualitative information to analyze, given that most of the questions were open-ended, with no limit to the response length. Approaching the interviews this way provided robust input, but presented challenges in analyzing the large volume of qualitative data. With the advent of AI Large Language Model (LLM), technology was used to perform text summarizations and comparisons that would have taken far longer if conducted by hand. ChatGPT became available in November 2022 and has since been updated with ChatGPT4, a version requiring a paid subscription.⁷² ChatGPT4, as a tool, has a more straightforward user interface which provides text summaries without requiring the author to learn a coding language.

The choice to use AI was not made lightly. This paper's thesis advisers were consulted, as well as NPS's guidance was sought on how to use this groundbreaking tool academically and with best research practices.⁷³ ChatGPT4 was chosen to assist in the qualitative analysis of the interview questions, specifically for its text summarization abilities. Before this decision was made, the same prompts for ChatGPT4 were also run through a second alternative called Hai. Hai is Stanford University's AI platform, and was used on the Slack platform hosted by NPS's CHDS information technology system.⁷⁴ ChatGPT4's enabled history setting was turned off to ensure the queries were not saved by

⁷² Sabrina Ortiz, "What Is ChatGPT and Why Does It Matter? Here's What You Need to Know," ZDNET, September 15, 2023, <https://www.zdnet.com/article/what-is-chatgpt-and-why-does-it-matter-heres-everything-you-need-to-know/>.

⁷³ Scott S. Gardner, "NPS Interim Guiding Principles for Use of Generative Artificial Intelligence (AI) Tools" (Monterey, CA: Naval Postgraduate School, March 15, 2023), <https://nps.edu/documents/106660594/140848999/Interim-Guidance-on-Generative-AI-3.15.23+Memo.pdf/9cde404a-b369-d959-ef26-74832a7b429b?t=1678990400801>.

⁷⁴ "Home," HAI Stanford University Human-Centered Artificial Intelligence, accessed October 21, 2023, <https://hai.stanford.edu/>.

ChatGPT4 and handled appropriately. The Hai platform within CHDS also had this feature turned off.

The input was categorized by group when entered into ChatGPT4: organized according to each question, and combined with the prompts and receipt of AI-generated responses. The coding by groups allowed the researcher to review the responses provided to ensure accuracy. By using this coding, it became clear that Hai was not tracking one group to the next for a single question; this outcome meant that Hai could possibly generate inaccurate generalizations. Therefore, ChatGPT4 was chosen as the tool for running each text summarization and comparisons as it temporarily stored the text from one group to the next by question, even with disabling the chat history feature. Specific queries conducted for each question are available in Appendix C.

Each ChatGPT4 query was recorded for transparency in using the AI tool for text summarization, given that it is a relatively new technology. A test was also run by Jeremy Roush, an AI expert contracted through CHDS, to ensure the prompts and information exchanged were not exceeding the number of tokens, a unit of measure of information exchanged in the iterative chats, currently limited to 8,000.⁷⁵ The author used her professional experience and judgment to review each of the summaries to compare their validity to the interviewee responses received to confirm they aligned with what was heard during the interviews and prepared in the pre-interview notes. These actions intend to create confidence in the findings for the interview and focus group qualitative analysis.

The first group of respondents was from DHS' OCRSO, referred to as DHS HQ in the analysis. The Chief Readiness Support Officer is the senior official responsible for the Department's real property portfolio, with responsibilities delegated to operational components guided by departmental policies and processes.⁷⁶ In this role, executives at

⁷⁵ A test for token usage on a sample query was performed by Jeremy Roush, AI expert and contractor with CHDS. "Welcome to the OpenAI Developer Platform," OpenAI developer platform, accessed October 27, 2023, <https://platform.openai.com>.

⁷⁶ Department of Homeland Security, *Real Property Management Program*, DHS Directive Number: 119-02 (Washington, DC: Department of Homeland Security, 2012), https://www.dhs.gov/sites/default/files/publications/mgmt/administrative-management/mgmt-dir_119-02-real-property-management-program_revision-00.pdf.

the OCRSO have the unique vantage point across DHS operational components and an understanding of federal real property policies, including assets managed by the GSA. The OCRSO is committed to ensuring compliance while promoting uniformity and seeking enhancements to boost efficiency and effectiveness.⁷⁷

The second group consisted of representatives from five operational components from within the Department, specifically individuals serving roles involved in the management and control of component real property portfolios. Those Components were the CBP, USCIS, FEMA, ICE, and the USCG. In 2007, GAO's Report, *DHS Has Made Progress, but Additional Actions Are Needed to Address Real Property Management and Security Challenges*, provided data as to the distribution of the DHS real property portfolio. The five Components that participated in the research for this thesis comprised approximately 81.5 percent of the DHS portfolio.⁷⁸ Obtaining input from the Department's operational components was crucial to understanding the material issues related to the management of the DHS portfolio of assets, as well as discovering the associated opportunities for improvements.

The third and final group comprised of executives from the GSA, the civilian government's real estate provider. As mentioned earlier, the GAO indicates that, as of 2007, GSA provides the DHS with approximately forty-two percent of DHS' space either through federally owned buildings or commercial leases.⁷⁹ GSA is an essential partner in navigating real property policy.

Prompts used in ChatGPT4, along with the AI-generated responses from the interviews and focus group session, are provided in Appendices C and D.

D. LIMITATIONS TO PRIMARY RESEARCH

A single graduate student pursued this thesis. Leedy and Ormrod's book *Practical Research: Planning and Design* suggested steps to obtain reliable data when the

⁷⁷ Department of Homeland Security, 2.

⁷⁸ Goldstein, *Federal Real Property*, 18.

⁷⁹ Goldstein, 16.

“researcher as an instrument” is used for data collection.⁸⁰ The steps they identified were being aware of bias, looking for inconsistencies in data, using multiple forms of data, seeking out diverse opinions, and taking care of how data was managed during collection and analysis.⁸¹ To support this effort, the author conducted secondary and primary research to seek diverse input. For the interviews, the questions were framed in different ways, in order to look for irregularities in responses. As part of the text summaries, the original written responses were retained, and then electronically recorded. The data prompts were input to produce the AI-generated responses from ChatGPT4, and the results were watched for consistency in those responses. In this primary research, these steps were important to take given that the qualitative data obtained would be used to identify potential solutions to improve DHS’ ability to overcome federal real property challenges. It was an academic goal for this primary research to be viewed (and potentially used) as a resource for future projects.

Leedy and Ormrod also asserted that it is crucial to acknowledge human bias as a factor in research.⁸² As a regional coordinator for DHS’ Regional Mission Support Division, the author and primary researcher serves in a mission support role within the homeland security enterprise, specifically working out of OCRSO. Managing DHS’ real property is considered a mission support function. The author has thirty-three years of experience in various mission support roles; twenty-seven of those years were at the GSA and six years (at present) with DHS, and participates in studies and regional planning efforts for DHS component workplaces. It is acknowledged that there is a perception, in the field, that the author has a subjective perspective with a tendency toward the pursuit of colocation opportunities, which are intended to improve mission operations while saving taxpayer resources.

⁸⁰ Paul D. Leedy and Jeanne Ellis Ormrod, *Practical Research: Planning and Design*, 12th ed. (New York: Pearson, 2019), 239.

⁸¹ Leedy and Ormrod, 239.

⁸² Leedy and Ormrod, 2–3, 47, and 239.

The author was involved in two significant planning efforts for Seattle, Washington, and San Diego, California.⁸³ Those efforts included workplace studies for colocation and consolidation of components while providing appropriate mission spaces and access to shared training spaces. The Seattle effort subsequently included a feasibility study for an underutilized GSA property in the industrial section of Seattle, south of the downtown.

Leedy and Ormrod also recommended having multiple coders and analyzers to minimize data interpretation bias.⁸⁴ This would have been advantageous for analyzing the interviews and focus group responses, instead of relying solely on the author and primary researcher herself. It is recommended to have more than one researcher, given the wide range of data (even with a small pool of participants); additional help with the coding and analysis would have been beneficial. The participants involved in the thesis interviews and focus group also brought their own subjective perceptions to the table, specifically viewing the problem from their organization's perspective. It is essential to be aware of this natural tendency.⁸⁵ This understanding is why diverse perspectives were sought for differing opinions and why generative AI was used for text summarization.

In summary, the primary research consisted of interviews and focus group with DHS and GSA subject matter experts, and that research had limitations due to time and bias. Steps were taken to reduce the impacts of those limitations, especially through the care in handling participant responses and the analysis. The interviews and focus group data, along with the questions and prompts used in ChatGPT4 along with the corresponding AI-generated summaries, are available in Appendices C and D.

⁸³ Department of Homeland Security, *Real Property Capital Plan*, 11; House Homeland Security Committee, *Streamlining the Department of Homeland Security's Overhead Will Make the Homeland Safer: Minority Staff Report* (Washington, DC: Congress, 2016), 7, <https://www.hsdl.org/c/abstract/?docid=794681>.

⁸⁴ Leedy and Ormrod, *Practical Research*, 2–3, 47, and 239.

⁸⁵ Leedy and Ormrod, 356–57.

III. ANALYSIS OF RESEARCH

This thesis sought to answer the research question as to how DHS can fund real estate investments more effectively. During the primary research, the discussions sought to learn what subject matter experts see as the challenge and how they would change the management of DHS and federal real estate to fund those investments more effectively. Specifically, the problem was defined because federal agencies are expected to reduce space and colocate to save money and resources. It was also acknowledged that historically, colocation projects in the field have not received support or funding. The participants represented multiple DHS Components, DHS HQ, and GSA. As a large organization with multiple complex and complicated missions, DHS has a sizable real property portfolio intended to enable operations. Therefore, DHS must be aware of costs, efficiencies, and the impact the portfolio has on component mission effectiveness. Unfortunately, there is a disconnect between the funding received and what is needed in the field offices, and without proper guidance to consolidate.

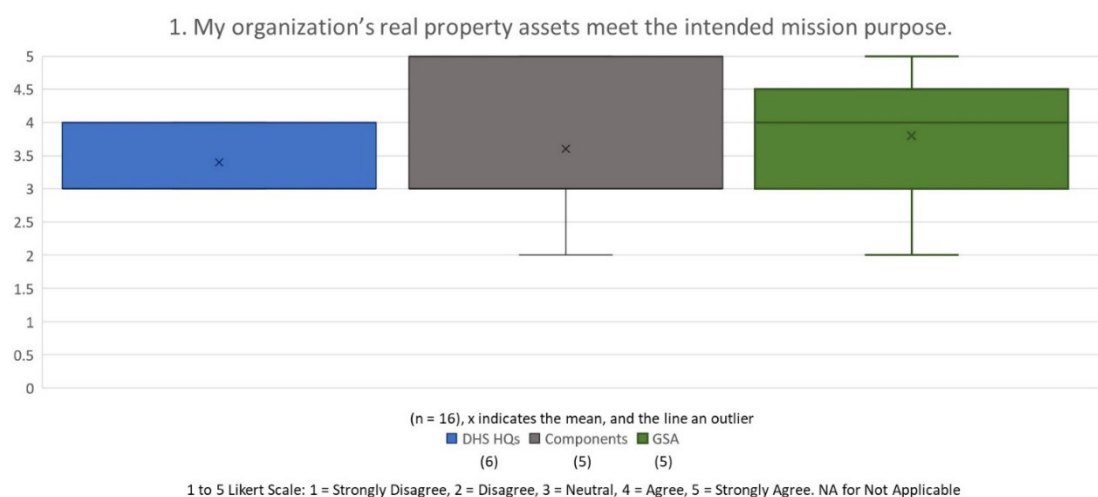
A. INTERVIEWS

As discussed in Chapter II, the research methodology section, nine questions related to the problem space were posed to those responsible for managing and controlling DHS' real property portfolio. Eight questions were planned, and the final question was open-ended, asking each participant what question should have been asked. Interviews were conducted via video conferencing. AI was used as a secondary resource to summarize the responses to the interview questions. Prompts were used within ChatGPT4 to compare responses by group and across the groups. (Those can be found in Appendix C.) For the data analysis, the author reviewed all responses and summaries to find patterns of commonality and differences which will be highlighted below.

The first three questions were statements assessing each respondent's level of agreement using a Likert scale with numerical values: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree, and NA = Not Applicable. Their responses are

charted as box-plot charts.⁸⁶ These questions were intended to provide a foundational understanding of the group’s perceptions of mission performance, asset financial performance, and receipt of appropriate funding to maintain federal real property assets. These were the only quantitative questions asked. The first question’s results are shown in Table 4. The first question asked, “My organization’s real property assets meet the intended mission purpose.”

Table 4. Box-Plot Chart of Interview Q1 Responses⁸⁷



The second question’s results are shown in Table 5. The second question asked if “The assets within my organization’s real property portfolio perform financially.” This table’s raw data was deemed less pertinent for this paper.

⁸⁶ Brian Stipak, “Boxplots,” PA 551 Analytic Methods 1 [PSU Course], accessed October 16, 2023, <https://web.pdx.edu/~stipakb/download/PA551/boxplot.html>.

⁸⁷ Source: Melissa Hager; between May 31, 2023 and September 6, 2023, Hager conducted a nine-question interview. This is the graphic she created in PowerPoint to visualize Question 1.

Table 5. Box-Plot Chart of Interview Q2 Responses⁸⁸

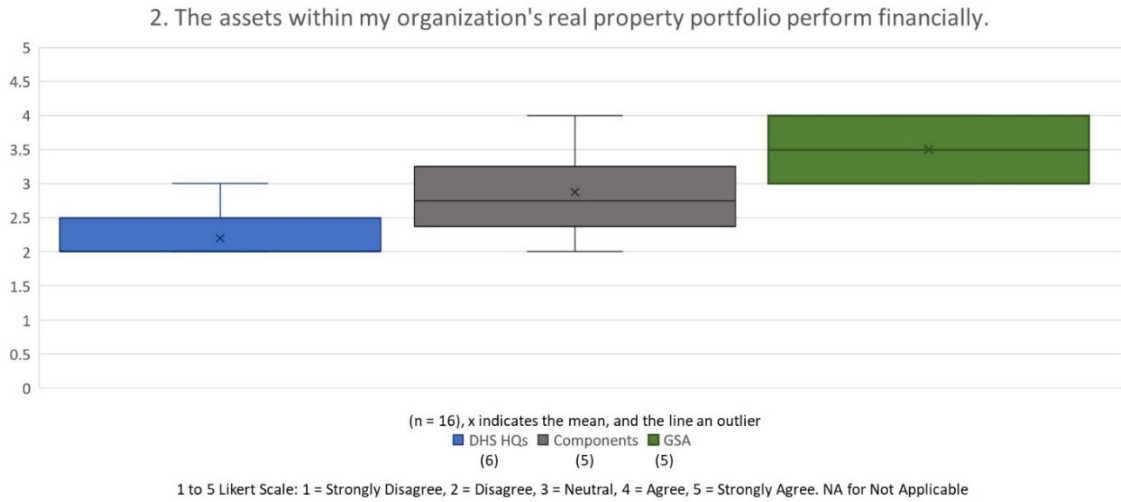
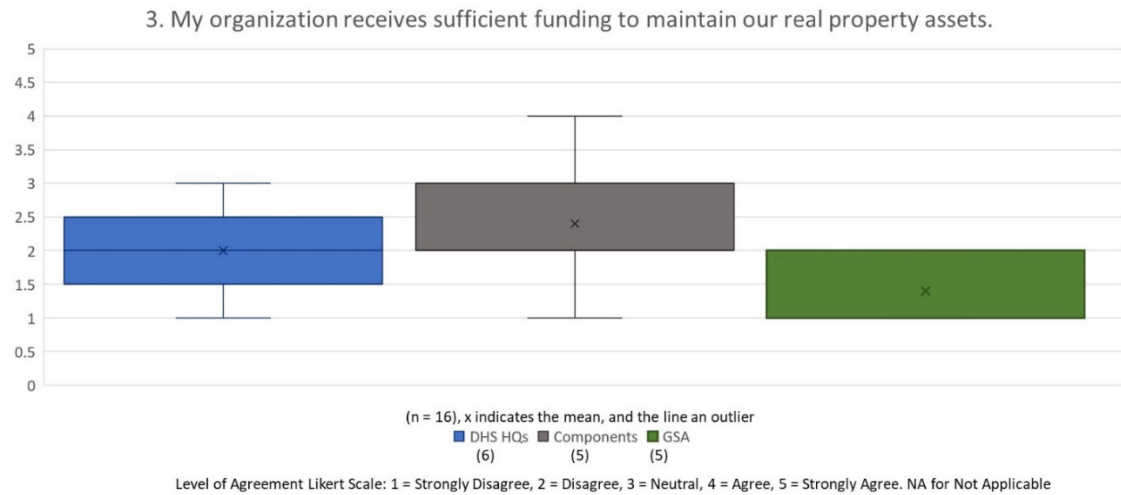


Table 6 shows the results of the third question, which asked if “My organization receives sufficient funding to maintain our real property assets.”

Table 6. Box-Plot Chart of Interview Q3 Responses⁸⁹



⁸⁸ Source: Melissa Hager; between May 31, 2023 and September 6, 2023, Hager conducted a nine-question interview. This is the graphic she created in PowerPoint to visualize Question 2.

⁸⁹ Source: Melissa Hager; between May 31, 2023 and September 6, 2023, Hager conducted sixteen nine-question interviews. This is a graphic she created in PowerPoint to visualize Question 3’s responses. Exact dates for interviews found in Appendix C–Interviews.

When looking at the problem space and what factors might contribute to the lack of funding for DHS and federal real estate assets, it is essential to consider each group's perspective. Asking the questions could result in determining a separate problem or issue. Discussion of the qualitative data follows, with specific questions discussed as they relate to this thesis. All questions and summaries from the interviews and the focus group can be found in Appendices C and D.

1. Current State of Assets Appears to Be Impeding Mission Performance

The box-plot chart (Table 4) is for Q1. Q1 says, "My organization's real property assets meet the intended mission purpose." This chart shows that DHS HQ, Components, and GSA believe the mission is getting done, though there is some disparity as to their level of agreement, as answers seem more nuanced. There appeared to be more data spread of scores for this perception across the Component and GSA group, with two respondents indicating they disagreed with the statement that the real property assets meet the intended mission purpose. Those two outliers' responses, represented by the lines shown for answer 2 = Disagree, suggested that there is inconsistency among the Component and GSA respondents. At least one Component respondent experienced real property assets that do not support their intended mission performance. There was also a negative outlier from GSA. They had the most spread in their responses: from as high as a 5 = Strongly Agree to one 2 = disagree. This indicated a more mixed perception of GSA and its own role as the space provider.

Table 7. Box-Plot Chart of Interview Q1 Responses, duplicate of Table 4

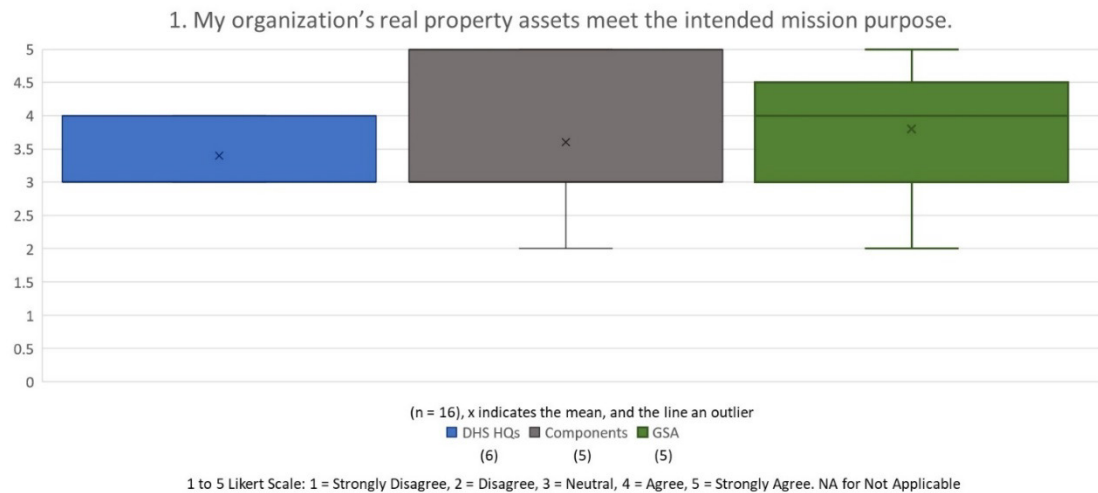


Figure 4 summarizes the analysis of the three groups in terms of the similarities and differences in their responses for Q1. “My organization’s real property assets meet the intended mission purpose.”⁹⁰ Participants expounded upon their responses as context to their answers to Q1. Those responses can be grouped into three categories: mission, outdated facilities, and funding constraints. Text summarizations generated from ChatGPT4 can be found in Figure 4.

⁹⁰ Text generated by ChatGPT4, OpenAI, October 11, 2023, <https://chat.openai.com/chat>.

Observations from Q1



Components have legacy facilities, and missions are changing in the Department. It is challenging for DHS, the Components, and GSA to respond to those changes. There appears to be agreement that facilities do not always meet mission needs.



DHS HQ and Components discussed the challenge of managing older facilities not initially intended for their current use. This may have less of an impact on components with different financial structures (whether agencies receive direct appropriations or collect fees for service).⁷⁵ This impact may be less noticeable from GSA as the landlord's perspective.



All three groups highlight funding and financial challenges as primary concerns affecting their ability to manage and maintain facilities, impacting mission performance. GSA responses emphasized a lack of capital and deferred maintenance due to financial constraints.

Figure 4. ChatGPT4 Observations from Q1⁹¹

Q1 asked interviewees to consider if real property assets were meeting mission performance, with the responses varying (and context provided). While each group has its unique set of concerns and priorities, there was a clear shared narrative around the challenges posed by financial constraints and the struggle of legacy facilities to adapt to evolving mission needs. From DHS HQ and certain Component participants, there is a clear desire for more direct control and ownership of facilities rather than relying on external agencies like GSA.⁹² As a group, GSA specifically drew attention to their lack of capital and its impact on deferred maintenance.⁹³

2. Implications for Federal Funding in Real Estate

Funding issues are mentioned by all the groups multiple times during the interviews. Question 4 asked the interview participants to share the most significant

⁹¹ Adapted from: Text generated by ChatGPT4, OpenAI, October 11, 2023, <https://chat.openai.com/chat>; Source: Melissa Hager, graphic created in Canva.

⁹² Text generated by ChatGPT4, OpenAI, October 11, 2023, <https://chat.openai.com/chat>.

⁹³ Text generated by ChatGPT4, OpenAI, October 11, 2023, <https://chat.openai.com/chat>.

challenges in managing their real estate portfolio, and how those challenges impacted mission objectives. The summary text of the compare and contrast prompt from ChatGPT4 found that “All three groups highlighted the challenges related to funding and resource constraints. Whether it is a matter of centralized versus decentralized funding, the effects of not having adequate resources, or the inability to access necessary capital, this theme is consistently a top challenge.”⁹⁴ More context of the impact of these challenges came from respondents’ contextual responses to Q3, as seen in Table 8.

Table 8. Box-Plot Chart of Interview Q3 Responses, duplicate of Table 6

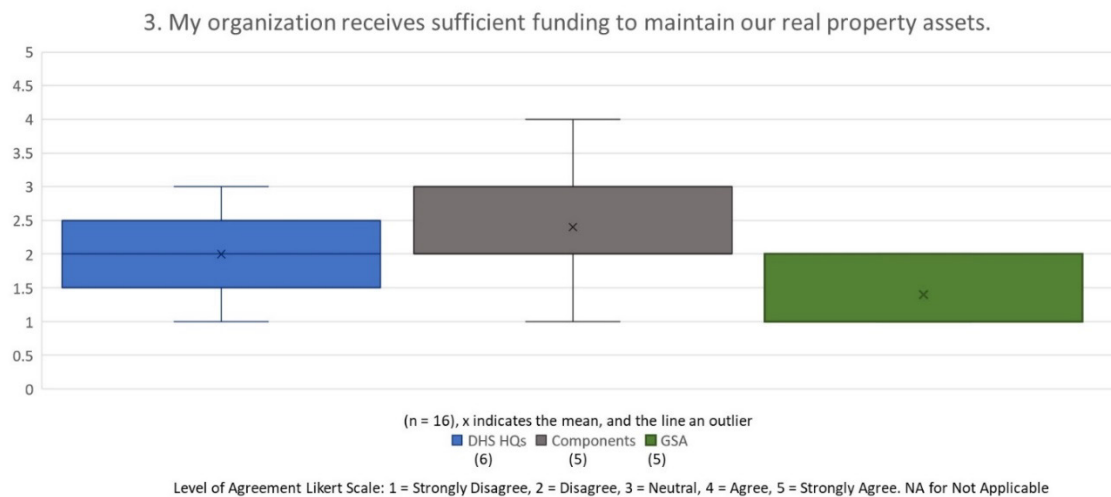


Table 8 shows the clear collective disagreement with Q3: “My organization receives sufficient funding to maintain our real property assets.” Meanwhile, Figure 5 provides the context for the groups’ responses from ChatGPT4, this time shown by the groups.⁹⁵

⁹⁴ Text generated by ChatGPT4, OpenAI, October 11, 2023, <https://chat.openai.com/chat>.

⁹⁵ Text generated by ChatGPT4, OpenAI, October 11, 2023, <https://chat.openai.com/chat>.

Observations from Q3



DHS HQ respondents acknowledged that the National Capital Region Headquarters effort is well funded, but the components in the field are not. The backlog of deferred maintenance in the billions of dollars demonstrates this. Leasing costs ended up being covered as the government must contractually pay the rent.



Components also highlight a significant backlog in maintenance, suggesting impacts on operational efficiencies, the complex dynamics of organizational relationships, and the evolving nature of operations in response to external factors.



GSA shows concern for their deferred maintenance, and the responses reveal all three groups' frustration with GSA's chronic funding shortfall of around \$1B annually, with an emphasis on constraints regarding their access to the Federal Buildings Fund.

Figure 5. ChatGPT4 Observations from Q3⁹⁶

For this paper, Q2 is skipped over as the results did not add to the discussion. The responses from both Q3 and Q4 sounded an alarm related to the need for funding, especially for current maintenance needs as well as future investments.

The groups' responses to Q6 further underscored the concern about these funding challenges. Q6 asked: "Given current policy and funding trends, how long will it take to address your organization's backlog of facility investments?" All three groups expressed pessimism about the ability to address the backlog of investments, with terms including "we will never catch up," "infinity," and "forever" being used.⁹⁷ DHS HQ voiced concerns about dual appropriation with GSA, with GSA not receiving their portion of the funding.⁹⁸

⁹⁶ Adapted from: Text generated by ChatGPT4, OpenAI, October 11, 2023, <https://chat.openai.com/chat>; Source: Melissa Hager, graphic created in Canva.

⁹⁷ Text generated by ChatGPT4, OpenAI, October 11, 2023, <https://chat.openai.com/chat>.

⁹⁸ David C. Maurer and David J. Wise, *Federal Real Property: DHS and GSA Need to Strengthen the Management of DHS Headquarters Consolidation*, GAO-14-648 (Washington, DC: General Accounting Office, 2014), 27; DHS and GSA receive separate funding for real estate projects as evidenced by GAO's report.

The Components stressed the importance of collaboration and balancing external factors, from politics to the impacts of inflation. GSA expressed concerns with having access to the FBF. The summarization of Question 6 from ChatGPT4 indicated that all three groups articulated a shared concern with funding challenges, and the impact of current policies and external factors.⁹⁹

Finally, the interview closed with an open-ended question, not initially in the scripted list of interview questions. It asked the respondents, “What question should have been asked that was not?”¹⁰⁰ The responses are summarized in the Figure 6.

What Should have been Asked?



Components, DHS HQ, and GSA highlighted the need for cooperation and sharing resources across the components and partnerships across the government. There is acknowledgment of a shift in the workspace moving more towards collaboration and relationship-building.



DHS HQ highlighted the need to make facilities economically viable,⁸³ while components emphasized the need to consider the practical challenges of implementing consolidations, and GSA stressed the need for contingency planning and "what-if" scenarios.



The three groups underscored mission performance and the importance of facilities aligning with mission needs, collaboration, and the challenges of change and decision-making.

Figure 6. ChatGPT4 Observations from Q9¹⁰¹

⁹⁹ Text generated by ChatGPT4, OpenAI, October 10, 2023, <https://chat.openai.com/chat>.

¹⁰⁰ Text generated by ChatGPT4, OpenAI, October 10, 2023, <https://chat.openai.com/chat>.

¹⁰¹ Adapted from: Text generated by ChatGPT4, OpenAI, October 10, 2023, <https://chat.openai.com/chat>; Source: Melissa Hager, graphic created in Canva.

Figure 6 groups the responses from DHS HQ, Components, and GSA where they were similar. The three categories where they were similar in their responses were collaboration, decision-making, and achieving balance across collaboration, funding, and input from decision-makers to enable mission performance. Overall, the closing of the interviews can be characterized as the participants providing a positive, hopeful-for-change perspective with a willingness to be a part of action-oriented planning to assist DHS, its components, and GSA to work together in the future to more effectively fund real estate investments.

For this paper, questions 1, 3, 4, 6, and 9—the bonus question—were highlighted as these were the questions which most engaged participants during the interviews and based on their responses. The participants shared common concerns for the real property assets they are responsible for, as well as frustration with not being able to obtain sufficient funding to invest in the properties to better enable mission performance. Their responses would be characterized as a sense of defeat in terms of not being able to solve the problem. It is not possible for one individual to improve federal personnel working spaces. It is also important to note that each participant spoke positively about the future and recent successes, including receiving funding from the Bipartisan Infrastructure Law and the Inflation Reduction Act.¹⁰²

B. FINDINGS

As detailed in the literature review of Chapter I and the summary portion of Chapter III's analysis, the struggles related to managing the federal real estate portfolio were described by DHS HQ, Components, and GSA in the interviews and a focus group session. Their answers mirror the challenges highlighted in the National Academies' April 2023 report on the "Strategy to Renew Federal Facilities." The National Academies' observation is that without adequate and timely funding, the government will continue to grapple in its

¹⁰² "Fact Sheet: The Bipartisan Infrastructure Deal," The White House, November 6, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/11/06/fact-sheet-the-bipartisan-infrastructure-deal/>; The White House, *Building a Clean Energy Economy: A Guidebook to the Inflation Reduction Act's Investments in Clean Energy and Climate Action* (Washington, DC: The White House, 2023), <https://www.whitehouse.gov/cleanenergy/inflation-reduction-act-guidebook/>.

attempts to extend the useful life of its assets, particularly in real estate.¹⁰³ GSA's FY24 Budget Request affirms their inability to fully access the Federal Buildings Funds (FBF), and this gap in funding is also mentioned in the National Academies report, with GSA losing out on nearly one billion-dollars a year since 2011.¹⁰⁴ Interview participants also stated these same frustrations: insufficient funding compared with reinvestment needs.

The National Academies highlighted the Public Buildings Reform Board's (PBRB) endeavors to dispose of underutilized federal assets.¹⁰⁵ The PBRB, as a strategy, was mentioned along with the DOD's BRAC efforts during the interviews and at the focus group session. Participants of the focus group session also suggested the creation of a non-political investment board made up of a diverse and neutral membership. The GAO has also evaluated the DOD, GSA, DHS and the PBRB, and highlighted the challenges related to managing federal real estate and funding.

The interviews and focus group session brought forward federal real estate experts willing to approach the topic of funding, and the challenges with innovation and collaboration. They are pessimistic as to the current state of funding for DHS and the federal government. One suggestion that was common was ownership. DHS HQ and some Components were averse about the need to own and manage their real estate assets.¹⁰⁶

Colocation was mentioned and briefly discussed during the interviews, but it was not the most pressing concern of research participants. GSA's role is to provide workspace for the civilian federal government.¹⁰⁷ The investment in GSA's federal buildings is the earliest example of colocation, given that multiple federal agencies have been housed in

¹⁰³ National Academies of Sciences, Engineering, and Medicine, *Strategies to Renew Federal Facilities*, 1.

¹⁰⁴ National Academies of Sciences, Engineering, and Medicine, 92–93; US General Services Administration, *Annual Budget Requests*, 4.

¹⁰⁵ National Academies of Sciences, Engineering, and Medicine, *Strategies to Renew Federal Facilities*, 99.

¹⁰⁶ Text generated by ChatGPT4, OpenAI, October 31, 2023, <https://chat.openai.com/chat>.

¹⁰⁷ General Services Administration, *Annual Budget Requests*, 3.

these buildings for decades.¹⁰⁸ GSA was concerned about the impact on federal buildings and maintenance of assets across the government and how that impacts agency missions, including DHS. If GSA disposes of more federal buildings, less funding will go into the FBF through rent. Then, the GSA will start each fiscal year with even less funding in the FBF to use for investments, which could result in a downward spiral of more agencies being housed in commercial leases. Based on the information provided by GSA, federal building assets were already at risk for reduced funding for reinvestment prior to the pandemic.¹⁰⁹ With low occupancy rates for traditional office buildings, future real estate investments will only experience increased scrutiny.

In my experience interacting with frontline personnel, they are eager to be a part of new colocation projects. Such projects offer them the prospect of enhanced office environments and more effective operational areas compared to their existing facilities. This typically includes spaces like fitness and training centers, secure communication areas, and meeting rooms of suitable sizes.

Examples of successful projects receiving funding exist. DHS and GSA have consolidated DHS components and continue to do so at St. Elizabeths campus in the National Capital Region.¹¹⁰ Through the BRAC process, the DOD successfully consolidated military bases and created joint operations.¹¹¹ DOD renovated the Pentagon facility after the direct ownership of the property was transferred from GSA to DOD.¹¹² However, based on my observations, colocation projects pursued by DHS OCRSO, which would benefit operators in the field, are often not approved due to funding, including offices in Seattle and San Diego. Based on discussions during those project briefings, the

¹⁰⁸ “Federal Property and Administrative Services Act of 1949,” Real Property Disposition, accessed: November 24, 2023, <https://disposal.gsa.gov/s/act49>.

¹⁰⁹ US General Services Administration, *Annual Budget Requests*, 8.

¹¹⁰ “DHS and GSA Announce \$288 Million in Inflation Reduction Act Funding for Expansion of DHS St. Elizabeths West Campus,” Department of Homeland Security, August 17, 2023, <https://www.dhs.gov/news/2023/08/17/dhs-and-gsa-announce-288-million-inflation-reduction-act-funding-expansion-dhs-st>.

¹¹¹ Department of Defense, *Base Closure and Realignment Report*; Lepore, *DOD Joint Bases*; Department of Defense, Office of the Inspector General, *Audit of Department of Defense Joint Bases*.

¹¹² National Defense Authorization Act for Fiscal Year 1991, H.R. 4739, 101st Cong. (1990).

predominant reason was the cost. Specifically in Seattle, the GSA would not be able to secure their necessary shell funding, or base building improvements for the structure and building systems.

Funding real property investments and colocation opportunities are capricious, so it is important to be prepared when opportunity knocks. In FY 2023, DHS secured the Inflation Reduction Act (IRA) funding to pursue colocation at two specific locations—Boston, Massachusetts and Wilmington, North Carolina— and another 288 million-dollars for additional investments in the GSA-controlled St Es Campus.¹¹³ The Boston colocation will occur at the Barnes Building, owned by the U.S. Army Corps of Engineers (USACE), with plans to house CBP and ICE operations. The Wilmington, North Carolina, colocation is an opportunity for CBP to be housed at a USCG-owned facility.¹¹⁴ The St Es IRA funding will bring the CISA, ICE’s HQ, and a 1,500-space parking garage to the campus.¹¹⁵ These three projects reduce the components’ real estate footprint through consolidation and allow the sharing of common spaces within federally owned assets. They would not have been pursued without this infusion of funding.

I fully acknowledge that the proposals suggested by the Committee on a Strategy to Renew Federal Facilities could occur; the strategies they recommend are available to DHS and federal agencies use today. Yes, there is a remote chance that GSA will receive full access to the FBF, or at least more funding than they have received in the last decade to invest in their federal buildings. There is also the potential for the PBRB to dispose of more underutilized assets, making those proceeds available to fund future investments across the government. Perhaps agencies, including DHS and its components in partnership with GSA, could pursue more PPP operating leases. These events have not yet occurred, and the interviewees expressed concern that without drastic change, the federal government

¹¹³ The White House, *Building a Clean Energy Economy*; Department of Defense, “DHS and GSA Announce \$288 Million.”

¹¹⁴ Based on information author has heard during meetings and was confirmed by components during interviews.

¹¹⁵ Department of Defense, “DHS and GSA Announce \$288 Million.”

will be unable to overcome the backlog of deferred maintenance of the DHS and GSA federally owned inventory by funding existing needs or committing to new projects.

In summary, there appears to be consensus that a problem exists for the management and funding of DHS and federal real estate; there just may be different views of the underlying issue and likely many opinions on how to best obtain funding and solve the challenge.

1. Interview Limitations and Challenges

Research can only be conducted up to a certain point without facing limitations and challenges. Time was the most limiting factor for conducting this research. More time would have allowed for more interviews. This would have provided more responses, more data, and additional insights to consider.

The volume of responses to open-ended research questions from the interviews allows respondents to share more context-related information from their answers. This, in turn, can provide a deeper understanding from a research perspective. Leedy and Ormrod articulate that qualitative data collection and analysis is helpful, particularly when starting with broad research questions, but it also creates tremendous challenges in analyzing the volume of data.¹¹⁶ For this reason, the use of AI through ChatpGPT4 was helpful in summarizing the text. Reading each response in their original form was important as well, as it showed how common funding issues are across the DHS HQ, its Components, and GSA, which is the same in the author's professional experience. Reading similar responses from different people showed that there is a lot of data to back up the need to improve how funding is distributed, especially in the case of real estate maintenance and improvements of work spaces. It was also good to read and hear how much the participants have optimism that things will improve; studies like this paper also hope for positive changes by collecting this data for distribution.

The research for this thesis is limited to only executives from DHS and GSA. In future research, personnel from OMB and Congress would be an ideal participant pool due

¹¹⁶ Leedy and Ormrod, *Practical Research*, 229 and 230.

to the pivotal role they play in funding projects and determining which projects receive consideration. These groups could help craft suggestions for improving the federal real property management process, as well as how to fund DHS and federal real estate investments more effectively.

The experts participating in the interviews represented the interests of multiple perspectives concerned with solving the issue of sufficient management and funding of the federal real estate portfolio. One of the interview participants shared a recent report by the National Academies of Sciences, Engineering, and Medicine. The report, titled “Strategies to Renew Federal Facilities” was tasked by the Federal Facilities Council and published in April 2023.¹¹⁷ This comprehensive resource discussed the history of funding federal real estate and the government’s challenges. The authors describe the problem of renewal of assets, defined as “the extension of functionality beyond its expected service life,” as a persistent crisis in need of new approaches to federal asset management to enable mission performance.¹¹⁸ The National Academies confirmed the problem space of the thesis question, “How can the federal government more effectively fund real estate investments?” This shows the relevance of the topic being discussed in this paper; more people are asking the same questions.

The thesis interview findings drew from the participants, experts across DHS HQ, its Components, and the GSA. The interviews revealed shared frustrations about managing federal real estate, particularly concerning the funding process. Concerns were voiced about the state of the federal real estate portfolio, drawing attention to issues such as restricted access to funding, a backlog of deferred maintenance, opportunities for collaboration, cultural resistance, and the need to improve planning and decision-making processes.¹¹⁹ The challenge of these concerns is how to take actionable steps across components, and seize opportunities in a timely way to identify spaces where change could occur.

¹¹⁷ National Academies of Sciences, Engineering, and Medicine, *Strategies to Renew Federal Facilities*.

¹¹⁸ National Academies of Sciences, Engineering, and Medicine, 1–2.

¹¹⁹ Text generated by ChatGPT4, OpenAI, October 11, 2023, <https://chat.openai.com/chat>.

C. FOCUS GROUP

While secondary sources are used, it was soon discovered that by combining the secondary sources with the primary research input from the interviews, the output was better when engaging directly with the individuals interviewed to obtain their input as to what they would recommend [to more effectively fund DHS and federal real estate investments]. This is why a second interview process was initiated in the form of a focus group. The focus group allowed for a collaborative discussion by inviting interview participants to a one-time, hour-long session. The invitation resulted in six individuals participating in the in-person meeting on Wednesday, September 20, 2023, in Washington, DC. Appendix D contains the focus group session's agenda and the summary of the session's discussion, created using ChatGPT4.

The outcome of the interviews indicated collective concern for sufficient funding for federal real estate projects across all three groups. This concern helped shape the agenda topics for the focus group, as it was confirmed to be a government-wide issue.

1. Suggested Changes for Federal Funding from Subject Matter Experts

The focus group session was opened by recapping the paper's research objective shared during the interviews, which is to seek each participant's valuable input as part of the research portion of a CHDS master's thesis, with the initial research question being: "How can the federal government, specifically DHS and GSA, more effectively fund real estate investments?" This is to be considered in the proposed problem: the expectation of federal agencies to reduce space and colocate to save money and resources. Since, historically, colocation projects in the field do not receive adequate support or funding, it is important to look for examples of successes. One example is the DHS St Es campus, which is an HQ facility, and another is the DOD's joint basing BRAC initiative, a

department with significant land holdings across the country.¹²⁰ These examples offer opportunities for lessons learned or identification of best practices.

The focus group expressly set out to allow interview participants to build on their individual interview input. The intent was that these individuals know best the policies and processes that shape federal real estate investments. The “How to fund real investments” exercise consisted of each participant using a sheet of paper to silently write down two ideas, each on a separate sheet, leaving a blank space below each idea.¹²¹ Those two ideas were meant to answer the question, “How can we fund federal real estate projects?”

Participants were asked to assume all barriers to funding had been removed. After writing their two suggestions, they passed their ideas to their right; then, they were asked to read the other person’s ideas and add steps which could be taken in order to support or enhance the idea provided. They were instructed not to criticize the idea, but to add-on, spontaneously explaining how to increase its likelihood of success. After several minutes, they were asked to pass the answers to their right one more time. Again, the participants were asked to write ideas which would further support, enable, or enhance the ideas in front of them—building on two previous contributions.

Through the facilitated activities, the attendees selected the proposal of a strategic overhaul of federal real property management, advocating for a consolidated approach with transparent and depoliticized decision-making processes to achieve a modernized investment portfolio. ChaptGPT4 summarized the comprehensive strategy as follows:

Consolidate control of federal real property investments under a federal capital revolving fund to improve efficiency. This includes establishing clear processes, removing politics from facility appropriations, setting up a federal asset investment board free from political influence, and implementing a Department of Defense BRAC-like authorization for government-wide capital projects. Other elements include the creation of

¹²⁰ Defense Base Closure and Realignment Commission, *1995 Defense Base Closure and Realignment Commission Report to the President* (Washington, DC: Department of Defense, 2006), 7–8, 21, <https://digital.library.unt.edu/ark:/67531/metadc24779/>; Defense Base Closure and Realignment Commission, *2005 Defense Base Closure and Realignment Commission: Report to the President* (Washington, DC: Department of Defense, 2005), 13, <https://www.acq.osd.mil/brac/docs/BRAC-2005-Commission-Report.pdf>.

¹²¹ Taflinger, “Mad Creativity.”

capital fund replenishment with divestitures and consolidation proceeds, expanding user fee collections with more flexibility in their use, and creating a model for shared facilities with associated cost-recovery fees.¹²²

Edward de Bono's *Six Thinking Hats* was used as an activity to build upon their combined idea. *Six Thinking Hats* was selected because it employs parallel thinking, allowing participants to consider the perspectives together versus creating a completion of thought.¹²³ The goal was to steer the conversation of the federal executives to identify benefits, risks, and strategies for risk mitigation for their proposed ideas together.

From this effort, it is evident they saw the potential for improvement of asset management across the federal government. The idea which had the most energy was the suggestion to create a board with diverse membership across all federal agencies, and to include private sector stakeholders, OMB, Congressional and GAO representatives, as well as representation from the U.S. Judiciary.¹²⁴ The participants emphasized the need for incentives, with clear funding allocation rules tied to various indexes and a focus on the long-term life cycle of investments. There is a perception of the potential risk of loss of control from individual components, OMB and Congress, and skepticism about a bill's potential to pass through Congress. The group acknowledged the need to divest from unnecessary capital investments to reinvest in a modernized portfolio. They drew parallels to the 2005 BRAC process that balanced closing and building facilities while removing political influence. To mitigate risks, the group suggested focusing on a set portion of funding and leveraging the power in numbers at the cabinet level to align real estate investments, particularly in the context of low occupancy rates. The six participants also emphasized the need for collaborative communication strategies to ensure consistent messaging across different agencies, including co-briefing OMB examiners and Congressional representatives of projects the Board selects.¹²⁵

¹²² Text generated by ChatGPT4, OpenAI, October 31, 2023, <https://chat.openai.com/chat>.

¹²³ Edward de Bono, *Six Thinking Hats* (New York: Back Bay Books, 1999).

¹²⁴ Text generated by ChatGPT4, OpenAI, October 31, 2023, <https://chat.openai.com/chat>.

¹²⁵ Text generated by ChatGPT4, OpenAI, October 31, 2023, <https://chat.openai.com/chat>.

It is interesting to note how similar the focus group's suggestion is to the Public Buildings Reform Board, created by the Federal Assets Sale & Transfer Act of 2016 (FASTA), and the five recommendations made by the National Academies 2023 report.¹²⁶ The focus group attendees identified other ideas during the session as well. Those ideas represent a collective desire for more strategic, efficient, and transparent funding and resource allocation across federal agencies, with a particular focus on real property consolidation, strategic top-line budgets (DHS receiving funding in addition to individual components funding), and sustainable funding models to allow for the planning of facility maintenance and modernization.¹²⁷

2. Limitations and Challenges of Data from the Focus Group

The focus group session differs from the interviews in that it allowed respondents to interact with one another and suggest ideas, versus focusing only on what was being asked to identify the challenges in managing a federal real property portfolio. The focus group as a collaborative research activity presented limitations and challenges. First and foremost, finding a day and time that worked for participants was not easy. Once a date and time were identified, it meant that some interviewees were unable to participate. The timeline was also associated with the completion of the author's master's thesis, the end of the fiscal year, and the deadline for writing the thesis prior to graduation in December 2023.

Feedback from participants relayed that extending the session's duration would have allowed the group to refine the chosen ideas further. The participants explicitly mentioned their desire to have more time to develop their respective ideas, a process they found enjoyable. Moreover, other issues could have been explored as potential factors impacting the funding of DHS and federal real estate projects. This could be a good starting point for a related research project.

¹²⁶ Public Buildings Reform Board, "Public Buildings Reform Board"; National Academies of Sciences, Engineering, and Medicine, *Strategies to Renew Federal Facilities*, 227–30.

¹²⁷ Text generated by ChatGPT4, OpenAI, October 31, 2023, <https://chat.openai.com/chat>.

D. ANALYSIS ACROSS THE INTERVIEWS AND FOCUS GROUP SESSION

The combination of expert interviews and the focus group session provided an insightful exploration of the impact funding federal real estate investments has on the management of the DHS and the civilian federal portfolio. A connection to colocating DHS components came up during some of the interviews. Participants indicated a need for innovative funding strategies, highlighting ways to implement these strategies with support from OMB and Congress. They offered suggestions for a balanced and nuanced approach, including the use of GSA's capital revolving fund, the creation of a new federal asset investment board with federal representation of all agencies, the formation of a shared funding mechanism, and the establishment of a BRAC-style review of DHS and the civilian federal real estate inventory.

Figure 7 provides a visual of the findings from the interviews and focus group session as to how those align with information obtained during the literature review. This particular visual excluded GAO reports and references to the DOD's BRAC, but combined recommendations from the National Academies along with DHS, GSA, and the PBRB references. These sources show commonalities in terms of their recommendations of managing and reviewing the federal portfolio, providing GSA full access to their Federal Buildings Fund, creating revolving or capital funds, charging fees for use, using investment boards for disposal and project selection, and public-private partnerships (PPP).¹²⁸ Garrett Hatch, in the 2014 Congressional Research Service report, titled *Public-Private Partnerships for Purposes of Federal Real Property Management*, indicated the government does not have a single agreed upon definition of PPP for real estate and that

¹²⁸ National Academies of Sciences, Engineering, and Medicine, *Strategies to Renew Federal Facilities*; Department of Homeland Security, *DHS Real Property Asset Management* (Washington, DC: Department of Homeland Security, 2020), <https://www.assetleadership.net/wp-content/uploads/2014/05/ALM-DHS-AL-Real-Property-Presentation.pdf>; US General Services Administration, *Annual Budget Requests*; "Donations Acceptance Program," US Customs and Border Protection, accessed: December 6, 2023, <https://www.cbp.gov/border-security/ports-entry/resource-opt-strategy/public-private-partnerships/donation-acceptance-program>; "Public Buildings Reform Board," accessed: December 2, 2023, <https://www.pbrb.gov/>.

these arrangements exist for when a private entity gains the “rights to use the federal property.”¹²⁹

¹²⁹ Garrett Hatch, *Public-Private Partnerships for Purposes of Federal Real Property Management*, CRS Report No. R43337 (Washington, DC: Congressional Research Service, 2014), <https://crsreports.congress.gov/product/pdf/R/R43337/7>.

Secondary Research					Primary Research
	 SCIENCES ENGINEERING MEDICINE				
	Committee on Strategy to Renew Federal Facilities	U.S. Department of Homeland Security	U.S. General Services Administration	FASTA Public Buildings Reform Board	CHDS Master's Thesis Research
 FORMAL PORTFOLIO REVIEW & ANALYSIS	Recommendations 1 and 2 suggest improvements to asset management and reporting, though it does not specify conducting a BRAC-style review, per the National Academies' report	-	-	-	Focus Group (FG) participants recommend a DoD BRAC-style review of federal assets, including the DHS portfolio
 BOARD	Recommendation 5 encourages the expanded use of the PBRB, per the National Academies' report	DHS as a customer of GSA is a tenant of assets targeted for disposal via the PBRB (i.e., properties in Auburn, WA and Laguna Niguel, CA)	GSA, as an authorized disposal agency, is a critical partner to the PBRB	PBRB operates as a Congressionally appointed board overseeing disposal of federal government real estate assets	FG participants suggested creation of a new board made up of CFO Act federal agencies and the Judiciary, GAO, as well as representatives from the private sector, OMB, and Congress
 REVOLVING FUND	Recommendation 5 suggests agencies establish revolving or working capital funds, per the National Academies' report	-	GSA's FY24 Budget Submission mentions the use of a revolving fund	Sale proceeds are deposited to the holding agency that becomes eligible for their obligation within three years	FG participants suggested DHS and federal agencies implement the use of GSA and DHS revolving funds
 USER FEE	-	-	GSA charges rent which is essentially a user fee federal agencies pay	-	FG participants suggested user fees be charged in
 FEDERAL BUILDINGS FUND	Recommendation 5 favors GSA gaining full access to their Federal Buildings Fund (FBF), per the National Academies' report	-	GSA's FY24 Budget Request makes the case for full access to its FBF	-	FG participants suggested DHS and federal agencies use a revolving fund
 PUBLIC PRIVATE PARTNERSHIP	Recommendation 5 proposes agencies consider public-private partnerships (PPP), per the National Academies' Committee's report	Section 2 of the Cross-Border Trade Enhancement Act of 2016, P.L. 114-279, enables CBP and GSA to accept donations including real property	Section 2 of the Cross-Border Trade Enhancement Act of 2016, P.L. 114-279, enables CBP and GSA to accept donations including real property	-	FG participants suggested the pursuit of PPP as an additional idea for consideration
 OPERATING LEASE	Recommendation 5 suggests the use of operating leases when ownership is not possible, per the National Academies' report	DHS' portfolio consists of operating, also known as commercial, leases	GSA's portfolio consists of operating, also known as commercial, leases	FASTA, the law that created the PBRB, sets out to reduce the government's dependence on leasing	-

Figure 7. Summary of Findings and Recommendations across Primary and Secondary Research¹³⁰

¹³⁰ Adapted from: National Academies of Sciences, Engineering, and Medicine, *Strategies to Renew Federal Facilities*; Department of Homeland Security, *DHS Real Property Asset Management* (Washington, DC: Department of Homeland Security, 2020), <https://www.assetleadership.net/wp-content/uploads/2014/05/ALM-DHS-AL-Real-Property-Presentation.pdf>; US General Services Administration, *Annual Budget Requests*; "Donations Acceptance Program," US Customs and Border Protection, accessed: December 6, 2023, <https://www.cbp.gov/border-security/ports-entry/resource-opt-strategy/public-private-partnerships/donation-acceptance-program>; "Public Buildings Reform Board," accessed: December 2, 2023, <https://www.pbrb.gov/>; Source: Melissa Hager; created in Canva.

To summarize, the research analysis from the interviews and focus group session confirmed that funding challenges exist for DHS and the entire federal government’s real estate portfolios. This funding impacted component operators and their ability to perform the mission, though this impact was not assessed and would be different depending upon the location. There are already existing strategies available (as shown in the table) to DHS and federal agencies to manage and fund federal real property investments. Primary research participants—from DHS HQ, components, and GSA—are the personnel responsible for managing and supporting the DHS portfolio, and have a shared pessimism of the current funding strategies to address the backlog of investments in the inventory at present, as well as any potential new investments. In spite of their pessimism, they all share a desire to work collaboratively and are willing to try new approaches to funding and managing the DHS and the federal government’s real estate portfolio.

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IV. CONCLUSION

Initially, I set out to find out why colocation projects for DHS components in the field were not being funded, and during the literature review, I realized it might not be colocation projects or even a DHS-only issue; my focus was too narrow. I chose to explore the answer to the question: “How can the DHS more effectively fund real estate investments?” Based on the findings from my primary research and the resources uncovered during my secondary research, this thesis confirmed that DHS and its many components in the federal government, as well as GSA (which is part of the DHS funding issue), face challenges in effectively funding needed real estate investments.

This chapter will focus on four key areas. It will highlight why funding is a challenge, and it will provide recommendations for how DHS should manage and control its real estate portfolio. It will then acknowledge the limitations of the research process, and finally, it will close with potential opportunities for further investigation.

A. RECOMMENDATIONS

The first recommendation of this thesis is that DHS HQ should own and control certain real property assets where it makes sense. If this happens, it would allow for expansion and contraction within the existing DHS footprint as the mission evolves. This would be similar to the DOD receiving the ownership of the Pentagon. The second recommendation is for DHS HQ to develop a calculation methodology and strategy to charge occupying components of major projects an amount to cover future recapitalization costs, or user fees, for the specific property they occupy. These two combined recommendations may enable more projects to be funded for DHS staff working in the field that would provide more up-to-date and efficient workspaces. Figure 8, originally shown in Chapter III as Figure 7, provides a good summary of the findings and suggested strategies to address DHS’ real estate funding challenges. It depicts the similarity of their ideas and recommendations.

Secondary Research					Primary Research
	SCIENCES ENGINEERING MEDICINE				
	Committee on Strategy to Renew Federal Facilities	U.S. Department of Homeland Security	U.S. General Services Administration	FASTA Public Buildings Reform Board	CHDS Master's Thesis Research
	Recommendations 1 and 2 suggest improvements to asset management and reporting, though it does not specify conducting a BRAC-style review, per the National Academies' report	-	-	-	Focus Group (FG) participants recommend a DoD BRAC-style review of federal assets, including the DHS portfolio
	Recommendation 5 encourages the expanded use of the PBRB, per the National Academies' report	DHS as a customer of GSA is a tenant of assets targeted for disposal via the PBRB (i.e., properties in Auburn, WA and Laguna Niguel, CA)	GSA, as an authorized disposal agency, is a critical partner to the PBRB	PBRB operates as a Congressionally appointed board overseeing disposal of federal government real estate assets	FG participants suggested creation of a new board made up of CFO Act federal agencies and the Judiciary, GAO, as well as representatives from the private sector, OMB, and Congress
	Recommendation 5 suggests agencies establish revolving or working capital funds, per the National Academies' report	-	GSA's FY24 Budget Submission mentions the use of a revolving fund	Sale proceeds are deposited to the holding agency that becomes eligible for their obligation within three years	FG participants suggested DHS and federal agencies implement the use of GSA and DHS revolving funds
	-	-	GSA charges rent which is essentially a user fee federal agencies pay	-	FG participants suggested user fees be charged in
	Recommendation 5 favors GSA gaining full access to their Federal Buildings Fund (FBF), per the National Academies' report	-	GSA's FY24 Budget Request makes the case for full access to its FBF	-	FG participants suggested DHS and federal agencies use a revolving fund
	Recommendation 5 proposes agencies consider public-private partnerships (PPP), per the National Academies' Committee's report	Section 2 of the Cross-Border Trade Enhancement Act of 2016, P.L. 114-279, enables CBP and GSA to accept donations including real property	Section 2 of the Cross-Border Trade Enhancement Act of 2016, P.L. 114-279, enables CBP and GSA to accept donations including real property	-	FG participants suggested the pursuit of PPP as an additional idea for consideration
	Recommendation 5 suggests the use of operating leases when ownership is not possible, per the National Academies' report	DHS' portfolio consists of operating, also known as commercial, leases	GSA's portfolio consists of operating, also known as commercial, leases	FASTA, the law that created the PBRB, sets out to reduce the government's dependence on leasing	-

Figure 8. Summary of Findings and Recommendations across Primary and Secondary Research, duplicate of Figure 7

All of the potential strategies shown above, if they occur, will take significant time to result in a substantial change in DHS workplaces for frontline personnel. The DHS workforce, especially those operators in the field, do not have the luxury of time. They

work in stressful environments in a national climate that does not always support them.¹³¹ The Department will face unprecedented hiring challenges in the future based on the shrinking interest of young people drawn to public service and even less interest for law enforcement positions.¹³² For DHS to effectively perform the mission to “safeguard the American people, our homeland, and our values,” it must support those who perform the mission with appropriate space, equipment, training, and technology.¹³³ To ask operators to ‘make do’ undermines the goals of a quality workforce. DHS must not wait for change any longer.

To support DHS, its real estate portfolio management, and component operators in DHS workplaces, one recommendation should be highlighted as it was posited during the DHS HQ and Component interviews, which was similarly referenced during the focus group session: DHS HQ should own and control certain real property assets where it makes sense. This ownership would require statutory authority to be granted to DHS HQ, which it does not currently have, with parameters as to the type of situations it would be appropriate for DHS HQ to possess such authority. This will require commitment from partnering agencies, including GSA, OMB, and Congress.

A benefit of DHS HQ owning and controlling real property assets is that it would make the colocation of components easier from a management perspective. It makes sense when multiple components are operating in the same market, like GSA’s federal buildings, components would share common spaces and even access spaces they are not normally able to use, such as training and Sensitive Compartmented Information Facilities (SCIF) spaces. In previous project considerations, GSA was primarily considered in the assignment and management of the spaces. However, DHS owning a colocation asset

¹³¹ Mara Rudman et al., *Redefining Homeland Security: A New Framework for DHS To Meet Today’s Challenges* (Washington, DC: Center for American Progress, 2021), <https://www.americanprogress.org/article/redefining-homeland-security-new-framework-dhs-meet-todays-challenges/>.

¹³² Kirsten Errick, “Report: 14% of Young Adults Want to Work for Government,” Government Executive, February 2, 2023, <https://www.govexec.com/workforce/2023/02/report-14-young-adults-want-work-government/382495/>; International Association of Chiefs of Police, *The State of Recruitment: A Crisis for Law Enforcement* (Alexandria, VA: International Association of Chiefs of Police, 2020), https://www.theiacp.org/sites/default/files/239416_IACP_RecruitmentBR_HR_0.pdf.

¹³³ “Mission,” Department of Homeland Security, accessed May 13, 2023, <https://www.dhs.gov/mission>.

would allow for expansion and contraction across DHS components, and within an existing footprint as Department missions evolve.

From a financial perspective, federal ownership would be ideal as there would not be a rent payment requirement. However, what remains crucial is the upfront investment necessary for these facilities to function. This investment would be paid once, as well as operations, maintenance and recapitalization costs which could be charged as a user fee, as suggested during the focus group. Collecting recapitalization fees would enable DHS to not only maintain the asset, but avoid letting the asset fall into disrepair. It would tie funding to that specific facility's operation, maintenance, and repair.

DHS HQ could build, manage, and control more of its inventory, similar to the DOD taking ownership of the Pentagon. Properties larger in size or with a single Department or agency do not benefit from multi-agency building pricing as GSA has not been able to access its funding fully for the past 13 years, as articulated by GSA and the National Academies.¹³⁴ Without full access to the FBF, "GSA has had to delay needed repairs and renovations and deny construction of new facilities."¹³⁵ GSA's pricing policy requires agencies to amortize their shell costs back to GSA.¹³⁶ In the simplest of terms, the American taxpayer is funding the shell costs, base building, of the project twice: once up front with Congressional appropriations to GSA, and a second time from the shell rent DHS must pay back to GSA. This approach works well when GSA can fully access its FBF, as that fund regenerates the pot of funding for all agencies.

DHS ownership of assets is not appropriate in every situation. However, the argument can reasonably be made that when significant investment upfront is made for DHS, and DHS is the primary occupant, the federal government should give the authority and operational funding to the Department. This would allow DHS to be responsible for

¹³⁴ US General Services Administration, *Annual Budget Requests*, 8; National Academies of Sciences, Engineering, and Medicine, *Strategies to Renew Federal Facilities*, 106–9.

¹³⁵ National Academies of Sciences, Engineering, and Medicine, *Strategies to Renew Federal Facilities*, 93.

¹³⁶ US General Services Administration, *Pricing Desk Guide*, 5th ed. (Washington, DC: General Services Administration, 2020), 1–1, <https://www.gsa.gov/real-estate/real-estate-services/rental-policy-procedures/rent-pricing-policy>.

maintaining the investment. Instead of paying rent to GSA, DHS HQ would be able to collect a recapitalization fee from the occupying components to use for that specific asset in the future.

Property ownership would have notable implications contingent on whether it resides with the DHS or GSA. If the Department was exempt from paying rent for at least the initial two decades, similar to GSA's leasing authority, those funds could be collected at a rate lower than traditional rent costs into a recapitalization fund. DHS' Office of the Under Secretary for Management (OCRSO) would be well served to develop a calculation methodology and strategy to charge occupying components of major projects an amount to cover future recapitalization costs for the specific property they occupy.

B. LIMITATIONS AND OBSTACLES

It does not make sense for DHS HQ to assume commercial leases from GSA, as the GSA has a better understanding of the markets across the country as they serve civilian agencies. That is why the recommendation is for federal ownership to transfer to DHS HQ in certain situations.¹³⁷ In any case, there would have to be offices willing to take on the role of colocation transition, as well as their usual workload. Perhaps more importantly, it would make sense for DHS HQ to do commercial leases as then they have a better understanding of the markets across the country as they serve civilian agencies. That said, if the DHS HQ could own assets in certain situations and control the funding related to those assets, a likely benefit would be that DHS staff working in the field would have access to more up-to-date and efficient workspaces. Consequently, this would stimulate heightened interest in colocation projects across the Department, and many other projects may not receive approval for DHS control and ownership. This could create competition with projects and unintended frustration for some components.

A proposal for DHS HQ to own and control certain assets would create adverse consequences for the GSA. They would receive less rent in the FBF. GSA's service structure is based on receiving full access to the FBF, which is the account used to collect

¹³⁷ Goldstein, *Federal Real Property*, 11.

agencies' annual rent.¹³⁸ With GSA's restricted access to funds from the FBF for the last thirteen years, agencies grapple with a deficit in addressing their spatial workplace requirements. There is a palpable need for these requirements to be fulfilled—not just for DHS, but for all other agencies.¹³⁹ It should not be surprising that DHS would pursue this direct authority if the GSA cannot obtain the funds to meet agency needs. Receiving the authority and corresponding funding would create a more favorable outcome for DHS operators in the field. There may be resistance stemming from the GSA, as the loss of ownership of an asset and its ability to generate revenue for the Federal Buildings Fund would only further exacerbate the challenges they have faced over the last decade and a half. However, DHS' ownership and control of specific assets could also allow the GSA to focus on more traditional federal buildings and courthouses in major cities nationwide.

These proposed changes to how DHS can manage its real estate portfolio would likely encounter significant obstacles when interfacing with the OMB and Congressional panels. The financial implications of these policy shifts are extensive, reaching the millions to billions of dollars, especially given that the FY2024 DHS Budget Request includes four billion-dollars in procurement, construction, and improvements.¹⁴⁰ The central challenge lies in gaining endorsement from OMB and Congress for the fiscal allocations and the ownership of federal real estate under DHS' purview, with the implications of reducing GSA's ability to accumulate comprehensive revenue through rent associated with DHS occupancies. Pursuing this change incrementally may allow for the testing of processes and viability. This could be first tested, for example, with ownership of the DHS St. Elizabeths campus from GSA to DHS, similar to the Pentagon.

Although colocation initiatives may directly and favorably affect DHS personnel operating in the field, these projects and DHS ownership and control could be met with opposition from component leadership. These leaders strive to preserve their autonomy, which may result in appeals for prioritizing their component-controlled projects within the

¹³⁸ US General Services Administration, *Annual Budget Requests*, 4.

¹³⁹ US General Services Administration, *Annual Budget Requests*, 4.

¹⁴⁰ Painter, *DHS Budget Request Analysis: FY2024*, 8.

existing funding framework. This stance indicates a prevalent perception of scarcity within the federal budget.

Should DHS HQ acquire the right to own properties, in addition to funding for the construction and management of these facilities, an inadvertent repercussion may emerge in the form of a need for supplementary staffing resources. It is plausible to anticipate that the Department's reaction to such a requirement would be to request the components to redirect pre-existing resources.

An arrangement for DHS HQ real property control and ownership would allow essential facility upgrades to be implemented incrementally. From the taxpayers' perspective, such a policy would be beneficial as it would eliminate the need for both hefty upfront investments and high recurring rental payments.

C. FUTURE RESEARCH

Conducting the research for this thesis opened my eyes to just how much information is available. There are policies and procedures to consider, along with a mix of vested stakeholders and decision-makers. This section will go through my suggestions for further research. First, further exploration is needed to understand the requirement for fair market value, a price established through appraisal of the property, payments for transfers from one federal agency to another, **consider establishing a BRAC-style review of the DHS portfolio, and research to determine how much workplace factors influence employee engagement.**¹⁴¹ Any change that is to occur in the future for federal real estate will require DHS and its partners to find a sweet spot where these influencing factors can intersect with the opportunity to enable change.

DHS and the federal government can transfer excess real property between one another today. This would be similar to the transfer of Pentagon ownership from the GSA to DOD. However, the Pentagon transfer was at no-cost to DOD; it required Congressional

¹⁴¹ Real Property Disposal, 41 C.F.R. 102-75 (2023), <https://www.ecfr.gov/current/title-41/part-102-75>.

approval.¹⁴² Federal Management Regulations § 102–75.190 requires the transferee agency to pay fair market value to the agency disposing of the property.¹⁴³ At face value, it appears that the federal government is paying itself for the value of an asset it already possesses. Perhaps there are instances where no-cost transfers from GSA to DHS could assist GSA in disposing of some of their underutilized assets to enable DHS mission performance.

Further research and exploration are needed to continue advancing innovative funding mechanisms for DHS and the government for the federal real estate portfolio. A commission could be established to conduct a BRAC-style exercise on the DHS inventory with more focus on improving operations, as this was a finding of the 2005 BRAC study of what was most important, not just closing bases.¹⁴⁴ This broader study of DHS’ assets and operations could identify broader opportunities across the portfolio versus this limited view of funding and potential colocation.

Another research opportunity would be to explore the workplace as a factor in recruitment and retention in the Department. This can be done through testing the correlation of GSA’s Tenant Satisfaction Survey results to OPM’s FEVS.¹⁴⁵ If an asset was owned and controlled by DHS HQ, sharing this data shows the relationship between employee satisfaction and the workplace could be made available on DHS’ intranet site for full transparency. It would also demonstrate to operators the care and concern leadership has for personnel.

Beyond the issue of funding, assessing the security risk of colocation is another potential research opportunity. I have been asked if collocating DHS components creates a target for the facility and its personnel. The safety and security of personnel and the public are of prominent concern, especially with the Secretary of DHS serving as the Chair for

¹⁴² *To Provide for the Transfer of the Jurisdiction, Custody, Control Over, and Responsibility for the Operation of the Pentagon Reservation to the Secretary of Defense.*

¹⁴³ Real Property Disposal.

¹⁴⁴ Defense Base Closure and Realignment Commission, *2005 Defense Base Closure*, 3.

¹⁴⁵ US Office of Personnel Management, “Federal Employee Viewpoint Survey”; “GSA Federal Tenant Satisfaction Survey,” US General Services Administration, accessed November 20, 2023, <https://www.gsa.gov/real-estate/gsa-federal-tenant-satisfaction-survey>.

the Interagency Security Committee (ISC).¹⁴⁶ The ISC works collaboratively across the federal government to develop and implement policies, overseeing the adherence to those policies, and bolsters the security and safeguarding of federal buildings through assessing risk and identifying appropriate countermeasures.¹⁴⁷ The private sector also considers security and countermeasures during planning and throughout a building's occupancy.¹⁴⁸ Risks can be mitigated before and during occupancy along with investments that strengthen resiliency, the ability to return to operations should an adverse event occur, whether physical, cyber, or natural.

Given the funding crisis for DHS and federal real estate, the United States stands at a critical point of opportunity. Planning where and how to spend limited funding is essential to enabling mission performance across DHS. The potential solution of DHS HQ owning and managing portions of its real estate makes sense through an administrative and financial lens. Through careful consideration of requirements and continued collaboration with stakeholders and partners, DHS and its components are well-positioned to advocate for its frontline personnel to change the policies, tools, and resources to create the workplaces they require to make the mission possible. It is imperative to continue having these candid conversations about the federal government's real estate planning to enable the focus of responding to the rapidly changing homeland security mission.

¹⁴⁶ "Interagency Security Committee," Cybersecurity & Infrastructure Security Agency, accessed November 8, 2023, <https://www.cisa.gov/resources-tools/groups/interagency-security-committee-isc>.

¹⁴⁷ "Interagency Security Committee."

¹⁴⁸ Felicity Francis, "4 Benefits of Thinking about Security Early in the Design Process," Bisnow, August 29, 2023, <https://www.bisnow.com/national/news/commercial-real-estate/four-benefits-of-thinking-about-security-early-in-the-design-process-120105>.

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APPENDIX A: DHS AS A COMPLEX ORGANIZATION

This appendix builds on the high-level information provided in Chapter I regarding DHS as an organization in order to understand how the various mission sets of a cobbled-together department—which celebrated its twentieth anniversary in 2023—influences component priorities and decision-making. These insights help explain the challenges faced by the components and the impacts they have on planning for component workplaces.

The Department’s challenges are both complex and complicated, or in a state of disorder. As argued by David Snowden and Mary Boone in their 2007 *Harvard Business Review* article, “A Leader’s Framework for Decision Making,” explains the fifth viewpoint of disorder of the Cynefin framework when groups are unable to identify the issue.¹⁴⁹ The Cynefin framework assists leaders with problem solving by looking at situations and their context, unordered and ordered.¹⁵⁰ The four primary “contexts are simple, complicated, complex, and chaotic.”¹⁵¹ Closely related functions and competition across multiple components operating in diverse geographic markets with highly influential parties make it challenging to see the actual issue or issues impacting DHS as an organization and its workplaces. Understanding the evolution of DHS, its components, and their nuanced cultures enables the reader to navigate the convoluted hurdles of planning for operational workspaces. My observation of DHS and its components is that real estate management must operate in multiple planes and therefore can appear in a state of disorder.

A. VARIETY OF DHS MISSION SETS

The Department’s sheer size and multiple mission sets could be factors in the complicated nature of DHS. DHS’ mission is “With honor and integrity, we will safeguard the American people, our homeland, and our values.”¹⁵² The “DHS Will” chart in Figure

¹⁴⁹ David J. Snowden and Mary E. Boone, “A Leader’s Framework for Decision Making,” *Harvard Business Review*, November 1, 2007, <https://hbr.org/2007/11/a-leaders-framework-for-decision-making>.

¹⁵⁰ David J. Snowden and Mary E. Boone, “A Leader’s Framework for Decision Making,” *Harvard Business Review*, November 2007, 1–9.

¹⁵¹ Snowden and Boone.

¹⁵² Department of Homeland Security, “Mission.”

9 depicts the Department’s diverse mission set, as performed by its 240,000 employees. On an average day, frontline DHS practitioners protect the homeland through support to local, state, and tribal governments, planning and responding to natural disasters and rescue operations, enforcing federal law—which includes seizing drugs, apprehending criminals, protecting federal employees, dignitaries, coastlands, property and infrastructure—and the flying public.¹⁵³ With various activities conducted by multiple agencies within the organization spread across the country and worldwide, it can be difficult to develop or garner support for opportunities to change mission support activities, including workplace changes. For operators, retaining the status quo and focusing on dealing with the most urgent matters is easier.

¹⁵³ “To Protect Our Nation, DHS Will...,” Department of Homeland Security, November 3, 2023, <https://www.dhs.gov/DHSwill>.

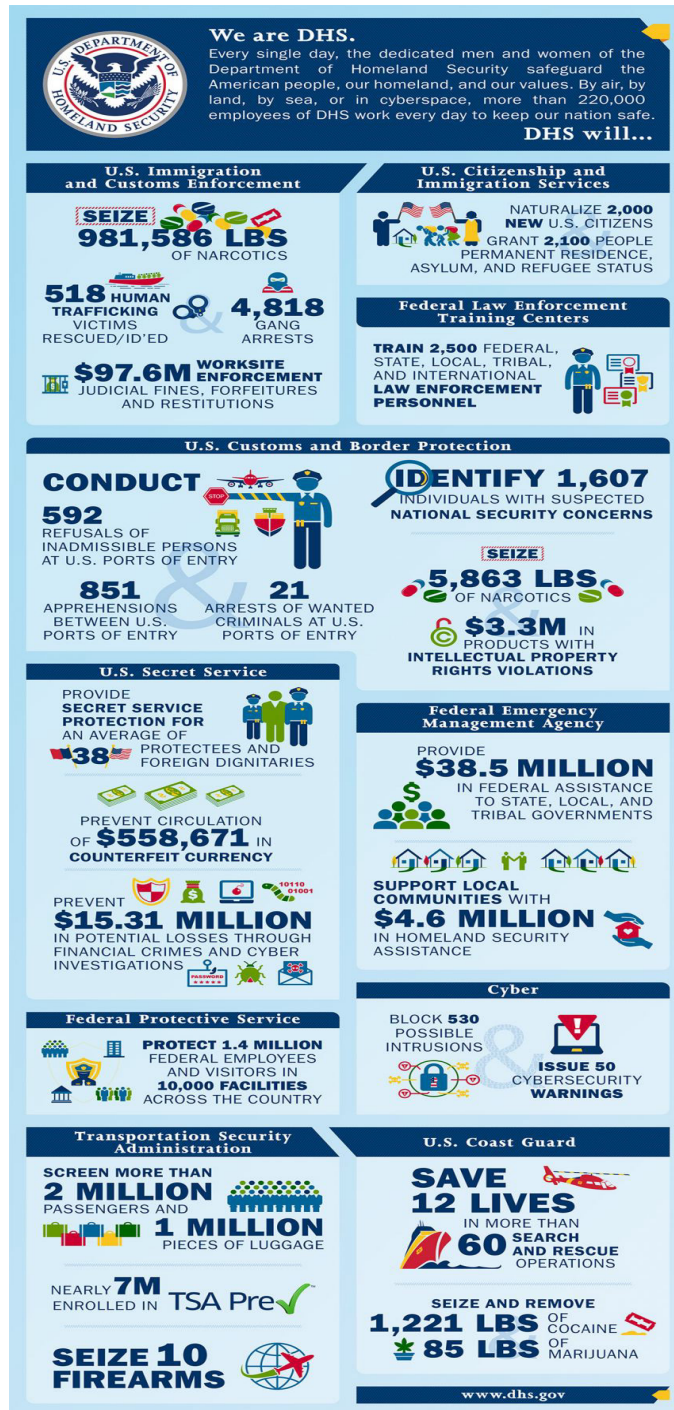


Figure 9. DHS Will Chart¹⁵⁴

¹⁵⁴ Source: Department of Homeland Security, "To Protect Our Nation, DHS Will...", <https://www.dhs.gov/DHSwill>.

Visualizing the multiple agencies within DHS and their high-level reporting structures helps understand how navigating mission support functions—including federal real property management, contracting, acquisitions, and training across all those agencies—makes planning workplaces more difficult. The Department is complex in its structure, with the current configuration including eight operational components, shown in Figure 10.¹⁵⁵

¹⁵⁵ Department of Homeland Security, “Organizational Chart,” https://www.dhs.gov/sites/default/files/2023-11/23_1109_mgmt_dhs-public-org-chart-508.pdf.



Homeland Security

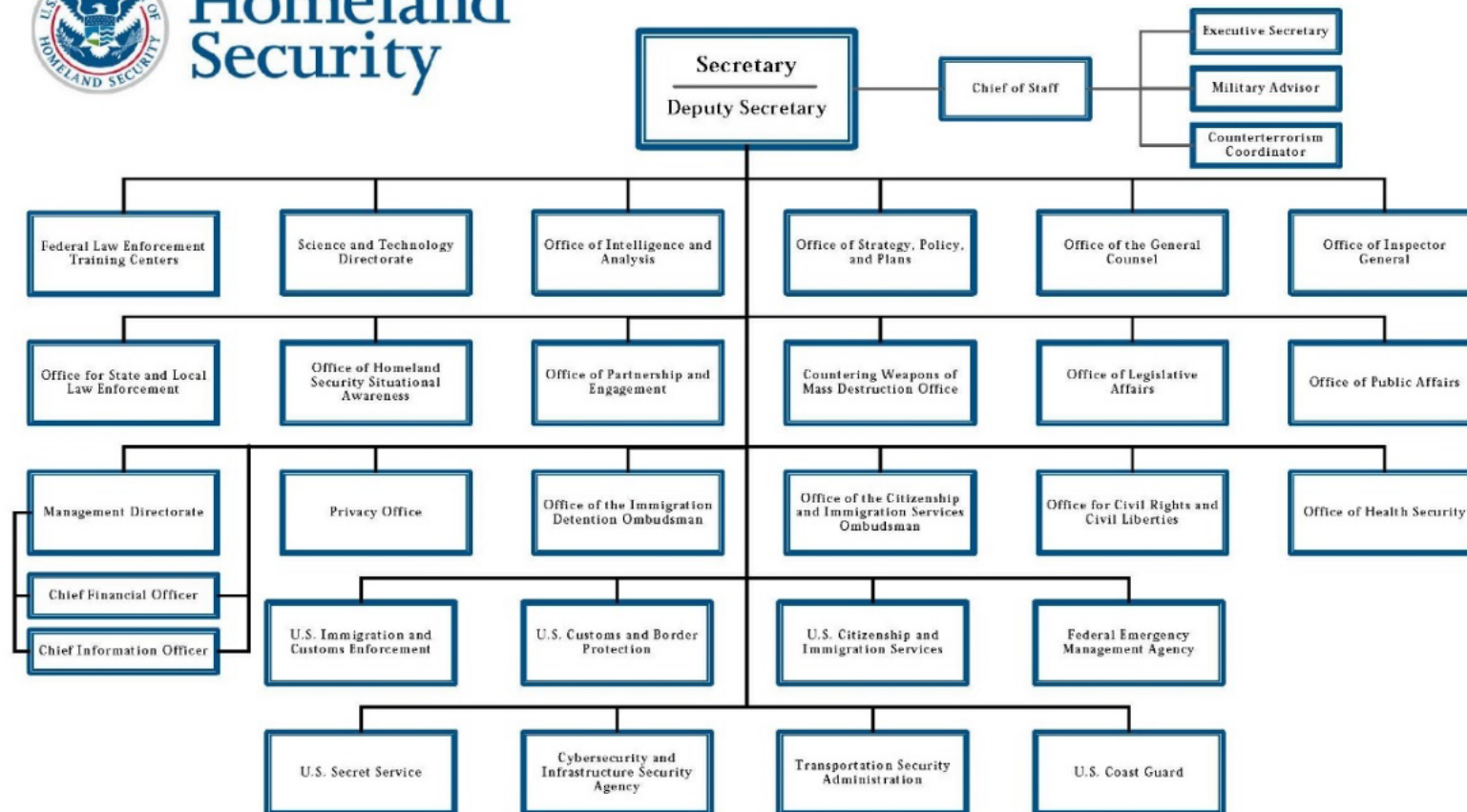


Figure 10. DHS Organization¹⁵⁶

¹⁵⁶ Source: Department of Homeland Security, "Organizational Chart," https://www.dhs.gov/sites/default/files/2023-11/23_1109_mgmt_dhs-public-org-chart-508.pdf.

An example of the intricate nature of the Department is the CBP, shown merely as a single box above: it consists of the Border Patrol, Air and Marine Operations, the Office of Field Operations, and the Office of Trade.¹⁵⁷ CBP's diverse mission set makes up twenty-five percent of the Department's employees with 60,000 CBP employees.¹⁵⁸ The Coast Guard, a branch of the United States armed forces within the DHS, is similar in size to CBP, with 50,000 employees, and protects 95,000 miles of the U.S. coastline.¹⁵⁹ With a large number of personnel and various missions, it can be tricky for real estate planners to understand the various operations, let alone how different components could work together and share a workspace. Component personnel identify more with their operational organization than with the Department.¹⁶⁰ The organization is further muddled by all the different organizations reporting directly to the Secretary, (i.e., joint organizational structures or cross-component command and control).

B. EVOLUTION OF THE DEPARTMENT OF HOMELAND SECURITY

DHS has transformed over the last 20 years due to external factors and internal influences. Components have been re-organized, moved, and newly created since the department was set up 20 years ago, altering the organization's reporting structure. DHS responds to natural disasters, migration surges along the southern border, the effects of global pandemics, and cyber-attacks on infrastructure and private companies. Former Assistant Secretary of Intergovernmental Affairs, Juliette Kayyem, describes this as an "all hazards" approach, the ability to be prepared for various probable events, and she suggests it is the best approach for DHS.¹⁶¹ DHS must respond to emerging threats with agility

¹⁵⁷ "CBP Organization Chart," US Customs and Border Protection, March 13, 2023, <https://www.cbp.gov/document/publications/cbp-organization-chart>.

¹⁵⁸ "About CBP," US Customs and Border Protection, accessed July 9, 2022, <https://www.cbp.gov/about>.

¹⁵⁹ "About the US Coast Guard," United States Coast Guard, accessed July 9, 2022, <https://www.uscg.mil/About/>.

¹⁶⁰ Thomas Warrick, Caitlin Durkovich, and Mark Massa, *Future of DHS Project: Key Findings and Recommendations* (Washington, DC: Atlantic Council, 2020), 19, <https://www.jstor.org/stable/resrep26034.5>.

¹⁶¹ "Mission Critical: The Evolution of US Homeland Security in the 21st Century," Migration Policy Institute, November 16, 2020, <https://www.migrationpolicy.org/events/mission-critical-evolution-us-homeland-security-21st-century>.

while maximizing existing resources, putting pressure on the Department to be judicious in resource allocation.

New missions affect the Department's operations, organization, and funding. It would have been hard to imagine the need for the CISA fifteen or even ten years ago. Cybersecurity was not the same threat to the nation's infrastructure in 2001 as it is today, but evolving risks led to the creation of CISA in 2018.¹⁶² McKinsey Insights underscores that increasing access to large data sets, hackers adapting and using AI and machine learning, and growing regulation and gaps in cybersecurity resources pose a significant risk to individuals, industries, and economies.¹⁶³ An agile, adaptive organization is necessary to respond to threats to the United States.

DHS' organization and reporting structure have also changed over time, shifting personnel, reporting, and resources to achieve the same mission. The Federal Air Marshal Service (FAMS) was initially part of the Department of Transportation's Federal Aviation Administration but was moved to U.S. Customs; FAMS ultimately became part of the Transportation and Security Administration.¹⁶⁴ Another example is the Federal Protective Service (FPS), which initially came from the General Services Administration (GSA) to ICE, subsequently moving to the National Programs Directorate Division in 2009 and, most recently in 2022, the Management Directorate.¹⁶⁵ These movements resulted in the changing of resources, not just where component personnel report, but also the allocation of resources, including separate office and mission spaces and the creation of mission support functions. The change for FPS occurred around the same time CISA was established, with CISA acquiring new regional offices across the country. The argument

¹⁶² "About CISA," Cybersecurity & Infrastructure Security Agency, accessed August 23, 2022, <https://www.cisa.gov/about-cisa>.

¹⁶³ Jim Boehm et al., "Cybersecurity Trends: Looking over the Horizon," *McKinsey Insights*, March 10, 2022, https://www.mckinsey.com/capabilities/risk-and-resilience/our-insights/cybersecurity/cybersecurity-trends-looking-over-the-horizon#.

¹⁶⁴ Lawson, Bersin, and Kayyem, *Beyond 9/11*, 153.

¹⁶⁵ "Transfer of Federal Protective Service to National Protection and Programs Directorate," Department of Homeland Security, October 29, 2009, <https://www.dhs.gov/news/2009/10/29/transfer-federal-protective-service-national-protection-and-programs-directorate>; Lori Rectanus, *Federal Protective Service's Organizational Placement: Considerations for Transition to the DHS Management Directorate*, GAO-19-605T (Washington, DC: Government Accountability Office, 2019).

could be made that the FPS should be a standalone component as it protects the government's 9,000 federal buildings and commercial leases across the civilian inventory. These changes in structure can result in increasing the size of the components' real estate personnel and real estate but may not always be necessary.

Another example illustrating how DHS has been agile and adapted to change is the USCG; it went through its share of organizational changes, including the reduction of eight districts, which is how the USCG organizes its areas of responsibilities. It began with seventeen and now totals nine.¹⁶⁶ The mission of ensuring the US' maritime safety and security continues—done differently over time with technology—USCG's ability to adapt over time allows them to more efficiently and effectively to maximize its resources. Though in *Maritime Musings*, Dennis Bryant raises the question of whether the current structure of the districts still adds value.¹⁶⁷ These changes illustrate how reorganizations across government will continue, and DHS must explore solutions for agile workplaces to achieve mission performance.

Agility and change will continue long into the future. Nefarious actors create havoc without the restrictions of government bureaucracy—laws, policies, and procedures—and, for this reason, it is impossible to predict how exactly the homeland security mission will change over time. There is pressure on DHS, as a cabinet level federal Department, to be agile and flexible, structuring resiliency in its organization to respond to future threats. DHS' workplaces should enable the flexibility necessary for the Department's evolving mission.

C. UNITY OF EFFORT AND ONE DHS

With various missions conducted by DHS, it can be difficult to identify opportunities for improved mission support functions, including workplace changes, to increase effectiveness and improve efficiencies. Multiple DHS secretaries have pursued the integration of DHS. Instituting any change within the Department is challenging given

¹⁶⁶ Dennis Bryant, "USCG Districts," *Maritime Logistics Professional* (blog), April 6, 2010, <https://www.maritimeprofessional.com/blogs/post/uscg-districts-13775>.

¹⁶⁷ Bryant, "USCG Districts."

its diverse, complicated, and often politicized mission.¹⁶⁸ This challenge is compounded by ever-evolving threats, competition for funding across the government and resistance from components to work across programs.¹⁶⁹ These factors increase pressure on the Department to be more efficient with existing resources.

Collaboration across the DHS enterprise, including the sharing of resources and operational spaces, has consistently been pursued by DHS leadership. Secretary Janet Napolitano's testimony to the House Committee on Homeland Security on DHS in February 2009 highlighted her priorities for the Department. Building on Secretary Thomas Ridge's OneDHS, she advocated for the importance of unifying the organization for efficiency and effectiveness through the St. Elizabeths campus to "support our unification efforts."¹⁷⁰ At the heart of the unification, the effort highlighted that the Department had eight Congressional Committee platforms that the Secretary had to address. To drive improvements to "governance, functionality, and accountability...Components will provide information on their actions to reduce costs, increase transparency, streamline processes, eliminate duplication, and improve customer service."¹⁷¹ Components preferring the status quo appeared to be natural or normal. As Paul Pierson's 2000 article on *Increasing Returns, Path Dependence, and the Study of Politics* suggests there is a "path dependency" and the bias for activities to remain the same.¹⁷² Secretary Jeh Johnson established his management direction for DHS as the unity of effort, better operational coordination across the Department that involved conducting joint requirements.¹⁷³ DHS

¹⁶⁸ Warrick, Durkovich, and Massa, *Future of DHS Project*, 33.

¹⁶⁹ Lawson, Bersin, and Kayyem, *Beyond 9/11*, 45.

¹⁷⁰ Janet Napolitano, "Testimony of Secretary Janet Napolitano before the House Committee on Homeland Security on DHS, The Path Forward," Homeland Security Testimony, February 25, 2009, <https://www.dhs.gov/news/2009/02/25/secretary-napolitanos-testimony-dhs-path-forward>; OneDHS which was created for better coordination across the Department.

¹⁷¹ Napolitano.

¹⁷² Paul Pierson, "Increasing Returns, Path Dependence, and the Study of Politics," *The American Political Science Review* 94, no. 2 (2000): 257, <https://doi.org/10.2307/2586011>.

¹⁷³ "Johnson Proclaims Management Philosophy for DHS as a 'Unity of Effort,'" Federal News Network, May 2, 2014, <https://federalnewsnetwork.com/management/2014/05/johnson-proclaims-management-philosophy-for-dhs-as-a-unity-of-effort/>.

leadership's continued pursuit of OneDHS and the related unity of effort initiatives demonstrates efforts to promote components working together and sharing resources.

An example of the impact of political pressures on the Department and its components is illustrated by events during the Trump administration. In 2020, the USCIS was not receiving sufficient funding as there were restrictions on migration numbers and those allowed to pursue citizenship.¹⁷⁴ Combined with the pandemic, this nearly resulted in a furlough of up to 70 percent of USCIS personnel.¹⁷⁵ While budgets have continued to increase for border security, perceptions of the Trump and Biden administrations' approach to CBP and ICE differ, with some Democrats calling for the abolishment of ICE during the Trump administration.¹⁷⁶ These examples demonstrate how support for component missions and operations can change by administration and why the Department must create workplaces that can withstand this back and forth.

As a driver of change, efficiency can also improve effectiveness when done correctly. Secretary Jeh Johnson implemented the unity of effort initiative to influence change and reduce the dependence on 'stovepipes' and redundancies within the complex organization.¹⁷⁷ Future changes, such as reprogramming of funding and reporting structures, also pressure personnel and workplaces to accommodate and adapt to the mission changes, just like the Department's personnel.

Another challenge when planning real estate solutions is the resistance to change from components, and not just sharing office space but even being part of the same

¹⁷⁴ Muzaffar Chishti, Sarah Pierce, and Kira Olsen-Medina, "Impending USCIS Furloughs Will Contribute to a Historic Drop in US Immigration Levels," Migration Policy Institute, July 24, 2020, <https://www.migrationpolicy.org/article/impending-uscis-furloughs-will-contribute-historic-drop-us-immigration-levels>.

¹⁷⁵ Chishti, Pierce, and Olsen-Medina.

¹⁷⁶ Rafael Bernal and Rebecca Beitsch, "Biden Budget Accelerates Shift from Trump Policies on Immigration," The Hill, March 28, 2022, <https://thehill.com/latino/600074-biden-budget-accelerates-shift-from-trump-policies-on-immigration/>; John Gramlich, "How Border Apprehensions, ICE Arrests and Deportations Have Changed under Trump," Pew Research Center, March 2, 2020, <https://www.pewresearch.org/short-reads/2020/03/02/how-border-apprehensions-ice-arrests-and-deportations-have-changed-under-trump/>.

¹⁷⁷ Steve Watkins, "DHS Head: Cybersecurity, Unity of Effort Top Priorities," Federal Times, May 25, 2017, <https://www.federaltimes.com/enterprise-view/2015/01/09/dhs-head-cybersecurity-unity-of-effort-top-priorities/>.

Department; this makes planning and funding further complicated in terms of stakeholders trusting the Department's ability to commit to investments. Components have sought to leave the Department or requested moving parent locations within the enterprise. The U.S. Secret Service (USSS) has asked to return to its legacy agency, the Department of Treasury.¹⁷⁸ Prior Secretaries Michael Chertoff and Jeh Johnson characterize moving the USSS back to the Treasury as "politics of the moment."¹⁷⁹ Representative Bennie G. Thompson (D-MS), Chairman of the Committee on Homeland Security, cautions against such a move as it could weaken the Department by opening it up to further reforms and reorganizations.¹⁸⁰ USICE Homeland Security Investigation (HSI) has also sought separation from its parent organization, citing a need to distance its mission from the politicized immigration enforcement operations.¹⁸¹ Although portions of HSI's investigative operations originated from the U.S. Customs Service and the Immigration and Naturalization Service (INS), some believe HSI should operate separately from ICE's Enforcement and Removal Operations (ICE ERO).¹⁸² Although mission spaces are common across components, including spaces used by the USSS, ICE HSI, and ICE ERO, the resistance to sharing spaces or initiatives, such as OneDHS or unity of effort, raises the question from partners, including GSA, as to whether the Department can effectively plan to colocate in the field.

DHS continues to pursue unity of effort across the Department and faces challenges in components operating within the existing structure, even without considering colocation or planning major capital real estate projects. So, while GSA manages federal agency

¹⁷⁸ Courtney Bubl , "Lawmakers Are Trying Again to Move the Secret Service Back to the Treasury Department," *Government Executive*, May 10, 2022, <https://www.govexec.com/management/2022/05/lawmakers-are-trying-again-move-secret-service-back-treasury-department/366745/>.

¹⁷⁹ Bubl .

¹⁸⁰ Bubl .

¹⁸¹ Jason Buch, "ICE Criminal Investigators Ask to Be Distanced from Detentions, Deportations in Letter to Kirstjen Nielsen," *Texas Observer*, June 27, 2018, <https://www.texasobserver.org/ice-hsi-letter-kirstjen-nielsen-criminal-civil-deportation-zero-tolerance/>.

¹⁸² "Homeland Security Investigations," US Immigration and Customs Enforcement, accessed July 17, 2022, <https://www.ice.gov/about-ice/homeland-security-investigations>; US Customs and Border Protection, "About CBP"; and Buch, "ICE Criminal Investigators."

occupancies at federal buildings across the country as well as the corresponding need for operational access, it needs organizational commitment from the agencies it serves.¹⁸³

D. DHS WORKPLACE STANDARDS

GSA pricing policy supports the Federal Management Regulations (FMR), and OMB outlined path, with DHS reinforcing those policies in their directive and standards for administrative office space at 150 usable square feet per person or less.¹⁸⁴ At the time of this report, I am aware of updates to this space standard, including considerations for how to reduce administrative square footage, in response to the use of telework and in recognition of DHS functions often performed in the field, as highlighted in Figure 8, the “DHS Will” infographic.

As of the time of this thesis, no DHS directive exists to create a standard to limit the sizing of mission spaces. These special spaces are the more costly construction space types, including areas where components process and store evidence, communicate securely and perform agency-specific intelligence and law enforcement activities. Understanding the types of spaces in the field is crucial for planning. For DHS and other federal agencies, workplaces consist of administrative and mission spaces. Headquarters functions differently than field offices, as field practitioners tactically deliver the mission. For administrative functions performed by headquarters, those workplaces will exist in traditional space: offices, cubicles, meeting and conference rooms. Field offices use administrative spaces, but it is in support of their mission activities. Examples of mission spaces include SCIF, evidence storage, ammunition and weapons storage, and detainee holding and processing spaces.

Mission spaces are often referred to as “special type spaces” and, most of the time, these space types must be adjacent to employee and leadership administrative operational spaces to enable mission performance. Not positioning administrative spaces alongside mission spaces would prevent practitioners from efficiently performing their mission

¹⁸³ US General Services Administration, “GSA Properties.”

¹⁸⁴ Department of Homeland Security, *Unpublished DHS Workspace Standard*, DHS Directive 119-02-003 (Washington, DC: Department of Homeland Security, 2021), 5.

during an average day. As an example, component practitioners require spaces where they can meet with stakeholders one moment and then have the ability to move to secure evidence processing, followed by the use of appropriate fitness and training spaces. Practitioners' workplaces must include both space types with appropriate design and access considerations. Standing up or moving an office or mission space within the federal government using federally owned assets or commercial leases is a significant effort.

Evaluating an organization's real property investment approach requires understanding the organization's structure and operations. As a government entity, DHS is funded by taxpayers, governed by laws and regulations, and is under pressure to maximize its resources. Appendix B will describe the planning involved for federal real estate to illustrate the challenging and lengthy process. Colocating components could strengthen the Department's capacity to manage the workspace flexibly when one component grows, and another shrinks in response to evolving national threats.

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APPENDIX B: OVERVIEW OF FEDERAL REAL ESTATE POLICIES

This appendix will build on the materials for federal real estate policies shared in the literature review to help practitioners understand why planning a workspace can take so much time. It will discuss the different roles involved in the policymaking for capital projects with a connection to the policies and how projects are evaluated.

Commercial real estate is an entire industry, and the federal government has its own policies and regulations governing how federal portfolios must be managed. Federal agencies, including the DHS and its components, are subject to the CFR, with DHS' OCRSO setting the policy direction and assisting components in navigating those policies and procedures.¹⁸⁵ Commercial real estate is complicated to navigate within individual markets across the U.S. Therefore, it becomes increasingly more difficult for DHS to consistently manage its workplaces through a mix of federally owned and commercially leased assets in those same markets while being subject to federal regulations and funding structures.

A. ACQUISITION OR MAJOR CONSTRUCTION – THE REAL PROPERTY MANAGEMENT PROCESS

I developed Figure 11 from my thirty-three years of experience working within the parameters of the CFR, GSA's pricing policy, Public Buildings Service (PBS)' Planning and Requirements Process, as well as GSA's Capital Acquisition Guide.¹⁸⁶ It is intended to provide those unfamiliar with the management of federal real estate a high-level summary of the planning involved, from determining feasibility to acquisition and finally to construction for a major project. It depicts what can be a lengthy multi-year process

¹⁸⁵ Department of Homeland Security, *Real Property Management Program*, 2–3.

¹⁸⁶ Real Property Disposal, 41 C.F.R. 102-75 (2023), <https://www.ecfr.gov/current/title-41/part-102-75>; US General Services Administration, *Pricing Desk Guide*; “GSA PBS Planning and Requirements Process Fact Sheet Standard Milestones for a Common Goal,” US General Services Administration, 2020, <https://www.gsa.gov/system/files/PBS%20Fact%20Sheet%20-%20Requirements%20%20Lifecycle%20FINAL%201-21.pdf>; and “Engineering,” US General Services Administration, June 22, 2023, <https://www.gsa.gov/real-estate/design-and-construction/engineering>.

through the multiple points, or floodgates, along the process where the direction can change or stop entirely.

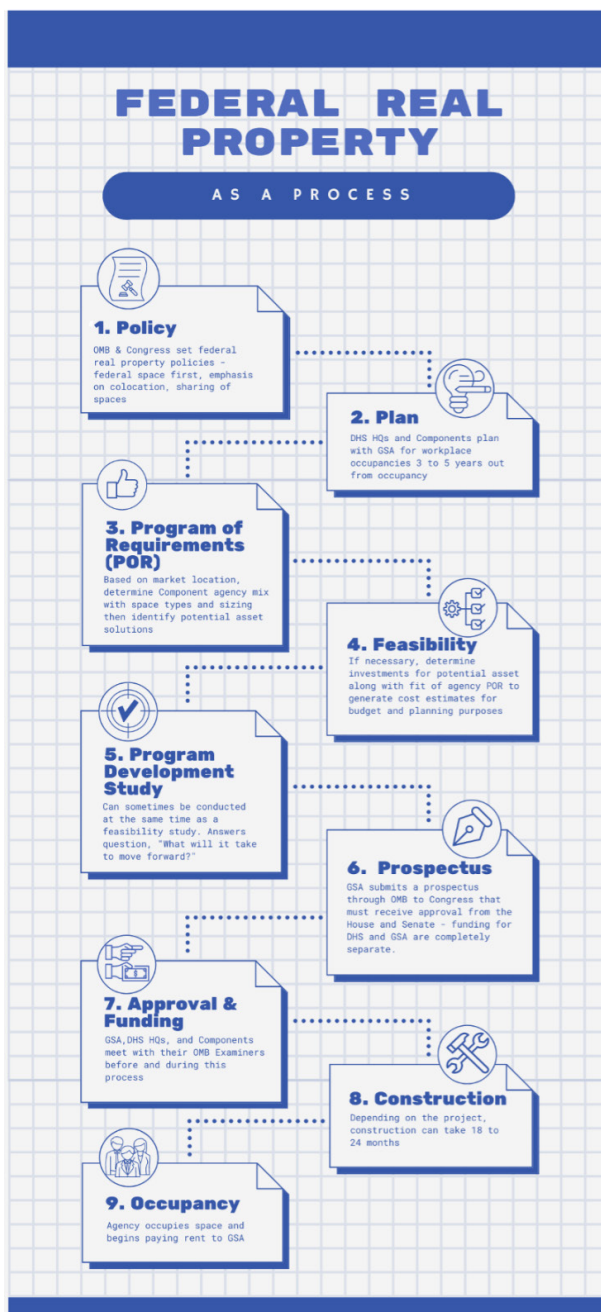


Figure 11. High-Level Process Summary for Major Federal Real Estate Projects¹⁸⁷

B. ROLE OF THE OFFICE OF MANAGEMENT AND BUDGET

The OMB combines the role of translator and even-handed enforcer for the U.S. government to ensure federal agencies follow legislative policy as intended versus an

agency's interpretation. OMB performs this role by translating the executive branch's vision via the federal budget and oversight of federal agencies' performance and adherence to policy.¹⁸⁸ In 2013, OMB codified the federal government's pursuit of consolidation and colocation by combining and sharing office and mission operational spaces, as outlined in the Freeze the Footprint Memorandum.¹⁸⁹ This strategy was further emphasized in 2015 with the Reduce the Footprint Memorandum, which restricted agencies' real property footprints.¹⁹⁰ OMB tracks performance related to these policies through agencies' federal real property footprints, which is the total size of their real estate portfolio by square footage. These policies are intended to promote the efficient use of resources and reduce the expense associated with maintaining unneeded assets.

C. FOUNDATION PROVIDED BY THE FEDERAL MANAGEMENT REGULATIONS

Laws and regulations guide civilian federal agencies through the process of acquiring federal real estate either through federally owned spaces or commercial leases. These regulations also provide the parameters that assist the commercial real estate sector navigate where contracting opportunities lie in support of the federal government's real estate program. These documents include the Code of Federal Regulations – FMR, DHS Directives, GSA's Pricing Policy, OMB's Guidance combined with the GAO and private sector reports to provide recommendations for improvement. These sources are

¹⁸⁷ Adapted from: Real Property Disposal, 41 C.F.R. 102-75 (2023), <https://www.ecfr.gov/current/title-41/part-102-75>; US General Services Administration, Pricing Desk Guide; "GSA PBS Planning and Requirements Process Fact Sheet Standard Milestones for a Common Goal," US General Services Administration, 2020, <https://www.gsa.gov/system/files/PBS%20Fact%20Sheet%20-%20Requirements%20%20Lifecycle%20FINAL%201-21.pdf>; Source: Melissa Hager, graphic created in Canva.

¹⁸⁸ "Office of Management and Budget," The White House, accessed July 3, 2023, <https://www.whitehouse.gov/omb/>.

¹⁸⁹ Danny Werfel, "Implementation of OMB Memorandum M-12-12 Section 3: Freeze the Footprint" (management procedures memorandum no. 2013-02, Washington, DC: Office of Management and Budget, 2013), <https://obamawhitehouse.archives.gov/sites/default/files/omb/financial/memos/implementation-of-freeze-the-footprint-guidance.pdf>.

¹⁹⁰ David Mader, "Implementation of OMB Memorandum M-12-12 Section 3: Reduce the Footprint" (management procedures memorandum no. 2015-01, Washington, DC: Office of Management and Budget, 2022), <https://www.whitehouse.gov/wp-content/uploads/2017/11/m-15.01Reduce-the-Footprint-Policy.pdf>.

interdependent and provide insights into the rules of the road for managing federal real property.

The FMR and OMB Directives are policies that build on one another. The FMR Section § 102–73.10 requires agencies to first consider federally controlled vacant before pursuing new space and provides additional steps agencies must take when planning. There is also a concerted effort driven by the OMB to reduce the size of the federal government’s real estate footprint.¹⁹¹ As noted in the literature review in Chapter I, OMB also sets targets for improved efficiencies for federal real estate, expecting agencies to reduce the size of their portfolios.¹⁹² DHS and GSA, as the space providers for DHS, must follow these policies when pursuing mission spaces for operators.

As alternatives are developed, agencies must work through the budget process to obtain funding. GSA’s Capital Planning Guide provides a terrific outline of all the steps from assessing feasibility to submitting for design and construction prospectus funding.¹⁹³ This applies to federally owned space solutions. GSA’s Leasing Desk Guide provides the steps to navigate lease solutions.¹⁹⁴ Furthermore, GSA’s Pricing Guide assists DHS in navigating spaces GSA provides, whether they are occupancies at federally-owned buildings or commercial leases.¹⁹⁵ Another consideration is if a project’s costs exceed Congressional prospectus thresholds based on total construction cost or annual rent of a lease.¹⁹⁶ As of 2023, the FY2025 threshold is 3.926 million-dollars for construction and lease prospectuses and 1.963 million-dollars, or half the full prospectus amount, for

¹⁹¹ Real Estate Acquisition, 41 C.F.R. 102-73 (2023), <https://www.ecfr.gov/current/title-41/subtitle-C/chapter-102/subchapter-C/part-102-73>.

¹⁹² Werfel, “Implementation of OMB Memorandum”; Mader, “Implementation of OMB Memorandum.”

¹⁹³ US General Services Administration, “Engineering.”

¹⁹⁴ “Leasing Policy,” US General Services Administration, accessed November 24, 2023, <https://www.gsa.gov/real-estate/real-estate-services/leasing/leasing-policy>.

¹⁹⁵ US General Services Administration, *Pricing Desk Guide*.

¹⁹⁶ “Capital Investment and Leasing Prospectus Library,” US General Services Administration, accessed November 24, 2023, <https://www.gsa.gov/real-estate/gsa-properties/capital-investment-and-leasing-prospectus-library>; “Annual Prospectus Thresholds,” US General Services Administration, accessed November 24, 2023, <https://www.gsa.gov/real-estate/design-and-construction/annual-prospectus-thresholds>.

alterations in leased spaces. These sources help to understand GSA space provided solutions and serve as policy guides for DHS-controlled projects and submissions.

Finally, the GAO reviews agencies' performance in achieving goals and identifies actions for improvement. Those reports are great resources to determine what has already been attempted with the corresponding results. Multiple GAO reports were consulted, as evidenced in the chapters of this thesis, to answer the question of how DHS could more effectively fund real estate investments.

D. PREFERENCE FOR FEDERALLY OWNED SPACE

It is essential to highlight the preference for federally owned real estate over a commercial lease, as the 2016 FASTA calls out the focus to “reduce the reliance on leased space.”¹⁹⁷ There are other factors to consider when determining whether to lease or own an asset. Net present value as a financial analysis tool calculates an investment's cash flows, both positive and negative, discounting it back to today's dollars.¹⁹⁸ OMB Circular A-11 requires investment alternatives to be analyzed using net present value (NPV) for a time value of money analysis of the options.¹⁹⁹ During the NPV analysis throughout the project evaluation, stakeholders and decision-makers scrutinize it for realistic numbers, including the assumptions for cash flows. Similar to when one considers purchasing a car versus leasing, NPV helps decision-makers compare one alternative to the other for the best financial value with consideration of ownership at the end of the analysis period.

Individuals and organizations do not always make decisions based solely on economic-financial considerations. NPV does not consider feasibility or even project appropriateness, which means a project might be unviable if the required initial investment funds are unavailable, the yearly costs are excessively high, or there is no long-term need to operate in a real estate market. However, NPV is a good starting point to consider project

¹⁹⁷ “Public Buildings Reform Board.”

¹⁹⁸ “Net Present Value (NPV),” Corporate Finance Institute, accessed November 23, 2023, <https://corporatefinanceinstitute.com/resources/valuation/net-present-value-npv/>.

¹⁹⁹ Office of Management and Budget, *Preparation, Submission, and Execution of the Budget*, OMB Circular No. A-11 (Washington, DC: Executive Office of the President, 2022), 14 of the Capital Planning Guide, <https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf>.

alternatives for the value of money over time, calculating it in today's dollars to allow for an apples-to-apples financial comparison.

This appendix provides additional insight into the management of federal real estate to help DHS practitioners understand the level of effort involved in obtaining workspaces to perform the mission. It intends to assist operators who may find it difficult to understand the challenges and the time it takes to obtain component workspaces which are up-to-date with today's technologies or if their space mission use needs exceed the existing capacity and they have not been able to receive renovations or expansion to their existing workplace.

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APPENDIX C: INTERVIEWS

As discussed in Chapter II: Methodology, this appendix contains a summary of the interview questions and responses conducted as part of the primary research for this thesis. The interviews provided firsthand insights into how DHS can more effectively fund federal real estate investments, assisting in a better understanding of the problem discussed in the main body of the thesis. The sixteen interviews took place on May 5, 2023; June 18, 2023; June 20, 2023; June 26, 2023; August 3, 2023; August 10, 2023; August 16, 2023; August 22, 2023; August 24, 2023; August 26, 2023; September 5, 2023; September 6, 2023. As part of the anonymity, facilities were often designed for different purposes than what they are being used for; the three groups of respondents from the interviews are shown in the following order: DHS HQ, Components, GSA participants, with each group's responses coded in the following sequence: RD1, RD2...; RC1, RC2...; RG1, RG2.... RD responses are from DHS HQ; RC responses are from a Component; RG responses are from GSA. The interview questions were sent to participants to read ahead for full transparency and preparation purposes. A copy of what was shared is shown on the following two pages as Figure 12 and Figure 13.

Hager CHDS Thesis Interview

Instructions

This document provides context for the interview. There are sections asking for your evaluation and input. Those fillable sections are shown in light blue. Please check the box or begin typing in the box to respond.

Evaluation of the federal government's real property portfolio

The first set of questions below asks for your level of agreement with each statement regarding your agency's portion of the federal government's real property portfolio.

Using the Likert scale from 1 to 5, indicate your level of agreement with each statement by checking the **blue box** next to the number, with 1 – strongly disagree, 2 – disagree, 3 – neither agree nor disagree, 4 – agree, 5 – strongly agree, and NA or not applicable.

1. My organization's real property assets meet the intended mission purpose.

1 ☐	2 ☐	3 ☐	4 ☐	5 ☐	NA ☐
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Comments:
2. The assets within my organization's real property portfolio perform financially.

1 ☐	2 ☐	3 ☐	4 ☐	5 ☐	NA ☐
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Comments:
3. My organization receives sufficient funding to maintain our real property assets.

1 ☐	2 ☐	3 ☐	4 ☐	5 ☐	NA ☐
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Comments:

Exploration of approaches to managing the portfolio

The next set of open-ended questions will be asked during the interview. They are provided below for transparency and to give you time to consider your responses before the interview. The **light blue boxes** will expand as you type should you wish to respond in this document.

4. What are the biggest challenges to managing your real estate portfolio, and how does that impact mission objectives?

Figure 12. Hager CHDS Thesis Interview Questions (Page 1)²⁰⁰

²⁰⁰ Source: Melissa Hager created using MSWord for interviews

5. How could the real property portfolio or individual facilities within your portfolio:
- a. be planned for differently to enhance operational capability and readiness?
[Redacted]
 - b. be designed differently to enhance operational capability and readiness? And,
[Redacted]
 - c. be managed differently to enhance operational capability and readiness?
[Redacted]
6. Given current policy and funding trends, how long will it take to address your organization's backlog of facility investments?
[Redacted]
7. What, if any, consolidations or colocations have you pursued? What, if anything, contributed to their success?
[Redacted]
8. What creative funding approaches have you tried? Were these approaches successful? Why or Why not?
[Redacted]

Thank you for taking the time to respond. Should you have any questions or concerns, please contact Melissa "Mel" Hager at [Redacted for confidentiality purposes]

Figure 13. Hager CHDS Thesis Interview Questions (Page 2)²⁰¹

Each question from the interview portion of the thesis research is shown in this Appendix in the order of the questions posed during the interview and arranged by groups. After each question, the prompts utilized in ChatGPT4 are provided. Each section concludes with AI-generated summaries. Information about raw data from individual responses is available from the author.

²⁰¹ Source: Melissa Hager created using MSWord for interviews

A. QUESTION 1

Using the Likert scale from 1 to 5, indicate your level of agreement with the statement: 1 – strongly disagree, 2 – disagree, 3 – neither agree nor disagree, 4 – agree, 5 – strongly agree, and NA or not applicable.

My organization’s real property assets meet the intended mission purpose.

1. DHS HQ

Prompt in ChaptGPT4:

You are an experienced social science researcher, experienced in conducting qualitative analysis of personal interviews. I will give you a series of results from three groups I have interviewed. The groups are titled DHS HQs, Components, and GSA. I asked respondents to tell me if they agree or disagree with this statement, “My organization’s real property assets meet the intended mission purpose.” And then to give reasons for their score. I will not tell you the score they gave me, but I will give you the reasons they gave me for their score. Each set of responses will be labeled by RD, and a number for a total of six responses. Please identify the primary themes of the responses for the DHS HQs group.²⁰²

Here are the responses:

Generative AI Response: Based on the responses provided by the DHS HQs group, several primary themes emerge. Here’s a breakdown:

a. *Evolving Mission vs. Static Infrastructure*

The mission of DHS continues to change and evolve. This dynamic nature is frequently mentioned, emphasizing that facilities have not been able to adapt quickly enough to the changing mission needs.

Facilities were often designed for different purposes than what they are being used for today (RD1, RD2, RD6).

²⁰² In the interview questions, the term “HQs” was used. In the thesis, the term “HQ” is used. They have the same meaning.

b. Legacy Facilities

Many of the DHS' facilities have been inherited from other agencies, such as the Navy, Army, and others (RD5).

This inheritance implies that some facilities might not have been optimally designed for DHS' specific needs (RD5).

Rapid leasing post-9/11 did not consider long-term, evolving needs (RD6).

c. Need for Modernization

There is a recognized need for optimization and modernization of the facilities. This spans across various types of assets, from hangars to waiting rooms (RD3).

Modern challenges, like telework and changes in work dynamics, are emerging needs not initially designed for in older buildings (RD5).

d. Differing Perspectives

The perception of whether facilities meet the mission varies, suggesting that individuals closer to on-ground activities might have a different view than those at headquarters (RD4).

e. Learning and Collaboration

There's an emphasis on cross-agency learning, with various DHS components benefiting from shared stories and best practices (RD5).

f. Ownership and Authority

Issues related to authority over buildings and their renovations are raised. There's a clear desire for more direct control and ownership of facilities rather than relying on external agencies like GSA (RD5).

There are challenges in securing both core building structures and tenant improvements due to Congressional limitations (RD5).

g. Challenges with Long-Term Commitments

There's a mention of challenges with long-term leases (like 15-year leases) that do not offer the flexibility needed for the evolving nature of DHS' mission (RD6).

These themes underscore a consistent message: The DHS' real property assets often lag behind the evolving mission needs, and there's a clear desire for more flexibility, modernization, and control over the assets to better support the organization's goals.

2. Components

ChatGPT4 prompt: "I will now give you the responses for the group titled Components. I asked respondents to tell me if they agree or disagree with this statement, "My organization's real property assets meet the intended mission purpose." And then to give reasons for their score. I will not tell you the score they gave me, but I will give you the reasons they gave me for their score. Each set of responses will be labeled by RC and a number for a total of five responses. Please identify the primary themes of the responses for the Component group."

Generative AI Response: Based on the responses from the "Components" group, the primary themes that emerge are:

a. Historical Context and Age of Facilities

The age and historical context of facilities play a significant role in how they meet current mission needs. Older facilities, like the average Land Ports of Entry (LPOE) that is 33 to 35 years old, often do not meet the mission's intended purpose (RC1).

While some facilities are new and aligned with the post-NAFTA/9-11 mission, many older facilities are not equipped to handle the current requirements (RC1, RC4).

b. Diversity and Complexity of Portfolio

The varied nature of the facilities (ranging from mail processing centers to seaports) complicates the situation. It is particularly challenging when certain facilities, like free space leases, are not considered as real property assets (RC1).

Different facilities have different needs based on their function (e.g., schoolhouse properties vs. distribution centers) (RC2).

c. Ownership and Management Challenges

Ownership and management of facilities vary, with distinctions between those owned by agencies like CBP or GSA. This division makes it hard to manage and articulate resource needs efficiently (RC1).

External control over some properties (e.g., GSA owning 75% of the LPOEs) limits the direct control over mission alignment (RC1).

d. Inadequate Mission Space and Utilization

Many respondents mention inadequate or improperly utilized mission space. This deficiency implies a disconnect between the facilities and the needs of the mission, especially with changing requirements over time (RC3).

e. Funding Challenges

There are challenges in obtaining adequate funding to maintain and upgrade facilities to meet current mission requirements (RC4, RC5).

CBP struggles to articulate their funding needs, leading to insufficient resources to ensure assets meet their needs (RC1).

There is a disparity in funding across different components. While USCIS, a fee-based organization, might have fewer funding challenges, others like the USCG experience significant difficulties (RC5).

f. Requirements and Governance

The approach to facility acquisition and management often relies on predetermined requirements or programs of requirements (POR) to ensure they align with mission needs (RC2, RC4).

New governance structures have been put in place to better define and meet these requirements (RC4).

g. Growth and Public Interaction

Some components are experiencing growth in their customer base or public interactions, leading to facilities that feel inadequate to accommodate these increasing demands (RC5).

In summary, the “Components” group responses highlight the challenges of managing a diverse portfolio of facilities that range in age and historical context. Funding difficulties, ownership complexities, and changing mission requirements further complicate the task of ensuring that these assets align with the organization’s evolving needs.

3. General Services Administration (GSA)

ChatGPT4 prompt: I will now give you the responses for the group titled GSA. I asked respondents to tell me if they agree or disagree with this statement, “My organization’s real property assets meet the intended mission purpose.” And then to give reasons for their score. I will not tell you the score they gave me, but I will give you the reasons they gave me for their score. Each set of responses will be labeled by RG and a number for a total of five responses. Please identify the primary themes of the responses for the GSA group.

Generative AI Response: Based on the responses provided by the GSA group, the primary themes that emerge are

a. Financial Constraints

A recurrent theme across several responses is the challenge associated with capital and funding. This financial limitation hampers the ability to optimally maintain and improve facilities to meet mission purposes (RG1, RG2, RG4).

b. Deferred Maintenance

The concept of deferred maintenance appears in the responses, suggesting that while there’s a desire to keep facilities in good condition, there are constraints (likely financial) that cause certain maintenance activities to be postponed (RG2).

c. *Meeting the Mission Despite Constraints*

While there are recognized challenges, especially financial, there's also a sentiment that GSA is still generally able to provide mission space and services for federal agencies (RG2, RG4).

GSA's approach to identifying requirements and planning with customers is positively highlighted. This suggests that while there may be broader systemic challenges, at the operational level, GSA is able to work closely with customers to ensure they get what they need (RG5).

d. *Diverse Portfolio and Varying Success*

There's an acknowledgment that while GSA does well in some areas, it might not be performing at the optimal level everywhere. This is linked back to the financial challenges in some responses (RG4).

In summary, the primary narrative from the GSA group centers around financial constraints which impact the ability to maintain and improve real property assets. Despite these challenges, GSA appears to still manage to meet its mission, especially when working closely with its customers.

4. *Compare and Contrast across the Groups*

ChatGPT4 prompt: "You have given me summaries about the primary themes for the three groups I interviewed. Now I would like you to compare and contrast those summaries. To do that, I would like you to aggregate all of your previous responses to me and identify where they are similar and where they are different."

AI Generative Response: Certainly. Let's compare and contrast the primary themes identified from the responses of the three groups: DHS HQs, Components, and GSA.

a. *Evolving Mission vs. Static Infrastructure (DHS HQs)*

DHS HQs: Facilities struggle to adapt quickly to changing mission needs. They were often designed for purposes other than what they're currently used for.

Components: Many older facilities do not meet current mission needs due to their age and historical context.

GSA: No direct mention of evolving missions, but they highlight that they provide mission space for federal agencies despite constraints.

(1) Similarity

Both DHS HQs and Components emphasize the gap between their evolving mission requirements and the outdated infrastructure.

(2) Difference

GSA, on the other hand, speaks more to their ability to provide space despite challenges, without directly addressing how the mission's evolution plays into this.

b. Funding Challenges

DHS HQs: Mentioned the challenges in obtaining funding for building structures and improvements.

Components: Noted challenges in obtaining and articulating funding needs to maintain and upgrade facilities.

GSA: A significant emphasis on lack of capital and deferred maintenance due to financial constraints.

(1) Similarity

All three groups highlight funding and financial challenges as primary concerns affecting their ability to manage and maintain facilities.

(2) Difference

The GSA seems to face more immediate and pervasive capital challenges, while DHS HQs and Components discuss funding in the context of aligning assets to the mission.

c. Legacy Facilities and Historical Context

DHS HQs: Many facilities were inherited from other agencies, which may not have been designed optimally for DHS' specific needs.

Components: Older facilities, especially those pre-NAFTA/9-11, often don't meet the mission's intended purpose.

GSA: No direct mention, but there's acknowledgment of suboptimal spaces due to financial issues.

(1) Similarity

Both DHS HQs and Components discuss the challenge of managing older facilities that weren't initially intended for their current use.

(2) Difference

GSA doesn't delve deep into the historical context but does admit to some spaces being suboptimal.

d. Collaboration and Understanding Mission Needs

DHS HQs: Emphasis on cross-agency learning, sharing best practices to benefit various DHS components.

Components: Address the importance of clear requirements to ensure alignment with mission needs.

GSA: Highlights their efforts to plan upfront with customers to deliver the right kind of space based on specific requirements.

(1) Similarity

All groups understand the importance of alignment between facilities and mission requirements. There's a common theme of collaboration and understanding the unique needs of various components or customers.

(2) Difference

GSA's focus is more on the customer planning side, while DHS HQs and Components discuss internal collaboration and clarity of requirements.

5. Conclusion

In conclusion, while each group has its unique set of concerns and priorities, there's a clear shared narrative around the challenges posed by financial constraints and the struggle of legacy facilities to adapt to evolving mission needs. DHS HQs and Components have an internal focus on aligning facilities to missions, while GSA seems more externally oriented, emphasizing collaboration with customers to understand and fulfill requirements.

B. QUESTION 2

Using the Likert scale from 1 to 5, indicate your level of agreement with the statement: 1 – strongly disagree, 2 – disagree, 3 – neither agree nor disagree, 4 – agree, 5 – strongly agree, and NA or not applicable.

The assets within my organization's real property portfolio perform financially.

1. DHS HQ

Prompt in ChaptGPT4:

You are an experienced social science researcher, experienced in conducting qualitative analysis of personal interviews. I will give you a series of results from three groups I have interviewed. The groups are titled DHS HQs, Components, and GSA. I asked respondents to tell me if agree or disagree with this statement," The assets within my organization's real property portfolio perform financially." And then to give reasons for their score. I will not tell you the score they gave me, but I will give you the reasons they gave me for their score. Each set of reasons will be labeled by R and a number for a total of six responses. Please identify the primary themes of the responses for the DHS HQs group.

Generative AI Response: Based on the responses provided from the DHS HQs group, several primary themes emerge:

a. *Lack of Understanding and Data Availability*

(1) Uncertainty and Lack of Knowledge

Respondents expressed a clear uncertainty and lack of understanding about the financial performance of their organization's real property portfolio. They find it hard to gauge the financial performance due to insufficient data and a lack of systems to provide necessary information (RD1).

(2) Data Quality Issues

The lack of quality data makes it difficult for the respondents to assess the financial performance of the assets (RD1).

b. *Financial Inefficiency*

(1) High Costs and Poor Utilization

Respondents highlighted the high costs associated with managing the property portfolio, citing excessive square footage and associated expenses (RD2). There is a sense that the assets are underutilized and require more reinvestment (RD4).

(2) Poor Return on Investment

The financial return on the assets is questioned, with a concern that the government's primary mission isn't to save money, but to protect the homeland, which could justify the poor financial performance (RD5).

(3) Need for Recapitalization

There is a highlighted need for recapitalization of the assets as they have not been updated in a long time, leading to increased repair costs and energy inefficiency (RD3).

c. *Inadequate Infrastructure and Maintenance*

(1) Facilities Not Keeping Up

The modernization of work practices is not being matched by updates to the facilities, leading to a mismatch and potential future issues (RD3).

(2) Lack of Investment

Both GSA-owned and DHS-owned spaces are criticized for not receiving proper investment for maintenance and updates. There is a particular criticism of the lack of preventive maintenance and refreshment of spaces, leading to deterioration over time (RD6).

d. Comparison with GSA and Components

(1) Negative Comparison with GSA

Respondents feel that spaces owned by GSA, particularly federally-owned spaces, are less desirable due to a lack of investment back into the properties. Commercial lease spaces from GSA are perceived as offering better quality (RD6).

(2) Lack of Vision Alignment

There is a sense that DHS HQs do not share the same financial vision or goals as GSA, particularly in terms of financial performance metrics like Funds from Operations (FFO) or Return on Equity (ROE) (RD4).

e. Need for Better Metrics and Accountability

There is a call for better metrics to assess financial performance, including cost per flight hour, cost per square foot, and cost per full-time equivalent. However, challenges exist in making comparisons due to the different nature of law enforcement versus administrative roles (RD4).

f. Concerns About Future Sustainability

The lack of investment and the mismatch between modern work practices and outdated facilities are believed to potentially compound future issues, particularly at critical infrastructures like airports (RD3).

g. Conclusion

The responses from the DHS HQs group reflect a collective concern about the financial inefficiency, lack of understanding, inadequate infrastructure, and the need for

better data and metrics within their organization's real property portfolio. There is a perceived misalignment of vision and goals with GSA, and a concern for future sustainability and adequacy of the facilities to meet the organizational needs.

2. Components

ChatGPT4 prompt:

I will now give you the responses for the group titled Components. I asked respondents to tell me if they agree or disagree with this statement, "The assets within my organization's real property portfolio perform financially." And then to give reasons for their score. I will not tell you the score they gave me, but I will give you the reasons they gave me for their score. Each set of reasons will be labeled by R and a number for a total of five responses. Please identify the primary themes of the responses for the Component group.

Generative AI Response: Based on the responses provided from the Components group, several primary themes and issues emerge:

a. Lack of Knowledge and Data

(1) Uncertainty

There is a recurring theme of uncertainty and lack of knowledge regarding the financial performance of the real property portfolio. Respondents admit not knowing how their assets are performing financially and acknowledge this as a barrier to making strong arguments for resource needs (RC1, RC3).

(2) Data and Metrics

There is a noted absence of a trusted facility sustainment model and a lack of data capture to adequately assess performance. Respondents mention the need for a model similar to what is used in the DOD, as well as the use of Facility Condition Assessments to better understand and advocate for their needs (RC1).

b. Inefficient Utilization

(1) Underutilization of Space

Respondents highlighted the issue of having considerable underutilized space, suggesting a lack of efficiency in how the real property is being used (RC2).

(2) Financial Efficiency

While one response indicates a belief that they are good stewards of taxpayer dollars by maximizing the use of their assets and minimizing unnecessary expenses (RC4), this is contradicted by the overall sentiment of inefficient space utilization and lack of financial oversight (RC2).

c. Asset Management and Maintenance:

(1) Aging Infrastructure and Maintenance Issues

There are concerns about the aging infrastructure, with a growing backlog of investments needed for operations and maintenance (O&M). The responses highlight a need for regular facility assessments and a more proactive approach to maintenance and restoration (RC1).

(2) Issues with GSA's Federal Buildings

Respondents expressed dissatisfaction with the conditions of some of the GSA's federal buildings, citing neglect, and maintenance issues. There is a feeling of frustration and a sense of urgency for attention and action (RC5).

d. Mission vs. Financial Performance

Some respondents highlighted the importance of mission-driven decisions over financial motivations, as seen in the example of maintaining locations in rural areas to serve applicants, even if these locations may not bring in as much revenue (RC5).

e. Need for Advocacy and Planning

(1) Advocacy for Resources

There is a call for a more robust model to advocate for resources at the point of need, suggesting a desire for a more strategic approach to asset management and resource allocation (RC1).

(2) Financial Analysis for Decision-Making

One response mentions the use of financial analysis in decisions regarding leasing or buying, indicating an awareness and application of financial considerations in asset management (RC4).

f. Conclusion

The responses from the Components group paints a picture of uncertainty, underutilization, and inefficiency in the management of their real property portfolio. There is a clear call for better data, metrics, and models to guide decision-making, as well as a need for more proactive asset management and maintenance. While there are indications of responsible financial stewardship, these are overshadowed by the overall themes of inefficiency and a lack of knowledge. Mission-driven decisions are valued, even if they might not always align with financial performance goals. There are also issues raised regarding the condition of GSA's federal buildings, indicating a need for attention and improvement in this area.

3. GSA

ChatGPT4 prompt:

I will now give you the responses for the group titled GSA. I asked respondents to tell me if they agree or disagree with this statement, "The assets within my organization's real property portfolio perform financially." And then to give reasons for their score. I will not tell you the score they gave me, but I will give you the reasons they gave me for their score. Each set of reasons will be labeled by R and a number for a total of five responses. Please identify the primary themes of the responses for the GSA group.

Generative AI Response: Based on the responses from the GSA group, several primary themes and concerns can be identified regarding the financial performance of their real property portfolio:

a. *Financial Performance Measurement*

(1) Use of Financial Metrics

Respondents refer to the use of specific financial metrics such as FFO to measure the financial performance of their buildings, suggesting an established system for evaluating asset performance (RG1).

(2) Mixed Performance

While buildings are bringing in a positive FFO, there is an acknowledgment that not all assets are performing well, leading to a mixed performance score ranging from three to four out of five (RG1, RG2).

b. *Proactive Asset Management*

(1) Investment Review and Analysis

There is a proactive approach to asset management, with mention of an Investment Review Board and ongoing analysis to identify non-performing buildings and those requiring high reinvestment. This approach aims to sustain the majority of the inventory and dispose of non-performers (RG2).

(2) Building Disposal

A substantial number of buildings (about thirty across the country) are identified for disposal due to poor financial performance and high reinvestment needs, indicating a willingness to make tough decisions to optimize the portfolio (RG2).

c. *Challenges and Areas for Improvement*

(1) Inadequate Pricing

There are concerns about inadequate pricing policies, which may be contributing to challenges in financial performance (RG5).

(2) Deferred Liability

Increasing deferred liability is mentioned as a challenge, potentially impacting the ability of buildings to perform financially (RG5).

(3) Need for Better Financial Agreements

There is an acknowledgment that while the current system is fairly good, there is room for improvement in terms of financial agreements and pricing policies with agencies (RG4).

d. Impact of Occupancy

Building occupancy is highlighted as a significant factor influencing financial performance, with lower occupancy leading to negative points on their rating scale (RG2).

e. Conclusion

The responses from the GSA group revealed a nuanced view of their real property portfolio's financial performance. There is a recognition of mixed performance, with some assets performing well while others are identified for disposal due to poor financial results and high reinvestment needs. The use of specific financial metrics and a proactive approach to asset management, including an Investment Review Board, indicates a systematic effort to optimize the portfolio. However, challenges such as inadequate pricing, increasing deferred liability, and the impact of low occupancy are acknowledged as areas needing attention and improvement. There is an awareness and a willingness to address these issues to enhance the financial performance of their assets.

4. Compare and Contrast across the Groups

ChatGPT4 prompt: "You have given me summaries about the primary themes for the three groups I interviewed. Now I would like you to compare and contrast those summaries. To do that, I would like you to aggregate all of your previous responses to me and identify where they are similar and where they are different."

AI Generative Response: Certainly, comparing and contrasting the summaries from the three groups (DHS HQs, Components, and GSA) reveals insights into their

perspectives, challenges, and priorities regarding the financial performance of their real property portfolios.

a. Similarities

(1) Acknowledgment of Challenges and Need for Improvement

All three groups acknowledge challenges in their real property portfolios and express a need for improvement.

DHS HQs and Components highlight issues with data quality, lack of sufficient data, and outdated facilities.

GSA addresses challenges related to inadequate pricing and increasing deferred liability.

(2) Concerns About Financial Performance and Asset Utilization

DHS HQs and Components raise concerns about the financial performance of their assets, emphasizing underutilization and the high cost of maintenance.

GSA also notes the existence of non-performing buildings within their portfolio.

(3) Need for Strategic Asset Management

DHS HQs mention the need for modernization and more strategic investment to address long-term needs.

Components express the necessity of a facility sustainment model to better manage their facilities.

GSA proactively manages their portfolio through an Investment Review Board and plans for disposal of non-performing assets.

b. Differences

(1) Perspective on Government's Financial Role

DHS HQs respondents show a clear concern for return on investment and financial efficiency, even questioning if they are paying what they should be.

Components express a more mission-focused perspective, emphasizing the need for facility locations even if they are not financially optimized.

GSA focuses on the financial aspects, using specific metrics like FFO and actively managing their portfolio for financial performance.

(2) Data Quality and Availability

DHS HQs highlight a significant issue with the lack of quality data, which hampers their ability to gauge financial performance.

Components also mention a lack of data but emphasize the need for a trusted model to advocate for resources.

GSA does not explicitly mention data quality issues, indicating they might have better data availability or systems in place.

(3) Approach to Asset Management

DHS HQs' responses suggest a reactive approach to asset management, with facilities not keeping up with modernization needs.

Components express a need for a more proactive and strategic approach, advocating for a facility sustainment model.

GSA demonstrates a proactive and strategic asset management approach, with an Investment Review Board and plans for disposing of non-performing assets.

(4) Focus on Financial Metrics and Performance

DHS HQs show concern for various financial metrics, but their responses suggest confusion and a lack of clear vision compared to GSA.

Components focus less on financial metrics, emphasizing the mission-critical aspect of their facilities.

GSA uses specific financial metrics to evaluate their portfolio and has a clear focus on financial performance.

c. Conclusion

The three groups share concerns about the challenges and the need for improvement in managing their real property portfolios. However, they differ in their perspectives on the government's financial role, approach to asset management, and focus on financial metrics. DHS HQs and Components emphasize challenges and the need for modernization, whereas GSA demonstrates a more proactive and financially oriented approach to asset management. These differences likely stem from their distinct roles, responsibilities, and priorities within the government structure.

C. QUESTION 3

Using the Likert scale from 1 to 5, indicate your level of agreement with the statement: 1—strongly disagree, 2—disagree, 3—neither agree nor disagree, 4—agree, 5—strongly agree, and NA, or not applicable.

My organization receives sufficient funding to maintain our real property assets.

1. DHS HQ

ChaptGPT4 Prompt:

You are an experienced social science researcher, experienced in conducting qualitative analysis of personal interviews. I will give you a series of results from three groups I have interviewed. The groups are titled DHS HQs, Components, and GSA. I asked respondents to tell me if agree or disagree with this statement, "My organization receives sufficient funding to maintain our real property assets." And then to give reasons for their score. I will not tell you the score they gave me, but I will give you the reasons they gave me for their score. Each set of reasons will be labeled by R and a number for a total of six responses. Please identify the primary themes of the responses for the DHS HQs group.

Generative AI Response: Based on the responses provided by the DHS HQs group, here are the primary themes identified:

a. Backlog and Deferred Maintenance

Multiple responses (R1, R2, R3, R5, and R6) indicate a significant backlog in maintenance, citing numbers in the billions. This backlog refers both to O&M and specific repairs and alterations. Deferred maintenance was a recurrent concern.

b. Funding Constraints

Several respondents (R1, R2, and R5) highlighted that the funding received isn't sufficient to maintain their real property assets, and there's a clear disparity between the deferred maintenance and the funding available.

There's a distinction in funding based on property types, with leased properties (managed by GSA) and DHS-owned properties mentioned separately (R2, R6).

c. Facilities Management Challenges

Facilities are the first to face budget cuts when there are shortfalls in other areas (R3).

The problem is not just with facility management but stems from a larger leadership and commitment issue (R3).

d. Definition and Stages of Property Management

There is a need to differentiate between maintaining and sustaining assets, with a life cycle that includes acquiring, investing, sustaining, and disposing (R4).

e. Regional Differences

The National Capital Region (NCR) is cited as being better funded for O&M compared to other components (R5).

f. Role of GSA and Congress

GSA's role in managing leased properties and the constraints stemming from Congress are mentioned (R2).

g. External References and Reports

Specific data points, like the GAO report, are used to emphasize the challenges (R6).

h. Conclusion

In summary, the primary concerns of the DHS HQs group revolve around inadequate funding leading to significant deferred maintenance backlogs, leadership and commitment issues affecting facility management, and the differentiation in funding and management between leased and owned assets.

2. Components

ChatGPT4 prompt:

I will now give you the responses for the group titled Components. I asked respondents to tell me if they agree or disagree with this statement, “My organization receives sufficient funding to maintain our real property assets.” And then to give reasons for their score. I will not tell you the score they gave me, but I will give you the reasons they gave me for their score. Each set of reasons will be labeled by R and a number for a total of five responses. Please identify the primary themes of the responses for the Component group.

Generative AI Response: Based on the responses provided by the Components group, here are the primary themes identified:

a. Significant Backlog and Deferred Maintenance

There’s a recurrent theme of a substantial backlog in O&M and the challenges of modernizations for properties owned by both Components and GSA (R1, R3). Funding does not meet the backlog costs (R1, R3, R4).

b. Funding Challenges and Sources

The insufficiency of funds available, especially when there’s a disparity in the amounts required for various projects (R1).

There is a differentiation in funding based on its source, whether general or disaster relief. This influences efficiency and attention to costs (R2).

A lack of understanding or quantification of the total funding requirements versus what's received (R3).

Some entities, like USCIS, feel they've had enough funds in recent years, but there are concerns about cost fluctuations and their impact (R5).

c. Operational Efficiency and Resource Management

There's a mention of how resource abundance can sometimes lead to inefficiencies, using examples from the US Army in Iraq (R2).

The need for better stewardship of funds, with a focus on timely and appropriate maintenance (R4).

The idea that sometimes organizations function better with limited resources because it forces creativity and efficiency (R2).

d. Role of GSA and Other Organizations

A continued reliance on GSA and its funding status, and the challenges GSA faces in maintaining its properties adequately (R1, R3, R5).

e. Organizational Relationships and Dynamics

Mention of the complexities in the relationships and histories of various entities within DHS, such as the US Border Patrol, Office of Field Operations, and CBP (R1).

Territorial attitudes among some components which impact space sharing and consolidation decisions (R5).

f. Changes and Adaptations

Factors like COVID-19, changing administrations, and their resultant impact on operations, including changes in physical footprints, decision-making, and leasing strategies (R5).

g. Safety, Comfort, and Public Interaction

Concerns about public comfort and perceptions, especially in places where there's a heavy law enforcement presence (R5).

h. Conclusion

In summary, the Components group is mainly concerned with the significant backlog in maintenance, the disparities in funding needs versus what's received, operational efficiencies and how they are impacted by the availability of resources, and the complex dynamics of organizational relationships and the evolving nature of operations in response to external factors.

3. GSA

ChatGPT4 prompt:

I will now give you the responses for the group titled GSA. I asked respondents to tell me if they agree or disagree with this statement, "My organization receives sufficient funding to maintain our real property assets." And then to give reasons for their score. I will not tell you the score they gave me, but I will give you the reasons they gave me for their score. Each set of reasons will be labeled by R and a number for a total of five responses. Please identify the primary themes of the responses for the GSA group.

Generative AI Response: Based on the responses provided by the GSA group, here are the primary themes identified:

a. Chronic Funding Shortfall

Several respondents mention a significant and recurring funding shortfall. This shortfall is specifically noted to be around \$1 billion annually or over the span of several years (R1, R2, R4).

b. Federal Buildings Fund Limitations

There's an emphasis on constraints regarding access to the Federal Buildings Fund (R2, R5). The shortfall in the Federal Buildings Fund has significant implications for the GSA's ability to undertake projects and maintain assets.

Proposals have been made to increase access to the Federal Buildings Fund and adjust prospectus thresholds, but these proposals aren't necessarily getting through or being approved (R2, R5).

c. Investment Decisions and Political Influences

There's a sentiment that sound investment opportunities, such as specific building projects, are overlooked or unfunded, while other less necessary projects (like certain courthouses) are funded due to political reasons (R2).

d. Deferred Maintenance

There's a massive backlog in deferred maintenance, with figures mentioned in the billions (R4, R5). This backlog has been growing over the years and signifies a lack of adequate funding to keep up with building maintenance.

e. Legislative and Organizational Constraints

There's a suggestion that legislative constraints have limited the GSA's ability to utilize funds optimally (R5).

Proposals have been made to change how GSA is grouped in appropriations, suggesting a shift to a true revolving fund system or having a separate capital fund (R5).

There's an emphasis on how funding decisions are influenced by broader Congressional priorities, which may sideline GSA's needs in favor of other agencies or programs (R5).

f. Seeking Changes and Reforms

Respondents highlight the need for reforms, such as altering how GSA accesses the Federal Buildings Fund, how they are grouped for appropriations, or establishing new fund systems (R2, R5).

g. Conclusion

In summary, the GSA group's primary concerns revolved around the persistent and significant shortfall in funding, constraints in accessing the Federal Buildings Fund,

political influences in funding decisions, a growing backlog in deferred maintenance, and the need for legislative and organizational reforms to address these challenges.

4. Compare and Contrast across the Groups

ChatGPT4 prompt: “You have given me summaries about the primary themes for the three groups I interviewed. Now I would like you to compare and contrast those summaries. To do that, I would like you to aggregate all of your previous responses to me and identify where they are similar and where they are different.”

Generative AI Response: Of course! Let’s compare and contrast the primary themes identified from the three groups: DHS HQs, Components, and GSA.

a. DHS HQs

(1) Backlog and Deferred Maintenance

Significant backlog in O&M and specific repairs/alterations.

(2) Funding Constraints

Funding isn’t sufficient; distinction between leased properties (managed by GSA) and DHS-owned.

(3) Facilities Management Challenges

Facilities first to face budget cuts; larger leadership issue.

(4) Definition and Stages of Property Management

Differentiation between maintaining and sustaining assets.

(5) Regional Differences

NCR is better funded.

(6) Role of GSA and Congress

Reliance on GSA’s management and Congressional constraints.

(7) External References and Reports

Use of specific data points like GAO reports to emphasize challenges.

b. Components

(1) Significant Backlog and Deferred Maintenance

Substantial backlog in operations, maintenance, and modernizations.

(2) Funding Challenges and Sources

Insufficiency of funds, differentiation in funding sources.

(3) Operational Efficiency and Resource Management

Resource abundance leading to inefficiencies; better functioning with limited resources.

(4) Role of GSA and Other Organizations

Reliance on GSA's funding status and challenges.

(5) Organizational Relationships and Dynamics

Complexities in relationships and histories within DHS entities.

(6) Changes and Adaptations

Impacts of COVID-19, changing administrations on operations.

(7) Safety, Comfort, and Public Interaction

Concerns about public comfort, especially with law enforcement presence.

c. GSA

(1) Chronic Funding Shortfall

Significant recurring funding shortfall.

(2) Federal Buildings Fund Limitations

Constraints regarding access to the Federal Buildings Fund.

(3) Investment Decisions and Political Influences

Overlooked investment opportunities, funding due to political reasons.

(4) Deferred Maintenance

Massive backlog in deferred maintenance.

(5) Legislative and Organizational Constraints

Legislative limits on GSA's fund utilization.

(6) Seeking Changes and Reforms

Need for reforms in funding and organizational structuring.

d. Comparison

(1) Similarities

(2) Backlog in Maintenance

All three groups highlighted a significant backlog in maintenance and repair tasks.

(3) Funding Challenges

All groups mention a shortfall or insufficiency in the funds they receive.

(4) Role of GSA

Both DHS HQs and Components emphasize the role of GSA in maintaining properties, indicating a broad reliance on GSA's capabilities.

(5) Impact of External and Political Factors

All groups mention the influence of external factors, be it legislative decisions, political considerations, or external events like COVID-19.

(6) Differences

(7) Operational Focus

While DHS HQs and Components touch on their operations, GSA's responses are more centered around infrastructure and property investment decisions.

(8) Organizational Dynamics

The Components group delved deeper into intra-organizational relationships and histories, which wasn't a strong theme in the other two groups.

(9) Solutions and Reforms

GSA's responses are more geared toward seeking changes and reforms in how they are funded and operate, whereas the other two groups emphasized more on the challenges they face without pointing toward specific solutions.

(10) External References

DHS HQs uniquely brought in external references like GAO reports to support their statements.

(11) Regional and Asset Differentiations

Only the DHS HQs emphasized regional differences (like NCR) and the distinction between different types of properties (leased vs. owned).

e. Conclusion

While all groups share concerns about funding shortfalls and deferred maintenance, their perspectives, focal points, and proposed solutions differ based on their roles and responsibilities within the larger DHS framework. GSA, being more infrastructure and property-centered, offers a distinct perspective compared to the operational and mission-focused views of the DHS HQ and Components.

D. QUESTION 4

What are the biggest challenges to managing your real estate portfolio, and how does that impact mission objectives?

1. DHS HQ

ChatGPT4 prompt:

You are an experienced social science researcher, experienced in conducting qualitative analysis of personal interviews. I will give you a series of results from three groups I have interviewed. The groups are titled DHS HQs, Components, and GSA. I asked respondents to respond to the question, “What are the biggest challenges to managing your real estate portfolio, and how does that impact mission objectives?” Each set of responses will be labeled by RD and a number for a total of six responses. Please identify the primary themes of the responses for the DHS HQs group.

Generative AI Response: Based on the provided responses from the DHS HQs group, several primary themes emerge regarding the challenges they face managing their real estate portfolio:

a. Funding and Resource Constraints

Funding is repeatedly cited as a critical challenge.

There is a significant backlog due to funding limitations.

There are not enough human capital resources to manage the funding and carry out necessary work on the real estate portfolio.

Money is described as “immobile,” meaning decisions about its allocation have to be made well in advance, and these decisions are hard to change later on.

b. Technological and Operational Evolution

The real estate portfolio has not kept pace with the changing technology and evolving missions.

The need for facilities that are the “right size, right location” is emphasized.

c. Organizational Complexity and Redundancy

The formation of DHS from several independent agencies resulted in redundancy.

There are cultural differences and different missions across components, but they have common support needs.

d. Centralization vs. Decentralization

Funding is not centralized, making it hard to approach real estate management from a holistic perspective.

There's an emphasis on the challenge of creating policy and being accountable when control over resources is decentralized.

Different components prioritize their own operational needs over strategic real estate decisions.

e. Standardization

There's a challenge in standardizing what constitutes good facilities and operations.

Different components have different standards, even for similar facilities.

f. Leasing Challenges

There are challenges related to leasing, especially regarding reinvesting in the leased spaces and ensuring they are maintained adequately.

The spaces leased might not match current operational needs or industry standards.

The way leases work, especially regarding the flow of funds and the role of GSA and other agencies, is highlighted as problematic.

g. Maintenance and Quality of Facilities

Deferred maintenance is highlighted, indicating a neglect in addressing issues until they become significant problems.

There's a need for investing in the current spaces to ensure they meet industry standards and serve operational needs adequately.

Employees deserve a space that is clean, environmentally conditioned, and mission-capable.

h. Conclusion

These themes underscore the multifaceted challenges DHS HQs faces in managing its real estate portfolio and the ripple effects these challenges can have on its mission objectives.

2. Components

ChatGPT4 prompt:

I will now give you the responses for the group titled Components. I asked respondents to respond to the question, “What are the biggest challenges to managing your real estate portfolio, and how does that impact mission objectives?” Each set of responses will be labeled by RC and a number for a total of five responses. Please identify the primary themes of the responses for the Component group.

Generative AI Response: Based on the provided responses from the Components group, the following primary themes emerge regarding the challenges they face in managing their real estate portfolio:

a. Organizational Structure and Resource Allocation

Diversity of portfolio and the unique challenges it brings, such as managing free spaces and planning for remote facilities.

The organizational structure, like CBP’s lines of business, leads to gaps in facility provision for overarching needs.

The ICE organization isn’t structured optimally to handle real estate matters at the enterprise level, with resource allocation not optimized.

b. Forward Planning and Uncertainty

Difficulties in predicting and planning for needs far into the future, with mistakes having long-term consequences.

The ever-evolving mission sets and dynamic nature of threats make it hard to plan real estate needs.

Funding uncertainties impact the ability to forecast and allocate resources effectively.

c. Dependency on Leasing

High dependence on leasing makes it challenging to adapt quickly to changing requirements.

A high volume of leasing transactions adds complexity and challenges.

d. Internal Conflicts and Prioritization

Programs prioritize based on their interests rather than the overarching agency needs, leading to potential inefficiencies.

Challenges in getting internal sub-components to share spaces or adopt more flexible workspace models.

e. Financial Constraints and Funding

Constant juggling between funding for new capabilities and maintaining existing facilities.

Effects of expiring funds and continuing resolutions impact the planning and execution of projects.

f. Operational Efficiency and Customer Service

There's an emphasis on saying "yes" to improve customer service, even when policies and regulations make tasks difficult.

Duplicative and redundant work between the components and the overarching DHS HQs.

The importance of updating workspace models and expectations in line with current realities (e.g., telework) and breaking traditional mindsets about workspace personalization.

g. Inter-agency and Intra-agency Collaboration

The push and pull between DHS HQs and components, with the former getting more involved in component-level work than before.

Challenges in colocation, as seen with HSI and ERO.

h. Conclusion

These themes highlight the multifaceted challenges faced by the Components group in managing their real estate portfolios, reflecting both organizational and external pressures.

3. GSA

ChatGPT4 prompt:

I will now give you the responses for the group titled GSA. I asked respondents to respond to the question, “What are the biggest challenges to managing your real estate portfolio, and how does that impact mission objectives?” Each set of responses will be labeled by RG and a number for a total of five responses. Please identify the primary themes of the responses for the GSA group.

Generative AI Response: Based on the provided responses from the GSA group regarding their challenges in managing their real estate portfolio, the following primary themes emerge:

a. Access to Capital and Funding Limitations

Capital access is repeatedly highlighted as the most significant challenge.

Lack of capital impacts the ability to invest in assets, causing issues like deferred maintenance.

There's a strong emphasis on the inability to access the Federal Buildings Fund, restricting necessary investments.

b. Changing Dynamics and Decision-Making

The evolving nature of the world, particularly post-COVID workplace dynamics, makes it challenging for agencies to decide on long-term requirements.

The lack of decisiveness due to the changing nature of work (remote vs. office) and uncertainties around it.

c. Infrastructure Maintenance and Risks

Deferred maintenance can lead to potential disasters, like flooding due to infrastructure failures, and safety hazards, such as malfunctioning elevators.

Access to consistent funding would prevent maintenance from reaching a point of failure.

d. Budgetary and Scoring Concerns

The way budgets are treated and scored adds another layer of challenge to GSA's operations.

The tension between expected roles: government role vs. business role. For instance, the expectation to manage historic buildings (a typical government role) contrasts with the expectation for GSA to operate efficiently like a private sector entity.

e. Mission vs. Operational Tensions

The constant tension between GSA's mission to provide agile and sustainable workplaces and the barriers they face in fulfilling this mission.

Comparison with private sector real estate development, emphasizing a lack of fluidity in the portfolio that a private sector entity might have.

f. Conclusion

These themes highlight the significant financial and decision-making challenges faced by the GSA in managing their real estate portfolio, given the unique position GSA occupies at the intersection of government and business-like operations.

4. Compare and Contrast across the Groups

ChatGPT4 prompt: “You have given me summaries about the primary themes for the three groups I interviewed. Now I would like you to compare and contrast those summaries. To do that, I would like you to aggregate all of your previous responses to me and identify where they are similar and where they are different.”

Generative AI Response: Of course! Let’s compare and contrast the primary themes identified for the DHS HQs, Components, and GSA groups:

a. *DHS HQs Themes*

- (1) Funding and Resource Constraints
- (2) Technological and Operational Evolution
- (3) Organizational Complexity and Redundancy
- (4) Centralization vs. Decentralization
- (5) Standardization
- (6) Leasing Challenges
- (7) Maintenance and Quality of Facilities

b. *Components Themes*

- (1) Organizational Structure and Resource Allocation
- (2) Forward Planning and Uncertainty
- (3) Dependency on Leasing
- (4) Internal Conflicts and Prioritization
- (5) Financial Constraints and Funding
- (6) Operational Efficiency and Customer Service
- (7) Inter-agency and Intra-agency Collaboration

c. *GSA Themes:*

- (1) Access to Capital and Funding Limitations
- (2) Changing Dynamics and Decision-Making
- (3) Infrastructure Maintenance and Risks
- (4) Budgetary and Scoring Concerns
- (5) Mission vs. Operational Tensions

d. *Comparisons*

- (1) Similarities
- (2) Funding Limitations

All three groups highlighted the challenges related to funding and resource constraints. Whether it's a matter of centralized versus decentralized funding, the effects of not having adequate resources, or the inability to access necessary capital, this theme is consistently a top challenge.

(3) Organizational and Structural Challenges

Both the DHS HQ and the Components stressed the complexity introduced by organizational structures and the difficulties they present in managing real estate assets. The GSA, too, felt tensions between their mission and the barriers they face, hinting at organizational challenges.

(4) Forward Planning and Uncertainty

Both the Components and the GSA mentioned the challenges brought about by having to plan for the distant future in an ever-changing world.

(5) Leasing and Real Estate Challenges

The DHS HQ and Components groups both brought up challenges related to leasing and real estate dependencies, which has downstream effects on their mission objectives.

(6) Differences

(7) Technological and Operational Evolution

Only the DHS HQ group emphasized the gap between the evolving technological landscape and the real estate portfolio, reflecting perhaps a more tech-centric approach to their mission compared to the other groups.

(8) Standardization

The DHS HQ focused on the challenge of standardizing facilities and operations across its various components, which wasn't a prominent theme for the other groups.

(9) Customer Service Emphasis

The Components uniquely brought up the theme of operational efficiency and customer service, emphasizing the need for agility in decision-making and a customer-focused approach.

(10) Budgetary and Scoring Concerns

Only the GSA group highlighted the difficulties related to budget treatment and scoring, likely reflecting the unique financial dynamics they face compared to the other groups.

(11) Mission vs. Operational Tensions

The tension between GSA's mission and the operational barriers they encounter was unique to their group. This tension stems from their distinct position at the juncture of government and business operations.

In summary, while there are overlaps in the challenges faced by the three groups, especially around funding and organizational complexity, each group also has unique challenges that reflect their distinct roles and missions within the broader government landscape.

E. QUESTION 5

How could the real property portfolio or individual facilities within your portfolio:

- a. be planned for differently to enhance operational capability and readiness?
 - b. be designed differently to enhance operational capability and readiness?
- And,
- c. be managed differently to enhance operational capability and readiness?

1. DHS HQ

ChatGPT4 prompt:

You are an experienced social science researcher, experienced in conducting qualitative analysis of personal interviews. I will give you a

series of results from three groups I have interviewed. The groups are titled DHS HQs, Components, and GSA. I asked respondents to respond to the question, “How could the real property portfolio or individual facilities within your portfolio: be planned for, designed, and managed differently to enhance operational capability and readiness?” Each set of responses will be labeled by RD and a number for a total of six responses. Please identify the primary themes of the responses for the DHS HQs group.

Generative AI Response: After analyzing the responses from the DHS HQs group to the question about how the real property portfolio or individual facilities within the portfolio could be planned for, designed, and managed differently to enhance operational capability and readiness, the primary themes identified are as follows:

a. Clear Communication and Understanding

Importance of clear messaging and communication to the operators, especially regarding policy implementation and facility decisions.

The language used often gets lost and might be too technical, which leads to misunderstandings among the operators.

b. Adaptable Design and Planning

Emphasis on the need for flexible space design that caters to changing mission requirements and allows for adaptability over time.

Designing spaces around communities of practice rather than a singular focus.

Requirement-driven planning instead of budget-driven planning.

c. Leadership and Support

The pivotal role of leadership support in driving facility decisions and achieving progress.

The change in leadership can result in changes in priorities, with some prioritizing personal preferences over mission needs.

d. Efficient Use of Resources and Budgeting

Ensuring rigorous requirement planning, especially for capital investments.

The importance of disciplined funding and proper budgeting, with an emphasis on localized funding for specific building maintenance.

Concerns about the tendency to over-budget or inflate requirements, leading to waste.

e. Collaboration and Integration

Suggestion for a more integrated team comprising end-users, architects, and facility managers.

Encouragement for collaborative projects across components to reduce redundancies and improve efficiency.

f. Operational Readiness and Maintenance

Consistent emphasis on ensuring that facilities enhance operational readiness.

The importance of maintaining facilities and addressing repair and alteration needs promptly.

Recommendations for regular reviews, such as the Program Management Review, and effective tracking methods like the Facility Condition Index.

g. Resiliency and Future-Proofing

Recognizing the need for resilience assessments and planning for potential environmental and other challenges.

Emphasis on designing facilities with foresight, taking into account various factors such as flood risks, wildfires, and more.

h. Efficient Management of Space and Assets

Addressing over-allocation or underutilization of space.

Focusing on the actual needs rather than speculative growth or “pie in the sky” estimates.

Advocacy for more realistic and transparent planning and execution.

i. Conclusion

The DHS HQ group expressed concerns about the current state of facility planning, design, and management, emphasizing the need for clearer communication, more adaptable designs, strong leadership support, efficient resource use, increased collaboration, and a heightened focus on operational readiness and future resilience.

2. Components

ChatGPT4 prompt:

I will now give you the responses for the group titled Components. I asked respondents to respond to the question, “How could the real property portfolio or individual facilities within your portfolio: be planned for, designed, and managed differently to enhance operational capability and readiness?” Each set of responses will be labeled by RC and a number for a total of five responses. Please identify the primary themes of the responses for the Component group.

Generative AI Response: Upon reviewing the responses from the Component group, several primary themes emerge. These themes provide insights into their perspectives on planning, design, and management of their real property portfolio or individual facilities to enhance operational capability and readiness:

a. Integration and Consolidation

There is an emphasis on working collaboratively and integrating facilities planning efforts across different units and components. Consolidation of space and resources, especially in light of teleworking trends, was also mentioned.

b. Forward-Thinking and Anticipating Future Needs

A recurring sentiment is the need to plan for the future rather than just current requirements. This includes considering changes in technology, operational tactics, and potential shifts in political priorities.

c. Governance and Structure

The importance of having a robust governance structure in place that ensures requirements are generated, monitored, and integrated is clear. This structure should allow for clear coordination between different units, flexibility, and the capacity to manage change.

d. Flexibility in Design

Responses indicated a desire for flexible and adaptable facility designs that can accommodate changing missions, technologies, and operational procedures over time. This includes considering modular designs and standards that can adapt to technology changes.

e. Challenges with Funding and Resource Allocation

The unpredictable nature of funding cycles, the challenges of mixing funds, and budget constraints are recurrent issues. The importance of longer-term financial planning, such as a 20-year plan, was highlighted.

f. Collaboration with IT and Technological Forecasting

There's a call for better integration between facilities planning and IT to ensure that facilities are designed with future technological advancements in mind. This would prevent facilities from becoming technologically obsolete soon after construction.

g. Lease Management and Space Utilization

There's a concern about non-cancelable leases, especially when considering the potential for increased telework and changing space requirements. The push for a more efficient use of space and consolidating where possible was evident.

h. Influence of Political Appointees and Changing Priorities

The dynamic nature of political appointments and the challenges of planning for continuity amidst potential policy shifts was acknowledged. There's a recognition that planning has to be pragmatic, considering that political landscapes might change.

i. Empowerment of Planning Entities

Responses highlighted the importance of empowering planning entities and ensuring that they have the authority to make decisions and implement plans effectively.

j. Operational Efficiency and Green Initiatives

There's an emphasis on achieving greater operational efficiency, both in terms of facility usage and the adoption of green initiatives. This ties into the broader goal of achieving operational readiness and mission capability.

k. Conclusion

In essence, the Component group emphasizes the importance of strategic, long-term planning that integrates various stakeholders, considers future technological and operational shifts, and efficiently utilizes resources. They also highlight the challenges posed by funding constraints, political changes, and lease agreements in achieving these goals.

3. GSA

ChatGPT4 prompt:

I will now give you the responses for the group titled GSA. I asked respondents to respond to the question, "How could the real property portfolio or individual facilities within your portfolio: be planned for, designed, and managed differently to enhance operational capability and readiness?" Each set of responses will be labeled by RG and a number for a total of five responses. Please identify the primary themes of the responses for the GSA group.

AI Generative Response: Based on the responses from the GSA group, several primary themes emerge, offering insights into their perspectives on how the real property portfolio or individual facilities can be planned, designed, and managed to boost operational capability and readiness:

a. Integrated Planning and Design

Emphasis on a more integrated approach to planning that includes stakeholder input and a unified vision. The need for alignment between design and actual facility usage is highlighted.

b. Flexibility and Adaptability

The design should accommodate possible future changes and unforeseen requirements, ensuring facilities can adjust to different needs or functionalities over time.

(1) Early Engagement and Proactive Conversations

Engaging with agencies and starting conversations early on is crucial. Delayed discussions or reluctance to think differently can limit the potential for innovative solutions.

c. Funding Constraints and Opportunities

GSA acknowledges challenges with segmented funding and sees value in having funding that covers the entire life cycle of a project, from design to operation. The benefits of projects funded under the American Recovery and Reinvestment Act are mentioned as examples.

d. Operational Alignment with Design Intent

It's essential that the intended use of a facility aligns with its design. Misalignments, like converting an office building into a lab, can create operational challenges.

e. Anticipating Changes and Uncertainties

Recognizing that policy, technological, and societal shifts can alter facility requirements. Examples include the move back to using cash rooms due to marijuana-related financial regulations.

f. Design for Future Work Dynamics

Understanding the evolving nature of work, especially in light of telework and changing employee habits, is critical. The influence of political decisions, like the “Show Up” Act language, on space requirements is also noted.

g. Cultural Shifts and Change Management

Embracing major cultural shifts, especially around shared spaces and facilities, necessitates robust change management. Preparing occupants for new ways of working and using space is essential.

h. Efficiency and Value Proposition

Assessing the potential value and long-term viability of investments in a facility. Decisions should be based on what the building can handle in terms of investment before it’s no longer financially sound.

i. Continuous Engagement and Re-evaluation

There’s a need for ongoing dialogue with clients to ensure facilities meet their needs and to address emerging challenges. This engagement can help to identify low-cost adjustments before they become significant issues.

j. Conclusion

In summary, the GSA group’s insights underline the significance of integrated, forward-looking planning that emphasizes flexibility and adaptability. They also point to the importance of continuous engagement with stakeholders and a need for change management strategies to handle evolving requirements and cultural shifts.

F. QUESTION 6

Given current policy and funding trends, how long will it take to address your organization’s backlog of facility investments?

1. Compare and Contrast across the Groups

ChatGPT4 prompt: “You have given me summaries about the primary themes for the three groups I interviewed. Now I would like you to compare and contrast those summaries. To do that, I would like you to aggregate all of your previous responses to me and identify where they are similar and where they are different.”

Generative AI Response: Certainly. Here’s a comparison and contrast based on the primary themes identified from the three groups’ responses:

a. Integrated Planning and Stakeholder Involvement

(1) Similarities

Both the Components group and the GSA group emphasized the importance of early and integrated planning, including engaging stakeholders for a unified vision.

The notion that facilities and operations should align was prominent in both groups.

(2) Differences

The Components group highlighted the empowerment of planning organizations and the consolidation of technical standards for more efficiency.

The GSA group emphasized challenges with agencies not starting the conversation early enough and the need for agency leaders to be more proactive.

b. Flexibility and Adaptability in Design

(1) Similarities

Both groups highlighted the significance of designing facilities that can accommodate future changes and unforeseen requirements.

(2) Differences

The Components group discussed the difficulty in keeping up with technological changes and emphasized modularity in design.

The GSA group focused more on the influence of political decisions, like teleworking patterns post-pandemic, on facility requirements.

c. Funding and Resource Management

(1) Similarities

Both groups touched upon the challenges related to segmented funding and saw value in having a more integrated funding approach.

(2) Differences

The Components group delved into the complexities of mixed funding, especially in relation to disaster relief.

The GSA group shared specific projects where funding came all at once, highlighting its benefits.

d. Operational Alignment with Design Intent

(1) Similarities

Both groups emphasized that facilities should function as intended in their design.

(2) Differences

The Components group discussed the empowerment of planning organizations.

The GSA group mentioned specific examples like the conversion of an office building into a lab and its associated challenges.

e. Anticipation of Future Needs

(1) Similarities

Both groups discussed the importance of forward-thinking and planning for future needs.

(2) Differences

The Components group discussed the emphasis on beautiful structures and the need to anticipate the facilities of new technologies.

The GSA group focused on potential policy changes that might affect facility requirements.

f. Cultural and Organizational Dynamics

(1) Similarities

Both groups recognized the challenges and opportunities presented by cultural shifts, especially around shared spaces and facilities.

(2) Differences

The Components group touched upon the idea of shared best practices and the importance of consolidation for efficiency.

The GSA group went deeper into change management, emphasizing the need to prepare occupants for new ways of working.

g. Continuous Re-evaluation and Adjustment

(1) Similarities

Both groups highlighted the need for ongoing dialogue and engagement to ensure facilities meet evolving needs.

(2) Differences

The Components group discussed the empowerment and evolution of planning organizations.

The GSA group emphasized the importance of continuous re-evaluation and the value of low-cost adjustments.

h. Conclusion

While both the Components and GSA groups recognize the importance of integrated planning, flexibility, and continuous engagement, their perspectives differ in how they approach these themes. The Components group focuses more on the organizational dynamics and technological adaptability, while the GSA group places emphasis on political dynamics, policy changes, and the real-life implications of misaligned design intentions.

2. DHS HQ

ChatGPT4 prompt:

You are an experienced social science researcher, experienced in conducting qualitative analysis of personal interviews. I will give you a series of results from three groups I have interviewed. The groups are titled DHS HQs, Components, and GSA. I asked respondents to respond to the question, “Given current policy and funding trends, how long will it take to address your organization’s backlog of facility investments?” Each set of responses will be labeled by RD and a number for a total of six responses. Please identify the primary themes of the responses for the DHS HQs group.

Generative AI Response: Given the provided interview responses from the DHS HQs group, several primary themes emerge:

a. Funding Uncertainty and Complexity

There is an emphasis on the unpredictable nature of funding: “Unless you can tell me how much money I am going to get each year...” (RD2).

Funding is mentioned as sporadic and not centralized, with different components or departments getting different amounts (RD2).

There are challenges in the distribution and efficient use of funds, such as the dual appropriation with GSA (RD2).

Mention of the specific amount required or received, e.g., “\$200 million a year” (RD2) or “\$100 million a year perpetual” (RD6).

b. Backlog Magnitude and Challenges

Respondents highlight the enormity of the backlog and the challenge in addressing it: “We will not ever catch up...” (RD3) and “backlog is not reducing today; it is only increasing” (RD4).

RD6 uses the metaphor “eat the elephant one bite at a time” to underscore the vastness of the issue.

The specific mention of a “\$6B in backlog” (RD6) emphasizes the scale of the problem.

c. Operational Priorities vs. Infrastructure Needs

There’s a sentiment that facility investments don’t have the same visibility or priority as other needs, such as operations or buying new equipment (RD4).

The contrast between funding for real property vs. other items like fleet vehicles is highlighted (RD4).

d. Strategic Direction and Decision-Making

The need for a clear strategic direction from headquarters is emphasized, especially in terms of guiding components on their spending and priorities (RD6).

The balance between day-to-day tactical needs and long-term strategy is discussed (RD6).

e. Functional Requirements and Adaptability

The perspective that while facilities are important, the core mission can still be accomplished without them: “If facilities went away we would still have computers” (RD5).

Emphasis on the need for specialized spaces, the value of in-person interactions, and potential benefits of colocation with other entities (RD5).

f. Timeframe for Addressing Backlog

Different respondents provide varying estimates, such as “a minimum of 20 years” (RD1) or “at least ten to 15 years” (RD5).

The sentiment that addressing the backlog is a long-term endeavor is consistent across responses.

g. Resource Allocation and Spending Efficiency

Respondents emphasize the importance of ensuring funds are used effectively, such as “seeing increased funding and making sure it is being utilized effectively” (RD1).

There are challenges mentioned about executing funds efficiently, e.g. “struggle to execute the money on top of what we do on a daily basis already” (RD6).

h. Conclusion

Taken together, these themes paint a picture of a complex challenge facing the DHS HQ group, characterized by funding uncertainties, a significant backlog of facility investments, and the need for strategic prioritization and direction.

3. Components

ChatGPT4 prompt:

I will now give you the responses for the group titled Components. I asked respondents to respond to the question, “Given current policy and funding trends, how long will it take to address your organization’s backlog of facility investments?” Each set of responses will be labeled by RC and a number for a total of five responses. Please identify the primary themes of the responses for the Component group.

Generative AI Response: Given the provided interview responses from the Components group, several primary themes emerge:

a. Pessimism Regarding Addressing Backlog

Multiple respondents express the sentiment that the backlog will never be completely addressed: “Do not think it ever will—never...” (RC1), “Pretty much it will

take forever...” (RC2), “infinity” (RC3), and “With current trends, we will never get there” (RC4).

The sense that the issue is persistent and growing is a recurring theme: “continue to fall behind” (RC1) and “backlog will only increase” (RC4).

b. Funding Challenges and Politics

The sporadic and political nature of funding is mentioned: “big injections of funding from the Bipartisan Infrastructure Law (BIL) and IRA... tends to be political” (RC1).

There’s mention of specific funding amounts needed versus what’s received, e.g., “Getting \$100M a year—probably need \$600 to \$800M” (RC4).

Funding shortfalls due to inflation and cost escalations during construction timeframes are highlighted (RC1).

c. Historical and Specialized Facilities

Some properties, like the two schoolhouses and St Elizabeths campus, have historical significance or specialized functions that require particular attention and investment (RC2).

The difficulty of maintaining and retrofitting these properties, such as bunkers, versus rebuilding them is discussed (RC2).

d. Planning and Collaboration

The importance of proper planning and the need for a larger workforce dedicated to it is highlighted (RC4).

The respondent in RC4 emphasizes the benefits of collaboration, citing their personal experience and referencing other departments such as DOD, NAVFAC, and USACE.

There's a mention of the potential for synergies and trade-offs when different agencies or components collaborate on facility projects, like the example in Wilmington, North Carolina (RC4).

e. Comparative Analysis Among Components

The difference in the funding situation among various components is mentioned: "US Citizenship and Immigration Services (USCIS), it would be ten years—as they have a better funding situation than other components" (RC5).

f. External Factors Influencing Backlog Addressal

Some respondents mention the impact of external factors, such as inflation (RC1) or potential financial crises (RC5), on addressing the backlog.

g. Conclusion

These themes underscore the challenges faced by the Components group in terms of funding, the complexity of managing diverse types of facilities, and the importance of collaboration and proper planning in addressing facility investment backlogs.

4. GSA

ChatGPT4 prompt:

I will now give you the responses for the group titled GSA. I asked respondents to respond to the question, "Given current policy and funding trends, how long will it take to address your organization's backlog of facility investments?" Each set of responses will be labeled by RG and a number for a total of five responses. Please identify the primary themes of the responses for the GSA group.

Generative AI Response: Given the provided interview responses from the GSA group, several primary themes emerge:

a. Funding Challenges and Dependence on the Federal Buildings Fund

The necessity of accessing the Federal Buildings Fund is highlighted to address the backlog (RG1, RG5).

Funding constraints drive the need for alternative strategies like divesting of assets (RG1).

b. Leasing vs. Owning Dilemma

Respondents discuss the balance between federally owned properties and leased spaces, considering the challenges with each option (RG1, RG4, RG5).

The economic implications of leasing versus owning are elaborated upon, especially in terms of long-term financial obligations and the best interest of taxpayers (RG1, RG5).

c. Challenges of Historical and Specialized Buildings

Issues associated with the maintenance and disposal of historic or specialized buildings are discussed, such as the Laguna Niguel federal building and the complexities tied to its historic nature (RG4).

Respondents mention the dilemma of whether to maintain or dispose of these properties and the challenges therein (RG4).

d. Constant Backlog Growth

A recurring sentiment is the ever-growing nature of the backlog due to funding constraints, with terms like “Infinity” (RG2) and “Forever” (RG5) used to describe the situation.

e. Budgetary and Policy Limitations

The influence of policies, such as the BIL and IRA, and their limitations in adequately addressing facility needs are discussed (RG2).

Concerns related to scoring and budgetary treatment by the OMB, especially regarding lease arrangements and the complexities they introduce, are discussed extensively (RG5).

f. Strategies for Managing Real Estate

Various strategies are proposed or discussed, such as the need for aggressive disposals, building sharing, consolidations, and digitization (RG4).

The idea of fluidity in the real estate portfolio and making national decisions regarding historical buildings and other property types is introduced (RG5).

g. Economic Dynamics of Real Estate

Respondents highlight the economic implications of decisions in real estate, touching upon topics like ROI pricing, tenant-driven investments, and market dynamics (RG5).

The tension between governmental and business perspectives in real estate management is underscored (RG5).

h. External Stakeholders and Negotiations

Challenges associated with managing properties in areas where external stakeholders have vested interests or where GSA has a significant market presence are discussed (RG4, RG5).

The interplay between GSA, Congress, tenants, and other stakeholders, and the complexities it introduces in decision-making and negotiations, is highlighted (RG5).

i. Conclusion

These themes reflect the intricate challenges faced by the GSA group, which is grappling with funding constraints, the balancing act between owning and leasing properties, and the intricacies of managing a diverse real estate portfolio in a complex policy and economic landscape.

5. Compare and Contrast across the Groups

ChatGPT4 prompt: “You have given me summaries about the primary themes for the three groups I interviewed. Now I would like you to compare and contrast those

summaries. To do that, I would like you to aggregate all of your previous responses to me and identify where they are similar and where they are different.”

Generative AI Response: Certainly! Let’s compare and contrast the primary themes identified for the three groups: DHS HQs, Components, and GSA.

a. Similarities

(1) Pessimism About Addressing the Backlog

All three groups express a sentiment that the backlog is growing and may never be fully addressed. Terms like “will not ever catch up” (DHS HQs), “infinity” (Components), and “forever” (GSA) were used.

(2) Funding Challenges

All groups mentioned the unpredictability and constraints of funding. While the DHS HQs group focused on how distributed funding was among components, both Components and GSA emphasized the inadequacy of the funds they receive.

(3) Impact of Policies and External Factors

Across groups, there’s an acknowledgment of external factors and policies shaping the challenges. DHS HQs mentioned the Inflation Reduction Act (IRA) and BIL. The Components group also mentioned BIL and IRA. The GSA brought up the Federal Buildings Fund and budgetary treatments by the OMB.

(4) Historical and Specialized Buildings

Both Components and GSA pointed out the challenges associated with historical or specialized buildings, be it their maintenance, retrofitting, or disposal.

(5) Leasing vs. Owning

The GSA explicitly discussed the dilemma between leasing and owning properties, while the Components touched upon the same issue, though in a more indirect manner, by referring to converting leases into federal spaces.

b. Differences:

(1) Strategic Direction

The DHS HQs group emphasized the need for strategic direction and leadership in decision-making, especially from the headquarters. This theme was less prominent in the other two groups.

(2) Operational Priorities vs. Infrastructure Needs

The DHS HQs group raised the issue of facility investments not being as visible or prioritized as other operational needs, a theme not explicitly mentioned by the other groups.

(3) Collaboration

The Components group highlighted the importance of collaboration, citing experiences with entities like DOD, NAVFAC, and USACE. While collaboration was not a prominent theme for the DHS HQs, the GSA did touch upon negotiations with external stakeholders and agencies.

(4) Portfolio Management

The GSA group delved deeply into the complexities of real estate management, discussing topics like ROI pricing, market dynamics, disposals, and the economic implications of their decisions. These detailed aspects of portfolio management were unique to the GSA's themes.

(5) Historical Significance

The Components group highlighted the challenge of managing properties with historical significance, whereas the GSA group discussed the broader challenges of managing, maintaining, or disposing of these properties, especially when they become economically unviable.

c. Conclusion

While all three groups face challenges with addressing their backlog of facility investments, the nature and nuances of these challenges vary. The DHS HQ group's

concerns are centered on distributed funding, the need for strategic direction, and balancing operational priorities with infrastructure needs. The Components group, on the other hand, underscores the importance of collaboration and the challenges of managing historically significant properties. The GSA, given its unique role, delves deeply into the economic and practical intricacies of real estate portfolio management. Common threads across the groups include pessimism about addressing the backlog, funding challenges, and the impact of policies and external factors.

G. QUESTION 7

What, if any, consolidations or colocations have you pursued? What, if anything, contributed to their success?

1. DHS HQ

ChatGPT4 prompt:

You are an experienced social science researcher, experienced in conducting qualitative analysis of personal interviews. I will give you a series of results from three groups I have interviewed. The groups are titled DHS HQs, Components, and GSA. I asked respondents to respond to the question, “7. What, if any, consolidations or colocations have you pursued? What, if anything, contributed to their success?” Each set of responses will be labeled by RD and a number for a total of six responses. Please identify the primary themes of the responses for the DHS HQs group.

Generative AI Response: Analyzing the responses from the DHS HQs group to the question about consolidations or colocations and their contributing factors to success, several primary themes emerge:

a. Leadership and Coordination

(1) Leadership Involvement

Success in consolidations and colocations seems highly dependent on having dedicated leadership and someone to drive the effort (RD1, RD4, RD6).

(2) Management and Decision-Making

Effective management of the schedule and decision-making process, as well as ensuring clear expectations and swift action, are highlighted as crucial (RD1, RD4).

(3) Strategic Planning

A long-term strategy and a holistic approach to consolidations and colocations are emphasized (RD6).

b. Resource Utilization and Space Management

(1) Leveraging Resources

The intent behind consolidations was often to leverage resources effectively rather than just reducing space (RD1).

(2) Shared Spaces

The challenges and opportunities of sharing common spaces, such as conference rooms and kitchens, are discussed, highlighting both the potential for cost reduction and the logistical challenges involved (RD3, RD5, RD6).

c. Financial Considerations

(1) Funding and Cost Savings

Responses indicate a significant focus on the financial aspects of consolidations, emphasizing the need for investment upfront for long-term savings and highlighting the challenges of acquiring funding (RD2, RD6).

(2) Business Case Development

Developing a strong business case, including both operational and financial considerations, is seen as key to persuading stakeholders and securing funding (RD2).

d. Change Management and Cultural Shift

(1) Overcoming Resistance

There is an acknowledgment of the resistance to change and the fear associated with consolidations, including concerns about status, access to space, and the potential impact on morale (RD3).

(2) Communication and Engagement

Good communication and engaging stakeholders early in the process are highlighted as important for overcoming resistance and ensuring successful change management (RD4, RD5).

e. Operational and Logistical Challenges

(1) Timing and Coordination

Challenges related to timing, coordination, and the administrative burden of sharing spaces are discussed, with an emphasis on the need for synchronized planning and action (RD3).

(2) Logistical Details

Practical issues such as managing access to shared resources and dealing with differing network requirements are highlighted (RD3).

f. Location and Facility Considerations

(1) Building Utilization

Moving out of commercial spaces into federal buildings and making better use of existing spaces are recurring themes (RD2, RD4).

(2) Facility Features and Design

The importance of the design and features of the facilities, including shared amenities like conference centers and gyms, is highlighted (RD5, RD6).

g. External Factors and Relationships

(1) Inter-Agency Cooperation

The role of working with other agencies and components, as well as the relationship with the GSA, is acknowledged (RD3, RD6).

(2) Influence of External Factors

External factors, such as the views of the OMB and Congress, are recognized as influential in the consolidation process (RD2, RD6).

h. Conclusion

The responses from the DHS HQ group reflect a complex landscape of factors influencing the pursuit and success of consolidations and colocations. While there are clear benefits and opportunities associated with these initiatives, they also present significant challenges, particularly in terms of leadership, coordination, funding, change management, and operational logistics. A holistic, well-planned, and well-communicated approach, backed by strong leadership and a clear business case, appears to be key to navigating these challenges and achieving successful outcomes.

2. Components

ChatGPT4 prompt:

I will now give you the responses for the group titled Components. I asked respondents to respond to the question, “7. What, if any, consolidations or colocations have you pursued? What, if anything, contributed to their success?” Each set of responses will be labeled by RC and a number for a total of five responses. Please identify the primary themes of the responses for the Component group.

Generative AI Response: Primary Themes from the Component Group Responses on Consolidations and Colocations:

a. RC1: Strategic Consolidation and Leadership

(1) Location-Based Consolidation

Highlighting successful consolidations like Boston, Indianapolis, and potential challenges in places like San Diego and Seattle.

(2) Financial Considerations

Emphasis on substantial rent savings and discussions about how O&M should be approached, including funding mechanisms.

(3) Leadership and Coordination

The need for decisive leadership to bring parties together, referencing past examples from the Department of Defense and the importance of recent leadership changes in speeding up consolidation efforts.

(4) Cultural and Operational Challenges

Acknowledgment of cultural issues and the necessity of time for the Department to grow and be empowered to facilitate consolidations.

(5) Efficiency and Collaboration

Discussion on the long-term potential for increased efficiency and better collaboration, even if immediate financial savings are unclear.

b. RC2: Space Utilization and Future Planning

(1) Ongoing Projects

Mention of ongoing consolidation efforts, including FEMA HQs with DHS Management, and future projects in different locations.

(2) Space Utilization Monitoring

Emphasis on understanding space needs, tracking utilization trends, and adjusting office presence, with a shift toward reduced space per employee.

(3) Impact of Remote Work

Acknowledgment of the COVID-19 pandemic's impact on increasing telework and its role in enabling consolidations, especially at headquarters.

c. RC3: COVID-19 Impact and Cultural Challenges

(1) Consolidation Efforts

Detailed mention of consolidations in the NCR and field offices.

(2) COVID-19 as a Catalyst

The pandemic is highlighted as a significant enabler for consolidations due to increased telework and acceptance of remote work.

(3) Cultural and Administrative Challenges

Discussion on the internal cultural challenges within ICE and the varying acceptance of consolidation efforts between different components.

d. RC4: Environmental and Collaborative Efforts

(1) Environmental Projects as Opportunities

Using environmental clean-up requirements as a chance to pursue collaborative projects, with specific examples provided.

(2) Inter-agency Collaboration

Mention of collaborative efforts with other agencies, including the US Coast Guard (USCG) becoming a tenant on DOD bases.

e. RC5: Internal Consolidations and Specific Challenges

(1) Planning and Efficiency

Description of efforts to consolidate mission support offices, with a focus on internal improvements like shared facilities.

(2) Specific Location Challenges

Discussion of specific consolidation challenges in Atlanta, with the U.S. Secret Service and USCIS, and addressing potential compatibility issues with other agencies.

(3) Varied Compatibility Across Locations

Acknowledgment that compatibility for colocation varies by agency and location, with specific examples of what works and what might present challenges.

f. Conclusion

The responses from the Component group provide a comprehensive view of the ongoing efforts, challenges, and considerations in consolidating and colocating facilities across various locations and agencies. There is a clear emphasis on strategic consolidation for financial savings, the necessity of strong leadership to overcome cultural and operational challenges, and the role of the COVID-19 pandemic in accelerating acceptance of remote work and enabling consolidations. Additionally, there is acknowledgment of specific challenges related to compatibility between agencies and the varying success of consolidation efforts across different locations.

3. GSA

ChatGPT4 prompt:

I will now give you the responses for the group titled GSA. I asked respondents to respond to the question, “7. What, if any, consolidations or colocations have you pursued? What, if anything, contributed to their success?” Each set of responses will be labeled by RG and a number for a total of five responses. Please identify the primary themes of the responses for the GSA group.

Generative AI Response: Based on the responses from the GSA group to the question about consolidations or colocations, several primary themes emerge:

a. Long-Term Commitment and Planning

Consolidation and colocation initiatives require a long-term commitment, often spanning 10–12 years, as seen in the Detroit example.

Projects involve intricate planning, coordinating multiple agencies and reconfiguring space usage.

b. Financial Considerations

Significant cost savings can be realized, both in terms of reduced rent and operational expenses.

The transition from leased to owned space can lead to substantial financial benefits.

Bargain base purchase options and restacking strategies are highlighted as effective financial approaches.

c. Real Estate Optimization

There is a strong emphasis on optimizing space utilization, moving toward a higher ratio of owned vs. leased space.

Agencies are encouraged to reassess their space needs, considering factors like remote work trends and reduced in-office staff.

d. Challenges with Agency Relocation

Relocating agencies and staff, especially out of major cities, can be challenging due to personal circumstances like family and schooling.

Some agencies have experienced difficulties in migrating staff to new locations, despite the availability of better facilities.

e. Remote Work and Flexibility

The pandemic and the subsequent shift to remote work have played a significant role in driving consolidation and colocation efforts.

This shift has resulted in reduced need for physical space, enabling agencies to consolidate and optimize their real estate footprint.

f. Success Through Collaboration and Shared Resources

Successful consolidations have involved agencies with aligned missions or within the same Department.

Sharing resources like conference rooms, fitness centers, and other facilities has contributed to successful colocation.

g. Change Management and Communication

Effective change management strategies are crucial, especially when transitioning staff from individual offices to open spaces.

Clear communication and management of expectations are key to ensuring a smooth transition and adoption of new workspaces.

h. Barriers and Compatibility Issues

There are challenges in finding compatible agencies for colocation, with certain agencies being less compatible due to the nature of their work.

Overcoming cultural barriers and resistance from within agencies is a recurring theme.

i. Innovation and Forward-Thinking

Utilizing innovative solutions like federal colocation pilots and exploring alternative spaces like WeWork are mentioned.

A forward-thinking approach, looking at future work trends and real estate needs, is emphasized.

j. Security and IT Considerations

Ensuring IT security, especially with the increase in remote work, is a priority.

Potential security breaches could influence future consolidation and colocation strategies, highlighting the need for robust security measures.

k. Conclusion

In summary, the GSA group responses highlight the complexity of consolidation and colocation initiatives, pointing out the financial benefits, the need for long-term commitment and strategic planning, the influence of remote work, and the importance of effective change management and agency collaboration.

4. Compare and Contrast across the Groups

ChatGPT4 prompt: “You have given me summaries about the primary themes for the three groups I interviewed. Now I would like you to compare and contrast those summaries. To do that, I would like you to aggregate all of your previous responses to me and identify where they are similar and where they are different.”

Generative AI Response: Certainly! Below is a comparison and contrast based on the primary themes identified from the responses of the three groups (DHS HQ, Components, and GSA) you interviewed.

a. Similarities

(1) Long-Term Commitment and Planning

All three groups emphasized the need for long-term commitment and strategic planning in pursuing consolidations and colocations.

The Components and GSA both highlighted instances of successful initiatives that took many years to complete.

(2) Financial Considerations

Financial benefits, including cost savings and reduced operational expenses, were a central theme across all groups.

All groups acknowledged the transition from leased to owned space as a financial strategy, though this was more explicitly detailed in the GSA responses.

(3) Real Estate Optimization

There was a unanimous emphasis on optimizing space utilization across all groups.

The DHS HQ, Components, and GSA all mentioned efforts to reassess space needs, particularly in the context of remote work and reduced in-office staff.

(4) Remote Work and Flexibility

The pandemic's role in accelerating remote work and its impact on real estate needs was noted by the DHS HQ and GSA groups.

All groups highlighted the importance of flexibility in work arrangements, which has implications for space planning and utilization.

b. Differences:

(1) Challenges and Barriers

The Components highlighted challenges related to legacy systems and bureaucratic processes.

The DHS HQ focused on security concerns and the unique needs of law enforcement, which present distinct challenges compared to civilian agencies.

The GSA group dealt more with the logistical and cultural challenges of relocating agencies and staff, as well as compatibility issues in colocation.

(2) Agency-Specific Initiatives and Approaches

The Components discussed specific initiatives related to laboratory consolidation and the unique needs of scientific work.

The DHS HQ highlighted the importance of proximity to law enforcement partners and the need for secure facilities.

The GSA group provided examples of successful colocations and consolidations, emphasizing the financial and strategic aspects.

(3) Innovation and Forward-Thinking

The GSA group was unique in mentioning innovative solutions like federal colocation pilots and exploring alternative spaces like WeWork.

The DHS HQ and Components groups did not explicitly discuss innovative approaches to the same extent.

(4) Success Factors and Best Practices

The Components emphasized the importance of engaging stakeholders and ensuring proper governance structures.

The DHS HQ highlighted the necessity of considering the unique security and operational needs of law enforcement.

The GSA group pointed out the success factors related to finding compatible agencies for colocation and effective change management strategies.

(5) Impact of External Factors

The GSA group uniquely highlighted how external factors, like potential IT security breaches in a remote work environment, could influence future consolidation and colocation strategies.

c. Conclusion

In essence, while there are common themes across the groups related to financial benefits, the need for strategic planning, and the impact of remote work, each group also presented unique challenges, approaches, and success factors tied to their specific agency contexts and operational needs.

H. QUESTION 8

What creative funding approaches have you tried? Were these approaches successful? Why or Why not?

1. DHS HQ

ChatGPT4 prompt:

You are an experienced social science researcher, experienced in conducting qualitative analysis of personal interviews. I will give you a series of results from three groups I have interviewed. The groups are titled

DHS HQs, Components, and GSA. I asked respondents to respond to the question, “What creative funding approaches have you tried? Were these approaches successful? Why or Why not?” Each set of responses will be labeled by RD and a number for a total of six responses. Please identify the primary themes of the responses for the DHS HQs group.

Generative AI Response: From the responses of the DHS HQs group, the primary themes related to creative funding approaches and their outcomes can be deduced as follows:

a. Collaboration & Pooling Resources

Collaborative financial contributions from various agencies or components.

Pooling resources for joint projects, such as SCIFs and firing ranges.

Working jointly with agencies like the U.S. Army Corps of Engineers (USACE) and the GSA.

Voluntary contributions from components for specific requirements.

b. Centralized Management

Emphasis on centralized funding and management for efficiency.

Funds directed toward specific objectives and locations.

Advocacy for centralized appropriation directly to management.

OCRSO senior leadership’s efforts to centralize funds.

c. Public-Private Partnerships & Rent Credits

Success with private and public partnerships, particularly at LPOE.

Rent credit strategies, like the one with GSA for the building at 7th and D Streets.

Ideas like the revolving fund at the Pentagon where services are charged rent which then goes into a fund for renovations.

d. Policy & Strategic Planning

Adhering to and implementing strategic guidance such as the Resource Allocation Plan (RAP) and the Secretary's strategy.

The push for a 25% reduction of administrative space by 2027.

Overlaying resilience scores with RAP plans.

The transformation fund and its role in guiding financial approaches.

Regional assessments for strategic planning, like those done at Cape Cod in August.

e. Challenges & Constraints

Not every funding approach works in every scenario. For instance, PPP were more challenging outside LPOEs.

Managing funds toward the end of the fiscal year and its associated challenges.

Overcoming resistance or lack of discipline from some entities, including Congress and certain components.

Legal constraints on certain funding mechanisms, like using impact cards.

f. Leveraging Existing Infrastructure

Maximizing available opportunities such as taking advantage of unused or unallocated funding toward the end of a fiscal year.

Efforts to use available spaces and infrastructures like St Elizabeths (St Es) and NCR.

g. Flexibility & Preparedness

Being prepared to use available funding when the opportunity arises.

Always having projects ready to go and planning for diverse funding opportunities.

h. Conclusion

Based on these themes, it appears that the DHS HQ group values collaboration, centralized management, and innovative approaches to funding while also navigating various challenges and legal constraints.

2. Components

ChatGPT4 prompt:

I will now give you the responses for the group titled Components. I asked respondents to respond to the question, “What creative funding approaches have you tried? Were these approaches successful? Why or Why not?” Each set of responses will be labeled by RC and a number for a total of five responses. Please identify the primary themes of the responses for the Component group.

Generative AI Response: From the responses of the Components group, the primary themes related to creative funding approaches and their outcomes can be identified as follows:

a. Opportunistic & Unconstrained Planning

A common thread is the strategy of planning without immediate funding constraints. This allows for a state of readiness when funding becomes available, especially near the fiscal year-end.

Emphasizing the importance of being prepared for funding opportunities as they arise.

b. Challenges with Building Maintenance & Investments

A recurring concern is the inadequate maintenance of buildings and the subsequent higher costs associated with delayed maintenance.

Emphasizing the idea that neglecting timely minor maintenance (like a \$19 oil change) can lead to more significant, more expensive problems later on (like replacing an engine).

c. Collaboration & Rent Credits

Leveraging partnerships, particularly with GSA, through approaches such as rent credits. This involves forward-funding projects with the expectation of being reimbursed or credited in the future.

However, there's an apprehension regarding relying on entities like GSA, which may not have sufficient funding to meet all demands.

d. Alternative Funding Sources

Looking at non-traditional or underutilized sources of funds like the Treasury Executive Office for Asset Forfeiture (TEOAF) which manages seized drug money.

The use of General Provision 705 authority by ICE for tenant improvements at leased facilities.

e. Project Planning & Funding Flexibility

Recognizing the importance of allocating funds for upfront planning to ensure efficient project execution.

Exploring the use of working capital funds for project planning to provide necessary flexibility.

f. Challenges with Existing Financial Structures & Agencies

Dealing with shortfalls in appropriations, especially when collaborating with entities like GSA.

Frustrations with not receiving the necessary amounts for maintenance despite submitting Program Decision Options (PDOs).

g. Balancing Needs and Available Resources

Navigating the balance between financial needs and resources available. While there might be funds available, there can also be resource constraints that impact project execution.

The notion of “robbing Peter to pay Paul” highlights the struggle of meeting urgent needs at the expense of other important projects.

h. Conclusion

In summary, the Components group focuses on proactive and opportunistic planning for funding, navigates challenges with building maintenance, seeks alternative funding sources, stresses the importance of upfront planning, and grapples with the constraints and complexities of inter-agency collaborations.

3. GSA

ChatGPT4 prompt:

I will now give you the responses for the group titled GSA. I asked respondents to respond to the question, “What creative funding approaches have you tried? Were these approaches successful? Why or Why not?” Each set of responses will be labeled by RG and a number for a total of five responses. Please identify the primary themes of the responses for the GSA group.

Generative AI Response: From the responses provided for the GSA group, several primary themes can be identified:

a. Federal Buildings Fund Challenge

Multiple responses highlight attempts and challenges associated with accessing the Federal Buildings Fund. The Federal Buildings Fund challenge seems to be a recurring issue, with GSA struggling to get access to this source of funding and facing issues with the OMB.

b. Project Liquidity (Rent Credits)

The theme of project liquidity, particularly using rent credits as a creative funding approach, is mentioned across multiple responses. This method appears to provide some advantages, but there are also concerns about its overuse or mismanagement.

c. Energy Initiatives

GSA has ventured into energy savings performance contracts and power purchase agreements for solar power. These initiatives are mentioned as being beneficial and successful to some extent, but they also come with challenges, particularly in their execution.

d. Reliance on the Private Sector

There are mentions of the use or attempt to leverage private sector involvement, such as ground lease/lease back initiatives. However, the success of such initiatives is variable and sometimes depends on private sector interest.

e. Programs and Collaborations

Specific programs, like GSA's Furniture & Information Technology (FIT) program and collaboration with the DHS for the Seattle feasibility study, are mentioned as successful examples of creative funding. There's an emphasis on leveraging existing resources and programs without overly complicating the process.

f. Regulatory and Policy Challenges

There are consistent mentions of challenges related to OMB, OPM, or Congressional policy changes. A sentiment seems to be that if a creative funding idea requires changes in these policies, its chances of success are slim.

g. Understanding Budget and Stakeholder Education

One response emphasizes the importance of understanding the budget, its sources, and the nuances related to it. There's a suggestion that more education on the budget is needed both internally and for stakeholders.

h. Tenant and Agency Collaborations

There's a theme of collaborating with various agencies and tenants, like the Department of Labor and the U.S. Court. Such collaborations can provide mutual benefits, such as improved building conditions and rent credits.

i. Risk and Planning Concerns

Several responses mention the need for proper planning and risk assessment, especially when trying out non-traditional funding approaches.

j. Recommendations and Potential Solutions

Some responses offer potential solutions or mechanisms to address funding challenges, such as the Harbor Management Trust Fund or leveraging consolidation funding.

k. Conclusion

In summary, while the GSA group has tried various creative funding approaches, the success of these methods varies based on a combination of factors, including regulatory challenges, stakeholder interest, and effective risk management.

4. Compare and Contrast across the Groups

ChatGPT4 prompt: “You have given me summaries about the primary themes for the three groups I interviewed. Now I would like you to compare and contrast those summaries. To do that, I would like you to aggregate all of your previous responses to me and identify where they are similar and where they are different.”

Generative AI Response: When comparing the themes from the DHS HQs group, the Components group, and the GSA group, some similarities and differences can be deduced:

a. Similarities

(1) Collaboration and Joint Initiatives

All three groups emphasized the value of collaboration, whether it’s pooling resources, working jointly with agencies like GSA and USACE, or engaging in tenant and agency collaborations.

Examples include DHS HQs collaborating with the U.S. Army Corps of Engineers, the Components group leveraging partnerships with GSA, and the GSA group's collaboration with DHS on the Seattle feasibility study.

(2) Rent Credits and Project Liquidity

Both DHS HQs and the Components group mentioned the strategy of using rent credits, especially in collaboration with GSA. The GSA group also highlighted this theme, noting the advantages and concerns associated with this funding approach.

(3) Strategic and Opportunistic Planning

All three groups discussed the importance of proactive and strategic planning. Whether it's adhering to strategic guidance, planning without immediate funding constraints, or understanding budget nuances, each group acknowledges the importance of preparedness and forward-thinking.

(4) Challenges & Constraints

Each group faces challenges, whether it's navigating policy and legal constraints, dealing with funding shortfalls, or confronting challenges with accessing specific funding sources like the Federal Buildings Fund.

(5) Alternative Funding & Innovative Approaches

All groups explored or mentioned non-traditional or creative funding sources, whether it's PPP, energy savings performance contracts, or leveraging underutilized sources of funds like TEOAF.

b. Differences

(1) Centralized vs. Decentralized Management

DHS HQs emphasized the importance of centralized management and funds directed toward specific objectives, while the Components group appeared to have a more decentralized approach, focusing on individual component needs and challenges.

(2) Specific Program Initiatives

The GSA group highlighted specific programs like the FIT program, which were unique to their responses. Similarly, DHS HQs discussed strategies such as the RAP and the transformation fund, which weren't mentioned in other groups.

(3) Building Maintenance Concerns

The Components group seemed to have a strong emphasis on the challenges associated with building maintenance and the financial implications of neglecting it. This theme was less prominent in the other groups.

(4) Regulatory & Policy Hurdles

While all groups mentioned challenges, the GSA group had a more pronounced emphasis on regulatory and policy challenges, especially concerning OMB, OPM, and Congressional policy changes.

(5) Reliance on Private Sector

The GSA group had a theme centered around the private sector's involvement, indicating their attempts and challenges in leveraging private sector interest. This focus was not as evident in the other groups' themes.

c. Conclusion

In summary, while all three groups—DHS HQ, Components, and GSA—employ collaboration, strategic planning, and innovative funding approaches, their perspectives, emphases, and unique challenges vary based on their roles, mandates, and operational contexts. The DHS HQ leans toward centralized management, the Components group stresses building maintenance and opportunistic planning, and the GSA group faces particular regulatory challenges and explores specialized funding programs.

I. BONUS QUESTION

Although it was not included in the list of questions, participants were prompted with, “What question do you think I should have asked today?” at the end of each interview.

1. DHS HQ

ChatGPT4 prompt:

You are an experienced social science researcher, experienced in conducting qualitative analysis of personal interviews. I will give you a series of results from three groups I have interviewed. The groups are titled DHS HQs, Components, and GSA. I asked respondents to respond to the question, “What question should I have asked?” Each set of responses will be labeled by RD and a number for a total of six responses. Please identify the primary themes of the responses for the DHS HQs group.

Generative AI Response: After examining the responses from the DHS HQs group, the following primary themes can be identified:

a. Facility Needs & Mission Alignment

There’s a significant concern that facilities are not being built or maintained in a manner that supports the mission of DHS. If facilities don’t provide the capabilities required, they can hinder the ability to execute the mission effectively. There’s a sense that sometimes only minimum needs are addressed, which may result in underperforming facilities.

b. Sharing and Collaboration

A recurring idea is the potential benefits of sharing resources and facilities, such as lab spaces, SCIFs, and firing ranges. However, there are challenges, including different standards, mandates, and unwillingness by some entities to share. Some positive movement is noted, especially in areas like sharing SCIFs and firing ranges, but obstacles still exist.

c. Cultural and Organizational Challenges

The history and culture of DHS and its components play a role in the facility-related challenges they face. There are questions about why issues like colocation remain problematic even after 20 years of DHS existence. Additionally, there’s mention of changing demographics and the need to adapt to attract talent, suggesting a changing organizational landscape.

d. Economic Considerations

There are concerns about costs, efficiency, and sustainability. The need for more sustainable and resilient facilities, which can operate independently of external power grids, is emphasized. Also, making facilities economically viable and attractive for potential employees is underscored.

e. Legislation and Regulation

Several respondents point to laws, acts, and regulations, such as the IRA and the Energy Protection Act, as guiding or complicating matters. The need to align facility goals with these regulations and for components to contribute to overarching goals is highlighted.

f. Funding & Budgetary Concerns

There are concerns about how funds, like the Federal Buildings Fund, are managed and allocated. The role of GSA, Congress, and other entities in determining the allocation and usage of these funds is a point of discussion. The necessity of maintaining a certain level of funds to meet ongoing costs is emphasized.

g. Public Trust & Perception

There is an underlying theme of public perception and trust. This is evident in mentions of facilities that might look good on the outside (like a lobby) but are not functional or well-maintained on the inside, leading to potential erosion of public trust.

h. Conclusion

In summary, the DHS HQ group's responses primarily revolve around the need for facilities to align with mission requirements, the challenges and benefits of sharing resources, cultural and organizational barriers, the importance of sustainability and economic viability, the influence of legislation and regulations, concerns over funding and budgets, and the significance of public trust and perception.

2. Components

ChatGPT4 prompt: “I will now give you the responses for the group titled Components. I asked respondents to respond to the question, “What question should I have asked?” Each set of responses will be labeled by RC and a number for a total of five responses. Please identify the primary themes of the responses for the Component group.”

Generative AI Response: From the Components group responses, the following primary themes emerge:

a. Understanding Organizational Needs

There’s an emphasis on grasping the entirety of an organization’s requirements, not just from an individual perspective but on a larger, more global scale. This understanding is crucial for meeting challenges and setting directions.

b. Resistance to Change

Several respondents mention the barriers created by cultural resistance and inherent human nature when it comes to consolidating or colocating. This resistance exists despite potential financial or operational benefits and poses a significant challenge.

3. Inter-organizational Collaboration and Synergy

Multiple respondents point out the potential advantages of partnering with or leveraging other entities. The mention of the Space Force leveraging the Air Force, for instance, highlights this theme.

c. Consolidation and Shared Facilities

The idea of consolidation recurs in multiple responses, emphasizing the potential for improved efficiency and cost savings. However, there’s also acknowledgment of the challenges, especially in terms of timing and the alignment of different component needs.

d. Leadership Role

The importance of leadership in facilitating consolidations and shared facilities emerges as a theme. Respondents express some frustration regarding perceived inaction or

lack of directive from higher-ups, suggesting a desire for more top-down guidance in this area.

e. Practical Challenges of Implementation

Even when there's acknowledgment of the benefits of consolidation, there's an understanding of the practical challenges. These include timing, financial implications, and ensuring that all involved parties get what they need.

To summarize, the Component group's responses revolve around the necessity of understanding broad organizational needs, the human and cultural resistance to change, the potential benefits of inter-organizational collaboration, the challenges and opportunities related to consolidation, the crucial role of leadership, and the practicalities of implementing changes.

3. GSA

ChatGPT4 prompt: "I will now give you the responses for the group titled GSA. I asked respondents to respond to the question, "What question should I have asked?" Each set of responses will be labeled by RG and a number for a total of five responses. Please identify the primary themes of the responses for the GSA group."

Generative AI Response: After analyzing the responses from the GSA group, several primary themes can be identified:

a. Redefining the Federal Footprint

There's a strong sentiment about reassessing the federal property footprint, especially given the significant underutilization of office spaces. This speaks to the larger issue of space optimization and efficiency in a post-pandemic world.

b. Agency Identity and Challenges of Change

A notable barrier to reshaping the federal footprint is the attachment agencies have to their landmark buildings, which often carry significant historical and symbolic value. This attachment poses a challenge in terms of transitioning to more efficient use of spaces.

c. Urgency and Momentum

Multiple respondents express the need for urgency and momentum when addressing issues of space and facility usage. Without a clear timeline and a sense of urgency, efforts to improve can stagnate.

d. Operational Timing and Efficiency

There's discussion about the importance of understanding operational timing—when different agencies are busiest or have surges in activity. This knowledge can be harnessed for better space utilization.

e. Planning for Contingencies

Beyond just day-to-day operations, there's an emphasis on the importance of considering “what-if” scenarios and planning for emergencies or unexpected situations.

f. Funding and Political Will

A recurring theme is the challenge posed by budgetary constraints and the need for political will to allocate funds efficiently. The role of Congress in funding and the argument for owned facilities over leased spaces are underscored, emphasizing the long-term economic advantages of the former.

g. Collaboration and Sharing

The idea of shared spaces and collaboration between different government entities is a significant theme. This includes shared amenities like conference rooms, training spaces, and even mission-specific areas. This idea extends to partnerships outside of government, like collaborations with universities.

h. Workspace Evolution

The evolving nature of workspaces, with concepts like coworking and remote work becoming more prominent, is touched upon. There's an acknowledgment that the function of offices is shifting more toward collaboration and relationship-building, as opposed to merely housing workstations.

i. Conclusion

In summary, the GSA group's responses are centered around the need to optimize the federal property footprint, the challenges of agency identity, the importance of urgency, the intricacies of operational timing, the need for contingency planning, budgetary and political challenges, the potential for greater collaboration and sharing, and the evolving nature of workspaces in the modern era.

4. Compare and Contrast across the Groups

ChatGPT4 prompt: "You have given me summaries about the primary themes for the three groups I interviewed. Now I would like you to compare and contrast those summaries. To do that, I would like you to aggregate all of your previous responses to me and identify where they are similar and where they are different."

Generative AI Response: Certainly! Let's compare and contrast the primary themes from the DHS HQs group, the Component group, and the GSA group based on the summaries provided:

a. Similarities

(1) Facility Needs & Mission Alignment

DHS HQs: Emphasized facilities' need to support the mission.

Component: Highlighted understanding broad organizational needs.

GSA: Discussed the redefining of the federal property footprint for optimized space usage.

(2) Resistance to Change

DHS HQs: No direct mention but hinted at challenges related to sharing and collaboration.

Component: Mentioned barriers created by cultural resistance.

GSA: Pointed to agencies' attachment to their landmark buildings as a challenge.

(3) Collaboration and Sharing

DHS HQs: Highlighted the potential benefits of sharing resources.

Component: Discussed the advantages of inter-organizational collaboration.

GSA: Emphasized shared spaces and collaboration between government entities.

(4) Leadership & Decision-making

DHS HQs: Noted the potential need for more inclusive policies and looked to the direction from entities like U.S. Customs and Border Protection.

Component: Stressed the importance of leadership in facilitating consolidations.

GSA: Suggested possible acts of Congress or presidential mandates to reshape the federal footprint.

Operational Efficiency & Planning

DHS HQs: Mentioned the importance of making facilities economically viable.

Component: Discussed the practical challenges of implementing consolidations.

-GSA: Addressed the need for contingency planning and “what-if” scenarios.

(5) Culture & History

DHS HQs: Pointed to the history and culture of DHS as factors in the facility-related challenges.

Component: Focused more on the inherent human nature and resistance to change.

GSA: Emphasized the symbolic value of landmark buildings.

(6) Economic Considerations

DHS HQs: Stressed the importance of sustainability and making facilities economically viable.

Component: No major economic concerns were raised.

GSA: Highlighted funding challenges, budgetary constraints, and the need for political will.

(7) Operational Challenges

DHS HQs: Delved into the details of facilities not meeting mission requirements.

Component: Talked about timing and alignment for consolidations.

GSA: Discussed operational timing, such as understanding when agencies have surges in activity.

(8) Innovation & Partnerships

DHS HQs: No significant mention of innovation or external partnerships.

Component: Briefly touched upon the potential for leveraging entities like the Air Force.

GSA: Discussed innovation, urgency, and potential partnerships with universities.

J. CONCLUSION

In summary, while all groups touched on the importance of facilities aligning with mission needs, collaboration, and the challenges of change and decision-making, their focuses differed. The DHS HQs group leaned more toward policy, culture, and history. The Component group emphasized human nature, resistance to change, and practical challenges. The GSA group was more oriented toward broader systemic changes, the role of Congress, and innovation.

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APPENDIX D: FOCUS GROUP SESSION

As discussed in Chapter II: Methodology, this appendix contains the summaries of the focus group session conducted as part of the primary research for this thesis. It builds off the previous interviews to allow those participating senior government executives to recommend how DHS could fund federal real estate investments more effectively. The focus group agenda is provided in Figure 14:

**Homeland Security**

**CENTER FOR HOMELAND
DEFENSE AND SECURITY**
NAVAL POSTGRADUATE SCHOOL

Focus Group Agenda for CHDS Thesis Research

Date & Time: Wednesday, September 20, 2023, from 12:30 to 1:30 p.m.

Location: Redacted for confidentiality purposes NW Washington D.C. (please use the north entry and bring your PIV/CAC for entry)

Objective: Building on the feedback provided during the interview portion of the thesis research, this focus group offers subject matter experts the opportunity to collaborate on suggestions as to how the federal government could more effectively fund real estate investments.

Topic	Duration
Welcome, Introductions & Objective	10 min
How to fund real estate investments exercise	15 min
'Six Thinking Hats' exercise	25 min
Close	10 min

If you have any questions regarding this research effort, please contact Melissa "Mel" Hager at Redacted for confidentiality purposes

For more information on the Naval Postgraduate School's Center for Homeland Defense and Security's educational programs, please visit their website at <https://www.chds.us/c/>

Figure 14. Hager CHDS Thesis Focus Group Agenda

A. HOW SUBJECT MATTER EXPERTS WOULD IMPROVE FUNDING FOR FEDERAL REAL ESTATE INVESTMENTS

The group crafted individual ideas as to how to more effectively fund real estate investments. Then, they grouped their ideas and multi-voted, in which each participant was provided a number of votes to place on the ideas of their choice, so as to identify a preferred idea. They expanded on that consolidated idea through a facilitated discussion using Edward de Bono's *Six Thinking Hats*.²⁰³ The ChatGPT4 prompt and the text summarization of that idea are shown below.

First FG ChatGPT4 prompt:

You are an experienced social science researcher, experienced in conducting qualitative analysis of focus group session content. I will give you a series of responses from a group using parallel thinking. The first portion of the information I will provide is the description of the group's idea. I will then provide you with their emotional responses to the issue and opportunity as the second step. The third step will be the benefits the group identified for the proposed idea. The fourth step will be the risks the group identified. The fifth and final portion of the information will be the steps the group identified to reduce the risks. Provide a summary of the information in a succinct, easy-to-understand way.

The generative AI response of first FG prompt:

1. Step 1: Description of the Group's Idea

The focus group proposed a comprehensive strategy to consolidate control of federal real property investments under a federal capital revolving fund to improve efficiency. This includes establishing clear processes, removing politics from facility appropriations, setting up a federal asset investment board free from political influence, and implementing a Department of Defense BRAC-like authorization for government-wide capital projects. Other elements include the creation of capital fund replenished with divestitures and consolidation proceeds, expanding user fee collections with more flexibility in their use, and creating a model for shared facilities with associated cost-recovery fees.

²⁰³ de Bono, *Six Thinking Hats*.

2. Step 2: Emotional Responses

The group expresses significant frustration with the current state of political influence, inefficient spending, and the appropriations process. There is a desire for top-line budget efficiencies and a more practical decision-making approach akin to the BRAC model. However, there is also a feeling of defeat and a strong emotional attachment to ownership, particularly within the CBP with its diverse ownership and funding structures.

3. Step 3: Identified Benefits

The group sees the potential for improved asset management across the federal government, with diverse board membership, including private sector stakeholders, the OMB, Congressional or GAO representatives, and the judiciary. They highlight the need for incentives, clear funding allocation rules tied to various indexes, and a focus on the long-term life cycle of investments.

4. Step 4: Identified Risks

There is a perceived risk of loss of control from individual components, OMB, and Congress, alongside skepticism about the bill's potential to pass through Congress. The group acknowledges the need to divest from unnecessary capital investments to reinvest in a modernized portfolio, drawing parallels to the 2005 BRAC process that balanced closing and building facilities while removing political biases.

5. Step 5: Steps to Reduce Risks

To mitigate risks, the group suggests focusing on a set portion of funding, leveraging the power in numbers at the cabinet level to align real estate investments, particularly in the context of low occupancy rates. They emphasize the need for collaborative communication strategies to ensure consistent messaging across different agencies.

6. Summary

The focus group proposes a strategic overhaul of federal real property management, advocating for a consolidated approach with clear and depoliticized decision-making

processes and a modernized investment portfolio. While they express frustration with the current system and acknowledge the challenges and risks involved, they also identify potential benefits and strategies to mitigate risks, emphasizing the importance of collaboration and clear communication.

B. ADDITIONAL IDEAS SUGGESTED BY PARTICIPANTS

In addition to the idea the focus group participants selected for discussion, there were five other idea clusters. The ChatGPT4 prompt and the corresponding AI text summarization of those clusters are provided below.

The second FG ChatGPT4 prompt: “You are an experienced social science researcher, experienced in conducting qualitative analysis of focus group session content. I will give you a series of responses grouped in five sections representing participants’ ideas and collaboration around those individual ideas. Provide a summary of the information in a succinct, easy-to-understand way.”

The generative AI response of second FG prompt:

1. Second Grouping (12 Votes)

The focus in this group revolves around funding and resource allocation, specifically tying funding directly to authorized positions, consolidating real property, grouping like-mission agencies, and enhancing agency budget processes.

a. Funding Linked to Positions

Participants suggest a shift in financial structure where funding is directly tied to authorized positions. This would require a change at the Congressional/OMB level, development of new processes and protocols, identification of funding sources, and creation of clear talking points to communicate the value of this shift. They also suggest that these changes should be managed under a program office that encompasses full life cycle and systems engineering processes.

b. Real Property Consolidation

The group proposes integrating real property consolidation and efficiencies directly into the top-line budget of agencies like DHS. This would entail providing agencies with a budget to work within, aligning the budget with mission accomplishment, and employee satisfaction to improve recruitment and retention.

c. Shared Space Model

Participants recommend grouping agencies with similar missions into affinity groups and utilizing a shared space model to identify savings. The savings accrued would then be reinvested into assets to modernize the federal government's portfolio. They suggest segmenting these affinity groups into "like" mission models and allocating budgets accordingly, with a focus on consolidating funds for efficiency improvements and providing oversight through organizations like GSA.

2. Third Grouping (5 Votes)

The discussion in this group centers on the sale of federal assets and investment into a modernized portfolio.

Asset Sales and Reinvestment: Participants suggest selling federal assets and using the proceeds to invest directly into modern assets for long-term holds. This would involve determining which assets to divest of, identifying long-term holds, and creating a more predictable funding model through mechanisms like the GSA federal capital revolving fund. They propose eliminating the OMB review process but maintaining OMB representation on the investment board.

3. Fourth Grouping (2 Votes)

This group's focus is on creating general funds for each agency and establishing governance to manage these funds.

Agency General Funds: Participants propose the creation of a general fund for each agency, aiming for a more predictable budget. This would involve identifying funding sources, developing implementation processes, and obtaining authorizer's approval. They

highlight the need for careful management and appropriate governance to ensure financial stability and compliance with appropriations law.

4. Fifth Grouping (1 Vote)

The focus here is on developing a sustainable funding model for CBP facilities.

The participant suggests establishing a credible funding model that aligns with CBP's five-year plan, focused on sustainment, restoration, and modernization of facilities.

5. Sixth Grouping (1 Vote)

This group discusses the potential for PPP and holistic approaches to real estate investments.

Public-Private Partnerships and Holistic Views: The participant emphasizes the importance of strong relationships with private industry, suggesting an expansion of CBP's donation acceptance authority and advocating for a holistic, integrated approach to real estate analysis and investment. This includes considering consolidated services and multiple components of real estate transactions to ensure a comprehensive understanding of costs and benefits.

C. CONCLUSION

In summary, these discussions highlight a collective desire for more strategic, efficient, and transparent funding and resource allocation across federal agencies, with a particular focus on real property consolidation, agency budgeting, and sustainable funding models for facilities maintenance and modernization.

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