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I. Overview for the Civilian Property Realignment Board

A. Introduction
For Fiscal Year (FY) 2012, the President’s Budget includes legislation titled the Civilian Property Realignment Act (CPRA) and language to create a Civilian Property Realignment Board to investigate disposal and consolidation opportunities for Federal property and present recommendations to Congress for a direct vote. With over 1 million buildings, structures, and land parcels, the Federal government is the largest property owner and manager in the country. These properties cost over $20 billion each year to operate and maintain. For the past two years, the President has been committed to achieving savings and reducing the operating costs of our Federal real property inventory. Utilizing strengthened authorities, the Board will be able to accomplish these tasks with far greater scope, speed, and efficiency. The President’s FY 2012 budget includes a budget request of $88 million for an expected return on the investment of $15 billion in proceeds over the first three years that the Board is fully operational.

B. Background
Over the past several years, the government has been identifying challenges in the real property inventory. In 2003, the Government Accountability Office added Federal real property to the high-risk list because the mismanagement of unneeded properties had created the potential for significant cost to the government and negative impact to the mission of the Federal agencies. In 2004, Executive Order 13327 created the Federal Real Property Council, ordered the creation of a Federal inventory (the Federal Real Property Profile) to be maintained by the General Services Administration (GSA), and required the Office of Management and Budget (OMB) to develop legislative initiatives to direct agencies to improve the management of their real property. As part of the efforts of this Executive Order, agencies created Senior Real Property Officers in their staff and, in coordination with OMB, began to institute agency-level plans to streamline their inventories.

Despite the efforts and success of agencies to shed unneeded assets, in 2009, Federal agencies identified approximately 70,000 underutilized and excess real property assets (both civilian and military assets) potentially worth billions of dollars. Because of his commitment to improve the management of real property assets, in June 2010, President Obama issued a memorandum titled “Disposing of Unneeded Federal Real Estate – Increasing Sales Proceeds, Cutting Operating Costs, and Improving Energy Efficiency.” The President directed agencies to accelerate efforts to identify and eliminate excess properties, consolidate operations, reduce office space, encourage telework, identify excess property, and streamline data centers. The President set a total cost savings goal of $8 billion, of which civilian agencies are expected to identify $3 billion by FY 2012.

While the achievement of $3 billion in savings represents a significant improvement in the management of the civilian Federal real estate portfolio, additional and larger opportunities for efficiencies remain. For example, there are numerous high value assets within the civilian real estate inventory that are no longer needed to support Federal agency missions, but have proven
difficult to sell and move off the government’s books given both competing stakeholder interests as well as the cumbersome nature of the process for disposing of Federal real estate. Similarly, significant opportunities for efficiency and savings exist through the potential consolidation of agency field offices and operations. Again, competing stakeholder interests and red tape have historically stymied Federal efforts to initiate and execute on potential consolidation and realignment opportunities within the current field office and operations footprint.

The Department of Defense’s (DOD’s) Base Realignment and Closure (BRAC) program has yielded significant results, in many instances overcoming barriers resulting from competing stakeholder interests and red tape referenced above. Under BRAC, which is now in its fifth round, excess military real estate and opportunities for consolidation are dealt with collectively through a process that includes an independent commission and up or down votes by Congress on a block of assets. BRAC efforts are expected to achieve roughly $10 billion in savings from FY 2010 to FY 2012, of which $5 billion is a direct result of reduced operating and maintenance from disposals or other consolidation efforts. DOD’s success with BRAC continues to serve as an example of the potential for savings achievable for civilian properties with a BRAC-like program.

The Administration is calling for increased collaboration among agencies to both meet the government’s real property goals and to identify new, larger efficiency targets that can play a critical role in driving deficit reduction and achieving improved environmental outcomes. While the incremental steps being taken today are important, bold steps must be taken to build upon the gains already made. As a result, the Administration proposes a new approach, building off the success of BRAC, to move past the longstanding competing stakeholder interests and red tape that have prevented the type of down-sizing and realignment of our inventory than will lead to lasting, critical efficiencies.

C. Civilian Property Realignment Act
This approach requires both appropriations and authorizing language, both included in the Budget proposal. The proposed Civilian Property Realignment Act (CPRA) will create a new process for downsizing Federal real estate. This Act establishes an independent Board comprised of seven members appointed by the President. The purpose of the Board is to create a fair process that will result in the timely disposal and realignment of Federal real property. The goals of the Board are to sell unneeded property, reduce the operating costs of the Government, support and incentivize agency co-location, and improve the sustainability of the Government's operations.

The Board will transform the way the government assesses its real property footprint through its main task of evaluating real property disposal and consolidation opportunities and forwarding recommendations through OMB to Congress for a direct vote. The independent Board, using a more streamlined disposal process, will be able to tackle these tasks with far greater scope, speed and efficiency.

The Board will also bring new tools to the table that are unlike any previous efforts to address this challenge. For instance, the Board will use a revolving pool of funds, its Asset Proceeds and
Space Management Fund, available at its discretion to assist agencies, with the consent of the Director of OMB, as they dispose of, transfer, consolidate, co-locate, or reconfigure their property.

While the CPRA Board will begin with an appropriation in the amount of $65,000,000 to supply initial capital to fund the Asset Proceeds and Space Management Fund, the Board will eventually fund itself through retention of net proceeds derived from the sales of assets that were recommended by the Board. Net proceeds received from the disposal of any property as a result of the recommendations by the Board shall be divided between the General Fund of the Treasury, Federal agencies for the purpose of real property management reinvestment, and the Asset Proceeds and Space Management fund. On an annual basis, the Director of OMB will decide the proportion of the net proceeds distributed; however, at a minimum, the General Fund of the Treasury must receive sixty percent of the net proceeds. The net proceeds distributed to this Asset Proceeds and Space Management Fund after the division will also be used to fund the Board's discretionary role of providing logistical and financial support to help agencies in their own efforts to act on a Board recommendation.

D. Budgetary Request
The FY 2012 Budget requests $88 million for these functions. $23 million will be used to pay for necessary salaries and operating costs of standing up the Board with experts on real property and administrative staff to implement the recommendations of the Board.

<table>
<thead>
<tr>
<th>Program and Financing (in millions of dollars)</th>
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<tbody>
<tr>
<td>Identification code</td>
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<tr>
<td>---------------------</td>
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<tr>
<td>Obligations by program activity:</td>
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<td>Appropriation:</td>
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<td>Budget authority and outlays, net:</td>
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<tr>
<td>4010</td>
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<td>4.00</td>
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As proposed, the Board will require 40 Full-Time Equivalents working on the staff.
$65 million will be used as seed capital to fund the Board's Asset Proceeds and Space Management Fund. We expect that the high estimated returns on this investment in outyears will allow this Board to fund itself once the Board is fully operational.
E. Estimated Return on Investment

Although there will be a preliminary standing up and information gathering period, it is estimated that this Board will achieve $15 billion in proceeds in the first three years once it is fully operational.

Funding Summary

(in millions of dollars)

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<tr>
<td>Gross receipts from sales from property or assets</td>
<td>0</td>
<td>120</td>
<td>130</td>
<td>5600</td>
<td>5000</td>
<td>5000</td>
<td>15850</td>
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<td>Real property space management and disposal assistance (estimate)</td>
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<td>68</td>
<td>2912</td>
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<td>2600</td>
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<td>Net proceeds to General Fund (60% minimum) (estimate)</td>
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<td>58</td>
<td>62</td>
<td>2688</td>
<td>2400</td>
<td>2400</td>
<td>7608</td>
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II. Appropriations Language

The FY 2012 Budget creates the Civilian Property Realignment Board.

CIVILIAN PROPERTY REALIGNMENT BOARD
Federal Funds

SALARIES AND EXPENSES

For necessary salaries and expenses of the Civilian Property Realignment Board, $23,000,000: Provided, That, consistent with authorizing legislation, the Board shall identify opportunities for the government to significantly reduce and realign its civilian real property portfolio through disposals, leases, transfers, consolidations, co-locations, or any other reconfigurations: Provided further, That the Board shall recommend such opportunities to the Director of the Office of Management and Budget (OMB) for the Director's approval or disapproval: Provided further, That, if the OMB Director approves the recommendations, the Director shall transmit
the approved recommendations to Congress and, unless Congress disapproves the recommendations by the enactment of a joint resolution that is passed within 45 days, the approved recommendations immediately gain legal force and agencies shall commence recommended activities.

**ASSET PROCEEDS AND SPACE MANAGEMENT FUND**

**(INCLUDING TRANSFER OF FUNDS)**

For necessary expenses to support agency civilian real property projects identified through the recommendations of the Civilian Property Realignment Board, $65,000,000, to remain available until expended: Provided, That, consistent with authorizing legislation, the Board will identify and recommend opportunities for the government to significantly reduce and realign its civilian real property portfolio through disposals, leases, transfers, consolidations, co-locations, or any other reconfigurations: Provided further, That the Board may, at the Board's discretion and with the consent of the Director of the Office of Management and Budget (OMB), transfer funds to agencies for the administrative costs (such as the expenses of reconfiguration, office relocation, or disposal) associated with implementing the recommendations of the Board that are approved and gain legal force: Provided further, That the net proceeds (from the disposal of civilian real property resulting from the recommendations of the Board that are approved and gain legal force) shall be divided between the General Fund of the Treasury, the Federal agencies for the purpose of real property management reinvestment, and to this appropriation, in fiscal year 2012 and each fiscal year thereafter, based on an annual distribution, through transfer, of the net proceeds as determined by the OMB Director: Provided further, That the General Fund must receive, at a minimum, no less than sixty percent of the total annual net proceeds.

**III. General Provisions Language**

In addition, the FY 2012 Budget includes authorizing language to ensure that the Board has the necessary authorities to be fully operational with the enactment of appropriations.

Sec. 735 Realignment of Federal civilian real property.

(a) Short Title. This section may be cited as the “Civilian Property Realignment Act (CPRA)” (Act).

(b) Purpose. The purposes of this Act are to:

(1) create a fair process that will result in the timely disposal and realignment of Federal civilian real property, including but not limited to unneeded buildings and warehouses;

(2) streamline the current legal framework to accelerate the disposal and realignment of civilian real property in the Federal government’s inventory;

(3) facilitate the disposal of those unneeded civilian real properties that are currently subject to legal restrictions that prevent their disposal.
(4) reduce the operating and maintenance costs of Federal civilian real properties through the
disposal of unneeded properties and realignment of other real properties by consolidating, co-
locating, and re-configuring space, and through realizing other operational efficiencies; and

(5) create incentives for Federal agencies to achieve greater efficiency in their inventories of
civilian real property by enabling agencies to retain and reinvest savings and sale proceeds;

(6) assist Federal agencies in achieving the government’s sustainability goals by reducing
excess space, inventory, and energy consumption, as well as by leveraging new technologies.

(c) Civilian Real Property. (c) Civilian Real Property. For the purpose of this section, the terms
“Federal civilian real property” and “civilian real property” refer to Federal real property assets,
under the custody and control of any executive agency ("executive agency" means an executive
department or independent establishment in the executive branch of the Government, and a
wholly owned Government corporation), that are used for civilian purposes. This definition shall
not be construed as including any of the following types of property:

(1) military installations as defined at Section 2910 of the Defense Base Closure and
Realignment Act of 1990;

(2) those properties that are excluded for reasons of national security by the Director of the
Office of Management and Budget (OMB); and

(3) those properties that are excepted from the definition of “property” at 40 U.S.C. 102(9).

(d) Board. (1) There is established an independent board to be known as the Civilian Property
Realignment Board (Board).

(2) The Board shall carry out the duties specified for it in this Act.

(3) The Board shall be composed of seven members appointed by the President. The
President shall designate one such individual who shall serve as Chairperson of the Board.

(e) Board Meetings. (1) Each meeting of the Board, other than meetings in which classified
information is to be discussed, shall be open to the public.

(2) All the proceedings, information, and deliberations of the Commission shall be open,
upon request, to the Chairman and the ranking minority party member of:

(A) the House Subcommittee on Economic Development, Public Buildings, and
Emergency Management of the Committee on Transportation and Infrastructure;

(B) the House Subcommittee on Government Management of the Committee on
Oversight and Government Reform;

(C) the Senate Subcommittee on Federal Financial Management, Government
Information, Federal Services, and International Security of the Committee on Homeland
Security and Governmental Affairs; and
(D) the Senate Subcommittee on Transportation and Infrastructure of the Committee on Environmental and Public Works.

(f) Recommendations. (1) The Board shall identify opportunities for the Federal government to significantly reduce its inventory of civilian real property.

(2) The Board will perform an independent analysis of the inventory of Federal civilian real property. To assist in this analysis, the Board will obtain recommendations from Federal agencies, which shall include the identification of—

(A) Federal civilian real properties that can be sold for proceeds and otherwise disposed of, transferred, consolidated, co-located, or reconfigured, so as to reduce the civilian real property inventory and operating costs of the Federal government, and

(B) operational efficiencies that the Federal Government can realize in its operating and maintenance of Federal civilian real properties.

(3) The Board shall perform an independent review of the recommendations provided by Federal agencies.

(4) After performing an independent analysis and receiving the recommendations from the agencies, the Board shall conduct public hearings. All testimony before the Board at a public hearing under this paragraph shall be presented under oath.

(5) The Board shall, at a minimum, biannually transmit to the Director of OMB, and publicly post on a Federal website, a report containing the Board’s findings, conclusions, and recommendations for the disposal, transfer, consolidation, co-location, and reconfiguration of Federal civilian real properties and for other operational efficiencies that can be realized in the Federal government’s operation and maintenance of such properties. The Board shall transmit its first report within 120 days of the date of enactment of this Act. The Board shall seek to develop consensus recommendations, but if consensus cannot be obtained, the Board may include in its report recommendations that are supported by a majority of the Board.

(6) Upon receipt of the Board’s recommendations, the OMB Director shall conduct a review of such recommendations. In conducting this review, the Director shall take into consideration the views and recommendations of the Federal agencies. Within 25 days of receiving the Board’s recommendations, the OMB Director shall transmit to the Board and Congress a report that sets forth the Director’s approval or disapproval of the Board’s recommendations.

(A) If the OMB Director approves of the Board’s recommendations, the Director shall also transmit a copy of the recommendations to the Congress.

(B) If the OMB Director disapproves of the Board’s recommendations, in whole or in part, the Director shall also transmit to the Board and Congress the reasons for that disapproval. The Board shall then transmit to the Director a revised list of recommendations within 10 days.

(C) If the OMB Director approves all of the revised recommendations of the Board, the Director shall transmit a copy of such revised recommendations to Congress with a report certifying approval of the revisions within 10 days.

(D) If the OMB Director does not transmit an approval of the revisions to Congress within 10 days, the process by which civilian properties may be realigned with respect to that fiscal year shall be terminated.
Congressional Consideration of the Recommendations.  (1) Within 45 calendar days from the date of the OMB Director’s transmission to Congress of the approved recommendations, Congress may enact a joint resolution to disapprove the entire recommendation package, with no changes or amendments allowed.

(2) For Congress to pass such a joint resolution disapproving the recommendations, a resolution to disapprove of the recommendations must be introduced within the 10 calendar day period beginning on the date on which the OMB Director transmits the report to the Congress.

(3) If this resolution is introduced in the House of Representatives, it shall be referred to the House Committee on Oversight and Government Reform. If this resolution is introduced in the Senate, it shall be referred to the Senate Committee on Homeland Security and Governmental Affairs. Congress may invite the Board, Federal agencies, and other experts to testify in person.

(4) If the committee to which a resolution is referred has not reported such a resolution (or an identical resolution) by the end of the 20 calendar day period beginning on the date from which the OMB Director transmits the report to the Congress, such committee shall be, at the end of such period, discharged from further consideration of such resolution, and such resolution shall be placed on the appropriate calendar of the House involved where any member may move to proceed on the resolution.

(5) If Congress fails to pass such a joint resolution within the 45 calendar day period from the date of the OMB Director’s transmission to Congress, then the recommendations immediately gain legal force, and agencies shall commence recommended activities.

(6) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in this subsection, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

Authorization of Appropriations. There are authorized to be appropriated, including for the activities of the Board, such funds as are necessary to carry out this section.

Funding. (1) There is hereby established on the books of the Treasury an account to be known as the “Civilian Property Realignment Board – Salaries and Expenses” account.
(A) There shall be deposited into the account such amounts, as are provided in appropriations acts, for those necessary payments for salaries and expenses to accomplish the administrative needs of the Board.

(B) If no amounts are appropriated for the salaries and expenses of the Board for a particular fiscal year, then the OMB Director may support the Board's activities under this section during that fiscal year by the Director approving either or both of the following actions:

(i) a transfer to the Board of amounts from the “Civilian Property Realignment Board – Asset Proceeds and Space Management Fund”, and

(ii) a transfer to the Board of not more than $8,000,000 from unobligated amounts in accounts of Federal land-holding agencies.

(2) There is hereby established on the books of the Treasury an account to be known as the “Civilian Property Realignment Board – Asset Proceeds and Space Management Fund.” There shall be deposited into the account:

(A) Such amounts as are provided in appropriations acts, to remain available until expended, for the space consolidation, co-location, and re-configuration of Federal agencies; and

(B) Gross proceeds received from the disposal of any civilian real property pursuant to a recommendation of the Board that gains legal force under subsection (g). The Board, with the consent of the OMB Director, may transfer, from the gross proceeds to a Federal agency, amounts:

(i) to cover the necessary costs associated with--

(I) the disposal of property;

(II) consolidation, co-location, and reconfiguration actions;

(III) other actions taken to otherwise realize operational efficiencies,

including but not limited to such actions as environmental restoration; and

(ii) for outplacement assistance to Federal employees who work at a Federal property that is affected by actions taken under this section, and whose employment would be terminated as a result of such disposal, consolidation, or other realignment.

(C) Net proceeds (which are gross proceeds received from the disposal of any civilian real property pursuant to a recommendation of the Board, less the amounts transferred from this account under subparagraph (i)(1)(B)(i) and
paragraph (i)(2)(B)), shall be divided between the General Fund of the Treasury, Federal agencies (for the purpose of real property management reinvestment), and the Asset Proceeds and Space Management Fund. On an annual basis, the OMB Director shall determine how the net proceeds shall be distributed, through transfer, amongst the General Fund, Federal agencies, and the Asset Proceeds and Space Management Fund (at a minimum, the General Fund must receive no less than sixty percent of the net proceeds). Such proceeds, as are distributed by the OMB Director to the Asset Proceeds and Space Management Fund, are hereby appropriated and shall remain available until expended, without further appropriation, to carry out the duties specified in (f).