

Opportunities for Downsizing Space in State Leased Facilities

Report to the Legislature

Section 131(7), Chapter 334, Laws of 2021



Facilities Oversight and Planning

Office of Financial Management

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Background

In response to the COVID-19 pandemic, Washington state agencies rapidly implemented broad-scale telework for all employees whose job duties did not require on-site presence. This dramatic shift in state government operations proved to be successful and spurred questions about how much physical space state agencies would require in the future. To better understand where the state could be more efficient in its facilities portfolio, the Legislature directed the Office of Financial Management to identify opportunities to reduce leased office space in the 2021-23 operating budget (Chapter 334, Laws of 2021).

Section 131(7) of the budget states:

(7)(a) The office of financial management statewide leased facilities oversight team must identify opportunities to reduce statewide leased facility space given the change in business practices since 2020 whereby many state employees were mostly working remotely and may continue to do so going forward, or at least more state employees are anticipated to work remotely than in calendar year 2019.

(b) The office of financial management will work to identify opportunities for downsizing office space and increased collocation by state agencies, especially for any leases that will be up for renewal effective July 1, 2022, through June 30, 2024.

(c) The office of financial management must, in collaboration with the department of enterprise services, identify and make recommendations on reduction in leased office space by agency for fiscal years 2024 and 2025. The analysis must include detailed information on any reduced costs, such as lease contract costs, and include at least:

(i) Agency name;

(ii) Lease contract number and term (start and end date);

(iii) Contract amount by fiscal year; and

(iv) Current and future projected collocated agency tenants.

(d) The office of financial management must submit a report responsive to (a), (b), and (c) of this subsection to fiscal and appropriate policy committees of the legislature by June 30, 2022.

Current state

OFM is currently developing the 2023-29 Six-Year Facilities Plan ([RCW 43.82.055](#)), which is due to the Legislature by January 1, 2023. As part of the office re-entry process, agencies are refining telework policies and hybrid work environment plans, which will inform their long-term physical space needs. Agencies are also aligning their policies with OFM's updated [Space Use Guidelines](#), which support the state's target of [80% daily utilization](#) of workspaces and a baseline goal of three mobile workers to one unassigned workspace.

This report is based on leased office space data from the 2021-27 Six-Year Facilities Plan cycle and takes into consideration current telework utilization and draft agency plans for the 2023-29 planning cycle. To meet the reporting requirements, OFM focused on leases with an end date between fiscal years 2023 and 2025. OFM's analysis excludes legislative and judicial agencies, higher education

institutions, and agencies in the functional group Education¹. Raw data and summary tables are available in Excel format on OFM's [Facilities Oversight and Planning](#) web page under “Special projects.”

Leased office space

The tables below summarize the total square footage and cost of expiring leased office spaces by fiscal year and functional group. Full-service cost includes base rent and operating costs. Refer to the raw data on OFM's [website](#) for lease contract details.

Fiscal Year	Total Square Feet	Annual Base Rent	Full-Service Cost
Fiscal Year 2023	1,044,870	\$22,344,014	\$25,564,746
Fiscal Year 2024	985,199	\$21,846,551	\$25,544,539
Fiscal Year 2025	722,075	\$13,825,354	\$17,218,060
Grand Total	2,752,144	\$58,015,919	\$68,327,345

Functional Group	Total Square Feet	Annual Base Rent	Full-Service Cost
Human Services	1,989,783	\$41,791,262	\$49,350,511
General Government	387,651	\$8,818,943	\$9,682,487
Transportation	204,252	\$3,958,136	\$4,917,208
Natural Resources and Recreation	170,458	\$3,447,578	\$4,377,139
Grand Total	2,752,144	\$58,015,919	\$68,327,345

Existing leased collocations

The statewide portfolio currently includes 79 collocated agency leases expiring within the analysis period. These leases represent 25 agencies and are housed within 34 facilities. Refer to [Appendix A](#) for a list of collocations by facility.

Telework participation

Per the State HR [Modern Work Environment Dashboard](#), the fiscal year 2022 telework eligibility rate² for all executive branch agencies was 47.6%, with a participation rate³ of 23.7%, as of April 30, 2022.

Planned portfolio reduction

The Department of Enterprise Services is currently projecting 278,590 square feet⁴ of planned office space reduction for leases with an end date between fiscal years 2023 and 2025.

Based on draft agency plans for the 2023-29 six-year planning cycle, OFM sees a consistent trend of downsizing across the portfolio and projects a decrease in square footage of at least 20%.

¹ Education agencies include the Washington Student Achievement Council, Superintendent of Public Instruction, State Board for Community and Technical Colleges, Workforce Training and Education Coordinating Board, Washington Charter School Commission and Washington State Arts Commission.

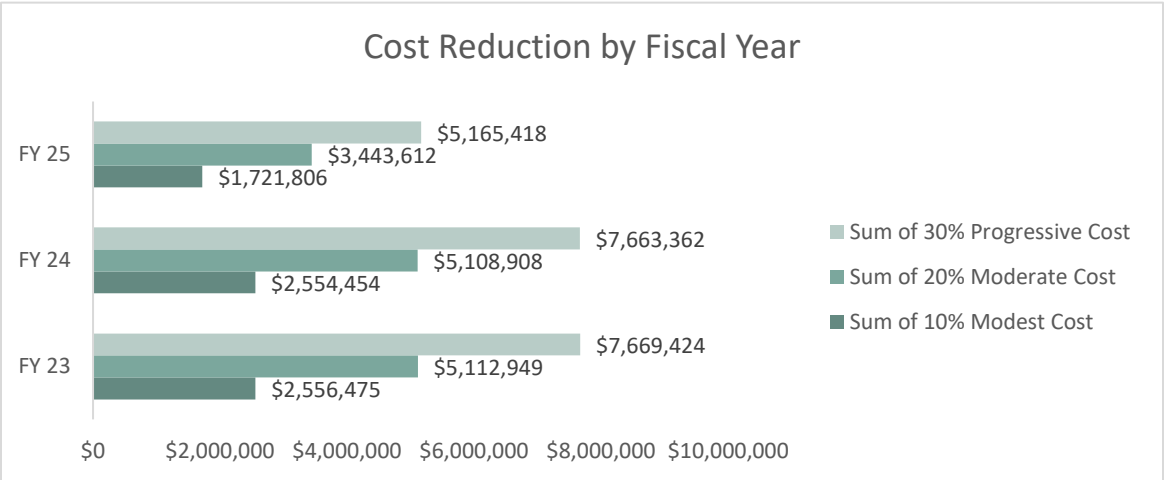
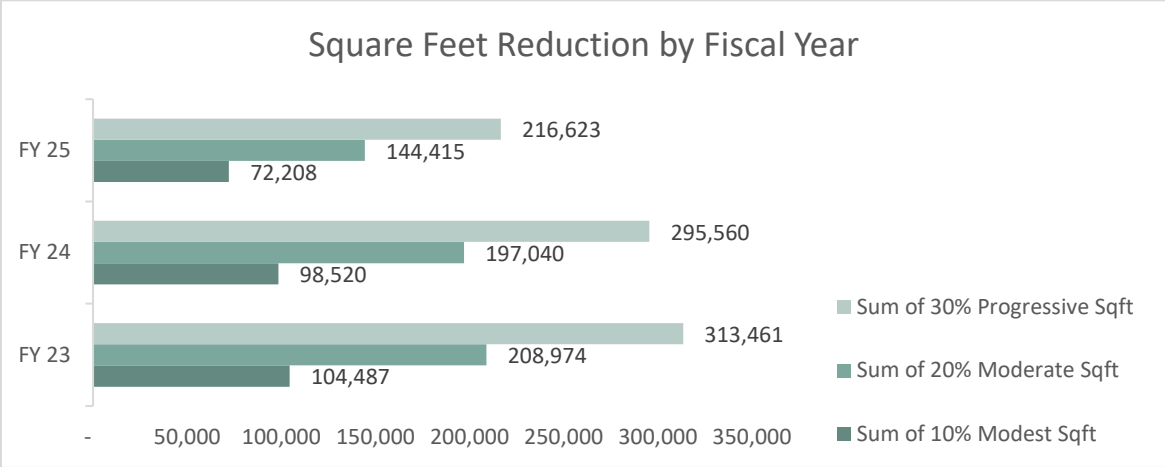
² Eligibility Rate = Number of eligible positions divided by the total number of positions.

³ Participation Rate = Number of employees participating divided by the number of employees in eligible positions.

⁴ DES data is available as a separate tab in OFM's Excel workbook.

Recommendations

The charts below show potential reductions in square footage and cost by fiscal year for leased office spaces expiring between fiscal years 2023 and 2025. Additionally, refer to [Appendix B](#) for a breakdown of potential cost savings by agency and fiscal year.



Based on planned portfolio reductions, OFM’s updated space use guidelines, and current telework utilization, OFM recommends that agencies work toward a baseline 20% portfolio reduction target, as appropriate to business need, by focusing on the following three steps:

1. Backfill all owned spaces with current agency staff.
2. Consolidate staff within leased and owned agency spaces to reduce full leases.
3. Report all available and vacant space monthly in FPMT⁵ for potential collocation opportunities.

⁵ The Facilities Portfolio Management Tool (FPMT) is the system of record for Washington’s inventory of state-owned and leased facilities.

Additionally, OFM will work with agencies to:

- Capture current state during the 2023-29 Six-Year Facilities Plan cycle, including updating crucial planning data in FPMT and HRMS⁶.
- Define each agency's hybrid work environment goals and business needs.
- Report on variance from space and cost reduction targets.

⁶ The Human Resource Management System (HRMS) is the enterprise HR and payroll system for Washington state government.

Appendix A: Leased Collocations

Leases expiring in 2023-25: method duplicate UFI's

Agency Number	Agency Name	Functional Group	Unique Facilities Identifier	City	Lease Number
307	Department of Children, Youth, and Families	Human Services	A05560	Bellingham	SRL 17-0086
300	Department of Social and Health Services	Human Services	A05560	Bellingham	SRL 17-0086
307	Department of Children, Youth, and Families	Human Services	A02943	Clarkston	SRL 18-0141
300	Department of Social and Health Services	Human Services	A02943	Clarkston	SRL 18-0141
477	Department of Fish and Wildlife	Natural Resources and Recreation	A20996	Clarkston	BL100-A
490	Department of Natural Resources	Natural Resources and Recreation	A20996	Clarkston	BL100-A
307	Department of Children, Youth, and Families	Human Services	A01612	Colfax	SRL 18-0049
300	Department of Social and Health Services	Human Services	A01612	Colfax	SRL 18-0049
307	Department of Children, Youth, and Families	Human Services	A09847	Colville	SRL 19-0106
300	Department of Social and Health Services	Human Services	A09847	Colville	SRL 19-0106
140	Department of Revenue	General Government	A08627	Federal Way	SRL 16-0138
117	State Gambling Commission	General Government	A08627	Federal Way	SRL 18-0069
303	Department of Health	Human Services	A04295	Kent	SRL 16-0095
300	Department of Social and Health Services	Human Services	A04295	Kent	SRL 18-0085
310	Department of Corrections	Human Services	A04282	Lacey	SRL 17-0085
300	Department of Social and Health Services	Human Services	A04282	Lacey	SRL 17-0114
300	Department of Social and Health Services	Human Services	A07265	Lakewood	SRL 18-0089
190	Board of Industrial Insurance Appeals	Human Services	A07265	Lakewood	SRL 19-0009
307	Department of Children, Youth, and Families	Human Services	A03202	Lynnwood	SRL 18-0082
300	Department of Social and Health Services	Human Services	A03202	Lynnwood	SRL 15-0127
307	Department of Children, Youth, and Families	Human Services	A04855	Mount Vernon	SRL 16-0116
300	Department of Social and Health Services	Human Services	A04855	Mount Vernon	SRL 16-0116
411	Freight Mobility Strategic Investment Board	Transportation	A07766	Olympia	SRL 14-0145
407	Transportation Improvement Board	Transportation	A07766	Olympia	SRL 14-0145
307	Department of Children, Youth, and Families	Human Services	A07766	Olympia	SRL 16-0010
307	Department of Children, Youth, and Families	Human Services	A07766	Olympia	SRL 19-0037
107	Health Care Authority	Human Services	A07904	Olympia	SRL 19-0083
228	Washington Traffic Safety Commission	Transportation	A07904	Olympia	SRL 18-0028
107	Health Care Authority	Human Services	A07904	Olympia	SRL 18-0063
107	Health Care Authority	Human Services	A07904	Olympia	SRL 17-0023

Leases expiring in 2023-25: method duplicate UFI's

Agency Number	Agency Name	Functional Group	Unique Facilities Identifier	City	Lease Number
341	Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board	General Government	A09837	Olympia	SRL 13-0132
126	State Investment Board	General Government	A09837	Olympia	SRL 17-0064
300	Department of Social and Health Services	Human Services	A09196	Redmond	SRL 18-0030
540	Employment Security Department	Human Services	A09196	Redmond	SRL 18-0030
540	Employment Security Department	Human Services	A01748	Renton	K2728
300	Department of Social and Health Services	Human Services	A01748	Renton	SRL 18-0115
307	Department of Children, Youth, and Families	Human Services	A07963	Republic	SRL 17-0075
300	Department of Social and Health Services	Human Services	A07963	Republic	SRL 17-0075
307	Department of Children, Youth, and Families	Human Services	A09331	Richland	SRL 18-0083
140	Department of Revenue	General Government	A09331	Richland	SRL 18-0140
405	Department of Transportation	Transportation	A09331	Richland	SRL 18-0133
300	Department of Social and Health Services	Human Services	A09331	Richland	SRL 18-0083
307	Department of Children, Youth, and Families	Human Services	A02843	Seattle	SRL 19-0059
300	Department of Social and Health Services	Human Services	A02843	Seattle	SRL 19-0059
495	Department of Agriculture	Natural Resources and Recreation	A10152	Seattle	SRL 18-0074
103	Department of Commerce	General Government	A10152	Seattle	SRL 18-0073
103	Department of Commerce	General Government	A10152	Seattle	SRL 18-0074
105	Office of Financial Management	General Government	A10152	Seattle	SRL 18-0073
307	Department of Children, Youth, and Families	Human Services	A09919	Shelton	SRL 17-0049
300	Department of Social and Health Services	Human Services	A09919	Shelton	SRL 17-0049
540	Employment Security Department	Human Services	A09919	Shelton	SRL 17-0129
307	Department of Children, Youth, and Families	Human Services	A07453	South Bend	SRL 18-0110
300	Department of Social and Health Services	Human Services	A07453	South Bend	SRL 18-0110
140	Department of Revenue	General Government	A01912	Spokane	SRL 16-0019
300	Department of Social and Health Services	Human Services	A01912	Spokane	SRL 17-0026
120	Human Rights Commission	Human Services	A01912	Spokane	SRL 16-0018
117	State Gambling Commission	General Government	A02418	Spokane	SRL 17-0037
235	Department of Labor and Industries	Human Services	A02418	Spokane	SRL 16-0147
095	Office of the State Auditor	General Government	A03621	Spokane	SRL 18-0018
307	Department of Children, Youth, and Families	Human Services	A03621	Spokane	SRL 17-0126
300	Department of Social and Health Services	Human Services	A03621	Spokane	SRL 140076
307	Department of Children, Youth, and Families	Human Services	A09022	Spokane	SRL 13-0084
300	Department of Social and Health Services	Human Services	A09022	Spokane	SRL 18-0042

Leases expiring in 2023-25: method duplicate UFI's

Agency Number	Agency Name	Functional Group	Unique Facilities Identifier	City	Lease Number
303	Department of Health	Human Services	A04458	Spokane Valley	SRL 18-0130
110	Office of Administrative Hearings	General Government	A04458	Spokane Valley	SRL 18-0016
307	Department of Children, Youth, and Families	Human Services	A10530	Sunnyside	SRL 18-0002
240	Department of Licensing	Transportation	A10530	Sunnyside	SRL 17-0003
307	Department of Children, Youth, and Families	Human Services	A09421	Tacoma	SRL 16-0132
300	Department of Social and Health Services	Human Services	A09421	Tacoma	SRL 16-0132
307	Department of Children, Youth, and Families	Human Services	A09742	Toppenish	SRL 19-0034
300	Department of Social and Health Services	Human Services	A09742	Toppenish	SRL 140048
303	Department of Health	Human Services	A02821	Tumwater	SRL 15-0149
303	Department of Health	Human Services	A02821	Tumwater	SRL 17-0056
307	Department of Children, Youth, and Families	Human Services	A04349	Vancouver	SRL 18-0090
300	Department of Social and Health Services	Human Services	A04349	Vancouver	SRL 18-0091
307	Department of Children, Youth, and Families	Human Services	A21323	Vancouver	SRL 130090
300	Department of Social and Health Services	Human Services	A21323	Vancouver	SRL 130090
307	Department of Children, Youth, and Families	Human Services	A06980	Walla Walla	SRL 17-0119
300	Department of Social and Health Services	Human Services	A06980	Walla Walla	SRL 17-0119

Appendix B: Potential Cost Savings by Agency

20% Lease Cost Reduction by Fiscal Year				
Agency	FY 2023	FY 2024	FY 2025	Grand Total
Board for Volunteer Firefighters and Reserve Officers			\$4,776	\$4,776
Board of Industrial Insurance Appeals	\$21,383	\$138,320	\$18,784	\$178,487
County Road Administration Board			\$22,725	\$22,725
Department of Agriculture	\$17,014	\$24,377		\$41,392
Department of Children, Youth, and Families	\$610,363	\$491,239	\$553,011	\$1,654,613
Department of Commerce		\$90,300		\$90,300
Department of Corrections	\$338,859	\$272,109	\$160,127	\$771,095
Department of Ecology		\$99,461	\$190,327	\$289,788
Department of Financial Institutions	\$208,363			\$208,363
Department of Fish & Wildlife	\$69,222	\$90,759	\$8,306	\$168,286
Department of Health	\$423,833	\$63,785		\$487,618
Department of Labor & Industries	\$611,106	\$63,476	\$228,499	\$903,081
Department of Licensing	\$264,240	\$491,897	\$2,493	\$758,630
Department of Natural Resources	\$9,823	\$11,769		\$21,593
Department of Revenue	\$60,118	\$282,701	\$32,415	\$375,234
Department of Social and Health Services	\$1,235,962	\$1,830,733	\$1,830,251	\$4,896,946
Department of Transportation	\$41,244	\$33,818	\$29,833	\$104,895
Employment Security Department	\$642,448	\$114,660		\$757,108
Freight Mobility Strategic Investment Board	\$3,570			\$3,570
Health Care Authority	\$131,708		\$90,929	\$222,637
Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board	\$10,746			\$10,746
Liquor and Cannabis Board	\$36,736			\$36,736
Military Department	\$29,515	\$17,692		\$47,206
Office of Administrative Hearings		\$142,951		\$142,951
Office of Financial Management		\$36,083		\$36,083
Office of the Attorney General	\$15,612	\$134,951	\$162,990	\$313,553
Office of the Insurance Commissioner	\$43,993		\$32,134	\$76,127
Office of the Lieutenant Governor	\$2,160			\$2,160
Office of the State Auditor	\$35,496	\$227,976	\$40,412	\$303,883
Public Disclosure Commission		\$33,237		\$33,237
Public Employment Relations Commission		\$33,434		\$33,434
State Conservation Commission	\$1,440		\$1,080	\$2,520
State Gambling Commission	\$12,605	\$17,364		\$29,969
State Investment Board	\$160,615			\$160,615
State Lottery Commission	\$15,850		\$12,417	\$28,267
State Parks and Recreation Commission	\$37,299	\$314,551		\$351,850
Transportation Improvement Board	\$16,074			\$16,074
Washington State Criminal Justice Training Commission			\$1,372	\$1,372
Washington State Patrol	\$5,553	\$8,303	\$20,731	\$34,587
Washington Traffic Safety Commission		\$42,961		\$42,961
Grand Total	\$5,112,949	\$5,108,908	\$3,443,612	\$13,665,469

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