Department of Workforce Services

Telework Analysis (August 2020)

Prior to the Governor recommending the implementation of several precautionary measures to help slow the spread of COVID-19 on March 12, 2020, the Department of Workforce Services had approximately 344 employees who work remotely on a regular basis ("routine telework"). This represents approximately 17% of the department's full-time equivalent workforce.

Subsequent to that date, the department was able to temporarily expand routine telework opportunities to approximately 1,059 additional employees. This action was taken to safeguard the health and well-being of our workforce and to support the Governor's directive "to enable employees to work from home as a first option." The total number of employees currently working remotely represents approximately 69% of the department's full-time equivalent workforce.

We anticipate that as many as half of the department's employees who are currently working remotely as a result of the pandemic will return to the workplace as the state's risk level moves from moderate (orange) to low (yellow) and from low (yellow) to the new normal (green). We are currently evaluating the extent to which routine telework opportunities will become permanent for employees who were temporarily provided with the opportunity to work remotely as a result of the pandemic and we anticipate that the estimate of the number of employees who actually return to the workplace will change over time.

One of the substantial benefits to maintaining a large percentage of employees in a routine telework environment is the opportunity to eliminate expenditures for leased space and reduce operations and maintenance (O&M) costs in state-owned space by co-locating employees who need to be physically present in the workplace. Savings for vacating state-owned space are not necessarily realized immediately. Ongoing savings can be achieved if another tenant moves into the vacated space or the state is able to dispose of the building. Vacating leased space usually results in immediate ongoing savings, but opportunities to vacate usually only exist as the lease period ends or is up for renewal. Any changes to state-owned or leased space currently occupied by DWS will need to be coordinated with the Utah Division of Facilities Construction and Management (DFCM). Ongoing savings realized by permanently vacating facility space will be offset by related one-time and ongoing expenses, including remodeling and other modifications needed to prepare the new space when co-locating personnel, relocation expenses, internet/phone reimbursement for employees who work remotely, and information security costs (tokens, encryption, etc.).

Due to the department's federally-approved cost allocation methodology, the ratio of funding utilized to pay for facility costs fluctuates from quarter to quarter but is approximately 70% federal funds and 30% state funds. However, any general fund savings ultimately achieved from the reduction of facility costs that are attributable to the Child Care and Development Fund (CCDF), Temporary Assistance for Needy Families (TANF), and Vocational Rehabilitation (VR) programs are not savings that are available to be reduced from the Department's budget due to the federal maintenance of effort requirements for those programs. Any general fund savings due to a reduction in facility costs that is attributable to these

programs would need to be expended for another eligible cost for the respective program in order to maintain the required maintenance of effort for the respective program.

Our analysis of each of the 60+ buildings DWS occupies throughout the state determined that the largest long-term vacancies as a result of maintaining DWS employees in a routine telework environment will likely occur in the following state-owned buildings:

- Ogden Regional Center
- Salt Lake Eligibility Center
- Olene S. Walker Administration Building
- Provo Regional Center
- Saint George Eligibility Services Center

Opportunities for co-location likely exist when considering vacancies we anticipate will occur long-term in the buildings we occupy with vacancies which exist in buildings occupied by other state agencies. For example, DWS occupies three leased buildings in Saint George in addition to the Saint George Eligibility Services Center. The projected aggregate long-term vacancies in these four buildings are not such that we could currently pursue a co-location in the state-owned facility, but there may be other opportunities when considering all of the space in Saint George that is currently occupied by state agencies and the anticipated long-term vacancies created as a result of the increase in routine teleworking. We will work with DFCM to identify and pursue these opportunities that meet our business needs and will result in ongoing cost savings to the State.

Our analysis identified the following potential opportunities for co-location within buildings that are currently occupied by DWS:

- Relocate the Refugee Education and Training Center (leased facility) to the Salt Lake Eligibility Center (SLEC). The annual lease cost for the Refugee Education and Training Center is $79,656 and became a month-to-month arrangement on July 1, 2020. This proposed move also would require certain personnel at the SLEC to relocate to the Olene S. Walker Administration Building. In addition, a one-time investment would need to be made at the SLEC to modify the existing space to accommodate the Refugee Education and Training Center.
- Co-locate personnel in the Utah State Office of Rehabilitation (USOR) office on the Provo Regional Center third floor with personnel in the DWS Eligibility Services Division office on the Provo Regional Center fourth floor. The annual O&M cost for the space occupied by USOR personnel is $47,970.
- Co-locate the personnel in the Richfield Administration building with personnel in the Richfield Employment Center. The annual O&M cost for the space occupied at the Richfield Administration building is $29,552.

If we pursue the proposed moves in the Provo Regional Center and the Richfield Administration building, we will need to coordinate with DFCM to determine when the savings for vacating state-owned space would actually be realized.

We work diligently every day to overcome the challenges and frustrations related to the current pandemic situation and to also take advantage of the many opportunities that it provides. A portion of our employees have successfully worked in a telework environment for many years and we look forward permanently extending that benefit to a large number of additional employees. We will pursue available opportunities to achieve ongoing cost savings as we work with DFCM to rightsize the space that we currently occupy while meeting our business needs and maintaining our ability to provide our customers with exceptional service.