



DECEMBER 2022

State of Montana:
Remote & Office Workspace Study
Comprehensive Project Management Plan

Key Objectives, Milestones, and Outcomes

1

Enable and Optimize Telework

Assess telework eligibility, update policies, provide training materials, and communicate changes to the workforce

2

Enhance Operational Efficiency

Right size the portfolio and align space design to support the telework implementation

3

Develop and Action Plan for Implementation

Provide an actionable decision-making framework based on key opportunities



Evaluated Enterprise Telework Eligibility

Assessed 350 occupations (~6400 employees) in administrative positions



Assessed Portfolio Data and Information

Examined existing building condition data, reports, design and cost



Assessed Space Design and Space Standards

Site walk throughs and floor plan analysis revealed legacy design and varying standards in owned assets



Opportunity: Optimize Footprint

Reduce footprint to meet employee demand and support new ways of working



Assessed Manager and Employee Sentiment

Surveyed 14 departments with a 60% response rate, conducted 4 "live" discussions and interviewed 127 managers



Analyzed Lease Rates and Occupancy Costs

Reviewed annual department rent obligation across occupancy types



Opportunity: Optimize Space and Align to Workforce Needs

Implement telework and incorporate hybrid space standards



Opportunity: Achieve Cost Avoidance

Terminate leases and move employees to the Capitol Complex



\$2.09M

Annual savings resulting from a footprint reduction of 15% in less than 2 years.



63%

Of deferred maintenance addressed on Capitol Complex achieving **100% renewal of Cogswell, Mitchell, Walt Sullivan, and Metcalf.**



3,356

Employees have **signed telework agreements** and successfully working in a hybrid model.



72%

Of key Capitol Complex usable square footage will be renovated to **increase space efficiency and enable new ways of working.**



161K

SF of leased square footage will be exited, **reducing occupancy costs** and **optimizing the State's administrative footprint.**

Project Outcomes

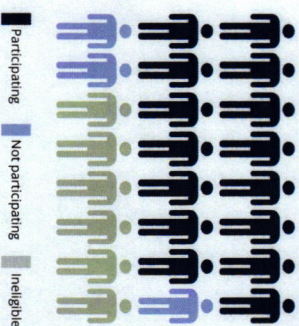
Project Insights



TELEWORK IMPLEMENTATION

Telework Eligibility	73%
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Telework Implementation



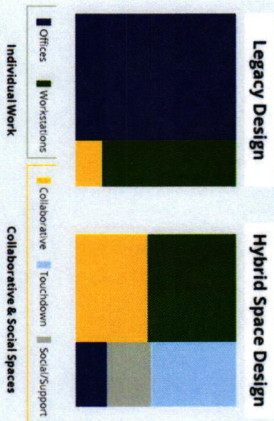
While 73% of employees are eligible to telework 2+ days per week, fewer employees are formally participating, 64% of employees currently have active telework agreements.



SPACE DESIGN

Current Space Utilization	244
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Space Observations



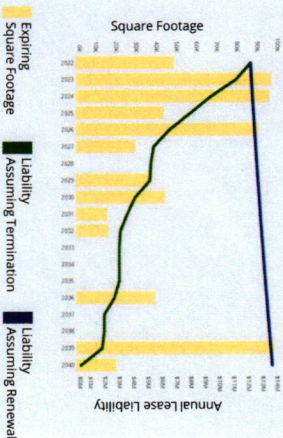
Office space in State buildings is assigned 1:1 and mainly seating space. Workplaces should be redesigned to provide a variety of space types and reduce assigned seating for mobile employees.



COMMERCIAL LEASES

Lease Liability	\$94.3M
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Administrative Lease Expirations



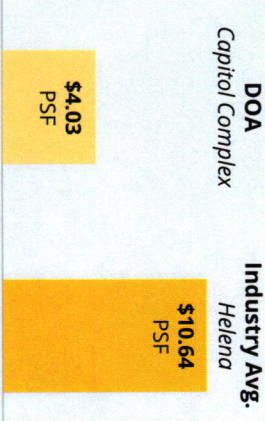
With \$91.5M in leased liability, Helena's leased portfolio is nearly 3x greater than that of all 4 remaining cities combined presenting the State with the opportunity to reduce cost over time.



BUILDING CONDITION

Renewal Cost	\$65.2M
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O&M Investment



Capitol Complex buildings are in poor condition, requiring a significant investment in building infrastructure in addition to funding for space renovations

Key Paradigm Shifts

The CPMP remains aligned to the four key shifts to successfully adapt spaces that align with recent change and the modern needs of Montana's workforce and citizens.

KEY PARADIGM SHIFTS FOR MONTANA

CREATE A SAFE AND HEALTHY ENVIRONMENT



The state will build and sustain a positive, healthy in-person work culture.

This requires action to address building condition safety, mental well-being, and desire for connection.

DEVELOP A VARIETY OF WORKSPACES



The state will create the right space for the varied workstyles and types of work.

This requires action to rearrange spaces and create the right mix of offices, workstations, and meeting rooms to meet modern ways of working.

STRATEGICALLY RIGHT-SIZE SPACE



The state will focus and invest in strategic locations on the Capitol Complex and downtown Helena.

This requires action to determine the right buildings for the population and the spaces no longer required in the State's footprint to enable a right-sized and strategically located real estate portfolio.

MODERNIZE SPACES



The state will create spaces that are appealing, up-to-date, and fit the needs of workers and the public.

This requires action to determine the top priority spaces for renovation and those which are past useful life.

Guiding Principles Inform Agency Relocations

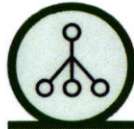
The CPMP also remains aligned to the following guiding principles which remain the framework for agency relocations to ensure near-term decisions are aligned with long-term goals.



CONSOLIDATE IN PLACE

As telework is rolled out across the enterprise and eligible employees begin working regularly at alternative worksites, **agencies no longer require the same footprint of administrative office space** to support their organizational goals.

Right-sizing space to meet organizational need will **improve utilization** and **enhance employee experience**.



CENTRALIZE DEPARTMENTS

With a new, optimized space need, agencies can re-evaluate occupied locations and **identify consolidation opportunities** and **relocate employees to key locations**.

Centralizing employees will **enable collaboration** across the agency and **increase operational efficiencies**.



PRIORITIZE KEY LOCATIONS

Key strategic locations should be determined based on **enterprise-wide goals, agency need and mission**. Agency feedback and current occupancy data has informed an **initial list of key locations**:

- Key Administrative Capitol Complex Buildings
- MDT Headquarters
- 301 S Park
- 1225 Cedar Street
- 340 N Last Chance
- 1625 11th Ave
- 1539 11th Ave



LEASE EXPIRATION TIMING

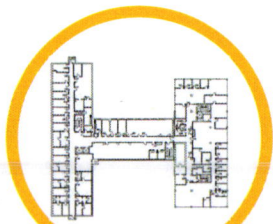
With termination options assumed to be unavailable, **allowing near-term leases to expire will enable immediate realization of cost avoidance**.

Additional factors including future occupancy at current locations as well as available relocation options at time of lease expiration should be considered when determining action upon expiration date. Short-term extensions may provide flexibility in the interim as space is renovated or made available to accommodate FTEs.



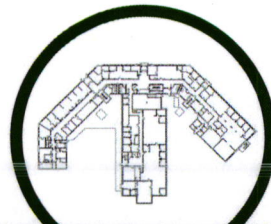
Building Renewals and Proposed Renovations

Key metrics including utilization opportunity, current condition, renewal cost, and renovation cost were compared across Capitol Complex buildings to determine the most cost-effective candidates for renovation.



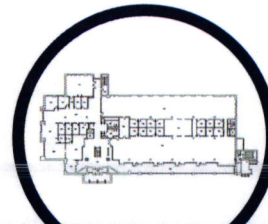
MITCHELL

RSF for Renovation: 96,626
Renovation Cost: \$5,028,366
Renewal Cost: \$14,672,338
Total Project Cost: \$19,700,704



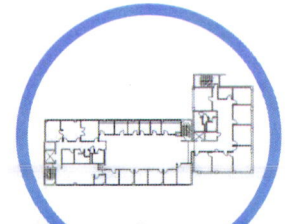
COGSWELL

RSF for Renovation: 73,175
Reno Cost: \$3,799,661
Renewal Cost: \$16,441,134
Total Project Cost: \$20,240,795



METCALF

RSF for Renovation: 70,541
Renovation Cost: \$3,670,917
Renewal Cost: \$4,934,654
Total Project Cost: \$8,605,571



WALT SULLIVAN

RSF for Renovation: 38,432
Renovation Cost: \$1,999,981
Renewal Cost: \$5,272,132
Total Project Cost: \$7,272,113

Project Outcomes

KEY STATS



\$41.3M

reduction in deferred
maintenance backlog on
the Capitol Complex.



\$14.5M

investment in Capitol
Complex mid-scale
renovations.



63%

of the total renewal cost
for the Capitol Complex
addressed.



72%

of square footage in key
Capitol Complex buildings
fully renovated.

Executive Summary

State of Montana: Remote & Office Workspace Study Long Range Building Program Request

This proposal brings together findings from the MT ROWS project and insights from Departments to present a high impact scenario aligned to the MT ROWS Paradigm Shifts and Guiding Principles. The scenario balances opportunities presented from telework implementations and workplace renovations with the need to invest in Montana's state-owned facilities and reduce the deferred maintenance backlog in order to bring state employees onto the Capitol Complex from leased locations in Helena.

The scenario incorporates strategic enterprise-wide colocations as agencies relocate from leased space into state-owned space and key leased locations. While key leases will remain, occupancy may change given agency location needs and colocation opportunities aligned to the broader enterprise vision. This results in some instances of agencies moving out of less strategic leases and into locations that the State has identified as mission critical or crucial for agency needs and citizen accessibility.

Key to the success of this scenario are the renovations and 100% renewal of four Capitol Complex buildings including Cogswell, Mitchell, Walt Sullivan, and Metcalf. The total project cost is \$55,182,476. Renovation and renewal costs per building are outlined below:

RENOVATION COSTS

Cogswell	\$ 3,799,661
Mitchell	\$ 5,028,366
Walt Sullivan	\$ 1,999,981
Metcalf	\$ 3,664,213
Total Renovation Cost	\$ 14,492,222

RENEWAL COSTS

Cogswell	\$ 16,441,134
Mitchell	\$ 14,672,338
Walt Sullivan	\$ 5,272,132
Metcalf	\$ 4,934,654
Total Renewal Cost	\$ 41,320,258

Completing the projects outlined in this proposal enables the consolidation of 13 leases totaling 218,969 square feet. The total rent obligation over 10 years is \$37,307,818 - a significant portion of which can be avoided by releasing leases and consolidating employees into State-owned space. The total project cost summary is outlined in the table to the right:

PROJECT COST SUMMARY

Total Renovation Cost	\$ 14,492,222
Total Renewal Cost	\$ 41,320,258
Total Project Cost	\$ 55,182,480
Contingency Allowance	\$ 4,187,520
Total Investment	\$ 60,000,000
16-Yr Lease Cost Avoidance	\$63,172,820
Break-even Point	Year 16



Montana Remote & Office Workspace Study (ROWS): Executive Summary of HR Assessment and Telework Enablement Efforts

PROJECT OVERVIEW AT A GLANCE:

ROWS is a multi-year initiative that is intended to provide an **actionable enterprise-wide strategy** to assist the state in **implementing new workplace options**. The project commenced in late 2021 establishing the vision and desired outcomes for a modernized workplace, and focused efforts in early-to-mid 2022 on conducting an **objective, data-driven HR Assessment** to determine the **feasibility of telework** implementation and **telework eligibility** for the administrative (non-mission) state workforce. The assessment was supplemented with telework enablement activities that included a **revamped state telework policy** and **new tools and resources** that contained **guidance and best practices** to support the state's transition to new ways of working. A **strong communications strategy** amplified key messages throughout the project to **share progress** updates, **convey clear expectations**, and connect the ongoing HR efforts with parallel ROWS efforts to **evaluate the state's physical footprint** and identify both short and long-term opportunities to reduce cost, strategically right-size space, and **provide a more modern working environment**.

FUTURE STATE VISION: Key Shifts We Made Through ROWS

Update Policies to Enable Telework

Provide enterprise-wide guidance on how to enable and optimize telework through effective policy and employee engagement.

Telework Eligibility Determinations

Teleworking Arrangements

Individual Telework Agreements

Build Telework Infrastructure

Standardize technology requirements and use enterprise-wide to fully enable telework and support workers.

Equipment Standards

Technology Standards

Standard Use Requirements

Equip Leaders to Enact Change

Provide leadership with resources and tools to prepare, communicate, and manage change.

Manager Guidance

Workforce Resources and Tools

Communications

Key Shifts to
Move Montana
Forward

Reimagine DOA IT Workspaces

Develop enterprise-wide hybrid space standards and optimize use and occupancy to fully enable workforce transformation.

Space Standards and Use Optimization

Hybrid Space Design

SETTING THE STANDARDS FOR TELEWORK: The privilege of teleworking provides a wealth of benefits to both leaders and the workforce when implemented fairly and equitably. From the onset, ROWS conveyed clear parameters on telework options and the criteria being applied to evaluate the nature of work, the needs of the mission, the infrastructure in place, and the preferences of individuals. These standards were consistently messaged across all departments and provided transparency on how telework eligibility was created and translated into actionable results for the state.

Definitions were created for teleworkers and the supported teleworking levels to **share the available options** to state employees. **Fully remote work is not currently offered under state guidelines** and is only implemented on a case-by-case exception basis where the mission and job requires it.

Determining Telework Eligibility: What Are the Options?

In-Person Only

- 100% of time at central workplace
- Assigned workspace
- Central workplace required to perform job functions

Telework Eligible

Low

- Up to 20% of time (1-2 days per week) at alternative worksite
- Uses current assigned workspace unless directed otherwise
- Job requires high in-person interaction

Medium

- Up to 60% of time (2-3 days per week) at alternative workplace
- Uses current assigned workspace unless directed otherwise
- Job requires medium in-person interaction

High

- Up to 80% of time (4 days/week) at alternative workplace
- Uses current assigned workspace unless directed otherwise
- Job requires low in-person interaction

Remote Eligible

- 100% of time at alternative worksite
- No assigned workspace
- Job functions are not workplace dependent

PRIMARY CRITERIA FOR TELEWORK ELIGIBILITY

A data-driven rubric to be used for telework eligibility determination and validated with HR and managers prior to signing a telework agreement with workers.

Criteria 1: Work

- What is the nature of the work, and how is it done/performed?
- With whom, how, and where does customer interaction occur?
- Does the employee supervise others?

Criteria 2: Organization and Tech

- What is the need for the organization for how and where the work can/should be performed?
- Is the right technical infrastructure in place to support work in alternative places?

Criteria 3: Individual Preference

- Where, when, and how does the individual prefer to work?
- Are there individual circumstances (e.g., family or personal health needs) that dictate the ultimate decision?

What Does Not Factor Into Eligibility

- Manager preference
- Individual performance*
- Commute/travel time to work

Final Outcomes

- Telework eligibility determined by position
- If eligible, sign 1-year telework agreement
- Space assignment based on telework eligibility determination (space analysis in work)

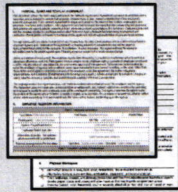
Evaluation criteria guided the content used for **interviews, surveys, and multiple "live" conversations** with workers to assess telework eligibility. The result of the assessment was a **rating score** applied to each position that reflected the position's **eligibility to work – or not work – in a teleworking arrangement**.

*Note: Performance may be a factor for how a telework agreement is enforced; however, individual performance in and of itself is not a factor in determining position eligibility for telework.

CREATING CONSISTENT TELEWORK POLICY: The state telework policy was restructured and modernized based on peer state best practices and now contained language tailored to the MT state environment to provide improved guidance to govern suitability, equipment, technology and other adjacent guidance to standardize expectations for telework.

Based on the revised policy guidelines, **new teleworking agreements** were created and automated in SABHRS to create a more efficient process and to clarify expectations between HR, managers, and employees on telework and to provide visibility into which, where, and how often state workers are teleworking.

Automated dashboards allow departmental HR to monitor ongoing the ongoing progress of telework implementation.



Governance: Clear authority and **decision-making** | guidelines on **employer and employee responsibilities** | **compliance and enforcement** of the policy itself, **state-wide**.



Telework Suitability: Telework is **voluntary** | **eligibility** determined by Agency **based on standard factors** | offered at the **discretion of management** | revokable based on standard factors (e.g. performance, job change).



Location Suitability: Alternative worksites within **reasonable commutable distance** | **safe and hazard-free** | ability to maintain **privacy and confidentiality** and can **protect and secure data** | **not a substitute for dependent care** | able to work efficiently without distraction | maintains **professionalism**



Equipment: Guidelines on **authorized and acceptable use** of state-owned equipment | **prohibits removal of state equipment** to outfit a remote worksite | limits personal device usage to **minimize liability**

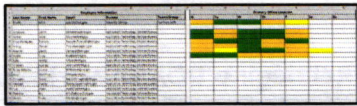


Technology: Guidelines on **authorized and acceptable use** of state-owned equipment | guidelines on minimum requirements for **internet service** | prohibits third-party access | secure storage of data and private information

TOOLS AND RESOURCES TO MANAGE TELEWORK: To fully enable telework throughout the state workforce, managers must effectively lead in a hybrid work environment, maximize engagement, and enhance team culture. To maintain consistent and standard telework practices, HR personnel must have the tools and resources to enforce policy, address inquiries and issues with telework, and evaluate ongoing eligibility needs. Leaders can greatly impact the success of telework by remaining active and present in the engagement of their workforce to set expectations and instill the behaviors needed for sustainable hybrid work environments.

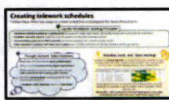
Scheduling Tool

Visual tool to enable managers to schedule their teams for optimal efficiency and collaboration.



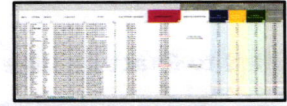
Training Materials

Guidance modules and one-pagers to convey tips, tricks, and best practices to enable efficient telework.



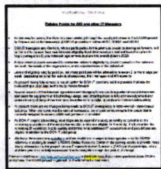
Telework Eligibility Rating Files

Department-specific files with eligibility by position to assist with assessment and validation of telework eligibility ratings



Executive Messaging Support

Tailored messaging and talking points for leadership and managers to use to communicate with workers on ROWS.



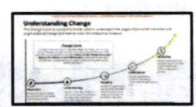
Online Resource Center

One-stop-shop website for workers to learn about ROWS and review updated guidance and FAQs.



Change Management Toolkit

Enterprise-wide best practices to apply to increase awareness, understanding, adoption, and commitment to change.



IMPLEMENTING TELEWORK AND ACHIEVING FUTURE OUTCOMES: As the state moves forward and works to fully implement telework, it has opportunities to realize changes in facilities and spaces to modernize the workplace environment for its workers. On a regular and ongoing basis, the effectiveness of telework policies, practices, and behaviors should be evaluated to determine how and where the physical footprint can adapt to meet the changing workforce needs.

Workforce Population Assessed



177

Leaders Interviewed

~7,345

workers assessed

which accounts for **~410 occupations** across 17 agencies and offices



3,000+

Participants in "live" sessions



60% response rate

to electronic surveys from eligible state workers

Telework Implementation

73% of employees in administrative positions have been deemed **eligible to telework 2+ days per week**. Taking advantage of telework is optional and not forced on workers; preferences of individual circumstances equate to some workers choosing not to participate.



3,000+ employees with active telework agreements.



Desired Long-Term Project Outcomes to Realize Opportunities in Facilities and Spaces



\$2.09M

annual savings

resulting from a footprint reduction of 15% in less than 2 years.



63% of deferred maintenance addressed

for Capitol Complex, achieving **100% renewal of Cogswell, Mitchell, Walt Sullivan, and Metcalf**.



72% renovation of usable square footage

in Capitol Complex locales to **increase space efficiency and enable new ways of working**.



161K leased SF terminated

to **reduce occupancy costs and optimizing the State's administrative footprint**.