

Report: State pays big bucks for empty offices

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A Legislative Finance Committee report Tuesday found several floors of the Harold Runnels Building in Santa Fe largely empty due to employee vacancy rates and remote work. (Eddie Moore/Albuquerque Journal)
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SANTA FE – With many state employees still working remotely more than two years into the COVID-19 pandemic, some New Mexico government buildings are sitting largely empty and others have floors of unused office space.

And the state isn't getting a reduced-use discount.

New Mexico is paying somewhere between \$10 million and \$18 million statewide for unoccupied office space, according to a report presented Tuesday to a key legislative committee.

Some lawmakers said the report's findings should prompt Gov. Michelle Lujan Grisham's administration to study how a remote work policy for state employees is impacting government operations.

“Even if they are empty, we're still paying for those buildings and we ought not to be,” said Sen. William Sharer, R-Farmington, during Tuesday's meeting of the Legislative Finance Committee.

However, a Lujan Grisham spokeswoman said changes are in the works to the telework policy that allows state workers to do their jobs remotely from home occasionally or

entirely, depending on their duties. Labor union leaders negotiated the terms with the governor's administration in June 2021.

In addition, General Services Secretary John Garcia took issue with some of the report's findings, while suggesting most state workers would eventually be returning to in-person work.

"They're making a few assumptions here that are incorrect – people are going to come back to work," Garcia said during Tuesday's meeting at the Roundhouse.

But Garcia added that some of the report's recommendations could be adopted, including changing how his agency calculates office space needs across state government.

In response to the pandemic and increased teleworking, some states have already moved to reduce their office space footprint, the LFC report found.

At least some state agencies in New Mexico have done likewise, as the Law Offices of the Public Defender has plans to reduce its leased office space in Aztec and Santa Fe in a cost-saving move with an eye toward more permanent remote work, according to the report.

However, many agencies have not taken such steps.

When Legislative Finance Committee staffers visited the Harold Runnels Building, the largest state-owned building in Santa Fe, they found several floors of unoccupied offices since many employees who work in the building were working from home.

In addition, when they went to a 47,000-square-foot state government building in Santa Fe this summer, they found it empty and had to call Human Services Department officials to unlock it.

The lease for the building, which is intended to house the state's Medical Assistance Division, costs the state about \$26 per square foot – or \$1.2 million annually.

In response, an HSD spokeswoman disputed suggestions the building was empty, saying employees are currently required to work out of the building twice a week on a coordinated schedule.



A 47,000-square-foot office building southwest of Santa Fe, seen here on Tuesday, is leased by the New Mexico Human Services Department, and is largely unoccupied, though an agency spokeswoman disputed the description and said employees are required to work in person at least twice a week. (Eddie Moore/Albuquerque Journal)

While some state workers have been recently required by agency heads in the Lujan Grisham administration to return to in-person work, the LFC report said that, as of August, up to 38% of state employees still worked from home for some amount of time on any given day.

It's unclear what changes might be made to the existing telework policy, but Lujan Grisham spokesman Nora Meyers Sackett indicated Tuesday the state does not plan to downsize significantly when it comes to office space.

“It is important that the state maintains available office facilities for all state employee positions as we continue to transition out of pandemic-era state policies,” she told the Journal in a statement.

The current telework policy allows agency heads to rescind or modify an employee's telework agreement with adequate notice. It also requires that employees allowed to work remotely be able to report to their normal worksite on short notice.

Meanwhile, many state agencies have also struggled to reduce vacancy rates over the last two years, and there was a 24.3% average vacancy rate for rank-and-file positions across state government as of September, according to State Personnel Office data.

The combination of high vacancy rates and remote work have prompted some Republican lawmakers to express concern about an unresponsive state government.

But some legislators suggested the recent changes – and the issues highlighted in the legislative report – could lead to increased efficiency.

“This new normal after COVID allows for opportunities for change,” said Rep. Nathan Small, D-Las Cruces, during Tuesday's meeting.