

Reduce the Footprint

Consistent with Section 3 of the OMB Memorandum-12-12, *Promoting Efficient Spending to Support Agency Operations*, and OMB Management Procedures Memorandum 2013-02, the “Reduce the Footprint” policy implementing guidance, all CFO Act entities must set annual targets to reduce the total square footage of their domestic office and warehouse inventory compared to the 2015 baseline. As a result, OMB is working in partnership with the GSA and other Federal agencies to right-size the Federal real property inventory.

While some of the data is comparable to other agencies’ data, the Department functions as a service provider supporting U.S. Government agencies with overseas presence. This affects how the data is analyzed. There are service providers and support staff in domestic facilities who are providing overseas interagency support. Forty percent of U.S. direct-hire employees under Chief of Mission authority work for other agencies; most of them receive some direct service or management policy coordination from employees occupying domestic facilities. For example, the Department provides management services such as human resources, security, medical, diplomatic pouch and mail, financial management, real estate management, acquisition, information technology, contracting, and other services, to most agencies overseas.

The Department’s overall Reduce the Footprint plan shows a slight reduction of four percent from the 2015 baseline to FY 2016. The Department’s current plans anticipate that the portfolio will remain at or close to the 2015 baseline in the immediate future. In the longer term, the reorganization of the Department will impact future housing plans and the Department will be actively seeking opportunities to maximize efficiencies and co-locate staff in order to best support the goals of the reorganization, while also retaining the necessary resources to support the mission.

The Department strives for efficiency and best practices in its real estate program. The Department works closely with GSA on long-term strategic planning and housing the Department’s domestic staff. Furthermore, as the Department realigns its knowledge management IT platforms, opportunities are expected for cost savings in its real estate portfolio. Additionally, the Department has space allocation standards that reduce workstation sizes and limit the number of private offices, and is achieving improved utilization rates via increased densification.

As the Department’s real property needs are mission-driven, it must be prepared for real world events that may require changes in its physical footprint. Whether it is reacting to crises such as the Zika outbreak and other immediate threats to our nation’s security, or longer-term engagements such as coalition building and supporting U.S. citizens overseas, the Department must have the necessary personnel and facilities to respond rapidly to changing requirements. The Department commits however, to continuing to improve utilization rates and accommodating the additional personnel within its current portfolio to the maximum extent possible.

The following table compares the most recent reported total square footage and annual operating costs associated with the Department’s assets subject to the Reduce the Footprint policy to the 2015 baseline assigned by GSA. The operation and maintenance (O&M) costs have been calculated from the 2015 Federal Real Property Profile data and include facilities other than office and warehouse space, such as data and training centers. The 2017 amounts are not available until after publication of the Agency Financial Report.

REDUCE THE FOOTPRINT BASELINE COMPARISON (amounts in millions)

	2016	2015 Baseline	Change		2016	2015 Reported Cost	Change
Square Footage	7.1	7.0	0.1	Operation and Maintenance Costs	\$12.4	\$22	(\$9.6)