



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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THE DIRECTOR

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MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Shalanda D. Young *Shalanda D. Young*

SUBJECT: FY 2024 Agency-wide Capital Planning to Support the Future of Work

This Administration is committed to ensuring the Federal Government is a model employer, improving Federal service delivery and customer experience, and operating efficiently and effectively. As such, in accordance with OMB Memorandum M-21-25, *Integrating Planning for A Safe Increased Return of Federal Employees and Contractors to Physical Workplaces with Post-Reentry Personnel Policies and Work Environment*,¹ agencies are in the process of implementing and evaluating their post-reentry personnel policies and work environments following conclusion of agency reentry processes for a safe, increased return of Federal employees and contractor employees. In addition, agencies are in the process of defining the future of work and Federal workplaces through the President's Management Council (PMC) in coordination with relevant executive management councils, including the Chief Human Capital Officer Council, Chief Information Officer Council, Chief Financial Officer Council, the Chief Acquisition Officers Council, and the Federal Real Property Council (FRPC). The PMC is guiding agencies to develop personnel policies for hybrid, telework, and remote work; satisfy labor relations obligations; and support processes to define various resource requirements as part of planning for the future of Federal work, consistent with OMB Memorandum M-21-25.

This memorandum addresses agencies' real property resource needs and agency efforts to define the amount and types of real property required to fully implement the future of work at each agency.

Capital Planning Requirement to Support the Future of Work

OMB Memorandum M-20-03, *Implementation of Agency-wide Real Property Capital Planning*,² requires agencies to develop an annual agency-wide real property capital plan to define their real property resource need and integrate that need into the agency's annual budget request. On August 6, 2021, OMB paused the M-20-03 annual requirement to complete a capital plan due to the COVID-19 pandemic.

¹ See <https://www.whitehouse.gov/wp-content/uploads/2021/06/M-21-25.pdf>

² See <https://www.whitehouse.gov/wp-content/uploads/2019/11/M-20-03.pdf>

OMB Memorandum M-21-25 directs agencies to consider “workspace/workplace usage and mobility assessments, and opportunities to integrate remote work and sharing of spaces among Federal agencies into mid- and longer-term real estate/property strategies.” Pursuant to M-21-25, OMB expects that agency decisions in these areas will be equitable and grounded in values that empower, respect, and galvanize the Federal workforce, while reflecting and emphasizing trust and accountability for the American people they serve. In making decisions regarding post-reentry personnel policies and work environments, as well as the future of work and workplaces, agencies must be guided by how they can most effectively achieve their respective missions. Agencies should also consider broader workforce and workplace trends, lessons learned from agency operations during the COVID-19 pandemic, and the need for the Federal Government to be competitive for top talent as employers in the broader labor market. M-21-25 also includes an appendix from the General Services Administration (GSA) with considerations for agencies related to the future of Federal workplaces.

This memorandum requires agencies to restart their annual planning process by developing and submitting their FY 2024 – FY 2028 capital plans to OMB and the Federal Real Property Council no later than **December 16, 2022**. Agencies subject to the Chief Financial Officers Act of 1990 (CFO Act agencies)³ are required to submit their annual agency-wide real property capital plan December 16, 2022. Non-CFO Act agencies are also required to complete their capital plan by that date, but are not required to submit it to OMB.

The development of the capital plan should run parallel to and be in alignment with the development of the annual President’s budget request. The capital plan should define the real property resources required for the immediate post-reentry workplace environment and in the future of work context. As the annual capital plans are developed in subsequent fiscal years, OMB and agencies will achieve a full and accurate estimate of the real property resources required to fully implement the agencies’ vision for the future of work.

To develop the capital plans within the future of work context, agencies should be mindful of the following considerations:

- When determining future physical space requirements, agencies should consider the agency’s mission and customer needs, the current and future workforce, and impacts on local communities. As stated in the President’s Management Agenda,⁴ agencies are expected to reimagine their workplace approach informed by lessons from the COVID-19 pandemic, as well as nationwide workforce and workplace trends (e.g., hybrid work inclusive of onsite work, telework, alternative work schedules, online collaboration, and remote work policies and practices) and integrate these considerations into the next iteration of their capital plans completed under M-20-03.
- Agencies should coordinate with their Chief Human Capital Officer to assess the status of the agency’s post-reentry personnel policies that support the future of work at the agency and their potential impact to the need for office space agency-wide.

³ 31 U.S.C. § 301(b).

⁴ See: Workforce Priority | President's Management Agenda | Performance.gov (<https://www.performance.gov/pma/workforce/>)

- Agencies should coordinate with their Chief Information Officer to assess the status at the agency of online collaboration tools, cloud-based software, and cybersecurity to support a distributed workforce, including as demonstrated during the COVID-19 pandemic, and the potential impact of these tools to the agency's need for office space agency-wide.
- Agencies should rely on evidence when making their office space and capital planning decisions, including by collecting and using data and information regarding the effects of personnel policies and procedures on mission delivery employee engagement, and workspace utilization. Agencies should coordinate with their Evaluation Officers, Chief Data Officers, and Performance Improvement Officers on building and using evidence to support data-driven assessment and evaluation.
- Agencies should consider – for properties they reside in that are under GSA's custody and control – working with GSA as needed to support development of their capital plans due this December. GSA can assist agencies to develop GSA National Portfolio Plans for properties under GSA's custody and control, which may speed capital plan development.
- Agencies should follow the requirements of M-20-03 closely and generate their capital plan in full alignment with the development the FY 2024 President's budget request.

Responsibilities

The agency Senior Real Property Officer, Chief Financial Officer, Chief Human Capital Officer, Chief Information Officer, and Budget Officer are jointly responsible for developing the annual real property capital plan and for ensuring future of work considerations are fully integrated into the plan's requirements. The agency Evaluation Officers, Chief Data Officers, and Performance Improvement Officers can support evaluation and evidence-based decision-making processes related to work environments, office space, and capital planning. Collectively, these agency management officials can integrate the myriad future of work elements and continue collaborating to support future of work resource definition in succeeding fiscal years.

Please contact the Office of Federal Financial Management with questions regarding this memorandum (Bill Hamele, whamele@omb.eop.gov).