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# Here's why Sandia National Laboratories' spending, employee count has grown so much



Sandia National Laboratories' Joint Computational Engineering Lab in Albuquerque. The Labs have seen an uptick in economic output, driven primarily by increased government-related spending on core Sandia mission areas.

SANDIA NATIONAL LABORATORIES



By [Jacob Maranda](#) – Energy and Technology Reporter, Albuquerque Business First  
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In its most recent economic impact report, Sandia National Laboratories [reported a \\$110 million jump](#) in total subcontract payments to New Mexico businesses from 2022 to 2023. The Labs' 2022 economic impact report [also showed an increase](#) in New Mexico subcontract payments, growing by just over \$7 million between 2021 and 2022.

Sandia's employee count has shot up, too, in recent years, [surpassing 13,000 workers in New Mexico](#) for the first time last year.

What's behind such a big increase in spending and employee count in recent years? Louis Griego, the Labs' integrated supply chain management director, said increased federal spending, more reliance on Sandia's mission areas and national trends all help explain the upsurge in lab output.

Sandia is a federally funded research and development center, or FFRDC, that operates under the U.S. Department of Energy's National Nuclear Security Administration. That means the Department of Energy (DOE) turns to Sandia to "execute missions" related to various [national security areas](#), which include programs like integrated military systems, surveillance and reconnaissance and cyber threats, Griego said.

The government has been relying on Sandia more in those areas, he added.

"As you can imagine, with everything else going on in the world – nuclear deterrence, global security, national security programs – and then the administration's push in energy and homeland security, those are factors in Sandia's growth from the entire economic impact," Griego said.

The Labs reached an all-time high in terms of total expenditures in 2023, which topped \$4.7 billion, alongside the growth in subcontract payments.

Subcontract payments, in fact, made up the second-largest chunk of that \$4.7 billion total. The largest portion went toward labor and nonsubcontract-related payments, which included employee payroll.

Griego said subcontracting "is a really important part of the way that we can execute our national security mission."

Essentially, the Labs contract out certain types of work to specialized businesses. That work could include anything from producing pieces of mechanical equipment required for lab-based research to computer and information technology services to construction and contracting services.

It all starts with what Griego called a "programmatic need." Certain programs at the Labs, like those related to national security listed above, often require different sorts of equipment and technology that Sandia doesn't always have the in-house capability to produce.

Sandia develops what are called "statements of work" with its subcontracting partners to provide specific goods and services, like a specialized cable or other type of machinery. For instance, Griego said there are "a number" of machine shops around Albuquerque and California – where Sandia Labs has a campus in Livermore – that Sandia uses to design and produce mechanic parts.

An increase in DOE-related spending, coupled with more reliance on Sandia-specific mission areas, means more research and development activities being conducted at the Labs, which, in turn, means more subcontract spending out to businesses in and around New Mexico.

Griego said Sandia expects a slight increase in its funding over the next year. The Labs' budget in fiscal year 2023 [was just shy of \\$4.8 billion](#), and the National Nuclear Security Administration (NNSA) – the largest lab funder – has requested \$2.9 billion to fund Sandia in fiscal year 2024, per the NNSA's [budget justification document](#). If approved, that number would be about a \$175 million increase over the 2023 enacted Sandia Labs budget.

Other lab funding includes non-NNSA DOE dollars, which totaled \$379 million in FY 2023, and strategic partnership projects like with the U.S. Department of Defense, which came out to \$1.1 billion last fiscal year, [according to the Labs' website](#).

"Being selective about the work we take on is important, too, where we can really maximize our national security impact," Griego added.

In terms of its employee count, Sandia expects to stay about the same size in fiscal year 2024. With employee attrition, that means hiring around 700 people in the year ahead.