

STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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* UPDATED *

December 9, 2024

TO: Agency Directors

FROM: Pat Sullivan Director

SUBJECT: INSTRUCTIONS TO IMPLEMENT GOVERNOR'S FREEZE DIRECTIVE

In response to the conditions that have created a \$10 billion to \$12 billion operating budget deficit, Governor Inslee has directed state agencies under his authority to implement a freeze on hiring, services contracts, goods and equipment purchases, and travel, effective December 2, 2024. We provide these instructions to guide agency implementation of the governor's directive, which include a reporting requirement to OFM.

Agencies are responsible for approving and documenting their own agency head-approved exemptions and exceptions with no need for prior OFM approval. However, all agency exceptions must be reported to OFM. See below for more information on the reporting requirements.

Hiring Freeze

Agencies under the governor's authority may not fill a new or vacant position unless it directly impacts public safety, is essential to health and welfare activities, generates revenue, or is required to meet statutory mandates. The freeze applies to all hires, regardless of fund source, internal movement, or permanent/temporary status.

OFM State Human Resources will monitor data related to new hires and appointments, turnover and headcounts; however, authorization is not required from State HR for agency directors to hire for positions that meet the following criteria. Due to the connection to the health and safety of Washington residents and the protection of public assets, these activities are exempt from the hiring freeze:

- Direct custody, supervision, and patient care in corrections and juvenile rehabilitation programs; institutions for the care of veterans and individuals with mental illnesses or developmental disabilities; state psychiatric hospitals; the Special Commitment Center; the School for the Blind, and the Washington Center for Deaf and Hard of Hearing Youth;
- Direct protective services to children and other vulnerable clients of the Department of Children, Youth, and Families and the Department of Social and Health Services;
- Washington State Patrol investigative services and field enforcement (troopers);
- Hazardous materials response and emergency cleanup;
- Military operations and emergency management within the Military Department;
- Firefighting activities;
- Enforcement officers at the Department of Fish and Wildlife, Liquor and Cannabis Board, State Gambling Commission, and Department of Natural Resources;
- Park rangers at the Parks and Recreation Commission;
- Insect detection and inspection and certification of agricultural products; and
- Other positions related to health, safety and welfare or any unforeseen, emergent circumstances involving critical state operations.

Exemptions are also granted for activities directly involved in producing revenue:

- Tax and fee collection, auditing and recovery;
- State Lottery operations; and
- Activities necessary to receive or maintain federal funds by the state.

We have posted a Q&A document on the State HR website to help answer your questions about the hiring freeze. If you still need assistance, please send your questions to State HR at https://example.com/hiringfreeze@ofm.wa.gov.

Services Contracts Freeze

The services contracts freeze does not include contracts, contract amendments or other agreements related to:

- with a cost of less than \$10,000,
- the protection of life or public safety,
- tax collection or other revenue-generating activities,
- those funded exclusively from private or federal funding sources, and
- approved information technology projects.

Please direct questions about the services contracts freeze to ofmcontracts@ofm.wa.gov.

Goods and Equipment Purchases Freeze

The freeze on goods and equipment purchases does not apply to equipment:

- with a cost of less than \$10,000,
- necessary to protect life or public safety,
- necessary to carry out the core functions of the agency, or
- funded exclusively by private or federal grants.

Equipment and goods include furniture, equipment, and software with a useful life of more than one year and an individual unit value of \$10,000 or more, typically accounted for as Objects JB, JC and JQ (as noted in Section 75.70.10 of the State Administrative and Accounting Manual). The prohibition covers both purchases and leases of equipment (Object EH).

Please direct questions about the goods and equipment purchases freeze to ofm.accounting@ofm.wa.gov.

Travel Freeze

The travel freeze does not apply to the following:

- essential to the responsibilities of a position;
- necessary to protect life or public safety;
- tax collection or other revenue-generating activities, or
- funded exclusively by private or federal grants.

Please see the OFM freeze webpage for more information.

Reporting Requirement

Please use the attached template to report your approved freeze exceptions to OFM every two weeks, beginning on December 16. The reports must be signed by the agency director and describe why the exceptions were necessary to provide critical services related to your agency's statutory requirements or operations. Please submit reports to <u>AgencyExceptions@ofm.wa.gov</u>.

Thank you for following these instructions to implement the governor's directive to generate budget savings.