

# MANAGEMENT MEMO

	NUMBER 01-24
SUBJECT: HIRING FREEZE GUIDELINES	DATE ISSUED: 12-27-01 EXPIRES: 06-30-03
REFERENCES: Executive Orders D-48-01 and D-49-01 Management Memo 01-21 Budget Letters 01-38 and 01-43 DPA Personnel Management Liaisons Memoranda 2001-048, 2001-049, and 2001-050	ISSUING AGENCY: Department of Finance  Department of Personnel Administration

The purpose of this Management Memo is to provide further guidance to departments in complying with the Hiring Freeze. Specifically, this Management Memo:

1. Specifies that the appointment of an employee on the State Restrictions of Appointments (SROA) list or who is designated as “Surplus” is excluded from the Hiring Freeze.
2. Provides questions posed by departments and related answers concerning the treatment of specific personnel actions under the Hiring Freeze.
3. Provides a list of resources useful in understanding and complying with the Hiring Freeze.
4. Identifies whom to contact for questions.

## 1. SROA AND SURPLUS APPOINTMENTS

Consistent with Management Memo 01-21, the Department of Personnel Administration (DPA) has announced the re-establishment of the SROA Office through DPA Personnel Management Liaison (PML) Memorandum 2001-048. **Appointments made from SROA lists or appointments of “Surplus” designated employees will be excluded from the Hiring Freeze.**

## 2. QUESTIONS AND ANSWERS

Many departments have posed questions regarding the Hiring Freeze to DPA and the Department of Finance (Finance). The DPA has prepared the following responses in consultation with Finance:

- Q - What is a **promotion-in-place**?  
A - Promotion-in-place applies when all of the following conditions are met:
  - a. There is no true vacancy.
  - b. There is no change of position, assignment, or supervisory/subordinate relationship of the employee.
  - c. The promotion is clearly identified as typical in cases where the employee is to move to the next higher level in a class series.

- Q - What constitutes a **prior commitment**?  
A - A prior commitment is where a job offer with a specified start date was made and accepted prior to October 23, 2001 (or the date that the department/agency became aware of the Hiring Freeze). Since prior commitments do not require a Request for Hiring Freeze Exemption, documentation of the hiring commitment should be maintained in the personnel office for audit purposes.
- Q - Are there any restrictions on **transfers** other than for “inter-departmental” transfers?  
A - If the transfer is an intradepartmental transfer (within the department) and meets the transfer definition set forth by SPB Rule, it is excluded from the Hiring Freeze.
- Q - Are **Hiring Freeze Exemption Requests** required for all exceptions to the Hiring Freeze?  
A - It is not necessary to request an exemption for those appointments that are explicitly excluded from the Hiring Freeze by Management Memo 01-21.
- Q - Do all **Hiring Freeze Exemption Requests** go to Finance, including those that were reviewed and approved at agency?  
A - Yes. Any requests for exemption from provisions of the Hiring Freeze must be approved by Finance. Departments reporting to agencies are required to first submit the requests to their agency. After agency concurrence, the requests are to be forwarded to Finance. All other departments should submit the requests directly to Finance. This process is delineated in Budget Letter 01-43.  
  
Q - Are there any **blanket exemptions** where either groups of classes or entire departments are exempted from the Hiring Freeze?  
A - At this time, blanket exemptions for entire departments will not be considered by Finance. Pursuant to Budget Letter 01-43, departments may submit one Hiring Freeze Exemption form for multiple positions.
- Q - What impact does the Hiring Freeze have on the position classification review (**625 Review**) by DPA?  
A - The classification review is separate from the Hiring Freeze exemption request review administered by Finance. Thus, the 625 reviews will be conducted as usual.
- Q - Are **Special Consultants** exempted from the Hiring Freeze?  
A - No. Special Consultants are considered new hires; therefore, they are not excluded from the Hiring Freeze.
- Q - Do the provisions of the Hiring Freeze apply to **CEA positions**?  
A - Yes. CEA appointments, level changes, and all other CEA pay adjustments, except standard Merit Salary Adjustments within the assigned CEA level, are subject to the Hiring Freeze.
- Q - Is the conversion of **limited-term appointments** to permanent appointments exempted from the Hiring Freeze?  
A - No. The conversion of limited-term appointments to permanent appointments is subject to the Hiring Freeze.

- Q – Does the Hiring Freeze cover **Training and Development (T&D) Assignments**?  
A – The Hiring Freeze does not apply to intradepartmental (within the department) T&D assignments. However, interdepartmental (between departments) T&D assignments are subject to the Hiring Freeze.
- Q - Does the Hiring Freeze impact payment of **pay differentials**?  
A - No. Employees who satisfy pay differential criteria are entitled to the pay differential.
- Q - Does the Hiring Freeze cover management-initiated **out-of-class assignments**?  
A - No. An out-of-class assignment does not entail the appointment of a position and therefore is not subject to the Hiring Freeze.
- Q - Some departments reappoint **retired annuitants** and **student assistants** on an annual basis. Does the Hiring Freeze prevent the reappointment of a person who previously served as a retired annuitant or student assistant?  
A - If a new appointment occurs, it is subject to the Hiring Freeze. However, if a retired annuitant or student assistant is currently employed, he or she may be called to work as needed without being subject to the Hiring Freeze.
- Q - Does the Hiring Freeze apply to a situation where an employee has exercised his or her reinstatement eligibility, but later requests **reinstatement to a higher-level position**?  
A - Yes. The second reinstatement is permissive and thus is covered by the Hiring Freeze.
- Q - Does the Hiring Freeze similarly apply to a situation where an employee has exercised his or her reinstatement eligibility to a less than full-time position, but later requests **reinstatement to a full-time position**?  
A - Yes. The second reinstatement is an increase in time base and thus is covered by the Hiring Freeze.
- Q - Are Inter-jurisdictional Exchanges or other **personal services contracts** exempted from the Hiring Freeze?  
A - The Hiring Freeze does not apply to contracts. However, Management Memo 01-21 directs agencies not to increase the use of overtime or personal services contracts to circumvent the Hiring Freeze. Additionally, refer to Budget Letter 01-38, which provides instructions to departments on statewide General Fund reductions to operating expenses and equipment, for additional direction on contracts.

### 3. RESOURCES

The following resources are available to assist departments in understanding and complying with the Hiring Freeze:

- **Management Memo 01-21** establishes parameters for the Hiring Freeze consistent with **Executive Order D-48-01**, and are **both** located at:  
[http://www.osp.dgs.ca.gov/Publications/sam/sam\\_memos.asp](http://www.osp.dgs.ca.gov/Publications/sam/sam_memos.asp)

- **Budget Letter 01-43** provides instructions to departments for requesting exemptions to the Hiring Freeze pursuant to Management Memo 01-21, and is located on Finance's website at: <http://www.dof.ca.gov/html/budlettr/budlets.htm>
- DPA publications related to the Hiring Freeze, including **PML Memoranda 2001-048 (State Restriction of Appointments (SROA) Program), 2001-049 (Moratorium on Classification and Pay Issues), and 2001-050 (Measures to Mitigate Staffing Reductions)**, can be found on DPA's website at: [http://www.dpa.ca.gov/pie/pol\\_regs/srchpmls.htm](http://www.dpa.ca.gov/pie/pol_regs/srchpmls.htm)
- **Budget Letter 01-38** provides instructions to departments for reducing current year General Fund operating expenses and equipment purchases pursuant to **Executive Order D-49-01**, and are **both** located on Finance's website at: <http://www.dof.ca.gov/html/budlettr/budlets.htm>

#### 4. **WHOM TO CONTACT**

Questions regarding the affect of the Hiring Freeze on personnel actions and bargaining unit contractual requirements, the SROA list, the moratorium on classification and pay issues, or the measures to mitigate staffing reductions should be directed to DPA.

Questions on the Hiring Freeze exemption process should be directed to respective Finance Budget Analysts.

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