

State of Alaska
Sarah Palin, Governor

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To: Commissioners
Administrative Services Directors

Date: January 23, 2009

From: Michael Nizich
Chief of Staff



Subject: Purchasing Restriction
and Hiring Freeze

In her State of the State speech before a joint session of the Alaska Legislature last night, Governor Palin described the period of financial uncertainty due to current oil prices. As you may recall, last spring when the FY2009 budget was finalized, we expected the price of a barrel of oil to average \$83.04 during this fiscal year. The price is currently hovering in the \$30 - \$40 range and is having a significant impact on our state revenues. In light of this, we need to take prudent management actions.

The Governor announced the immediate implementation of a non-essential purchasing restriction and a hiring freeze to reduce the impact on state general funds. Each Commissioner will determine what items are non-essential, but would likely include conference travel, administrative travel, subscriptions, supply or equipment purchases that could be delayed until FY2010, etc. The hiring freeze applies to all positions, except for those that are necessary to protect the health and safety of Alaskans. Departments may request a waiver from the hiring freeze due to extraordinary circumstances. That process is outlined below.

The hiring freeze applies to:

- All full-time, part-time, non-permanent and seasonal positions in bargaining units and in the partially-exempt and exempt service paid for by general funds and other state funds.
- Requests to establish new non-permanent positions.
- Requests to extend non-permanent positions.
- Positions that provide administrative support and maintenance in 24-hour facilities.
- Positions partially funded by federal funds.

The hiring freeze does not apply to:

- Positions essential to protect Alaska citizens. This includes Alaska State Troopers, corrections and probation officers, airport police and fire officers, airport screening officers, and employees that provide patient and resident services and food service at 24-hour institutions. The following are considered 24-hour institutions:
 - Correctional Facilities
 - Juvenile Justice Facilities
 - Alaska Military Youth Academy
 - Pioneer Homes
 - Alaska Psychiatric Institute
 - AVTEC
 - Mt. Edgecumbe High School
- Positions for which an offer of employment was made prior to January 23, 2009.
- Lateral transfers and promotions within the same department.
- Range changes in flexibly-ranged positions.
- Reclassifications within the same job family.
- Employees delegated the authority to perform the duties of a vacant position that is assigned a higher pay range if bargaining unit provisions or regulations provide for compensation.
- The use of on-call non-permanent employees if only used to perform work essential to protect the public's safety or meet other essential state responsibilities.
- Positions fully funded by federal funds. The Division of Personnel must be sent funding verification from the Commissioner of the requesting department for any new job posting for a position that is 100% federally funded.
- Alaska Aerospace Development Corporation,
- Alaska Commission on Postsecondary Education,
- Alaska Housing Finance Corporation,
- Alaska Industrial Development and Export Authority,
- Alaska Oil and Gas Conservation Commission,
- Commercial Fisheries Entry Commission
- Permanent Fund Corporation, and
- Regulatory Commission of Alaska.

Recruitments currently on Workplace Alaska will be open through the stated closing date. However, a notice to all applicants will be posted on Workplace Alaska advising applicants of the hiring freeze and stating that only positions necessary to protect the health and safety of Alaskans and to meet other essential state responsibilities will be filled. A currently posted recruitment will not be extended unless a waiver has been approved.

Positions providing direct patient or resident services (including food services) or that are essential in protecting Alaska citizens, but not employed in a 24-hour institution or in one of the exempt job classifications listed above IS subject to the hiring freeze, but a waiver may be requested.

If a department believes filling a position is necessary to protect the public's safety or meet other essential state responsibilities, a request for waiver from the freeze must be submitted to OMB. The waiver request must be submitted in a memorandum addressed to the Chief of Staff and approved by the department's Commissioner. The memorandum must include the following information:

- position title, range, ADN, annual personal services cost, and fund source (if CIP Receipts, identify the source of the CIP Receipts);
- the essential results that the person will be responsible for delivering;
- the extraordinary circumstances that contribute to why a waiver should be approved; and
- how long the position has been vacant.

When a waiver is approved, the department is responsible for providing a copy of it to their HR Manager in the Division of Personnel.

On behalf of the Governor, please accept her thanks for your cooperation in meeting this challenge.