

MOTION BY SUPERVISORS KATHRYN BARGER
AND HILDA SOLIS

MARCH 31, 2020

**HARD-HIRING FREEZE AND FREEZE ON NON-ESSENTIAL SERVICES, SUPPLIES,
AND EQUIPMENT PURCHASES**

The rapidly evolving coronavirus (COVID-19) pandemic has spurred a global health and economic crisis. The latest COVID-19 recommendations, and policies from local, state, and federal agencies have caused significant changes in everyday life, including consumer behavior and spending. As a result, the economy has experienced severe shock, including significant stock market volatility. Dramatic mitigation measures to stop the spread of COVID-19 will continue to significantly hurt local businesses and employment. Based upon this reduction in consumer spending, there will be a corresponding decrease in several key revenue sources that the County receives to finance its essential operations. Ultimately, COVID-19’s impact to the economy and the County’s budget will depend on its severity and duration.

Section 9.140 of the Board of Supervisors Policy Manual “Hard-Hiring Freeze and Freeze on Non-Essential Services, Supplies and Equipment Purchases” provides authority and guidelines to implement action that may help mitigate these negative impacts.

-M O R E-

MOTION

SOLIS _____

RIDLEY-THOMAS _____

KUEHL _____

HAHN _____

BARGER _____

The policy indicates that the Board of Supervisors may impose a hard-hiring freeze and/or restrict the purchase of non-essential services, supplies, and equipment as a method of control to reduce expenditures during periods of budget uncertainties. The freeze may be imposed on a countywide basis during times of economic downturn or it may be imposed on a single or multiple departments/budget unit if they are experiencing an adverse financial condition. A freeze may also be instituted due to state and/or federal budget cuts that impact county administered programs or delays in reimbursement from outside entities that would have a serious impact upon the County's cash flow. Additionally, a freeze may be imposed at any other time determined to be appropriate by the Board of Supervisors.

The policy also dictates that the Chief Executive Officer (CEO) shall be responsible for administering the hard-hiring freeze and/or restriction on non-essential purchases of services, supplies and equipment. The CEO will provide guidelines and procedures for departments to follow when requesting hiring approval from CEO and approval to purchase non-essential services, supplies, and equipment when a freeze is in place. The hiring-freeze exempts certain classes of positions (e.g., critical health and safety positions), due to the high-priority services they provide to County residents during times of crisis.

During the Great Recession in 2008, the County implemented a similar freeze, which proved to be an effective tool to reduce costs as the County weathered that period of economic stress.

We are recommending these measures again to help the County manage its financial position due to the unprecedented economic strain that has been brought on by COVID-19.

-M O R E-

WE, THEREFORE MOVE THAT, the Board of Supervisors:

1. Approve the immediate implementation of a hard-hiring freeze, excluding critical health and safety positions as determined by the CEO.
2. Instruct the CEO to implement and administer the hard-hiring freeze.
3. Instruct the CEO to work with the Auditor-Controller to freeze non-essential purchases of services, supplies, and equipment, including non-essential travel and training.
4. Suspend and delay the approval and implementation of any new unfunded non-essential programs being presented to the Board.
5. Provide a written report with an analysis and implications of the financial events that have taken place during budget hearings in May.
6. Direct the Chief Executive Officer to establish an exemption process that allows departments to request an exemption to the freeze based on necessity for essential services/purchases on a case by case basis.

#

SUP:KB:rvj