



STATE OF ARKANSAS
**Department of Finance
and Administration**

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MEMORANDUM

TO: All Agency Directors

FROM: Larry W. Walther, Chief Fiscal Officer of the State *LWW*

DATE: December 19, 2017

SUBJECT: Final Hiring Freeze Caps

After a careful and extensive executive review, final hiring freeze caps have been established for executive branch agencies. Your agency will be notified by the Office of Personnel Management (OPM) of the final hiring freeze cap that will be in place for the remainder of Fiscal Year 2018.

The hiring freeze cap is based on an analysis of the number of filled full-time positions at your agency. This cap does not include extra-help or board member positions, which are not considered full-time positions. If your agency is at or below the total full-time position cap, then your agency can fill positions without prior approval from DFA.

If the agency feels that it must exceed the hiring freeze cap, agency leadership can submit a request to exceed the hiring freeze cap to OPM through the existing hiring-freeze process. Such requests must be accompanied by a compelling justification based on either:

- A material change in the mission of the agency through a documented event, such as the passage of new legislation or creation of a new program; or,
- Unforeseen events which are outside the capacity of the agency to meet with existing staff.

Agencies are strongly encouraged to work within the hiring freeze caps and to exercise executive discretion and management to meet the ongoing needs of the agency. Please be aware that the cap applies only to filled positions. Agencies which foresee openings within their agency, including for high-turnover positions, do not need to wait until a position is empty to advertise or otherwise prepare for a replacement. **DFA-OPM will provide agencies with an updated position cap upon request and will assist agencies in managing caps and hiring decisions.**

The hiring freeze caps **will** provide authority for agencies to fill all full-time positions necessary to meet the needs of the agency. Therefore, pending hiring freeze requests which have been submitted **as of this date** will not be processed. Instead, agency staff are encouraged to work within the cap established here or, if absolutely necessary, submit a hiring freeze request to exceed their agency's cap.

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These final hiring freeze caps do not contain a salary component, and DFA will not impose a "salary cap" in addition to the cap on positions. OPM has been tasked with monitoring and reporting agency expenses relating to wages each pay period. OPM will analyze payroll trends and report the same for executive review. Therefore, agencies should pay careful attention to factors that can affect actual wage-related expenses, including but not limited to regular wages and salaries, discretion requests, labor market rates, and extraordinarily well qualified hires.

Agencies desiring to fill advertising-exempt positions or to set a salary in excess of \$100,000 must notify OPM **before** extending any offer or taking any action; OPM will forward requests received from agencies for executive review weekly unless expedited action is a business necessity. Grades exempt from advertising are GS13, MP04, IT08 and above in their respective plans, and all SE grades.

If you have any questions, please contact the Office of Personnel Management at (501) 682-1753 or your agency's OPM personnel analyst.