

## DEPARTMENT OF HEALTH SERVICES

714/744 P STREET  
P.O. BOX 942732  
SACRAMENTO, CA 94234-7320



February 5, 1991

TO: All County Welfare Directors  
All County Administrative Officers  
All County MEDS EDP Managers

Letter No.: 91-07

1990-91 FREEZE ON GENERAL FUND EXPENDITURES - Emc2 DHS90171

This is to clarify earlier information on the freeze of General Fund expenditures (Executive Order D-90-90) that was forwarded to the counties via Emc2 message number DHS90171, dated December 6, 1990. The freeze covers hiring, equipment purchases, personal service contracts and consulting contracts.

The freeze includes all State MEDS network computer hardware: modems, controllers, terminals and printers. Note: MEDS network data line relocations are not frozen. This statement in Emc2 DHS90171 was incorrect.

Counties that use their computer systems (CPU counties) to process MEDS are not affected by this freeze. CPU counties may continue to request monies for computer equipment to be used for MEDS through the State Department of Social Services, County Approvals Section, as shown:

Mr. Mel Picanco, Chief  
County Approvals Section  
Department of Social Services  
744 P Street, M.S. 19-12  
Sacramento, CA 95814

Counties which submitted MEDS equipment requests after September 1, 1990, and have not yet been contacted by Al Brinsfield of my staff, should contact Al for the status of your request.

Medi-Cal Eligibility Branch (MEB) will request an exemption to the freeze, but the outcome is uncertain. In the interim we recommend counties continue to submit their requests for MEDS network equipment. The Department of Health Services will hold the requests until the freeze is lifted and the requests can be processed.

If you have any questions concerning the freeze on MEDS equipment, please contact Al Brinsfield of my staff at (916) 324-7977 or via Emc2, User ID: HDABRIN.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

**MANAGEMENT MEMO**

	NO. 90-24
SUBJECT: 1990-91 FREEZE ON GENERAL FUND EXPENDITURES	DATE ISSUED: 11-19-90
REFERENCES: EXECUTIVE ORDER D-90-90	EXPIRES: 6-30-91

In response to the current fiscal situation facing the State, the Governor has issued Executive Order D-90-90. That Order imposes a freeze on General Fund expenditures through June 30, 1991. The freeze covers hiring, equipment purchases, personal service contracts and consulting contracts. The Governor also directed State departments to take necessary actions to save an additional 1% of their General Fund State Operations appropriations.

Agency Secretaries and other cabinet level positions will be responsible for administering and ensuring compliance with the provisions of the executive order. For those departments which are not represented by cabinet, the Department of Finance will be responsible for ensuring compliance. It will also be the responsibility of the Agency Secretary or Department of Finance to mitigate the provisions of Executive Order D-90-90 when modifications may be in the best interest of the State.

I. PROVISIONS OF THE FREEZE ARE AS FOLLOWS:

A. HIRING

EFFECTIVE IMMEDIATELY, NO STATE APPOINTING AUTHORITY MAY HIRE NEW EMPLOYEES INTO A POSITION WHEN ANY PART OF THE POSITION IS FUNDED FROM THE GENERAL FUND. PRIOR COMMITMENTS TO HIRE MAY BE EXEMPTED BY THE AGENCY IF THE PROVISIONS OF A LEGAL COMMITMENT HAVE BEEN MET BY NOVEMBER 19, 1990.

1. Restricted Personnel Actions

- a. Appointments of any persons not currently employed by the State.
- b. Increases in the time base of employees.
- c. Appointment of seasonal employees.

2. Personnel Actions Not Affected by this Freeze

- a. Appointments of employees currently serving a TAU in lieu of permanent appointment.
- b. Mandatory reinstatements of employees.
- c. Non-civil service exempt entitlements which are stipulated by statute.
- d. Transfer between departments.

The use of permanent intermittent employees and overtime may not be utilized to offset the freeze.

B. EQUIPMENT

For the purposes of this freeze, the prohibition on acquisition includes the purchase and/or lease of equipment (as defined in the State Administrative Manual, Section 8602), software for computers, office furniture and office machines. ←

Purchase Estimates (Std. Form 66) affected by this Management Memo currently in process in the Office of Procurement for which no purchase order has been issued will be cancelled and returned to the ordering agency. To avoid any doubt or delay in processing, purchase estimates must clearly identify the fund source. This will expedite non General Fund purchase documents. Delegated purchases (those not requiring processing by the Department of General Services) are subject to this freeze.

The exception to this freeze is that departments may continue to order from Prison Industries.

C. CONSULTANT AND PERSONAL SERVICES CONTRACTS

All consultant and personal services contracts (including amendments) not approved by November 19, 1990, are affected by this freeze.

1. Definition

Consultant and personal services contracts are defined as those contracts whose principal product is advice, a recommended course of action, or personal expertise. The advice or recommended course of action may consist of anything from answers to isolated questions to the design of a complex system. Included in personal expertise are such things as training, workshops, research, public relations, testing services, planning, etc. Payments for these services could be on the basis of each hour or day devoted to the task or be in one lump sum for the end product.

2. Exclusions

→ Excluded from this definition are construction contracts, local assistance and subvention contracts, interagency agreements, and those types of service agreements involving little or no discretion, such as maintenance contracts, blueprinting, auto repair, laboratory analyses, reproduction services, etc.

- a. Construction contracts describe the type of work embraced by the State Contract Act or other provisions of law characterized as "public work" or "public works," which basically encompass the erection, construction, alteration, repair, improvement, or demolition of any State structure, building, road, or other State improvement. Included within this definition are those incidental contracts essential for the continued performance of a construction contract. (Section 1270, Labor Code; Section 14254, Government Code; Section 1261, State Administrative Manual.)
- b. Local assistance and subvention contracts are agreements financed out of the local assistance portion of the budget, including those providing assistance to local governments and aid to the public, directly or through an intermediary, such as a non-profit corporation organized for that purpose. To the extent, however, that any such arrangement would also fall within the purview of consultant and personal services type contracts, the latter definition shall control and such contracts shall not be exempted categorically.
- c. Interagency agreements are agreements between agencies under which, within the Executive branch of government, one State agency may furnish services, materials, or equipment to, or perform work for, the other State agency. Agencies are to be cautioned that this form of agreement is not to be used to circumvent any portion of the freeze as delineated in the Executive Order (Section 11253 and 11256 of the Government Code).

#### D. EXEMPTIONS FROM GENERAL FUND FREEZE

Subject to the approval of the appropriate Agency Secretary or the Department of Finance, the freeze provisions of the Executive Order shall not apply to direct, hands-on services in 24-hour care institutions, emergency response personnel or revenue producing activities.

Because of the assumption of office by newly elected Constitutional officers, and the need to provide for an orderly transition, exempt appointments, purchases, and contracts by such officers incidental to their assumption of office may be excluded from provisions of this Order by action of the Governor or his designee.

#### II. CURRENT YEAR GENERAL FUND SAVINGS

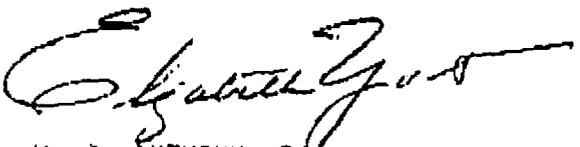
In addition to the above noted freeze, departments have been instructed to initiate actions necessary to achieve an additional savings of 1% of their 1990-91 General Fund State operations appropriations.

III. EXEMPTIONS FROM THE EXECUTIVE ORDER

The provisions of the Executive Order do not apply to the Legislative and Judicial branches of government. These branches of government are encouraged to participate in the endeavor to reduce their General Fund costs.

The University of California and the California State Universities are requested to comply with the freeze provisions of the Executive Order.

If you have any questions regarding this Management Memo, please contact your respective Department of Finance Program Budget Manager.



W. J. ANTHONY, Director  
Department of General Services



JESSE R. HUFF, Director  
Department of Finance

Attachment

DISTRIBUTION: This Management Memo must be distributed to persons assigned State Administrative Manuals designated as:  
A B C D E F G H I J K L M N O P R S X MM

MMGTMEMO.RJS

Date: Wednesday, 28 November 1990 7:22am  
To: hdabrin  
From: HDMGUZM@DHSEMC2 (HS.MEB.MIKE.GUZMAN)  
Subject: Equipment Request

Liz Blankenship,

Due to State budget constraints and past problems created by Countys who relocate their State/County computer equipment without informing the State, we are requesting all CPU Countys to submit a complete listing of all County computer equipment accessing MEDS.

This request will allow MEB to create a Master List of all State/County computer equipment accessing MEDS.

This information can be sent via EMAIL on the MEDS 42 form. Once your list is received we will continue the processing of your equipment request.

If you have any questions, please let me know.

Thank you, Michael Guzman

Date: Thursday, 6 December 1990 6:00pm  
To: coordinators,medsecur,systems  
From: systems  
Subject: Emc2 (DHS90171)

To: All County Welfare Directors  
All County Administrative Officers  
All County MEDS Coordinators  
All County MEDS EDP Managers

1990-91 FREEZE ON GENERAL FUND EXPENDITURES

This is to notify you that in response to the current situation facing the State, the Governor has issued Executive Order D-90-90. That Order imposes a freeze on General Fund expenditures through June 30, 1990. The freeze covers hiring, equipment purchases, personal service contracts and consulting contracts. The Governor also directed State departments to take necessary actions to save an additional 1% of their General Fund State Operations appropriations.

All Department of Health Services requests for Medi-Cal Eligibility Data System (MEDS) network computer equipment, software and related services are processed by service requests through the Health and Welfare Data Center (HWDC). HWDC has interpreted the Governor's order to include all MEDS network computer equipment: modems, controllers, terminals, and printers. Also, MEDS network data line installations and relocations are frozen. Basically, anything even related to MEDS equipment is covered under the freeze.

Any counties submitting MEDS equipment and/or MEDS data lines after September 1, 1990, are requested to contact Al Brinsfield for the status of your request.

Medi-Cal Eligibility Branch (MEB) is in the process of requesting an exemption to the freeze, but we have no idea of how long this is going to take. We will keep the counties notified.

If you have any questions concerning MEDS equipment and the freeze please contact Al Brinsfield of my staff at (916) 324-7977 or via Emc2, USER ID: H0ABRIN.

This Emc2 message will be followed by a formal All County Welfare Directors Letter.

Sincerely,

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch