To: Cabinet Directors and Agency Heads

From: Jonathan Womer
Director, Office of Management and Budget
Department of Administration

Date: March 18, 2020

Re: Discretionary Spending/Hiring

Due to the impacts of the COVID-19 public health crisis, the Office of Management and Budget (OMB) is projecting increased FY 2020 spending to meet immediate health and safety needs and a significant decline in revenues. Although not fully quantified, OMB projects the combination of these two factors by themselves would result in a sizeable year-end deficit. A federal stimulus package is likely to be provided but it is unclear if the size and scope would close the deficit.

To address this evolving situation, OMB is implementing immediate enhanced controls on all discretionary spending and hiring for all state agencies. Please see the Enterprise Budgetary Control Policy for details. Until further notice, Section 4B of this policy shall apply to all Executive Branch agencies. Each agency Director and Chief Financial Officer should immediately instruct all program staff to refrain from any spending that is not directly tied to the COVID-19 emergency or to meet the critical needs for the continued operation of the respective program with a focus on health and safety, as defined in the above-mentioned policy.

OMB will be rejecting any position or procurement requests that do not address immediate health and safety needs and/or are not deemed to be critical to agency operations and/or federal- and state-mandated programs. Every effort should be made to maximize federal and restricted receipts and related positions, wherever allowable, to achieve general revenue savings.

Thank you in advance for your efforts to constrain spending wherever possible through these unexpected and extremely challenging circumstances.