MEMORANDUM

To: Agency Heads
From: Benjamin Barnes, Secretary
Date: May 6, 2011
Subject: Personal Service Agreements

In light of the state’s fiscal challenges, state agencies should continue to scrutinize the need to enter into Personal Service Agreements (PSA’s) for services, and should seek to limit such agreements to those necessary in order to continue essential state agency operations.

While PSA’s will be reviewed on an individual basis, essential operations are generally those (1) required to protect the public health, safety and welfare; (2) necessary to the continued provision of essential state services; (3) supporting programs or services required by federal law or court order; or (4) supporting the collection or recovery of taxes or other state revenue.

Pending PSA approvals which do not appear to qualify for one or more of the exceptions described above will be reviewed on a case-by-case basis and may be disapproved and returned to the agency. Agencies should also review Personal Service Agreements which have been approved by OPM, but not executed, in order to determine whether their execution is consistent with the policy outlined above.

PSA requests should be submitted in the normal manner and should reflect how they qualify for one or more of the exceptions described above. In addition, OPM may request, as needed, additional documentation as to why the Personal Service Agreement is needed and why it qualifies for one of the exceptions.

Questions concerning PSA issues should be directed to Robert S. Dakers, Executive Finance Officer at (860) 418-6422.

Cc: Paul Potamianos, Executive Budget Officer, OPM