



**MEMORANDUM**

**TO:** Department Heads  
Department Chief Financial Officers

**FROM:** Kate Howard, Mayor's Budget Director *KH*

**DATE:** July 29, 2014

**SUBJECT:** November 2014 Contingency Planning

This memo instructs departments to propose options to the Mayor's Budget Office as we develop a contingency reduction plan to address potential budgetary uncertainty created by the November 2014 ballot.

Last week, the Board of Supervisors sent a measure to the ballot which the budget does not contemplate. Should it pass, it will reduce discretionary General Fund Support by \$20-25 million annually. As a result of this unanticipated measure, the Mayor's Office is directing departments to propose contingency plans that could be implemented should the measure pass.

1. Departments are instructed to propose contingency reduction plans equivalent to 1.5% of General Fund Support (\$22 million).
2. Because of the potential new ongoing reductions to discretionary General Fund resources, departments should propose ongoing contingency reductions while preserving core services.
3. In order to minimize service impacts, departments may propose contingency reductions beginning in FY 14-15.
4. Contingency plans may include but are not limited to:
  - Refrain from initiating new programs;
  - Revisit hiring plans;
  - Scale back existing programs and services.
5. Contingency plans are due by Friday August 22, 2014 and can be submitted on the attached form to your analyst in the Mayor's Budget Office.

The Mayor's Office may place contingency funds on reserve pending the outcome of the election in November 2014. Please contact me should you have questions about these instructions.