



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

August 17, 1995

THE DIRECTOR

M-95-17

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Alice M. Rivlin *AMR*
Director

SUBJECT: Contingency Planning For Agency Operations in
Fiscal Year 1996

In a July 26th Memorandum, I requested that, pending general guidance, heads of departments and agencies refrain from taking actions to prepare for final appropriations levels for fiscal year 1996. This memorandum is to advise you that you should now proceed to develop and submit for review any plans that you believe are appropriate to prepare for agency operations in fiscal year 1996.

As the start of fiscal year 1996 approaches, prudent management requires that we take action now to plan and prepare for possible contingencies, including reduced funding. If you believe that actions are appropriate now, you should submit a proposed plan to OMB. We will review plans promptly and get back to you with suggestions.

You have the full range of management tools at your disposal, including reductions in procurements or service contracting, furloughs, and reductions in force. Your planning should take into consideration the substantial lead times necessary to use some of these tools (e.g., notice requirements for reductions in force or contract terminations).

You should develop contingency planning for any agency reductions affecting personnel in close consultation with employees and their authorized representatives. Agencies are also reminded to comply with all applicable bargaining agreements and partnership arrangements.

This memorandum does not address spending under a continuing resolution. (Should it become necessary, we will provide guidance for agency operations under a continuing resolution.) Nevertheless, agency planning for final 1996 appropriations levels could be affected by a requirement to

operate temporarily under a continuing resolution at the start of the fiscal year. It would be advisable, therefore, that you take into consideration the possibility of a temporary continuing resolution as you plan for final appropriations action.

This guidance is effective immediately. Questions should be directed to your OMB program examiner.