



Appalachian Regional Commission

Lapse Plan during Appropriations Hiatus

December 20, 2024

The following information is provided to detail the plan for Appalachian Regional Commission operations in the event of an appropriations hiatus.

Appropriations to the Commission have been made on an indefinite “no year” basis and, specifically, “remain available until expended.” All funds for the administration of the Federal Co-Chair’s Office, as well as funds for payment of the Federal share of the administrative expenses of the Commission, are derived from a “lump sum” no year appropriation. Additionally, the Bipartisan Infrastructure Law provided funding beyond that in the annual appropriation. That funding is available to support operations in the near term should the government experience a lapse in funding.

Regardless of the status of the Commission’s full-year FY2025 appropriation, the Commission may continue to incur obligations to the extent that those obligations can be funded by balances from its prior “no year” appropriations. Language in OMB Circular A-11, Section 124, Agency Operations in the Absence of an Appropriation, indicates that Federal agencies may not incur obligations that cannot lawfully be funded from prior year appropriations unless such obligations are authorized by law.

Most ARC business during this period involves the administration of grants that have already been awarded in prior year appropriated funds. Consequently, normal staffing is necessary, and day-to-day administrative expenditure patterns will be maintained initially.

Should the funding hiatus extend beyond a period of twelve weeks, it will be necessary for ARC to take steps to initiate an orderly shutdown of activities, as dictated by OMB Circular A-11, Section 124.3. This may entail the use of furloughs to shorten work weeks or to reduce staff to essential personnel only, the curtailment of travel or its complete cancelation, or the suspension or cancelation of non-essential contracts. ARC will delay the initiation of any new programmatic activities until an appropriation has been secured.

Should a complete shutdown of ARC operations become necessary, the agency will furlough all employees except those necessary to complete shutdown activities and to protect government property. Those employees will work with OMB and GSA to secure files and records, protect confidential material and government property, make notifications of the suspension of ARC activities, and perform any necessary administrative functions relevant to the shutdown.