



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT


PAT MCCRORY
GOVERNOR

LEE HARRISS ROBERTS
STATE BUDGET DIRECTOR

December 3, 2014

MEMORANDUM

TO: Department Heads and Chief Fiscal Officers
All State Departments, Institutions and Agencies

FROM: Lee Harriss Roberts 
State Budget Director

SUBJECT: Contingency Plans - Federal Funding Continuing Resolution

On September 18, 2014 Congress passed a continuing resolution allowing spending into FFY 2015. This resolution will expire December 11, 2014. If Congress does not pass appropriation bills or adopt a temporary continuing resolution by December 11, 2014 it is anticipated that many federal programs will not have federal funds to operate and will subsequently be ordered to cease operations.

To prepare for any potential loss of federal funds, it is important the State have contingency plans in place to address shortfalls. Each agency should develop a contingency plan which should include, but may not be limited to:

1. Identification of programs supported in whole or part by federal funds and determine if the program has;
 - a. multi-year appropriations or indefinite appropriations;
 - b. forward funded appropriation;
 - c. authorization or appropriations prior to December 3, 2014;
 - d. functions that address emergency circumstances, such that the suspension of the function would imminently threaten the safety of human life or the protection of property; or
 - e. annual reauthorization.
2. Provide the purpose of the program (identified above) and the impact if programs do not have federal funds to operate and subsequently be ordered to cease operations.
3. Identification of the number of positions supported totally or partially by federal funds including the percentage breakdown if positions share costs between state and federal funds.

4. Identification of action(s) that will be taken if a continuing resolution is not adopted or appropriation bills are not passed by Congress by December 11, 2014, including but not limited to:
 - a. identifying state employees that will be placed on leave without pay for each program;
 - b. identifying state employees partially supported from federal funds that will have their pay and time reduced by the proportion supported by federal funds;
 - c. identifying self-imposed limitation on hiring vacant positions that are totally or partially federally funded;
 - d. identifying local government agencies and non-governmental organizations that will be impacted; and
 - e. developing a strategy to notify local government agencies and non-governmental organizations identified above.

Contingency plans must be submitted to Erin Matteson, erin.matteson@osbm.nc.gov, no later than December 9, 2014.

cc: Erin Matteson, OSBM