



**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT**

ROY COOPER
GOVERNOR

CHARLES PERUSSE
STATE BUDGET DIRECTOR

December 7, 2017

MEMORANDUM

TO: Department Heads, Chief Fiscal Officers, General Counsels and Human Resource Directors

FROM: Charles Perusse, State Budget Director *Charles Perusse*
Barbara Gibson, State Human Resources Director *Barbara F. Gibson*

SUBJECT: Potential Federal Government Shutdown

As you are aware, there is a possibility of a federal government shutdown. The authorization to spend federal funds in FFY 2017 will expire at midnight on Friday, December 8, 2017. As of today, Congress has not enacted a continuing resolution, and failure to do so by Friday at midnight would result in a federal government shutdown. If this occurs, it is important that all agencies thoroughly review federal grant awards and funding stream commitments to mitigate any service and operational disruptions supported by federal funds.

Each state agency manages their respective federally funded programs and employees in the event of a federal government shutdown. Agency heads should consult with their general counsels, chief financial officers, human resources directors and other critical managers to manage and fully comply with all federal and State of North Carolina guidance.

Please provide documentation to your Office of State Budget and Management (OSBM) analyst of all federal funding received by your agency and identify funding that will be or likely will be impacted by a federal shutdown. Agency responses should be submitted by 3:00 pm on Friday, December 8. This documentation should include your assessment of the impact of a lapse in federal appropriations and the extent to which prior year federal cash or unobligated grant balances exist to extend services from federal funds after December 8, 2017. Include any identified risk mitigation strategies. Some agencies may be able to update reports provided to OSBM in 2015. The format of such information is less important than the content and impact analysis.

Because of the uncertainty of continued federal support in FFY 2018 for specific programs operating in North Carolina's state departments and institutions, all agencies are expected to:

- Closely monitor through your contacts in associations and organizations the federal budget for programs affecting your state department;
- Put in place a self-imposed limitation on all hiring for totally or partially federally funded positions which are not related to the delivery of direct patient health care, safety or the protection of property; and,
- Contact local government agencies and non-governmental organizations with information about the impact to them because of the delay in the enactment of a continuing resolution.

Please contact staff in our offices if you have any questions. We will continue to monitor the enactment of a continuing resolution and notify you of any progress. As necessary, further guidance will be forthcoming.