



STATE OF NORTH CAROLINA  
OFFICE OF STATE BUDGET AND MANAGEMENT

ROY COOPER  
GOVERNOR

CHARLES PERUSSE  
STATE BUDGET DIRECTOR

December 20, 2018

MEMORANDUM

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

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

*Charles Perusse*

*Barbara J. Gibson*

**SUBJECT:** Potential Federal Government Shutdown

As you are aware, there is a possibility of a partial federal government shutdown. The short term continuing resolution funding certain federal agencies and programs will expire at midnight on Friday, December 21. If Congress fails to extend the continuing resolution, federal funding will be affected for programs related to transportation, agriculture, housing, commerce, justice, homeland security, science, foreign operations, interior and the environment.

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) budget analyst of all federal funding received by your agency likely to be impacted by the partial federal shutdown. Agency responses should be submitted by 3:00 pm on Friday, December 21.**

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 21, 2018. Include any identified risk mitigation strategies. Some agencies may be able to update reports provided to OSBM earlier this year. The format of such information is less important than the content and impact analysis.

Because of the uncertainty of continued federal support in FFY 2019 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.