



**Appalachian Regional Commission
Shutdown Plan during Appropriations Hiatus
December 15, 2011**

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

Appropriations to carry out the program authorized by the Appalachian Regional Development Act of 1965, as amended, have been made on an indefinite “no year” basis, and specifically, “remain available until expended.” (See Title IV Energy and Water Development Appropriations Act and Public Law 111-85 October 28, 2009.) 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. The Commission’s operating expenses are not funded entirely from a Federal appropriation, but rather, split equally between a Federal appropriation and an amount shared by State members of the Commission. The much smaller Federal Office administration funding is entirely Federal.

It is our understanding that regardless of the status of the Commission’s full-year FY2012 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 incur no obligation that cannot lawfully be funded from prior year appropriations unless such obligations are authorized by law.”

Prior year balances plus the amount apportioned to ARC through the Continuing Resolution will be sufficient to fund the administrative activities of both the Federal Office and the Commission for a period of four months. 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 reduce staff to essential personnel only, the curtailment of travel or its complete cancelation, the suspension or cancelation of non essential contracts. At the time of publication of this plan, ARC maintains 51 employees. ARC will delay the initiation of any new programmatic activities until a full-year 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 then work with OMB and GSA to secure files and records, to protect confidential material and government property, to make notifications of the suspension

of ARC activities, and to perform any necessary administrative functions relevant to the shutdown.