



Appalachian Regional Commission
Lapse Plan — FY 2026
September 30, 2025

The following information is provided to detail the plan for Appalachian Regional Commission (ARC) operations in the event of a lapse in appropriations.

Congress has appropriated funding to the Commission on an indefinite “no-year” basis, specifying that its appropriations, “remain available until expended.” All of ARC’s funding, with the exception of a small amount of interagency transfers for reimbursable work, is derived from these “lump sum” no-year appropriations. This no-year budget authority funds ARC’s grant programs, other programmatic activity, and ARC’s administrative operations (salaries and expenses in the Office of the Federal Co-Chair, salaries and expenses of programmatic staff, and the Federal share of the salaries and expenses of the Commission administration). Congress has provided this no-year funding to ARC through annual appropriations laws and the Infrastructure Investment and Jobs Act. These resources would be available to support ARC’s operations in the near term should the government experience a lapse in appropriations.

Regardless of the status of ARC’s full-year FY2026 appropriation, the Commission may continue to incur obligations to the extent that those obligations can be funded by balances from its prior “no-year” funding. Per OMB Circular A-11, Section 124.1, “Agency functions that are financed with appropriations that have not lapsed may continue and are ‘exempt’ from any shutdown procedures, even while a lapse has occurred in other appropriations.”

Thus, day-to-day ARC business would be maintained normally during an initial period of a lapse in appropriations.

Should a lapse in appropriations extend beyond a period of twelve weeks, it may be necessary for ARC to take steps to initiate an orderly shutdown of activities, as directed 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-excepted contracts.

Should a complete shutdown of ARC operations become necessary based on the amount of carryover remaining, ARC 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.

Lapse Plan Summary Overview	
Estimated time (to nearest half day) required to complete shutdown activities	0.5 days
Total number of agency employees expected to be on board before implementation of the plan:	70 employees
Total number of agency employees expected to be furloughed under the plan	5 employees*
Total number of employees to be retained under the plan for each of the following categories (may include duplicated counts):	
Compensation is financed by resources other than annual appropriations:	70 employees
Necessary to perform activities expressly authorized by law:	1 employee*
Necessary to perform activities necessarily implied by law:	0 employees*
Necessary to the discharge of the President's constitutional duties and powers:	0 employees*
Necessary to protect life and property:	4 employees*
* In the event of a lapse in appropriations and exhaustion of available carryover balances	
Brief summary of significant agency activities that will continue during a lapse:	
Congress has appropriated funding to the Commission on an indefinite "no-year" basis, specifying that its appropriations, "remain available until expended." ARC will utilize carryover balances to maintain routine business, including review and award of economic development grants and the day to day management of previously awarded grants. If a lapse extends beyond the exhaustion of carryover, ARC will evaluate options to pause operations.	
Brief Summary of significant agency activities that will cease during a lapse:	
ARC will continue day to day operations during the first 12 weeks of a lapse in appropriations based on carryover balances. This continues grant making, grant management/grant servicing, financial management including payments, obligations and year-end financial statement preparation, oversight and training related travel, communications, system management, response to data calls, J-1 Visa management and research and evaluation.	