



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



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GOVERNOR

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TO: Department Heads, Chief Financial Officers, General Counsels, and Human Resources Directors

FROM: Kristin Walker, State Budget Director 
 Staci Meyer, State Human Resources Director 

SUBJECT: Federal Government Shutdown

As Congress failed to pass a spending bill or an extension of the continuing resolution by January 30th, the federal government is now partially shutdown. The US Office of Management and Budget (OMB) issued a [memorandum](#) last Friday instructing federal agencies to commence shutdown procedures. While federal shutdowns historically have lasted a few days, the fall 2025 shutdown lasted 43 days. Appropriations related to the subcommittees of Labor, Health and Human Services, Education, Transportation, Housing and Urban Development, Homeland Security, State, General Government, Financial Services, and Defense have not yet been funded and are currently in question. Federal Funds Information for States (FFIS) has added a column to its [Appropriations Tracker](#) (Full Table tab, column D) indicating whether final Federal FY 2026 appropriations have been made for more than 500 programs.

Because this is not a full shutdown and we have information from the fall surveys, the Office of State Budget and Management (OSBM) will not be conducting an agency survey. However, OSBM will be reaching out on a case-by-case basis, and all state agencies should thoroughly review federally funded grant awards and commitments to identify impacted areas and to develop strategies that mitigate service and operational disruptions. Please be prepared to discuss this information with OSBM and OSHR.

Specifically, if your agency is concerned about its ability to sustain operations using state funding during the shutdown please reach out to Assistant State Budget Officers [Mark Bondo](#) and [Brett Altman](#). OSBM can issue additional allotments as needed but allotments cannot exceed the certified budget. Agencies should also notify OSBM and OSHR regarding any need to furlough state employees funded with federal funds. A furlough is temporary involuntary leave without pay and can be implemented immediately. Contact [James Harris](#) with OSHR if you have questions about furloughs. Agencies should [complete this form](#) to notify OSHR and OSBM at least 72 hours before a furlough occurs.

OSBM and OSHR will continue to monitor federal guidance and congressional activity, and we will issue further guidance as needed. We appreciate your continued professionalism and partnership as we navigate these uncertain times.