

DEPUTY SECRETARY OF DEFENSE 1010 DEFENSE PENTAGON WASHINGTON, DC 20301-1010

SEP 2 9 2023

MEMORANDUM FOR ALL DEPARTMENT OF DEFENSE PERSONNEL

SUBJECT: Potential for Lapse in Funding

As many of you are aware, funding for the government expires at midnight on September 30, 2023. The Administration, Secretary Austin, and I do not believe that a lapse in funding should occur. There is more than enough time for Congress to prevent this from happening. The Administration is willing to work with Congress to enact a short-term continuing resolution to fund critical Federal government operations and allow Congress more time to finalize appropriations for this year. However, prudent management requires that we continue to prepare for all contingencies, including the possibility that a lapse in appropriations could occur at the end of this month.

As part of our effort to keep you apprised of planning efforts, we are providing further information on how a potential government shutdown will affect our staff and operations. As was the case in January 2018, under a lapse in funding, actions and decisions about what operations continue are governed by legal opinions issued by the Attorney General and the Office of Legal Counsel of the Department of Justice.

In consultation with our Office of General Counsel, we have reviewed our contingency plan and made the necessary updates to our determinations of the activities that may continue under these legal requirements. Similarly, we are making the necessary updates to our determinations of civilian employees who would continue to report to work to support excepted activities in the event of a lapse in funding, and civilian employees who would be furloughed. Pursuant to the Government Employee Fair Treatment Act of 2019 (31 U.S.C. 1341(c)), both furloughed Federal civilian employees and employees who are required to perform work during a lapse in support of excepted activities will be paid for the period of the lapse once Congress provides funding. During a Federal government shutdown, all active duty military personnel would continue in a normal duty status; however, they would not be paid until Congress provides funding. As we saw in 2013, should a shutdown occur, and depending on the length of the shutdown, the determinations of which employees are required to perform work may change over time as circumstances evolve. Importantly, the categorization of employees and whether or not someone is furloughed are not a reflection on the quality of an employee's work, nor of his or her importance to the Department. It is merely a reflection of the legal requirements under which we must operate should a lapse in appropriations occur.

Your chain of command or chain of supervision will begin reaching out to you to provide additional detail on our contingency plans and your status under a potential lapse. These conversations are designed to provide clarity on how a potential shutdown will affect you, but they do not constitute an official notice of furlough. Official furlough notices will be issued only on the next official workday if a lapse in funding occurs.



Unfortunately, the uncertainty of the current circumstances puts our dedicated workforce in a difficult situation, and should a government shutdown occur, it could impose hardships on many employees, as well as the people whom we serve every day. Although these events are not within our control, we will work closely with all staff to do our best to support you throughout this period.

Thank you again for your hard work, dedication, and patience through this process, and for your continued service to the Department of Defense, the Nation, and the American people.

Kathe Hich