B-330775

September 5, 2019

Congressional Requesters


This responds to your request for our opinion regarding whether the U.S. General Services Administration (GSA) or the National Park Service (NPS), U.S. Department of the Interior (Interior), violated the Antideficiency Act during a lapse in appropriations that occurred between December 22, 2018, and January 25, 2019.¹ Specifically, you ask whether either agency violated the Antideficiency Act with regard to the reopening or operation of the Old Post Office Building observation tower (observation tower) during the lapse in appropriations.

As discussed below, GSA provided information regarding which appropriations it obligated for the activities at issue. These include GSA's obligations for the interagency agreements (IAA) with NPS for the operation of the observation tower and for the salaries of the employees who executed these agreements. Because GSA obligated available budget authority for these activities, we conclude that such obligations did not violate the Antideficiency Act.

Interior has not provided information regarding which appropriations it obligated for the activities at issue, including the salaries of the employees who executed the IAAs with GSA, reopened public access to and operated the observation tower, and

¹ Letter from Senator Thomas R. Carper, Senate Committee on Homeland Security and Governmental Affairs, Ranking Member of the Permanent Subcommittee on Investigations, Representative Elijah E. Cummings, Chairman, House Committee on Oversight and Reform, and Senator Gary C. Peters, Ranking Member, Senate Committee on Homeland Security and Governmental Affairs, to Comptroller General (May 23, 2019); Letter from Representative Raúl M. Grijalva, Chairman, House Committee on Natural Resources, Representative Betty McCollum, House Committee on Appropriations, Chair of the Subcommittee on Interior, Environment and Related Agencies, and Representative Mike Quigley, House Committee on Appropriations, Chairman of the Subcommittee on Financial Services and General Government, to Comptroller General (Feb. 11, 2019).
provided support services for these activities. Consequently, at this time we are unable to assess Interior’s compliance with the Antideficiency Act. As discussed below, however, we will issue a separate opinion concerning Interior’s obligations for the observation tower during the lapse in appropriations.

BACKGROUND

Requests for information

In accordance with our regular practice, we contacted GSA to seek factual information and GSA’s legal views. GAO, Procedures and Practices for Legal Decisions and Opinions, GAO-06-1064SP (Washington, D.C.: Sept. 2006), available at www.gao.gov/products/GAO-06-1064SP; Letter from Assistant General Counsel, GAO, to General Counsel, GSA (May 2, 2019). GSA responded with its explanation of the pertinent facts, its legal analysis, and multiple exhibits. Letter from Associate General Counsel, Real Property Division, GSA, to Assistant General Counsel, GAO (June 14, 2019) (GSA Response Letter). As relevant here, the exhibits included:

- Exhibit 1, Part 1: IAA between GSA and NPS executed on December 28, 2018. GSA Response Letter, Exhibit 1, pt. 1. Throughout this opinion, we refer and cite to this document as the December IAA.
- Exhibit 1, Part 2: IAA modification between GSA and NPS executed on January 4, 2019. GSA Response Letter, Exhibit 1, pt. 2. Throughout this opinion, we refer and cite to this document as the January IAA Modification.
- Exhibit 2: memorandum of agreement between GSA and NPS executed on December 28, 2018. GSA Response Letter, Exhibit 2. Throughout this opinion, we refer and cite to this document as the December MOA.

In addition to these materials, we requested, and GSA provided, additional factual information. E-mail from Staff Attorney, GAO, to Senior Assistant General Counsel, GSA, Subject: Additional Information Requested (B-330775 - Operation of the Old Post Office Tower) (July 25, 2019); see Letter from Senior Assistant General Counsel, Real Property Division, GSA, to Staff Attorney, GAO (Aug. 5, 2019) (GSA Supplemental Response Letter).

We also contacted Interior to seek factual information and Interior’s legal views. Letter from Assistant General Counsel, GAO, to Acting Solicitor, Interior (May 2, 2019) (GAO Letter to Interior). To date, we have not received Interior’s response. Even without a formal response from Interior, however, the facts before us show that Interior engaged in activities and incurred obligations related to the observation tower during the lapse in appropriations. Such obligations necessarily raise questions under the Antideficiency Act. See B-330720, Feb. 6, 2019.

Agencies should not treat their statutory responsibilities under the Act lightly. The Antideficiency Act not only protects the public fisc, but serves as a crucial linchpin in Congress's exercise of its constitutional prerogatives of the purse. U.S. Const.,
art. I, § 9, cl. 7; 31 U.S.C. § 1341, 1342, 1351, 1511–19; see B-328450, Mar. 6, 2018 (noting that one of the aims of the Antideficiency Act is “to protect the government’s fisc”); B-317450, Mar. 23, 2009 (“The Antideficiency Act has been described as the ‘statutory mechanism by which Congress guards its appropriations power’” and “the cornerstone of Congressional efforts to bind the Executive branch of government to the limits on expenditure of appropriated funds.” (citations omitted)). The President’s constitutional duty to take care to faithfully execute the laws Congress enacts necessarily includes compliance with this Act. See U.S. Const., art. II, § 3. This is true both where an agency has and, as may be the case during a lapse in appropriations, an agency lacks, budget authority. B-330720, Feb. 6, 2019. To conclude otherwise would undermine Congress’s ability to discharge one of its core constitutional functions. *Schism v. United States*, 316 F.3d 1259, 1288 (Fed. Cir. 2002) (“To say that the Executive Branch could promise future funds for activities that Congress itself had not authorized would . . . violate both the Anti-Deficiency Act . . . and the Separation of Powers doctrine, for it would allow the Executive Branch to commandeer the power of the Legislative Branch.”).

In our May 2, 2019, letter to Interior, we requested Interior’s response by June 7, 2019. GAO Letter to Interior, at 4. Despite diligent efforts to follow up with the Solicitor’s office, however, we have not received a formal response from the agency. We recently contacted Interior and requested Interior’s response by September 12, 2019. E-mail from Assistant General Counsel, GAO, to Assistant Solicitor, Interior, Subject: GAO’s work on the Old Post Office (Aug. 29, 2019). If we do not receive Interior’s response by that time, we will issue our opinion regarding Interior’s actions during the lapse in appropriations notwithstanding Interior’s failure to respond. See GAO-06-1064SP, at 7.

GSA and NPS’s observation tower responsibilities

Consistent with this statutory requirement, GSA and NPS have entered into a series of IAAs by which GSA pays NPS to operate the observation tower. GSA Response Letter, at 2. GSA obligates and pays NPS for these services using amounts in the Federal Buildings Fund. See December IAA, Box 28. Attached to each IAA is a memorandum of agreement that outlines each agency’s responsibilities. GSA Response Letter, at 2; see December MOA.

Fiscal year 2019 lapse in appropriations and closing of the observation tower

At midnight on December 21, 2018, the continuing resolution providing funding for GSA and NPS activities expired.² Pub. L. No. 115-298, 132 Stat. 4382 (Dec. 7, 2018) (continuing resolution through December 21, 2018, extending Continuing Appropriations Act, 2019, Pub. L. No. 115-245, div. C, 132 Stat. 3123 (Sept. 28, 2018) (continuing resolution through December 7, 2018)). At that time, both GSA and NPS experienced a lapse in appropriations and, as a result of the lapse, implemented certain orderly shutdown procedures.³ GSA Response Letter, at 4; E-mail from Chief of Public Affairs, National Capital Region, NPS, Subject: News Release: What visitors can expect in D.C.-area national parks during the partial government shutdown (Dec. 23, 2018), available at https://www.nps.gov/aboutus/foia/upload/OPO_Shutdown_ForWeb.pdf (last visited Sept. 4, 2019) (NPS News Release E-mail). On December 23, 2018, NPS issued a news release with a list of NPS areas and sites that would be closed during the lapse in appropriations. NPS News Release E-mail. The list included the observation tower. Id.

Renewal of the IAA and reopening of the observation tower

On December 28, 2018, GSA and NPS executed the December IAA, which provided for NPS’s operation of the observation tower. December IAA; GSA Response Letter, at 4. Two GSA officials, the Public Buildings Service (PBS) Regional

² A continuing resolution is “[a]n appropriation act that provides budget authority for federal agencies, specific activities, or both to continue in operation when Congress and the President have not completed action on the regular appropriation acts by the beginning of the fiscal year.” GAO, A Glossary of Terms Used in the Federal Budget Process, GAO-05-734SP (Washington, D.C.: Sept. 2005), at 35–36.

Commissioner and the Branch Chief, signed the December IAA. December IAA, Boxes 23, 37; see GSA Supplemental Response Letter, at 2; GSA Response Letter, at 4. The Branch Chief signed the agreement on December 21, 2018, and the PBS Regional Commissioner signed the agreement on December 28, 2018. December IAA, Boxes 23, 37. One NPS official, an NPS Regional Director, signed the December IAA on December 28, 2018. Id., Box 23.

Attached to the IAA was the December MOA. GSA Response Letter, at 2. One GSA official, the PBS Regional Commissioner, signed the December MOA on December 28, 2018. December MOA, at 6. One NPS official, an NPS Regional Director, signed the December MOA. Id. The NPS Regional Director’s signature did not include a date.

The scope of agreement for the December IAA includes “initial funding through 12/31/2018 with subsequent modification[s] to be enacted as funds are available to GSA . . .” December IAA, Box 11. GSA obligated $144,047.76 from the Federal Buildings Fund for the period of October 1, 2018, to December 31, 2018. Id., Boxes 26, 28. Pursuant to the December IAA and the attached memorandum of agreement, NPS is responsible for operating and providing visitor services for the observation tower, while GSA is responsible for providing “[t]he NPS operation and staffing funds as agreed to in the Plan and Budget.” December MOA, at 1, 3; see GSA Response Letter, at 2.


The date listed in Box 11 of the December IAA is “12/21/2019.” December IAA, Box 11. Another section of the agreement defines the period of performance as October 1, 2018, through September 30, 2019. December IAA, Box 27. GSA provided that the agencies intended for the December IAA period of performance to be October 1, 2018 through December 31, 2018. GSA Supplemental Response Letter, at 1.
January IAA modification

On January 4, 2019, GSA and NPS executed a modification to the IAA to obligate additional GSA funds for NPS’s operation of the observation tower. GSA Response Letter, at 4–5. Two GSA officials, the Branch Chief and the Zone 4 Building Operations Director, signed the January IAA Modification. January IAA Modification, Boxes 37, 38. Both officials signed the agreement on January 4, 2019. Id. One NPS official, the Acting Deputy, signed the January IAA Modification. Id., Box 38. The Acting Deputy’s signature did not include a date.

The January IAA Modification provided additional funding for the IAA, with the period of performance extending from January 1, 2019, through March 31, 2019.5 Id., Box 27. GSA obligated an additional $144,047.76 from the Federal Buildings Fund for this period, for a total of $288,095.52 for October 1, 2018 through March 31, 2019. Id., Box 26.

DISCUSSION

GSA and NPS each experienced a lapse in appropriations between December 22, 2018, and January 25, 2019. As a result, each agency implemented certain orderly shutdown procedures, which included the initial closing of the observation tower. GSA and NPS then incurred obligations for activities related to the reopening and operation of the observation tower during the lapse in appropriations. Such obligations included the amounts obligated on the IAAs themselves as well as each agency’s respective obligations for the salaries of the employees who executed the agreements, reopened public access to and operated the observation tower, and provided support services for any of these activities.

At issue here is whether GSA and NPS had available budget authority to incur its respective obligations and, if not, whether an exception to the Antideficiency Act permitted each agency to do so. Because we will issue a separate opinion regarding Interior’s actions during the lapse in appropriations, we limit our discussion below to GSA’s actions regarding the observation tower.

Application of the Antideficiency Act

The Antideficiency Act prohibits agencies from obligating or expending in excess or in advance of an available appropriation unless otherwise authorized by law. 31 U.S.C. § 1341. The Act further prohibits agencies from accepting voluntary

5 Another section of the January IAA Modification provides that the modification “extend[s the period of performance] to April 4, 2019.” January IAA Modification, Box 25. GSA provided that the agencies intended for the January IAA Modification period of performance to be January 1, 2019 through March 31, 2019. GSA Supplemental Response Letter, at 1.
services for the United States, except in cases of emergency involving the safety of human life or the protection of property. *Id. § 1342.* Thus, if an agency lacks sufficient funds to continue operating, the Act generally requires that the agency commence an orderly shutdown of affected functions. B-330720, Feb. 6, 2019, at 4, 5. For example, an agency may lack sufficient funds to continue operating when an appropriation or continuing resolution expires prior to the enactment of a new one. *Id.,* at 1. We refer to such a lapse in funding as a lapse in appropriations or a funding gap. *Id.*

If an agency has available budget authority, however, it may be possible for the agency to continue to operate using those available funds during a lapse in appropriations.6 B-330720, Feb. 6, 2019, at 3. For example, an agency may have available carryover balances in a no-year account. No-year budget authority remains available for obligation for an indefinite period of time and is available for past, present, and future needs. B-326945, Sept. 28, 2015, at 3 (noting that no-year funds may be used “for any need, whether past, present, or future . . .”); see B-327122, Nov. 30, 2015, at 4 (explaining that no-year funds transferred to an agency remain available in subsequent fiscal years to fund agency operations even if the agency does not receive an annual appropriation). Thus, even during a lapse in appropriations, an agency that has remaining no-year budget authority may legally incur obligations without implicating the Antideficiency Act.7 Importantly, agencies must continue to ensure that each obligation is consistent with all other laws. B-330720, Feb. 6, 2019, at 3 (an agency “must still ensure that it adheres to all other applicable laws” when using available budget authority during a lapse in appropriations); see B-326945, Sept. 28, 2015, at 3 (any use of available budget authority “must also be consistent with any other restrictions (such as to purpose or amount) upon the appropriation’s availability”).

Here, we must first consider whether GSA had available budget authority for the obligations at issue. If not, GSA could permissibly incur obligations only if an exception to the Antideficiency Act permitted it to do so. GSA has not claimed any exceptions to the Antideficiency Act.

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6 Budget authority is the authority provided in federal law to incur financial obligations. 2 U.S.C. § 622(2)(A). This includes budget authority Congress enacts in annual appropriations acts, continuing resolutions, offsetting collections authority, and any other provision of law that makes funds available for obligation and expenditure. *Id. § 622(2)(A), (C); B-327122, Nov. 30, 2015, at 3.*

7 For further discussion on this topic, including exceptions to the Antideficiency Act, see B-330720, Feb. 6, 2019.
GSA’s obligations regarding the reopening of the observation tower

(1) GSA’s budget authority during the fiscal year 2019 lapse in appropriations

GSA administers the Federal Buildings Fund, which is financed primarily by user charges to federal agencies for space and services GSA provides in properties under the jurisdiction, custody, or control of GSA. 40 U.S.C. § 592; GSA Response Letter, at 2. Deposits in the Federal Buildings Fund are available without regard to fiscal year limitation, but only in amounts specified in annual appropriations acts. 40 U.S.C. § 592(c)(1). On December 22, 2018, when the lapse in appropriations began, the Federal Buildings Fund contained a carryover balance of $43.8 million for salaries and expenses for PBS employees and a carryover balance of $139.7 million for building operations and maintenance. GSA Response Letter, at 3.

GSA also administers a Working Capital Fund, established “for the necessary expenses of administrative support services including accounting, budget, personnel, legal support and other related services.” 40 U.S.C. § 3173(a); GSA Response Letter, at 3. Among the GSA support offices funded by the Working Capital Fund are the Office of General Counsel, the Office of the Chief Financial Officer, the Office of Human Resources Management, and certain portions of the Office of Strategic Communication. GSA Response Letter, at 4.

When GSA provides reimbursable services to other agencies, the reimbursements are credited to and merged with the Working Capital Fund. 40 U.S.C. § 3173(b)(1); GSA Response Letter, at 3. Such amounts remain available until expended and are available “for operating costs and capital outlays of the Fund.”8 40 U.S.C. § 3173(b)(1).

On December 22, 2018, when the lapse in appropriations began, the Working Capital Fund contained a carryover balance of $390.5 million. GSA Response Letter, at 3. According to GSA, the fund contained an available balance for the duration of the lapse in appropriations. Id., at 4. As such, some GSA offices funded by the Working Capital Fund continued to operate during the lapse in appropriations. Id. These offices included the Office of General Counsel, the Office of the Chief Financial Officer, the Office of Human Resources Management, and parts of the Office of Strategic Communication. Id.; see 40 U.S.C. § 3173(a).

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8 Further, “the uncommitted balance of any funds remaining in the [Working Capital Fund at the end of the fiscal year] shall be transferred to the general fund of the Treasury as miscellaneous receipts.” 40 U.S.C. § 3173(c). Such amounts are deposited after GSA provides for anticipated operating needs, as determined by the Administrator pursuant to 40 U.S.C. § 3173(b)(2). Id.
The carryover balances in the Federal Buildings Fund and the Working Capital Fund constituted available budget authority during the lapse in appropriations for the purposes for which the appropriations were made. Because the amounts in these accounts are available without regard to fiscal year limitation, during the lapse in appropriations GSA could legally incur obligations up to the amount of the available carryover balance in each account without violating the Antideficiency Act. See B-327122, Nov. 30, 2015, at 4; B-326945, Sept. 28, 2015, at 3.

(2) GSA’s obligations for the December IAA and January IAA Modification

Here, GSA obligated $288,095.52 from the Federal Buildings Fund for the December IAA and January IAA Modification. At the time GSA obligated these amounts, the Federal Buildings Fund contained available carryover balances sufficient to cover the obligations. GSA Response Letter, at 3, 4. Further, the amounts in the Federal Buildings Fund were available for the purposes of the interagency agreements. See 40 U.S.C. § 592(c)(1); Pub. L. No. 98-1, § 4, 97 Stat. at 4; see, e.g., Pub. L. No. 115-141, div. E, title V, 132 Stat. 348, 568 (Mar. 23, 2018). As such, neither of these obligations violated the Antideficiency Act.

(3) GSA’s obligations for the salaries of the GSA officials who executed the agreements

GSA also incurred obligations for the salaries of the GSA officials who executed the agreements. As outlined above, two GSA officials signed the December IAA, one GSA official signed the December MOA, and two GSA officials signed the January IAA Modification. We must consider whether GSA had available budget authority for the salary of each official at the time the official signed the agreement.

With the exception of one employee, the GSA officials who signed the agreements related to the observation tower were PBS employees. January IAA Modification, Boxes 37, 38; December IAA, Boxes 23, 37; December MOA, at 6; see GSA Supplemental Response Letter, at 2; GSA Response Letter, at 4. GSA obligates the Federal Buildings Fund for the salaries of PBS employees. GSA Response Letter, at 2, 3. Between December 22, 2018, and January 6, 2019, PBS continued operating using available carryover balances in the Federal Buildings Fund.9 Id., at 4. Thus, GSA had available budget authority for the salaries of PBS employees through January 6, 2019.

The Branch Chief, a PBS employee, signed the December IAA on December 21, 2018. December IAA, Box 37; see GSA Supplemental Response Letter, at 2.

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9 GSA explained that one PBS office receives annual appropriations and was shut down for the full duration of the lapse in appropriations. GSA Response Letter, at 4 n.5. GSA asserted that no employees from that office were involved in activities or operations related to the observation tower. Id.
Because the Branch Chief signed the agreement prior to the lapse in appropriations, GSA had available budget authority in the Federal Buildings Fund at the time the Branch Chief signed the agreement and, thus, this obligation did not violate the Antideficiency Act. GSA also had available budget authority in the Federal Buildings Fund on December 28, 2018, when the PBS Regional Commissioner, a PBS employee, signed both the December IAA and the December MOA. See GSA Response Letter, at 4–5. Because GSA had available carryover balances in the Federal Buildings Fund for the salary of this PBS employee, this obligation did not violate the Antideficiency Act.

The Branch Chief, a PBS employee, signed the January IAA Modification on January 4, 2019. See January IAA Modification, Boxes 37, 38. GSA obligated the Federal Buildings Fund for the salary of this employee. GSA Supplemental Response Letter, at 2. Because GSA had available carryover balances in the Federal Buildings Fund at the time the Branch Chief signed the January IAA Modification, this obligation did not violate the Antideficiency Act.

The other GSA official who signed the January IAA modification was the Zone 4 Building Operations Director, an employee in the Office of the Chief Financial Officer. See January IAA Modification, Boxes 37, 38; GSA Supplemental Response Letter, at 2. This employee signed the January IAA Modification on January 4, 2019, during the lapse in appropriations. January IAA Modification, Boxes 37, 38. As noted above, the Office of the Chief Financial Officer is funded by the Working Capital Fund and continued to operate using available budget authority during the lapse in appropriations. Because GSA had available carryover balances in the Working Capital Fund for this employee’s salary at the time the employee signed the January IAA Modification, this obligation did not violate the Antideficiency Act.10

CONCLUSION

GSA obligated available budget authority for GSA activities related to the reopening of the observation tower during the lapse in appropriations. Such obligations did not violate the Antideficiency Act. We will issue a separate legal opinion regarding

10 We note that GSA obligated amounts and NPS resumed operation of the observation tower pursuant to these agreements despite deficiencies in the agreements themselves, including a lack of signatures from certain officials and incorrect or ambiguous dates in the scopes of agreement or periods of performance. Agencies should enter into IAAs only with clear documentation showing the terms of the agreement and clearly indicating mutual assent. See December MOA (defining each agency’s responsibilities); cf. B-245714, Dec. 13, 1991 (noting that a signature has traditionally provided evidence that both parties to the contract willfully express the intent to be bound); B-308944, July 17, 2007 (concluding that an order must include a specific, definite description of goods or services to be provided).
Interior’s actions with regard to the observation tower during the lapse in appropriations.

If you have any questions, please call Shirley A. Jones, Managing Associate General Counsel, at (202) 512-8156, or Omari Norman, Assistant General Counsel for Appropriations Law, at (202) 512-8272.

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United States Senate

The Honorable Elijah E. Cummings
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The Honorable Raúl M. Grijalva
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House of Representatives

The Honorable Betty McCollum
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