

**Morris K. Udall and Stewart L. Udall Foundation  
Plan for Agency Operations in the Absence of Appropriations**

**FY 2024**

<b>Lapse Plan Summary Overview</b>	
Estimated time (to nearest half day) required to complete shutdown activities:	<i>NA-see below</i>
Total number of agency employees expected to be on board before implementation of the plan:	<i>29 FTEs</i>
Total number of agency employees expected to be furloughed under the plan (unduplicated count):	<i>NA-see below</i>
<b>Total number of employees to be retained under the plan for each of the following categories:</b>	
Compensation is financed by a resource other than annual appropriations:	<i>29 FTEs</i>
Necessary to perform activities expressly authorized by law:	<i>0 FTEs</i>
Necessary to perform activities necessarily implied by law:	<i>0 FTEs</i>
Necessary to the discharge of the President's constitutional duties and powers:	<i>0 FTEs</i>
Necessary to protect life and property:	<i>0 FTEs</i>
<b>Brief summary of significant agency activities that will continue during a lapse:</b>	
All Udall Foundation activities will continue initially during a lapse. All agency FTEs are initially exempt from furlough because their salaries are paid for by interest revenues generated by the Trust Fund; by unobligated no-year appropriations balances and offsetting collections into, or interest revenues generated by, the EDRF; or a mix of both. This includes both the Education and National Center programs as well as enterprise activities including agency leadership, finance, operations, communications, and data and information technology.	
<b>Brief summary of significant agency activities that will cease during a lapse:</b>	
N/A.	

**Mission**

The Morris K. Udall Foundation was established by the U.S. Congress in 1992 as an independent executive branch agency to honor Morris K. Udall's lasting impact on this Nation's environment, public lands, and natural resources, and his support of the rights and self-governance of Native Americans and Alaska Natives. In 2009, Congress enacted legislation to also honor Stewart L. Udall for his half century of distinguished national leadership in environmental and Native American policy. The agency is known today as the Morris K. Udall and Stewart L. Udall Foundation (Udall Foundation) and is headquartered in Tucson, Arizona.

The Udall Foundation is authorized by Congress to:

- Award Scholarships, Fellowships, and Internships for study in fields related to the environment and to Native Americans and Alaska Natives in fields related to health care and Tribal public policy.
- Connect youth to the Nation’s public lands and natural resources to foster greater understanding, appreciation, stewardship, and enjoyment of those lands and resources through photography, positive outdoor experiences, and environmental education through the Stewart L. Udall Parks in Focus® Program (Parks in Focus®).
- Provide funding to the Udall Center for Studies in Public Policy (Udall Center) to conduct policy research and outreach on the environment and related themes.
- Provide funding to the Native Nations Institute for Leadership, Management, and Policy (NNI), a program of the Udall Center, for research, education, and outreach on Native American and Alaska Native health care issues and Tribal public policy issues.
- Provide funding through the Udall Center to The University of Arizona Libraries, Special Collections to serve as the repository for the papers of Morris K. Udall and Stewart L. Udall (Udall Archives) and other such public papers as may be appropriate and assure such papers' availability to the public.
- Provide impartial collaboration, consensus-building, training, and conflict resolution services on a wide range of environmental, natural and cultural resources, Tribal, and public lands issues, conflicts, and disputes involving the Federal Government through the John S. McCain III National Center for Environmental Conflict Resolution (National Center).

**Organizational Structure**

The Udall Foundation is organized into two distinct program areas with separate funding structures: Education Programs and the National Center. Agency leadership, finance, operations, communications, and data and information technology employees support both program areas. As described in the sections below, employees are funded either by annually appropriated funds, other than annually appropriated funds, or a mix of funding sources.

<u>Program</u>	<u>FTEs</u>	<u>Status</u>	<u>Treasury Account</u>	<u>Type</u>
Education	4	Exempt	Trust Fund	No-year
National Center	13	Exempt	Environmental Dispute Resolution Fund	No-year
Leadership; Finance; Operations; Comms; Data and IT	12	Exempt	Shared by both accounts	No-year

**Education Programs**

Annual interest revenues earned on the Trust Fund corpus fund three of the Udall Foundation’s Education Programs: Native American Graduate Fellowship, Parks in Focus®, and Udall Undergraduate Scholarship. In addition, not less than 20% of the annual interest revenues from the Trust Fund are allocated to the Udall Center, which includes funding for the Udall Archives. Interest rates on Treasury securities are closely monitored by Udall Foundation leadership to determine how best to invest the Trust Fund corpus. From FY 2001 through FY 2023, appropriations language has allowed a portion of the annual Trust Fund appropriation to be set aside each year, at the discretion of the Board of Trustees, for reimbursement of NNI expenses and to fund the Native American Congressional Internship and associated programming. 20 U.S.C. § 5606.

## **National Center**

The Environmental Dispute Resolution Fund (EDRF) is used for the National Center's annual operations and for 85% of Udall Foundation expenses shared with the Education Programs, a formula previously approved by the U.S. Department of the Interior Office of Inspector General (DOI OIG). Congress has authorized the Udall Foundation to accept and retain fees in the EDRF, in addition to its appropriations, for the National Center's environmental collaboration and conflict resolution project and training services. Such reimbursements are processed primarily through interagency funding agreements. Typically, there are one- to three-month delays between the National Center's expenditures and reimbursements from requesting agencies, which necessitates the liquidity of an operating fund in the EDRF to ensure adequate cash flow. 20 U.S.C. §§ 5607a and 5607b.

## **Financial Structure**

The Udall Foundation's annual Performance and Accountability Report combines the financial data for the Trust Fund and the EDRF. However, the Udall Foundation's annual appropriation designates funding separately for the Education Programs (Trust Fund) and the National Center (EDRF) and is deposited by the Department of the Treasury into the appropriate funds. Available balances in both the Trust Fund and EDRF may be invested in Treasury obligations to generate interest revenues; however, the funds differ in how appropriations made to each may be spent. Appropriations made to the EDRF are available for direct expenditure and remain available until expended, while appropriations made to the Trust Fund are added to the Fund's corpus and invested. The Udall Foundation's enabling legislation specifies that only Trust Fund interest revenues are allowed to be used to fund authorized Education Programs and The University of Arizona partner programming, including the Native American Graduate Fellowship, Parks in Focus<sup>®</sup>, Udall Undergraduate Scholarship, and Udall Center activities including the Udall Archives.

The Secretary of the Treasury invests available balances from both funds in Treasury obligations. Both Treasury accounts are designated by Congress as available until expended (i.e., "no-year" funding), therefore available balances are carried forward year-to-year.

## **Education Programs**

Congress established the Trust Fund with an initial appropriation and has added to the balance through additional appropriations in subsequent years. In FY 2023 only, Congress granted the Udall Foundation the ability to spend the Trust Fund appropriation directly in support of authorized Education Programs and The University of Arizona partner programming in lieu of depositing the appropriation into the Trust Fund corpus. Otherwise, except as described above for NNI, the appropriations for the Trust Fund are added to principal and invested and only the interest revenues may be used to fund the Udall Foundation's Education Programs and The University of Arizona Partner programming.

The Udall Foundation requires Congressional approval through the appropriations process to set aside a portion of its Trust Fund appropriation to support the purposes of NNI. The Udall Foundation Board of Trustees approves the annual set-aside, the final amount of which is determined by the Udall Foundation Executive Director in consultation with the Chair of the Board of Trustees, the Chief Financial Officer of the Udall Foundation, the Director of the Udall Center, and the Executive Director of NNI. The money is used to reimburse NNI for its actual, authorized expenses.

A set-aside in FY 2024 is contingent upon a Trust Fund appropriation and authorization from Congress. A lapse in appropriations for FY 2024 will delay the ability of the Board of Trustees to approve such a set-aside until an appropriation is provided. A prorated set-aside covering the duration of a continuing

resolution period of appropriations may be provided to NNI, based on the FY 2023 set-aside amount and at the determination of the Udall Foundation Executive Director.

### **National Center**

National Center appropriations remain available until expended (i.e., “no-year” funding) and are used for program and agency operations. In addition to appropriations, the National Center collects fees, primarily from Federal agencies via reimbursable interagency agreements, to reimburse services provided for environmental collaboration and conflict resolution projects and trainings. Such fees are deposited into the EDRF and are available until expended. Funds in the EDRF may also be invested and any interest revenues generated used for program and agency operations.

## **Plan for Agency Operations in the Absence of Appropriations**

### **Education Programs**

Except as described above for FY 2023, Education Programs are paid for entirely with interest revenues generated by the Trust Fund. As a result, an absence of appropriations for FY 2024 will not impact the normal operation of the Education Programs, other than approval of the FY 2024 set-aside for NNI. Education Programs employees will be exempt from furlough because their salaries are paid for by interest revenues generated by the Trust Fund. In addition, interest revenues from the Trust Fund are used to fund a portion of the salary of employees with agency-wide responsibilities, as discussed further below.

Until there is a full-year appropriation designated for NNI, a prorated set-aside covering the duration of any continuing resolution period of appropriations may be provided based on the FY 2023 set-aside amount and at the determination of the Udall Foundation Executive Director. NNI employees are not employees of the Federal Government, so a lapse in appropriations will not require the furlough of NNI’s staff and will not affect NNI operations, except insofar as the failure to set aside funds might impact NNI’s financial position.

If a lapse in funding is greater than sixty (60) days, the Udall Foundation will reassess its ability to provide prorated set-aside funding to NNI to determine if less than 100% operational capacity in the NNI program is advised.

### **National Center**

The National Center utilizes reimbursable interagency agreements to perform environmental collaboration and conflict resolution services. Typically, there are one- to three-month delays between the National Center’s expenditures and reimbursements from requesting agencies, which necessitates the liquidity of an operating fund in the EDRF to ensure adequate cash flow. In the absence of appropriations for FY 2024, the National Center will utilize liquidity in the EDRF, which are all “no-year” funds. These funds are sufficient to maintain normal National Center operations based on the amount of EDRF funding available when the lapse occurs. National Center personnel will be exempt from furlough because their salaries are paid for by “no-year” funds in the EDRF.

If a lapse in funding is greater than sixty (60) days, the Udall Foundation will reassess its ability to maintain normal National Center operations based on the EDRF cash flow position, including offsetting collections activity, to determine if less than 100% operational capacity is advised.

**Positions funded by both Treasury Accounts**

The remaining Udall Foundation employees are funded by a mix of Trust Fund interest revenues and EDRF funds proportional to the time expended in each program area. This includes the agency's leadership, finance, operations, communications, and data and information technology employees. To ensure the continued operation of the agency these positions will be authorized to maintain normal operations during a lapse in appropriations. These personnel will be exempt from furlough because their salaries are paid for by a mix of interest revenues generated by the Trust Fund and "no-year" funds in the EDRF.

If a lapse in funding is greater than sixty (60) days, the Udall Foundation will reassess its ability to maintain normal operations for employees funded by both accounts to determine if less than 100% operational capacity is advised.

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