

119TH CONGRESS
2D SESSION

H. R. 7322

To provide for appropriations to pay Federal employees and contractors during periods of lapses in appropriations in fiscal year 2026, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 2026

Mr. WALKINSHAW (for himself, Mr. BEYER, Ms. NORTON, Mr. RASKIN, Mr. SUBRAMANYAM, Mr. MFUME, and Mr. VINDMAN) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committees on Appropriations, House Administration, the Judiciary, and Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for appropriations to pay Federal employees and contractors during periods of lapses in appropriations in fiscal year 2026, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “True Shutdown Fair-
5 ness Act”.

1 **SEC. 2. PAYMENT OF EMPLOYEES AND CONTRACTORS DUR-**
2 **ING SHUTDOWNS.**

3 (a) DEFINITIONS.—In this section—

4 (1) the term “agency”—

5 (A) means each authority of the executive,
6 legislative, or judicial branch of the Government
7 of the United States; and

8 (B) includes each District of Columbia
9 public employer described in clause (i) or (ii) of
10 section 1341(c)(1)(B) of title 31, United States
11 Code (as in effect on the day before the date of
12 enactment of this Act);

13 (2) the term “contract employee” means an em-
14 ployee of a contractor for whom a lapse in regular
15 appropriations could suspend, delay, or interrupt
16 (or, if there is an ongoing lapse in regular appro-
17 priations on the date of enactment of this Act, for
18 whom the lapse in regular appropriations suspended,
19 delayed, or interrupted) all or part of the work of
20 the applicable contract, or could stop (or stopped) all
21 or part of the work called for in that contract, in-
22 cluding—

23 (A) a service employee, as defined in sec-
24 tion 6701(3) of title 41, United States Code,
25 except that an individual covered under this

1 subparagraph includes an individual described
2 in subparagraph (C) of such section 6701(3);

3 (B) a laborer or mechanic with respect to
4 whom section 3142 of title 40, United States
5 Code, applies; and

6 (C) an employee of a business concern that
7 holds a contract, subcontract, or other agree-
8 ment with an agency that provides for services
9 or supplies, including a service contract under
10 chapter 67 of title 41, United States Code;

11 (3) the term “covered employee”—

12 (A) means each employee of an agency,
13 without regard to whether, for any portion of
14 the period beginning on October 1, 2025, and
15 ending on September 30, 2026—

16 (i) the head of that agency determined
17 that the individual was an excepted em-
18 ployee or an employee performing emer-
19 gency work; or

20 (ii) the individual was subject to fur-
21 lough;

22 (B) includes—

23 (i) a member of the Armed Forces on
24 active duty; and

1 (ii) a member of a reserve component
2 who, during a lapse in regular appropria-
3 tions with respect to the applicable agency,
4 performs active service or inactive duty
5 training; and

6 (C) only includes an individual described in
7 subparagraph (A) or (B) who was an employee
8 or member on, or had accepted an offer of em-
9 ployment with the agency or had enlisted in or
10 accepted an appointment to the Armed Forces
11 (including a reserve component) on or before,
12 the day before the date on which the applicable
13 lapse in regular appropriations began;

14 (4) the term “lapse in regular appropriations”,
15 with respect to an agency, means any period during
16 which interim or full-year appropriations for fiscal
17 year 2026 are not in effect for the agency; and

18 (5) the term “standard employee compensa-
19 tion” means, with respect to a covered employee or
20 a contract employee, the standard rate of basic pay,
21 allowances, pay differentials, benefits, and other
22 payments otherwise payable on a regular basis to the
23 covered employee or contract employee.

24 (b) APPROPRIATIONS.—

1 (1) IN GENERAL.—For fiscal year 2026, for
2 any lapse in regular appropriations with respect to
3 an agency, there are appropriated to the head of the
4 agency, out of any money in the Treasury not other-
5 wise appropriated, such sums as are necessary to
6 provide, with respect to the period of the lapse in
7 regular appropriations—

8 (A) standard employee compensation to
9 covered employees of the agency; and

10 (B) payments to contractors of the agency
11 to provide standard employee compensation to
12 contract employees with respect to the agency,
13 which shall only be used by those contractors to
14 provide standard employee compensation to
15 those contract employees.

16 (2) AGENCY REQUIREMENT.—The head of each
17 agency to whom amounts are made available under
18 paragraph (1) shall provide standard employee com-
19 pensation to covered employees of the agency—

20 (A) if there is a lapse in regular appropria-
21 tions ongoing on the date of enactment of this
22 Act, as soon as is practicable, but not later
23 than 7 days after the date of enactment of this
24 Act, without regard to—

25 (i) scheduled pay dates; or

1 (ii) whether the covered employee was
2 subject to furlough during such lapse in
3 regular appropriations; and

4 (B) with respect to any period of a lapse
5 in regular appropriations beginning on or after
6 the date of enactment of this Act, on the regu-
7 larly scheduled pay dates of the covered employ-
8 ees.

9 (c) PRICE ADJUSTMENT.—

10 (1) IN GENERAL.—As soon as practicable after
11 the date of enactment of this Act, the head of each
12 agency shall adjust the price of any contract de-
13 scribed in paragraph (2) to compensate the applica-
14 ble contractor for reasonable costs incurred, as de-
15 scribed in paragraph (3), regardless of whether the
16 contract provides for, or otherwise prohibits, the
17 contractor to incur those reasonable costs or receive
18 such an adjustment for incurring those reasonable
19 costs.

20 (2) CONTRACT DESCRIBED.—A contract is de-
21 scribed in this paragraph if the contract is a con-
22 tract of an agency for which, as a result of a lapse
23 in regular appropriations occurring before the date
24 of enactment of this Act, the contractor—

1 (A) suspended, delayed, or interrupted all
2 or part of the work under that contract;

3 (B) stopped all or any part of the work
4 called for in the contract; or

5 (C) with respect to a lapse in regular ap-
6 propriations beginning after the date of enact-
7 ment of this Act, could take an action described
8 in subparagraph (A) or (B).

9 (3) REASONABLE COSTS DESCRIBED.—Reason-
10 able costs described in this paragraph are costs actu-
11 ally incurred by the applicable contractor—

12 (A) to provide standard employee com-
13 pensation for the period of the applicable lapse
14 in regular appropriations, at the standard rate
15 of compensation, to any contract employee em-
16 ployed by the contractor who, as a result of
17 that lapse in regular appropriations—

18 (i) was furloughed or laid off;
19 (ii) was otherwise not working;
20 (iii) experienced a reduction of hours;

21 or

22 (iv) experienced a reduction in com-
23 pensation; or

24 (B) to restore paid leave taken by any con-
25 tract employee described in subparagraph (A)

1 during the applicable lapse in regular appro-
2 priations, if the contractor required or per-
3 mitted employees of the contractor to use paid
4 leave as a result of that lapse in regular appro-
5 priations.

6 (4) EVIDENCE.—A contractor seeking an ad-
7 justment under paragraph (1) shall provide the head
8 of the applicable agency any evidence of the reason-
9 able costs incurred by the contractor described in
10 paragraph (3) as the head of the agency, in con-
11 sultation with the Administrator of the Office of
12 Federal Procurement Policy, considers appropriate.

13 (d) TERMINATION.—Appropriations and funds made
14 available and authority granted under subsection (b) shall
15 be available to the head of an agency until whichever of
16 the following first occurs:

17 (1) The enactment into law of appropriations
18 for the agency until the end of fiscal year 2026 (in-
19 cluding a continuing appropriation) that provide
20 amounts for the purposes for which amounts are
21 made available under subsection (b).

22 (2) The enactment into law of appropriations
23 for the agency until the end of fiscal year 2026 (in-
24 cluding a continuing appropriation) without any ap-
25 propriation for such purposes.

1 (e) LIMITATION TO INDIVIDUALS AFFECTED BY A
2 SHUTDOWN.—Amounts provided under subsection (b)
3 may not be used for a purpose described in subparagraph
4 (A) or (B) of subsection (b)(1) for any portion of a lapse
5 in regular appropriations for which a covered employee is
6 provided with standard employee compensation or a con-
7 tractor is provided payment to provide a contract employee
8 with standard employee compensation, respectively, using
9 amounts other than amounts provided under subsection
10 (b).

11 (f) INTERIM CONTINUING APPROPRIATIONS.—Appro-
12 priations made available under subsection (b) may not be
13 obligated by the head of an agency during any period dur-
14 ing which continuing appropriations for the purposes for
15 which amounts are made available under subsection (b)
16 are in effect for the agency.

17 (g) CHARGING TO FUTURE APPROPRIATIONS.—Ex-
18 penditures made pursuant to subsection (b) shall be
19 charged to the applicable appropriation, fund, or author-
20 ization whenever an Act in which such applicable appro-
21 priation, fund, or authorization is included is enacted into
22 law.

23 (h) LIMITATION ON TRANSFER AUTHORITY.—Not-
24 withstanding any other provision of law (including any ap-

1 appropriation Act), the amounts provided under subsection
2 (b)—

3 (1) shall be available solely for a purpose de-
4 scribed in subparagraph (A) or (B) of subsection
5 (b)(1); and

6 (2) may not be transferred, reprogrammed, ob-
7 ligated, or expended for any other purpose.

8 (i) TERMS AND CONDITIONS.—For fiscal year 2026,
9 standard employee compensation provided to covered em-
10 ployees, and payments to contractors to provide standard
11 employee compensation to contract employees, provided by
12 an agency using amounts provided under subsection (b)
13 shall be subject to—

14 (1) the requirements, authorities, conditions,
15 and limitations applicable with respect to the provi-
16 sion of standard employee compensation, or payment
17 to contractors, respectively, by the agency under the
18 Continuing Appropriations Act, 2026 (division A of
19 Public Law 119–37); or

20 (2) if an Act is enacted after the date of enact-
21 ment of the Continuing Appropriations Act, 2026
22 (division A of Public Law 119–37) that provides
23 continuing appropriations for fiscal year 2026 for
24 the agency to provide standard employee compensa-
25 tion, or payment to contractors, respectively, the re-

1 requirements, authorities, conditions, and limitations
2 applicable with respect to the provision of standard
3 employee compensation, or payment to covered con-
4 tractors, respectively, by the agency under that sub-
5 sequently enacted Act.

6 (j) AUTHORIZATION TO OBLIGATE AND EXPEND
7 FUNDS.—Funds appropriated by this section may be obli-
8 gated and expended notwithstanding section 15 of the
9 State Department Basic Authorities Act of 1956 (22
10 U.S.C. 2680) and section 504(a)(1) of the National Secu-
11 rity Act of 1947 (50 U.S.C. 3094(a)(1)).

12 (k) RULES OF CONSTRUCTION.—

13 (1) STANDARD EMPLOYEE COMPENSATION.—
14 This section shall be construed to provide each cov-
15 ered employee and contract employee with standard
16 employee compensation for the period of the lapse in
17 regular appropriations as if the covered employee or
18 contract employee was performing the duties of the
19 covered employee or contract employee during the
20 lapse in regular appropriations.

21 (2) NO CHANGE IN AGENCY RESPONSIBIL-
22 ITIES.—Nothing in this section may be construed to
23 require an agency to take any action that the agency
24 is not required to take under the terms of a contract

1 during any period during which there is not a lapse
2 in regular appropriations.

3 (l) AGENCY ACTIVITIES.—

4 (1) IN GENERAL.—Covered employees and con-
5 tract employees shall perform their typical duties to
6 the maximum extent practicable during a lapse in
7 regular appropriations.

8 (2) OTHER OBLIGATIONS OR EXPENDITURES.—

9 This section does not authorize or necessarily imply
10 that an agency or employee may incur any obliga-
11 tions or expenditures that are not explicitly author-
12 ized by this section.

13 **SEC. 3. LIMITATION ON REDUCTIONS IN FORCE.**

14 (a) DEFINITIONS.—In this section—

15 (1) the term “agency”—

16 (A) means each authority of the executive,
17 legislative, or judicial branch of the Government
18 of the United States; and

19 (B) includes each District of Columbia
20 public employer described in clause (i) or (ii) of
21 section 1341(c)(1)(B) of title 31, United States
22 Code (as in effect on the day before the date of
23 enactment of this Act); and

24 (2) the term “lapse in regular appropriations”,
25 with respect to an agency, means any period during

1 which interim or full-year appropriations for fiscal
2 year 2026 are not in effect for the agency.

3 (b) PROHIBITION.—During a lapse in regular appro-
4 priations, none of the funds made available by this or any
5 other Act may be used to—

6 (1) propose or implement a reduction in force,
7 or any similar effort, to permanently reduce the
8 number of employees employed by an agency; or

9 (2) place any employee of an agency in adminis-
10 trative leave for more than 10 work days in any cal-
11 endar year.

12 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
13 tion may be construed to affect a voluntary separation
14 payment offered to an employee under section 3523 of title
15 5, United States Code.

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