“What Happens to Higher Education if the Government Shuts Down?”

Should Congress not pass a continuing resolution to fund at least part of FY14, the federal government will shut down tomorrow, October 1, 2013. A lapse in funding would mean that most normal day-to-day operations of the federal government would come to a halt, though it’s not clear exactly which programs relating to higher education might continue. It is for certain that no new grants, projects, or federal awards would be granted during the shutdown. Some existing projects may continue, but payments will not be made during the financial hiatus. Based on an article from Inside Higher Ed (found here), here are a couple of things that could be expected in the case of a government shutdown:

- Education Department may have to furlough up to 94% of its total staff and would call in limited number of employees on partial or rotating basis if the shutdown dragged on longer than a week.
- NSF would furlough all but 30 employees. Researchers with existing grants would be allowed to continue with their projects provided that no NSF staff is required to intervene.
- Current NIH extramural research grants would not be affected, but no new awards would be provided.
- Federal Student Aid would be largely unaffected in the short-term, but longer-term shutdowns could “severely curtail” funding to colleges and universities.

The shutdown in the mid-1990s occurred around the holiday season when schools were closed, so most direct impacts were not noticed. Despite the minimal possible effects, the Education Department is planning for a shutdown in accordance with OMB guidance, hoping that the work will ultimately be unnecessary.

The Office of Management and Budget has compiled a list with agency contingent plans and can be accessed here.

**Education Department Shutdown Plan (found here and in WORD document attached to email):**

- During the first week, excepted functions includes, as appropriate, obligation, payment, and support of student financial aid, as well as other authorized payments and obligations.
- Programs using mandatory or multi-year funding from a prior year would continue to operate through the government. For programs for the below activities, staff may be brought in on an excepted basis to make payments:
  - Grant and loan programs (approximately 20 non-mandatory programs are expected to have remaining unobligated balances from FY13, multi-year, or no-year discretionary appropriations and/or advance funds appropriated in FY13).
    - Race to the Top, Investing in Innovation, and Promise Neighborhoods have funds available through December 31 and must be obligated by this date.
  - Direct loans and Pell grants – student financial aid services should continue in order to avoid potential loss of federal assets and to maintain the delivery of student aid.
These funds are provided through mandatory and carryover appropriations.

**Federal Student Aid (info found here):**
- A short-term shutdown would appear to have minimal impact on student aid processing and funding since most Federal Student Aid programs are forward funded (meaning, this year’s current awards come from last year’s budget), but some advisories have been made:
  - Federal offices would be closed, but a majority of Title IV processors, call centers, and websites will remain operational.
  - Prolonged shutdown could impact processing, but it is difficult to speculate on the extent or manner.

**NASA Shutdown Plan (found here):**
- New contracts, grants, cooperative agreements, task orders, change orders, and other actions will not be issued during a shutdown other than those critical to meeting requirements for excepted activities.
- Emergency services support and installation security services will be excepted, but only to the minimal extent necessary.
- Contractors may continue to perform under contracts for work obligated prior to the shutdown, provided it does not require the use of shutdown NASA facilities or other Government support funded by lapsed appropriations.
- NASA instructors will not be working in schools.

**Department of HHS (including NIH) Shutdown Plan (found here and in PDF attached to email):**
- 52% of HHS employees will be on furlough, 48% retained.
- Direct clinical health care to humans and animals will continue.
- Mandatory-funded programs will continue, as well as activities funded through sources other than annual appropriations.
- New discretionary grants would not be made.
- NIH will not admit new patients, unless deemed medically necessary by the NIH Director.
- No measures will be taken on new grant applications or awards.

**NSF Shutdown Plan (found here):**
- Excepted activity obligations may be incurred, but not paid until an appropriation is made. This includes activities necessary to:
  - Protect life and property,
  - Process necessary personnel actions,
  - Process payroll for the period prior to the funding hiatus, and
  - Process payments associated with excepted activities.
- The foundation’s off-site awardees will be notified, informing them that work may continue on all awards to the extent that doing so will not require federal staff intervention and that funds are available; no payments will be made to awardees during the hiatus.

**DOD Shutdown Plan (found here):**
- Excepted employees are those funded through annual appropriations who are excepted because they perform work that, by law, may continue to be performed during lapse of
appropriations. They perform emergency work involving the safety of human life or the protection of property or performing certain types of excepted work.

**Grants.gov Shutdown Plan:**
- According to the website, they “will remain in an operational status, but with reduced federal support staff presence, should a lapse in appropriations occur. In addition, we anticipate that the Grants.gov Contact Center will remain available, and provide assistance to callers.”

**DOE Shutdown Plan (found here and in PDF attached to email):**
- Office of Economic Impact and Diversity (ED) **will close**
  o Develops and executes Department-wide policies that strengthen diversity goals affecting equal employment opportunities, small and disadvantaged businesses, *minority educational institutions*, and historically under-represented communities.
- Office of Indian Energy Policy and Programs (OIEPP) **will close**
  o Responsible for directing, fostering, coordinating, and implementing energy planning, *education*, management, and programs that assist tribes with energy development, capacity building, energy infrastructure, energy costs, and electrification of *Indian lands and homes*. OIEPP works with other government agencies, and with Indian tribes and organizations to promote Indian energy policies and initiatives.

**USDA Shutdown Plan (full plans found here):**
- Specifically, for its Office of Research, Education, and Economics (REE) (plan found here):
  o Provision of new grants or processing of payments for existing grants to support research, education, and extension would **NOT BE CONTINUED** during a shutdown.
  o Research reports will be taken offline.
  o Research facilities will be closed, except where the care of animals, plants, and other associated infrastructure need preservation.
  o The security, care, and maintenance of all plant and animal germplasm collections, microbial, insect and plant taxonomic collections repositories, disease free stocks, virus, bacterial and other materials used for research purposes will still continue as an excepted category for the continuation of Agency activities.