



Policy Update: Shutdown Outlook and Impacts for Higher Education and Research

Lewis-Burke Associates LLC – December 21, 2018

While much of the government has already been funded for fiscal year (FY) 2019, including the Department of Defense (DOD), National Institutes of Health (NIH), Department of Energy (DOE), and the Department of Education (ED), a number of science agencies will be impacted if Congress and the President are not able to come to a compromise or pass another continuing resolution (CR) by midnight tonight, December 21. Relevant agencies impacted include the National Science Foundation (NSF), National Aeronautics and Space Administration (NASA), the National Endowment for the Humanities (NEH), and the U.S. Department of Agriculture (USDA). These agencies would have to halt all or most operations, including grant administration and communications, if a solution is not achieved later today. The Department of Homeland Security (DHS) would also have a lapse of appropriations, but many of its staff are exempted from the shutdown.

The dominant sticking point in spending negotiations remains funding for a southern border wall. President Trump has repeatedly indicated his willingness to shut down the government over border security. At the time of this writing, both the House of Representatives and the Senate have passed separate continuing resolutions funding the government until February 8; however, the House CR includes \$5 billion in funding for the border wall requested by President Trump, which will not gain the Democratic support in the Senate necessary to pass a CR. As President Trump remains bullish on border issues and Democrats are utilizing their increased power following the midterm elections, there is significant potential for both sides to maintain their position and partially shut down the government over the Christmas and New Year holidays.

A failure to complete FY 2019 appropriations before the end of the year sets the stage for a potentially chaotic start to 2019 and a new Congress. In addition to completing a final FY 2019 funding package:

- The Administration plans to release its FY 2020 budget request in early February and Congress again may have to work on funding issues related to two fiscal years concurrently if a final FY 2019 spending package is still being negotiated.
- Congress needs to work with the Administration on a new, two-year budget agreement that lifts discretionary funding limits for FY 2020 and FY 2021. Without a new budget deal, the Budget Control Act of 2011 requires automatic discretionary funding cuts of \$126 billion or 10 percent below FY 2019 funding levels. Failure to reach a new budget agreement will delay completion and passage of FY 2020 appropriations bills, and it is very likely that a CR will be needed to continue government funding entering FY 2020.

Lewis-Burke will continue to monitor the situation and report on new developments.

Agency Impacts and Guidance

National Science Foundation (NSF)

NSF would almost completely close during the shutdown, including all access to websites and proposal submission portals such as Fastlane. Should the partial shutdown go forward, NSF will not be able to respond to emails or phone calls, but will respond to all inquiries as soon as possible once the government reopens. With many proposals due in January, Lewis-Burke recommends faculty download any materials needed from the NSF website ahead of the potential shutdown. During the shutdown period, no new funding opportunities would be announced, and no new grants would be awarded. Awardees would be able to continue using already awarded funding as long as activities are under the already agreed-to award budget and period, as no extensions or supplements would be processed. After the shutdown, NSF typically assigns new deadlines for any programs where proposals were due during the shutdown period. Panels and advisory committee meetings would also be rescheduled post-shutdown. NSF's current shutdown plan can be found at <https://www.nsf.gov/pubs/2019/shutdown19001/shutdown19001.pdf> and full guidance will likely be posted at <https://nsf.gov/> during the shutdown.

National Aeronautics and Space Administration (NASA)

Most of NASA's workforce will be furloughed during a potential shutdown, though the agency will continue to launch processing efforts, the operation of the ISS and other ongoing missions, and the "phase-down" of research activities where an abrupt suspension could result in severe damages. The shutdown could delay the issuance of new grants or contracts and result in changes to existing ones to accommodate reduced funding. Contractors are urged to minimize costs where possible during the shutdown. Full shutdown guidance can be found at <https://www.nasa.gov/agency/furlough/index.html>.

U.S. Department of Agriculture (USDA)

Similar to NSF, most of USDA, including nearly all research activities, will close in the event of a government shutdown. This will also include access to websites and portals, and Lewis-Burke recommends faculty download any materials needed from the USDA website ahead of the potential shutdown. During a shutdown, no new grants will be announced, and no new funding will be awarded. However, awardees would be able to continue using already awarded funding within existing budgets. Lapse of funding contingency plans for the Research, Education, & Economics office (REE) can be found at <https://www.usda.gov/sites/default/files/documents/usda-ree-shutdown-plan.pdf>, and full information on USDA contingency plans can be found at <https://www.usda.gov/shutdownplans>.

National Endowment for the Humanities (NEH)

NEH would completely close during a shutdown, and all grant reviews, grant payments, and application processing activities would be halted. According to official shutdown guidance, NEH "will not be able to update information, process any transactions submitted via the website, or respond to any inquiries until funding for NEH is restored and the agency resumes its operations." Full shutdown guidance can be found at https://www.neh.gov/sites/default/files/inline-files/administrative_directive_m-500_-_september_2018_update.pdf.

Department of Homeland Security (DHS)

DHS would be impacted by a shutdown; however, a majority of DHS employees would be required to report to work as DHS is partially fee funded and has many positions that would be deemed essential to the "safety of human life or the protection of property." DHS's lapse in appropriations plan estimates that nearly all of the U.S. Citizenship and Immigration Services employees will be exempt/excepted and

retained during a lapse in funding. However, in previous shutdowns the E-Verify system went down and there could be some delays in processing. DHS's Science and Technology Mission Directorate would completely shut down. Full guidance is available at:

<https://www.dhs.gov/sites/default/files/publications/DHS%20Procedure%20Related%20to%20a%20Lapse%20in%20Appropriations%20December%202018.pdf>.

Other Federal Departments and Agencies

Additional information on government action during a lapse in funding, including a complete list of federal agency contingency plans, can be found at <https://www.whitehouse.gov/omb/information-for-agencies/agency-contingency-plans/>.