



Policy Update: Shutdown Impacts for Higher Education and Research

Lewis-Burke Associates LLC – January 25, 2019

On January 25, President Trump agreed to reopen the federal government through February 15 to enable negotiations on a larger border security and immigration compromise. The deal to reopen the government for a three-week period would end the 35-day partial government shutdown. While it is uncertain at this time how the negotiations will proceed, given the shutdown's unprecedented length, there is a great deal of uncertainty as to how federal agencies will recover from this significant disruption and the residual effects on U.S. research and higher education.

This document provides an update to the previous Lewis-Burke document from December 21, 2018 titled, "Policy Update: Shutdown Outlook and Impacts for Higher Education and Research."

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 have been impacted directly by the partial shutdown. 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). During the shutdown, these agencies had to halt all or most operations, including grant administration and communications. The Department of Homeland Security (DHS) was also included in the shutdown, but many of its staff were exempted.

As the longest running partial government shutdown comes to an end, the research and education community has experienced both direct and indirect effects. The shutdown has had serious impacts on staff morale across agencies and many staff may choose to leave to their positions, creating a vacuum of experienced federal agency employees. Unlike federal agency staff, it is uncertain that contractors will receive back-pay, and many could seek employment elsewhere. This may have significant impacts on large facilities and instrument construction projects, many of which are key to advancing scientific programs on tight deadlines. Federal employees were also prevented from participating in research conferences and panels during the shutdown, which is a key tool to providing feedback to the community and helping to inform future research directions at the agencies.

As well as lapses in funding for research projects, facilities, postdocs, and graduate students, funding decisions for proposals that have already been submitted will be significantly delayed. Following previous shutdowns, NSF has stated that it took months to reschedule missed review panel meetings and get back on track with reviews and funding decisions. The shutdown will cause significant delay to the delivery of new strategic priorities and initiatives across agencies, including those not directly affected by the shutdown. New research projects cannot start until they have been through the delayed review process, and new funding solicitations for FY 2019 will be delayed significantly or even cancelled.

It is possible that agencies will use supplemental awards or other tools to manage the delays and speed the delivery of funds.

Students were also affected by a number of shutdown-related issues. With the E-Verify system shut down at DHS, students seeking extensions to their Optional Practical Training (OPT) status have experienced delays. Although ED has been operating, there have been issues related to student aid decisions as the department relies on verifications from the Internal Revenue Service (IRS) and the Selective Service System, both of which were closed during the shutdown.

Despite full funding at certain agencies, interagency working groups and collaborations across federal agencies involving shutdown agencies were halted, which could impact future directions for multi- and interagency initiatives. There have been additional implications for some agencies outside of the shutdown. For example, some staff at DOE were directed to cancel travel plans during the shutdown. Also, NIH experienced problems announcing upcoming proposal review meetings in the Federal Register, which caused delays. Other federal websites experienced temporary problems.

The shutdown is also likely to have considerable impacts on the FY 2020 appropriations process. The President's budget request, which traditionally starts the appropriations process, is likely to be significantly delayed beyond its typical release date in early February. It is unclear how this change will impact the timelines for the appropriations committees. Lewis-Burke will continue to monitor the situation and report on new developments.