

## **Chico State Enterprises Announcements**

### **Friday, September 29, 2023**

## **Potential Federal Government Partial Shut Down**

*The message below was sent by CSU Assistant Vice Chancellor of Federal Relations, George Conant.*

### **What Happens if the Federal Government Shuts Down?**

The federal government will partially shut down on October 1, 2023 if annual appropriation bills or a continuing resolution (CR) are not passed by the House and Senate by midnight. Negotiations are ongoing but agreement seems unlikely before the deadline.

For context, a shutdown in 2018 lasted 35 days and one in 2013 lasted 16 days.

#### What does this mean?

Under a partial federal government shutdown, all non-essential federal work that has not previously been paid for is stopped, and non-essential federal employees – in Washington and across the country – are furloughed until funding is restored. Essential functions such as national defense, air traffic control, and other health or safety functions continue, as do critical payment programs like Social Security, Medicare, and Medicaid. Federal student financial assistance programs, such as Pell grants will continue, as they are forward-funded through June 30, 2024.

In general, federal agency heads decide which of their employees are considered essential, within guidelines set by the Office of Management and Budget. At this point, there have been no final decisions on which programs and personnel would be deemed essential. During the 2013 shutdown, more than 90% of Education Department employees were furloughed, as were most Congressional staff.

Most federal education programs are forward-funded and funds that have already been appropriated may continue to be spent. It is unclear if carry-over funds from previous years will be allowed to be spent to keep agencies open and programs running as applicable. Carryover funds were not allowed in 2013 but were in 2018.

#### How serious is this?

A federal government shutdown, even on a partial basis, can be serious. Those who rely on government services, and the federal employees that deliver them, are impacted. The extent of the impact will depend on the length of the shutdown.

#### How will this affect the CSU and its students?

- Federal student financial aid funding is forward funded and will continue in the event of a partial shutdown. The same is true for tuition benefits paid through the Department of Veterans Affairs. However, it might become difficult for students or aid administrators to reach Education or VA Department personnel with problems or questions. Students applying for federal financial aid

could continue to work on their applications, but if they needed help, Education Department staff might not be available. Campus financial aid administrators should be prepared to help fill the gap if necessary.

- Federal nutrition programs such as SNAP (CalFresh) are funded with mandatory funding, so they should continue. However, in the past, the FDA has been prohibited from mailing SNAP benefits beginning 30 days after a shutdown. In the event a shutdown lasts beyond October 31, students might not receive benefits. Campuses and other vendors should also continue to be reimbursed for SNAP. However, SNAP vendors must be federally approved or licensed, and if the license should expire during the shutdown, it is highly unlikely that government staff would be available to renew it.
- Federal grants for other projects, such as research grants, are more problematic. All federal grants that have not been awarded by September 30 will be put on hold until an appropriations bill is signed into law. Grants that were awarded by September 30 but not yet disbursed will likely be delayed in disbursing those funds as those employees are typically nonessential workers. Grants that are under consideration may also be delayed as peer review groups may not be funded to meet, or departmental personnel may not be available for questions or to make funding decisions. A CR may also preclude new awards being made until the agency has determined what funding is available for the rest of the fiscal year. If existing grants have been forward-funded or are operating on carryover funds from last year, the money is intact and will not be recalled, but the disbursement of those funds may be interrupted due to nonessential personnel being furloughed.
- If you are planning to travel to Washington to meet with federal officials on or after October 1, please recheck their availability before traveling. It is possible that they will be furloughed, or that the building they work in may be closed to the public.
- The California State University is closely monitoring the situation and will report on important developments as they occur.

#### What should we do if we have further questions?

Please contact any of us at the CSU Office of Federal Relations with any questions or concerns. I can be reached at [gconant@calstate.edu](mailto:gconant@calstate.edu) or via cell at 202.365.5669. Greg Schuckman can be reached at [gschuckman@calstate.edu](mailto:gschuckman@calstate.edu) or via cell at 703.8998.8485, and Trevor Guthrie can be reached at [tguthrie@calstate.edu](mailto:tguthrie@calstate.edu).

#### **Manage Email Preferences**

***All Chico State Enterprises (CSE) employees, project directors, and authorized signers on CSE accounts receive CSE Announcements via email and cannot opt out.***

- *If you are no longer an active CSE employee, please notify [CSE Human Resources](#) via email.*
- *If you are no longer a project director and would like your name removed, or wish to add administrative staff to the distribution list, please email [CSE Announcements](#) with appropriate instructions.*
- *CSE Announcements can also be accessed via the [CSE News and Information page](#).*