FY 14 Budget & Federal Government Shutdown Impact

Last night, the federal government shut down after Congress's inability to reach a deal on the Fiscal Year 2014 budget. While we do not know the full impact on SUNY, the severity will largely depend on the duration of the shutdown. As of now, no solution is eminent, with a variety of proposals being floated around. In addition, Inside Higher Education is developing a running list of impacts of the shutdown on colleges, students, and scholars here.

The SUNY Office of Federal Relations will continue to provide updated information as it becomes available.

U.S. House and Senate

Congressional offices are operating using only “essential staff”. In our conversations with the NYS Delegation, each office is designating “essential staff” using different criteria. We recommend contacting offices with only time sensitive issues until the shutdown is resolved.

Executive Branch

A number of federal programs and employees are exempt from the funding disruption, including agencies funded through user fees (US Patent and Trade Office) or mandatory funding streams (Social Security and SSI). The Centers for Medicare and Medicaid Services (CMS) also falls into this category and will continue health reform activities under the Affordable Care Act. Other employees and programs may be exempt in order to ensure the safety of human life or protection of property.

The President signed legislation yesterday that will fund military salaries for FY14. The bill will pay members of the armed services, including U.S. Coast Guard personnel and reserve components on active duty during a shutdown. It also funds the salaries of Defense Department and Coast Guard civilian employees and contractors whose work supports active-duty troops.

The White House Office of Management and Budget has posted agency contingency plans here.

Financial Aid

The Education Department released its plan, noting the shutdown “would fall at a critical point in the administration of the large student aid program” and hinder federal aid operations. Currently, SUNY students will have access to Pell Grants and federal student loans because they are funded through permanent and multiyear appropriations.
However, smaller financial aid programs that require Education Department personnel are impacted as the Department of Education is furloughing employees who support campus-based aid programs such as Federal Work-Study and Supplemental Educational Opportunity Grants.

ED and student loan servicer sites will be operational (for additional information, ED's Federal Student Aid office has provided technical guidance).

**Research**
The vast majority of federal research staff and programs are in the "non-exempt" category, meaning they are directly affected by the shutdown. Regarding SUNY research endeavors, existing research projects that do not require direct federal government staff intervention and oversight may continue. However, no new awards will be made and most federal agency staff is furloughed, creating severe challenges moving forward. Research impacts include:

- **Department of Health and Human Services including (NIH):** Most NIH staff is furloughed. Staff will continue providing care for current patients of the NIH Clinical Center, though no new patients will be accepted. NIH staff will also maintain their animal stock, research infrastructure, and data.
- **National Science Foundation (NSF):** Majority of staff is furloughed. NSF will send awardees notices that payments will not be made during the disruption, but that research not requiring federal employee intervention may proceed.
- **Department of Energy (DOE):** Almost all DOE R&D offices are closed. National laboratory operations will cease once prior year funding balances have been exhausted, except for federal employees deemed essential to perform functions related to safety and national security, protection of federal property, protection of human life, etc.

Other agencies of interest include:

- **Department of Agriculture**
- **National Endowment for the Humanities**
- **Department of Defense**
- **NASA**