

MEMORANDUM

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TO: SPMC & UCRC Sponsored Programs Offices
FROM: Scott Shurtleff
DATE: September 21, 2023
SUBJECT: Potential Federal Government Shutdown

Background:

By October 1, Congress must approve 12 appropriation bills, each of which funds a different part of the federal government. Under the Anti-Deficiency Act, federal agencies cannot spend or obligate money without an approved appropriation from Congress. During a government shutdown, non-essential federal agencies and services are temporarily closed due to a failure to pass a budget or continuing resolution. As a result, many of our federal research agencies, including the National Institutes of Health (NIH), National Aeronautics and Space Administration (NASA), National Science Foundation (NSF), and others, will experience disruptions and delays in their research operations. As of today, September 21, 2023, Congress has not approved any of the annual appropriation bills, leading to the potential for a government shutdown.

What We Know:

The disruptions or delays from a federal agency as it relates to SUNY research activities will vary as each agency adopts specific protocols and procedures under their approved contingency plans, so all Principal Investigators and research administration need to stay current on the latest communication from sponsoring agencies. Unfortunately, there has not been direct guidance issued by individual agencies or the Office of Management and Budget. Still, we expect more clarity on each agency's actions as we approach the September 30 deadline. However, in the interim, we should expect the following significant impacts on awarding agencies:

- Federal agencies will not issue new grants or contracts, including any incremental funding or no-cost extension requiring federal agency approval.
- Federal agencies will be required to adopt their contingency plan and furlough some staff that do not support excepted activities. Excepted activities generally relate to functions mandated in other legislation, activities to protect the safety of human life, and other critical matters. Research projects that include some level of federal oversight could be halted if employees are furloughed.
- Research proposals may still be submitted during a shutdown; however, the review process by the agency would cease.
- Principal Investigators should continue to perform the scope of work on their approved awards, including all requirements on reporting unless otherwise notified by your campus Sponsored Programs Office or communication from the sponsor.
- All expenditures incurred on federally sponsored research during a shutdown will not be reimbursed to SUNY until the federal agency funding has been approved. The inability to draw down funds will require the SUNY Research Foundation (RF) to find other resources to allow SUNY research to continue uninterrupted and cover research costs until reimbursement can occur.

Actions in Process:

The RF, which includes your campus Sponsored Programs Office, has been in discussion and planning efforts in the event a government shutdown comes to a realization. Our collective objective is to ensure the most negligible impact on your current awards and the talented students and researchers engaged in advancing research despite the halt in government funding. To that end, we have taken the following steps in preparation for a shutdown:

- RF has drafted and implemented a contingency framework that has been shared and communicated to RF leadership, campus research administration, and SUNY system. This framework will help guide our action items as we move close to and during a government shutdown.
- SUNY's Director of Federal Relations in DC has kept us informed and has provided routine updates as negotiations or other congressional matters arise.
- After analyzing systemwide expenditure and drawdown data, we have developed cash flow schedules to ensure operational cash on hand is sufficient to cover ongoing project expenditures and allows us to satisfy short-term payroll and non-personal service obligations. We have shared our cash flow assumptions and specific decision points with all campus operations.
- Campuses are being asked to review their spending on federal awards in light of their campus reserves to assess when furlough decisions may need to be made. The shutdown length will ultimately dictate when and if normal operations should be scaled back to extend available cash. This will be a decision by your campus leadership.

Principal Investigators:

Principal Investigators should continue to work on their approved awards and follow additional directions from your campus. A few steps that all PIs should take to help strengthen SUNY's position and mitigate long-term risk include:

- Stay current on the latest communication from your campus Sponsored Programs Office or federal sponsoring agencies. Any advance communication that you receive applicable to a sponsor plan under a shutdown should be shared with your local office.
- Review the anticipated activity on your research awards over the next two to three months and identify expenditures that could be reduced or delayed until the federal appropriations have been resolved. The focus should be on expenses that will not materially impact the overall scope of work within this shutdown period. Limiting expenditures will go a long way to allow SUNY to weather cash flow shortfalls and extend a level of research across the system through a shutdown.
- PIs should review their subawards and work with their Sponsored Programs Office to notify subs of reimbursement delays and or the need to cease or cancel contracts.
- PIs should forward any Stop Work Orders they receive from sponsors to their sponsored programs office ASAP.

By proactively preparing for a potential government shutdown and implementing these strategies, we can better navigate the challenges and uncertainties associated with disruptions in federal research funding. We will continue to evaluate the situation and adjust our course of action as needed while keeping all stakeholders informed.