

U.S. Government Shutdown in 2025: General Information and Resources for SRCD Members

Summary: With the federal government funding deadline approaching on **October 1, 2025**, there remains a possibility of a shutdown if Congress does not pass spending legislation for fiscal year 2026. A federal government shutdown would disrupt federal agency operations, affect research funding, and threaten critical programs for children and families. Below, we provide resources and general information on how a shutdown could impact your projects, the communities you serve, and how SRCD is advocating to ensure developmental science funding during this year's appropriations process.

Take action: SRCD members with federal grants or contracts should urgently ask their program officers how a potential shutdown might affect specific projects and assignments. Federal employees cannot communicate with you once a shutdown begins.

Potential Outcomes and Their Effects on Federal Grants

Each shutdown scenario is unique and depends on the legislative language included in the final funding package. SRCD will keep this page updated as we learn more.

The following two situations may occur in the coming days:

Government Shutdown: If Congress is unable to agree on a budget proposal before October 1st:

- Federal staff will not be available to provide services to the public.
- For grantees that receive their award before the shutdown, some will be able to draw down their grant. However, some grants have restrictive terms, and grantees might not have access to their awards in the event of a shutdown.
- Agencies (NIH, NSF, IES, etc.) may continue to accept grant applications but will not review them until government operations resume.
- Federal agencies are likely to provide notices to update the public on deadlines and submission dates.
- Federal agencies will not be posting new funding opportunities.

Continuing Resolution (CR)

CRs generally extend funding levels from the prior year's appropriations. This means that federal grants have already been awarded are temporarily likely to continue to receive

funds. The wider budgets for each government department and agency are typically funded at the same rate as enacted in the previous budget. While a CR is possible, its exact impact depends on the legislative language that is passed. Here are three potential scenarios of how a CR could affect federal grants and contracts:

- In some cases, federal grants have multi-year appropriations and have funding flexibility beyond annual appropriations. Communication with your grant officer is key to better understanding how your grant is funded and whether a CR will enable it to continue.
- An agency's administrative capacity may be limited, for example, deadlines might be changed, or grant adjustments may be requested of projects.
- If Congress does not include language to provide additional funding for certain programs in the CR, it can have substantial negative effects on federal agencies and programs since they cannot provide the expected services.

Suggested Actions for SRCD Members with Federal Grants and Contracts

- **Plan ahead!** Communicate with your grant officer to see how this shutdown might affect your project.
- Follow SRCD social media pages and visit our website for updates and resources.
 We will keep this document updated with relevant information and resources as
 Congress continues to work on spending packages.
- Keep track of federal agency notices and updates on deadlines, submissions, and operational capacities:
 - o FederalRegister.gov
 - o Grants.gov
 - o Agency Contingency Plans | OMB | The White House

How Does a Federal Shutdown Impact Children and Families?

Shutdowns have wide-ranging effects, with disproportionate harm to children and low-income families:

- Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits could face delays or disruptions.
- Head Start and federally funded childcare slots may be at risk.

- Housing assistance could be delayed, leaving families vulnerable.
- Past shutdowns have also slowed economic growth: the 2018–2019 shutdown reduced U.S. economic output by \$11 billion, including \$3 billion never recovered (<u>Congressional Budget Office</u>).

With child poverty rates already rising, disruptions to these programs could create long-term developmental harms.

Wondering How the Appropriation Process Should Function?

The U.S. federal government fiscal year begins every October 1. There are two types of spending in the federal budget: mandatory and discretionary spending. During a shutdown, mandatory spending (e.g., Social Security, Medicaid, Medicare) continues without major issues, while discretionary spending requires yearly appropriations to continue operating.

After the State of the Union address, the President typically presents a symbolic federal budget to Congress. Congress then introduces its own budget proposals through the appropriation process. In each chamber (House and Senate), Appropriations Committees and subcommittees hold hearings on each spending bill to create their version of the federal budget. After both chambers vote on their versions, a conference committee reconciles any differences, and the final version is sent back to the House and Senate for approval.

All 12 appropriations bills should be signed into law before the September 30 fiscal deadline to avoid a shutdown. If Congress fails to pass them, it can pass a continuing resolution (CR) to temporarily fund the government while the typical appropriations process or other negotiations continue. Congress can also choose to negotiate an omnibus bill, which consolidates multiple appropriations bills into one.

SRCD Advocates for our Members

SRCD has been working hard to ensure that the critical science that our members do is funded in Congress. We have met with over 75 Congressional offices and appropriations committee staff to highlight the importance of research funding. SRCD members have flown to D.C. to share their stories and SRCD staff work in coalition with dozens of scientific societies to amplify our voices.

We have also signed on to <u>eight letters</u> to the U.S. Congress to request much needed investments on science-based programs that would increase research capacity and expand on existing projects.

SRCD will continue to monitor the situation and provide updates as more information becomes available. If you have any questions, please do not hesitate to <u>contact us</u>. Visit our <u>website</u> and follow our social media channels for real-time updates.

Resources:

- 1. On the appropriation process, see the Congressional Research Service (CRS) report: <u>"The Appropriations Process: A Brief Overview"</u> for information.
- 2. Congressional Research Service Report: <u>Continuing Resolutions: Overview of Components and Practices</u>
- 3. GAO Blog: What is a Continuing Resolution and How Does It Impact Government Operations?
- 4. GAO Report: <u>Federal Budget: Selected Agencies and Programs Used Strategies to Manage Constraints of Continuing Resolutions</u>
- 5. Federal Grants Wire Article: How the Government Shutdown Affects Federal Grants
- 6. National Science Foundation Funding Search: Funding Search | NSF National Science Foundation
- 7. NIH's official publication of notices of grant policies, guidelines, and funding opportunities: About the NIH Guide for Grants and Contracts | grants.nih.gov