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

Summary: As we approach the next funding deadline for the U.S. federal government on March 14, 2025, there remains a possibility of a government shutdown. Please read below for resources and general information about how a U.S. federal government shutdown might impact your specific projects, our most vulnerable children, and how SRCD is advocating to ensure developmental science funding for this year's appropriation process. **SRCD encourages our members who have federal grants or contracts to communicate with their program officers to get detailed information on how this shutdown might affect your specific projects and assignments.**

President Trump's Executive Orders

While federal government shutdowns happen from lapses in appropriations, President Trump's funding freeze was an executive action targeting specific programs. Both can disrupt grants, and grantees should stay in close contact with program officers to assess potential impacts. With courts blocking President Trump's funding freeze, grant disbursement and application reviews should proceed as usual. However, grantees should remain alert for agency updates.

Potential Outcomes and Their Effects on Federal Grants

Each shutdown scenario is unique and depends on the legislative language included in the final versions of these funding packages. That's why it is important for SRCD members to have constant communication with their program officers prior to a shutdown occurring. Federal staff are not able to do any work, including

communicating with grantees, during a shutdown. SRCD will keep this page updated as we learn more.

The following two situations may occur in the coming days:

1. **Government Shutdown:** If Congress is unable to agree on a budget proposal before March 14:
    - 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, 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.

2. **Continuing Resolution (CR):** CRs generally extend funding levels from the prior year's appropriations. This means that federal grants are temporarily likely to continue to receive funds 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:
- FederalRegister.gov
- Grants.gov
- Agency Contingency Plans | OMB | The White House

How Does a Federal Shutdown Impact Children and Families Across the Nation?

U.S. federal government shutdowns negatively affect the economy. A report by the Congressional Budget Office (CBO) estimated that the 5-week partial government shutdown in 2018-2019 reduced economic output by $11 billion in the following two quarters—including $3 billion that the U.S. economy never regained. Past shutdowns have also led to reduced consumer confidence and hindered economic growth.

Unfortunately, our most vulnerable members of society are impacted the most by government shutdowns. The 42 million people who receive Supplemental Nutrition Assistance Program (SNAP) benefits could see their average monthly benefit amount at risk. Additionally, low-income families who rely on Temporary Assistance for Needy Families (TANF) and the over 6.3 million recipients of the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) could see those benefits put in jeopardy. Children enrolled in Head Start programs and federally funded childcare slots may be at risk of losing placements, depending on the center. Families that receive housing assistance may face the threat of losing their homes.

This uncertainty comes at a time when child poverty rates are rising. There is ample evidence that poverty can impact children's healthy development, and we are concerned about the impact this will have on children and families.

SRCD Policy Efforts in 2025

SRCD has been actively advocating for Congress to not only pass a budget proposal that keeps the federal government funded but also includes much-needed investments in research and developmental science to improve the lives of children and communities nationwide.

- **SRCD has signed onto multiple letters** advocating for science funding, urging the U.S. Congress to protect and preserve public access to federal data, and expressing concerns over the cancellation of contracts from the Institute of Education Sciences (IES)

- **Hill visits:** SRCD, alongside our coalition partners, have visited congressional offices to promote science funding in key agencies.
- **SRCD sent a letter to the U.S. Senate leadership** regarding the U.S. House of Representatives—agreed budget reconciliation that could impact healthcare and social welfare programs of interest that serve children and low- and middle-income families.

Click on the button below to read our letters and to learn more about our policy efforts

Policy Efforts in 2025

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 President presents the federal budget to the public, Congress discusses the budget proposal through the appropriation process. The 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 deadline to avoid a shutdown. If Congress fails to pass them, it can pass a continuing resolution (CR) to temporarily fund the government while negotiations continue. If the appropriations process remains stalled, Congress may pass an omnibus bill, which consolidates multiple appropriations bills into one.

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 contact us. Visit our website and follow our social media channels for real-time updates.

Resources:

1. On the appropriation process, see the Congressional Research Service (CRS) report: "The Appropriations Process: A Brief Overview" for information.

2. Congressional Research Service Report: Continuing Resolutions: Overview of Components and Practices

3. GAO Blog: What is a Continuing Resolution and How Does It Impact Government Operations?

4. GAO Report: Federal Budget: Selected Agencies and Programs Used Strategies to Manage Constraints of Continuing Resolutions

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