



Subject: Federal Government Shutdown Contingency Planning Assessment

From: UConn Storrs and Regional Campuses

Date: October 1, 2013

Thank you for the opportunity to share the potential impact of a federal shutdown on the University of Connecticut. The length of the shutdown will determine the impact to UConn. In the short term (a few days), there will be minimum impact to UConn's operations, as we could temporarily use cash reserves in unrestricted fund balances to cover any federal shortfall. However, if the shutdown is longer term (a few weeks or longer) federal research contracts and grants and Federal Student Financial Aid would be significantly impacted.

Research:

- In the short term, the effect of the shutdown will delay the arrival of new grants and contracts as no new awards from federal agencies will be granted. In addition, the transfer of funds for existing grants and contracts will be delayed until the federal funding resumes and we are able to draw on the letter of credits.
- New awards already made could be rescinded or substantially delayed, depending on the length of the shutdown.
- If the shutdown is long term, reductions in our programs such as the formula research, extension grants and other grants and contracts will face significant exposure.
- Delay in passport and visa processing could impact ongoing projects by impeding necessary travel.

Financial Aid:

- The shutdown could potentially impact the origination and drawdown of Federal Pell Grants and Direct Loans (Stafford and Parent Loans/PLUS). Further, our ability to drawdown Federal Supplemental Educational Opportunity Grant (SEOG) and Federal Work-Study funds may also be impacted.

Mitigation:

In the short term, the University will be able to finance the expenditures from unrestricted fund balances until the federal funding resumes. However, this would impact our cash flow as we would need to use it to cover what has been previously covered and promised by the Federal Government.

If the shutdown is longer term, we would need to reevaluate the long term outlook of our federally funded programs. This would have a direct impact on the student academic experience and our ability to continue to do research. Ultimately, it would significantly impact our research area – including graduate student funding, post-doctorate funding, and other academic professionals and faculty funding.

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