



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

July 26, 1995

M-95-16

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Alice M. Rivlin *Alice M. Rivlin*

SUBJECT: Planning in Light of Appropriations Actions

As we approach the end of FY 1995 and plan for FY 1996, it is increasingly clear that Congressional action on appropriations for FY 1996 may be delayed or reflect sharp disagreement with the President's request.

We recognize that agencies are concerned about appropriations developments and their implications for future agency operations.

At the same time, it is very important that each agency and the Executive Branch as a whole plan carefully and responsibly for the continued smooth operation of the government.

Therefore, please do not take any actions regarding reductions in force, office closings, or similar measures until we have had time to assess the developing situation and put together a Government-wide plan.



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THE DIRECTOR

August 17, 1995

M-95-17

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Alice M. Rivlin *AMR*
Director

SUBJECT: Contingency Planning For Agency Operations in
Fiscal Year 1996

In a July 26th Memorandum, I requested that, pending general guidance, heads of departments and agencies refrain from taking actions to prepare for final appropriations levels for fiscal year 1996. This memorandum is to advise you that you should now proceed to develop and submit for review any plans that you believe are appropriate to prepare for agency operations in fiscal year 1996.

As the start of fiscal year 1996 approaches, prudent management requires that we take action now to plan and prepare for possible contingencies, including reduced funding. If you believe that actions are appropriate now, you should submit a proposed plan to OMB. We will review plans promptly and get back to you with suggestions.

You have the full range of management tools at your disposal, including reductions in procurements or service contracting, furloughs, and reductions in force. Your planning should take into consideration the substantial lead times necessary to use some of these tools (e.g., notice requirements for reductions in force or contract terminations).

You should develop contingency planning for any agency reductions affecting personnel in close consultation with employees and their authorized representatives. Agencies are also reminded to comply with all applicable bargaining agreements and partnership arrangements.

This memorandum does not address spending under a continuing resolution. (Should it become necessary, we will provide guidance for agency operations under a continuing resolution.) Nevertheless, agency planning for final 1996 appropriations levels could be affected by a requirement to

operate temporarily under a continuing resolution at the start of the fiscal year. It would be advisable, therefore, that you take into consideration the possibility of a temporary continuing resolution as you plan for final appropriations action.

This guidance is effective immediately. Questions should be directed to your OMB program examiner.



EXECUTIVE OFFICE OF THE PRESIDENT
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THE DIRECTOR

August 22, 1995

M-95-18

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM:

Alice M. Rivlin
Director

SUBJECT:

Agency Plans for Operations During Funding Hiatus

OMB Bulletin 80-14, dated August 28, 1980 (and amended by the OMB Director's memorandum of November 17, 1981) requires all agencies to maintain contingency plans to deal with a possible appropriations hiatus. The bulletin requires agency plans to be consistent with the January 16, 1981 opinion of the Attorney General on this subject.

The Office of Legal Counsel of the Department of Justice has issued an opinion dated August 16, 1995 that updates the 1981 opinion. A copy of the August 16th opinion is attached. You should review your plans in light of this opinion, make any changes necessary to conform to the opinion, and otherwise ensure your plan is up to date.

Please send a copy of your updated plan to your OMB program examiner no later than September 5, 1995. Any questions should be directed to your program examiner.

Attachment

September 1, 1995

MEMORANDUM FOR THE DIRECTOR

FROM:

Jack Arthur

SUBJECT:

OMB Plan for Operations During Funding Hiatus

Jack Lew asked that we meet with you on Tuesday September 5 to discuss criteria and plans for a possible shutdown of OMB if the Treasury Postal Appropriation Bill for FY 1996 is not signed by October 1. The information below is provided for discussion at that meeting.

OMB's operations (excepted activities), which may be continued in the absence of appropriations, are those which are:

- o necessarily incident to the President's exercise of his Constitutional powers,
- o essential to protect life and property (suspending those operations which "would not imminently threaten the safety of human life or the protection of property"), or
- o necessary to the orderly phase down of all other functions.

The majority of OMB's operations are in the first and third category. The excepted activities by office would be:

- o Director's Office - support Presidential activities and supervise other OMB excepted activities below.
- o Administration Office - support continuation of excepted activities in other OMB offices and provide continuing property security.
- o Budget Review - support budgeting activities.
- o Communications - communicate essential information to the public on appropriations hiatus.
- o Economic Policy - support essential economic analysis.
- o General Counsel - provide advice and resolve legal issues incident to the appropriations hiatus.
- o Legislative Affairs - support essential communications with Congress.

- o Legislative Reference - support continuation of congressional communications and enrolled bill activities.
- o Resource Management Offices - support budgeting activities and communicate essential information with agencies.
- o Office of Information and Regulatory Affairs - review regulations and other matters related to protection of life and property.
- o Office of Federal Financial Management - support financial management activities related to protection of life and property.
- o Office of Federal Procurement Policy - support procurement policy activities related to protection of life and property.

As discussed last week, three optional staffing levels for the above excepted activities are:

Office	Low 67 staff	Medium 82 staff	High 107 staff
-- Director's immediate office	6	8	8
-- Administration	2	3	3
-- Budget Review	4	7	7
-- Communications	1	2	2
-- Economic Policy	1	1	1
-- General Counsel	3	5	5
-- Legislative Affairs	1	3	3
-- Legislative Review	3 (19)	5 (34)	5 (34)
-- RMOs			
o General Gov't (2D, 6B)	10	10	16
o Health/Pers (2D, 5B)	9	9	14
o HRES (1D, 3B)	6	6	9
o NRES (2D, 6B)	10	10	16
o NSIA (2D, 5B)	9 (44)	9 (44)	14 (69)
-- OIRA	2	2	2
-- OFFM	1	1	1
-- OFPP	1 (4)	1 (4)	1 (4)

The above distribution for the RMOs is based on number of divisions and branches in each RMO. If the appropriations which will require the most analysis and support from the

RMOs are entitlements, an alternative distribution would be:

-- RMOs

o General Gov't (2D, 6B)	8	8	13
o Health/Pers (2D, 5B)	12	12	16
o HRES (1D, 3B)	9	9	15
o NRES (2D, 6B)	8	8	13
o NSIA (2D, 5B)	7 (44)	7 (44)	12 (69)

Once we select a staffing allocation, I would recommend a memorandum to Associate Directors, etc. along the lines of the attached.

Component, Gen, RMO's

MEMORANDUM FOR Associate Directors
Assistant Director
General Counsel
Administrators
Controller

FROM: Alice M. Rivlin

SUBJECT: OMB Operations in the Absence of Appropriations

In the event of an absence of appropriations, OMB must be prepared to implement its plan for closing down operations. The following is your guidance should occur.

1. OMB's operations (excepted activities), which may be continued in the absence of appropriations, are those which are:
 - o necessarily incident to the President's exercise of his Constitutional powers,
 - o essential to protect life and property, or
 - o necessary to the orderly phase down of all other functions.

2. The excepted activities, and staffing, by office are:
 - o Director's Office - support Presidential activities and supervise other OMB excepted activities below. XX staff.
 - o Administration Office - support continuation of excepted activities in other OMB offices and provide continuing property security. XX staff.
 - o Budget Review - support budgeting activities. XX staff.
 - o Communications - communicate essential information to the public on appropriations hiatus. XX staff.
 - o Economic Policy - support essential economic analysis.
 - o General Counsel - provide advice and resolve legal issues incident to the appropriations hiatus. XX staff.
 - o Legislative Affairs - support essential communications with Congress. XX staff.
 - o Legislative Reference - support continuation of congressional communications and enrolled bill activities. XX staff.

- o Resource Management Offices - support budgeting activities and communicate essential information with agencies. XX staff.
 - o Office of Information and Regulatory Affairs - review regulations and other matters related to protection of life and property. XX staff.
 - o Office of Federal Financial Management - support financial management activities related to protection of life and property. XX staff.
 - o Office of Federal Procurement Policy - support procurement policy activities related to protection of life and property. XX staff.
3. Employees who are not designated to perform these excepted activities will be advised orally, in writing, or by delivery of this memorandum, that they may be placed in a furlough status should an appropriations hiatus occur.
 4. An employee who is placed in a furlough status under this plan may subsequently be deemed essential, and be requested to report for work within a reasonable period.

Please report back to Jack Arthur, by September 22, the names of the staff members whom you designate as essential under this plan.



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THE DIRECTOR

September 25 1995

M-95-21

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Alice M. Rivlin *AMR*

SUBJECT: Agency Plans for Operations During Funding Hiatus

Thank you for your cooperation in preparing shutdown plans for your agencies. We have completed our review process and are transmitting these plans to the House and Senate Budget Committees and the House Government Reform and Oversight Committee, at their request.

As you know, the Administration believes that a government shutdown would be bad for the country. The responsible course of action is for the Congress to complete action on remaining appropriations bills or to send to the President an acceptable Continuing Resolution which averts a shutdown at the start of the fiscal year. Nevertheless, as we approach the beginning of Fiscal Year 1996, it is clear that many Appropriations Bills will not be signed into law by September 30. A Continuing Resolution will therefore be necessary to fund government operations beginning October 1, 1995. If such a Continuing Resolution has not been enacted by October 1, departments and agencies not covered by enacted appropriations bills will experience a lapse in legal authority to enter into obligations and will be forced to implement their shutdown plans.

OMB will issue further guidance about whether and when a shutdown is required. In the meantime, agency heads may wish to inform their employees, their union representatives, Congressional committees, and other relevant groups of their plans in the event of a shutdown.



EXECUTIVE OFFICE OF THE PRESIDENT
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November 9, 1995

THE DIRECTOR

M-96-01

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS
AND AGENCIES

FROM: Alice M. Rivlin
Director

SUBJECT: Planning For Agency Operations

This memorandum is designed to help you plan your agency's activities for next week, in light of recent developments on fiscal 1996 appropriations.

The current Continuing Resolution (CR) expires at midnight on Monday, November 13, 1995. At this point, only two appropriations bills have been enacted for fiscal 1996. We do not know if Congress will pass a second acceptable CR by Monday that will continue funding for activities that lack appropriations. Because there is a real chance that this may not occur, you should begin planning now, as a contingency matter, as follows:

Today, Thursday, November 9. You should review your shutdown plans and ensure that your employees are properly informed. As noted above, the CR expires at midnight, Monday. Therefore, Monday, November 13th will be a normal workday for the Federal Government. You should advise employees to report for work on Monday.

Monday, November 13: All employees should report for work. We will advise you of further developments, including whether a CR will likely be enacted. If not, you should prepare to implement your shutdown plan on Tuesday.

Tuesday, November 14: Regardless of whether a CR has been enacted, all employees should report to work on Tuesday. We will advise you on whether your shutdown plan is to be implemented, as follows.

-- Shutdown. If no CR has been enacted or will likely be enacted Tuesday, we will issue instructions initiating a phase-down of activities for non-excepted employees. You should complete such phase-down activities for non-excepted personnel, if called for, during the first three hours of the workday.

-- Normal Operations: If a CR will likely be enacted on Tuesday, we will advise agencies to operate in a normal manner.

Attached is a summary of our general guidance on agency operations in the absence of appropriations.

Thank you for your cooperation in these difficult circumstances. We will keep in close touch with you as developments unfold.

Attachment

**General Guidance on Agency
Operations in the Absence of Appropriations**

OMB Bulletin 80-14, dated August 28, 1980 (and amended by the OMB Director's memorandum of November 17, 1981), requires all agencies to maintain plans to deal with an appropriations hiatus. If a shutdown occurs, we assume each agency will be operating under its shutdown plan as approved by OMB in September. As a reminder, the Attorney General's opinion dated January 16, 1981, updated by the opinion of the Office of Legal Counsel dated August 16, 1995, remains in effect. In general:

- o Employees of affected agencies performing non-excepted activities (as discussed in the Department of Justice opinions) may not perform any services other than those involved in the orderly suspension of non-excepted activities; excepted activities that may be continued are generally those that are authorized by law or that protect life and property.
- o Agencies may not permit voluntary performance of non-excepted services; and
- o Agency heads make the determinations that are necessary to operate their agencies during an appropriations hiatus (within the guidance established by the Department of Justice opinions and this memorandum, and pursuant to normal agency processes for the resolution of issues of law and policy).

Please address any questions to your OMB budget examiner(s), or to OMB General Counsel Robert Damus (395-5044), or Associate General Counsel for Budget Rosalyn Rettman (395-4778).



EXECUTIVE OFFICE OF THE PRESIDENT
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November 13, 1995

THE DIRECTOR

M-96-02

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS
AND AGENCIES

FROM: Alice M. Rivlin *AMR*
Director

SUBJECT: Planning for Agency Operations in the Absence
of Appropriations

This memorandum follows up on my memorandum of last week, and is intended to provide further guidance on planning for shutdown.

The current Continuing Resolution (CR) expires at midnight tonight, Monday, November 13, 1995. We have no indication yet whether Congress will act today and pass an acceptable CR. Therefore, beginning tomorrow morning, Tuesday, November 14, 1995, the head of each agency must be prepared to implement his or her existing plan for closing down operations funded by accounts that have not received appropriations.

All employees should report to work tomorrow. During the day tomorrow, we will advise you on whether your shutdown plan is to be implemented, as follows:

- Shutdown. If no CR has been enacted or will likely be enacted Tuesday, we will issue instructions initiating a phase-down of activities for non-excepted employees.
- Normal Operations. If a CR will likely be enacted on Tuesday, we will advise agencies to operate in a normal manner.

Again, we thank you for your cooperation in these difficult circumstances. We will continue to keep in close touch with you as developments unfold.



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THE DIRECTOR

November 14, 1995

M-96-03

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS
AND AGENCIES

FROM: Alice M. Rivlin
Director

SUBJECT: Agency Operations in the Absence of Appropriations

The Continuing Resolution (CR) expired at midnight last night, Monday, November 13, 1995. We have no indication yet that Congress will act today and pass an acceptable CR. Therefore, you should now implement your plan for closing down operations funded by accounts that have not received appropriations.

You should implement the close-down of affected operations promptly and in an orderly manner.

We will keep you closely advised of further developments.



EXECUTIVE OFFICE OF THE PRESIDENT
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THE DIRECTOR

November 14, 1995

MEMORANDUM FOR SELECTED OMB STAFF

FROM: Alice M. Rivlin
Director

SUBJECT: Furlough Due To Lapse of Appropriations

In the absence of either a FY 1996 appropriation or a continuing resolution for OMB, no further financial obligations may be incurred, except for those related to the orderly suspension of agency operations or performance of excepted activities as defined in the OMB Memorandum for Heads of Executive Departments and Agencies dated November 17, 1981. Because you are not engaged in one of the excepted functions, the lapse of appropriations occurring November 14, 1995, is forcing us to place you in furlough status effective Tuesday, November 14, 1995.

This furlough, i.e., non-pay, non-duty status, is not expected to exceed 30 days. Therefore, this furlough expires midnight, Wednesday, December 13. You should listen to radio and television broadcasts to monitor the situation as it develops. You may also reach a recorded update on (202) 456-2002. When you hear that a continuing resolution or a FY 1996 appropriation has been approved, you will be expected to return to work on your next regular duty day.

This action is being taken because of a sudden emergency requiring curtailment of the agency's activities; therefore, no advance notification is possible. The customary 30-day advance notice period and opportunity to answer are suspended under the provisions of 5 CFR 752.404 (d) (2).

Employees being retained are required for orderly suspension of agency operations or they are performing one of the excepted activities defined in the OMB memorandum. During the furlough period, you will be in a non-pay, non-duty status. Also, during

the furlough, you will not be permitted to serve as an unpaid volunteer, and must remain away from your work place unless and until recalled.

Employees who have completed a probationary or trial period or one year of current continuous employment in the competitive service under other than a temporary appointment, may appeal this action to the Merit Systems Protection Board (MSPB). Employees in the excepted service (excluding administratively determined employees) who have veterans preference may appeal to the MSPB if they have completed one year of current continuous service in the same or similar positions as the one they now hold. Employees in the excepted service (excluding administratively determined employees) who do not have veterans preference and who are not serving a probationary or trial period under an initial appointment pending conversion to the competitive service, may appeal to the MSPB if they have completed two years of current continuous service in the same or similar positions in an Executive agency under other than a temporary appointment limited to two years or less. SES career appointees adversely affected may also appeal.

Employees have a right to representation in this matter and may be represented by an attorney or other person of their choosing. If you have the right of appeal to MSPB and wish to appeal this action to the MSPB, you must file the appeal within 30 calendar days after the effective date of your furlough. If you wish to file an appeal, you should notify Lauren Wright (x51294) in the Human Resources Management Division, to obtain a copy of the MSPB regulation and appeal form and the address of the MSPB Regional Office having jurisdiction.

EXAMPLES OF REDUCED GOVERNMENT SERVICES

A. Vital Education programs are shutdown.

1. Middle and low income parents and students cannot get Federal college aid. *On an average day* at this time of year, 20,000 students and parents apply for Federal Pell grants or student loans. These applications cannot be processed because verifications of Social Security numbers (at SSA) and immigrant status (at INS) and Selective Service status cannot be carried out. (The revised shutdown at Social Security starting Monday, November 20th, will not change this situation.) Without this application processing, these students and families are denied the aid without which they may not be able to pay for college.
2. 1.2 million persons with disabilities will soon lose rehabilitation services. Unless States are willing to spend their own funds at 5 times the normal rate, the loss of Federal funding to the Federal-State Vocational Rehabilitation system means loss of services to 1.2 million people with disabilities. Soon at least half the States may not have the resources to keep their doors open.
3. Civil rights violations in schools cannot be investigated. *In an average week*, the Education Department's Office for Civil Rights receives about 100 new complaints of discrimination on the basis of race, color, national origin, sex, age or disability. These complaints cannot be investigated or remedies sought. Buildup up of backlogs delays justice for individuals.
4. Criminal investigations in education programs are suspended. Education's Inspector General has suspended 77 audits and 386 criminal investigations. Cases scheduled for indictment have been postponed.
5. Help cannot be given to parents and teachers. *During an average week*, the Department of Education answers 8,000 inquiries from teachers, school administrators and concerned parents, seeking help with education problems that cannot be answered during the shutdown.

B. Head Start services are threatened.

1. By December 1, some Head Start centers will have run out of money and 60,000 children will lose services and 11,000 Head Start staff will be without funding.

5. Investigations of employment discrimination on the basis of race, sex, religion, or national origin are suspended.
6. Processing of prison grant applications is slowed down. Appropriated funds to assist states in constructing and bringing on line new prison facilities is delayed.
7. Collection activities by Justice's Civil Division have ceased. The cessation of collection activities means that the Treasury receives less income and thus the deficit actually grows. In addition, individuals who owe the government money can withhold payment without any particular penalty.

G. Important environmental protections are curtailed due to the shutdown. For each day of shutdown, on average:

1. All EPA non-Superfund civil environmental enforcement actions have stopped. On an average day, \$3 million of fines or injunctive relief against polluters is lost and 8 Federal environmental compliance inspections of polluters' facilities are not conducted.
2. About 240 calls each day to EPA's "hotline" for drinking water contamination outbreaks will go unanswered. Five other "hotlines" receiving thousands of calls each month have been shut down, depriving the public of potentially critical information on pesticides and toxic substances, asbestos in schools, and other public health information.
3. EPA-issued permits for air, land, and water pollution limits nationwide cannot be approved and necessary EPA technical assistance to States for State-issued permits cannot be provided. Approvals of some companies' activities have to be put on hold while their competitors with approved permits are allowed to operate.
4. All emergency exemptions for farmers to use restricted pesticides to fight pest outbreaks have stopped, potentially resulting in severe crop damage and loss of income.
5. Some research projects have been irrevocably interrupted, wasting money and requiring the same experiment to be repeated or simply not resumed. Important research on reproductive toxicity and other health-related research has been interrupted.

H. National Park Services facilities are closed.

1. *On an average day, 726,000 people visit National Park Services facilities.*

2. *On an average day*, 55,000 people visit National Park Services facilities in the National Capital Region, such as the Washington Monument, Ford's Theater, the White House, and Great Falls Park.
- I. **The Smithsonian museums, Kennedy Center, National Zoo, and National Gallery of Art are closed.**
 1. *On an average day*, 80,000 people visit the Smithsonian Museums on the Mall and the National Zoo.
 2. *On an average day*, 12,400 people visit the National Gallery of Art.
 3. *On an average day*, 6,900 people visit the JFK Center for Performing Arts. (This does not include individuals who pay to attend performances, for which the Kennedy Center will continue to be open.)
 - J. **FHA mortgages are halted.**
 1. *On an average day*, the Federal Housing Administration processes 2500 home purchase loans and refinancings totaling \$200 million worth of mortgage loans for moderate-and low-income working families nationwide.
 - K. **Reduced funding to public housing authorities.**
 1. *On an average day*, HUD provides \$25 million in operating subsidies and modernization funds to the 3400 local housing agencies who in turn provide public housing and services to 1.4 million low-income households. Shutoff of this funding potentially prevents public housing authorities from paying utilities, providing basic maintenance needs, or paying staff and security personnel.
 - L. **Loss of funding for homeless services.**
 1. HUD provides homeless funds to states, localities, and non-profit organizations that access their funds on a regular basis. Each day HUD's Line of Credit Control System (LOCC) is shutdown prevents the delivery of essential housing and emergency services provided to at least 32,000 homeless persons.
 - M. **Impact on Development Funds to States and localities.**
 1. Cities who receive HOME and Community Development Block Grant (CDBG) -- flexible block grant funds to provide affordable housing construction, housing rehabilitation, economic development activities, and social and public services -- will not be able to access their funds due to the shutdown of the LOCCS system.

4. 500 requests for information and assistance from pensioners participating in plans with \$3 trillion in assets are going unanswered.

Q. The Federal Employment Information System is closed.

1. *On an average day*, 24,000 Americans are denied access to job information including veterans transitioning from active duty to civilian life, disabled veterans seeking information about special hiring programs, college students seeking careers in public service, and displaced federal employees seeking outplacement.

R. Applications for passports are not being processed and foreign visitors are unable to obtain visas.

1. *On an average day*, the State Department receives 23,000 applications for passports.
2. *On an average day*, the State Department issues 20,000 visas to visitors who spend on average of \$3,000 on their trips for a total of \$60 million.

S. Customer Services at the Internal Revenue Service have been halted.

1. Over 100,000 calls a day are not being answered -- taxpayer questions about the tax law or tax account status are not being answered and built-up taxpayer demand will overwhelm IRS' ability to respond in a timely manner.
2. Over 20,000 walk-in requests are not being met and as a result taxpayers cannot obtain tax forms or other account assistance.
3. IRS is not fully engaged in preparing for the 1995 tax filing season beginning January 1, 1996 and may not be fully prepared to process tax returns on time, possibly causing delays in refunds.
4. IRS is not processing tax returns. After the shutdown the IRS will have to use overtime to make up for lost time, as all returns must ultimately be processed.
5. IRS is not engaged in most enforcement activities such as auditing, collecting or documents matching. IRS' accounts receivable could increase and revenue will be lost.

T. Assistance to Small Businesses has been interrupted.

1. *On an average day*, over 260 small business do not receive SBA guaranteed financing totaling over \$40 million of loans.

2. *On an average day*, over 90 small business are prevented from bidding on government contracts because they will be unable to receive SBA guaranteed bid bonds which allow them to bid on those contracts.
3. *On an average day*, 1200 small business owners do not receive SBA-sponsored training and counseling normally available to them.
4. Banks issuing federally-guaranteed loans from SBA, VA, and HUD have stopped receiving default claim payments. In addition to potential cashflow shortages to participating banks, this will result in higher costs to the Government, because the claims will accrue additional interest during the furlough period.

U. **American exporting businesses are being disadvantaged during a shutdown.**

1. *On an average day*, over 30 export licenses with a value of \$30.5 million that would otherwise have been approved by the Bureau of Export Administration are not being acted upon.
2. *On an average day*, over 2500 telephone calls and faxes from U.S. businesses seeking export advice, information and counseling are not being responded to by the Bureau of Export Administration or the International Trade Administration due to the shutdown.

V. **Shutdown of the National Institute of Standards & Technology.**

1. Companies, universities, hospitals, and defense and law enforcement agencies depend upon NIST's laboratory-based research and services. For example, NIST provides in excess of 20,000 measurement samples and performs thousands of calibration tests each year for more than 3000 large and small companies.
2. U.S. firms will be denied critical support in their efforts to deal with international standards and testing requirements that limit the sale of U.S. goods overseas.

W. **Key statistical data will not be collected and disseminated.**

1. The Current Population Survey, which provides vital data on unemployment, may be canceled if the shutdown lasts through the weekend. This could mean the Bureau of Labor Statistics would not release an employment and unemployment report for the month of November.
2. Data on international trade, housing starts, and revisions of the gross domestic product from 1959-1992 will be delayed.

3. *On an average day*, 2,000 people call the Census Bureau and 4,000 people call the Bureau of Labor Statistics requesting information on economic and demographic statistics. These calls currently go unanswered.
4. If the shutdown extends beyond Thanksgiving, it may not be possible to produce a Consumer Price Index (CPI) for November.

November 18, 1995

MEMORANDUM FOR JOHN KOSKINEN

FROM: Bill Halter
SUBJECT: Pay information

- The last pay period for the vast majority of civilian departments and agencies ended on November 11, before the shutdown, therefore these paychecks will be normally processed. Some workers received their checks yesterday while others will receive them this week on varying days of the week.
- The next pay period for the vast majority of civilian departments and agencies ends on November 25, after the shutdown, therefore if there is no CR passed these paychecks will only be partially complete. Some workers would normally receive these checks on Friday December 1 or in the week of December 4. Typically, the payroll records for processing these checks would normally be due beginning Monday November 27. As the attached table indicates, over 1 million civilian employees are working on an excepted basis but will not be paid on time without passage of a CR. Approximately 500,000 work for civilian agencies and approximately 500,000 work for DOD. The vast majority of these workers will miss their first paycheck on December 1. Approximately 750,000 workers are furloughed and will also miss their first check on December 1.
- For DOD civilian employees there are two pay schedules with one ending each week. 70,000 DOD civilian employees have a pay period which ends today, November 18 with a pay day scheduled for next Friday, November 24. 25,000 of these employees are on furlough and would only receive pay for work completed through November 13. 45,000 other employees are working now and will be paid from available moneys.
- The other DOD civilian employees pay schedule ends on November 25 with a payday of December 1. 760,000 DOD civilian employees are in this pay cycle. 258,000 of these employees are on furlough and would only receive pay for work completed through November 13. 277,000 other employees are working now and will not be paid on time if a CR is not passed by November 24. 225,000 other employees are working now and will be paid from available moneys.
- An attached memo from Phebe Vickers describes the pay situation for members of the uniformed services. In brief, on Wednesday November 22 all 1.5 million active duty personnel received their paychecks on time. If a CR is not passed by November 22, the paychecks for December 1 may be delayed.

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1/18/17
 1.18.17
 MAX-SHUTPCM2)

OFFICE OF MANAGEMENT AND BUDGET
 AGENCY SHUTDOWN PLANS

PA

Agency	Employees Excepted from Furlough	Employees To Be On Furlough	Percent To Be At Work
Commerce	12,628	25,077	33
Defense	571,000	258,000	69
Education	543	4,394	11
HHS	25,521	34,570	42
HUD	435	11,322	4
Interior	19,700	57,000	26
Justice	74,334	27,423	73
Labor	4,418	13,228	25
State	18,540	8,086	70
TY Treasury	40,587	122,886	25
Veterans Affairs	200,392	36,354	85
Environmental Protection Agency	686	17,716	4
TY General Services Administration	3,446	13,254	21
NASA	1,573	19,774	7
TY Office of Personnel Management	2,418	2,124	53
Small Business Administration	2,095	2,994	41
Social Security Administration	4,780	61,415	7
American Battle Monuments Comm	26	345	7
Armed Forces Retirement Home	697	256	73
Arms Control and Disarmament Agency	44	207	18
AID	1,504	2,033	43
Cemeterial Expenses, Army	35	98	26
Commission on Civil Rights	10	95	10
Consumer Product Safety Comm	40	447	8
Corporation for Natl/Comm Service	66	427	13
Equal Employment Opportunity Comm	105	2,755	4
Export-Import Bank	20	425	4
Federal Communications Commission	100	2,171	4
TY Federal Election Commission	14	313	4
TY Federal Labor Relations Authority	4	206	2
Federal Maritime Commission	23	182	11
Federal Mediation and Conciliation	2	287	1
Federal Trade Commission	979		100
FEMA	384	4,086	9
Intell comm management account	14	227	6
International Trade Commission	10	420	2
TY Merit Systems Protection Board	3	267	1
TY National Archives and Records Admin	32	2,431	1
National Credit Union Administration	905		100
National Labor Relations Board	5	2,012	0
National Science Foundation	25	1,232	2
NEA	6	232	3
NEH	5	240	2
TY Office of Administration	10	182	5
Office of USTR	28	140	17
TY OMB	205	352	37
OPIC	175		100
Peace Corps	382	851	31

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OFFICE OF MANAGEMENT AND BUDGET
 AGENCY SHUTDOWN PLANS

Agency	Employees Excepted from Furlough	Employees To Be On Furlough	Percent To Be At Work
Railroad Retirement Board.....	538	998	35
RTC (all other).....	3,921		100
RTC Inspector General.....	12	106	10
Securities and Exchange Commission.....	2,846		100
Selective Service System.....	1	180	1
Smithsonian Institution.....	779	4,765	14
US Holocaust Memorial Council.....	15	196	7
US Information Agency.....	5,265	2,270	70
TY White House Office.....	45 89	257 312	11
Total, agencies without enacted appropriations	1,002,374	747,408	57
Agencies with appropriations that may soon be enacted	46,762	142,372	25
Total, agencies without enacted appropriations less those expected to be signed soon	955,612	605,036	61

Memorandum:

Agencies with enacted appropriations

Agriculture.....	108,894	100
Energy.....	20,549	100
Transportation.....	59,327	100
Corps of Engineers.....	25,883	100
Commodity Futures Trading Comm.....	545	100
Defense Nuclear Facilities Safety Board.....	150	100
Farm Credit Administration.....	380	100
FDIC.....	10,793	100
Interstate Commerce Commission.....	428	100
Nuclear Regulatory Commission.....	3,218	100
NTSB.....	375	100
Panama Canal Commission.....	8,772	100
Tennessee Valley Authority.....	16,609	100
Total, agencies with enacted appropriations	255,923	100



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

NOV 17 1995

MEMORANDUM FOR THE DIRECTOR

Through: Jack Lew
John Koskinen
Gordon Adams

From: Phebe Vickers (Goldberg)

Subject: Payment of active duty military during the shutdown--Information Memo

This memo is to bring to your attention that active duty military personnel--some on deployment overseas--may not be paid on schedule for the time served during the shutdown. The Defense Department has implemented its plan to shutdown non-exempt activities. However, DOD has exempted 1.5 million active duty military personnel from furlough. A large number of these personnel are currently deployed overseas, on ships, and in support of various ongoing contingency operations.

On Wednesday, November 15, all active duty military personnel received their paychecks on schedule. This paycheck included funds for work performed on Tuesday, November 14, and Wednesday, November 15, the first two days of the shutdown. On Thursday, November 23, DOD plans to begin processing military payroll checks covering the 15-day period from November 16 through November 30, assuming that a continuing resolution or a defense appropriations bill will be signed by November 30. In this way, if the current stalemate is resolved, DOD will be ready to issue paychecks on time and on short notice. DOD is not making any definitive statements about the status of pay for active duty military because they do not want to cause unnecessary concern to the troops.

It is therefore possible that, in the absence of funding for DOD operations, pay for active duty personnel will be delayed. While all exempted Federal personnel will receive late paychecks for the time worked during the shutdown period, the notion that our military personnel continue to be deployed in defense of our nation's interests without being paid on time may hurt morale among the troops and could become a problematic issue to the Administration.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEPUTY DIRECTOR
FOR MANAGEMENT

To: Leon Panetta, Alice M. Rivlin ✓
From: John A. Koskinen JAK
Re: Increasing Problems of a Continuing Shutdown

11/17/95

Introduction

The unprecedented length of the continuing shutdown will produce a series of additional problems in the upcoming weeks which cannot be solved without appropriations. This memorandum lists some of the more significant problems.

Veterans Affairs

December 1 checks for Veterans will not be mailed unless an appropriation is enacted by Wednesday November 22.

Deliveries of goods to Veterans hospitals including food and medicine are being curtailed because vendors are unable or unwilling to deliver goods without payment.

National Defense

If a CR is not passed by Wednesday November 22, some employees in the Defense Department and up to 1.5 million Military personnel who are still on the job will get only partial paychecks for work done prior to the shutdown. These checks will begin to be received by December 1.

Major defense acquisition programs potentially affecting 310,000 employees of defense contractors in 43 locations will begin to shutdown early next week because 7,000 Defense Department contract administrators have been furloughed. The programs affected include additional production of Trident II submarines, the Comanche light helicopter, and the Patriot missile advanced capability. (Production of equipment and spare parts necessary to maintain operational readiness will continue. The test is to be able to respond to any military situation occurring within 90 days. The production lines being stopped are producing equipment not needed or available for several months.)

By next week, the Defense Logistics Agency will begin to run low on cash and will have difficulty supplying logistical support (including food, fuel and equipment) for military

personnel. Vendors will be asked to continue to supply products, but cash is required for activities such as subsistence pay in foreign ports, foreign landing fees and payment to foreign vendors.

Continuation of State Services

States have begun to furlough employees involved in the review of applications to determine eligibility for disability benefits. Although in phase two of Social Security's plan, which begins Monday, the Federal government will be liable for paying these employees, there will be no ability to make payments and states will have to use their own money.

No Federal dollars are going to states for vocational rehabilitation services to more than 1.2 million individuals. This will force states to spend their own funds to replace federal dollars which normally flow at the rate of \$2.1 billion annually.

Beginning about Tuesday November 20, states like New Hampshire, Georgia, Kansas and Massachusetts may have to begin closing their unemployment offices because the Federal government has not made payments for administrative expenses.

Discretionary Grant Payments in the Pipeline

Payments by HHS, DOL and NSF to grantees may be halted early next week because there are no administrative funds to process them.

Prompt Pay and Cash Management Improvement Act Penalties

Significant penalties are being incurred to contractors as well as states and localities. These will ultimately have to be paid with program funds thus further reducing services.

Protection of Federal Property

Beginning next week, protective services contractors at Federal buildings may be unable to make payroll because the Federal government has not paid them what it owes.

Foreign missions may experience similar problems.

Head Start

By December 1, 60,000 children will be endangered of losing service.

Americans Stranded Overseas

In certain missions overseas, repatriation loans are not available for American citizens stranded overseas. This problem is expected to spread.

Civilian Pay

Partial pay for all employees who worked before the shutdown will typically be received by December 1. After December 1 neither the furloughed employees (approximately 750,000 at the present time) or the excepted employees will receive any pay.