



Memorandum

To: Kerry Kelly
Principal Budget Specialist,
Office of Policy and Management

From: James Howarth 
Interim Chief Financial Officer

Re: ConnSCU Response to Secretary Barnes' Federal Shutdown
Memo

Date: September 30, 2103

cc: Gregory Gray
John Noonan
Elizabeth Caswell
Juliet Manalan
Melentina Pusztay

President Gray has requested I respond to Secretary Barnes letter regarding the impact of the possible Federal Government Shutdown to the ConnSCU institutions of higher education. While we share the concern that a federal shutdown would be difficult for the economy and could impact the economic recovery affecting state revenues, the impact to existing federal programs is projected to be minimal if the shutdown is for a short duration.

We have received notification from James. W. Runcie, Chief Operating Officer, Federal Student Aid, indicating we should expect minimal impact to schools, lenders, and guaranty agencies and their ability to administer Title IV Programs. The majority of Title IV processors, contact centers and Web sites will remain operational. I have attached his information to this correspondence. Federal grant programs from the National Science Foundation released information including Notice to Awardees –As part of the shutdown activity, a notice will be sent to the Foundation's off-site awardees informing them that work may continue on all awards to the extent that doing so will not require federal staff intervention and those funds are available. The notice will inform awardees that no payments will be made during the funding hiatus. This information is also attached.

Considering the majority of our activity is related to Title IV, we will continue to receive services in the event of a shutdown. Remaining activity with federal grants currently indicates existing awards will continue with some delay in funding.

We believe this information is representative of the impact of the potential federal shutdown and if the duration is limited to a few weeks, the impact will be minimal.

If the overall impact to the state economy requires the Governor to implement a rescission, the impact to higher education could be a significant impact on our ability to provide high-quality education and support services to our students.

Please contact me directly if you have any questions.



9-27: Potential Government Closure – Federal Student Aid Processing and Customer Service Guidance

Posted Date: September 27, 2013

Author: James W. Runcie, Chief Operating Officer, Federal Student Aid

Subject: Potential Government Closure – Federal Student Aid Processing and Customer Service Guidance

In the event of a closure of the federal government (more commonly referred to as a shutdown or furlough), there will be minimal impact on schools, lenders, and guaranty agencies and their ability to administer the Title IV Programs. While our federal offices would be closed during a federal government closure, the majority of our Title IV processors, contact centers, and Web sites will remain operational. In this announcement, we provide operational guidance about Federal Student Aid's communications, customer service contact centers, processing systems, and training events should a federal government shutdown occur.

If a federal government shutdown occurs, we will operate as follows:

Communications

We will provide updated information related to the shutdown on the [Information for Financial Aid Professionals](#) (IFAP) Web site, as feasible. We will not post routine guidance. Please monitor the [IFAP](#) Web site for further information, particularly following the reopening of the federal government.

Customer Service Contact Centers

Most of our customer service contact centers will remain open. For complete information regarding the operational status of the various customer service contact centers, refer to the attachment to this announcement titled "Operational Status of Customer Service Contact Centers During Federal Government Closure."

Note: The new Reach FSA voice-activated phone number (1-855-FSA-4-FAA or 1-855-372-4322) will remain operational.

Processing Systems

Campus-Based Program Processing

The eCampus-Based (eCB) Web site will remain operational in the event of a shutdown and institutions will be able to submit the Fiscal Operations Report for 2012–2013 and the Application to Participate for 2014–2015 (FISAP). In the event of a shutdown, however, we will extend the October 1, 2013, filing deadline for the FISAP due to the closure of the Campus-Based Call Center. The closure of the Campus-Based Call Center is noted in the attachment to this announcement.

Central Processing System (CPS)

[FAFSA on the Web](#), the [Federal Student Aid PIN](#) Web site, and FAFSA4caster will be fully operational for students and parents. [FAA Access to CPS Online](#) (including the ISIR Analysis Tool and R2T4 on the Web) and the CPS Web Applications Demo System will be available to schools. CPS will accept data from schools and applicants and will process Institutional Student Information Records (ISIRs) and Student Aid Reports (SARs).

Common Origination and Disbursement (COD) System

The COD System will continue to process Direct Loan promissory notes and will accept and process data from schools and send back responses/acknowledgments. Schools will be able to receive federal funds (see G5 information below).

The [COD Web site](#), [StudentLoans.gov](#) Web site, and the [TEACH Grant](#) Web site will remain operational.

Direct Loan Consolidation System

We will continue processing consolidation applications, and the [Direct Consolidation Loans](#) Web site will remain operational.

Electronic Application for Approval to Participate in Federal Student Financial Aid Programs (E-App)

The **E-App** Web site will remain operational.

Electronic Cohort Default Rate Appeals (eCDR Appeals)

The **eCDR Appeals** Web site will remain operational.

Federal Student Loan Servicing and Debt Collection Systems

All federal student loan servicing and debt collection systems and related Web sites will remain operational.

G5

The **G5** Web site will remain operational, and schools will be able to draw down funds.

National Student Loan Data System (NSLDS)

The **NSLDS Student Access** Web site will be available to students and **NSLDS Professional Access** will be available to all authorized users. NSLDS users will be able to request and receive both automated and on-demand reports. Data providers will be able to submit information to NSLDS.

Student Aid Internet Gateway (SAIG)

The **SAIG Enrollment** Web site and the **SAIG Mailbox Portal** will be operational. Schools will be able to send and receive data using their SAIG mailbox.

Total and Permanent Disability (TPD) Discharge Processing

The Nelnet Total and Permanent Disability Servicer will process TPD applications, assignments, and referrals.

School Eligibility, Oversight and Monitoring

Schools can continue to submit eligibility actions using ED's Web site <http://www.eligcert.ed.gov>.

Compliance audits and financial statements can be submitted through ED's Web site:

<http://www.ezaudit.ed.gov>. All other inquiries can be sent to:

- Domestic Schools at caseteams@ed.gov or by phone at (202) 377-3173
- Foreign Schools at fsa.foreign.schools.team@ed.gov or by phone at (202) 377-3168.

Any program reviews scheduled during a shutdown will be rescheduled.

Lender/Guaranty Agency Processing Functions

FFEL Program lenders and guaranty agencies should maintain all operational activities, including the filing of claims and their review and payment. Federal Student Aid will accept for processing the Lender's Interest and Special Allowance Request and Report (ED Form 799/LaRS). Guaranty Agencies will be able to submit the Guaranty Agency Financial Report (Form 2000) but they will not be reviewed for further processing.

Training Events

Any webinar or training workshop scheduled during the shutdown will be cancelled, including any Fundamentals of Federal Student Aid Administration training workshop that is scheduled during that time. We will notify affected participants through our registration system. Following the reopening of the federal government, we will provide information about rescheduled sessions through Training Announcements posted on the [IFAP](#) Web site.

Federal Student Aid staff will not be able to attend state and regional conferences in the event of a shutdown. Every effort will be made to contact the conference chair to inform them of the situation.

Contact Information

If a federal government shutdown does occur and you need assistance, contact the appropriate customer service contact center. As explained above, most of our contact centers will be open during a shutdown. Otherwise, we will be ready to serve you upon the federal government's reopening.

**Operational Status of Customer Service Contact Centers
During Federal Government Closure
Attachment to September 2013 Electronic Announcement**

In the event of the closure of the federal government (more commonly referred to as a shutdown or furlough), there will be minimal impact on students, borrowers, schools, lenders, and guaranty agencies. For information regarding the operational status of the various customer service contact centers during a shutdown, see below.

Federal Student Aid Customer Service or Processing Center	Telephone Number	Status during Federal Government Closure
Campus-Based Call Center	(877) 801-7168	Closed
COD School Relations Center <ul style="list-style-type: none"> • Direct Loans • Grants • Applicant Services 	(800) 848-0978 (800) 474-7268 (800) 557-7394	Open Open Open
CPS/SAIG Technical Support	(800) 330-5947	Open
Default Resolution Group	(800) 621-3115	Open
Direct Loan Consolidation Center	(800) 557-7392	Open
eZ-Audit Help Desk	(877) 263-0780	Open
Federal Student Aid Information Center	(800) 4-FED-AID	Open
G5 Hotline	(888) 336-8930	Open
Loan Servicing Centers for Schools <ul style="list-style-type: none"> • Aspire Resources Inc. • CornerStone • ESA/Edfinancial • FedLoan Servicing (PHEAA) • Granite State - GSMR • Great Lakes Educational Loan Services, Inc. • MOHELA • Nelnet • OSLA Servicing • Sallie Mae • VSAC Federal Loans 	(888) 902-6077 (877) 336-7397 (855) 845-1001 (800) 655-3813 (800) 303-8353 (888) 686-6919 (888) 866-4353 (866) 463-5638 (866) 264-9762 (888) 272-4665 (888) 307-8722	Open Open Open Open Open Open Open Open Open Open Open
Loan Servicing Centers for Students <ul style="list-style-type: none"> • Aspire Resources Inc. • CornerStone • ESA/Edfinancial • FedLoan Servicing (PHEAA) • Granite State - GSMR • Great Lakes Educational Loan Services, Inc. • MOHELA • Nelnet • OSLA Servicing • Sallie Mae • VSAC Federal Loans 	(855) 475-3335 (800) 663-1662 (855) 337-6884 (800) 699-2908 (888) 556-0022 (800) 236-4300 (888) 866-4352 (888) 486-4722 (866) 264-9762 (800) 722-1300 (888) 932-5626	Open Open Open Open Open Open Open Open Open Open Open
Nelnet Total and Permanent Disability Servicer	(888) 303-7818	Open

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Attachment to September 2013 Electronic Announcement**

Federal Student Aid Customer Service or Processing Center	Telephone Number	Status during Federal Government Closure
NSLDS Customer Service	(800) 999-8219	Open
Ombudsman	(877) 557-2575	Open
Research and Customer Care Center	(800) 433-7327	Closed

**THE NATIONAL SCIENCE FOUNDATION PLAN FOR
OPERATIONS DURING A FUNDING HIATUS
September 25, 2013**

BACKGROUND

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 lapse in appropriations. 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 issued an update to the opinion dated August 16, 1995. The essential elements of the Attorney General's opinion are:

In the absence of new appropriations, Federal officers may incur no financial obligations that cannot lawfully be funded from prior appropriations unless such obligations are otherwise authorized by law.

Under authority of the Anti-Deficiency Act, Federal officers may incur obligations as necessary for the orderly termination of an agency's functions and for activities that protect life and property, but no funds may be disbursed for payment of those new obligations.

Under its enforcement responsibilities, the Department of Justice may apply the criminal provisions of the Anti-Deficiency Act against alleged violators.

SCOPE AND APPLICABILITY

These shutdown requirements are applicable to the National Science Foundation (NSF) when the agency's appropriations lapse (regular, contingency, or supplemental).

DEFINITIONS

The following terms are defined because of their special significance to the processes authorized under these circumstances:

Excepted Activities – Activities which are authorized to continue in the absence of appropriation authority; obligations for excepted activities may be incurred but not paid until an appropriation is made.

Non-excepted Activities – Activities which are not authorized to continue in the absences of available funds; no obligations can be incurred for these activities and they will be discontinued until an appropriation is made.

Shutdown Activities – Activities which are necessary to transition from a fully operational mode to a mode which only supports excepted activities.

Funding Hiatus – That period of time during which appropriations are not available and only shutdown or excepted activities can be carried out.

Excepted Employees – Staff who are permitted to continue to perform their duties during a funding hiatus because those duties are necessary to accomplish excepted activities.

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PLAN FOR OPERATIONS UNDER A SHUTDOWN

Shutdown Notice to Staff (and on-site awardees)

In anticipation of a funding hiatus, steps will be taken to assure that the Foundation is in a position to limit its activities, first to those directly related to an orderly shutdown, and then to excepted activities. It is anticipated that shutdown activities will require a half day.

On the date/time prescribed by OMB, the agency will issue a notice to staff advising them of the Foundation's general approach to the possible funding hiatus and address questions they may have. Upon a funding hiatus, the Director will issue a special bulletin to staff to begin the shutdown. The bulletin will also identify the excepted activities; employees who must continue to work during the funding hiatus will be notified. NSF notes that prior to implementation of the shutdown plan, there are approximately 2,000 employees including NSF staff, detailees, assignees pursuant to the Intergovernmental Personnel Act, and on-site contractors. No more than 30 federal FTEs will be retained to protect life and property and for other excepted activities. None of these employees is engaged in military, law enforcement, or the direct provision of health care activities; nor are they compensated by a resource other than annual appropriations.

Notice to Funded Contractors

Contractors may be directed by the NSF Contracting Officer to work under those contracts that are in support of excepted activities and/or excepted employees where funding has been obligated from prior year funds or in limited circumstances where multiple-year or no-year appropriation funding is available for obligation. Additionally, contract activities with obligated prior year funding may continue where ongoing Federal monitoring and the use of NSF facilities is not required.

Notice to Awardees

As part of the shutdown activity, a notice will be sent to the Foundation's off-site awardees informing them that work may continue on all awards to the extent that doing so will not require federal staff intervention and that funds are available. The notice will inform awardees that no payments will be made during the funding hiatus.

NSF-Identified Excepted Activities

New obligations during the funding hiatus will be limited to those needed to shutdown the Foundation and maintain the excepted activities necessary to: (1) protect life and property, (2) process the necessary personnel actions, and (3) process the payroll for the period prior to the funding hiatus, and (4) process payments associated with excepted activities.

No payment for new obligations (e.g. for shutdown activities or for excepted activities) incurred during the funding hiatus will be made without an appropriation.

1. Protecting Life and Property

NSF will maintain effective security for its Headquarters and related facilities. The guards will protect the assets of the Foundation and will limit access to those employees and contractors required to perform excepted activities.

Awardee-operated facilities with government-owned property will continue normal operations to the extent that funding was previously obligated. As those funds are exhausted, at a minimum, awardee-operated facilities with government-owned property and property acquired in whole or in part under federally sponsored awards will be required to protect life and property or provide for an orderly shutdown.

NSF Information Technology (IT) systems will be reduced to minimum operations to maintain equipment, security, and essential operations in support of other excepted activities and to maintain emergency communications.

NSF designates the Division of Polar Programs' support of the Antarctic and Arctic programs as an excepted activity in order to maintain communications with individuals "on the ice" to assist in responding to emergency situations that might arise.

2. *Processing Necessary Personnel Actions*

Necessary personnel actions will be taken to release employees in accordance with applicable law and Office of Personnel Management regulations. Preparation of employee notices related to the funding hiatus and processing of personnel actions in connection with furlough actions, performance of excepted activities, or separation from Federal service are excepted activities.

3. *Process the Payroll for Period Prior to the Funding Hiatus*

The payroll will be processed by the Department of the Interior for those days worked prior to the funding hiatus. In addition, the payroll records will be maintained to record the furlough status of non-excepted employees and the on-duty status of excepted employees. The records associated with health benefits and other benefits that remain in effect for all employees during the funding hiatus will also be maintained. No payments for payroll earned or benefit costs incurred during the funding hiatus will be made until a new appropriation is in effect.

Plan for Performance of Excepted Activities

All activities defined above as excepted may be performed on-site or off-site by individuals designated as excepted by NSF management. All other agency functions are non-excepted.