



U.S. Small Business
Administration



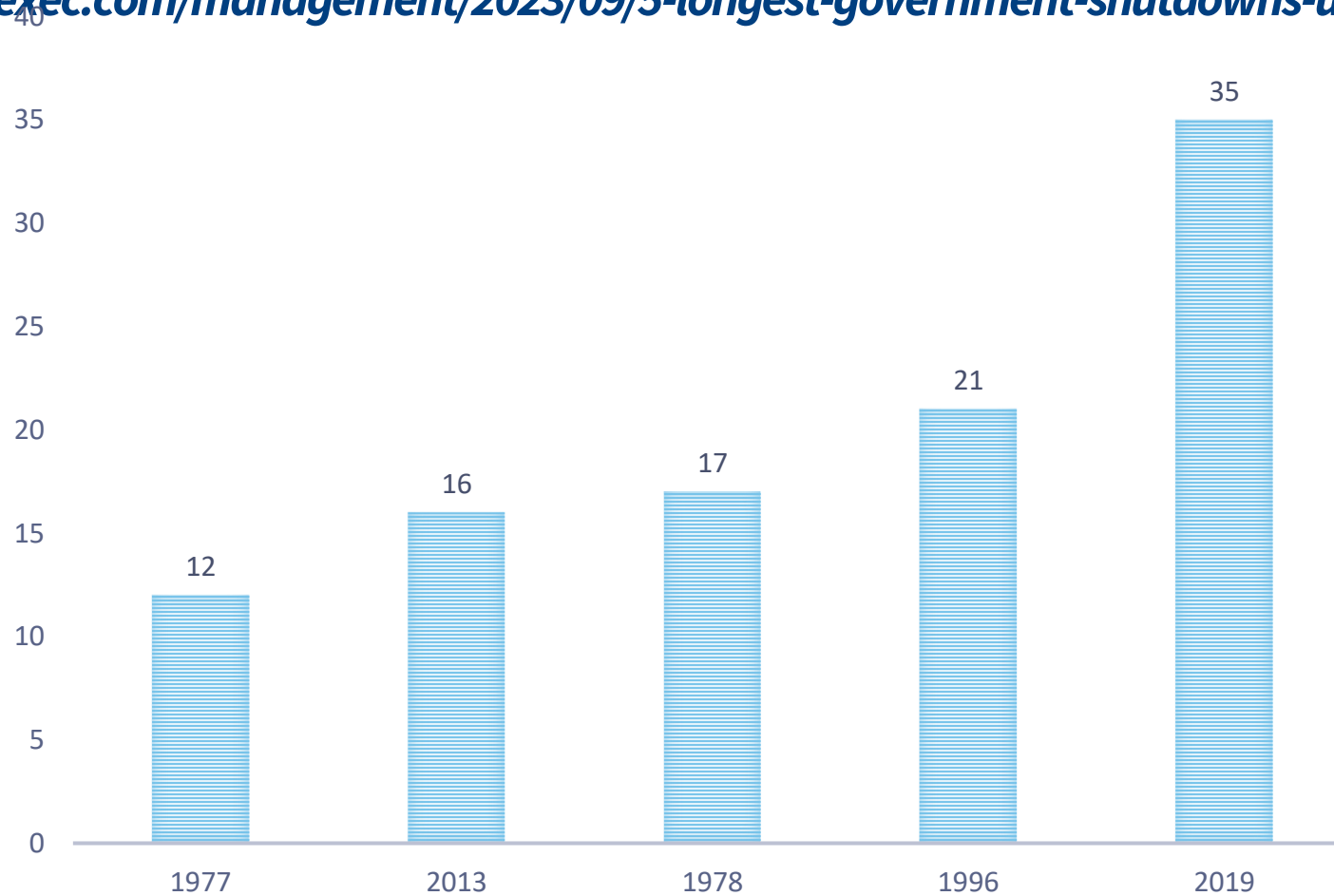
U.S. Small Business
Administration

Lapse in Federal Appropriations

‘Shutdown’

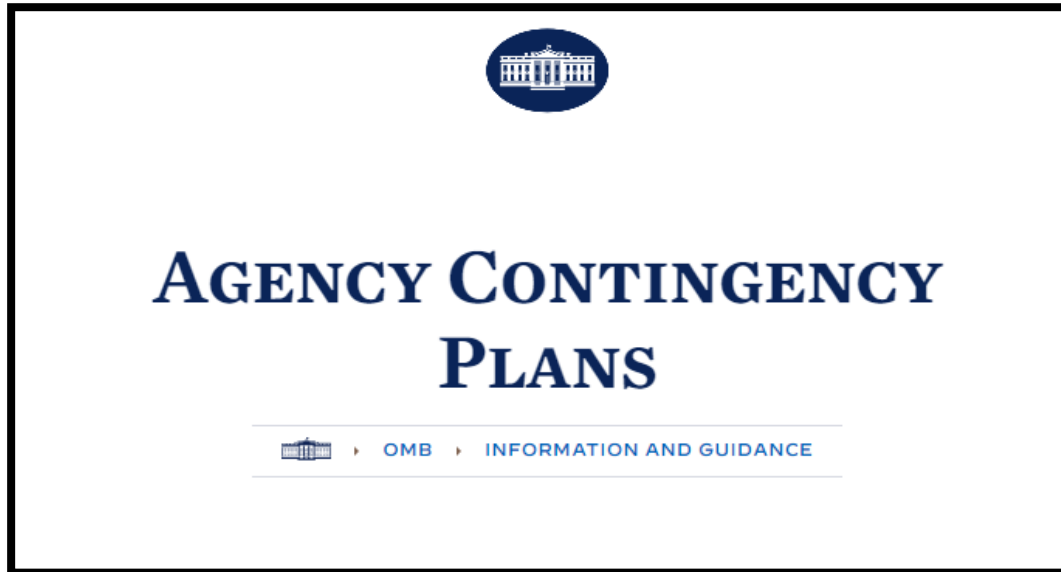
The 5 Longest Shutdowns (21 in the last 50 years)

www.govexec.com/management/2023/09/5-longest-government-shutdowns-us-history/390655/



White House Website

www.whitehouse.gov/omb/information-for-agencies/agency-contingency-plans/
~6 pages of agency contingency plans



- [AbilityOne Commission](#) ↗ (January 19, 2018)
- [Administrative Conference of the United States](#) ↗ (July 12, 2023)
- [Advisory Council on Historic Preservation](#) ↗ (August 4, 2023)
- [American Battle Monuments Commission](#) ↗ (August 2, 2023)
- [Appalachian Regional Commission](#) ↗ (September 25, 2023)
- [Arlington National Cemetery](#) ↗ (August 1, 2023)
- [Armed Forces Retirement Homes](#) ↗ (September 25, 2023)
- [Chemical Safety and Hazard Investigation Board](#) ↗ (August 29, 2023)
- [Commodity Futures Trading Commission](#) ↗ (September 24, 2021)
- [Consumer Product Safety Commission](#) ↗ (September 25, 2020)
- [Corporation for National and Community Service](#) ↗ (September 27, 2023)
- [Court Services and Offender Supervision Agency](#) ↗ (July 27, 2023)
- [Defense Nuclear Facilities Safety Board](#) ↗ (2023)
- [Delta Regional Authority](#) ↗ (September 23, 2023)
- [Denali Commission](#) ↗ (September 25, 2023)
- [Department of Agriculture](#) ↗ (October 20, 2020)
- [Department of Commerce](#) ↗ (September 24, 2021)
- [Department of Defense](#) ↗ (September 12, 2023)
- [Department of Education](#) ↗ (September 27, 2021)
- [Department of Energy](#) ↗ (September 6, 2023)
- [Department of Health and Human Services](#) ↗ (September 21, 2023)

White House FAQs

www.whitehouse.gov/wp-content/uploads/2023/09/Agency-Lapse-FAQs-9.2023.pdf

- Eight Sections:
 - I. Basic Principles
 - II. Contracts and Grants
 - III. Information Technology
 - IV. Orderly Shutdown
 - V. Travel
 - VI. Entitlement to Payment for Excepted Work
 - VII. Carryover Funds
 - VIII. Use of Charge Cards

Discussion

What Happens to Small Businesses in the event of a Lapse in Appropriations?

To Quote SBA Administrator Guzman (finance.yahoo.com/video/government-shutdown-hurt-small-businesses-155104564.html):

- “it will halt all of our SBA-guaranteed small business loans. We put out about \$40 billion a year... in an environment... where there's tight credit and higher interest rates, SBA-backed loans are highly critical today”
- “... each day of the shutdown, there will be hundreds of loans that would be stuck...”
- “... a small business has to go to a high interest bridge loan and pay fees that are exorbitant for their business to manage, and they might lose a deal or lose an ability to buy some equipment or buy property, and that's what's going to hurt businesses...”
- “One of the things that would also be halted... the processing of certifications to do government contracting for our veteran-owned small businesses and service disabled veterans small businesses and women and others...”
- “... that limits competition in the federal marketplace and really prevents businesses from moving forward with their revenue growth strategies...”
- “... a lot of these businesses are already straddled with debt... reduced revenues during the pandemic. They're starting to see the light and starting to see recovery... Any disruption... is not going to be helpful to their businesses...”
- For SBA’s Resource Partners “...a network of over 1,600 centers. While each of those are independent nonprofits that we provide grants to, we can't provide oversight and customer service for them to continue their good work...”

Discussion

What Happens at Houston SBA in the event of a Lapse in Appropriations?

- Analogous to a company running out of funds. What happens then?
 - They simply close, and everyone goes home.
- In practical terms:
 - Monday morning the Houston team will meet.
 - We will be sure there is an ‘orderly shutdown of government activity’, which should occur by or before noon’ish Monday.
 - We must turn off and stop using all SBA devices (phones, computers, etc).
 - We must secure any of the public’s PII (personally Identifiable Information).
 - We cancel or postpone or otherwise notify all upcoming events for 30 days that we may not attend.
 - We must not do any SBA work, discuss SBA, or otherwise represent the US Government in any way.
 - We will record out of office messages on phones and computers instructing the public that we are unable to work until the furlough is complete.
- We will be unpaid until the government re-establishes funding, at which time we return to work and are paid in arrears.
- Then we catch-up and try to regain our momentum.