



THE UNIVERSITY OF NORTH CAROLINA SYSTEM

CLINTON P. CARTER

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Memorandum

To: Charlie Perusse, State Budget Officer

From: Clinton P. Carter, Senior Vice President for Finance & Administration and CFO

Date: December 21, 2018

Subject: Potential Federal Government Shutdown

This memorandum responds to your December 20, 2018, request that state agencies provide information on federal grants that will be or likely will be impacted by a federal shutdown. Considering that there are more than eleven thousand different federal funding sources across the UNC System, it is not possible to provide a complete impact analysis in the time allotted.

Overall, we expect that our major funding sources would not be immediately impacted. The Department of Education's contingency plan continues to advocate that "Programs with mandatory funding can make obligations and payments during a shutdown. Examples of such programs include Pell Grants and Federal Direct Student Loans." Contingency plans for departments providing research grants vary. For instance in the Department of Health and Human Services, the National Institutes of Health would not take any action on grant applications or awards, but the HHS grant payments would generally continue to be processed and the Medicare program would continue largely without disruption during a lapse.

We will continue to monitor this situation closely. If a continuing resolution is not signed, we will ask our constituent institutions to respond directly to your office about their specific grants and related contingency plans as quickly as possible when they reopen after the holidays.

cc: Chief Financial Officers
General Counsels
Chiefs of Staffs