

From: VTA Board Secretary
Sent: Tuesday, September 26, 2023 8:48 AM
To: VTA Board of Directors
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Subject: VTA Information: Government Shutdown Impacts on Public Transportation

VTA Board of Directors:

It is highly likely there will be a federal government shutdown beginning on October 1st. This is technically a “partial government shutdown” but will impact transit and rail to some degree. The following update from APTA provides some background on the impact to the Department of Transportation. There will be other more immediate impacts outside of this area.

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Government Shutdown Impacts on Public Transportation

This week, Congress must enact a continuing appropriations act, or Continuing Resolution (CR), to prevent a government shutdown beginning Sunday, October 1. At this point, it is unclear if Congress will reach a bipartisan, bicameral agreement to prevent a shutdown.

The [impacts of a government shutdown on U.S. Department of Transportation \(DOT\) agencies](#) vary considerably. Federal Transit Administration (FTA) operations will continue and none of its 700 employees will be furloughed. FTA will be able to reimburse transit agencies for previously approved projects. However, it is not clear that FTA will be able to approve new grants.

Conversely, 350 employees (35 percent) of the Federal Railroad Administration (FRA) would be furloughed during a government shutdown. Remaining FRA personnel would be focused primarily on activities necessary to protect life and property (e.g., FRA safety inspections). Similarly, 455 employees (25 percent) of the Office of the Secretary of Transportation would also be furloughed.

Background

Congress will not complete appropriations action prior to October 1, 2023. The Antideficiency Act (31 U.S.C. §§ 1341-1342, 1511-1519) generally bars the obligation or expenditure of federal funds in the absence of appropriations. As a result, Congress must enact a CR to provide interim budget authority and prevent a government shutdown. If a funding gap occurs, federal agencies are generally required to begin a shutdown of affected projects and activities, which includes the prompt furlough of non-excepted personnel.

The impacts of a government shutdown on DOT agencies vary considerably. Agencies are allowed to continue activities involving the safety of human life or the protection of property. For instance, FRA safety inspectors and other personnel necessary to protect life and property continue to work during the government shutdown. In addition, the personnel of some agencies, such as FTA and the Federal Highway Administration, are financed by budget resources other than annual appropriations (e.g., the Highway Trust Fund). Therefore, these employees are not subject to a government shutdown.

Federal Transit Administration

According to DOT, during a government shutdown, FTA operations will continue because the personnel are financed by the Highway Trust Fund or advance appropriations under the Infrastructure Investment and Jobs Act (IIJA). Therefore, none of FTA's 700 employees will be furloughed.

The impact on FTA activities is less clear. FTA has sufficient liquidating cash to support several months of reimbursements for previously approved projects. In addition, activities funded from IIJA advance appropriations will continue during a lapse in annual appropriations. However, it is not clear that FTA will be able to approve new grants. In particular, to the extent that FTA activities involve other agencies, the personnel of those agencies (e.g., Environmental Protection Agency, U.S. Department of Labor, U.S. Department of the Interior) may be furloughed, which could stop progress on projects.

Federal Railroad Administration

According to DOT, 350 (35 percent) of FRA's 1,006 employees would be furloughed during a government shutdown. Remaining FRA personnel would be focused primarily on activities necessary to protect life and property. For instance, FRA staff that manage rail accident/incident investigations would continue working. The continuous inspector presence on railroad property allows for the proactive review and identification of unsafe operations. When safety hazards are identified, FRA railroad safety personnel ensure uniform and consistent feedback to railroads on noncompliance violations of federal safety laws and regulations. These activities would continue during a lapse in appropriations. Employees of the Office of Railroad Development would also continue working during a lapse in appropriations on activities funded under FRA's Oversight account related to the award, administration, oversight, and technical assistance of FRA programs.

FRA would not continue any of its unfunded core agency functions. No contracts, purchase orders, or other documents obligating funds would be executed. FRA would not advance any rulemakings, including those related to railroad safety.

View [APTA's Fact Sheet on Government Shutdown Impacts on Public Transportation](#).

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