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What Does a Continuing Resolution (CR) Mean for Federal Statistical Agencies?

When Congress fails to pass appropriations legislation to fund the government before a new fiscal year (FY) begins, they can pass legislation to keep federal operations going at the current spending levels. That legislation is called a Continuing Resolution (CR). Under the current CR, which could either end or be extended by December 11, 2015, agencies can continue operating at FY 2015 spending levels. Eventual FY 2016 appropriations, though, may be more or less than FY 2015 appropriation levels.

Agencies' program and project decision making becomes conservative, if not absolutely tentative due to the uncertainty under CR's. During a CR, agencies can spend only as much as the pro-rated amount based on the lowest budget proposal to come out of Congress before the CR. In other words, if one chamber of Congress has proposed a 10-percent cut in an agency's appropriations, the agency must act as if that will be the appropriations outcome, regardless of the other chamber's proposal.

Surveys may be postponed. If the lower appropriations proposal is insufficient to cover projected costs of a survey effort, the survey cannot be implemented. Or, if appropriations would be used for investment in survey preparation, methodologies, or modal change, these investments would have to be delayed, putting planned survey efforts in jeopardy. This has been a particular problem for the Census Bureau as it attempts to conduct pre-survey research in advance of the 2020 Decennial Census.

As a way of keeping ongoing program costs down in the interim, agencies may delay hiring and cut down on staff development during the CR. Low staffing levels and inadequate training in advanced methods can affect the quality and timeliness of statistical products. The longer the CR, the more serious these potential impacts become.

New initiatives cannot be implemented. Agencies are required to postpone actions on new program initiatives. Outside collaborators and customers of formerly planned initiatives are unlikely to see any progress during the CR.

Under the uncertainty of a CR, agencies may also put off signing contracts with other organizations that commit to future spending, even if those contracts are a part of current, ongoing programs. Organizations expecting a government contract, but unsure about whether or when Congress is going to agree on a current fiscal year appropriation at a required levels, may hedge their bets by limiting financial commitments. This could mean reduced hiring and equipment purchase by government contractors and cooperators.

If the CR's duration is lengthy, agencies have logistical problems spending their eventual appropriations in a compressed spending timeframe. Procurements, contracts, grants, and hiring processes can involve numerous approvals by a limited number of people and take longer when pent-up spending plans from numerous units appear all at once well past the beginning of a fiscal year.