



Inter-Office Correspondence

January 9, 2019

To: International Executive Board

From: President Gary Jones

Subject: Federal Government Shutdown Update

Current State of Play

The federal government is currently in the midst of a shutdown that began on December 22nd and is currently the second-longest shutdown in US history, reaching day 19 today. The shutdown occurred because President Trump would veto a budget passed by Congress unless it included \$5.8 billion in funding to build 215 miles of wall on our southern border.

The Senate passed a funding bill in December, and the House was ready to pass their own version to keep the government running, when President Trump bowed to pressure from conservative media personalities to hold the budget hostage, impacting the lives of federal workers across the country and the vital services upon which families depend.

Impacts on Workers and the Social Safety Net

Federal workers are the ones most directly impacted by the government shutdown. The shutdown affects more than 800,000 federal employees in nine different departments and several federal agencies including the Departments of Agriculture, Commerce, Justice, Homeland Security, Housing and Urban Development (HUD), Interior, State, Transportation and Treasury. Federal workers deemed “essential” are required to work without pay. Others are furloughed or placed on temporary leave. Currently, 380,000 are being furloughed, and more than 420,000 being forced to work without pay, with no freedom to take any remedies against their condition due to Taft-Hartley Act restrictions on federal workers striking.

Most of the workers forced to work without pay come from agencies under the Department of Homeland Security and the Department of Justice, whose daily job includes protecting all of us from threats at home and abroad. This includes 41,000 Federal Law Enforcement employees, 53,000 TSA employees, 54,000 Customs and Border Protection Employees, and 42,000 Coast Guard Employees. The 380,000 furloughed workers include large portions of major federal agencies including 86% of the Commerce Department, 96% of NASA, 80% of the National Park Service, 95% of HUD, 30% of the Department of Transportation, and 52,000 IRS employees.

The negative effects of the shutdown are not limited to only federal workers, as the White House has released data showing that the shutdown will reduce quarterly GDP by 0.1 percent every two weeks, and we are now in week 3. Domestic output will shrink by \$5 billion every two weeks, or \$357 million lost per day, and \$2 billion in wages will be lost every two weeks. These will come as jolts to an already fragile economy that showed signs of a possible slowdown before the shutdown began.

Unprivileged people who rely on social welfare programs are suffering, with food stamp benefits possibly ending in February, and the Women, Infants, and Children (WIC) program possibly stopping payments to mothers and children to purchase food much sooner. HUD will fail to make payments for over 70,000 low income housing units due to contract renewal issues in December and a stoppage of payments during the shutdown. Rental subsidies stopping during the shutdown will put 2.2 million low income households at risk due to vouchers not processing for needed rent payments.

Businesses that employ UAW members could also be in danger due to having no access to federally assisted loans during the shutdown, and all SBA backed loan applications would freeze during the shutdown. Federally backed mortgage applications are currently being delayed, and Commerce Department tariff exemptions are no longer being processed. Agricultural support through the USDA is on hold and federally guaranteed and administered block grant projects have been placed on hold. The tourism industry will be at risk due to the closing of national parks, which will have a trickledown effect on numerous businesses.

Next Steps: Call To Action

There is a way for this impasse to end, as the newly elected Democratic controlled House passed multiple resolutions last week to continue funding the government. Please reach out to Senate Republicans in your region and urge them to pass a budget to re-open the government. If politicians want to have a debate about the wall or border security, they should do it while the government is open. We must support our brothers and sisters that work for the federal government at every turn during this shutdown and ensure that vital services to working families are not disrupted any further.

Please contact your CAP councils and local unions and ask them to take action today.

They should call Republican Senators and tell them: vote on the House-passed appropriations bills to re-open the government.

Senate Democrats are refusing to take up any legislation until they have an opportunity to vote on the House-passed appropriations bills that would end the shutdown. Thus far, Leader Mitch McConnell has refused to put these spending bills up for a vote – *even though these same bills have previously passed either the full Senate or its Appropriations Committee by overwhelming margins.*

Call the toll-free hotline 866-803-8830 and tell Republican Senators in your region to approve the House passed bill to re-open the government today.

Sample script: “I am with the United Auto Workers Union and a constituent of Senator [NAME]. The government is still shut down, and working families are hurting. The Senate must pass a bill to re-open the government immediately”

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cc: Mike Stone
Tim Bressler