

STARING AT A SHUTDOWN: Government Relations and Public Affairs



What's happening

- A government shutdown is looming.
- In late September, the House and Senate narrowly avoided a government shutdown by passing the bipartisan stopgap CR to fund federal agencies through November 17.
- A deeply divided Republican Conference ousted Kevin McCarthy as House Speaker on October 5.
- Following a three-week vacancy where the House could not conduct normal business, Mike Johnson (R-LA) was elected as House Speaker.
- With a new Speaker in place, the House can get back to business, but Republicans remain divided, time is short, and Johnson is an inexperienced leader.

Why

- Passage of the short-term budget extension triggered a political crisis among House Republicans that toppled the Speaker – the underlying divisions are far from resolved.
- The deep splits among far-right conservatives within the House Republican Conference prevented Republicans from coalescing around a new candidate for Speaker and may lead to further stalemates on funding.
- Partisan rancor continues to stall action because cross-party deals are very difficult.

Why it matters

- Ukraine and Israel funding requests need approval.
- Several reauthorization bills (Farm Bill, FAA, National Flood Insurance) expire on November 17.
- Gridlock disrupts government activity in the short run and increases likelihood of full-year CR.
- In a shutdown, government employees working for safety and oversight will only provide minimal services, e.g. TSA, air traffic controllers and customs workers. All others stop work. Nearly every industry is impacted.
- Some government contracts may go unfunded.
- A government shutdown costs the U.S. economy \$6 billion and reduces GDP growth by 0.1%.
- There will be a 1% decrease in government spending for FY2024 if Congress doesn't pass all 12 appropriations bills by the end of 2023 – less than the inflation rate so a cut in real terms.

How we can help

- We provide strategic counsel on how to prepare and navigate a shutdown for your business.
- We advise on how individual agencies will be affected by a shutdown.
- We help companies forecast Congressional action, understand the implications of various outcomes, and assess related risks.
- We engage with the Executive and Legislative Branches to ensure policy concerns and real-world impact are heard and potentially acted on.

What we do

- Concept-to-Presidential signature advocacy & lobbying
- Strategic counseling
- Congressional investigations
- Legislative monitoring
- Appropriations
- Messaging and communications
- Political law and compliance

