



# Effects of the Trump Shutdown In Iowa

By Saharra Griffin

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President Donald Trump's shutdown of the federal government over demands for billions of dollars in new border wall funding is already having profound consequences for hundreds of thousands of working Americans and a wide range of vital services. And each day the impasse continues, as funding dries up and more agencies exhaust emergency measures, these harmful effects will only be exacerbated.

Although the new Democratic House majority passed legislation to reopen the government, the president has continued to stall negotiations.<sup>1</sup> To enable the stalemate, Senate Majority Leader Mitch McConnell (R-KY) and other Republican senators reversed their earlier opposition to the shutdown just days after the chamber unanimously passed a similar deal.

*"Faculty members and researchers at Iowa's colleges and universities who planned to apply for federal grants and fellowships are seeing those options vanish ... 'There will be chaos when everything comes back online.'" –Radio Iowa, January 3, 2019<sup>2</sup>*

Due to Trump's shutdown, an estimated 2,600 federal employees in Iowa are furloughed or working without pay.<sup>3</sup> Below is a breakdown of affected federal employees and agencies in the state.

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## U.S. Department of Agriculture: 1,800 employees

In Iowa, an estimated 1,800 Department of Agriculture employees, including those working for the following agencies, are furloughed or working without pay.<sup>4</sup>

- **The Farm Service Agency** office in Iowa and 90 local offices across the state facilitate new assistance programs under the farm bill.
- **The Food Safety and Inspection Service** prevents foodborne illness by ensuring that meat, poultry, and egg products produced in Iowa are safe and accurately labeled.
- **The Animal and Plant Health Inspection Service** defends the state's agricultural resources from pests and diseases.
- **The Office of Rural Development** offers loans and grants to help create jobs and support economic development in rural communities.

- **The Agricultural Research Service and the National Agricultural Statistics Service's Midwest Regional Field Office** in Des Moines collect detailed agricultural production data in three states.

*"Amid the shutdown, the USDA has also stopped publishing data on crop-export sales. That comes as China has recently waded back into U.S. markets for soybeans. Without official government figures, the market has been left to rely on rumors and tough-to-confirm sales reports." –Bloomberg, January 4, 2019<sup>5</sup>*

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## Additional agencies

The Trump shutdown is also harming the following workers and agencies:

- An estimated 350 Interior Department employees, including the National Park Service, supporting the state's historic sites and trails
- An estimated 200 Federal Aviation Administration and Transportation Security Administration employees at the state's five commercial airports
- U.S. Attorneys' Offices in Des Moines, Davenport, Council Bluffs, Cedar Rapids, and Sioux City

Already reeling from the effects of retaliatory tariffs and Trump's incoherent trade policy, Iowa's farmers are now being needlessly harmed by Trump's government shutdown. The Department of Agriculture's loan and financial aid department is closed, so farmers who have not yet filed tariff mitigation will not receive payments until the shutdown ends.<sup>6</sup> The department has also delayed the release of major crop forecasts—the Crop Production Report and World Agricultural Supply and Demand Estimate—on which farmers and traders rely to plan production.<sup>7</sup> Farmers must decide whether to wait for the shutdown to end or make decisions based on less dependable information.

*"Until the USDA releases its information, investors and farmers can't be certain about where they stand, he said. 'Those kinds of numbers are fundamental,' Hubbs said. 'When the USDA produces the numbers, they are the numbers. They move markets.'" –The Sioux City Journal, January 4, 2019<sup>8</sup>*

If the partial government shutdown continues, tax filing season could be more difficult for Iowa families and small businesses. Because IRS offices are closed and the agency is operating with a skeletal staff, taxpayers and preparers may have trouble accessing needed guidance.<sup>9</sup> Last year, the agency processed 6.1 million refunds within the first week of filing season in January.<sup>10</sup>

Moreover, Iowa's 250,000 small businesses are unable to receive guaranteed loans and technical assistance from the Small Business Administration state office in Des Moines.

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## Endnotes

- 1 Erica Werner, Seung Min Kim, and Jeff Stein, "Congressional Democrats turn up the heat on GOP over shutdown," *The Washington Post*, January 7, 2019, available at [https://www.washingtonpost.com/politics/democrats-pledge-to-paralyze-senate-as-shutdown-negotiation-tactic/2019/01/07/ed5e355e-12aa-11e9-a896-f104373c7ffd\\_story.html?utm\\_term=.31fbb6bdd0af](https://www.washingtonpost.com/politics/democrats-pledge-to-paralyze-senate-as-shutdown-negotiation-tactic/2019/01/07/ed5e355e-12aa-11e9-a896-f104373c7ffd_story.html?utm_term=.31fbb6bdd0af).
- 2 Radio Iowa, "Some Iowans seeing impact of federal government shutdown," January 3, 2019, available at <https://www.radioiowa.com/2019/01/03/some-iowans-seeing-impact-of-federal-government-shutdown/>.
- 3 Seth Hanlon and Saharra Griffin, "Effects of the Trump Shutdown on Federal Workers' Paychecks: State-by-State Estimates," Center for American Progress, December 21, 2018, available at <https://www.americanprogress.org/issues/economy/news/2018/12/21/464638/effects-trump-shutdown-federal-workers-paychecks-state-state-estimates/>.
- 4 U.S. Department of Agriculture, "Agencies," available at <https://www.usda.gov/our-agency/agencies> (last accessed January 2019).
- 5 Jeremy Hill and Isis Almeida, "Shutdown Data Delay Is 'Bad Deal' for Farmers Who Need to Make Crop Plans," *Bloomberg*, January 4, 2019, available at <https://www.bloomberg.com/news/articles/2019-01-04/usda-data-delay-is-bad-deal-as-farmers-need-to-make-crop-plans>.
- 6 Juliet Linderman, "Government shutdown could block federal aid to farmers hit by trade war," Associated Press, December 28, 2018, available at <https://www.desmoines-register.com/story/news/2018/12/28/government-shutdown-federal-aid-farmers-usda-payments-presidential-trump-trade-war-china-soybeans/2434143002/>.
- 7 Julie Ingwersen, "U.S. delays key agriculture reports due to government shutdown," Reuters, January 4, 2019, available at <https://www.reuters.com/article/us-usa-shutdown-usda/u-s-delays-key-agriculture-reports-due-to-government-shutdown-idUSKCN10Y1K9>.
- 8 Scott McFetridge, "Investors, farmers guessing as shutdown delays crop reports," *Sioux City Journal*, January 4, 2019, available at [https://siouxcityjournal.com/news/state-and-regional/south-dakota/investors-farmers-guessing-as-shutdown-delays-crop-reports/article\\_73ca130f-69de-5792-99ec-91cdef5e0851.html](https://siouxcityjournal.com/news/state-and-regional/south-dakota/investors-farmers-guessing-as-shutdown-delays-crop-reports/article_73ca130f-69de-5792-99ec-91cdef5e0851.html).
- 9 Internal Revenue Service, "Contact Your Local IRS Office," available at <https://www.irs.gov/help/contact-your-local-irs-office>; Darla Mercado, "White House promises tax refunds will go out, but there's hardly anyone at the IRS to do the work," CNBC, January 7, 2019, available at <https://www.cnbc.com/2019/01/07/white-house-official-says-tax-refunds-will-be-sent-out-despite-government-shutdown.html>.
- 10 Internal Revenue Service, "Filing Season Statistics for Week Ending February 2, 2018," available at <https://www.irs.gov/newsroom/filing-season-statistics-for-week-ending-february-2-2018> (last accessed January 2019).