



The Government Shutdown and A Less Obvious Impact: U.S. Air Force Academy Athletics

By Audrey D. Kline

Many of us had little to no inconvenience from the government shutdown that occurred starting at midnight on January 19, 2017 and ending the following Monday evening. The parties involved reached a temporary agreement, funding the government until February 8. The obvious impact was the non-essential federal employees that were furloughed for a day. An overview of impacted agencies and their contingency plans is available [here](#). While National Parks remained open, albeit without the full staff of park rangers and other employees, national landmarks and museums were closed for the day (sorry, tourists!). Mail was still delivered and the military and TSA agents reported for duty.

In 2013, the last time there was a government shutdown, it took 16 days to reach an agreement to re-open the government. The economic impact has been estimated as a \$24 billion hit to the U.S. economy and led to a 0.25 percent slide in GDP. While these are among the more obvious and easy to measure impacts of a government shutdown and are those typically reported in the popular press, what about the less obvious, more hidden impacts of a government shutdown?

The ripple effects caused by furloughed workers and closed landmarks are relatively easy to think about as well. There is a loss of revenue from tourism and a loss of general spending in the economy by those who are furloughed. Passports and visas are not processed, mortgage loans cannot be processed, federal contractors are at a standstill, and many other private sector entities are impacted. Moreover, attention is diverted from daily business as agencies prepare in the days leading up to the shutdown.

Interestingly, due to differences in funding, the U.S. military academies faced different impacts during this relatively brief shutdown. Congress approved the outsourcing of business operations of the athletic departments in 2009 to enhance their ability to remain competitive in the NCAA D1 sports landscape, particularly in the major revenue sports of football and basketball. The 2016 National Defense Authorization Act authorized 501 (c)(3) status of the military academy athletic associations, paving the way to separate athletics operation as a private entity separate from the Academies. Both of these authorizations and differences in funding models led to differences in impacts to the athletic programs during the shutdown.

The Naval Academy as well as West Point have non-appropriated (private) funding models. The Naval Academy Athletic Association is a separately funded 501(c)(3) nonprofit organization as is the Army West Point Athletic Association. The Naval Academy Athletic Association dates to 1891, while the Army West Point Athletic Association was founded less than a year ago, on March 1, 2017. While the Army West Point annual report notes this transition was to increase “flexibility and autonomy” for the department, it also means there was no suspension of athletic events during the shutdown because of the private funding model. The U.S. Naval Academy also continued with business as usual for its athletic events over the weekend.

The U.S. Air Force Athletic Corporation (AFAAC), founded in 2013, is also classified as a 501(c)(3), but it still relies on government funds for its operation. In 2015-16, for example, over 60% of the \$50 million budget was government-funded. As such, when the government shut down, not only did the Academy have a furlough day for many employees, it was forced to cancel all athletic events, both home and away, starting on Saturday January 20th. It just so happened that the USAF Academy had a busy schedule—ranging from hosting a track & field meet, home and away basketball games, ice hockey, gymnastics, and swim meets. A full schedule of athletic events is available on the Air Force Athletic Department website. Some events were postponed, while some were cancelled and may not be rescheduled. As a result of the shutdown, all of the expense spent to travel for participating schools was for naught.

Of course, this is not a tremendous economic impact when looking at the economic impact of the shutdown in the economy, but it is one example of disruption and the trickle down impact of the shutdown to institutions and

individuals who are not government employees. Fresno State, for example, was to play Air Force in basketball, UNLV was hosting a swim meet, and ice hockey was to play Sacred Heart. None of those events happened, yet travel expenses had been incurred. The shutdown also meant that service members missed the NFL playoff games this weekend. The American Forces Network, the broadcasting agency for programming outside the U.S., suspended operations due to the shutdown. The NFL arranged for broadcasting at USO centers overseas instead.

The return to normal operations at the U.S. Air Force Academy, including athletic events, began on January 23, the day following the resolution to re-open the government. So, while the shutdown was seemingly brief and 'of little significance' as portrayed by the media, pockets of the economy, both public and private, were disrupted, resulting in economic losses for a variety of industries from what was deemed a non-event for many in the U.S. The unintended and less visible economic impacts were of some significance for those directly and indirectly affected. Even though this shutdown was just a few days, the economic ripple effects of the shutdown will take some time to be fully calculated, and some of these economic losses will not be recovered. It will be interesting to see if the Air Force Athletic Corporation seeks to follow in the footsteps of the other military academies and move to a privately funded athletic association model. After all, sports revenue is an important piece of the economic pie and a major recruiting tool for all universities, even the military academies. Being the only military academy that is subject to disruption in its athletic events with government shutdowns could put the USAFA at a competitive disadvantage relative to the other military academies, at least for athletes.

Note: Graphic by Carole E. Scott

