

**FAQs on Funding Cliff:
Grant Implications for Health Centers after September 30, 2017**

1. When will the health centers program officially go over the Cliff? Until and unless Congress allocates sufficient funding to replenish the Community Health Centers Fund, no new mandatory funds (which constitute 70% of total funding for Section 330) will be provided to HRSA after September 30, 2017. Therefore at the Health Centers program level, the funding expires October 1.

2. When will my health center feel the direct impact of going over the Cliff? Without a fix by Congress, your health center will feel the direct impact (meaning changes to your grant award) of going over the Cliff at the start of your next budget period, when the amount of funding your health center receives will reflect any new limitations on Section 330 funds. No health center grant periods for FY18 begin until January. Current-year funding (FY17) is not affected.

3. When will my health center feel the indirect impact of going over the Cliff? Health centers across the country are already reporting indirect impacts from just *the threat* of going over the Cliff, and the disruption caused by not knowing the stability of future funding. The uncertainty around long-term funding is impacting their ability to: recruit and retain providers and other staff, to obtain loans and extend lines of credit, to sign leases and contracts and to make long-term investments and plans. We expect these “indirect” impacts to increase the longer Congress goes without a funding cliff fix.

4. Which health centers will first feel the direct impact of going over the Cliff? A total of 235 health center organizations (1 in 6) have budget periods that begin on January 1, 2018. (No health centers have budget periods that begin in October, November, or December.) That means the Notices of Awards these 235 health centers receive for their budget period starting 1/1/2018 will likely reflect limitations on Section 330 funds, including the possibility of month-to-month funding.

5. When will HRSA make funding decisions for the January 1, 2018 Notice of Award (NOAs)? Mid-November – that’s when they must start preparing the 1/1/2018 NOAs.

6. When will HRSA run out of money without a cliff fix? Unless Congress acts to fix the funding cliff before then, HRSA would run out of all funds by early-to-mid 2018.