

Government shutdowns 101: FAQs

What is a government shutdown?

Each year, Congress must approve appropriations to fund government agencies and programs for the next fiscal year. When Congress does not enact the bills, federal agencies must pause their services and operations, resulting in a government shutdown.

The House and Senate each have 12 appropriations subcommittees that craft the spending packages, organized around programmatic areas such as defense, agriculture, transportation and more. The bills that come out of the 12 committees may be passed as stand-alone bills, but in recent years they have frequently been wrapped into an "omnibus" appropriations bill to fund the whole government.

Has Congress passed any of the appropriations bills required to fund the government in fiscal 2024? No. While the House and Senate have each made progress in considering bills, no funding bill has been passed by both chambers. Also, the chambers are taking different approaches to the bills, with the Senate moving bills that are in line with the spending caps outlined in the bipartisan compromise on the debt limit developed earlier this year and the House considering bills that would enact further cuts below that compromise.

Many in the House, however, want to cut agency budgets by a much greater margin than what was outlined in the debt deal and have written bills that include policy riders sure to spark extended debate and negotiations, including ones that seek to <u>return</u> telework policies to pre-pandemic levels and another that seeks to <u>defund diversity</u>, <u>equity and inclusion initiatives</u>.

What happens if Congress passes only some of the 12 appropriations bills?

A partial shutdown occurs. Programs funded by the appropriations bills continue while those left unfunded stop.

When is the deadline to avoid a government shutdown?

Under the federal fiscal year, Sept. 30, the final day of the fiscal year, is the last day to avoid a shutdown, unless a continuing resolution is passed (see below). Congress enacted such a resolution for a short-term spending bill, and the deadline is now Nov. 17, 2023.

What is a continuing resolution?

A continuing resolution provides temporary funding, generally frozen at existing levels, to continue federal programs and activities in the absence of full appropriations bills. Congress may adopt "anomalies" to existing levels for some programs—disaster relief, for example—to address urgent concerns during the period of a continuing resolution. Congress passed a continuing resolution on Sept. 30, 2023, to keep the government funded through Nov. 17 and give lawmakers more time to pass annual spending bills.

Can Congress pass another continuing resolution to keep the government open?

Yes, but that approach comes with drawbacks. Continuing resolutions offer only temporary funding and fail to provide agencies with the financial stability to make long-term, strategic decisions that are necessary for innovation and better service on behalf of the people. In addition, continuing resolutions prohibit new activities not funded during the previous fiscal year from starting. Congress has passed an



average of <u>five</u> continuing resolutions each year since 1998, making it difficult for agencies to rely on steady funding.

Has a government shutdown happened before?

Yes. Since 1976, our government has shut down (partially or fully) <u>21 times for at least a day</u>, including the longest shutdown in U.S. history of <u>35 days in 2018-2019</u>.

Would a shutdown stop all federal programs and spending?

No. Funding allocated for federal agencies and programs through the appropriations process typically makes up only approximately one-third of the federal budget. Mandatory spending not subject to the appropriations process, such as Social Security, Medicare, Medicaid and the U.S. Postal Service, continues, as do many essential services outlined in agency shutdown plans in coordination with the Office of Management and Budget. During past shutdowns, services that continued included air traffic control, in-hospital medical care, border protection and more.

What services could be affected?

During <u>past shutdowns</u>, the Food and Drug Administration delayed its food inspections, the Environmental Protection Agency delayed its hazardous waste and drinking water site inspections, and national parks were closed. Food stamp benefits have <u>also previously been at risk</u> for shutdowns lasting longer than 30 days.

In anticipation of a September shutdown, the Federal Emergency Management Agency had to preserve-funds to respond to any immediate needs for disasters that may occur if the government closes. This meant that before the Sept. 30 end of the fiscal year and in anticipation of a shutdown, FEMA delayed the delivery of nearly \$3 billion in federal disaster relief money to help with ongoing recovery efforts in Florida, Puerto Rico and other areas that have been hit by recent disasters. The White House also said that 7 million women and children could lose access to nutrition and immunization assistance through the Special Supplemental Nutrition Program for Women under a shutdown.

For additional services that would be affected, see the section below on federal employees or agency contingency plans posted by the Office of Management and Budget.

How is the shutdown affecting federal employees?

Generally, employees at federal agencies are furloughed without pay (though 2019 legislation guarantees them back pay when the shutdown ends). Other employees who perform "excepted" activities continue to work but still do not get paid during the shutdown. Excepted government functions include those necessary to protect against imminent threats to safety or property.

During the last government shutdown in 2018-19, <u>an estimated 380,000 employees</u> were furloughed <u>and another 420,000 had to work without pay</u>, hurting morale and reducing service to the public. For example, during the 2018-2019 shutdown, <u>Transportation Security Administration agents</u> and <u>air traffic controllers</u> forced to stay on the job without pay called out of work, leaving travelers facing delays and longer lines.

For an upcoming shutdown, <u>it is expected</u> that all active-duty U.S. service members would remain on the job, as would the vast majority of air traffic controllers, and TSA and Department of Veterans Affairs



employees. However, <u>roughly 2,600 air traffic controllers</u> in training, including 1,000 who are already working on site, may be furloughed, hurting the FAA's ability to address critical shortages. In addition, the IRS may <u>furlough between 60,000-90,000 employees</u>, reducing the agency's capacity to handle taxpayer phone calls, and <u>an estimated 80% of employees</u> at the Cybersecurity and Infrastructure Security Agency could also be furloughed, hindering the agency's ability to protect the government from a cyber attack.

Could agencies call furloughed employees back to the office if situations arise that would make their work "excepted"?

Yes. During the last prolonged shutdown, the IRS, Food and Drug Administration and Federal Aviation Administration <u>recalled employees</u> to help their agencies perform critical services, such as food inspections and assisting with tax filing processes. Some agencies are planning to <u>take similar actions</u> to manage another potentially long shutdown.

Does a shutdown save the government money?

No. On the contrary, shutdowns waste taxpayer money due to the cost of devising contingency plans to manage a shutdown. Agencies also lose out on revenue from service fees and sometimes face higher premiums from contractors who are unsure whether they will be paid on time.

Surveying 26 federal agencies, not including several Cabinet-level ones, a Senate subcommittee found that the last three government shutdowns—in 2013, 2018 and 2018-2019—cost taxpayers nearly \$4 billion, \$3.7 billion in back pay to furlough workers and another nearly \$340 million in lost revenue and extra administrative work.

The cost to the economy is also significant. While reports suggest a shutdown would not trigger a recession, the Congressional Budget Office estimated that the 2018-2019 shutdown lowered Gross Domestic Product (GDP) by \$11 billion. Recently, Moody's also warned that it could downgrade the U.S. credit rating, which assesses the safety of investing in government bonds, if the government shut down.

What happens to Congress during a shutdown?

Members of Congress are not subject to furlough and they continue to be paid during a shutdown. Staffers "required to support Congress with its constitutional responsibilities or those necessary to protect life and property" remain on the job but do not get paid. This gap in pay puts a serious financial strain on congressional staffers, with one 2020 study noting that 1 in 8, or nearly 1,200, do not make a living wage. In previous shutdowns, lawmakers have decided which of their staff to furlough.

In the House, offices determined to be unrelated to the protection of human life or property, or constitutional responsibilities <u>close</u>, including most dining facilities, the staff gym, gift shops and more, some of which rely on contracted employees who could be out of work with no guarantee of back pay. Certain types of federally funded travel is also be prohibited, however lawmakers are still permitted to travel to and from their districts. The Senate is planning to release guidance on similar issues shortly.

What happens to the White House during a shutdown?

According to <u>reports</u>, most of President Biden's senior aides would not be furloughed. In the past, employees with the title "Special Assistant to the President" have remained on the job. Recent data shows 97 employees in the Biden administration who carry that title.



What is Congress doing to try and reduce the number of shutdowns in the long term? Earlier this year, a bill introduced by Sens. James Lankford and Maggie Hassan, the Prevent Government Shutdown Act of 2023, would <u>automatically enact continuing resolutions</u> when Congress cannot reach an agreement on spending. It would also restrict Congress from considering other matters and prohibit almost all travel for lawmakers and their staff members until a full appropriations package is agreed on. The sponsors offered the text of their legislation as an amendment during deliberations on Oct. 25, but the amendment failed on a 56 to 42 vote (60 votes

being needed for the amendment to pass). Sen. Tim Kaine and Rep. Don Beyer have proposed

similar legislation.