



Budget Brief 18-17, November 28, 2018

FAQs: A Partial Federal Government Shutdown

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Q. What is a federal government shutdown?

The [Antideficiency Act](#) prohibits the federal government from spending or incurring debt in advance or in excess of an appropriation. If short-term or full-year appropriations are not enacted, federal agencies and programs that rely on them to operate will shut down.

To avoid a shutdown, Congress has two options: pass full-year appropriations or a continuing resolution (CR). This year, Congress has enacted full-year fiscal year (FY) 2019 appropriations bills for several agencies, as listed below. A CR is currently providing “bridge” funding for seven remaining bills, but the CR will expire on December 7.

FY 2019 Appropriations Status	
Appropriations Subcommittee	Status
Energy and Water	Enacted
Legislative Branch	Enacted
Military/Veterans	Enacted
Defense	Enacted
Labor/HHS/Education	Enacted
Interior and Environment	CR
Financial Services/General Gov.	CR
Transportation/HUD	CR
Agriculture	CR
Homeland Security	CR
Commerce/Justice/Science	CR
State/Foreign Operations	CR

Q. What developments are leading to a possible shutdown now?

Another CR is expected before the December 7 expiration of the current one. A shutdown is not considered likely, but continued disagreements over issues including border-wall funding, and a short timeframe in which to act make one possible.

Q. How do federal agencies prepare for a shutdown?

The Office of Management and Budget (OMB) is responsible for ensuring that agency contingency plans are in place in the event of a government shutdown. OMB [Circular A-11](#) describes the details of those plans and what types of actions an agency may conduct during a lapse in appropriations. Agency contingency plans must be updated at least every two years and are available at: <https://www.whitehouse.gov/omb/information-for-agencies/agency-contingency-plans/>.

Q. How long do federal shutdowns usually last?

If Congress does not pass an appropriations bill or a CR, a federal government shutdown begins after the last day for which appropriations have been enacted. The shutdown continues until the president signs a spending bill passed by Congress. The following table lists recent shutdown dates and durations.

Federal Government Shutdowns		
Fiscal Year Dates		Duration
2018	February 9, 2018	< 1 day
2018	January 20 - 22, 2018	2 days
2014	October 1 - 17, 2013	16 days
1996	December 16, 1995 - January 6, 1996	21 days
1996	November 14 - 19, 1995	5 days
1991	October 6 - 9, 1990	3 days
1988	December 19 - 20, 1987	1 day

Q. How would a partial a shutdown affect federal grant programs this time?

- **Discretionary programs.** Programs in areas that have not received full-year funding would be interrupted by a shutdown because funding is determined and provided through the annual appropriations process. Most grants to state and local governments are discretionary; however, many of them already have full-year funding from enacted appropriations. Table 1 at the end of this brief lists current funding for major grants. Those listed in italics are covered by the CR, while all others have secured full-year funding and would be unaffected by a shutdown.
- **Mandatory programs that bypass the appropriations process.** In general, these programs aren't affected by a shutdown because their funding becomes automatically available (for example, revolving funds or programs that receive a direct appropriation in their authorizing legislation). Current examples include Boating Safety and Mineral Leasing.
 - While programs within the Department of Health and Human Services (HHS) have received full-year appropriations, Temporary Assistance for Needy Families (TANF) and related programs are authorized in the CR through December 7. Without a current authorization, no new TANF funding would be available, although states may use prior-year funds or non-federal dollars required to meet matching/maintenance-of-effort requirements.
- **Mandatory programs funded in appropriations acts.** Funding for these programs is determined by authorizing legislation, but their funding is included in annual appropriations bills. These programs

could be affected by a shutdown because no new funding would be available, although major mandatory nutrition programs funded in appropriations bills are protected according to the following language from the *Food and Nutrition Service Contingency Plan for Shutdown Due to a Lapse in Appropriations*:

“The USDA and OMB have jointly determined that there is Congressional intent that core programs of the nutrition safety net, including the Supplemental Nutrition Assistance Program (SNAP), the Child Nutrition (CN) programs and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) shall continue operations during a lapse in appropriations. Budget authority including: multi-year carry over funds; contingency reserves; and quarterly apportionment of funds by OMB under the continuing resolutions due standard obligational patterns and the special mandatory payments provision have been apportioned by OMB to support program operations during the period of the lapse.”

- **Federal-aid surface transportation programs.** Federal-aid highway programs funded through the Highway Trust Fund (HTF) would continue during a shutdown because of contract authority already in place. However, the Federal Transit Administration (FTA) would not outlay funds despite having contract authority in place for most programs, because appropriations would not be available to pay FTA staff.

Q. Are there exceptions to the above?

Yes. Most of the exceptions are not currently in play because full-year appropriations have been enacted for the programs to which they apply. The following exception is relevant in the current situation:

- **Activities that involve the safety of human life or protection of property.** These activities can continue during a shutdown. Examples include: air traffic control and other transportation safety functions, medical care of inpatients and emergency outpatient care, border and coastal protection, emergency and disaster assistance, housing, and law enforcement and criminal investigations.

Q. Can states use prior-year funding in the absence of a current appropriation?

States may be able to use funds that were appropriated in prior years if the budget authority does not expire and such funds are available. For example:

- Funding for Department of Justice grants remains available until expended and may continue if sufficient carryover funds remain.
- Funds provided through the three programs within the Homeland Security Grant Program (State Homeland Security Grant Program, Urban Area Security Initiative, and Operation Stonegarden) are available for three years. Emergency Management Performance Grants are available for two years.
- Clean Water and Drinking Water State Revolving Fund grants are generally available for two years.

Q. If a program continues receiving funding through a shutdown, what else could cause an interruption?

The ability to draw down federal funds during a shutdown varies by agency, office, and program. In general, automated payment systems are operational during a shutdown to ensure delivery of grant

payments for programs or funding not affected by it. However, there could be delays if a drawdown request is flagged because of internal controls or requires federal staff to take a specific action for the drawdown to occur.

Q. If states continue to operate affected programs during a shutdown, will they be reimbursed once the shutdown ends?

States are not guaranteed reimbursement for discretionary programs. However, during the FY 2014 and FY 2018 shutdowns, the CRs that ended them retroactively covered the lapse in appropriations and included specific language to ensure states were reimbursed for costs they incurred to carry out federal programs during the shutdown. For mandatory programs included in appropriations bills, states are entitled to reimbursement once an appropriations bill is enacted.

Q. Where can I find additional information?

In the event of a shutdown, FFIS will release additional information. FFIS materials from the last shutdown, including FFIS publications, federal guidance, and reports assessing the impact and cost of the shutdown, are available at: <http://www.ffis.org/issues/federal-shutdown>.

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Table 1

Funding for Major Programs

(dollars in millions)

Major Discretionary	CFDA	FY 2018	FY 2019 1/	Change FY 18 to FY 19	
				Dollars	Percent
Department of Agriculture (USDA)		\$6,497	\$6,497	\$0	0%
Commodity Assistance Program (CAP)	10.565	322	322	0	0%
Women, Infants & Children (WIC)	10.557	6,175	6,175	0	0%
Department of Commerce		263	263	0	0%
Economic Development Administration (EDA)	11.300+	263	263	0	0%
Department of Education (ED) 9/		39,132	39,526	394	1%
Title I: Education for the Disadvantaged 9/	84.010+	15,760	15,860	100	1%
Striving Readers/Comprehensive Literacy Development Grants	84.371	190	190	0	0%
Ready-to-Learn Television/Media	84.295	28	28	0	0%
English Language Acquisition	84.365	737	737	0	0%
Supporting Effective Instruction/Improving Teacher Quality 9/	84.367	2,056	2,056	0	0%
Teacher and School Leader Incentive Grants/Teacher Incentive Fund	84.374	200	200	0	0%
Impact Aid	84.041	1,414	1,446	32	2%
21st Century Community Learning Centers	84.287	1,212	1,222	10	1%
State Assessments	84.369	378	378	0	0%
Student Support and Academic Enrichment Grants	84.424	1,100	1,170	70	6%
Special Education State Grants (Part B-611) 9/	84.027	12,278	12,364	87	1%
Career and Technical Education State Grants 9/	84.048	1,193	1,263	70	6%
Adult Basic and Literacy Education State Grants	84.002	617	642	25	4%
Federal Supplemental Ed. Opportunity Grants	84.007	840	840	0	0%
Work Study	84.033	1,130	1,130	0	0%
Department of Health and Human Services (HHS) 4/		37,204	37,797	592	2%
Substance Abuse Block Grant	93.959	1,858	1,858	0	0%
Mental Health Block Grant	93.958	723	723	0	0%
State Opioid Response Grants	93.788	1,500	1,500	0	0%
Maternal & Child Health Block Grant 4/	93.994	652	678	26	4%
Community Health Centers 4/	93.224	5,426	5,626	200	4%
Preventive Health Block Grant 4/	93.758	160	160	0	0%
Family Planning	93.217	286	286	0	0%
Ryan White AIDS Grants	93.914, 93.917+	2,319	2,319	0	0%
Hospital Preparedness Program (HPP)	93.074	265	265	0	0%
Public Health Emergency Preparedness (PHEP)	93.074	670	675	5	1%
Head Start	93.600	9,863	10,063	200	2%
Preschool Development Grants	93.434	250	250	0	0%
Child Welfare Services	93.645	269	269	0	0%
Community Services Block Grant	93.569	715	725	10	1%
Child Care & Development Block Grant	93.575	5,226	5,276	50	1%
Low-Income Home Energy Assistance	93.568	3,640	3,690	50	1%
Refugee Assistance	93.584	1,865	1,905	40	2%
Aging Grants to States	93.044, 93.045+	1,518	1,530	11	1%
Department of Housing and Urban Development (HUD) 8/		49,288	49,288	0	0%
Community Development Block Grant - Entitlement (CDBG) 8/	14.218	2,312	2,312	0	0%
CDBG - Nonentitlement 8/	14.228	988	988	0	0%
Homeless Assistance Grants	14.231	2,513	2,513	0	0%
HOME Program	14.239	1,362	1,362	0	0%
Public Housing Operating Fund	14.850	4,550	4,550	0	0%
Public Housing Capital Fund	14.872	2,750	2,750	0	0%
Tenant-Based Rental Assistance (Section 8)	14.871	22,015	22,015	0	0%
Project-Based Rental Assistance (Section 8)	14.856	11,515	11,515	0	0%
Housing for the Elderly	14.157	678	678	0	0%
Housing for Persons with AIDS	14.241	375	375	0	0%
Housing for Persons with Disabilities 8/	14.181	230	230	0	0%
Department of Energy and EPA		3,163	3,169	6	0%
DOE Weatherization Assistance Program	81.042	251	257	6	2%
DOE State Energy Program	81.041	55	55	0	0%
EPA Clean Water State Revolving Fund 12/	66.458	1,694	1,694	0	0%
EPA Drinking Water State Revolving Fund 12/	66.468	1,163	1,163	0	0%
Department of Justice (DOJ)		1,004	1,004	0	0%
Violence Against Women (VAW) STOP Grants 10/	16.588	215	215	0	0%
COPS/21st Century Policing - hiring grants	16.710	150	150	0	0%
State Criminal Alien Assistance Program (SCAAP)	16.606	240	240	0	0%
Byrne Justice Assistance Grants (JAG) - formula grants	16.738	340	340	0	0%
Juvenile Justice-Part B Formula Grant	16.540	60	60	0	0%

cont.

Major Discretionary	CFDA	FY 2018	FY 2019 1/	Change FY 18 to FY 19	
				Dollars	Percent
Department of Homeland Security (DHS) 3/		\$1,462	\$1,462	\$0	0%
<i>State Homeland Security Grant Program (SHSGP) 3/</i>	97.067	412	412	0	0%
<i>Urban Area Security Initiative (UASI) 3/</i>	97.067	580	580	0	0%
<i>Emergency Food and Shelter</i>	97.024	120	120	0	0%
<i>Emergency Management Performance Grants</i>	97.042	350	350	0	0%
Department of Labor (DOL) 5/		6,096	5,969	-127	-2%
<i>Dislocated Worker Assistance 5/</i>	17.278	1,041	1,041	0	0%
<i>Adult Training 5/</i>	17.258	846	846	0	0%
<i>Youth Training 5/</i>	17.259	903	903	0	0%
<i>Employment Service State Administration</i>	17.207	666	663	-3	-1%
<i>Unemployment Insurance State Administration 5/</i>	17.225	2,640	2,516	-124	-5%
Department of Transportation (DOT) 11/		65,621	65,624	3	0%
<i>Airport Obligation Limitation 11/</i>	20.106	4,350	4,350	0	0%
<i>Highway Obligation Limitation</i>	20.205	44,234	44,234	0	0%
<i>Highway Funding Exempt from Ceiling 2/ 11/</i>	20.205	3,215	3,218	3	0%
<i>Highway Traffic Safety Obligation Limitation 11/</i>	20.600+	609	609	0	0%
<i>Transit and Bus Grants Obligation Limitation 11/</i>	20.500+	10,567	10,567	0	0%
<i>Capital Investment Grants (New Starts)</i>	20.500	2,645	2,645	0	0%
Subtotal: Discretionary		\$209,729	\$210,597	\$868	0%

Major Mandatory	CFDA	FY 2018	FY 2019 1/	Change FY 18 to FY 19	
				Dollars	Percent
<i>Child Nutrition 2/ 7/</i>	10.555+	24,261	24,687	426	2%
<i>Supplemental Nutrition Assistance - State Administration</i>	10.561	4,483	4,604	121	3%
<i>Social Services Block Grant (SSBG) 2/</i>	93.667	1,588	1,595	7	0%
<i>Child Care Entitlements to States 6/</i>	93.596	2,917	2,917	0	0%
<i>Temporary Assistance to Needy Families (TANF) 6/</i>	93.558	16,512	16,512	0	0%
<i>TANF Contingency Fund 6/</i>	93.558	608	608	0	0%
<i>Child Support Enforcement Administrative Costs</i>	93.563	4,495	4,492	-3	0%
<i>Foster Care</i>	93.658	5,281	5,332	51	1%
<i>Adoption Assistance</i>	93.659	2,861	3,063	202	7%
<i>Independent Living 6/</i>	93.599, 93.674	183	183	0	0%
<i>Promoting Safe and Stable Families (PSSF) 2/ 6/</i>	93.556	422	423	1	0%
<i>Children's Health Insurance Program (CHIP) State Allotments 6/</i>	93.767	17,100	20,539	3,439	20%
<i>Medicaid Vendor Payments</i>	93.778	408,290	434,157	25,867	6%
<i>Medicaid Administration</i>	93.778	20,960	21,475	515	2%
<i>Vaccines for Children</i>	93.268	4,401	4,726	325	7%
<i>Payments from States for Medicare prescription drugs</i>	N/A	-11,470	-12,558	-1,088	9%
<i>Vocational Rehab. State Grants 2/</i>	84.126	3,225	3,304	79	2%
Subtotal: Mandatory		\$506,117	\$536,059	\$29,942	6%

Total: Selected Grants-In-Aid		\$715,846	\$746,656	\$30,810	4%
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Footnotes:

- 1/ Amounts in italics are annualized funding levels under a continuing resolution (CR), which runs through December 7, 2018.
- 2/ Under the Budget Control Act, mandatory programs subject to sequestration receive an automatic reduction of -6.6% in FY 2018 and -6.2% in FY 2019. On this table, the cuts apply to Special Milk (Child Nutrition), PSSF, SSBG, Vocational Rehabilitation State Grants, and a portion of highway funding exempt from discretionary caps.
- 3/ **DHS:** SHSGP excludes Operation Stonegarden and other set-asides, and UASI excludes non-profit security grants.
- 4/ **HHS discretionary:** Community Health Centers includes both mandatory and discretionary funds; the mandatory portion is subject to a special sequester cut of -2%. Due to reauthorization timing issues, the cut does not apply in FY 2018 and FY 2019. The Preventive Health Block Grant is funded from Prevention and Public Health Fund transfers. FY 2019 funding for Maternal & Child Health Block Grant includes \$23 million for new State Maternal Health Innovation Grants.
- 5/ **DOL:** Data reflect program years rather than fiscal years. Dislocated Worker Assistance and Adult Training receive an advanced appropriation. Unemployment Insurance amount includes Reemployment Services and Integrity funding.
- 6/ **HHS mandatory:** The CR extends TANF and Child Care Entitlements through December 7, 2018. PSSF and Independent Living figures include both mandatory and discretionary funds. FY 2018 and FY 2019 PSSF funding includes \$20 million to assist states in developing kinship navigator programs and \$39 million for Regional Partnership Grants. CHIP FY 2018 figures reflect estimated state allotments; FY 2019 reflect appropriation for state allotments, minus \$2.1 billion rescission.
- 7/ **USDA:** Child Nutrition amount for FY 2018 includes \$2 million for a new personnel training program.
- 8/ **HUD:** Community Development Block Grant funding excludes disaster relief funds. Housing for Persons with Disabilities includes \$82.6 million in FY 2018 for *Olmstead* decision compliance.
- 9/ **ED:** The following programs receive an advanced appropriation: Title I Education for the Disadvantaged, Supporting Effective Instruction, Special Education, Career and Technical Education.
- 10/ **DOJ:** The CR extends VAW programs until December 7, 2018.
- 11/ **DOT:** FY 2018 and FY 2019 figures include appropriations from the general fund.
- 12/ **EPA:** Figures do not reflect rescissions.

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