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COMMUNITY ECONOMIC DEVELOPMENT ASSOCIATION OF MICHIGAN

Federal Government Reopens After Record 43-Day Shutdown

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President Donald Trump signed a government funding bill late Wednesday, ending the nation's longest-ever shutdown after 43 days. The closure halted paychecks for 30,000 federal employees in Michigan, caused travel delays, and disrupted key programs such as the Supplemental Nutrition Assistance Program (SNAP) and Head Start.

Michigan's House delegation split along party lines, with all seven Republicans voting to reopen the government and all six Democrats opposing the measure, citing the bill's failure to extend enhanced Affordable Care Act tax credits that help lower health coverage costs. Republicans argued that the tax credit debate should be handled separately.

The agreement keeps the government operating through January 30 and fully funds several key agencies for the rest of fiscal year 2026. Those agencies include the US Department of Agriculture (USDA), the Food and Drug Administration, the US Department of Veterans Affairs, military construction projects, as well as the operations of Congress.

The legislation also does the following:

- Safeguards federal employees from additional layoffs through January 30 and ensures they will receive back pay
- Reverses the mass federal layoffs carried out by the Trump administration during the shutdown
- Ensures continued funding for SNAP benefits through the budget year, which ends September 30, 2026
- Resolves ongoing lawsuits and funding disruptions tied to SNAP benefits for 1.4M Michiganders

    - While some families already received partial or delayed benefits, most recipients are expected to receive their full November payments within several days, though timing will vary by state.
- Guarantees a vote in the Senate in mid-December on extending Affordable Care Act subsidies; however, a vote to extend subsidies is unlikely to succeed if passed to the House

New HUD rules impact Continuum of Care program

On Thursday, the Trump administration announced major changes to several billion dollars in federal funding that provides long-term housing support for people who were previously homeless. Critics warn it could soon put up to 170,000 formerly homeless people at risk of losing housing.

More than half of the US Department of Housing and Urban Development's (HUD) 2026 Continuum of Care (CoC) funding would be shifted away from permanent housing assistance and redirected to transitional programs that include work or service requirements.

By reducing permanent housing assistance, the plan risks abruptly ending support for most people the CoC program places in permanent supportive housing nationwide, potentially as early as January.