



## The Federal Government is Temporarily Shut Down: What Does This Mean?

On Tuesday, October 1, the federal government began to make preparations to cease many of its day to day operations until Congress can come to an agreement on the federal budget.

### How We Got Here

Congress has had a difficult time reaching a consensus on multiple facets of the federal budget for 2014, from THUD to SNAP funding. Perhaps one of the more divisive issues, if not the most, has been the debate over appropriate funding of President Obama's Affordable Care Act. Congressional Republicans have incessantly attacked the health care bill in all respects, but have been especially stringent in their desire to decrease its funding. This has made compromise a difficult goal to reach as Republicans and Democrats lie in opposition to one another in terms of what funding level is appropriate to implement the latest sections of the ACA.

### What's Happening in Washington Now

The federal government has partially shut down until Congress can come to a budgetary compromise. Without the authority to spend money, the government has temporarily stopped many of the services that it provides to citizens. More than 800,000 federal employees across the country are out of work as government agencies have closed their doors; 400,000 civilian employees are taking an immediate leave of absence. The government and its employees will remain in this state until Congress finishes the deliberations over the budget and comes forth with a budget that both sides have settled for.

President Obama and Democratic leaders have said they are willing to negotiate over spending issues only after the government is re-opened and Congress raises the debt limit. Speaker Boehner has responded that the unwillingness of Democrats to negotiate is "is an untenable position."

## What This Means for You: Q & A

- 1. Will funding continue for the Housing Choice Voucher, Public Housing, and Project-Based Rental Assistance Programs?** These programs appear to have funding to continue normal operations through October. After October, HUD's contingency plan is largely silent.
- 2. What about HUD Employees?** HUD anticipates that approximately 400 employees will be classified as "excepted" from the shutdown and will continue working in order to perform duties for programs also "excepted" from the shutdown. These programs include homeless assistance programs, the distribution of HUD block grants and FHA insurance programs "where the failure to address issues result in a threat to safety of life and protection of property."
- 3. Will HOME Investment Partnerships Program and CDBG funds still be distributed?** HUD's plan indicates that "cities and states would not be able to receive additional CDBG funds," but HUD will disburse CDBG, HOME and other block grant funds that have already been appropriated, and competitive funds that have been awarded and are under grant agreement.
- 4. Will I be able to get food stamps?** Yes. The Supplemental Nutrition Assistance Program (SNAP) is funded through the Recovery Act and from funds that don't expire for another year, according to the U.S. Department of Agriculture.
- 5. What about WIC?** No money will be available to pay the administrative costs of the Special Supplemental Nutrition Program for Women, Infants and Children. But because it's administered by states, there may be state funds available for a short time.
- 6. Can I still get a federally backed loan?** Maybe not. "Federal loans for rural communities, small business owners [and] families buying a home will be frozen," President Obama said Friday.
- 7. Does that mean I can't get an FHA mortgage?** No. The Federal Housing Administration says it "will endorse new loans under current multi-year appropriation authority in order to support the health and stability of the U.S. mortgage market."

**8. Will food safety inspections continue?** Mostly. The Food Safety and Inspection Service will continue all safety-related activities. The Grain Inspection, Packers and Stockyards Administration will continue inspections to the extent they're paid by user fees, "but inability to investigate alleged violations could hamper corrective action in the long term and could have an immediate impact on members of industry." The Food and Drug Administration will limit its activities but continue to monitor recalls and conduct investigations.

**9. Will disaster response be affected?** No. However, all "non-disaster" grants — such as state and local preparedness programs — will be postponed, the Department of Homeland Security said.

**10. Will a shutdown put the brakes on implementing the Affordable Care Act, or "Obamacare?"** No. The state-run exchanges for the uninsured were open as scheduled on October 1. Like Social Security or Medicaid, the Affordable Care Act is a permanent entitlement that isn't subject to annual funding by Congress.

**11. Will seniors continue to get Social Security benefits?** Yes. Social Security is a mandatory spending program, and the people who send those checks will continue to work under a legal doctrine called "necessary implication."

**12. Will the government continue to pay unemployment benefits?** Yes. The Employment and Training Administration "will continue to provide essential functions, as occurred during the shutdown of 1995," according to the Department of Labor contingency plan.

**13. Will the IRS continue to collect taxes?** Yes. All payments will be processed. More than 12 million people have requested an extension on their 2012 taxes, which expires Oct. 15.

**14. Will my refund be delayed?** Possibly, especially if the taxpayer files a paper return.

**15. What about taxpayer assistance?** Walk-in assistance centers and telephone hotlines will be closed.

16. **Are Federal Courts Open?** Federal Courts will shut down on October 16. On or around October 15, 2013, the Judiciary will reassess its situation and provide further guidance.

17. **What happens to national defense?** They will continue in a normal duty status, although a large number of the Department of Defense's civilian employees will be furloughed unless they are deemed "essential."

18. **What about the airport?** No changes here.

19. **Can I get a passport?** Maybe, but hurry. The Department of State says it has some funds outside the annual congressional appropriation. "Consular operations domestically and overseas will remain 100% operational as long as there are sufficient fees to support operations," the department says.

20. **Can I visit national parks?** No. The National Park Service says day visitors were told to leave immediately, and entrances are be closed.

Already, some states have stopped payments to families eligible for the Temporary Assistance to Needy Families (TANF), Veterans are not receiving federal tuition assistance and some businesses can't get their government-backed Small Business Administration loans. If the shutdown continues and no decisions are made about debt ceiling, the federal government will exhaust its ability to borrow money on October 17. After that, Treasury will have about \$30 billion on hand, enough to cover only a few days.

More information on HUD programs can be found at [www.nlihc.org](http://www.nlihc.org). HUD's contingency plan can be found under "featured news" on HUD's website: <http://www.hud.gov>.