



Understanding Federal Appropriations and Government Shutdowns: Implications for Nutrition Assistance Programs

The federal budget or appropriations process can be confusing. This resource addresses common questions about the appropriations process, continuing resolutions, and government shutdowns, including the impact on [SNAP](#), [WIC](#), and [other child nutrition programs](#) like school and summer meals and Summer EBT. It also discusses the difference between annual appropriations and [budget reconciliation](#).

How is the Federal Appropriations Process Supposed to Work?

The federal government relies on funding authorized by Congress. Most agencies and activities require an annual appropriation. (In contrast, most federal *spending* - on Social Security and Medicare - is mandatory and does not require an appropriation.)

Congress provides funding through 12 annual appropriations or budget bills each fiscal year. The bills may be passed separately or grouped together into several “minibus” bills or one omnibus appropriations bill.

The federal fiscal year runs October 1 - September 30, so appropriations bills must be passed by October 1 for the government to continue functioning.

What is a Continuing Resolution (CR)?

If Congress fails to enact one or more of the 12 appropriations bills in time, it may pass a stopgap measure known as a continuing resolution (CR). A CR may be “clean” - the prior year’s spending levels are continued without any changes - or it may include some budget adjustments or even policy changes. CRs are temporary and include an end date by which another CR or an annual appropriations bill must be passed.

What is a Federal Government Shutdown?

Without an appropriations bill or CR in place, the federal government enters a shutdown.

In a shutdown, all non-essential functions pause until new funding legislation is passed and signed into law. Mandatory spending programs and essential services continue.

- Mandatory spending programs include Social Security and Medicare.
- Essential services include those related to public safety, like Transportation Security Administration (TSA) agents at airports.

A **partial shutdown** occurs when Congress has passed some appropriations bills but not others, allowing some parts of the government to continue operating while leaving others unfunded and unable to operate.

Each federal agency updates its shutdown contingency plan to determine which personnel are deemed essential and which are unaffected, such as staff paid through funds from fees rather than federal appropriations.

How Long Does a Shutdown Last?

It depends entirely on how quickly lawmakers can reach a deal. Some shutdowns have occurred over the weekend only, leading to minimal disruption. The 2018-2019 shutdown lasted for a historic 34 days and had a significant economic impact on the entire country, not just the Washington region.

What Happens to Federal Workers During a Shutdown?

During a shutdown, many federal agency staff are furloughed – sent home without pay – and contractors stop working.

While agency staff have historically received back pay after the shutdown ends (and are now guaranteed to), contractors have not. Additionally, personnel deemed essential must continue working but do not receive pay until the shutdown ends.

Those affected by the shutdown may apply for free school meals for their children – eligibility is based on income at the time – and may qualify for SNAP or other support depending on their household circumstances. Furloughed employees may be able to receive unemployment benefits depending on the rules of their state.

What Happens to Federal Nutrition Assistance Programs During a Shutdown?

The US Department of Agriculture (USDA), which administers the federal nutrition assistance programs, and Office of Management and Budget (OMB) have jointly determined that there is Congressional intent that core programs of the nutrition safety net continue operations during a lapse in appropriations. These programs include the Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and other child nutrition programs.

However, these programs may still be affected, particularly by a prolonged shutdown. Exactly how long before impacts are felt by operators and participants can depend on when during the year and month that a shutdown begins. A shutdown at the beginning of the federal fiscal year (October 1) may cause complications sooner because of the way federal funds are distributed to agencies and states.

Additionally, work performed by federal employees deemed non-essential will pause, so resources, guidance, and approvals may be delayed.

Supplemental Nutrition Assistance Program (SNAP)

- Permanently authorized
- Mandatory spending
- Requires annual appropriation
- States and participants usually buffered from immediate effects
 - Continuing Resolutions generally authorize benefits for 30 days after a shutdown begins. And during the lengthy 2018-2019 shutdown, USDA was able to issue January benefits as usual and then issue benefits for February at the end of January before its authority expired.
 - USDA accounting systems consider October benefits to be obligated or “locked in” in September, so even a shutdown at the beginning of the federal fiscal year does not immediately impact benefits.
 - There is also a contingency reserve fund that can help to cover costs.

In addition to possible effects on benefits, during any shutdown, stores are not able to renew their Electronic Benefit Transfer (EBT) card licenses, so those whose licenses expire would not be able to accept SNAP benefits during a shutdown.

National School Lunch Program, School Breakfast Program, Summer Food Service Program, Child and Adult Care Food Program, and Summer EBT

- Permanently authorized
- Mandatory spending
- Requires annual appropriation
- States, operators and participants usually buffered from immediate effects
 - Reimbursement payments to operators continue as long as funding is available:
 - Funding remains available to USDA for two years, so unspent prior year funds and reserve funding can often sustain operations for a period.
 - Funding is distributed to states on a quarterly basis, creating an additional buffer for states to pay operators depending on timing.

During the 2018-2019 shutdown, these programs were unaffected, but USDA was unsure if its existing funding would last if the shutdown stretched into March (which would have been more than twice as long as the shutdown actually lasted). However, some schools were already growing concerned in January and were scaling back their menus or looking at their districts’ rainy-day funds in the event that reimbursement payments stopped.

Administrative funds for states are considered mandatory spending like reimbursement or benefit funds and thus also unaffected. Summer EBT administrative funds for states new to

implementation may be delayed depending on the timing of a shutdown and submission of their plan and budget. Those must be approved before disbursement of administrative funds, and this may be delayed if necessary federal staff are furloughed and unable to review them. In general, though, plan and budget submission occurs in advance of the fiscal year and should not present a problem for most states.

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC)

- Permanently authorized
- Discretionary spending
- Requires annual appropriation

Unlike the other child nutrition programs, WIC funding is not considered mandatory, meaning that the program is not guaranteed to serve all eligible participants and is instead limited by the specific appropriation made.

However, the program is permanently authorized and thus can continue to operate during a shutdown as long as funding is available. In addition to federal reserves, USDA distributes funds to states on a quarterly basis, which can provide states with some buffer depending on timing.

Higher participation than anticipated and higher food price inflation than anticipated can both deplete reserves going into a shutdown. (WIC allows participants to buy specific food items included in the WIC food package. Participants can purchase those allowable foods regardless of the current price. This can increase the cost to the state if prices rise more quickly than anticipated.)

How Is the Annual Appropriations Process Related to Reconciliation?

Appropriations and reconciliation are separate processes and largely deal with separate types of funding. Reconciliation generally refers to a procedure to fast-track budget-related legislation and pass it on tighter margins since it only requires a simple majority in the Senate rather than a filibuster-proof supermajority. Reconciliation provides a 10-year budget blueprint for mandatory spending, potentially including SNAP and child nutrition programs. (However, Medicare and Social Security cannot be changed through the reconciliation process.) In contrast, the annual appropriations process does not change mandatory spending and instead addresses discretionary spending.