Partial Shutdown of the Federal Government Looms

Building a border wall, and making Mexico pay for it, was a signature issue in President Donald Trump’s 2016 campaign. Funding for the wall is at the epicenter of a battle over funding a slew of federal agencies that will come to a head later this week. Without passage of spending legislation by 12:01 a.m. Dec. 22, a partial shutdown of the federal government could occur.

Funding for numerous federal agencies, including the Homeland Security Department, runs out after Dec. 21 — though the majority of the government, including the departments of Defense, Health and Human Services, and Veterans Affairs, is already fully funded through Fall 2019. Trump has demanded $5 billion for the wall as part of a deal to prevent a shutdown.

Past federal government funding gaps and shutdowns

A funding gap and federal government shutdown occurred Jan. 20 and 21. Funding resumed Jan. 22, but many federal agencies continued to shut down certain operations and furlough employees for the day. Funding also expired at day’s end Feb. 8. OMB and OPM issued shutdown directions for a few hours the morning of Feb. 9 before Congress and Trump enacted a continuing resolution to extend funding. OMB has said a funding gap technically did not occur.

Workforce affected by a government shutdown

Federal agencies are required to submit plans to the OMB that outline anticipated staffing levels during a shutdown. “Non-excepted” federal employees are furloughed, or sent home without pay, and government operations are reduced if a shutdown occurs. “Excepted” and “exempt” employees — workers deemed necessary for protection of people and property or not paid from annual appropriations — must work during a shutdown.

In 2018, OMB began directing federal agencies to coordinate with the executive office to notify employees two days before a possible shutdown of work and pay status during an appropriations lapse.

Federal grant recipients

Administration of grant programs and activities such as execution of grant agreements and processing of payments could be affected by a shutdown.

Investigations of waste, fraud and abuse related to federal grant outlays could also be interrupted.

Sources: Congressional Research Service report RL34680 "Shutdown of the Federal Government: Causes, Processes and Effects";
CRS report RS20348 “Federal Funding Gaps: A Brief Overview”; Politico staff reports

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