



Overview

Each year, Congress must decide how to spend taxpayer dollars pursuant to [Article I, Section 9, Clause 7](#) of the U.S. Constitution. This responsibility has manifested itself in the form of statutory requirements, [The General Accounting Act of 1921](#) and [The Congressional Budget and Impoundment Control Act of 1974](#), that the president submit an annual budget to Congress to be considered and passed for the following fiscal year. In recent years, increased partisanship has caused the budget process to break down. The failure of Congress to agree on spending is what could lead to a government shutdown later this month. Understanding the basic budget and spending process can help you understand what led to this breakdown.

What is a “Government Shutdown?”

A shutdown of the federal government occurs when Congress fails to approve annual spending, either in the long-term through annual budget passage or short-term through a continuing resolution, required to fund normal government operations.

How did we get here?

Appropriations bills expire annually when the fiscal year ends on September 30th. Congress must approve the next year’s spending before then to avoid a shutdown. If Congress misses this deadline—which is often—a *continuing resolution* (a “CR”) can provide stopgap funding until there’s a deal. The current CR expires on April 28 and, without a new funding package, spending authority expires and government risks a partial shutdown.

Three previous budget impasses are briefly outlined below.

- [2013](#): In October 2013 the Republican-controlled House and Democrat-controlled Senate couldn't agree on a continuing resolution surrounding a debate over the Affordable Care Act. When no agreement was made, the government shutdown lasted 16 days.

Key Facts

According to a 2013 OMB Report, the payroll cost alone of furloughed federal employees was \$2 billion.

Congress is statutorily required to pass annual appropriations funding for the following year either through a long-term budget resolution or a short-term continuing resolution (CR).

Current CR funding expires on April 28th at midnight.

Helpful Links

[Bipartisan Policy Center: What you need to know about the Debt Limit](#)

[Bipartisan Policy Center: Budget Review](#)

[2013 Costs and Impacts of a Shutdown](#)

[Congressional Budget and Impoundment Control Act of 1974](#)

[A brief history of Congress’ role in the budget process](#)

- [2011](#): Republican leadership in the House, Senate Democrats and the White House cut a deal less than an hour before a deadline to avert a government shutdown. This impasse centered on non-defense discretionary spending.
- [1995](#): The government shut down twice in late 1995 and early 1996 when President Clinton and congressional Republicans couldn't come to an agreement on how to balance the budget. They ultimately reached an agreement to balance the budget that included raising taxes and cutting spending.

[See a complete history of government shutdowns here.](#)

The Effects on American Families

What exactly does a government shutdown mean for working families? During a shutdown, the government is allowed to make payments to meet all legal obligations, such as payment disbursements for Social Security and Medicare, funding for the FBI and air traffic controllers, as well as the U.S. Postal Service.

A Justice Department-issued opinion in the late 70's required government offices and agencies to designate essential and nonessential staff. During a shutdown, non-essential agency staff and services are halted. Here are [some services affected](#) by a government shutdown:

- The Department of Housing and Urban Development will stop providing federal dollars to local housing authorities with new housing voucher recipients.
- Small businesses will not be able to check the legal status of prospective employees.
- While federal law enforcement agencies will continue to be funded, all civil cases at the Department of Justice will likely be suspended.
- More than 400 national parks and museums will be closed by the National Park Service, turning away millions of tourists.
- Regulatory agencies within federal agencies such as the EPA and the Labor and Commerce Departments will close almost entirely.
- The Department of Agriculture will stop disbursements for the Women, Infants and Children program.
- Payments for Social Security, Medicare, Medicaid and other non-appropriation entitlements will continue to go out.
- Many services at the Veterans Affairs Department may be disrupted but not entirely cut from operation.

Politics

After some early legislative defeats in the 115th Congress, Republican leadership in the House and Senate are eager to avoid a partial shutdown when funding runs out on April 28th. Speaker Ryan and Leader McConnell are working to bridge differences within their own conference to reach an agreement by the expiration date. Democrats have warned that they will oppose any legislation that eliminates funding for Planned Parenthood, cuts non-defense domestic programs, or includes new money to build a wall on the southern border. Further complicating matters is that sometime this fall, Congress will be faced with the question of raising the debt ceiling. Add in the need to pass a FY2018 budget resolution and address expiring funding for some domestic programs, and the debate surrounding the April 28 expiration will be all the more contentious. Watch for these issues to slow down a deal between the two parties.

Conclusion

While government shutdowns have become more frequent in recent years, Congress must work together to pass a funding agreement before the current expiration date of April 28th. Failing to reach an agreement costs the government billions, adversely affects millions of Americans and hurts our nation's economy and national security.