

Government Shutdown Frequently Asked Questions and Answers

Veterans:

Q: How would a shut down affect veterans' pensions?

A: According to the Department of Veterans Affairs, claims processing and payments in the compensation, pension, education, and vocational rehabilitation programs are anticipated to continue through late October. However, in the event of a prolonged shutdown, claims processing and payments in these programs would be suspended when available funding is exhausted. The House Committee on Veterans' Affairs is attempting to confirm this with the Administration.

Q: How would a shut down affect survivor benefits?

A: Survivor benefits are similar to disability/pension benefits paid to veterans. Thus, according to the VA's assessment, survivors currently in receipt of Dependency and Indemnity Compensation or Survivors' Pension will continue to receive those payments until funding runs out in late October. The House Committee on Veterans' Affairs is attempting to confirm this with the Administration.

Q: How would a shut down affect veterans' educational assistance?

A: According to the Department of Veterans Affairs, claims processing and payments in the compensation, pension, education, and vocational rehabilitation programs are anticipated to continue through late October. However, in the event of a prolonged shutdown, claims processing and payments in these programs would be suspended when available funding is exhausted. The House Committee on Veterans' Affairs is attempting to confirm this with the Administration.

Q: How would a shut down affect veterans disability compensation and claims processing?

A: According to the Department of Veterans Affairs, claims processing and payments in the compensation, pension, education, and vocational rehabilitation programs are anticipated to continue through late October. However, in the event of a prolonged shutdown, claims processing and

payments in these programs would be suspended when available funding is exhausted. The House Committee on Veterans' Affairs is attempting to confirm this with the Administration.

Q: How would a shut down affect veterans Health services through VA hospitals?

A: VA received a full year appropriation to operate its health care system for all of FY 2014. Therefore, veterans' medical care would not be affected. According to the Department of Veterans Affairs, in the event of a shutdown, all VA medical facilities and clinics would remain fully operational, including, inpatient care, outpatient care, prescriptions, surgeries, dental treatment, extended care, mental health care, nursing home care, special health care services for women veterans and vet centers.

Q: What would happen to VA hospitals and clinics? Would they still operate and could veterans receive treatment, including pharmacological?

A: According to the Department of Veterans Affairs, in the event of a shutdown, all VA medical facilities and clinics would remain fully operational, including, inpatient care, outpatient care, prescriptions, surgeries, dental treatment, extended care, mental health care, nursing home care, special health care services for women veterans and vet centers.

Military:

Q: Would members of the military be paid?

A: The President signed H.R. 3210, the Pay Our Military Act, which ensures that our military personnel on active duty, including reserve component personnel on Federal active duty continue to be paid through a potential shutdown.

Q: Would military operations overseas be affected?

According to the House Committee on Armed Services, in developing the Department's shutdown plan, the Secretary of Defense would ensure mission accomplishment of critical activities that are needed to prosecute the war in Afghanistan, including preparation of forces for deployment, and to ensure safety of human life and protection of property including operations for the security of our nation. These activities would be considered "exempt" from

shutdown. The Service Secretaries and heads of DoD Components, under the DOD guidance, would also have flexibility to determine what activities should be exempt.

Q: How would services and benefits for military families be impacted?

A: According to the House Committee on Armed Services, though the shutdown would have a direct impact on families, according to guidance issued by the Department of Defense, among the exempt activities that would continue are:

- Inpatient care in DOD hospitals and acute and emergency outpatient care in DOD hospitals and treatment facilities, but not things like elective surgeries or other procedures.
- Department of Defense schools, “to the extent required by law.”
- Legal assistance for deploying and deployed service members.
- Morale, Welfare and Recreation activities supporting exempt activities. For example, operation of mess halls, physical training, and child care activities required for readiness; and any activity funded solely through non-appropriated funds.

Q: Would resources be available to troops? (ammunition, vests, equipment, etc)

A: According to the House Committee on Armed Services, the Department’s guidance does not identify every exempt activity, but makes it clear it would be applied in the context of a Department at war, with decisions guaranteeing robust support for those engaged in war, and with assurance that the lives and property of our nation’s citizens would be protected.

Q: What would happen to military installations? Would they be closed?

A: According to the House Committee on Armed Services, the Department of Defense and each of the Service Secretaries would have latitude in determining which operations and activities are exempt from the shutdown. According to DOD guidance, military operations and activities determined necessary for national security, including administrative, logistical, medical,

and other activities in direct support of such operations and activities would be exempt.

Q: Would defense contract operations continue?

A: According to the House Committee on Armed Services, DOD guidance is that contractors performing under a contract that was fully obligated prior to the expiration of appropriations may continue to provide contract services, whether in support of exempt activities or not. However, new contracts may not be executed unless the contractor is supporting an exempt activity.

Benefits:

Q: Would Social Security checks still go out? If the checks are stopped, would all monies due be paid eventually?

A: According to the House Committee on Ways and Means, Social Security checks will continue to go out. Disability benefits will also continue to be paid. All Social Security offices will remain open for their usual business hours. Applications and requests for appeals will be processed. Hearings will be held, though services in hearing offices will be limited. State Disability Determination Services (DDS) will be asked to remain open; however since these 100 percent federally-funded agencies are staffed by State employees, each State will make its own decision whether to maintain limited operations. DDSs decide initial disability claims and make reconsideration decisions.

Q: Would Medicare payments be made, to doctors, hospitals, including emergency hospitalization and ER visits?

A: According to the House Committee on Ways and Means, in the short-term, Medicare services for current beneficiaries will continue without interruption during a temporary lapse in government funding. This is due primarily to the fact that funds to pay Medicare claims are not dependent on appropriations, but are transferred from the Medicare trust funds. Medicare Parts A/B (doctors and hospitals) fee-for-service claims are processed by independent Medicare Administrative Contractors (MACs). MACs also are paid with Medicare trust funds. Additionally, Medicare has up to 30 days to process clean claims, so claims that are paid today were incurred up to 30 days before. However, some Medicare administrative activities are funded through discretionary appropriations and may be suspended during a temporary lapse in

government funding. In the past, activities such as enrolling new beneficiaries and providers were suspended during a government shutdown. Fraud programs that receive mandatory funding would continue, however some fraud programs that rely on discretionary funding would be postponed. Appeals and other activities to administer the program also might be suspended during a shutdown.

Q: Would Medicaid/SCHIP payments be made?

A: According to the House Committee on Energy and Commerce, because Medicaid allotments are paid to states in advance on a quarterly basis, it is likely states will not see an immediate impact from a temporary government shutdown and consequently, nor will providers who serve the Medicaid and SCHIP populations.

Q: What would happen with disability benefits (SSDI)?

A: According to the Committee on Ways and Means, disability benefits will also continue to be paid. State Disability Determination Services (DDS) will be asked to remain open; however since these 100 percent federally-funded agencies are staffed by State employees, each State will make its own decision whether to maintain limited operations. DDSs decide initial disability claims and make reconsideration decisions.

Q: What would happen with Unemployment Benefits?

A: State and Federal extended benefits are mandatory spending and will not be affected if a shutdown occurs. There is a concern about federally funded state administrative funds, but the Department of Labor just did a significant transfer of remaining state administrative funds in anticipation of the end of the fiscal year. Initial unemployment claims data will continue to be released each Thursday. However, any other data from the Bureau of Labor Statistics, such as the monthly jobs report currently scheduled for release on Friday, October 4th, will be delayed.

Q: What would happen with Work training programs?

A: According to the House Committee on Education and the Workforce, workforce training programs are funded through June 2014. Unless there is a protracted shutdown there should be no impact.

Q: What would happen with Welfare (TANF)?

A: According to the House Committee on Education and the Workforce, TANF is shared jurisdiction with Ways and Means. Education and the Workforce has jurisdiction over the work requirements portion and Ways and Means has jurisdiction over the funding. According to staff at the House Ways and Means Committee, TANF is authorized through the end of FY 2013, and quarterly funding for the program would be suspended until the program were reauthorized as part of a CR or stand - alone bill. States continuing to provide TANF services would do so with their existing funds.

Q: How would housing –Section 8, Section 202 (elderly), Section 811 (disabilities), homelessness programs –be affected?

A: According to the House Financial Services Committee, HUD programs would be affected. Most of the HUD programs are run on schedules other than day-to-day Federal involvement - that is, they are administered by local authorities, they are grants made to non-Federal entities (public or private), or they are contract payments made in advance (payment is made now for services to be rendered, rather than services being performed and sending a bill after). However, they will not close overnight. For example, the Office of Public and Indian Housing (PIH), which administers Section 8 vouchers and public housing funds, will address emergency situations where the failure to perform those functions would result in an imminent threat to the safety of human life or the protection of property. In addition, PIH will:

--Keep open the line of credit control system for the purposes of disbursing funds for public housing (operating subsidies and capital funds) that were appropriated in prior years or necessary to support an exempted activity. Funds that have already been obligated in the system and which can be drawn down without further action or review by HUD employees may also be accessed.

--Keep open the line of credit control system for section 8 tenant-based rental assistance, noting that funds are only available for payments through December. Closings on Section 202 (Elderly) and 811 (Disabled) projects with firm commitments with schedule closing dates during the shutdown period will continue, in addition to final closing on projects with critical deadlines. No construction draws or construction inspections will be done in the first 10 days of any shutdown and will be re-evaluated as needed for use of intermittent staff. The Office of Community Planning and Development (CPD) will continue to provide for the delivery of essential housing and emergency services for

homeless persons and persons with AIDS to protect against imminent threats to the safety of human life and will continue to disburse CDBG, HOME funds and other block grant funds in cases where failure to address issues result in a threat to safety of life and protection of property.

Q: Would the Pension Benefit Guaranty Corporation be affected?

A: According to the agency itself, “PBGC will remain open. PBGC does not receive any funding from taxpayers. As such, we will continue to operate under the authority of ERISA, the original legislation establishing PBGC as a separate corporation.” How would Food stamps be affected? According to the September 27, 2013 contingency plan published by USDA and OMB, “the Supplemental Nutrition Assistance Program (SNAP) will continue operations and eligible households will still receive monthly benefits for October. The authority to make October benefit payments comes from the Recovery Act, through which Congress provided ‘such sums as are necessary’ to finance the SNAP benefit provided for in the Recovery Act. In addition, about \$2 billion in contingency funding will be available and could be used to support State Administrative activities essential to continue the program and issue and process benefits. These contingency funds were provided in the FY 2013 appropriation and do not expire until the end of FY 2014.”

Q: What would happen to school lunches?

A: According to the USDA, cited by the House Committee on Education and the Workforce, “Child Nutrition (CN) Programs, including School Lunch, School Breakfast, Child and Adult Care Feeding, Summer Food Service and Special Milk will continue operations into October. Meal providers are paid on a reimbursement basis 30 days after the end of the service month. Limited carryover funding will be available during a lapse to support FY 2014 meal service. Once an appropriation is enacted, we expect additional resources will be available to reimburse October performance. In addition, most State agencies will continue to have fiscal year 2013 funds available for State Administrative Expenses (SAE). SAE funds are awarded to States for a two year grant period and they are permitted to carryover up to 20 percent of their allocation into the second year of the grant period.”

Q: How would student Loans/work study be affected? Would funding be released? Would repayment checks be cashed?

A: According to the U.S. Department of Education, cited by the House Committee on Education and the Workforce: “In the event of a government shutdown, we anticipate that there will be limited impact to the federal student aid application (FAFSA) process, to the delivery of federal student aid, or to the federal student loan repayment functions.”

Q: Would FHA Mortgage loans be affected?

A: According to a document provided by HUD, the FHA’s Office of Single Family Housing will endorse new loans under current multi-year appropriation authority “in order to support the health and stability of the U.S. mortgage market.” The Office of Single Family Housing will maintain the minimum operations necessary to support FHA’s existing portfolio by operating the FHA Call Center and the National Servicing Center’s Call Center.

Q: How would the National Flood Insurance Program be affected in terms of mortgage closings and payment of claims?

A: According to the House Financial Services Committee, NFIP would continue to pay claims and sell policies in the event of a shutdown. Responses to day-to-day questions would be curtailed due to only essential personnel being on the job.

Federal Services:

Q: Would the mail be delivered? Would post offices be open?

According to the House Committee on Oversight and Government Reform, the U.S. Postal Service would continue mail delivery, retail service, and other operations in the event of a government shutdown. The Postal Service is essentially funded through the sale of postage.

Q: Would National Parks and Museums (Smithsonian) be shut down?

According to the House Committee on Natural Resources, parks would be closed to public use. “Critical” personnel would be kept in place for resource protection (and to tell people that arrive that they are closed). The National Park Service has informed the Natural Resources Committee that they do not expect to close access to open-entrance park land, but everywhere they can lock a gate, close a road, and shutoff amenities, it will be done. Although the Washington Monument is already closed for repairs, we understand that the

NPS will attempt to obstruct public access to other popular monuments on the National Mall with closures and barricades. According to CRS Report L34680, while not indicative of future behavior, 368 National Park Service sites (loss of 7 million visitors) reportedly occurred in a previous shutdown.

Administration

Q: What is being done to ensure consistency from agency to agency in the designation of essential personnel? (i.e. what if one agency only deems emergency/first responder type personnel essential where another might take a broader liberal view and considers someone who is conducting research?)

A: According to Congressional Research Service Report RL34680, OMB's Circular No. A-11 requires executive agencies to submit to OMB "plans for an orderly shutdown in the event of the absence of appropriations" when the plans are either first prepared or later revised. OMB has required the development and maintenance of these shutdown plans since 1980. The Office of Management and Budget (OMB) provides agencies with annual instructions on how to prepare for and operate during a funding gap in Circular No. A-11. The circular establishes two "policies" regarding the absence of appropriations: (1) a prohibition on incurring obligations unless the obligations are otherwise authorized by law and (2) permission to incur obligations "as necessary for orderly termination of an agency's functions," but prohibition of any disbursement (i.e., payment). According to the CRS report, the circular also directs agency heads to develop and maintain shutdown plans, which are to be submitted to OMB when initially prepared and also when revised. Agency heads are to use the DOJ opinions and the circular to "decide what activities are essential to operate their agencies during appropriations hiatus." Among other things, a shutdown plan is required to include:

--an estimate of the time to complete the shutdown, to the nearest half-day;

--the number of employees expected to be on-board (i.e., filled positions) before implementation of the plan;

--the total number of employees to be "retained" under the plan (i.e., not subject to furlough), broken out into five categories: (1) who are paid from a resource other than annual appropriations; (2) who are necessary to perform activities expressly authorized by law; (3) who are necessary to perform activities necessarily implied by law; (4) who are necessary to the

discharge of the President's constitutional duties and powers; and (5) who are necessary to protect life and property.

Q: Does the President get paid?

A: According to the House Committee on Oversight and Government Reform, the President is not subject to furlough. However, he will not receive pay during the shutdown period.

Q: What essential agencies would be in operation during the shutdown?

According to the House Committee on Oversight and Government Reform, consistent with OMB's September 17, 2013 memo, agencies will decide what activities are excepted or otherwise legally authorized to continue during a lapse in appropriations. In developing their contingency plans agencies are to ensure only those activities that are "excepted" pursuant to applicable legal requirements would continue.

Agencies may allow activities to continue during a lapse in appropriations when:

--A statute or other legal requirement expressly authorizes an agency to obligate funds in advance of appropriations.

--The function addresses emergency circumstances, such that the suspension of the function would imminently threaten the safety of life or protection of property.

--The function is necessary to the discharge of the President's constitutional duties and powers.

--The function is "necessarily implied" from the authorized continuation of other activities.

Q: Does the interest on the debt still get paid?

A: According to the Treasury Department contingency plan, Treasury would "would maintain payments, collections, and daily cash management and processing of essential authority/appropriation transactions based on applicable statutes," which "includes resources to support disbursements of interest on the debt."

Law Enforcement and Federal Assistance:

Q: Would FBI agents come off the streets?

According to the House Committee on Oversight and Government Reform - citing the Department of Justice FY2014 Contingency Plan –“all FBI agents and support personnel in the field are considered excepted from furlough. ... At FBI headquarters, the excepted personnel will provide direction and investigative support to all field operations and excepted headquarters functions...”

Q: Would CIA officers get paid?

A: Using past shutdown experience as a guide, the Committee on House Oversight and Government Reform anticipates that most CIA officers would be considered excepted employees and continue to work during a shutdown. Consistent with OMB’s September 17, 2013 memo, “Without further specific direction or enactment by Congress, all excepted employees are entitled to receive payment for obligations incurred by their agencies for their performance of excepted work during the period of the appropriations lapse. After appropriations are enacted, payroll centers will pay all excepted employees for time worked.”

Q: Do computer operated government systems shut down? Would local law enforcement still have access to Federal databases? Would the National Instant Criminal Background Check System (NICS) still be available so that firearm purchases would not be interrupted?

A: It is the understanding of the House Committee on Homeland Security that state and local law enforcement would continue to have access to federal law enforcement databases for homeland security oriented issues and access to the government systems that support them. DHS has not yet provided the Committee specific information on these issues.

Q: Would FEMA and disaster assistance be affected?

A: Disaster assistance would likely not be affected because the Disaster Relief Fund which funds disaster operations is categorized as “no year money.” Some grants could be impacted as grantees will not be able to draw down funds for Staffing for Adequate Fire & Emergency Response (SAFER), Assistance to Firefighter Grants (AFG), or Fire Prevention and Safety grants

because these rely on manual processes that will not be staffed during a lapse in appropriations.

Travel:

Q: Would the passport offices still be open to receive applications/process passports since they are a fee for service operation?

A: According to the House Foreign Affairs committee, State Consular functions, both domestically and abroad, are funded by fees -for-service so they will not be immediately impacted by a government work stoppage. However, some passport offices are located in federal buildings that may be forced to shut down during a work stoppage, impacting service.

Q: How would this affect our customs and border patrol? Airport screeners? Air Traffic Controllers? What would happen to U.S. Border Patrol agents at the U.S.-Mexican border?

A: It is the understanding of the House Committee on Homeland Security that CBP agents and TSA screeners would be deemed essential personnel and that they would continue to be operational. DHS has not yet provided the Committee specific information on these issues. Though not indicative of future shutdown activities, border and coastal protection and surveillance and the continuance of air traffic control and other transportation safety functions and the protection of transport property was an excepted activity in FY 1996. In FY 1996 cancellation of the hiring of 400 Border Patrol agents occurred during the shutdown according to the report.

Q: How would TSA be affected?

A: It is the understanding of the committee that TSA screeners are exempt from the shutdown, due to their security functions. Therefore, TSA does not expect an increase in wait times at airport screening checkpoints. TSA would be impacted at the headquarters level.

Q: Would there be disruptions in the aviation system? Would air traffic controllers be affected?

A: According to the House Committee on Transportation and Infrastructure, Air Traffic Controllers would continue operating as normal. Almost all

ATCs air traffic controllers are considered essential/exempt.

Federal Projects and Operations:

Q: Would federal courts shut down? How would pending cases be treated? Would timelines keep running?

A: According to the Administrative Office of the U.S. Courts: “In the event of a government shutdown on October 1, 2013, the federal Judiciary will remain open for business for approximately 10 business days. On or around October 15, 2013, the Judiciary will reassess its situation and provide further guidance. All proceedings and deadlines remain in effect as scheduled, unless otherwise advised. Case Management/Electronic Case Files (CM/ECF) will remain in operation for the electronic filing of documents with courts.”

Q: Would prisons be secure?

According to the House committee on the Judiciary, care of prisoners and other persons in the custody of the United States is considered an excepted activity, as are personnel, in the event of a shutdown. Everyone who works at a Bureau of Prisons facility is considered a federal corrections officer. Thus, all prison employees are treated as essential. However, there will likely be some furloughs at the administrative offices, but employees working on intelligence and monitoring will likely also be considered essential. The same is likely to be true for pre-trial detainees held in the custody of the U.S. Marshals Service.

Q: What would happen with federal contracts?

A: According to the Congressional Research Service, effects of a shutdown on federal contractors “often depend upon the facts and circumstances of individual contracts, such as the funding source(s) for the contract, the type and terms of the contract, and where and how the contract is being performed. However, as a general matter, in the event of a shutdown, the Anti-Deficiency Act would greatly restrict agencies’ ability to enter new contracts, or to allot additional funds to existing contracts. Contractors with contracts that are fully funded are also likely to experience delays in performance and/or payment.”

Taxes:

Q: Would tax returns get processed and refund checks get issued?

A: According to the House Committee on Ways and Means-citing IRS and Treasury Department contingency plans -IRS would halt non-automated collections and tax processing activities, but would continue activities necessary for the protection of government property. These activities include, but are not limited to, processing tax payment remittances; computer operations necessary to prevent loss of data in process and revenue collections; retaining minimal personnel to maintain safe conditions for essential personnel; maintaining criminal law enforcement and undercover operations; and the protection of statute expiration, bankruptcy, liens and seizure cases. The IRS would halt taxpayer services such as responding to taxpayer questions, including telephone customer service functions. If the government is closed, people with appointments related to examinations (audits), collections, Appeals or Taxpayer Advocate cases should assume their meetings are cancelled. IRS personnel would reschedule those meetings at a later date.

International Affairs:

Q: Would foreign embassies and Consulates be shut down?

A: According to the House Foreign Affairs Committee, embassies and consulates overseas will continue to provide American citizen services.

Examples of Specific Cabinet Level Department Exemptions:

Department of Agriculture

- Food Safety and Inspector Service personnel
- Field inspection of meat, poultry, and egg products
- Agricultural Marketing Services
 - Activities to protect national security, life, and property
- Farm Services Agency:
 - Emergency and Natural Disasters Response (i.e., floods);
 - Protection of buildings and other property and investments owned by the United States when the suspension of such activities would cause a threat to government property
- Food Safety and Inspection Service:
 - Food Safety and Inspector Service personnel
 - Field inspection of meat, poultry and egg products

- Food, Nutrition, and Consumer Services:
 - Agency Administration for SNAP
 - Child Nutrition and School Lunch programs
- Forest Service:
 - Personnel for fire suppression, emergency and natural disasters response, law enforcement
 - Protection of Federal lands, buildings, waterways, equipment and other property
 - All contracts in support of cyber security and infrastructure Operations
 - Emergency and Defense Preparedness
- NRCS:
 - Personnel Support to Emergency Watershed Protection Program
 - Dam Safety and Rehab
- Research, Education, and Economics:
 - The security, care, and maintenance of all plants and animals scheduled to be used in research experiments
- Office of General Counsel:
 - Associate General Counsel -(SNAP, school lunch and other feeding programs, international food aid and disaster-related commodity purchase programs)
 - Deputy Assistant General Counsel -(food safety programs administered by the Food Safety Inspection Service)