Committee *for a* Responsible Federal Budget

Government Shutdowns Q&A: Everything You Should Know

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Fiscal Year (FY) 2026 began with the longest government shutdown in modern history, lasting from October 1, 2025 through November 12, 2025. On November 12, the President signed a funding measure that provided full-year Agriculture, Military Construction & Veterans Affairs, and Legislative Branch appropriations and continued funding for all other agencies until January 30. Since then, the President has signed appropriations laws for Commerce-Justice-Science, Energy & Water, and Interior & Environment. Policymakers have until midnight on January 30 to avoid a lapse in government funding for the remaining agencies; otherwise, a partial **government shutdown** will occur for the six remaining appropriations bills.

What is a government shutdown?

Many federal government agencies and programs rely on annual funding appropriations passed by Congress. Every year, Congress must pass, and the President must sign, budget legislation for the next fiscal year, consisting of 12 appropriations bills, one for each Appropriations subcommittee. Congress has enacted and the President has signed six bills for FY 2026 that make up the discretionary spending budget; without passing the remaining six full-year appropriations or another continuing resolution, the federal government must partially shut down. In a "shutdown" or "partial shutdown," federal agencies must discontinue all non-essential discretionary functions until new funding legislation is passed and signed into law for any agencies funded by the bills that have not been passed. Essential services continue to function, as do mandatory spending programs.

What services are affected in a shutdown and how?

Each federal agency develops its own shutdown plan, following guidance released in previous shutdowns and coordinated by the Office of Management and Budget (OMB). The plan identifies which government activities may not continue until appropriations are restored, requiring furloughs and the halting of many agency activities. Essential services – many of which are related to public safety – continue to operate, with payments covering any obligations incurred only when appropriations are enacted.

In prior shutdowns, border protection, in-hospital medical care, air traffic control, law enforcement, and power grid maintenance have been among the services classified as essential, while some legislative and judicial staff have also been largely protected. Mandatory spending that is not subject to annual appropriations - such as for Social Security, Medicare, and Medicaid - also continues. Other examples of activities that continue are those funded by permanent user fees that are not subject to appropriations, such as immigration services funded by visa fees. Certain programs that are funded through advanced appropriations, such as those within the Veterans Health Administration, have been minimally affected during recent shutdowns.

Because six of the 12 funding bills have yet to be enacted, the government would only *partially* shut down. In such a partial shutdown, we'd likely see the following effects:

- **Social Security and Medicare**: Checks are sent out, but benefit verification as well as card issuance would cease. While unlikely to happen again, during the 1995-1996 shutdown, more than 10,000 Medicare applicants were temporarily turned away every day of the shutdown.
- **Environmental and Food Inspection**: The Agriculture-FDA bill has been enacted, so these services would not be shut down.
- **National Parks**: The Interior & Environment bill has been enacted, so these services would not be shut down.
- **Air Travel**: During the 2018-2019 shutdown, air travel was strained as a result of air traffic controllers and Transportation Security Administration (TSA) agents working without pay. This once again happened during the October-November 2025 full shutdown and could occur again. Travelers faced longer lines as some TSA agents did not report to work and security checkpoints were closed, while the absence of ten air traffic controllers temporarily stopped travel at LaGuardia Airport and caused delays at several major airports.
- **Health and Human Services**: The National Institutes of Health (NIH) would be prevented from admitting new patients or processing grant applications. In 2013, states were forced to front the money for formula grant programs such as Temporary Assistance for Needy Families (TANF, sometimes described as "cash welfare").
- **Internal Revenue Service (IRS)**: In 2013, a backlog of 1.2 million income and Social Security number verification requests delayed mortgage and other loan approvals, and billions of dollars of tax refunds were also delayed. At least 26,000 furloughed IRS employees were recalled to work during the 2018-2019 shutdown in preparation for tax season, but 14,000 did not show up to work without pay.
- **Supplemental Nutrition Assistance Program (SNAP)**: Though funding for the SNAP program is mandatory, the ability to send out "food stamp" benefits can be affected by shutdowns because the Agriculture Department is only authorized to send out benefits

for 30 days after a shutdown begins. During the October-November 2025 shutdown, SNAP issuance became a tension point. However, the Agriculture bill is funded for FY 2026, so there will be no change in service in a potential partial shutdown.

- **Immigration & Border Enforcement:** Immigration and border personnel are considered essential and thus required to report to work without pay during government shutdowns. However, the "One Big Beautiful Bill Act" of 2025 funded these agencies with mandatory funding, so changes in their operations would likely be minimal and employees would likely continue to be paid.

Is the government preparing for a shutdown?

Agencies issue contingency plans that outline the process of entering into and operating during a shutdown; OMB used to maintain an agency-by-agency list of guidance, but each agency now maintains its own.

How would federal employees be affected?

A partial shutdown will result in furloughs at the agencies not currently funded, including the Defense Department, Labor Department, Health and Human Services Department, Education Department, Homeland Security Department, Treasury Department, Transportation Department, Housing and Urban Development Department, State Department, the federal judiciary, the Government Services Administration, and several executive branch offices within the White House, among others. These agencies would issue furloughs to non-essential employees and require essential employees to report to work without pay. Furloughed employees are not allowed to work and do not receive paychecks but are guaranteed back pay due to legislation passed in January 2019. Federal contractors have historically not received back pay.

As noted above, an exception exists for agencies affected by the partial shutdown but funded under other mandatory appropriations. Specifically, the "One Big Beautiful Bill Act" of 2025 funded immigration and border personnel as well as some Defense Department functions. These employees would likely continue to be paid with that existing mandatory funding.

How and why do mandatory programs continue during a shutdown?

Whereas discretionary spending must be appropriated every year, mandatory spending is authorized either for multi-year periods or permanently. Thus, mandatory spending generally continues during a shutdown. However, some services associated with mandatory programs may be diminished if there is a discretionary component to their funding. For instance, during the 1996 shutdowns and the 2013 shutdown, Social Security checks continued to go out, but staff who handled new enrollments and other services, such as changing addresses or handling requests for new Social Security cards, were initially furloughed in 1996. In 2013, certain activities were discontinued, including verifying benefits and providing new and replacement cards, but the processing of benefit applications or address changes continued. During the 2018-2019 shutdown, USDA had to rely on a special authority included in the previous CR to allow it to continue issuing SNAP benefits.

How many times has the government shut down?

Since Congress introduced the modern budget process in 1976, there have been 21 "funding gaps," when funds were not appropriated for at least one day. (The hours-long lapse in appropriations in February 2018, though sometimes characterized as a shutdown, did not result in federal employee furloughs.) However, before 1980, the government did not shut down, but rather continued normal operations through six funding gaps. Since 1981, ten funding gaps of three days or fewer have occurred, mostly over a weekend when government operations were only minimally affected.

There have now been five "true" shutdowns where operations were affected for more than one business day. The first two happened in the winter of 1995-1996, when President Bill Clinton and the Republican Congress were unable to agree on spending levels, causing the government to shut down twice, for a total of 26 days. The third was in 2013, when a House and Senate standoff over funding for the Affordable Care Act (ACA) resulted in a 16-day shutdown. The fourth shutdown in December 2018 and January 2019 – technically only a partial shutdown because five of the 12 appropriations had previously been enacted – centered on a dispute over border wall funding. The most recent shutdown, due mostly to a dispute on expiring ACA subsidies, was the longest shutdown, lasting 43 days from October 1 through November 12.

Does a government shutdown save money?

While estimates vary widely, evidence suggests that shutdowns tend to cost – not save – money for several reasons. For one, putting contingency plans in place has a real cost. In addition, many user fees and other charges are not collected during a shutdown, and federal contractors sometimes include premiums in their bids to account for uncertainty in being paid. While many federal employees are forced to be idle during a shutdown, they have historically received and are now guaranteed back pay, negating much of those potential savings. OMB [official estimates] of the 2013 government shutdown found that $2.5 billion in pay and benefits were paid to furloughed employees for hours not worked during the shutdown, as well as roughly $10 million in penalty interest payments and lost fee collections.

Shutdowns also carry a cost to the economy. The Congressional Budget Office (CBO) estimated that the 2018-2019 shutdown reduced Gross Domestic Product (GDP) by a total of $11 billion, including $3 billion that will never be recovered. On top of that effect, CBO notes that longer shutdowns negatively affect private-sector investment and hiring decisions as businesses cannot obtain federal permits and certifications or access federal loans. A 2019 Senate report found that the three government shutdowns in 2013, 2018, and 2019 wasted nearly $4 billion of taxpayer dollars. In 2025, CBO estimated that the six-week shutdown would result in a loss of $11 billion in real GDP and lead to $54 billion in delayed federal spending.

How can Congress avoid a shutdown?

There are essentially two ways to avoid a government shutdown – by passing appropriations or a continuing resolution (see question on "What is a Continuing Resolution?"). Theoretically, the House and Senate Appropriations committees are supposed to pass 12 different appropriations bills that are broken up into subcommittees by subject area and based on funding levels allocated in a budget resolution. Often, these bills are combined into larger "omnibus" or "minibus" legislation.

To avoid a partial shutdown, Congress would need to pass the remaining six appropriations bills through both chambers and get them signed by the President by the end of the day on January 30. This could be done by enacting each bill individually or packaging them together through a minibus. Otherwise, Congress would need to pass a continuing resolution (CR) to keep the remaining unfunded parts of the government open at FY 2025 funding levels.

The House of Representatives has passed all 12 bills, including the six remaining appropriations, and it sent the six remaining bills over to the Senate as a minibus package. If the Senate were to pass only some portion of the package, it would need to send the legislation back to the House for approval.

What is a Continuing Resolution?

A continuing resolution temporarily funds the government in the absence of full appropriations bills, often by continuing funding levels from the prior year. Traditionally, CRs have been used to give lawmakers a short period of time to complete their work on remaining appropriations bills while keeping the government open. CRs sometimes apply to only certain appropriations, but they can also be used to fund all discretionary functions for as long as the entire year.

CRs differ from normal appropriations bills in that they often "continue" funding allocations from previous bills at the prior year's level, or through a formula based on the prior year's level.

Even when overall funding levels have differed, lawmakers have often simply scaled-up all accounts by a percent change in spending, rather than making individual decisions on spending accounts. However, CRs often do include certain "anomalies," where specific items are increased or decreased to work around some problems that would occur from continuing the previous year's policies, or "policy riders," where certain funding restrictions are specified to dictate policy. Colloquially, a "clean CR" does not contain policy riders or politically motivated changes to funding levels.

How often does Congress pass CRs?

Congress frequently passes CRs when lawmakers are unable to agree on appropriations before a deadline. Occasionally, multiple CRs are necessary to fund the government for an entire fiscal year. Congress also sometimes relies on CRs during presidential transition years. In FY 2001, a series of intense Congressional negotiations leading up to the 2000 election led to a series of ten, one-day CRs. In total, Congress funded the first three months of that fiscal year with 21 CRs.

Congress funded all but one appropriations bill (defense) with a CR in 2011 and has routinely used CRs for one-quarter to one-third of fiscal year funding for the past decade. The most recent year when all full-year appropriations bills passed before the fiscal year began and no CRs were necessary was FY 1997.

FY 2025 was funded with three separate CRs – one from October 1, 2024 through December 20, 2024, another from December 21, 2024 through March 14, 2025, and a final full-year CR from March 14, 2025 through September 30, 2025 (the end of FY 2025), though this full-year CR did contain substantial anomalies. A partial CR was passed on November 12 to end the government shutdown by providing FY 2026 funding; the measure contained full-year appropriations for 3 subcommittees while the remainder were funded by a CR through January 30, 2026.

What are the disadvantages of using CRs?

Continuing resolutions have several negative implications for the budget's overall efficiency. CRs usually continue funding at the past year's level without any regard for changing policy needs or the value of each program within an agency. Using a CR wastes hundreds of hours of careful consideration and program evaluation incorporated into each agency's budget submission. For instance, the President's annual budget proposes a list of eliminations and reductions of programs that are duplicative or ineffective; a CR will continue to fund these unwanted programs. Finally, the use of CRs disrupts activities within agencies, makes it difficult to plan or start future projects, and costs staff time to revise work plans every time the budget changes.

How is Congress addressing funding?

Congress has enacted six appropriations bills and a continuing resolution for FY 2026. Thus far, Congress has passed and the President has signed full-year appropriations for Agriculture, Military Construction and Veterans Affairs, and the Legislative Branch from one package and Commerce-Justice-Science, Energy & Water, and Interior & Environment in another package, and a continuing resolution is in place through January 30 for the outstanding agencies. Of the remaining funding, the House has enacted all six bills through three separate votes that a rules resolution packaged together as a minibus and sent over to the Senate. The Senate can either choose to amend the package or pass it as is and send it to the President. If the Senate amends the package, it must send it back to the House for approval. For more about the status of specific appropriations bills see, Appropriations Watch: FY 2026.

How does a shutdown differ from a default?

In a shutdown, the federal government temporarily stops paying employees and contractors who perform government services, whereas in a default the list of parties not paid is much broader. In a default, the government exceeds the statutory debt limit and cannot pay some of its creditors (or other obligations). Without enough money to pay its bills, all the federal government's payments are at risk – including all government spending, mandatory payments, interest on our debts, and payments to U.S. bondholders. While a government shutdown would be disruptive, a government default could be disastrous. For more on a default, see our Q&A: Everything You Should Know About the Debt Ceiling.

How does a shutdown differ from "sequestration" or "sequester"?

A government shutdown closes non-essential government operations due to a lack of funding, whereas a sequester or sequestration is shorthand for a process in which broad areas of government spending are reduced to make up for spending exceeding a certain threshold. In recent years, it has been associated with the reductions in discretionary spending caps put in place by the Fiscal Responsibility Act of 2023, which capped discretionary spending separately for defense and nondefense programs for FY 2024 and 2025. If Congress were to violate these caps by appropriating above them, OMB would be required to issue a sequestration order cutting nonexempt spending to bring either category into compliance.

The first example of sequestration was included in the Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act of 1985, and it is also used to enforce statutory pay-as-you-go (PAYGO). Congress also included discretionary budget caps and sequestration in the Budget Control Act (BCA) of 2011, which resolved the 2011 debt ceiling negotiations, created a Joint Select Committee on Deficit Reduction (the "Super Committee") to identify at least $1.5 trillion of deficit reduction over 10 years, and set in motion the sequester if it did not identify at least $1.2 trillion. The failure of the Super Committee triggered sequestration, causing discretionary spending caps to be automatically lowered for both defense and nondefense.

Congress never allowed the full BCA sequester to take effect, passing partial sequester relief in 2013 and 2015, and more-than-fully reversing the sequester in 2018 and 2019. If appropriations bills violated the increased spending caps, then across-the-board cuts would have been triggered.

For more information, see the following:

- Committee for a Responsible Federal Budget – Appropriations Watch: FY 2026
- Committee for a Responsible Federal Budget – Appropriations 101
- Committee for a Responsible Federal Budget – What Happens in a Partial Government Shutdown?
- Committee for a Responsible Federal Budget – Maya MacGuineas's Testimony on Continuing Resolutions, Omnibuses, and Shutdowns
- Congressional Budget Office – The Effects of the Partial Shutdown Ending in January 2019
- Congressional Research Service – Federal Funding Gaps: A Brief Overview
- Congressional Research Service – The FY2014 Government Shutdown: Economic Effects
- Congressional Research Service – Shutdown of the Federal Government: Causes, Processes, and Effects
- Government Accountability Office – Uncertainty Limited Management Options and Increased Workload in Selected Agencies
- Office of Management and Budget – Agency Contingency Plans (Archived in early 2025)
- Office of Management and Budget – Impacts and Costs of the October 2013 Federal Government Shutdown
- Office of Management and Budget – Planning for Agency Operations During a Potential Lapse in Appropriation
- Roy T. Meyers – Late Appropriations and Government Shutdowns: Frequencies, Causes, Consequences, and Remedies
- Senate Homeland Security and Governmental Affairs Permanent Subcommittee on Investigations – The True Cost of Government Shutdowns