

Effects on the Public – Courtesy Congressional Research Service (CRS)

The effects of the two FY1996 shutdowns on government activities and the public received extensive attention. Although the effects on the public of any future shutdown would not necessarily reflect past experience, past events may be illustrative of effects that are possible. Several examples follow that were reported in congressional hearings, news media, and agency accounts:

- **Health.** New patients were not accepted into clinical research at the National Institutes of Health (NIH) clinical center; the Centers for Disease Control and Prevention ceased disease surveillance; and hotline calls to NIH concerning diseases were not answered.
- **Law Enforcement and Public Safety.** Delays occurred in the processing of alcohol, tobacco, firearms, and explosives applications by the Bureau of Alcohol, Tobacco, and Firearms; work on more than 3,500 bankruptcy cases reportedly was suspended; cancellation of the recruitment and testing of federal law-enforcement officials reportedly occurred, including the hiring of 400 border patrol agents; and delinquent child-support cases were delayed.
- **Parks, Museums, and Monuments.** Closure of 368 National Park Service sites (loss of 7 million visitors) reportedly occurred, with loss of tourism revenues to local communities; and closure of national museums and monuments (reportedly with an estimated loss of 2 million visitors) occurred⁺
- **Visas and Passports.** Approximately 20,000-30,000 applications by foreigners for visas reportedly went unprocessed each day; 200,000 U.S. applications for passports reportedly went unprocessed; and U.S. tourist industries and airlines reportedly sustained millions of dollars in losses.
- **American Veterans.** Multiple services were curtailed, ranging from health and welfare to finance and travel.
- **Federal Contractors.** Of \$18 billion in Washington, DC, area contracts, \$3.7 billion (over 20%) reportedly were affected adversely by the funding lapse; the National Institute of Standards and Technology (NIST) was unable to issue a new standard for lights and lamps that was scheduled to be effective January 1, 1996, possibly resulting in delayed product delivery and lost sales; and employees of federal contractors reportedly were furloughed without pay.

For the federal courts, a prolonged lapse in appropriated funding in the future, it has been suggested, might have a noticeable effect on court operations and on members of the public in contact with the courts. A spokeswoman for the judiciary reportedly has said it would again consider using non-appropriated funds to continue operating, as it did during the 1995-1996 government shutdowns. However, serious disruption, she added, could occur if a shutdown were prolonged and funds were depleted—with district and appellate courts unable to keep jurors, court reporters, clerks, probation officers, or security personnel on the job. Each court, she said, would make an independent decision on which employees were "emergency" and which were not.

Effects on Mandatory Spending Programs

Programs that are funded by laws other than annual appropriations acts—for example, some entitlement programs—may, or may not, be affected by a funding gap. Specific circumstances appear to be significant. For example, although the funds needed to make payments to beneficiaries may be available automatically, pursuant to permanent appropriations, the payments may be processed by employees who are paid with funds provided in annual appropriations acts. In such situations, the question arises whether a mandatory program can continue to function during a funding gap, if appropriations were not enacted to pay salaries of administering employees. According to the 1981 Civiletti opinion, at least some of these employees would not be subject to furlough, because authority to continue administration of a program could be inferred from Congress's direction that benefit payments continue to be made according to an entitlement formula. That is, obligating funds for the salaries of these personnel would be excepted from the Antideficiency Act's restrictions during a funding gap. However, such a determination would depend upon the absence of contrary legislative history in specific circumstances.

Nevertheless, the experience of the Social Security Administration (SSA) during the FY1996 shutdowns illustrates what might happen over a period of time in these situations. The lack of funds for some employees' salaries, for example, may impinge eventually on the processing and payment of new entitlement claims. SSA's administrative history describes how 4,780 employees were allowed to be retained during the initial stages of the first shutdown. The majority of these employees were "in direct service positions to ensure the continuance of benefits to currently enrolled Social Security, SSI and Black Lung beneficiaries." Avoidance of furloughs was possible, because "appropriations were available to fund the program costs of paying benefits, [which] implied authority to incur obligations for the costs necessary to administer those benefits." SSA furloughed its remaining 61,415 employees. Before long, however, SSA and OMB reconsidered. SSA had not retained staff to, among other things, respond to "telephone calls from customers needing a Social Security card to work or who needed to change the address where their check should be mailed for the following month." SSA then advised OMB that the agency would need to retain 49,715 additional employees for direct service work, including the processing of new claims for Social Security benefits. Further adjustments were made during the considerably longer second shutdown, in response to increasing difficulties in administering the agency's entitlement programs.