

GOVCLARITY SPECIAL REPORT

UNDERSTANDING HOW GOVERNMENT SHUTDOWNS WORK

# GOVERNMENT SHUTDOWN

WHAT'S OPEN? WHAT'S CLOSED?



A STEP-BY-STEP GUIDE  
TO WHICH FEDERAL SERVICES  
CONTINUE—AND WHICH STOP  
DURING A SHUTDOWN



# Government Shutdown: Your Quick Reference Dashboard

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Services Protected



## Essential Services Protected:

- Social Security & SSI payments: Continue
- Medicare & Medicaid: Continue
- VA core benefits & healthcare: Continue
- TSA & air traffic control: Continue
- Military operations: Continue (pay may delay)

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Services Affected



## Services That Stop/Delay:

- New SBA loan applications: Immediate halt
- FAFSA processing: Delays likely
- National parks: Most close entirely
- Some VA support services: Suspended

90

Days for Passport Buffer



## Critical Timeline:

- Passport applications: Apply 90 days before travel
- Other federal applications: Add 4-6 weeks buffer

# Understanding Government Shutdowns

## What Is a Government Shutdown?

A government shutdown—formally called a "lapse in appropriations"—occurs when Congress fails to pass funding legislation or a Continuing Resolution (CR) before the fiscal year ends (typically September 30th).

When funding expires, federal agencies relying on annual appropriations must cease non-essential operations under the Antideficiency Act. This law prohibits agencies from spending money they haven't been authorized to spend.

## What Determines Which Services Continue?

Funding mechanism determines continuity:

### Mandatory Spending (Protected)

- Social Security, Medicare, Medicaid
- Funded by permanent law, not annual appropriations
- Continue automatically during shutdowns

### Discretionary Spending (Vulnerable)

- National Parks, SBA operations, FAFSA processing
- Require annual Congressional approval
- Stop immediately when funding lapses

### Fee-Funded Services (Generally Protected)

- Passport operations, USPS
- Self-funded through user fees
- Can continue but may slow due to support service dependencies

### Excepted Activities (Continue with Delayed Pay)

- TSA, air traffic control, law enforcement
- Essential for public safety
- Employees work without immediate pay

# Services That Continue

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## Social Security & Supplemental Security Income (SSI)

### Status: Payments Continue On Time

Monthly benefit checks arrive as scheduled regardless of shutdown duration. These programs operate under indefinite appropriations separate from the annual budget process.

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**Important caveat:** While payments continue, local Social Security Administration field offices may operate with reduced staff, causing delays for:

- New benefit applications
  - Appeals processing
  - Complex eligibility determinations
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**Official Resource:** SSA.gov | 1-800-772-1213



# Medicare & Medicaid

**Status: Full Coverage Continues**

All Medicare and Medicaid services remain active:

Doctor visits

Hospital care

Prescription drug coverage

Medical procedures

These entitlement programs are funded independently of annual appropriations.

**Official Resource:** Medicare.gov | 1-800-MEDICARE

Patient Care Wing

Patient Care Wing



# Department of Veterans Affairs (VA)

Status: **Core Services Continue, Support Services May Stop**

## Services That Continue:

- Disability compensation payments
- Pension payments
- VA medical care and hospitals
- Veterans Crisis Line: 988, Press 1 (24/7)
- Dependency and Indemnity Compensation (DIC)

## Services That May Be Suspended:

- Veteran Readiness & Employment (VR&E/Chapter 31) outreach
- GI Bill Hotline (Education Call Center)
- Transition Assistance Programs (TAP)
- Some cemetery maintenance (interments continue)

**Why the difference?** Core payments and medical care operate on separate funding, while support services rely on annual appropriations.

**Official Resource:** VA.gov | 1-800-827-1000



# Transportation Security & Air Traffic Control

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**Status: Operations Continue**

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TSA security screening and air traffic control remain fully operational. You can travel by air without safety concerns.

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**Critical detail:** TSA officers and air traffic controllers are "excepted employees" who must work without immediate pay. In prolonged shutdowns, this can lead to staffing challenges.

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**Official Resource:** [TSA.gov](http://TSA.gov)



# Law Enforcement & Border Security

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Status: **Operations Continue**

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Federal law enforcement agencies remain operational:

- Customs and Border Protection (CBP)
  - Federal Bureau of Investigation (FBI)
  - Secret Service
  - Federal Protective Service
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All personnel are classified as essential and continue working (without immediate pay).



# Military Operations

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**Status: Operations Continue, Pay May Be Delayed**

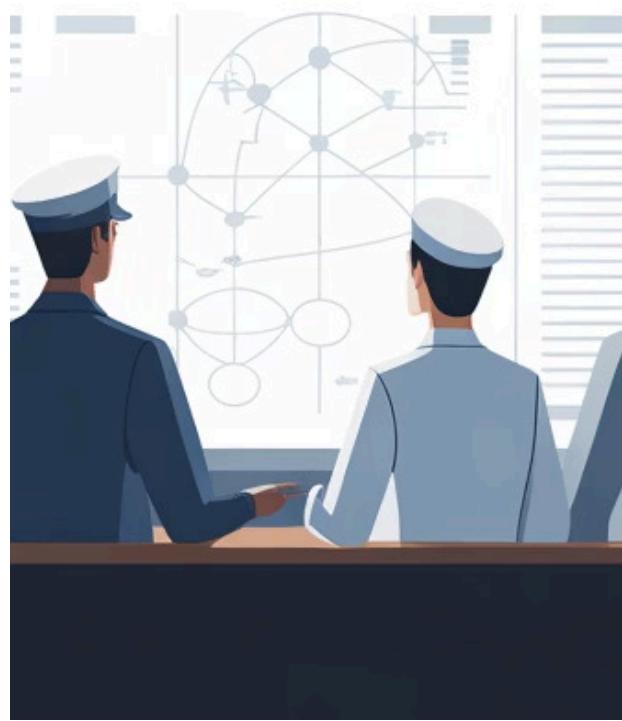
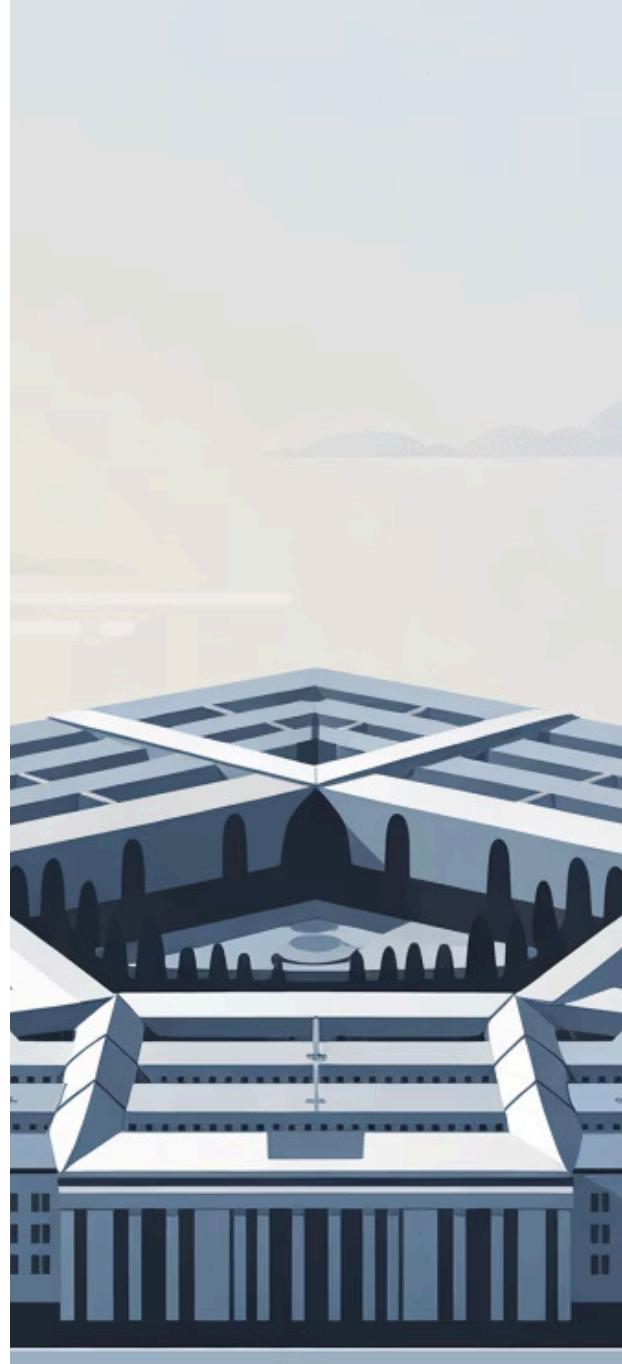
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National defense and military operations continue without interruption. Active duty personnel remain on duty.

**Pay status:** Military paychecks depend on annual appropriations and may be delayed unless Congress passes targeted funding legislation (often done but not legally guaranteed).

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**Official Resource:** Defense.gov



# United States Postal Service (USPS)

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## Status: Completely Unaffected

Mail delivery continues normally. USPS is self-funded through postage sales and operates independently of annual appropriations.

**Official Resource:** [USPS.com](http://USPS.com)



# Passport Services

## Status: Services Continue But Processing

### Slows

**Current reality:** Passport operations are fee-funded and typically continue during shutdowns. However, processing slows significantly due to dependencies on other agencies.

### Why delays occur:

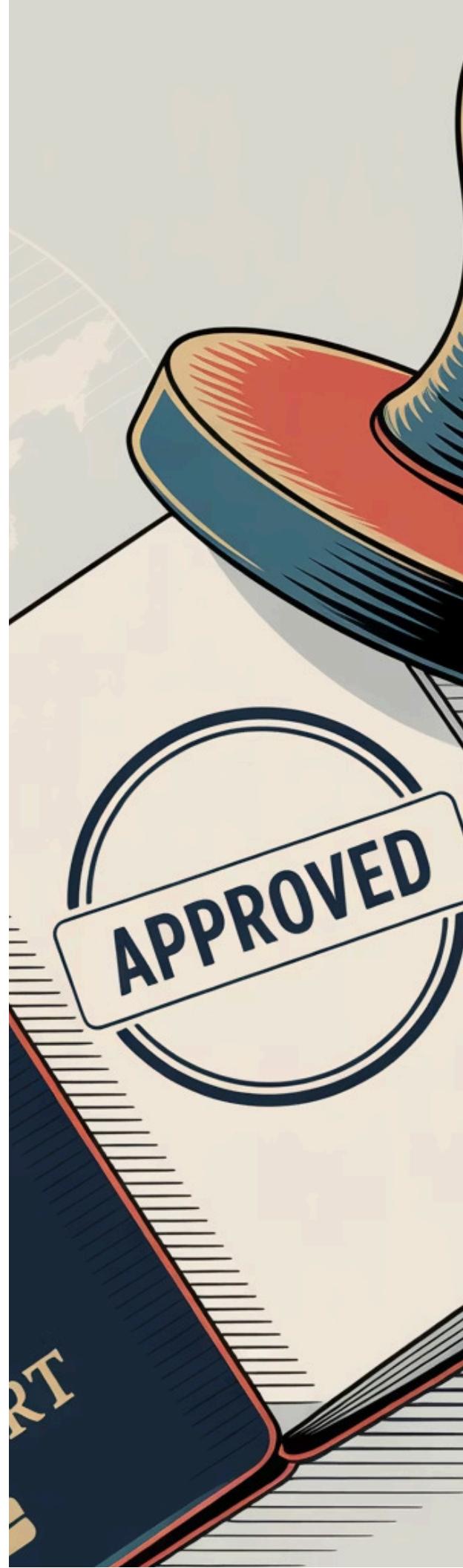
- FBI background checks may be suspended
- DHS verification processes may halt
- Inter-agency clearances slow or stop

**Buffer recommendation:** Apply at least 90 days before international travel.

### Current processing times:

- Routine: 4-6 weeks + 2 weeks mailing
- Expedited: 2-3 weeks + 2 weeks mailing
- Shutdown buffer: Add 2-4 weeks minimum

**Official Resource:** Travel.State.gov | 1-877-487-2778



# National Parks

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## Status: Most Close Entirely

National Park Service contingency plans typically mandate closing the majority of parks to public access during shutdowns.

**Why full closures?** Without appropriated staff (rangers, maintenance, facilities), parks cannot ensure visitor safety or protect natural resources.

**Planning tip:** Check individual park websites before traveling. Some may remain accessible with zero services (no restrooms, no visitor centers, no emergency assistance).

**Official Resource:** NPS.gov



# Internal Revenue Service (IRS)

Status: **UPDATED - Most Operations Continue**

**Critical update:** Unlike historical shutdowns where the IRS furloughed most staff, current policy has changed.

**Why IRS now continues:** The Inflation Reduction Act (2022) provided supplemental appropriations through September 30, 2031, allowing the IRS to maintain operations during shutdowns.

## What continues:

- Tax return processing
- Refund processing
- Core taxpayer services

## What may slow:

- Some support services
- Complex case resolution
- In-person assistance

**Tax filing deadlines:** ALWAYS unchanged during shutdowns. You must file on time to avoid penalties.

**Official Resource:** IRS.gov | 1-800-829-1040



# Federal Student Aid (FAFSA)

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## Status: Processing Delays Expected

New FAFSA applications may not be processed during shutdowns. Administrative staff handling verification and aid determinations are often furloughed.

**What continues:** Existing student loan servicing

**What stops:** New application processing, verification, aid package determination

**Buffer recommendation:** Submit FAFSA as early as possible (opens October 1 for following academic year).

**Official Resource:** [StudentAid.gov](http://StudentAid.gov) | 1-800-4-FED-AID



# Small Business Administration (SBA)

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## Status: New Loan Applications Halt Immediately

The SBA stops processing new loan applications:

- 7(a) loans
- 504/CDC loans
- Disaster loans
- Even Preferred Lender Program applications (if SBA number not yet assigned)

**What continues:** Existing loan payments and servicing

**Post-shutdown reality:** Expect extended processing times (4-8 weeks additional) as SBA works through accumulated backlog.

**Official Resource:** SBA.gov | 1-800-827-5722



# Federal Employee & Contractor Pay

**Status: Federal Employee Pay Delayed,  
Contractors Not Protected**

## Federal Employees:

- All employees (furloughed and excepted) experience pay delays
- Back pay is legally guaranteed by Government Employee Fair Treatment Act (2019)
- Payments resume when government reopens

## Government Contractors:

- May face immediate job loss or pay cessation
- NO legal guarantee of back pay
- Permanent income loss possible

This disparity affects millions of private-sector workers performing federal functions.



# Nutrition Assistance Programs

Status: **SNAP Secure Short-Term, WIC Highly Vulnerable**

## SNAP (Supplemental Nutrition Assistance Program):

- Typically continues for first month using contingency funds
- States can maintain benefits through reserve funding
- Extended shutdowns (30+ days) may cause disruption

## WIC (Women, Infants, and Children):

- Discretionary program with limited state reserves
- May face disruption within 1-2 weeks in some states
- Continuation depends entirely on individual state funding reserves

**Critical action:** Check your state's Department of Health or Agriculture website for state-specific contingency plans.

**Official Resource:** FNS.USDA.gov



# Preparation Checklist

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## Before a Shutdown:

- Apply for passport 90+ days before international travel
- Submit federal applications with 4-6 week buffer
- Download agency contingency plans from .gov websites
- Save important agency phone numbers offline
- Review state contingency plans for nutrition programs

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## During a Shutdown:

- Monitor agency websites for updates
- Expect 2-4 week delays for new applications
- Check state resources for SNAP/WIC status

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## After a Shutdown:

- Allow 4-6 weeks for backlog processing
- Follow up on pending applications



# Resources & Contacts

## Government-Wide Information

### Office of Personnel Management (OPM)

- Website: OPM.gov
- Shutdown guidance: OPM.gov/policy-data-oversight/pay-leave/furlough-guidance

### USA.gov

- General government information
- Agency directory

## Agency-Specific Contacts

### Department of State (DOS)

- Passport Services: Check Travel.State.Gov for operational status
- Visa Processing: Expect delays during shutdown

### Department of Veterans Affairs (VA)

- Healthcare: Generally maintained
- Benefits/Claims: Expect delays in processing new claims

### Department of Agriculture (USDA)

- SNAP/WIC: Contact local state office for funding status
- Food Safety/Inspections: Essential services generally continue

**Last Updated:** Based on 2025 policy framework including IRS Inflation Reduction Act funding (2022-2031).

**Note:** This guide is for educational purposes. [GovClarity](#) is not a government agency. Always verify current information through official .gov websites.