



## Impact of a Federal Government Shutdown on People with MS

### What is a Shutdown?

When the President and Congress fail to agree on spending bills to fund the federal agencies and programs before the start of the fiscal year (October 1), the result is a lapse in federal appropriations. This means that there is no money approved to fund those federal agencies or programs - resulting in a shutdown. In situations where the federal government is operating under a continuing resolution (CR), it is possible for a government shutdown to occur in the middle of the Fiscal Year if a new spending bill is not enacted by the time the continuing resolution expires.

This document provides guidance based on the best available information about how a shutdown may impact people with MS. The federal government will likely provide and post more detailed plans about what each agency will do in the event of a shutdown.

The National MS Society is not a government agency and does not rely on government funding. Therefore, there will be no direct impact to the Society.

### Current Status:

Several key government departments and agencies remain un-funded for fiscal year (FY) 2019. This includes the departments of Agriculture, Commerce, Justice, Homeland Security, Housing and Urban Development, Interior, State, Transportation and Treasury. With the U.S. Senate, U.S. House of Representatives and the White House unable to reach consensus on a new budget deal, the departments' funding expired at midnight December 21, 2018. The result is a **partial** federal government shutdown – affecting the agencies and departments listed above—but not all federal agencies.

For questions or an update on status, please contact Leslie Ritter at [Leslie.Ritter@nmss.org](mailto:Leslie.Ritter@nmss.org) or 202-408-1500.

## Impact on Agencies and Programs Important to people with MS

### Social Security Administration (SSA) Programs

- Payments from Social Security Administration programs, including retirement, Supplemental Security Income (SSI) and Disability Insurance (SSDI) are mandatory spending, so checks should continue to be issued as usual. However, new applicants may experience delays in processing and the longer the shutdown continues, the greater the likelihood of delays due to staffing furloughs.
- Continued Operations include:
  - Application for benefits (including appointments; limited data exchanges and record corrections for mandatory benefits, including earnings,);



- Request for appeals (reconsiderations, hearings, Appeals Council);
  - Normal post-entitlement actions (change of address, Supplemental Security Income living arrangement changes, non-citizen verification/changes, direct deposit, death inputs, etc.);
  - Non-receipts and critical payments;
  - Critical information technology support to process daily activities;
  - Payee changes;
  - Redeterminations and continuing disability reviews;
  - Initial claims, including terminally ill, compassionate allowances, quick disability determinations, dire need, and wounded warriors; and
  - Reconsiderations.
- The Office of Hearings Operations (OHO) will continue to schedule, hear, and decide cases on a limited basis.

### **Supplemental Nutrition Assistance Program (SNAP):**

- According to the Department of Agriculture (USDA), eligible households will still receive monthly SNAP benefits for January, but the \$3 billion in emergency funds for SNAP appropriated by Congress will not cover the spending for the entire month of February. USDA staff are utilizing a funding provision that allows them to provide February benefits early, and the agency is in the process of reaching out to states to request early issuance of benefits to meet the 30-day deadline in the funding provision. SNAP benefits for March are uncertain.
- The Commodity Supplemental Food Program, WIC, and the Food Distribution Program on Indian Reservations can continue to operate at the State and local level with any funding and commodity resources that remain available. Additional Federal funds will not be provided during the shutdown. Deliveries of already-purchased commodities will continue however.

### **Internal Revenue Service (IRS)**

- The Internal Revenue Service (IRS) issued a statement clarifying that it is committed to processing tax returns beginning on January 28th and plans to issue tax refunds as usual. The IRS has yet to issue its contingency plan, but notes that it intends to recall IRS staff to process returns if the shutdown has not ended by January 28<sup>th</sup>.

### **Department of Housing and Urban Development (HUD)**

- Routine HUD functions have ceased including application processing, payments and inspections.
- About 1,150 contracts with private landlords have expired since the shutdown began on Dec. 22, according to the HUD. About 500 more contracts will expire in January and 550 in February if the shutdown continues.



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- Historically, HUD has reimbursed owners following a shutdown and reports none have experienced an eviction. On January 4<sup>th</sup>, HUD sent letters to landlords asking them to use their reserve accounts rather than evict tenants during the shutdown.

### **Department of Agriculture (USDA)**

- USDA direct loan programs will not issue any additional funds, including Section 504, 514, and 502.
- USDA's shutdown plan has noted that banks are unlikely to close on these loans until the government shutdown ends, delaying homeownership at best and possibly forcing sellers to look elsewhere.
- It is not yet clear whether USDA will continue paying rental assistance or vouchers for low- and very low-income tenants. The longer the shutdown persists, USDA may discontinue paying rental assistance as funds decrease.
- Unless they are operated by external parties under a recreational special use permit, recreation sites across the U.S. National Forest System will be closed. While technically closed, many will still be physically accessible to visitors at their own risk, but without staffing at ranger stations and without access to facilities such as public restrooms.

### **Low-Income Home Energy Assistance Program (LIHEAP)**

- LIHEAP is a federal program designed to temporarily assist households who cannot afford to pay to keep their utilities on.
- LIHEAP is funded through the Department of Health and Human Services

### **Food and Drug Administration (FDA)**

- FDA would continue limited activities related to its user fee funded programs including the activities in the Center for Tobacco Products. FDA would also continue select vital activities including maintaining critical consumer protections to handle emergencies, high-risk recalls, civil and criminal investigations, import entry review, and other critical public health issues.
- FDA will be unable to support the majority of its food safety, nutrition, and cosmetics activities. FDA will also have to cease safety activities such as routine establishment inspections, some compliance and enforcement activities, monitoring of imports, notification programs (e.g., food contact substances, infant formula), and the majority of the laboratory research necessary to inform public health decision-making.

### **Unemployment Benefits**

- During a Federal government shutdown, Federal employees may be eligible for Unemployment Compensation for Federal Employees (UCFE). The UCFE



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program is administered by state unemployment insurance (UI) agencies acting as agents of the Federal government.

- Federal employees should reference this [furlough guidance memo](#) from the Office of Personnel Management for more information.
- Government contractors should reach out to their company's human resources department for guidance as policies may differ. However, they may not be eligible for back-pay like federal employees.

**Congress passed federal appropriations for agencies that fall under the Department of Health and Human Services so the following federal agencies are NOT impacted by the partial federal government shutdown.**

- **National Institutes of Health (NIH)**
- **Centers for Medicare & Medicaid Services (CMS)**
- **Center for Disease Control and Prevention (CDC)**
- **Substance Abuse and Mental Health Services Administration (SAMHSA)**
- **Administration for Community Living (ACL)**
- **Free/Low-Cost Clinics**

**Transportation**

- Transportation should not be noticeably impacted by the shutdown.

**Other Impacted Sectors**

- Passport applications and renewals will continue during the partial government shutdown, and process times remain 4-6 weeks for routine service and 2-3 weeks for expedited service.
- Agencies with independent funding like the U.S. Postal Service will not shut down.

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**Background.** Under the Anti-deficiency Act, federal agencies and programs must cease operations if they lack funding. For agencies and programs that rely on discretionary funding through annual funding bills (for example, the NIH, FDA, Environmental Protection Agency and National Park Service), Congress and the Administration must act by the end of the fiscal year (September 30) to keep government agencies and programs funded. If they do not take action, a “funding gap” is created (often called a “lapse in federal appropriations” and the federal government begins a “shutdown” of the un-funded portions of the government. The last government shutdown lasted three weeks from October 1<sup>st</sup> to October 17<sup>th</sup>, 2013. There have been 19 shutdowns since 1976.

**Mandatory vs. Discretionary Spending.** Entitlement programs like Medicare and Social Security will continue to be funded because they are categorized as ‘mandatory’ spending. Extremely important government activities like research funding at the National Institutes of Health are ‘discretionary,’ or non-mandatory spending. The



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discretionary spending of the government feels the greatest impact with a federal government shutdown.