



# COALITION ON HUMAN NEEDS

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October 3, 2013

## Federal Shutdown Impacts

The Coalition on Human Needs has tracked the impact of sequestration cuts since they began in March 2013. Now the intransigence of extremists in Congress has forced a federal shutdown, with no apparent quick resolution. Just as with sequestration, the first reaction of the pundit class was that a federal shutdown would not be particularly harmful. So we have made an initial scan of the shutdown's impacts, and will continue to monitor them. Right now, benefits like Social Security, Medicaid, and SNAP/food stamps are not subject to the shutdown. If the extremists push the nation to default, payments for these services and most everything else will be threatened in an unprecedented way.

Bear in mind: many of the programs not receiving funds because of the shutdown have been affected in the past year by sequestration cuts. In some cases, reserves that might have helped manage the lack of funds now are not available because they were used to mitigate the impact of the sequester.

Ironically, some impacts will be hard to assess because the shutdown has stopped the Bureau of Labor Statistics from collecting unemployment data.

Information about the impact of the shutdown will be coming rapidly. We urge people who learn of specific effects in their state or community to send that news to us, if at all possible with a link to the source of your information. Please send it to Debbie Weinstein, [dweinstein@chn.org](mailto:dweinstein@chn.org)

**Across Government:** The federal government estimates that more than [800,000](#) workers are being furloughed. In addition, some state or local government employees paid with federal funds are being sent home. For example, in [North Carolina](#), the state's Department of Health and Human Services furloughed 337 workers paid with federal grants. The National Institutes of Health reports that new research grants to scientists nationwide will not be made during the shutdown – which is likely to be another cause for temporary or permanent lay-offs.

The federal Office of Management and Budget (OMB) has compiled [contingency plans](#) for shutting down government from the various federal Departments. See the links [here](#).

### U.S. Department of Health and Human Services

**Temporary Assistance for Needy Families (TANF)** and parts of the **Child Care Development Fund** do not require annual appropriations, and so ordinarily would not be affected by the government shutdown. But this time is different: TANF and the Child Care Development Fund legislation needed to be reauthorized by September 30. These renewals were held up along with the spending bill, forcing HHS to announce that the next regular disbursement of funds to states this month will not take place. HHS' Administration for Children and Families distributed a [letter](#) encouraging states to use carry-over funds

from previous years or state dollars to ensure cash assistance, child care, and other services are uninterrupted. States are required to contribute their own funds towards both TANF and child care; they can spend some of their required share now, even if they do not have unspent federal dollars available for this month's needs. Because of this, all states should be able to continue serving poor families.

However, in a troubling development, [Arizona](#) has decided to cease TANF and refugee assistance payments to its very poor families starting October 3. Out of the Arizona TANF caseload of 16,300 families, [5,200 families](#) will not receive benefits, which average only \$207 per month. The state's Department of Economic Security also announced delays in payments to vendors because of the federal shutdown.

**Head Start:** Programs that were due to receive their funding in October will not receive it. According to the [National Head Start Association](#), this includes 23 programs in 11 states serving 19,000 children.

**Social Services Block Grant:** The Administration for Children and Families also announced that states would not receive Social Services Block Grant funds in October. This \$1.7 billion block grant provides funds states use to prevent elder abuse, for child care and some child welfare services, for adult day and meals programs, and other family services. Arizona's notice above also announced that programs that use SSBG funds would not receive funding from that source this month.

**Community Services Block Grant:** These funds (over \$600 million for the block grant in FY 2013) will not be distributed this October. They support the activities of about 1,100 community action agencies nationwide, which provide antipoverty services including Head Start, home energy and weatherization assistance, and job training.

**Child Welfare Services:** The Administration for Children and Families says certain child welfare programs will not be funded. Details are not known at this time, but presumably they include programs funded by annual appropriations.

**Other Programs Operated by HHS:** According to the [HHS contingency plan](#), funding will stop during the shutdown for Senior Nutrition programs, Native American Nutrition and Supportive Services, Prevention of Elder Abuse and Neglect, the Long-Term Care Ombudsman program, and Protection and Advocacy for persons with developmental disabilities.

### **U.S. Department of Agriculture**

**WIC:** The Special Supplemental Nutrition Program for Women, Infants and Children will not be able to distribute funding used to provide food and clinical services to low-income babies, young children, and pregnant women. USDA anticipates that other sources of funding available to WIC programs, such as infant formula rebates, may help programs continue to provide food for another one to three weeks, but that if the shutdown continues, funds will run out and services will stop.

**Emergency food programs:** The Commodity Supplemental Food Program (providing home-delivered meals to low-income seniors), The Emergency Food Assistance Program administrative funds, WIC Farmers' Markets Nutrition Program, and the Food Distribution Program on Indian Reservations will not get additional federal funds. According to [USDA](#), "While there would be some inventory available for

use in food packages, no carryover, contingency or other funds would be available to support continued operations.”

**Senior Meals:** Meals delivered to homebound seniors were already cut [8 percent last year by sequestration](#). A survey conducted by the [Meals on Wheels Association of America](#) found that 70 percent of programs had reduced the number of meals delivered. The federal shutdown, if it lasts more than a few days, will further strain the resources of meals programs, many of whom used scarce reserves to offset sequestration cuts.

**SNAP/food stamps:** Because SNAP is not subject to annual appropriations, it will continue to be available to low-income families and individuals.

**Child Nutrition programs:** School meals and afterschool programs are expected to have carry-over funds and advance funding sufficient to pay for continued operations in October and potentially beyond.

### **U.S. Department of Housing and Urban Development**

**Public Housing Authorities:** HUD will be unable to fund additional payments to public housing authorities. It expects the 3,300 Public Housing Authorities it funds to have enough funds to get through the month of October. “However, depending on the length of the shutdown, some PHAs may not be able to maintain normal operations.”

**Rental housing vouchers:** According to the HUD contingency plan, public housing authorities “...are not required to cease issuing vouchers during a shutdown. However, HUD would be unable to provide additional funds.” The real constraint on the issuing of new vouchers at this time is the continuation of sequestration. Those cuts have forced many housing authorities to retire old vouchers as they were turned in by households no longer using them, instead of re-issuing them to new families.

**Community Development Block Grant:** No funds due to be distributed in October will be released.

### **U.S. Department of Labor**

**Workforce Investment Act (WIA):** Adult and dislocated worker training programs would have been scheduled to receive funding in October. Those funds will not be distributed during the shutdown. Youth training programs under WIA received their funds this past April, meaning they can operate without interruption, according to the [National Skills Coalition](#).

**Job Corps:** Because Job Corps is a residential program for its 28,000 young trainees, it is exempted from shutdown cuts on grounds of health and safety.

### **U.S. Department of Education**

Most programs funded through the Department of Education, such as K-12 funding and higher education scholarships, have advance funding to ensure uninterrupted operations in the event of a brief shutdown. If the impasse is prolonged, school systems and post-secondary programs could experience funding delays. According to the Education [contingency plan](#), “A protracted delay in Department obligations and payments beyond one week would severely curtail the cash flow to school districts,

colleges and universities, and vocational rehabilitation agencies that depend on the Department's funds to support their services. For example, many school districts receive more than 20 percent of their funds from Department-funded programs. Colleges rely on Higher Education funds to pay ongoing expenses of staff running programs for disadvantaged students seeking to enter and stay in college. Vocational rehabilitation agencies receive 80 percent of the cost of providing services to adult individuals with disabilities from the Department's program."

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For more information or to share impacts of sequestration or shutdown cuts, please contact Deborah Weinstein, [dweinstein@chn.org](mailto:dweinstein@chn.org) or [www.chn.org](http://www.chn.org) .