

What happens if the federal government shuts down?

Episode #176



ON THE BALLOT

A BALLOTPEDIA PODCAST



Podcast Transcript

OTB Ep. #176: What happens if the federal government shuts down?

[00:00:00] **Frank Festa:** Welcome to On the Ballot with Ballotpedia, where we connect people to politics by providing neutral, non partisan, and reliable information on our government, how it works, and where it's headed. I'm Frank Festa, the producer of the show, filling in for our typical host Geoff Pally. Thanks for being with us.

We're recording this episode on Tuesday afternoon, March 11th, and today I'm joined by one of our show regulars, Ellen Morrissey, to talk government shutdowns. Something you've definitely heard about a lot recently in the news, with lettuce layers in the middle of negotiating a bill to keep the federal government up and running through September.

Key debates and votes are playing out over the course of this week, with a partial government shutdown possibly starting as early as this Friday, March 11th, if Congress can't agree on a path forward. The idea of the government shutting down admittedly sounds pretty scary. So we thought it'd be a great idea to take some time out this week to break down what actually happens when the federal government shuts down.

So you can be ready just in case that actually plays out this upcoming weekend. So Ellen, thanks for coming on the show as always. It's great to see you. [00:01:00]

[00:01:00] **Ellen Morrissey:** Hey, happy to be here.

[00:01:02] **Frank Festa:** Step outside of the present moment in time for a second, if you don't mind. We'll get to that a little bit later on in the show.

What is the big fuss about here? Why does the federal government face this sort of annual deadline to fund the government? And what sort of details are currently being worked out?

[00:01:15] **Ellen Morrissey:** All right. To zoom out, like all the way we're talking, you know, a government shutdown happens because. There isn't funding, right?

But what does that mean? Here's kind of the zoomed out picture on government spending. There are three main types of government spending. There is mandatory spending. This is money that is already allocated on pre existing laws. Like, the formula is already set up in those laws. Those laws say, here is how much money you need to spend each year.

Kind of big examples of this that often get cited are big entitlement programs like medicare or social security you know with social security the formula for how much money gets spent on the program is already kind of [00:02:00] outlined in the social security act so that's kind of already done that's figured out the second type of spending is discretionary spending and this is the kind of spending that a government shutdown is all about

[00:02:13] **Frank Festa:** Got it.

That makes sense. So mandatory spending, things like Medicaid, social security, those kinds of things, they're going to keep going on if there is this sort of shutdown. But discretionary spending is what we're going to be keeping an eye on. So what kind of programs and government functions fall under discretionary spending?

OTB Ep. #176: What happens if the federal government shuts down?

What does that entail?

[00:02:29] **Ellen Morrissey:** Government programs, agencies, national defense as well, a big chunk of this, where The laws authorizing these programs don't already tell Congress how much needs to get spent, right? So basically, like, the law says, we're establishing this program, and every year you need to figure out how much money to fund it with.

As I mentioned, national defense is included here, and a bunch of programs related to education, transportation, environmental protection, law enforcement and border [00:03:00] security, international assistance, a bunch of other stuff. A real grab bag. So that's kind of what this is all about, discretionary spending.

At the top of this, I did mention there were three types of government spending. The third one is not super important for our purposes right now, um, which is supplemental funding, um, which is kind of like extra funding the government does on top of mandatory. And discretionary, um, and this is the stuff that gets passed via a reconciliation bill.

So like the big COVID spending bills or the, uh, uh, Inflation Reduction Act. I, I imagine listeners can scroll back in their feed a couple episodes to check out our reconciliation process, uh, episode if they want to hear more about that.

[00:03:43] **Frank Festa:** Nice. Shameless plug there. I like it.

[00:03:44] **Ellen Morrissey:** Oh yeah. Um, so yeah, basically what this is all about is Congress needs to figure out how much money to spend.

On a certain subset of programs and, and that's what they're hashing out right now.

[00:03:57] **Frank Festa:** Got it. Okay. That makes sense. Would you mind, [00:04:00] if you don't mind, walking us through how this process typically works? You know, what, how does this all typically play out?

[00:04:06] **Ellen Morrissey:** Congress needs to pass one of these bills annually, but something they often do is They pass these stopgap bills on the way to the final appropriations bill, so, which are called, those stopgap bills are called continuing resolutions, um, you'll probably hear that used.

I think the bill that Congress is looking at right now is a continuing resolution, and a continuing resolution is basically, A funding bill that only plans out funding for, like, X amount of weeks or months instead of, like, the entire fiscal year, basically. At some point, Congress does need to pass a, like, omnibus fiscal year 2025, or, you know, uh, several fiscal year 2025, like, actual budgets.

But they don't have to do that till, like, the end of December, technically. They could just [00:05:00] have a long runway of continuing resolutions all the way until you get to the actual budget. But as far as both these continuing resolutions and, um, the budget, they are passed like a regular bill. They need a simple majority in the House and a 60 vote filibuster proof majority in the Senate.

OTB Ep. #176: What happens if the federal government shuts down?

The, if Congress does not pass a funding bill by the deadline established by You know, the most recent funding that's about to expire and Congress doesn't pass a continuing resolution to kind of give themselves more time, then the government will shut down.

[00:05:34] **Frank Festa:** All right. So let's say Congress fails to come to an agreement by this Friday night, the 15th, and the government does actually shut down as a result, what happens next?

I'm thinking about what you said a few moments ago about the difference between mandatory and discretionary spending. And if I understand correctly. There are a bunch of different ways that this could work, but typically not all of the government services shut down. Right.

[00:05:58] **Ellen Morrissey:** If the government [00:06:00] then reopens before Monday, it doesn't really interrupt services, because it's the weekend, people aren't at work, you know, most of these government agencies aren't open.

So, there's a group, you know, there's a kind of wide group of government shutdowns, but then there's kind of a smaller group within that, which is government shutdowns that interrupt government services, and result in employees being furloughed, things like that, which we can kind of dig into what exactly that is more, but.

Yeah, some government shutdowns, sometimes government shutdowns quote unquote or a gap in government funding only last like a couple of hours before the president signs the bill. So there are these kind of like mini ones that don't really, you know, aren't the government shutdowns that we're all worried about.

[00:06:42] **Frank Festa:** Tell me a little bit more about what happens to the federal workers being furloughed. They're kind of You know, center stage right now with a lot of the things going on and reshaping the federal government. Tell me more about their fate in all of this. What happens to them in the case of a federal government shutdown?

[00:06:56] **Ellen Morrissey:** Yeah, so that's kind of definitely one of the big things that happens when [00:07:00] the government shuts down. Especially because, you know, our government is made up of workers who go to work every day and like perform services. Each agency will have a contingency plan where they'll kind of like have a plan for here's what we do if the government shuts down, right?

Typically, like, non essential personnel, um, who work for that agency will be furloughed, which is when these employees can't work and they Don't get paid for the duration of the shutdown, although a 2019 law makes it so that now they will receive back pay upon resuming work at the end of the shutdown, but before 2019, they just wouldn't get paid at all for, for that time, which is interesting.

[00:07:38] **Frank Festa:** Oh wow, I didn't realize that that was so recent of a change.

[00:07:40] **Ellen Morrissey:** So yeah, non essential personnel get furloughed. Um, and. 2013 and 2018, which were two kind of big, lengthy government shutdowns, about 850, 000 of the 2. 1 million government employees ended up furloughed, so almost half. Quite a few people. But then, you know, on the other end you've got kind of more essential [00:08:00] personnel, uh, people who like, in order for like, the basics of society to keep functioning, like, they have to show up to work every day.

OTB Ep. #176: What happens if the federal government shuts down?

[00:08:06] **Frank Festa:** Got it. So who counts as essential and non essential personnel? Break that down for us if you can.

[00:08:12] **Ellen Morrissey:** Things like, you know, active duty military, law enforcement agents, doctors and nurses at hospitals, air traffic controllers. And then, you know, sometimes you'll also have like skeleton crews at agencies like the National Weather Service and NASA, things like that.

Um, these people do continue working during the, uh, government shutdown and they also receive back pay at the end, um, once funding is restored.

[00:08:34] **Frank Festa:** I wonder if that might look a little bit different this time around as well, given all the different changes going on with the federal workforce, you know? But what, what other, uh, what other ramifications are you thinking about here for, as to, you know, what might happen if the government shuts down?

What else, what else are you thinking about?

[00:08:47] **Ellen Morrissey:** Are there other consequences I'm thinking about? That are kind of very specific to our current moment, which is, you know, we're two ish, two to three months into, um, Donald Trump's.

[00:08:58] **Frank Festa:** Yeah, right around 50 days.

[00:08:59] **Ellen Morrissey:** Second term in [00:09:00] office, he just assumed office, you know, he's got a trifecta government, meaning, you know.

He's a Republican president with a Republican majority in the House and the Senate. As long as Congress is busy and the president is busy, uh, trying to keep the government from shutting down, they're not going to be working on other priorities, right? And there are a lot of other priorities at this point in, in the presidency, including doing the budget reconciliation process to, um, pass kind of like key legislative priorities for Trump, I think specifically related to like the border, energy, um, tax cuts, things like that.

One other kind of very specific one, um, Another category of, you know, things that aren't happening is, uh, You know, confirmations for, to kind of fill out the Personnel, you know, in working in the executive branch, you know, confirming judges, things like that. Um, one specific example that's pretty interesting, uh, Trump's Final cabinet member, uh, cabinet nominee is Elise Stefanik, who is nominated for U.

S. [00:10:00] Ambassador to the United Nations. She's the last nominee who has not been confirmed yet.

[00:10:04] **Frank Festa:** Huh, I didn't realize that she actually hadn't been confirmed yet. I thought they all had gotten through.

[00:10:08] **Ellen Morrissey:** Yeah, she's still awaiting confirmation because she's also a sitting member of the U. S. House, right? And there's a very narrow, I think Republicans have a like three or four seat majority, a very narrow majority in the House of Representatives.

OTB Ep. #176: What happens if the federal government shuts down?

So kind of part of the math there, I think the Senate Republican leader John Thune talked about this in like an interview, part of the math there is just that, you know, Republicans need those numbers to pass these bills in the House. So that's kind of also delaying, you know, they need the numbers to pass this continuing resolution or this budget bill.

And that's delaying. Her confirmation in a pretty direct way, which is kind of interesting. Got

[00:10:45] **Frank Festa:** it. That's important context to have. I feel like it, it is important to call out how interconnected all of this really is, um, you know, with the priorities and the budget squared away. Reconciliation built down the road.

There is a lot going on, all interconnected with, uh, you know, with the prospect of [00:11:00] this government shut down in mind, I'm wondering how many times has the government shut down? Anyway, what's our data tell us about how they played out throughout American history? You don't need to go back all the way to our, our founding by any, you know, that's, that's a lot of information, but what sort of information you got for us?

How long has this been part of our efforts to fund the federal government and the federal budget?

[00:11:20] **Ellen Morrissey:** So I do have my data ready to go. I'm very excited to finally use it. I've had this prepped for I think the last like two years after the first government shutdown scare. So excited to finally, that it's seeing the light of day.

Since fiscal year 1980, which, this is kind of the, fiscal year 1980 was the first time a gap in government funding resulted in a government shutdown. Uh, Jimmy Carter asked his attorney general for an opinion about it, and the attorney general was like, actually, yeah, the government needs to shut down if we have a gap in, like, funding bills.

So, that's why we're starting at fiscal year 1980 here. There have been [00:12:00] 15 lapses in government funding that lasted more than a day. Kind of for all the numbers here, we're not looking at government funding lapses that only lasted like two hours, things like that. But of these 15 lapses in funding that lasted more than a day, only 10 of them then resulted in federal agency closures and employee furloughs, so actually resulted in a government shutdown, so.

Since fiscal year 1980, there have been 10 government shutdowns. Three of those only lasted a day. That's kind of the shorter end of our, uh, count here. And then the longest shutdown was 34 days long during, um, Trump's first term. It lasted from December 21st, 2018, all the way through to January 25th, 2019.

Looking at the same timeframe, uh, from fiscal year 1980 to present and looking at all funding lapses that occurred, not just the ones that. Resulted in the shutdown, the most funding gaps occurred during the Reagan [00:13:00] administration when we saw eight, but if you look at it measured in the number of days where the government was actually shut down, Trump takes the cake there with 36 total days of government shutdown, most of that being the one shutdown from late December to late January 2019.

And then on the low end there, uh, during George Bush's and Joe Biden's presidency, the federal government did not have any funding gaps lasting more than a day.

OTB Ep. #176: What happens if the federal government shuts down?

[00:13:27] **Frank Festa:** Does it seem to you like shutdowns are becoming more or less common over time, or are they maybe changing in nature or the reasons that they happen?

[00:13:35] **Ellen Morrissey:** I'm not sure they've necessarily become more or less common. And especially, you know, we saw the most, the highest number of, uh, shutdowns under Reagan, which was, you know, a while ago, but. We saw the longest shutdowns under Trump, which was pretty recent. But something I will say, something that does often correlate very directly with a shutdown, is whether, is what the trifecta status of the federal [00:14:00] government is.

So, most of the government funding lapses since fiscal year 1980 have occurred when the federal government had a divided government, so Democrats had the House, but Republicans had the Presidency and the Senate. Basically, it was like a mixture of parties controlling those three things instead of just one party.

So, thirteen and a half have occurred under a divided government. Uh, that half there is the government shutdown under Trump, which we can maybe talk about that more in a second. Um, but half of it occurred under a Divided government, half of it occurred under a Republican trifecta.

[00:14:36] **Frank Festa:** Can you help our listeners catch up quick if they don't recall the details of that, the uh, the most recent government shutdown from the end of 2018 from Donald Trump's first term?

Help them catch up quick. What triggered that shutdown and how did it all play out?

[00:14:49] **Ellen Morrissey:** Yeah, so, um, the shutdown started in late December 2018, but some kind of backdrop for, what was happening in Congress at that point. It was a lame [00:15:00] duck Congress. The 2018 midterms had just happened in November 2018. And, uh, while Republicans held on to their majority in the Senate, Democrats had won a new majority in the House.

Senate Democrats were basically like, We don't want to vote for this bill that, you know, Republican and, uh, House and Senate leaders have put up. You know, probably in part because they were about to have a lot more leverage in negotiations because they were going to have control over one of the chambers of Congress.

So, I believe the kind of main controversy or main like point of contention had to do with, um, allocating about like six billion dollars for, um, building a border wall. So then, fast forward, January 3rd, 2019, that's when the new Congress gets sworn in. So, House Democrats now have their majority. Senate Republicans still have a majority, but negotiations could actually kind of begin because Congress is back from like the recess or whatever.

Eventually, they [00:16:00] kind of reach an agreement, they pass a continuing resolution on January 25th. So that's kind of one of those temporary stopgap bills that, you know, gave them a bit more time to negotiate. And then ultimately, in February 2019 is when they finally pass. Um, I believe the actual annual spending bill, where they end up, uh, allocating about 1.

4 billion dollars for steel fencing at the, uh, U. S. Mexico border. Something, you know, I went back and looked at our, uh, we have a Ballotpedia's polling index. I went back and kind of checked out. How polling did

OTB Ep. #176: What happens if the federal government shuts down?

during that period, um, and you, we saw presidential approval, congressional approval, and direction of country, all of those numbers dipped for the duration of the government shutdown, but then went back up once.

Congress, the president and all those folks figured everything out. So,

[00:16:51] **Frank Festa:** you know, as I mentioned at the top of the show, this information is going to be evolving all throughout the week. These, these negotiations and debates are happening right now in real [00:17:00] time. So I just want to do close on Ellen. If you don't mind, give our listeners a sense into how you're thinking about following the news over the next couple of days, what are you going to be watching and looking out for?

[00:17:12] **Ellen Morrissey:** Something I'll definitely still be watching out for is. How Senate Democrats kind of play their hands. They will need 60 Senate votes. Uh, Republicans have 53 Senators. So seven Democrats need to get on board in order to get government funding passed. So kind of watching what happens there, I think will be really interesting.

I think that's a pretty big kind of a barrier, I guess, between getting the government funded versus not. And then something else I'll be watching out for too, um, is. It sounds like Congressional Republicans are aiming to pass a continuing resolution, so one of those kind of stopgap bills. Um, and I think the length of the continuing resolution will be really interesting to see.

Will we kind of find ourselves right back in this place, [00:18:00] uh, where we are now, you know, in two weeks? Or will it be nine months, you know? Um, I think that'll have a kind of a big effect on How kind of Trump's agenda in Congress plays out over the next couple of months. Um, and then, of course, something you'll also be watching out for is whether or not the government shuts down.

We'll see what happens.

[00:18:17] **Frank Festa:** Yeah, Ellen. Well, whether it is a couple of hours, days, weeks, months, whatever it happens to be, we are thankful to have you around to help break it down for us. So, thank you, as always, for coming on the show. We really appreciate it.

[00:18:27] **Ellen Morrissey:** For sure. Thanks for having me.

[00:18:29] **Frank Festa:** And for our listeners, you can learn more about government shutdowns at the link in our show notes.

We'll be back later this week with another episode. Make sure you subscribe to On The Ballot wherever you listen to podcasts. I'm Frank Festa and thanks for [00:19:00] listening.