



Federal Funding Gaps: A Brief Overview

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Summary

The Antideficiency Act (31 U.S.C. 1341-1342, 1511-1519) generally bars agencies from continued operation in the absence of appropriations. Exceptions are made under the act, including for activities involving “the safety of human life or the protection of property.” The interval during the fiscal year when agency appropriations are not enacted into law, either in the form of a regular appropriations act or a continuing resolution (CR), is referred to as a *funding gap*. Although funding gaps may occur at the start of the fiscal year, they also may occur any time a CR expires and another CR (or the regular appropriations bill) is not enacted immediately thereafter. Multiple funding gaps may occur within a fiscal year.

When a funding gap occurs, the federal government begins a shutdown of the affected agencies, entailing the prompt furlough of non-expected personnel and curtailment of agency activities. The general practice of the federal government after the shutdown has ended has been to pay furloughed employees for time missed, even when no work was performed.

During the 34-year period covering FY1977-FY2010, 17 funding gaps occurred, ranging in duration from one day to 21 full days. About half of these funding gaps were brief (i.e., three days or less in duration). Of these, most occurred over a weekend and the disruption in federal operations was minimal.

Almost all of the funding gaps occurred during the first half of the 34-year period between FY1977 and FY2010. During the 16-year period covering FY1977-FY1992, 15 funding gaps occurred. However, only two funding gaps occurred during the remaining 18 years, covering FY1993-FY2010.

The most controversial funding gaps since FY1977 occurred in late 1995 and early 1996, when President Bill Clinton and the Republican-controlled Congress engaged in difficult and protracted negotiations over budget policy, resulting in the veto of a continuing resolution and several regular appropriations acts for FY1996. Two funding gaps, amounting to five days and 21 days, ensued leading to the initial furlough of about 800,000 federal employees.

As of the end of the 2010 calendar year, there have been no funding gaps since the two that occurred during FY1996.

This report will be updated as events warrant.

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Background

The routine activities of most federal agencies are funded annually by one or more of the regular appropriations acts. When action on the regular appropriations acts is delayed, a continuing appropriations act is used to provide interim funding. Measures providing continuing appropriations usually take the form of a joint resolution (rather than a bill) and are referred to as *continuing resolutions* (or CRs).¹

During the 59-year period covering FY1952-FY2010, all of the regular appropriations acts were enacted on time in only four instances (FY1977, FY1989, FY1995, and FY1997). No continuing resolutions were enacted for three of these fiscal years, but continuing resolutions were enacted for FY1977 to fund certain unauthorized programs whose funding had been dropped from the regular appropriations acts.² Further, no continuing resolutions were enacted for FY1953, even though all but one of the regular appropriations were enacted late.³

The Antideficiency Act (31 U.S.C. 1341-1342, 1511-1519) generally bars agencies from continued operation in the absence of appropriations.⁴ Exceptions are made under the act, including for activities involving “the safety of human life or the protection of property.”⁵ The interval during the fiscal year when agency appropriations are not enacted into law, either in the form of a regular appropriations act or a CR, is referred to as a *funding gap*.⁶ Although funding gaps may occur at the start of the fiscal year, they also may occur any time a CR expires and another CR (or the regular appropriations bill) is not enacted immediately thereafter. Multiple funding gaps may occur within a fiscal year.

In 1980 and 1981, Attorney General Benjamin Civiletti issued opinions clarifying the need for federal agencies to begin terminating regular activities immediately upon the occurrence of a funding gap.⁷ Consequently, when a funding gap occurs, the federal government begins a shutdown of the affected agencies. A *shutdown* entails the prompt furlough of non-excepted personnel and curtailment of agency activities, including the provision of many services to the

¹ For a discussion of continuing resolutions generally, see CRS Report RL30343, *Continuing Resolutions: Latest Action and Brief Overview of Recent Practices*, by Sandy Streeter.

² P.L. 94-473 made continuing appropriations through March 31, 1977. P.L. 95-16 extended the date of the budget authority contained within P.L. 94-473 through April 30, 1977.

³ Section 1414 of P.L. 82-547 (66 Stat. 661) made regular appropriations enacted late available as of July 1, 1952 (the first day of FY1953) and ratified any obligations incurred before their enactment.

⁴ The Antideficiency Act is discussed in CRS Report RL30795, *General Management Laws: A Compendium*, by Clinton T. Brass et al. In addition, the Government Accountability Office provides information about the act online at <http://www.gao.gov/ada/antideficiency.htm>.

⁵ See 31 U.S.C. §1342.

⁶ In most cases, funding provided in regular appropriations acts is available to be obligated only in a single fiscal year, so that in the event that no subsequent budget authority is provided, agencies may not enter into further obligations. In these instances, budget authority that had previously been enacted and available for obligation for longer periods (e.g., multi-year or “no-year” appropriations) would generally remain available. For further information on multi-year and no-year appropriations, see CRS Report RS20441, *Advance Appropriations, Forward Funding, and Advance Funding*, by Sandy Streeter.

⁷ The text of the opinions is included in Appendix IV and Appendix VIII to then General Accounting Office (now Government Accountability Office) report PAD-81-31, *Funding Gaps Jeopardize Federal Government Operations*, March 3, 1981.

public. The general practice of the federal government after the shutdown has ended has been to pay furloughed employees for time missed, even when no work was performed.⁸

To avoid funding gaps and their unwanted consequences, proposals have been offered from time to time to establish an “automatic continuing resolution” (ACR) that would provide a fallback source of funding for activities, at a restricted level, in the event the timely enactment of appropriations is disrupted.⁹ The funding would become available automatically and remain available as long as needed so that a funding gap would not occur and the furlough of federal employees would be avoided (or at least severely limited). Although the House and Senate have considered ACR proposals in the past, none have been enacted into law.

Funding Gaps: FY1977-FY2010

As **Table 1** shows, there were 17 funding gaps during the 34-year period beginning with FY1977¹⁰ and continuing through FY2010. The enactment of a CR on the day after the previous CR expired, which has occurred often, is not counted as involving a funding gap. During the past 11 fiscal years (covering FY2000-FY2010), for example, “next-day” CRs were enacted 14 times.

Almost all of the funding gaps occurred during the first half of the 34-year period. During the 16-year period covering FY1977-FY1992, 15 funding gaps occurred. However, only two funding gaps occurred during the remaining 18 years, covering FY1993-FY2010.

Multiple funding gaps occurred in four instances: (1) three gaps covering a total of 28 days in FY1978; (2) two gaps covering a total of four days in FY1983; (3) two gaps covering a total of three days in FY1985; and (4) two gaps covering a total of 26 days in FY1996.

Six of the funding gaps commenced with the beginning of the fiscal year on October 1. The remaining 11 funding gaps occurred at least several days after the fiscal year had begun. Nine of the funding gaps ended in October, four ended in November, three ended in December, and one ended in January.¹¹

Funding gaps ranged in duration from one to 21 full days. Six of the seven lengthiest funding gaps, lasting between 8 and 17 days, occurred between FY1977 and FY1980, before the Civiletti opinions were issued. After the issuance of these opinions, the duration of funding gaps in general shortened considerably, typically ranging from one to three days. Of these, most occurred over a weekend and the disruption in federal operations was minimal.

An important exception to this trend was in late 1995 and early 1996, during the two most recent funding gaps that occurred between November 13-19, 1995, and December 15, 1995, through

⁸ For a discussion of federal government shutdowns, see CRS Report RL34680, *Shutdown of the Federal Government: Causes, Processes, and Effects*, by Clinton T. Brass.

⁹ For more information on this topic, see CRS Report RL30339, *Preventing Federal Government Shutdowns: Proposals for an Automatic Continuing Resolution*, by Robert Keith.

¹⁰ FY1977 marked the first full implementation of the congressional budget process established by the Congressional Budget Act of 1974, which moved the beginning of the fiscal year to October 1.

¹¹ The enactment of a series of continuing resolutions for a fiscal year is discussed in CRS Report RL32614, *Duration of Continuing Resolutions in Recent Years*, by Jessica Tollestrup.

January 6, 1996. In the lead-up to the first funding gap, only three out of the 13 yearly appropriations acts had been signed into law¹² and budget authority, which had been provided by a CR¹³ since the start of the fiscal year, expired at the end of the day on November 12. On November 13, President Clinton vetoed a CR¹⁴ that would have extended budget authority through December 1, 1995, because of the Medicare premium increases contained within the measure.¹⁵ The ensuing funding gap resulted in the furlough of around 800,000 federal workers. After five days, a deal was reached to end the shutdown and extend funding via a CR through December 15.¹⁶ Agencies that had been zeroed out in pending appropriations bills were funded at a rate of 75% of FY1995 budget authority. All other agencies were funded at the lower of the House- or Senate-passed level of funding contained in the FY1996 full-year appropriations bills. The CR additionally contained an agreement between President Clinton and Congress regarding future negotiations to lower the budget deficit within seven years.¹⁷

During the first and second FY1996 funding gaps, an additional four annual appropriations measures were enacted, and three others were vetoed.¹⁸ The negotiations on the six remaining bills were unsuccessful before the budget authority contained within the CR expired at the end of the day on December 15, 1995. Roughly 280,000 executive branch employees were furloughed during the funding gap between December 15, 1995, and January 6, 1996, government contractors were reportedly laid off, and the delivery of government services to the public was delayed.¹⁹ A CR to provide benefits for veterans and welfare recipients and to keep the District of Columbia government operating was passed and signed into law on December 22, 1995.²⁰ The

¹² The Military Construction Appropriations Act, H.R. 1817 (P.L. 104-32), was enacted on October 3, 1995. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, H.R. 1976 (P.L. 104-37), was enacted on October 21, 1995. The Energy and Water Development Appropriations Act, H.R. 1905 (P.L. 104-46), was enacted on November 13, 1995. The Legislative Branch Appropriations Act, H.R. 1854 (104th Cong.) was vetoed on October 12, 1995.

¹³ H.J.Res. 108 (P.L. 104-31).

¹⁴ H.J.Res. 115 (104th Cong.).

¹⁵ Message to the House of Representatives Returning Without Approval Continuing Resolution Legislation,” November 13, 1995, William J. Clinton, Public Papers of the Presidents of the United States, 1995, Book 2, July 1 to December 31, 1995, p. 1755. See also “Clinton Vetoes Stopgap Bill to Keep Federal Government Open,” *CQ Today*, November 14, 1995.

¹⁶ H.J.Res. 122 (P.L. 104-56).

¹⁷ For a summary of the first FY1996 funding gap and government shutdown, see “Overview: Government Shuts Down Twice Due to Lack of Funding,” *Congressional Quarterly Almanac*, 104th Cong., 1st sess. (1995), vol. LI, pp. 11-3 through 11-6; “Special Report – Budget Showdown: Day by Day,” *CQ Weekly*, November 18, 1995.

¹⁸ The Department of Transportation and Related Agencies Appropriations Act, H.R. 2002 (P.L. 104-50), was enacted on November 15, 1995. The Treasury, Postal Service, and General Government Appropriations Act, H.R. 2020 (P.L. 104-52), was enacted on November 19, 1995. The Legislative Branch Appropriations Act, H.R. 2492 (P.L. 104-53) was enacted on November 19, 1995. The Department of Defense Appropriations Act, H.R. 2126 (P.L. 104-61), was enacted on December 1, 1995. The Department of Interior and Related Agencies Appropriations Act, H.R. 1977 (104th Cong.), was vetoed on December 18, 1995. The Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, H.R. 2099 (104th Cong.), was vetoed on December 18, 1995. The Department of Commerce and Related Agencies Appropriations Act, H.R. 2076 (104th Cong.), was vetoed on December 19, 1995.

¹⁹ For further information on the effects of the second FY1996 funding gap, see Dan Moran and Stephen Barr, “When Shutdown Hit Home Ports, GOP Cutters Trimmed Their Sails,” *Washington Post*, January 8, 1996.

²⁰ H.J.Res. 136 (P.L. 104-69).

shutdown officially ended on January 6, 1996, when the first of a series of CRs to reopen federal government and provide budget authority through January 26, 1996,²¹ was enacted.²²

As of the end of the 2010 calendar year, there have been no funding gaps since the two that occurred during FY1996.

Table I. Appropriations Funding Gaps: FY1977-FY2010

Fiscal Year	Date Gap Commenced ^a	Full Day(s) of Gaps	Date Gap Terminated ^b
1977	Thursday, 09-30-76	10	Monday, 10-11-76
	Friday, 09-30-77	12	Thursday, 10-13-77
1978	Monday, 10-31-77	8	Wednesday, 11-09-77
	Wednesday, 11-30-77	8	Friday, 12-09-77
1979	Saturday, 09-30-78	17	Wednesday, 10-18-78
1980	Sunday, 09-30-79	11	Friday, 10-12-79
1981	—	—	—
1982	Friday, 11-20-81	2	Monday, 11-23-81
1983	Thursday, 09-30-82	1	Saturday, 10-02-82
	Friday, 12-17-82	3	Tuesday, 12-21-82
1984	Thursday, 11-10-83	3	Monday, 11-14-83
1985	Sunday, 09-30-84	2	Wednesday, 10-03-84
	Wednesday, 10-03-84	1	Friday, 10-05-84
1986	—	—	—
1987	Thursday, 10-16-86	1	Saturday, 10-18-86
1988	Friday, 12-18-87	1	Sunday, 12-20-87
1989	—	—	—
1990	—	—	—
1991	Friday, 10-05-90	3	Tuesday, 10-09-90
1992	—	—	—
1993	—	—	—
1994	—	—	—
1995	—	—	—
1996	Monday, 11-13-95	5	Sunday, 11-19-95
	Friday, 12-15-95	21	Saturday, 01-06-96

²¹ H.J.Res. 134 (P.L. 104-94). H.R. 1358 (P.L. 104-91) and H.R. 1643 (P.L. 104-92) were also enacted on January 6. These two CRs provided budget authority for some federal government activities until the end of FY1996.

²² For a summary of the second FY1996 funding gap and government shutdown, see “Overview: Government Shuts down Twice Due to Lack of Funding,” *Congressional Quarterly Almanac*, 104th Cong., 1st sess. (1995), vol. LI, pp. 11-3 through 11-6; “Funding Expires Again in Budget Stalemate.” *CQ Weekly*, December 23, 1995; “Congress Clears Bills to Reopen Government,” *CQ Today*, January 8, 1996.

Fiscal Year	Date Gap Commenced ^a	Full Day(s) of Gaps	Date Gap Terminated ^b
1997	—	—	—
1998	—	—	—
1999	—	—	—
2000	—	—	—
2001	—	—	—
2002	—	—	—
2003	—	—	—
2004	—	—	—
2005	—	—	—
2006	—	—	—
2007	—	—	—
2008	—	—	—
2009	—	—	—
2010	—	—	—

Source: Prepared by the Congressional Research Service.

- a. Gap commenced at midnight of the date indicated. The enactment of a CR on the day after the previous CR expired, which has occurred often, is not counted as involving a funding gap.
- b. Gap terminated due to the enactment of a continuing resolution or one or more regular appropriations acts.

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Acknowledgments

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