

Government Shutdowns and Executive Branch Operations: Frequently Asked Questions (FAQ)

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Introduction

If the enactment of annual appropriations acts or an interim continuing resolution does not occur before the beginning of a fiscal year (October 1), a temporary funding gap may occur at the beginning of that fiscal year.¹ A funding gap may also occur in the middle of a fiscal year if appropriations are not enacted before a continuing resolution expires. If a funding gap begins and funding does not appear likely to resume during the first calendar day of the gap, the federal government generally begins a “shutdown” of affected activities.

The House and Senate Appropriations Committees have been organized into 12 subcommittees, with each subcommittee responsible for developing and managing the consideration of one regular appropriations act. It is possible for Congress to enact some of the 12 appropriations acts, but not others, before the beginning of a fiscal year or before the expiration of a continuing resolution. This would lead to a partial government shutdown of the activities covered by appropriations acts that were not enacted in time.

This CRS report is intended to address frequent questions related to government shutdowns and possible effects of shutdowns on executive agency operations and executive branch employees.² The questions generally proceed chronologically through various processes that precede a shutdown, events that may occur during a shutdown, and events that occur in the wake of a shutdown. This report will be updated annually.

This report does not cover the effect of a funding gap on legislative and judicial branch agencies, operations, and employees.³

Frequently Asked Questions

How do executive agencies prepare for a shutdown?

The Office of Management and Budget (OMB) provides instructions to executive branch agencies on how to prepare for and operate during a shutdown in the annually revised Circular A-11.⁴ The circular also establishes two “policies” regarding the absence of appropriations:

1. A prohibition on incurring obligations unless the obligations are otherwise authorized by law and

¹ For discussion of the annual appropriations process, see CRS Report R47106, *The Appropriations Process: A Brief Overview*, by James V. Saturno and Megan S. Lynch. For discussion of continuing resolutions, see CRS Report R46595, *Continuing Resolutions: Overview of Components and Practices*, coordinated by James V. Saturno.

² This report focuses on funding gaps and shutdowns that are associated with annual appropriations acts. It does not focus on shutdowns that may occur when a specific program or agency is funded by legislation other than annual appropriations acts, such as when a statutory authorization for a program or agency expires.

³ For discussion of a shutdown as it applies to all three branches, see CRS Report RL34680, *Shutdown of the Federal Government: Causes, Processes, and Effects*, coordinated by Clinton T. Brass. For more information on government shutdowns and legislative branch operations, see CRS Insight IN12259, *Government Shutdowns and Legislative Branch Operations: Frequently Asked Questions*, by Ida A. Brudnick.

⁴ OMB, *Preparation, Submission, and Execution of the Budget*, Circular A-11, August 2025, §124, <https://www.whitehouse.gov/wp-content/uploads/2025/08/a11.pdf>. For information about OMB, see CRS Report RS21665, *Office of Management and Budget (OMB): An Overview*, coordinated by Taylor N. Riccard.

2. Permission for agency heads, in consultation with their general counsels, to decide what agency activities are excepted or otherwise legally authorized to continue during a lapse in appropriations

The circular also directs agency heads to develop and maintain shutdown plans. These plans are sometimes called “contingency plans.”

OMB may also provide more detailed guidance to agencies in specific situations. These formalized communications typically occur through bulletins or memoranda. The documents may be issued to agencies in at least two ways:

1. Through means that are internal to the executive branch and are generally not readily visible elsewhere (e.g., posting on an OMB-administered website that cannot be readily accessed outside the executive branch)⁵ and
2. Through publicly visible means (e.g., posting a memorandum on OMB’s public website)⁶

Where can I find an agency’s shutdown plan?

Agency shutdown plans are posted on each agency’s website.⁷ In the past, agency shutdown plans have been consolidated on OMB’s public website.⁸ News media sources sometimes publish articles with consolidated lists of agency shutdown plans.⁹

When are agency shutdown plans updated?

Circular A-11 requires agencies to submit updated shutdown plans to OMB for review every odd-numbered year on August 1.¹⁰ Based on that requirement, agency shutdown plans should have been updated in 2025. In the event of a change in the source of funding for an agency program or any significant modification, expansion, or reduction in agency program activities, the agency is required to submit an updated shutdown plan to OMB reflecting the change.

⁵ See OMB, “MAX.gov Homepage,” <https://max.omb.gov/maxportal/>. The MAX.gov website provides access to documents that are now available only to executive branch personnel with a password and permission.

⁶ To find these documents, see OMB, “Information and Guidance,” <https://www.whitehouse.gov/omb/information-resources/>.

⁷ For example, see U.S. Department of Health and Human Services, “FY 2026 HHS Contingency Staffing Plan for Operations in the Absence of Enacted Annual Appropriations,” <https://www.hhs.gov/about/budget/fy-2026-hhs-contingency-staffing-plan/index.html>; and U.S. Environmental Protection Agency, “Agency Contingency Plans in the Event of a Lapse in Appropriations,” <https://www.epa.gov/lapse/agency-contingency-plans-event-lapse-appropriations>.

⁸ See OMB, “Agency Contingency Plans,” <https://bidenwhitehouse.archives.gov/omb/information-for-agencies/agency-contingency-plans/>, and “Agency Contingency Plans,” <https://trumpwhitehouse.archives.gov/omb/information-for-agencies/agency-contingency-plans/>, both archived at U.S. National Archives and Records Administration, “Archived Presidential White House Websites,” <https://www.archives.gov/presidential-records/research/archived-white-house-websites>. As of the date of this report, OMB’s public website does not provide links to agency shutdown plans.

⁹ Stephanie Wright, “Here’s a Look at Federal Agencies’ Shutdown Contingency Plans,” *Federal News Network*, September 30, 2025, <https://federalnewsnetwork.com/government-shutdown/2025/09/heres-a-look-at-federal-agencies-contingency-plans-as-shutdown-looms/>.

¹⁰ OMB, Circular A-11, §124.2. As of the date of this report, OMB does not appear to have up-to-date shutdown plans listed for all agencies on its public website.

When are agency shutdown plans implemented?

Circular A-11 indicates that OMB will notify executive agencies when shutdown plans are to be implemented. Historically, OMB has directed agency senior officials to review their shutdown plans one week prior to the expiration of appropriations bills regardless of whether a shutdown appeared imminent.¹¹ OMB has provided agencies with a draft communication template used to notify employees of the status of appropriations, which is typically transmitted to agency employees two days prior to the expiration of appropriations. OMB has also notified agencies when they should update employees on their individual statuses (furloughed or not) during a shutdown. If appropriations lapse, OMB is to direct agencies when to begin the shutdown activities outlined in their shutdown plans according to Circular A-11.¹²

What information is included in an agency shutdown plan?

Shutdown plans are required to outline agency actions to be taken during a short-term lapse (one to five days). These plans must also identify changes to agency actions that will be taken if the lapse extends to more than five days. Agencies must also designate the personnel responsible for implementing the planned actions.

Circular A-11 requires agencies to describe in detail, for each agency component (e.g., a bureau-size entity within a department), the following:

- To the extent that specific shutdown activities will not be completed within one-half day, the nature of each such activity, together with the time and the number of employees necessary to complete the activity.
- The total number of employees in the component to be on board before implementation of the plan.
- The total number of employees in the component expected to be furloughed under the plan.
- The total number of employees to be retained in the component under the plan for each of the following categories: (1) employees whose compensation is financed by carryover funds or an appropriation provided by permanent law, (2) employees who are necessary to perform activities expressly authorized by law, (3) employees who are necessary to perform activities necessarily implied by law, (4) employees who are necessary to the discharge of the President's constitutional duties and powers, and (5) employees who are necessary to protect life and property. If an employee fits in more than one category, he or she may be reflected in the count for all applicable categories (i.e., the count may be duplicated) in order to ensure the best estimate of the number of employees within each category.
- The agency's legal basis for each of its determinations to retain categories of employees, including a description of the nature of the agency activities in which these employees will be engaged.¹³

Circular A-11 requires each agency to include a "Lapse Plan Summary Overview" in the beginning of its shutdown plan using the template in **Figure 1**.

¹¹ OMB, Circular A-11, §124.3.

¹² OMB, Circular A-11, §124.3.

¹³ OMB, Circular A-11, §124.2.

Figure 1. Agency Shutdown Plan Summary Template

Lapse Plan Summary Overview	
Estimated time (to nearest half day) required to complete shutdown activities:	# days
Total number of agency employees expected to be on board before implementation of the plan:	# employees
Total number of agency employees expected to be furloughed under the plan (unduplicated count):	# employees
Total number of employees to be retained under the plan for each of the following categories (may include duplicated counts):	
Compensation is financed by a resource other than annual appropriations:	# employees
Necessary to perform activities expressly authorized by law:	# employees
Necessary to perform activities necessarily implied by law:	# employees
Necessary to the discharge of the President's constitutional duties and powers:	# employees
Necessary to protect life and property:	# employees
Brief summary of significant agency activities that will continue during a lapse:	
Brief summary of significant agency activities that will cease during a lapse:	

Source: OMB, Circular A-11, §124.2.

In practice, agencies may implement these requirements in different ways and in varying levels of detail. For example, some agencies specify that they calculate employee numbers using full-time equivalents (FTEs) rather than on-board employment.¹⁴ FTEs calculate employee work years. One full-time employee working 40 hours per week for 52 weeks would constitute one FTE; two part-time employees each working 20 hours per week for 52 weeks also would constitute one FTE. On-board employment shows an employee headcount at a snapshot in time. On-board employment is the number of employees in pay status regardless of full-time or part-time status.

¹⁴ For example, see U.S. Department of Education, *U.S. Department of Education Contingency Plan for Lapse in Fiscal Year (FY) 2026 Appropriations*, September 28, 2025, <https://www.ed.gov/media/document/us-department-of-education-contingency-plan-lapse-fiscal-year-fy-2026-appropriations-508-112431.pdf>.

What happens to a particular agency or program during a shutdown?

In short, it depends. If a particular agency or program is funded by an appropriations bill that lapses, that agency or program may be subject to a shutdown.¹⁵

What is commonly referred to as the Antideficiency Act consists of a series of provisions and revisions incorporated into appropriations laws over the years relating to matters such as prohibited activities, the apportionment system, and budgetary reserves.¹⁶ These provisions, now codified in several locations in Title 31 of the *United States Code*,¹⁷ play a pivotal role in government shutdowns. The origins of the Antideficiency Act date back to 1870, when legislation provided

[t]hat it shall not be lawful for any department of the government to expend in any one fiscal year any sum in excess of appropriations made by Congress for that fiscal year, or to involve the government in any contract for the future payment of money in excess of such appropriations.¹⁸

In other words, the Antideficiency Act prevents agencies from entering into obligations in the absence of appropriations. The Antideficiency Act includes several exceptions. For example, employees whose duties involve the safety of human life or the protection of property may be told by an agency to come to work during the period in which funds are lapsed or unavailable.¹⁹

Programs that are funded by laws other than annual appropriations acts—such as some entitlement programs—may or may not be affected by a funding gap. For example, although the funds needed to make payments to beneficiaries may be available automatically pursuant to permanent appropriations, the payments may be processed by employees who are paid with funds provided in annual appropriations acts. In such situations, the question arises whether a mandatory program can continue to function during a funding gap if appropriations were not enacted to pay salaries of administering employees.

Historically, at least some of these employees would not be subject to furlough, because authority to continue administration of a program could be inferred from Congress's direction that benefit payments continue to be made according to an entitlement formula.²⁰ That is, obligating funds for the salaries of these personnel would be excepted from the Antideficiency Act's restrictions during a funding gap. However, such a determination would depend upon the absence of contrary legislative history in specific circumstances.

¹⁵ For further discussion, see CRS Report R47845, *FY2024 Appropriations: Potential Effects of a Government Shutdown on Illustrative Agencies, Programs, and Activities*, coordinated by Clinton T. Brass, Taylor N. Riccard, and Dominick A. Fiorentino.

¹⁶ U.S. Government Accountability Office (GAO), *Principles of Federal Appropriations Law*, 3rd ed., vol. II, p. 48.

¹⁷ The collection of statutes commonly referred to as the Antideficiency Act have been codified in multiple sections of Title 31 of the *U.S. Code* (31 U.S.C. §§1341-1342, 1349-1350, 1511-1519). Selected government entities are exempted from the apportionment requirements of the Antideficiency Act, including the Senate, the House of Representatives, congressional committees, and the Office of the Architect of the Capitol (31 U.S.C. §1511(b)(3)).

¹⁸ An Act making Appropriations for the legislative, executive, and judicial Expenses of the Government for the Year ending the thirtieth of June, eighteen hundred and seventy-one (41st Cong.; 16 Stat. 230, at 251; July 12, 1870).

¹⁹ 31 U.S.C. §1342.

²⁰ For further discussion, see CRS Report RL34680, *Shutdown of the Federal Government: Causes, Processes, and Effects*, coordinated by Clinton T. Brass. See also GAO, *Funding Gaps Jeopardize Federal Government Operations*, PAD-81-31, March 3, 1981, p. 82 (footnote 7), <https://www.gao.gov/products/PAD-81-31>; and GAO, *Principles of Federal Appropriations Law*, vol. II, pp. 6-149–6-150.

For further information about what reportedly happened during past shutdowns for a particular agency or program, congressional clients may contact CRS for assistance. CRS may also assist congressional clients in efforts to assess agencies' shutdown plans.

What happens to an executive branch employee during a shutdown?

What happens to a given executive branch employee may depend on several factors. If employees are not covered by a funded bill, then they may be put on shutdown furloughs or “excepted” from furlough and told to come to work. This report provides further discussion of these situations below.

What is a “shutdown furlough”?

A shutdown furlough is the placement of employees in a temporary, nonduty, nonpay status.²¹ The current framework used for shutdown furloughs in executive branch agencies is generally governed by a series of opinions issued by the Office of Legal Counsel in the Department of Justice regarding the applicability of provisions of the Antideficiency Act, including Title 31, Sections 1341-1342, of the *U.S. Code*.²² Among other things, the Antideficiency Act generally prohibits agencies from accepting voluntary services and employing personnel services exceeding those authorized by law “except for emergencies involving the safety of human life or the protection of property.”²³ In a shutdown, an agency may suddenly lack authority to obligate and spend certain funds due to a temporary lapse in annual appropriations or the expiration of an authorizing act that provides access to certain funds. When a lapse in funding occurs, the law requires agencies to cease activity and furlough employees, with some exceptions.

A shutdown furlough is considered an adverse action, which provides employees with certain notice and appeal rights under applicable regulations.²⁴ Agencies are responsible for notifying employees of the furlough as soon as possible. The length of a shutdown furlough does not affect the furlough's implementation procedures. OPM guidance explains: “For most employees, shutdown furloughs lasting 30 calendar days or less (22 workdays) are covered by ... adverse action procedures.”²⁵ Shutdown furloughs lasting longer than this duration are also covered by adverse action procedures, because the ultimate duration of a shutdown furlough is not known in advance. OPM advises, “When the shutdown furlough goes beyond 30 days, agencies should treat it as a second shutdown furlough and issue another adverse action or furlough notice.”²⁶

²¹ For more information about shutdown furloughs, see OPM, “Pay and Leave: Furlough Guidance,” <http://www.opm.gov/policy-data-oversight/pay-leave/furlough-guidance/#url=Shutdown-Furlough>. This OPM website provides detailed questions and answers about shutdown furloughs in *Guidance for Shutdown Furloughs*, December 2021, <https://www.opm.gov/policy-data-oversight/pay-leave/furlough-guidance/guidance-for-shutdown-furloughs.pdf>.

²² 43 Op. Att’y Gen. 224 (April 25, 1980), 43 Op. Att’y Gen. 293 (January 16, 1981). These opinions are available in electronic form in the appendices of GAO, *Funding Gaps Jeopardize Federal Government Operations*, Appendices IV and VIII.

²³ 31 U.S.C. §1342.

²⁴ 5 C.F.R. Part 752, relating to adverse action procedures.

²⁵ OPM, *Guidance for Shutdown Furloughs*, p. 32.

²⁶ OPM, *Guidance for Shutdown Furloughs*, pp. 34-35.

What are the effects of a shutdown furlough on employee pay and leave?

Before 2019, employees who were furloughed during a shutdown were not entitled to retroactive pay for the days furloughed. Nevertheless, in historical practice, federal employees who were furloughed under a shutdown received their salaries retroactively as a result of legislation to that effect.²⁷

After an extended shutdown in FY2019, Congress and the President enacted the Government Employee Fair Treatment Act of 2019 (P.L. 116-1), which statutorily requires retroactive pay for furloughed employees following the end of a lapse in appropriations.²⁸

The timing of pay periods in the federal government’s various payroll processing systems may impact when employee pay is actually received in the event of a government shutdown. For example, the FY2026 shutdown began on October 1, 2025, and the General Services Administration (GSA) payroll system’s *Pay Period 21* ended on October 4, 2025.²⁹ Employees paid under the GSA system had their final electronic funds transfer pay date on October 10, 2025. Three days of *Pay Period 21* elapsed after the shutdown began, so the paycheck that employees received on October 10 was partial.

The Antideficiency Act requires agencies to cancel paid time off scheduled during a shutdown furlough. In many situations, a shutdown furlough would not affect the accrual of annual leave and sick leave. OPM guidance explains, “If the employee was scheduled to be in a pay status but for the furlough, the employee will receive the employee’s regular pay for furlough periods, and there will be no effect on the accrual of annual and sick leave.”³⁰ Generally, benefits such as health insurance continue during a shutdown furlough. However, federal employees may need to wait until they are returned to pay status before they can adjust their benefits.³¹

What does it mean to be “excepted” from furlough?

Several types of executive branch officials and employees are not subject to furlough. These include the President, certain presidential appointees, and federal employees deemed “excepted.”³² OPM has described “excepted” employees, who are required to work during a shutdown, as “employees who are funded through annual appropriations who are nonetheless

²⁷ CRS is not aware of past instances to the contrary.

²⁸ 31 U.S.C. §1341(c).

²⁹ Federal employees are paid via one of several payroll systems. GSA’s payroll system services over 30 federal agencies. See GSA, “2025 payroll calendar,” <https://www.gsa.gov/buy-through-us/purchasing-programs/shared-services/payroll-shared-services/payroll-calendars/2025-payroll-calendar>.

³⁰ OPM, *Guidance for Shutdown Furloughs*, p. 16.

³¹ For more information on the effects of a government shutdown on federal employee pay, leave, and benefits, see OPM, *Addendum to OPM Guidance for Shutdown Furloughs*, January 29, 2024, <https://www.opm.gov/policy-data-oversight/pay-leave/furlough-guidance/addendum-to-opm-guidance-for-shutdown-furloughs-january-29-2024.pdf>.

³² For discussion, see GAO, *Principles of Federal Appropriations Law*, pp. 6-149–6-150. According to OPM, individuals appointed by the President—including both Senate-confirmed and non-Senate-confirmed—who are not subject to Chapter 63 of Title 5 of the *U.S. Code* (5 U.S.C. §§6301 et seq.), relating to annual and sick leave or to an equivalent formal leave system, are not subject to furlough. According to OPM, a “leave-exempt Presidential appointee cannot be placed on nonduty status. Thus, the appointee’s pay cannot be reduced based on placement in nonduty status, including via the mechanism of a furlough.” However, a presidential appointee who is a member of the Senior Executive Service or who serves in a “senior level” position for purposes of Title 5, Section 5376, of the *U.S. Code* is covered by the Chapter 63 leave system and is subject to furlough in the same manner as other federal employees. See OPM, *Guidance for Shutdown Furloughs*, pp. 1-3.

excepted from the furlough because they are performing work that, by law, may continue to be performed during a lapse in appropriations.”³³ For example, employees whose duties involve the safety of human life or the protection of property may be told by an agency to come to work during the period in which funds are lapsed or unavailable. Additional specific exceptions may be authorized by law.³⁴ According to OPM, “Agency legal counsel, working with senior agency managers, determine which employees are designated to be handling ‘excepted’ and ‘non-excepted’ functions.”³⁵ An employee’s status as excepted or furloughed (non-excepted) may change over the course of a shutdown as needed. Excepted employees who are normally paid from annual appropriations would not receive pay for time worked during the shutdown period until funding resumes.

Regarding the President’s pay, Article II, Section 1, of the Constitution forbids the salary of the President to be reduced while he or she is in office, thus effectively guaranteeing the President compensation regardless of any shutdown action.³⁶

Making Sense of Personnel-Related Terms: Four That Begin with E

Excepted. In the executive branch, and in the context of a funding gap, the term *excepted* may refer to (1) the government activities that must continue during a funding gap and (2) the federal employees who are not furloughed and who must continue to come to work during a funding gap. Consequently, observers and practitioners may refer to both “excepted activities” and “excepted personnel.” This term comes from the possibility that some activities and personnel may, by law, be “excepted” from the Antideficiency Act’s general prohibitions on continued activity during a funding gap. The legislative and judicial branches are not guided officially by executive branch *documents* regarding the Antideficiency Act’s exceptions and related terms. However, they continue to be guided by the Constitution and the act itself and may look to executive branch guidelines as a point of reference.

Exempt. OPM defines *exempt* as referring to employees who are not subject to furlough because their compensation is not funded by annually appropriated funds.³⁷ In some cases, exempt employees’ compensation may be covered by funds that have been repurposed for paying employees.³⁸

Emergency. In the executive branch, the term *emergency* is generally not used in the context of shutdowns.³⁹ Rather, this term is primarily used in the context of a need for continuity of operations in certain situations, such as severe weather conditions, air pollution, power failures, interruption of public transportation, natural disasters, and other situations in which significant numbers of employees are prevented from reporting to work or when agencies need to cease all or part of their activities.⁴⁰ So-called emergency employees are the employees who must report for work notwithstanding these situations.

³³ OPM, *Guidance for Shutdown Furloughs*, p. 1. OPM refers agencies to Justice Department opinions regarding how to determine which employees are designated to be performing excepted or non-excepted functions.

³⁴ 43 Op. Att’y Gen. 224 (April 25, 1980), 43 Op. Att’y Gen. 293 (January 16, 1981).

³⁵ OPM, *Guidance for Shutdown Furloughs*, p. 2.

³⁶ U.S. Constitution, Article II, §1, cl. 7 (“The President shall, at stated Times, receive for his Services, a Compensation, which shall neither be increased nor diminished during the Period for which he shall have been elected.”).

³⁷ OPM, *Guidance for Shutdown Furloughs*, p. 2.

³⁸ For example, see GAO, *Department of the Interior—Activities at National Parks During the Fiscal Year 2019 Lapse in Appropriations*, B-330776, April 22, 2020, <https://www.gao.gov/products/b-330776-0>; and Anastasia Obis, “White House Taps Multiple Accounts to Pay Troops amid Shutdown,” *Federal News Network*, October 30, 2025, <https://federalnewsnetwork.com/pay/2025/10/white-house-taps-multiple-accounts-to-pay-troops-amid-shutdown/>.

³⁹ Nevertheless, the Antideficiency Act itself uses the term *emergencies* in identifying the circumstance when the human life and property exception may allow an agency to except employees from furlough even in the absence of appropriations (“may not ... employ personal services exceeding that authorized by law except for *emergencies* involving the safety of human life or the protection of property” [31 U.S.C. §1342; emphasis added]).

⁴⁰ OPM, *Guidance for Shutdown Furloughs*, p. 2. OPM does not provide standard definitions of *emergency employees*. Due to the diversity of agency missions and workforces, OPM leaves these designations to the discretion of agency (continued...)

Essential. Sources sometimes use the term *essential* instead of *excepted*. In the legislative branch, at least one source has referred to nonfurloughed employees as “essential,” although this terminology was not used consistently across the branch and may have varied across offices and agencies.⁴¹ In the executive branch, this term was used similarly in the early 1980s.⁴² Since then, the term has largely disappeared from official use in the executive branch in favor of *excepted*, in part to prevent a colloquial interpretation of the term *essential* as referring to relative importance or value. In congressional hearings that focused on the first FY1996 shutdown, some witnesses regretted that the terms *nonessential* and *essential* had been used to describe employees subject to furlough and not subject to furlough, respectively. Use of the term *nonessential* was a misnomer and demeaning, they said.⁴³

Do government contracts continue during a shutdown?

Whether performance of a government contract continues during a shutdown depends on the appropriation funding the contract, the type of work being performed, and the level of government support required during contract performance. The Antideficiency Act generally restricts an agency’s ability to obligate funds on new contract awards or on existing contract awards during a funding lapse. This restriction also precludes an agency from (1) exercising options to purchase additional goods or services under existing contracts; (2) modifying contracts in ways that would increase the government’s cost under contracts; (3) allowing performance on certain multiyear contracts, whose terms can span more than one year; and (4) obligating additional funds for cost-reimbursement contracts that are funded incrementally.⁴⁴ Agencies may award new contracts or obligate funds on existing contracts—even in the absence of appropriations—to support activities excepted under the Antideficiency Act, particularly in situations where a contracting delay could pose risks to human life or the protection of property.⁴⁵

Contracts awarded with funds obligated before the lapse in appropriations may continue to provide goods and services to the government during the shutdown, as may contracts funded by sources other than annual appropriations (e.g., multiyear or no-year appropriations). Even if a contract is fully funded during a shutdown, however, performance of that contract could be impacted by the inability of furloughed federal personnel from performing required contract administration actions (e.g., formal acceptance of deliveries and services). Additionally, contracts may require performance at government facilities, which may be closed during a shutdown.⁴⁶

heads based on each agency’s mission and circumstances. See OPM, *Governmentwide Dismissal and Closure Procedures*, December 2022, p. 13, <https://www.opm.gov/policy-data-oversight/pay-leave/reference-materials/handbooks/dcdismisssal.pdf>.

⁴¹ For an illustration of use of the term *essential*, see U.S. Congress, House Committee on House Administration, *Legislative Operations During a Lapse in Appropriations: Guidance Issued by the Committee on House Administration*, 113th Cong., 1st sess., September 2013.

⁴² For example, see OMB, *Agency Operations in the Absence of Appropriations*, November 17, 1981.

⁴³ See U.S. Congress, House Committee on Government Reform and Oversight, Subcommittee on Civil Service, *Government Shutdown I: What’s Essential?*, hearings, 104th Cong., 1st sess., December 6 and 14, 1995 (GPO, 1997), pp. 48, 228-229, <http://www.gpo.gov/fdsys/pkg/CHRG-104hhrg23275/pdf/CHRG-104hhrg23275.pdf>.

⁴⁴ For further discussion, see CRS Legal Sidebar LSB10243, *How a Government Shutdown Affects Government Contracts*, by David H. Carpenter.

⁴⁵ Department of Defense, “Contingency Plan Guidance for the Continuance of Operations in the Absence of Available Appropriations,” October 2025, <https://media.defense.gov/2025/Oct/16/2003815760/-1/-1/0/GUIDANCE-FOR-CONTINUATION-OF-OPERATIONS-DURING-A-LAPSE-IN-APPROPRIATIONS-OCT-2025.PDF>. The Department of Defense is “using a secondary Department of War designation” under Executive Order 14347 dated September 5, 2025.

⁴⁶ CRS Legal Sidebar LSB10243, *How a Government Shutdown Affects Government Contracts*, by David H. Carpenter.

Are government contractors paid during a shutdown?

Contractors are not covered under the Government Employee Fair Treatment Act of 2019 (P.L. 116-1, see section “What are the effects of a shutdown furlough on employee pay and leave?”). Contractors whose contracts were paused or terminated due to a lapse in appropriations are limited in the reimbursement they may receive from the government. These contractors may reassign employees to other projects, place employees on unpaid leave, or terminate employees.⁴⁷

If a contract continues during a shutdown because it is funded by prior year or multiyear appropriations, work under that contract would be paid from those funds. Agency processing and payment of contractor invoices may be delayed, however, as the federal personnel responsible for these activities may be furloughed. Additionally, contractors supporting excepted activities that lack appropriated funds would be paid after the shutdown ends, when appropriations are made available.

How do agencies prepare to resume operations after a shutdown?

Circular A-11 requires agencies to outline the actions that will be taken to resume operations in their shutdown plans. These include:

- methods for notifying employees that the shutdown furlough has ended and that they are to return to work on a specified day (normally the employee’s next scheduled workday after the furlough has ended);
- flexibilities available to supervisors if employees have problems returning to work on the day specified by the agency, including the use of accrued annual leave, compensatory time off, or credit hours; and
- procedures for resuming program activities, including steps to ensure appropriate oversight and disbursement of funds.⁴⁸

What are the impacts or costs associated with a government shutdown?

CRS is unable to predict potential impacts or costs of future shutdowns. For a discussion of impacts of past shutdowns, see CRS Report RL34680, *Shutdown of the Federal Government: Causes, Processes, and Effects*, coordinated by Clinton T. Brass.⁴⁹

⁴⁷ CRS Legal Sidebar LSB10243, *How a Government Shutdown Affects Government Contracts*, by David H. Carpenter.

⁴⁸ OMB, Circular A-11, §124.2.

⁴⁹ For further discussion, see OMB, *Impacts and Costs of the October 2013 Federal Government Shutdown*, November 7, 2013, <https://obamawhitehouse.archives.gov/sites/default/files/omb/reports/impacts-and-costs-of-october-2013-federal-government-shutdown-report.pdf>; and U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, Permanent Subcommittee on Investigations, *The True Cost of Government Shutdowns*, staff report (“majority and minority”), September 17, 2019, <https://web.archive.org/web/20201010171103/https://www.hsgac.senate.gov/imo/media/doc/2019-09-17%20PSI%20Staff%20Report%20-%20Government%20Shutdowns.pdf>.

More detailed discussion of some topics may be found in other CRS products. They discuss the potential effects of a shutdown on government procurement,⁵⁰ selected agencies,⁵¹ recipients of federal grants,⁵² the economy,⁵³ and other subjects of potential interest to Congress.⁵⁴

What additional resources does CRS offer related to government shutdowns?

For congressional clients interested in more information, CRS has also published several products that relate generally to government shutdowns, including the following:

- CRS Report RL34680, *Shutdown of the Federal Government: Causes, Processes, and Effects*, coordinated by Clinton T. Brass
- CRS Report RS20348, *Federal Funding Gaps: A Brief Overview*, by James V. Saturno
- CRS Report R43250, *CRS Resources on the FY2014 Funding Gap, Shutdown, and Status of Appropriations*, by Justin Murray
- CRS Report R41759, *Past Government Shutdowns: Key Resources*, by Justin Murray and Carol Wilson
- CRS In Focus IF11703, *Federal Employee Furloughs: Types and Implications*, by Taylor N. Riccard

Other CRS products that discuss government shutdowns as they apply to specific agencies and programs may also be available on the CRS.gov website.⁵⁵

For questions concerning the historical or potential impact of a shutdown on a specific agency or program in the executive branch, legislative branch operations, or judicial branch operations, congressional clients may

- contact CRS subject matter experts listed in CRS Report R41723, *Funding Gaps and Government Shutdowns: CRS Experts*;
- use the “place a request” function on the CRS website; or
- call CRS at 7-5700.

⁵⁰ CRS Report R42469, *Government Procurement in Times of Fiscal Uncertainty*, by Kate M. Manuel and Erika K. Lunder (out of print; available to congressional clients on request). This report provides an overview of the various options that the government has, pursuant to the terms of its contracts or otherwise, when confronted with actual or potential funding gaps, funding shortfalls, or budget cuts.

⁵¹ For example, see CRS Report R41745, *Government Shutdown: Operations of the Department of Defense During a Lapse in Appropriations*, by Amy Belasco and Pat Towell (out of print; available to congressional clients on request); and CRS Report R43252, *FY2014 Appropriations Lapse and the Department of Homeland Security: Impact and Legislation*, by William L. Painter.

⁵² CRS Report R43467, *Federal Aid to State and Local Governments: Select Issues Raised by a Federal Government Shutdown*, by Natalie Keegan.

⁵³ CRS Report R43292, *The FY2014 Government Shutdown: Economic Effects*, by Marc Labonte.

⁵⁴ For an annotated list of CRS products that relate to the FY2014 shutdown, see CRS Report R43250, *CRS Resources on the FY2014 Funding Gap, Shutdown, and Status of Appropriations*, by Justin Murray.

⁵⁵ For example, see CRS Report R47845, *FY2024 Appropriations: Potential Effects of a Government Shutdown on Illustrative Agencies, Programs, and Activities*, coordinated by Clinton T. Brass, Taylor N. Riccard, and Dominick A. Fiorentino.

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