Breakdowns in the Congressional Appropriations Process: Continuing Resolutions and Government Shutdowns

Background

Under the Budget Act of 1974, Congress and the president are charged with enacting all 12 annual appropriations bills by Sept. 30 before a new fiscal year begins on Oct. 1. Meeting this deadline enables the federal government to respond to new and ongoing funding needs as they occur. If Congress does not meet the statutory deadline or pass a continuing resolution (CR), a government shutdown takes place.

Continuing Resolutions

From FY98 to FY23, Congress has not passed all 12 appropriations bills and has relied on 131 CRs to fund some or all federal agencies for part of a fiscal year, averaging five per year (CRS, The Congressional Appropriations Process: An Introduction, 2016). Additionally, since 2010, Congress failed to pass any appropriations bills by Oct. 1 in 11 out of 14 budget cycles (CRS report 46595).

CRs have been used to fund the federal government for increasingly long periods of time. From 1998 through 2010, the average duration of a CR was 112 days. From 2011 through 2023, the average duration of a CR was 163 days, and they were used to fund the entire fiscal year in 2007, 2011, and 2013. (figures calculated from data in CRS 46595, pp. 12-13).

Continuing Resolution Implications

Long-term CRs can create several administrative burdens for agencies and organizations that rely on federal funding. Some of these include:

Budget Uncertainty and Delayed Planning: CRs provide only temporary funding, making it difficult for agencies to plan long-term projects or allocate resources until a full budget is passed.

Increased Administrative Workload: The uncertainty of CRs forces agencies to prepare for multiple scenarios, increasing the workload of financial and administrative teams.

Inefficiency and Wasted Resources: Short-term CRs lead to constant planning adjustments, wasting resources and disrupting projects for both federal and non-federal organizations.

Hiring and Retention Issues: Uncertain funding causes agencies to delay hiring or offer temporary positions, affecting workforce planning and employee morale.

Delayed Program Implementation and Evaluations: CRs delay new programs, expansions, and evaluations, prioritizing immediate needs over long-term goals.

Interruptions in Contracting and Grant Processes: CRs freeze new contracts and grants, causing uncertainty for contractors and grantees dependent on federal funding.

Reduced Flexibility and Innovation: Restricted funding under CRs limits agencies' ability to address emerging needs or invest in innovative projects.

Backlog of Projects and Reports: Resources diverted to managing the CR create a backlog of projects and reports that will require significant time and effort to address later.

Increased Legal and Compliance Risks: CRs increase compliance risks as agencies navigate fluctuating funding within legal constraints, heightening audit and regulatory burdens.

Government Shutdowns

History: There have been four major government shutdowns since 1996: two shutdowns in 1996 totaling 26 days; one shutdown in 2013-14 totaling 16 days; and one in 2019 for 34 days.

Implications: While these temporary shutdowns may seem like a short-term nuisance, they cause more than a temporary delay in funding. Government shutdowns are expensive for the government, slow economic growth, interrupt federal programs and services, and harm the federal workforce. **(**Peter G. Peterson Foundation, Brief History of U.S. Government Shutdowns, 2024**).** The shock to federally funded research has implications that last far beyond the shutdown period.

Impact on Patient Care: NIH's Clinical Center had to turn away 200 patients per week in 2013, including 30 children with cancer, potentially delaying life-saving treatments.

Disruption to Research and Grant Funding: In 2013 NIH's cancellation of over 200 peer-review meetings affected 11,000 grant proposals, which could hinder critical research projects and delay scientific progress.

Impact on Scientific Workforce: In 2019 the cancellation of NSF's review panels and cessation of postdoctoral fellow stipends (250 fellows) affected early-career scientists, impeding their ability to continue training, research, and career growth.

Long-term Research Delays: With thousands of grants, proposals, and research protocols delayed, the scientific community may experience significant long-term delays in research outcomes.

Increased Burden on Institutions: Recurring funding uncertainties can erode public trust and the effectiveness of research institutions in fulfilling their mission.