



January 14, 2019

To: Agency Representatives

From: Elizabeth Cervantes, Director of Agency Relations & Product Acquisitions

Subject: Partial Government Shutdown

The following information is provided by Feeding America's Government Relations Team regarding the partial government shutdown and how this may affect the Food Bank, our agency partners, and our food recipients.

Impact on Federal Employees Could Increase Demand

It is likely that our food bank network could see an uptick in individuals needing assistance should their income be affected by a shutdown. This could include federal employees relying on the government for paychecks, as well as contractors or others whose income is tied to the federal government. By law, pay for federal employees working for impacted Departments immediately stopped when the government shut down. There are exceptions for some federal employees who remain on the job and receive their paychecks, because their work is deemed critical (e.g. national security related) or because the source of their pay does not come through the federal appropriations process (e.g. postal employees whose pay comes from postal fees).

Impact on Nutrition Programs

During a government shutdown, SNAP recipients could be especially hard hit because of the program's funding structure, the sheer size and cost of the program, and that it serves clients directly. Most other nutrition programs are structured as a reimbursement model such that a short shutdown would have minimal impact on service delivery but could delay reimbursement and impact cash-flow of program providers.

Below is a rundown of general implication for major federal nutrition programs. USDA has posted guidance and updates on their website, <https://www.fns.usda.gov/FY19Lapse>.

* SNAP: The Continuing Resolution funding the government that expired December 21st included a provision ensuring that mandatory payments are covered if they are due within 30 days of its expiration, so January 2019 benefits are being provided without interruption. USDA announced on the evening of January 8th that they will be working with states to request the early issuance of benefits for February and states will have until January 20th to make this this

request. Once these early issuances are made, the February benefits will be made available to SNAP participants at that time. SNAP monthly issuance for February is estimated to be approximately \$4.8 billion.

* USDA announced states will also receive their full allotment for administrative expenses to keep program operations fully funded. Therefore, state and local SNAP agencies should also continue processing, without disruption, new SNAP applications and issuing full benefits to those deemed eligible according to standard operating policies and procedures.

* If the shutdown continues, USDA will not have enough funds to fully cover March SNAP benefits without additional appropriated funds.

* Federal Commodities: During a shutdown, TEFAP and CSFP would receive no new funds, including administrative funds. Existing food inventories can be used. For TEFAP, food deliveries confirmed for January-March (including entitlement, bonus, and trade mitigation) will continue as scheduled. CSFP deliveries confirmed for January-March will also continue as scheduled; however, states must operate at the 2018 caseload level. Unfortunately, food banks will NOT receive federal funds to offset the cost to store and distribute TEFAP or CSFP foods during the shutdown, although we expect such administrative funding will be provided retroactively once USDA is funded. States distribute TEFAP administrative funds on varying schedules; it is possible that some food banks may not see an immediate disruption in reimbursement if the shutdown is limited in duration. Contact your state office directly to determine if reimbursement for January expenses will be provided.

* WIC: USDA announced that they have resources to cover state expenditures on WIC benefits and program administration through February, with \$248 million being allocated to State agencies immediately and unspent prior year funds of \$350 million to be allocated at a later date. We do not expect there to be any interruption in WIC services.

* Child Nutrition Programs: School meal programs, summer and afterschool programs are funded to cover the operations for the month of January. USDA announced they will provide an additional two months' worth of funding to ensure uninterrupted operations through March. Structured as a reimbursement model, child nutrition program providers are reimbursed 30 days after the end of the service month. This typically results in school districts and providers serving meals as planned. They could possibly see a delay in reimbursement processing which creates a challenge for cash-flow purposes.

* Senior Nutrition Programs: Senior feeding programs (including both home-delivered meals such as Meals on Wheels and senior congregate feeding programs) are fully funded for the federal fiscal year. These programs operate through the Department of Health and Human Services which is not part of the shutdown as it was funded in an earlier appropriations bill. The Food Bank will continue to send updates regarding the partial government shutdown. Thank you for your continued support.