

Joe Lombardo GOVERNOR

### Federal Government Shutdown and the Impacts on the State of Nevada

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### **Statement from Governor Lombardo:**

• "While I appreciate the leadership of Republicans and some select Democrats in Washington to avoid a government shutdown, I'm disappointed in the continued gridlock that allowed this to happen. As D.C. works through its issues, our administration will continue to support Nevadans in any way we can throughout this unnecessary federal government shutdown." -Governor Joe Lombardo

#### **Background:**

- The Office of the Governor is closely monitoring the current shutdown of the federal government. The Governor's Finance Office, Budget Division is working to provide a comprehensive assessment of the impacts on Nevada.
- While the federal government is shut down, the State of Nevada is not shut down.
- Public safety and emergency services will not experience disruption. Furthermore, Social Security benefits, regular unemployment benefits, road projects and maintenance, and Medicare and Medicaid benefits will continue without interruption.
- At this time, there is no impact to SNAP benefits.

#### **State Impact:**

- Length of Shutdown
  - The direct impact on Nevada's state budget and administration of state services is dependent upon the length of a federal government shutdown.
  - With very few exceptions, a shutdown that lasts less than three weeks would have limited disruption to operations and services.
    - Many programs have state general funds to support operations. In these cases, adequate funds are available to maintain operations for a short period of time with minimal disruption to services. With this scenario, the expectation is that the federal government will make up funds to states once a budget or continuing resolution is passed.
    - Funding to support many vital programs will not be subject to the federal shutdown. This includes the majority of emergency or public safety functions and several of the largest public health programs.
  - However, a shutdown that extends for over 30 days would result in more significant challenges for the state and for all partners who rely on the federal funding that passes through state agencies.



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- Direct Impact on Nevadans
  - Nevadans, who are federal employees, could be subject to furlough.
  - The Nevada National Guard, under the Office of the Military, will maintain its normal operations through the next pay period.
  - Nevadans will not be able to access federal buildings or properties throughout the duration of the shutdown. National Parks remain open and as accessible as possible.
  - Federal unemployment benefits that augment state unemployment benefits could be affected, depending on the length of the shutdown. Administrative costs covered by the federal government could also be impacted.
  - Nevada Silver State Exchange is unlikely to be impacted, since most of the funds for health care exchanges have been distributed.

# **Federal Impact:**

- Federal buildings and properties may close for the duration of the shutdown.
- While social security, veterans' payments, Medicare, and Medicaid are not expected to be directly impacted, it is likely that there will be disruptions in the administration of these programs. This could limit the ability of individuals to gain eligibility or to seek further assistance that they are entitled to.
- Food inspections are deemed critical, so operations are expected to continue.
- The United States Postal Service, which is self-funded, will continue to operate.
- Veterans Affairs (VA) hospitals, medical centers, and outpatient clinics will remain open. VA benefits will continue to be processed and delivered, including compensation, pension, education, and housing benefits.
- Federal loans and guarantees may cease. Government grant reimbursements that fund various state projects are expected to pause.
- Federal Aid Highway programs and projects will continue, as contract authority is already in place.

## **Federal Contingency Plans:**

- Army Corps of Engineers
- Environmental Protection Agency (9.29.25)
- National Aeronautics and Space Administration
- Small Business Administration
- Social Security Administration
- U.S. Department of Agriculture
- U.S. Department of Commerce

- <u>U.S. Department of Defense</u>
  - U.S. Department of the Army
- U.S. Department of Education
- U.S. Department of Energy
- <u>U.S. Department of Health and Human</u> <u>Services</u>
  - U.S. Food and Drug
    Administration



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- Centers for Medicare and Medicaid Services
- U.S. Department of Homeland Security
- <u>U.S. Department of Housing and Urban</u> Development
- U.S. Department of Justice
- U.S. Department of the Interior
  - Assistant Secretary for Indian Affairs (ASIA)
  - o Bureau of Indian Affairs
  - o Bureau of Indian Education
  - Bureau of Ocean Energy <u>Management</u>
  - o Bureau of Land Management
  - o Bureau of Reclamation
  - Bureau of Safety and Environmental Enforcement
  - Bureau of Trust Funds
     Administration

- o U.S. Fish and Wildlife Service
- National Park Service
  - o Office of the Inspector General
    - o Office of the Secretary
    - o Office of the Solicitor
    - Office of Surface Mining Reclamation and Enforcement
    - o <u>U.S. Geological Survey</u>
- <u>U.S. Department of Labor</u>
- U.S. Department of State
- U.S. Department of Transportation
- U.S. Department of the Treasury
  - o Internal Revenue Service
- U.S. Department of Veterans Affairs

### **Additional Federal Shutdown Resources:**

- Office of Personnel Management: <u>Guidance for Shutdown Furloughs</u>
- Office of Personnel Management: <u>Special Instructions for Agencies Affected by a Possible Lapse in Appropriations Starting on October 1, 2025</u>
- Office of Management and Budget: Frequently Asked Questions During a Lapse in Appropriations
- Committee for a Responsible Federal Budget: <u>Government Shutdowns Q&A: Everything You Should Know</u>
- Congressional Research Service: Government Shutdowns and Executive Branch Operations
- Federal Funds Information for States: <u>Budget Briefs</u>
- National Association of State Budget Officers: <u>Impact of a Federal Government Shutdown on States</u>