



Allegheny County Department of Human Services

Erin Dalton, Director

To: Provider Network

From: Erin Dalton

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Subject: Government Shutdown Implications on DHS and its Provider Network

Introduction

As you may know, Congress did not pass a full-year appropriations or a continuing resolution by the September 30 deadline, triggering a federal government shutdown on October 1. During a shutdown, the government can only fund essential services, such as health and human services entitlements, law enforcement, and public safety. Agencies have released shutdown contingency plans with varying levels of detail such as reduction in force (RIF) plans and services that will continue during the shutdown.

This shutdown has several implications for programs and services that DHS and providers rely on. We want to provide you with an overview of anticipated impacts so you can plan accordingly.

- **Federal staffing:** Significant furloughs are happening across HHS, HUD, and other agencies. Expect delays in communications, oversight, regulatory activity, and technical assistance.
- **Grants and awards:** Most previously awarded grants will remain available for drawdown. Many program officers may be unavailable causing delays if response times or grant amendments are needed.
- **Program funding:** Mandatory programs such as Medicaid and Medicare will continue operating through the end of the year. SNAP is funded through at least October. Other human services programs with discretionary or mixed funding such as TANF, CCDF, CSBG, and child welfare, may not issue new or quarterly formula grants.
- **Cash flow:** Federal payment systems remain operational with reduced support, allowing drawdowns of already obligated funds.

Federal Agencies FY26 Shutdown Operations

Anticipated shut down impacts and operating plans for federal agencies most important for DHS and its providers are summarized below.

Department of Health and Human Services (HHS)

According to the HHS FY26 Staffing Contingency plan, HHS will maintain activities deemed essential that protect the health and well-being of Americans during the government shutdown.¹ Staff supporting funded activities like Medicare and other mandatory health programs will also remain in place. Operating divisions may use advance appropriations, carryover balances, emergency supplemental funds, third-party funding, or user fees to sustain exempt activities. Non-exempt activities will cease during the funding lapse such as extramural research contracts and grants, processing Freedom of Information Act (FOIA) requests and public inquiries, and most data collection, validation, and analysis. HHS expects to furlough about 41% of its workforce, though divisions with significant direct service roles, such as NIH and FDA, will retain more staff.

Within HHS, agencies such as the Administration for Children and Families (ACF) and the Administration for Community Living (ACL) are continuing only essential operations. Previously awarded grants like Head Start and certain multi-year or carryover-funded programs will continue, but new awards and ongoing grant support are paused.² SAMHSA grants that DHS and its providers rely on will remain spendable, but new Notices of Funding Opportunities and support from federal grant officers will be delayed.³

Department of Justice (DOJ)

According to an email sent from DOJ to grantees, the staff of the DOJ grant-making offices containing the **Office of Justice Programs (OJP)**, and **Office on Violence Against Women (OVW)** are in a furlough status until further notice. OJP and OVW staff will not be available during shutdown.

During the appropriations lapse, DHS and its providers may continue drawing down funds from existing DOJ grants. Grantee activities under OVW and OJP that are already funded under existing grants using prior federal fiscal year funding will generally be able to continue. However, the exception to this guidance would be if federal employee involvement is critical to the project or activity being carried out. A grantee would not receive approval of that action until Federal staff are available.⁴

The U.S. Department of the Treasury's Automated Standard Application for Payments (ASAP) system, which is used by DOJ grantees, will remain operational to process grant drawdown requests. In addition, all programmatic and financial monitoring scheduled during the funding lapse will be postponed or canceled.

¹ [HHS FY 2026 Staffing Contingency Plan](#)

² [ACF FY26 Staffing Contingency Plan](#)

³ [SAMHSA FY26 Contingency Plan](#)

⁴ [DOJ FY26 Contingency Plan](#)

U.S. Department of Housing and Urban Development (HUD)

The **Office of Community Planning and Development (CPD)** will continue to make previously obligated Homeless Assistance Grants, Continuum of Care (CoC), and other funds available for grantee drawdowns, as mentioned in the HUD Contingency Plan for Possible Lapse in Appropriation 2025.⁵ If no HUD staff action is required, funds may be accessed normally. Where HUD review is needed, CPD will recall staff intermittently to process requests, which may cause delays.

As mentioned in the HUD Contingency Plan for Possible Lapse in Appropriation 2025, the **Office of Lead Hazard Control and Healthy Homes (OLHCHH)**, which administers the Older Adults Home Modification Program, will maintain minimal staff to address emergencies where delays could threaten health or property. Excepted activities include oversight necessary to prevent imminent health and safety risks, such as:

- Environmental assessments
- Lead-based paint inspections
- Risk assessments
- Lead hazard control and healthy homes remediation work plans
- Work specifications
- Clearance examinations
- Payment requests by grantees

Grantees will retain access to HUD financial management systems and grant disbursement and information systems. The Ask A Question (AAQ) Help Desk will remain open, but responses requiring HUD staff review will be delayed until the funding lapse ends, except in cases involving imminent risks to life or property.⁶

Department of Veteran Affairs (VA)

According to the VA website and shutdown FAQ, the department is expected to maintain most of its staff during the shutdown. VA benefits including compensation, pension, education, and housing benefits will continue to be processed and delivered. Additionally, VA medical centers, outpatient clinics, and Vet Centers will remain open. However, VA benefits regional offices will be closed.⁷

Services not expected to be affected by the shutdown include:

- Burials at VA national cemeteries, as well as the processing of applications for headstones, markers, and burial benefits.
- Continued decisions on Veterans' cases by the Board of Veterans' Appeals.
- Availability and operation of VA Call Centers.
- Ongoing suicide prevention programs, homelessness services, and caregiver support.

⁵ [HUD Contingency Plan for Possible Lapse in Appropriation 2025](#)

⁶ [CSH Government Shutdown Impacts and What You Can do](#)

⁷ [VA Contingency Plan](#)

While core benefits and services will remain operational, the VA will suspend the following operations during the shutdown:

- Transition program assistance and career counseling.
- GI Bill and National Cemetery Applicant Assistance hotlines.
- Public Affairs operations and unfunded outreach to Veterans, including social media updates, VetResources emails, and responses to press inquiries.
- Routine cemetery operations such as grounds maintenance, processing of new Presidential Memorial Certificates, and installation of permanent headstones or markers.
- Processing of applications for pre-need burial at VA cemeteries.
- Outreach from the VA Central Office to state, county, tribal, municipal, faith-based, and community-based partners.

DHS does not anticipate any immediate impact on veteran services within Allegheny County at this time. However, we acknowledge that the suspension of certain VA programs such as transition assistance and career counseling may affect both our clients and partner organizations. DHS will continue to monitor developments related to the federal government shutdown and remains committed to supporting our veterans as these essential services are restored.

Conclusion

DHS and providers should prepare for delays in new funding and federal support but may continue to access existing funds. While drawdowns on active grants will continue, delays in grant-related communication, oversight, regulatory activity, and technical assistance may occur due to impacts on federal staffing.

We will continue to monitor the situation closely and provide updates as new guidance becomes available. If you encounter challenges that affect your ability to deliver services, please notify your DHS program contact where applicable, so we can work with you to problem-solve and mitigate impacts.

Thank you for your ongoing commitment during this period of uncertainty. We deeply value the work you do for our communities, and we will keep you informed as the situation evolves.