

THE INCREASING LOCAL IMPACT OF THE FEDERAL GOVERNMENT SHUTDOWN

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Organizational Development Standing Committee

November 3, 2025



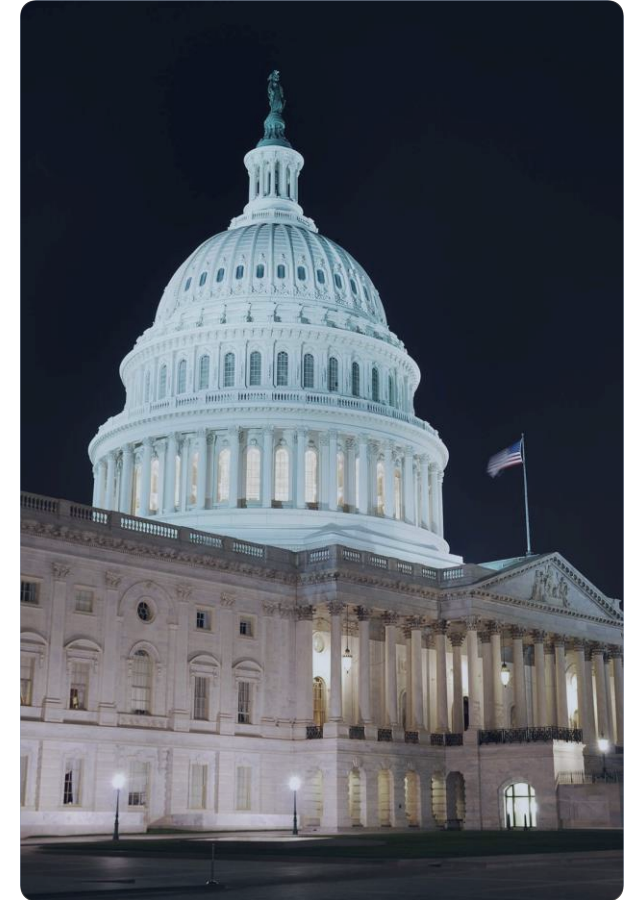
**CITY OF
RICHMOND**

OVER \$1 BILLION IN IMPACT

\$1.1 billion in federally supported programs are at risk if reimbursement delays continue.

Across 130 federally funded programs:

- 13 will remain fully operational.
- 98 will operate in partial or suspended capacity.
- **19 will terminate operations immediately without additional funding.**



PROGRAMS MOST AT RISK

The **Department of Social Services** and the **Department of Housing and Community Development** have the most immediate risks to continuity of services due to the federal government shutdown.



DEPARTMENT OF
**SOCIAL
SERVICES**



DEPARTMENT OF
**HOUSING AND
COMMUNITY
DEVELOPMENT**

Note: Today, November 3, 2025, the Federal government announced that it will pay 50% of November's SNAP benefits.



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IMMEDIATELY SUSPENDED PROGRAMS

Department	Program	Funding source	Budget	Population served
DSS	Medicaid & FAMIS (99.7K individuals)	Federal/State/Local	\$918,632,157	≥ 50,000
DSS	Supplemental Nutrition Assistance Program (55K individuals)	Federal	\$67,525,357	≥ 50,000
DSS	Child Care (2K Children/1200 Families)	Federal/State	\$13,179,589	1,000-4,999
DSS	Title IV-E Adoption	Federal/State	\$5,378,727	≤ 999
DSS	Energy Assistance (7.5K Households)	Federal	\$3,871,692	1,000-4,999
DSS	TANF (3K individuals)	Federal/State	\$3,661,717	1000-4999
PRCF	Dept of Labor Workforce Development Grant	Department of Labor	\$1,000,000	10,000-19,999
DSS	VIEW-Purchase	Federal/State/Local	\$288,754	≤ 999
RPD	FY 2025 DMV Selective Enforcement - Police Traffic Services	VA DMV	\$96,000	≥ 50,000
RPD	FY 2026 DMV Selective Enforcement - Police Traffic Services	VA DMV	\$96,000	≥ 50,000



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PROGRAMS AT RISK OF SUSPENSION

Department	Program	Funding source	Budget	Population served
HCD	Rapid Rehousing for Domestic & Sexual Violence Survivors	ESG	\$100,000	≤ 999
HCD	Rapid Rehousing	ESG	\$83,930	≤ 999
PRCF	USDA People's Garden Grant	USDA	\$75,000	1,000-4,999
HCD	Hilliard House Emergency Shelter	ESG	\$70,012	≤ 999
PRCF	Child and Adult Care Food Program (At-Risk Snack Program)	USDA	\$61,650	≤ 999
HCD	ESG Admin	ESG	\$22,000	≤ 999
HCD	Homeward Community Information System (HCIS) - ESG	ESG	\$8,500	≤ 999
DSS	Foster Care (200+)/Adoption (350+) children	Federal/State/Local	\$7,145,875	≤ 999
HCD	Economic Development	CDBG	\$198,000	n/a
HCD	CDBG Admin	CDBG	\$736,123	≤ 999

INITIAL MITIGATION ACTIVITIES



Fiscal: Activate bridge funding and defer discretionary expenditures to sustain operations.



Operational: Prioritize critical DSS and HCD services for vulnerable populations.



Administrative: Maintain continuous coordination with the Virginia Department of Social Services, DSS, HCD, and Department of Finance.



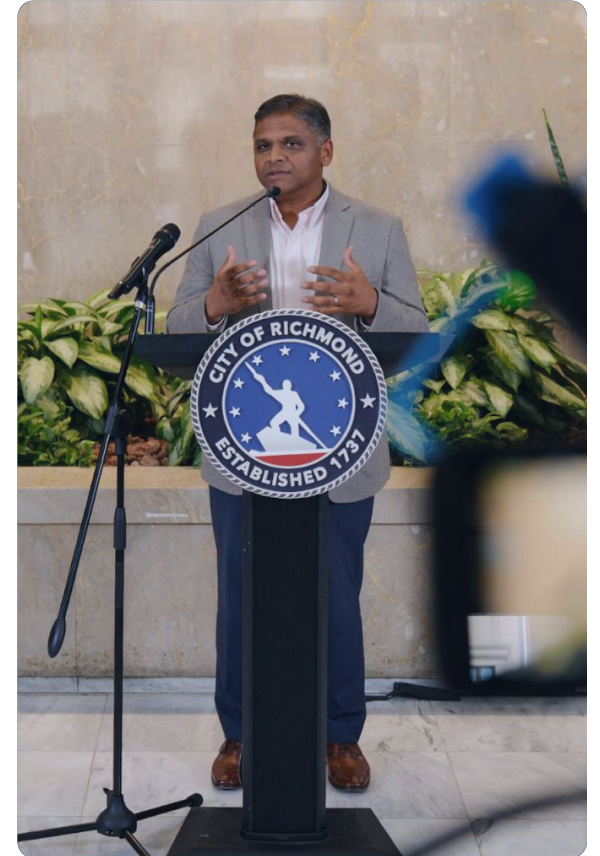
Communication: Provide consistent updates to stakeholders and the public regarding service availability and funding impacts.



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OUR NAVIGATION FRAMEWORK

1. **Mitigate** the local economic harm of the federal shutdown
2. **Absorb** additional stress on local operations and services, in part by activating existing Continuity of operations (COOP) plans and services
3. **Protect** low-income and other vulnerable residents
4. **Stay connected** to our federal partners
5. **Advocate** for our community
6. Communicate, **COMMUNICATE**, **COMMUNICATE**



Resilient Richmond

The City of Richmond's initial assessment of the impacts of the federal government shutdown

Fulfilling Richmond's mission – to provide trustworthy leadership and high-quality services that meet the needs of our vibrant city – in an uncertain federal landscape.



October 2025
Richmond, Virginia

Learn more about the City's response to the federal government shutdown:

go.rva.gov/shutdown

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (HCD)



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PREPARING FOR PROJECTED CUTS

1. If HUD stops all reimbursements for federal programs (CDBG, HOME, HOPWA, and ESG). **63 projects, 33 agencies, and 10 employees would be directly impacted.**
2. **HOPWA funding supports 102 households**, covering short-term rental & financial assistance, placement in Permanent Supportive Housing, and rental assistance.
3. ESG and CDBG subrecipients who provide services will have elevated costs due to **increased demand**, as a result of cuts in other areas.
4. Critical and substantial home repair projects that are in progress will be prioritized based on emergency or safety and funding availability.

PROJECTED IMPACT

- \$488,000 average monthly agency reimbursements across programs
- \$73,410 monthly reimbursement to cover HCD staff
- 102 families could potentially lose housing, as the City currently provides \$139,250 average every month for the three providers (CCC, Serenity, and Support Works)
- This will result in the city spending more money on the front-end, without guarantees that draw down's will be available. The monthly average costs will also increase due to increased need.
- This will impact properties where work has begun. HCD will need to prioritize what to complete and what to put on hold or discontinue.

CAUTIOUSLY PROCEEDING

1. HCD continues to process HUD FY26 item plans and contracts, cautiously aware that if HUD stops reimbursements for federal programs, there will no longer be funding available for these projects.
2. HCD continues to process invoices for the nine (9) FY25 contracts that were funded within HUD guidelines.

PROJECTED IMPACT

- **Continued uncertainty for City subrecipients.**
 - **Note: HCD has asked our subrecipients to process invoices promptly and to keep us informed if other funding complements begin to impact their program.**
- **Currently, no impact; funds are available, and drawdowns are actively being processed.**



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BUSINESS AS USUAL (FOR NOW)

1. The City's current mode of operation is business as usual until HUD provides additional guidance. Currently, HCD is allowed to draw down available funds.
2. HCD is processing FY26 item plans and contracts.
3. HCD is processing invoices for FY25 extended contracts.

CURRENT IMPACT

No current impact. However, the City has proactively sent letters to subrecipients, informing them of our progress in grant management and encouraging them to keep the City informed of any changes to the programs we currently fund.

DEPARTMENT OF SOCIAL SERVICES



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WHAT'S REQUIRED

THE CITY OF RICHMOND

Each locality **must** annually appropriate sufficient funds to provide for social service programs — including administrative costs.

Local governments must operate all public assistance and social services **regardless of reimbursement timing.** (§63.2-400)

THE COMMONWEALTH OF VIRGINIA

The Commonwealth **must** reimburse localities for expenditures “within the limits of state appropriations.” However, it **does not guarantee immediate payment** during a shutdown. (§63.2-401)

DSS must operate all core programs regardless of reimbursement delay. The City must front-fund essential services using local reserves or bridge funding, and the Commonwealth remains legally obligated to reimburse once appropriations are restored.

The Administration is **hopeful** that the impasse ends soon, and these commitments are kept.



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Grant-funded DSS **staff will remain supported** through the end of the fiscal year.



The City's may lose up to **\$3.6 million per month** in federal reimbursements.

DSS STAFFING COSTS

Time Period	Staff Time Calculation	Accrued Payroll
1 day	$\$136,741 \times 1 \text{ day}$	\$136,741
5 days (one work week)	$\$136,741 \times 5$	\$683,705
10 days	$\$136,741 \times 10$	\$1,367,410

- Average monthly reimbursement shortfall from the federal government for staff costs: **\$3.6 million**
- Average daily DSS payroll: **\$136,741**
- As of September 2025, DSS had 369 FTEs **84.5% of costs** subject to state/federal reimbursement
- The average daily DSS payroll is **\$136,741 per day**; (excluding overtime, special funds payroll expenditures, and salaries for three newly onboarded positions post-September 25).

CURRENT MITIGATION ACTIVITIES

IMPLEMENTED

Hiring Freeze: Temporary hiring pause for positions vacated after September 30, 2025. 29 positions in recruitment have been paused. This method may be extended to non-federally funded programs.

Projected savings through December 1: \$897,735 (< 7 days of staffing costs)

POTENTIAL

Operational Savings: Delayed purchasing of needed equipment for the new DSS office: AV, scanners, technology, additional security cameras, and furniture for the new DSS office move. If delayed much, these expenditures would need to be added in FY27.

Potential savings: Estimated at approximately \$2.6M

LAST RESORT

Staffing Payroll Adjustments: If delays persist, short-term payroll and staffing adjustments may be necessary. This may include extending hiring freezes beyond federal programs, followed by more severe actions.

SNAP RESOURCES & PROGRAMMING



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SNAP'S MASSIVE IMPACT

Supplemental Nutrition Assistance Program (SNAP) serves the largest population of any federally supported program.

- Over 22,000 households, totaling **38,000 Richmond** residents currently receive SNAP benefits each month
- Nearly **20% of Richmond's population** relies on this assistance
- **10,000 students** receive SNAP (*48% of RPS students receive SNAP*)
- 172,000 recipients across Central Virginia



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FEDERAL SNAP WORK REQUIREMENT CHANGES

Starting November 1, 2025

Age

Before: Adults 55 or older were exempt.

Now: That age limit is raised to 65.

Families

Before: Household including a child under 18 were exempt.

Now: That age drops to 13.

Fewer Automatic Exemptions

These groups will no longer be automatically exempt:

Adults who are homeless*, veterans, young adults 18–24 who left foster care

** People chronically homeless (6 months or more) can still be exempt.*

IF YOU ALREADY HAVE SNAP BENEFITS

- These new rules will apply when your case is reviewed or renewed.
- Until then, your current exemption stays the same
- If your situation changes (like work hours, who lives in your home, or disability status), your case might be reviewed sooner



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STATE + LOCAL RESPONSE TO THE SHUTDOWN

The federal shutdown has disrupted SNAP benefits for over 22,000 Richmond households. Here's how we're collectively responding.

THE COMMONWEALTH OF VIRGINIA

Virginia will launch the **Virginia Emergency Nutrition Assistance** (VENA) program starting November 3, 2025. However, recipients will still face initial food benefit gaps and **reduced purchasing power** due to the weekly payment structure.

THE CITY OF RICHMOND

To fill the gap, the City has partnered with Feed More, Richmond Public Schools, and regional partners to implement **a food distribution and outreach strategy** targeting the most vulnerable populations.



VIRGINIA EMERGENCY NUTRITION ASSISTANCE (VENA)

- Total statewide weekly allocation to VENA: \$37.5 million
- Weekly payments will be 25% of the participant's monthly SNAP benefit
- VENA will have the same eligibility requirements as SNAP
- Participants approved to receive SNAP prior to October 29, 2025 will receive VENA
- VENA payments will continue through November (*unless the federal shutdown ends*)
- Benefits will be delivered weekly via existing SNAP EBT cards beginning the week of November 3

Learn more about the Virginia Emergency Nutrition Assistance program:

www.dss.virginia.gov/vena/

VENA PAYMENT STRUCTURE AND TIMING

Example	Previous Monthly SNAP	New Weekly VENA
Single Adult	\$188	\$47
Household of Three	\$600	\$150

Previous SNAP Schedule	New VENA Schedule	First Payment
Benefits on 1st of month	Every Monday	November 3
Benefits on 4th of month	Every Wednesday	November 5
Benefits on 7th of month	Every Friday	November 7



FOOD DISTRIBUTION PARTNERSHIP

Even with VENA, SNAP recipients will **have less purchasing power** due to VENA's weekly payment structure and will experience an initial period of **one or more days without benefits** as a result of the federal shutdown.



To address this, the City has been working with our regional partners and key stakeholders such as Feed More and RPS to develop a coordinated response.



The goal is to ensure awareness of available resources and increase food distribution across Richmond starting the first week of November.



The City and partners will assess weekly to determine the allocation and coordination needed for the following week based on information at the time.

FOOD DISTRIBUTION STRATEGY

- The City will invest **\$100,000** to support increased food distribution
- Greatly increase distribution at **five key food pantry sites** at strategic locations throughout the City
- Provide direct distribution to **10 target housing developments** serving priority populations
- Promote **22 existing** weekly Feed More partner food pantry locations
- Partner with RPS on a centralized “**school market**” for RPS families who qualify for SNAP and face additional barrier to food access. Additional planning is being done to expand the weekend backpack distribution of food at target schools.



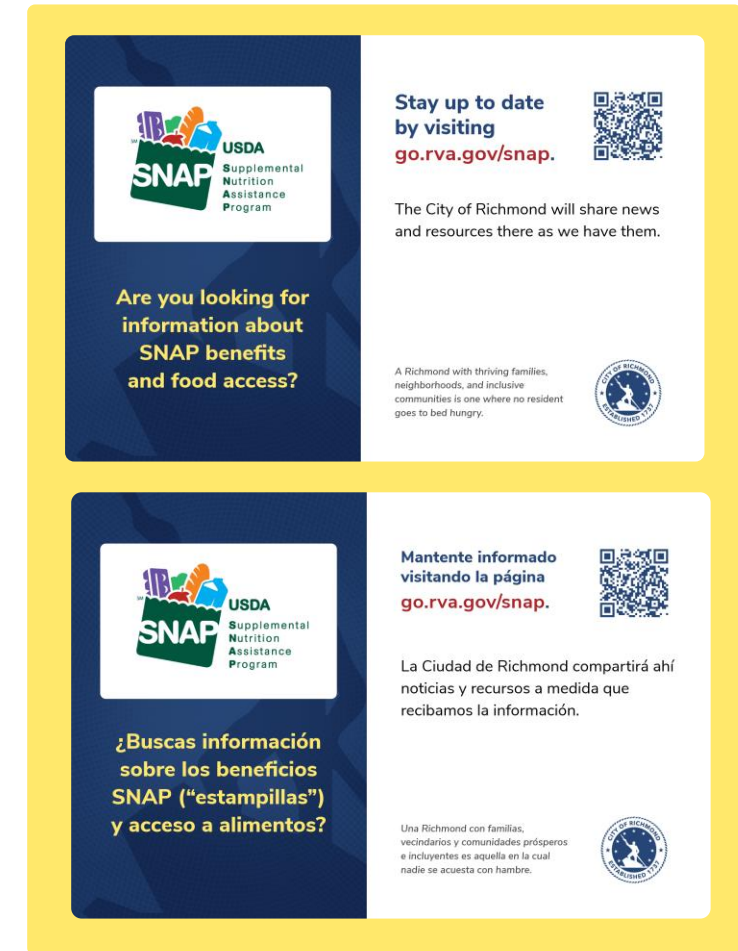
FEED MORE SM

RPS RICHMOND
PUBLIC SCHOOLS

RICHMOND'S FOCUSED OUTREACH

Special focus is being placed on ensuring resources and information is accessible to the following **priority populations**: Immigrant and refugee communities, individuals experiencing homelessness, older adults and individuals with disabilities, Children and families

- The City is working with internal and external subject matter experts and stakeholders to ensure the community has **clear and accurate information** about VENA and other food resources, including Shalom Farms mobile market locations.
- Office of Neighborhood Engagement is facilitating feedback from **civic association leaders** and **public housing communities**.
- We are printing hundreds of **postcards** and the Office of Immigrant and Refugee Engagement is ensuring critical information is available in **appropriate languages**.



SNAP EFFORTS ON THE WEB

For the most up to date information:

go.rva.gov/snap



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HOW YOU CAN HELP



Donate: The best way for residents to support this ongoing effort is to donate to Feed More. A \$5 donation provides 20 nourishing meals to residents in need. These donations will directly support food distribution in the Richmond region the week of November 3.



Donate (your time): Feed More has many volunteer opportunities listed on their website for residents who want to donate their time.



Donate (your food): Feed More will accept donations of food. You can learn more about how and what to donate on feedmore.org.

QUESTIONS?

