

SEPTEMBER 2025 GOVERNMENT SHUTDOWN ADVISORY FOR NATIVE COMMUNITIES

*Prepared by the Senate Committee on Indian Affairs, Office of the Vice Chairman,
Senator Brian Schatz (D-HI)*

If appropriations bills or a continuing resolution (CR) have not been enacted before 12:00 am on October 1, 2025 (the start of Federal fiscal year (FY) 2026), then a federal government shutdown will occur.

- **Discretionary programs** – Expected to be negatively affected¹
- **Mandatory, advance appropriations, forward-funded programs** – Expected to continue, with possible disruptions depending on staffing and agency RIFs²

Below are expected impacts³ of a shutdown on Tribes and the Native Hawaiian Community across the three branches of government. For additional resources, see National Congress of American Indians (NCAI) [“Understanding Federal Government Shutdown Impacts on Tribal Nations – Webinar Resources.”](#)

EXECUTIVE BRANCH

During a shutdown, federal departments and agencies may furlough workers and operate with reduced staffing and the public may have limited access to information that requires approval from non-essential agency staff.

[The Office of Management and Budget \(OMB\) issued its Contingency Plan guidance](#) directed federal agencies to “*use this opportunity to consider Reduction in Force (RIF) notices for all employees in programs, projects, or activities (PPAs) that satisfy all three of the following conditions: (1) discretionary funding lapses on October 1, 2025; (2) another source of funding, such as H.R. 1 (Public Law 119-21) is not currently available; and (3) the PPA is not consistent with the President’s priorities.*”

2025 Contingency Plans are available from some but not all agencies. The [White House](#) encourages the public to check each agency’s website for 2025 Contingency Plans.

- **Available 2025 Contingency Plans:** [Interior](#), [IHS](#), [HHS](#), [ED](#), [Labor](#), [USDA](#), [Commerce](#), [Justice](#), [Defense](#), [Treasury](#), [IRS](#), [Social Security](#), [DHS](#), [State](#), [VA](#)).

¹ Examples include Bureau of Indian Affairs (BIA) programs, ISDEAA “638” grant awards, and Indian Health Service (IHS) electronic health records, construction, and sanitation programs.

² Examples include mandatory-funded Social Security, Medicaid, Medicare, Supplemental Nutrition Assistance Program (SNAP), and veterans’ health benefits; advance appropriations-funded IHS health services; and Bureau of Indian Education (BIE) and U.S. Department of Education (ED) programs that are forward-funded.

³ Note impacts will vary depending on the length of a shutdown and on official White House guidance. Agencies may not follow precedent, but for reference see [past Contingency Plans](#) used during previous shutdowns.

Department of Treasury

(Paused) Drawdowns from the ASAP system may be interrupted during a shutdown, as staff required to release approved funds may be furloughed or laid off as part of agency RIFs.

Department of the Interior

(Paused) **ISDEAA Self-Determination/Self-Governance:** Expect “638” agreements, Contract Support Costs, and 105(l) lease agreements to pause payments during a shutdown. Tribes will likely be unable to make new drawdowns from ASAP during a shutdown.

(Paused) **Bureau of Indian Affairs (BIA):** Expect the agency to carry out only continued direct services with available supplemental funding deemed necessary to protect life and property, including law enforcement and detention centers, social services, irrigation and power, wildland fire management, and the Tribal Transportation Program.⁴

- Disbursement of funds for Tribal government operations may be limited.
- Tribal cultural resources on federal lands may be left unprotected and Tribal Historic Preservation Office funding may be paused throughout the shutdown.
- Majority of BIA staff could be furloughed.

(Continued) **Bureau of Indian Education (BIE):**

- BIE schools are forward-funded but may switch to emergency operating plans and any planned Tribal consultations may be delayed. All BIE staff are expected to be designated as essential in Interior’s 2025 Contingency Plan.
- All K-12 schools, dormitories, and federally-operated Tribal colleges (Haskell, SIPI) are expected to operate during a shutdown, including Tribally Controlled Schools (the majority of Tribally Controlled Schools and TCUs drew down most of their funding on July 1 for the upcoming school year).

Department of Health and Human Services

(Disruptions Possible) **ISDEAA Self-Determination/Self-Governance:** It is possible for “638” agreements, Contract Support Costs, and 105(l) lease agreement payments to be disrupted during a shutdown, even with advance appropriations in place for IHS. Tribes may not be able to make new drawdowns during a shutdown if the staff required to release funds are furloughed.

(Continued in Part, Paused in Part) **Indian Health Service (IHS):** The majority of IHS services are expected to continue with advance appropriations, carryover funds, and third party collections, including IHS direct service, Tribal Health Programs, and Urban Indian Organizations. Facilities construction projects supported with previously appropriated funds will also continue. The [IHS 2025 Contingency Plan](#) does not furlough any IHS employees. Note IHS programs that do not receive advance appropriations may be paused, including Electronic Health Record Modernization, Indian Health Care Improvement Fund, Health Care Facilities Construction, Sanitation Facilities Construction, Contract Support Costs, and Section 105(l) Leases.⁵

⁴ [BIA Contingency Plan September 2023](#)

⁵ [DHHS Contingency Plan FY 2024](#)

(Continued) **Centers for Medicare & Medicaid Services (CMS):** Medicare and Medicaid are expected to continue, and no changes to Medicare and Medicaid open enrollment periods will continue unchanged. Roughly half of CMS staff could be furloughed. Agency service disruptions and delays for some activities may occur (e.g. benefit verifications, issuing of Medicare replacement cards).

(Continued) **Special Diabetes Program for Indians:** Expected to continue mandatory funding through the start of 2026 despite authorization expiring on October 1.

(Continued) **Head Start:** Although funded through discretionary appropriations, Head Start programs are not expected to experience major disruptions immediately.⁶ Note that Head Start grantees typically can only draw down funds for 3 days at a time, so impacts may increase with the length of a shutdown.

(Paused) **Other Operating Divisions:** Expect divisions to continue programs funded by mandatory funding, advanced appropriations, prior year carry-over funds, and user fees. Expect discretionary grant funding to be paused during a shutdown.

- **Temporary Assistance for Needy Families (TANF)** and the **Low Income Home Energy Assistance Program (LIHEAP)** may pause benefits.
- Expect the Centers for Disease Control and Prevention (CDC) to continue responding to immediate outbreaks but limit other activities.
- Approximately half of HHS staff could be furloughed.

Department of Housing and Urban Development

(Paused)

- Expect Native American Housing Assistance and Self-Determination Act (NAHASDA) and Tribal HUD-VASH awards to pause during a shutdown.
- Expect the Office of Native American Programs Office of Loan Guarantee (OLG) to close during a shutdown and no firm commitments or loan guarantees to be issued for the Indian Housing Loan Guarantee Section 184 Program, Native Hawaiian Housing Loan Guarantee 184A Program, or Indian Housing Block Grant Loan Guarantee Title VI Program. Similarly, no claims will be paid during a shutdown.
- Tribally-designated housing entities (TDHEs) are typically not required to stop services but may not be able to sustain normal operations indefinitely.⁷

Department of Education

(Paused) Expect discretionary grant and formula programs that do not receive forward funding or advance appropriations to be paused during a shutdown, including Impact Aid⁸ and Title VI Indian Education programs. Reportedly, the agency is expected to furlough 96 percent of its staff.

⁶ Reportedly, only 8 of the 1,600 total Head Start grantee programs have a fiscal year beginning on October 1 and will see a lapse in funding.

⁷ [HUD Contingency Plan for Possible Lapse in Appropriations 2023](#)

⁸ ED just made FY25 final Impact Aid payments to school districts, but districts that rely on same-year Impact Aid payments could experience financial strain the longer the shutdown lasts.

(Continued) Programs with forward funding, advance appropriations, or mandatory funding will continue (see CRS report on the type of funding programs receive [here](#)):

- Schools usually receive forward funding from the prior fiscal year on October 1, and the agency's contingency plan states that it expects to award advance funding for Title I, Title II, IDEA, and career and technical education programs. Title III funding to colleges and universities and Pell Grants (partially discretionary) should continue.
- The agency's [2025 Contingency Plan](#) also states that states, schools and other grantees will be able to access discretionary funds from recent awards the Department made over the summer.
- Disbursements to students for federal student loans (mandatory) and Pell Grants (partially mandatory) will continue.
- States generally have plenty of Child Care and Development Fund (CCDF) reserves on hand and impacts on families receiving child care subsidies would only occur if there is a prolonged shutdown.

Department of Labor

(Paused) The Department will furlough 97 percent of its staff from the Employment and Training Administration (ETA).

- ETA will not respond to grantee inquiries or audit requests during the shutdown.

(Continued)

- Job Corps Centers will continue operating with funds provided on July 1.
- Workforce Innovation and Opportunity Act (WIOA) programs with advance funding will continue.
- The Department will also provide support to states and other federal agencies for the administration and payment of unemployment insurance benefits.

Department of Justice

(Paused) Expect training, technical assistance, and grant disbursement activities to Tribal entities to cease during a shutdown, including from the Office of Violence Against Women (OVW) and Office for Victims of Crime (OVC).

Department of Energy

(Paused) Each division may continue to operate, including performance of contracts, until prior year balances are exhausted, as the agency operates with multi-year and no-year discretionary funding. Once funds are exhausted, expect agency functions to be limited to protection of life and property, with few exceptions. The majority of agency staff could be furloughed.

Department of Agriculture

(Continued) As a mandatory program, expect **Supplemental Nutrition Assistance Program** (SNAP) benefits to continue.

(Paused) If supplemental funding is insufficient during a shutdown, other nutrition program operations and benefits dependent on discretionary funding may cease.⁹

⁹ [Food and Nutrition Service Contingency Plan](#)

- The **Food Distribution on Indian Reservations Program** (FDPIR) will only continue operations if discretionary carry over funds are available.
- The **Special Supplemental Nutrition Program for Women, Infants, and Children** (WIC) program may not have enough funding to accept new applicants starting on October 1.

Department of Transportation

(Paused) Expect disruptions to obligations from the Tribal Transportation Program and Tribal Transit Program funds depending on ability of the agency to access the mandatory Highway Trust Fund.

Department of Commerce

(Paused) Expect grants dependent on discretionary appropriations to American Indian, Alaska Native, and Native Hawaiian entities to lapse. The [Federal Communications Commission \(FCC\)](#) will cancel or reschedule any events or meetings, including Tribal consultations, scheduled to occur during the shutdown.

(Continued) The [National Telecommunications and Information Administration \(NTIA\)](#) is primarily funded by fees and will continue to perform critical activities, including managing the federal use of spectrum. BEAD program, Middle Mile, the Digital Equity Act Tribal program, and the Tribal Broadband Connectivity Program (TBCP) are expected to continue.

Veterans Administration

(Continued) Expect medical care and pension benefits to continue. Some services such as career counseling and the Native American Veteran Housing Loan Program may lapse.

Small Business Administration

(Paused) Expect loans, outreach, and technical support to Native-owned businesses to pause during a shutdown.

(Continued) SBA is expected to continue to make loans for disaster preparedness and response.

Department of Defense

(Continued) All military personnel will continue to work, but servicemembers may not receive pay during a shutdown.

Department of Homeland Security

(Continued) All passport and visa applications will proceed. Border patrol, ICE, and U.S. Citizenship and Immigration Service employees are expected to continue their work. Immigration court cases on the detained docket should still proceed and those on the non-detained docket may be rescheduled. Expect FEMA staff to continue to respond to emergencies, but work on long-term projects may be paused.

Postal Service

(Continued) The postal service will continue to deliver mail and all post offices are expected to be open with usual hours. The agency does not receive tax dollars for its operating expenses and relies on revenues from sales.

LEGISLATIVE BRANCH

Congressional Offices

(Continued) Congress remains open. Constituent services during this time will vary by office. **The Senate Committee on Indian Affairs, Office of the Vice Chairman, will continue normal operations.**

JUDICIAL BRANCH

Under the Antideficiency Act only “essential work” related to the “safety of human life and protection of property,” such as criminal prosecutions, continues. Civil cases may not be deemed essential and may experience significant delays due to a shutdown.

Federal Courts

(Continued) The federal judiciary can remain operational for a limited time (weeks) during a government shutdown. For an extended shutdown, only essential services would continue. Unlike executive branch agencies, the courts can initially use reserve funds from sources not dependent on Congress, like court fees, to stay open. Courts operating under reserve funds may delay cases, reduce operating hours, and suspend certain court functions. To the extent possible, federal court civil litigation will be curtailed or postponed, and the government may request that courts postpone active cases until funding is available. If such a request is denied, litigation staffing may be limited to the minimum level necessary.¹⁰

¹⁰ [DOJ FY 2024 Contingency Plan September 2023](#)