

TO: COSSBA BOARD MEMBERS, EXECUTIVE DIRECTORS AND GOVERNMENT RELATIONS STAFF

FROM: COSSBA and BOSE PUBLIC AFFAIRS

DATE: OCTOBER 1, 2025

RE: GOVERNMENT SHUTDOWN

As of **midnight (12:00 a.m. ET) last night**, the federal government entered a funding lapse (shutdown), and agencies have begun activating their contingency and furlough plans. Below is an overview of what your member school boards and the students they serve should anticipate in the hours and days ahead, along with actions you (or your districts) may wish to consider.

What We Know So Far: Federal Agencies in Shutdown Mode

1. OMB Guidance & Department of Education Contingency Plan

- The Office of Management and Budget (OMB) and the Office of Personnel Management (OPM) have directed agencies to finalize and execute **Reduction-in-Force (RIF) plans** for non-essential employees whose roles are funded through discretionary appropriations. Some of these measures may become permanent if funding is not resumed promptly. ([FEDweek](#))
- The Department of Education (ED) has already begun implementing its contingency plan: more than 89 percent of ED staff are expected to be furloughed early in the lapse, with only a small cadre of “excepted” staff remaining to handle core statutory or emergency obligations. ([U.S. Department of Education](#))
- (For your reference: ED’s contingency plan memo can be found here: “*U.S. Department of Education Contingency Plan for Lapse in Annual Appropriations*” ([U.S. Department of Education](#)))
- OMB’s site on agency contingency plans can also be consulted (agencies host their individual plans there). ([The White House](#))

2. What “Excepted / Exempt” Functions Continue

Under the Antideficiency Act, agencies must suspend operations that rely on annual discretionary funding except when permitted. Only activities that are explicitly authorized by law without further appropriation, essential to protect life or property, or constitutionally required for the President, may continue. ([U.S. Department of Education](#))

3. Education Department Operations

- ED staff working on issuing new discretionary grant awards, reviewing civil rights complaints, or processing new programmatic requests are pausing or substantially curtailing those functions. (<https://www.ky3.com>)

- Core operations tied to mandatory or advance-funded programs may continue (e.g. student aid disbursements), but with minimal staffing. ([U.S. Department of Education](#))
 - Customer help desk support, complaint resolution, communication with districts, and grant management functions will likely face significant delays. ([U.S. Department of Education](#))
-

What This Means for Your State Boards, Local Districts & Students

Below is a breakdown of key impacts and concerns for your membership:

A. Federal Education Funding & Supports

- **What's relatively safe in the near term:**

Many K–12 funding streams (e.g. Title I, Title II-A, Title III, Title IV, IDEA) are **forward-funded** or based on allocations made before the start of the fiscal year, meaning that districts may continue operating under existing allocations, at least initially. (These funds are generally “obligated” and drawn down over time.) ([Congress.gov](#))

- **What is at risk or is compromised:**

- **Impact Aid** is not fully advance-funded, so payments to districts dependent on that support may be delayed or disrupted.
- **Discretionary competitive grants** (for example, LEA or state grants awarded later in the year) will be frozen or delayed.
- **Head Start grantees** who are waiting for grant agreement or renewal payments would be disrupted or delayed.
- **New applications, adjustments, and program compliance reviews** will not be processed until federal staff return.
- **Civil rights oversight, complaint investigations, and enforcement** activities will be slowed or halted, making it harder for districts to resolve issues with federal compliance.
- **Technical assistance** from ED program offices will be largely unavailable, potentially leaving districts without federal guidance on rules or flexibility requests.
- **Monitoring, audits, and site visits** will likely be suspended or postponed, to the extent they depend on active federal staff.

- **Operational & administrative stress:**

- Districts may see **slower turnaround** on federal reimbursements, grant amendments, or requests for waivers.
- Some communication from federal agencies (letters, guidance, notices) may be on hold.

- Delays in the resolution of questions or issues can lead to compliance risk or uncertainty in implementing programs.

B. State Education Agencies & Your Role

- You may hear from districts inquiring when federal funds will be disbursed or when grant decisions will be made.
- It could fall on states or the SEA to **bridge short-term cash flow issues** (e.g. by fronting payments or managing carryover) while awaiting federal funds.
- States can help by **communicating clearly with districts** about what to expect, collecting information about urgent needs, and asserting local flexibility as issues arise.

C. Student Aid & School Nutrition

- **Federal Student Aid / Title IV (Higher Ed):** Because many federal student financial aid programs operate with mandatory or multi-year funding, disbursements may continue for enrolled students, but new processing, appeals, verification, or ED staff support functions will slow sharply.
- **School nutrition/child nutrition programs:** The U.S. Department of Agriculture (USDA) typically continues critical nutrition operations for food security reasons, but discretionary grants, expansions, or non-mandated supports may be affected. If the shutdown is prolonged, districts may experience difficulties in receiving monthly reimbursements.

D. Risk & Uncertainty

- The longer the shutdown lasts, the more strain districts may face as they manage tight budgets and delays in federal flow of funds.
- Cash-strapped districts or small rural systems may feel pressure quickly if they rely heavily on federal dollars.
- Some districts may need to **scale back planned supplemental programs**, delay initiatives, or delay hiring staff or program expansions while awaiting clarity.
- Because federal oversight is reduced, districts and states must be especially vigilant to maintain documentation, internal compliance, and ensure that any costs that may later be questioned are defensible.

While many district operations have some buffer in the first few days of a shutdown, the pause in federal grant activity, staffing furloughs, and curtailed agency support could lead to administrative friction, financial stress, and uncertainty. Your leadership and proactive planning will help your state boards and local districts navigate this turbulent period.

We will monitor federal agency announcements and further guidance and share updates with you as soon as they become available.