



**CALIFORNIA DEPARTMENT
OF EDUCATION**

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FISCAL MANAGEMENT ADVISORY 25-01

Date: October 1, 2025

To: County and District Superintendents
Charter School Administrators

From: Abel Guillen, Deputy Superintendent
Operations and Administration Branch

Subject: **Impacts of a Government Shutdown**

The purpose of this memorandum is to outline the impact of the federal government shutdown on programs and operations of the U.S. Department of Education (ED) and other federal agencies that normally provide support to California's education system.

Federal Government Shutdown: What to Anticipate

- **Funding Deadline:** At the end of the day on September 30, 2025, funding for the federal government expired without a budget or continuing resolution (CR) for the federal fiscal year (FY) 2026 that began October 1, 2025.
- **Shutdown Impacts:** As of October 1, the 12 appropriations bills remain unsigned without enacting a CR. Without a budget or CR, federal agencies cannot maintain their operations and program continuity which will cause some lapses in government functions. During the "shutdown," the federal government's operational capacity is significantly reduced, but not all functions cease.
- **Essential Operations Continue:** Federal programs and activities funded through mandatory allocations or supported by the previous fiscal year's appropriations persist during a shutdown.
- **Guidance and Contingency Plans:** The California Department of Education (CDE) received the U.S. Department of Education's contingency plan in the event of a shutdown (see attached document).
- **Education Funding:** K–12 education funding, other than nutrition (explained below), operates on either a forward-funded or an advance-funded model. Depending on the program, some or all of the program's funding is appropriated on a forward-funded basis, meaning that the funding becomes available for drawdown by the state and local educational agencies (SEAs and LEAs) beginning on July 1 of the fiscal year for which it was appropriated (for instance, on July 1, 2025, for FY 2025 funds). SEAs and LEAs will be able to continue

using those funds appropriated in the prior federal fiscal year, as well as carry-over funds from previous years, while the federal government is shut down.

Elementary and Secondary Education Act (ESEA) Titles I-A and II-A, Individuals with Disabilities Education Act (IDEA) Part B, and Career Technical Education (CTE) programs are appropriated on an advance-funded basis, meaning the funding does not become available until October 1 of the following fiscal year. However, it is possible that competitive grant programs may encounter delays due to staffing constraints, affecting application reviews and award processes.

- **Child Nutrition Programs:** These programs, encompassing school lunch, breakfast, and snack programs, receive reimbursements 30 days after each service month. The CDE received the U.S. Department of Agriculture's (USDA) contingency plan in the event of a shutdown (see attached document). According to the plan, USDA has cash on hand to reimburse providers for meals served in September and October. If the shutdown extends beyond October, further reimbursements may be delayed. It is important to note that USDA staff will likely also be affected by the shutdown, which may lead to delayed responses from programs such as School Meals, WIC, and SNAP.

The CDE is maintaining vigilant oversight of the situation as CDE's Federal Policy Liaison works to obtain the latest information. Although we do not anticipate that a federal shutdown will immediately or significantly disrupt the operations of the CDE and LEAs, we aim to ensure that the field remains informed about the situation.

Attachments

1. Secretary of Education Memorandum dated September 28, 2025, from Linda McMahon to the Office of Management and Budget regarding the U.S. Department of Education contingency plan for lapse in fiscal year (FY) 2026 appropriations: <https://www.ed.gov/media/document/us-department-of-education-contingency-plan-lapse-fiscal-year-fy-2026-appropriations-508-112431.pdf>
2. U.S. Department of Agriculture's Lapse of Funding Plan, as of September 30, 2025: <https://www.usda.gov/sites/default/files/documents/fy2026-usda-lapse-plan.pdf>