

Introduction

Lawmakers had until September 30th to reconcile three federal budget proposals and pass a comprehensive budget for federal fiscal year (FFY) 2026. President Donald Trump's budget request, the Senate Appropriations Committee's bill, and the House Appropriations Committee's bill were the three main proposals involved in the budget negotiation process.^A Because Congress was unable to pass a full-year budget or a continuing resolution (CR) — a short-term, stopgap measure that largely maintains current funding levels — a government shutdown began on Wednesday, October 1st.

As a result of the shutdown, non-essential operations of federal agencies have been suspended, and non-essential employees have been furloughed.^{1,B,C} The federal government will remain shut down until either a CR or a full-year budget is passed by Congress.^D

This briefing provides a high-level overview of how the federal government shutdown impacts K-12 education and describes the implications of the shutdown for the State of Connecticut.

Key Takeaways

- **U.S. Department of Education has furloughed 2,117 employees representing approximately 95% of the Department's staff. These reductions could become permanent.**
 - This has impacted the day-to-day operations of the Department in the following ways:
 - New grantmaking has ceased;
 - Office for Civil Rights investigations have paused; and
 - Development and issuance of new guidance and regulations have paused.²
 - The Office of Policy and Management (OPM) has issued guidance recommending agencies issue reduction in force (RIF) notices to

^A For a comparison of the proposed federal funding for K-12 education programs in President Trump's budget request and the House and Senate Appropriations Committees' bills, please visit <https://schoolstatefinance.org/hubfs/Reports/Comparison%20of%20FY%202026%20Federal%20Spending%20Proposals.pdf>.

^B Non-essential employees are federal employees whose work is funded through annual appropriations and who do not perform "excepted work activities" as defined in guidance from the U.S. Department of Justice and/or the U.S. Office of Personnel Management.

^C A furlough is not a termination of employment, but rather a temporary period of time in which non-essential federal employees are placed on unpaid leave from their jobs due to a lack of funding. During this period, furloughed staff remain government employees, but they carry out no work activities and are not paid. When a furlough period ends, employees who have not undergone a reduction of force (also known as a layoff) will be provided with back pay for the period of furlough.

^D For more detailed information on the causes and impacts of government shutdowns, please visit <https://www.brookings.edu/articles/what-is-a-government-shutdown-and-why-are-we-likely-to-have-another-one/>.

employees that perform job functions that are not consistent with President Trump's priorities and that are funded through discretionary funding.³

- RIF notifications provide a 60-day notice period, during which workers will remain employed by the federal government.⁴
- Mass layoffs at the Department of Education would have long-term impacts on the agency's ability to enact federal policies and support state-level education initiatives.

- **Most upcoming education funding is not expected to be immediately impacted by the government shutdown.**

- Most K-12 federal education aid is forward-funded, meaning funding becomes available late in the federal fiscal year and is carried into the next federal fiscal year.⁵
 - For these programs, the State of Connecticut has already received funds from the federal government for the current school year (2025-26).
- Other federal aid programs are funded through advance appropriations. This means their funding was already appropriated in FFY 2024 and became available on October 1, 2025.⁶
 - These funds, which include portions of Title I, Title II, and IDEA Part B, are also not expected to be impacted by the federal government shutdown as the Department of Education has indicated it will continue to make grant payments during the shutdown period.⁷
- Though the Department of Education plans to continue making grant payments during the shutdown, the Department's shutdown contingency plan leaves room for the holdback of some formula funds during the government shutdown.⁸

- **Impact Aid reimbursements for school districts with federal property will be delayed.⁹**

- Impact Aid reimburses school district for lost revenue and costs associated with nontaxable federal property, including:
 - Military installations;
 - Indian Trust, Treaty, and Alaska Native Claims Settlement Act (ANCSA) lands;
 - Federal low-rent housing facilities; and
 - Other federal property including national parks, Army Corps of Engineers projects, and federal facilities.¹⁰
- Payments are typically released after October 1st but will not be funded without a budget or continuing resolution in place.
 - Groton, Ledyard, and Waterbury school districts all received payments from this program in FFY 2025 totaling \$5.4 million.¹¹

- **Federal reimbursements for school meal programs may be delayed if the shutdown continues.¹²**
 - In past years, the U.S. Department of Agriculture (USDA) has indicated it has enough funding on hand to continue reimbursements for approximately three months. However, it is unclear if this remains true.¹³
- **Programs supporting students from low-income families, such as the Supplemental Nutrition Assistance Program (SNAP), will also be affected.**
 - Students and families may experience impacts from increased food insecurity and reduced access to critical services.
 - SNAP is expected to continue to operate but could run into financial difficulty if the government shutdown extends beyond mid-October — resulting in delayed or interrupted November payments.¹⁴
 - This directly impacts more than 391,000 recipients in Connecticut, of which over 53% are in families with children.¹⁵
 - Historically, the USDA has only had enough funding to support normal operation of the Women, Infants, and Children (WIC) program for a few days into a federal government shutdown. States will have to either carry over funds from the prior year or rely on state funds to continue operations.¹⁶
 - Nearly 30,000 children in Connecticut received WIC benefits in May 2025.¹⁷
 - Federal grants for Head Start programs that provide early education supports to low-income children and families will not be awarded during the government shutdown. This will immediately limit access for over 5,500 Connecticut children across 22 programs statewide.¹⁸
- **Congress must either pass a continuing resolution (CR) or a full-year budget to end the shutdown.**
 - A CR is typically a short-term, stopgap measure that ends a government shutdown by largely maintaining prior-year funding levels while the president and Congress continue negotiating a full-year budget.
 - For school districts, this means they can expect their federal funding levels to remain the same as they were in FFY 2025, unless the CR contains a provision explicitly stating otherwise.
 - The impacts of a full-year budget on federal education funding remain unknown at this time.
 - President Trump's budget request and the House Appropriations Committee's proposal both included grant program eliminations and overall reductions to federal funding obligations.
 - The Senate Appropriations Committee's proposal would largely maintain current funding levels.

Table 1 below displays the federal appropriations for education programs in FFY 2024 and the amounts received by the State of Connecticut. While these amounts are largely forward-funded or advance appropriations, they may change if a new budget is passed.

Table 1: Select Education Program Federal Funding and Connecticut Allocations, Federal Fiscal Year 2024^{19,20,21}

Program	Final Appropriation, FFY 2024	CT Grant Allocations, FFY 2024 ^E
Education for the Disadvantaged		
Grants to LEAs (ESEA I-A)	\$18.407 billion	\$155 million
Comprehensive Literacy Development Grants (ESEA II B-2, Section 2222)	\$194 million	\$0
Innovative Approaches to Literacy (ESEA II B-2, Section 2226)	\$30 million	\$0
State Agency Programs: Migrants (ESEA I-C)	\$376 million	\$0
State Agency Programs: Neglected, delinquent, and at-risk children and youth (ESEA I-D)	\$49 million	\$1 million
Special programs for migrant students (HEA IV-A-5)	\$52 million	\$0
Impact Aid (ESEA VII)		
Impact Aid (ESEA VII) – payments for federally connected children, facilities maintenance, construction, and payments for federal property	\$1.625 billion	\$7 million
School Improvement Programs		
Supporting effective instruction State grants (ESEA II-A)	\$2.190 billion	\$17 million
21 st Century community learning centers (ESEA IV-B)	\$1.330 billion	\$11 million
State assessments (ESEA I-B, Sections 1201-1203)	\$380 million	\$5 million
Education for homeless children and youths (MVHAA Title VII-B)	\$129 million	\$1 million
Native Hawaiian education (ESEA VI-B)	\$46 million	\$0
Alaska Native education (ESEA VI-C)	\$45 million	\$0

^E These figures represent the estimated FFY 2024 allocations for the respective federal grants, rounded to the nearest million. Most allocations were sent directly to the Connecticut State Department of Education (CSDE), while some were disbursed directly to institutions, including higher education entities. Data was sourced from USAspending.gov and the Grant Payment Report from the CSDE. For more information please see <https://www.usaspending.gov/search> or <https://www.csde.state.ct.us/public/dgm/grantreports1/paydetlmain.aspx?dyr=2022>.

Program	Final Appropriation, FFY 2024	CT Grant Allocations, FFY 2024 ^E
Training and advisory services (CRA IV)	\$7 million	\$0
Rural education (ESEA V-B)	\$220 million	\$1.4 million
Comprehensive centers (ETAA Section 203)	\$50 million	\$0
Student support and academic enrichment grants (ESEA IV-A)	\$1.380 billion	\$11.4 million
Indian Education (ESEA VI)		
Indian Education (VI) grants to LEAs, special programs for Indian children, and national activities	\$195 million	\$0 ^F
Innovation and Improvement		
Education innovation and research (ESEA IV-F-1)	\$259 million	\$0
Teacher and school leader incentive grants (ESEA II-B-1)	\$60 million	\$0
American history and civics education (ESEA II-B-3)	\$23 million	\$0
Supporting effective educator development (SEED) (ESEA II-B-4, Section 2242)	\$90 million	\$17 million
Charter school grants (ESEA IV-C)	\$440 million	\$0
Magnet schools assistance (ESEA IV-D)	\$139 million	\$10 million
Statewide family engagement centers (ESEA IV-E)	\$20 million	\$0
Ready to learn programming (ESEA IV-F-4, Section 4643)	\$31 million	\$0
Arts in education (ESEA IV-F-4, Section 4642)	\$37 million	\$0
Javits gifted and talented education (ESEA IV-F-4, Section 4644)	\$17 million	\$2 million
Community Project Funding/ Congressionally directed spending	\$88 million	\$0
Safe Schools and Citizenship Education		
School safety national activities (ESEA IV-F-3, section 4631)	\$216 million	\$3 million

^F While figures in this table are rounded to the nearest million, this caused the Indian Education Grant to LEAs to appear as \$0. In reality, the amount is \$17,980.

Program	Final Appropriation, FFY 2024	CT Grant Allocations, FFY 2024 ^E
Promise neighborhoods (ESEA IV-F-2, section 4624)	\$91 million	\$6 million
Full-service community schools (ESEA IV-F-2, section 4625)	\$150 million	\$2 million
English Language Acquisition		
Language instruction for English Learners and immigrant students (ESEA III-A)	\$890 million	\$8 million
Special Education		
Grants to states (IDEA B-611)	\$14.214 billion	\$159 million
Preschool grants (IDEA B-619)	\$420 million	\$5 million
Grants for infants and families (IDEA C)	\$540 million	\$5 million
National Activities (IDEA D), including state personnel development, technical assistance, personnel, preparation, parent information centers, and educational technology/ media services	\$258 million	\$4 million
Special Olympics	\$36 million	\$0
Rehabilitation Services		
Rehabilitation Services, including vocational rehabilitation state grants, client assistance state grants, training, demonstration and training programs, protection and advocacy of individual rights, and Helen Keller National Center for Deaf-Blind Youths and Adults	\$4.397 billion	\$25 million
Career, Technical, and Adult Education		
CTE Perkins state grants (Title I)	\$1.440 billion	\$12 million
CTE Perkins national programs	\$12 million	\$0
Adult education, including adult basic and literacy education state grants and national leadership activities	\$729 million	\$7 million
Institute of Education Sciences		
Research, development, and dissemination	\$245 million	\$0

Program	Final Appropriation, FFY 2024	CT Grant Allocations, FFY 2024 ^E
(ESRA I-A, B and D, except Section 174)		
Statistics (ESRA I-C)	\$122 million	\$0
Regional educational laboratories (ESRA Section 174)	\$54 million	\$0
Assessment (NAEPPA)	\$193 million	\$0
Research in special education (ESRA, Part E)	\$64 million	\$0
Statewide longitudinal data systems (ETAA Section 208)	\$29 million	\$4 million ^G
Special education studies and evaluations (IDEA, Section 664)	\$13 million	\$0
Program administration	\$74 million	N/A
Departmental Management		
Program and Administration, including salaries and expenses	\$420 million	N/A
Office for Civil Rights (DEOA, Section 203)	\$140 million	N/A
Office of Inspector General (DEOA, Section 211)	\$68 million	N/A

^G Connecticut was awarded \$3.9 million through the Statewide Longitudinal Data Systems grant as part of a multiyear (FYs 2023-2027) grant to improve the P20-WIN data system.

Endnotes

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- ² McMahon, L. (2025, September 28). MEMORANDUM: *U.S. Department of Education Contingency Plan for Lapse in Fiscal Year (FY) 2026 Appropriations*. Washington, D.C.: U.S. Department of Education. Retrieved from <https://www.ed.gov/media/document/us-department-of-education-contingency-plan-lapse-fiscal-year-fy-2026-appropriations-112431.pdf>.
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- ⁴ Ibid.
- ⁵ Tollestrup, J., & Lynch, M.S. (2019). *Advance Appropriations, Forward Funding, and Advance Funding: Concepts, Practice, and Budget Process Considerations*. Washington, DC: Congressional Research Service. Retrieved from https://www.congress.gov/crs_external_products/R/PDF/R43482/R43482.8.pdf.
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- ⁸ Lieberman, M. (2025, September 29). How Will a Federal Shutdown Affect Schools? 5 Big Questions, Answered. *Education Week*. Retrieved from <https://www.edweek.org/policy-politics/how-will-a-federal-shutdown-affect-schools-5-big-questions-answered/2025/09>.
- ⁹ National Association of Federally Impacted Schools. (n.d.). Application & Payment Cycle. Retrieved from <https://www.nafisdc.org/impact-aid-resources/about-impact-aid/impact-aid-application-payment-cycle/>.
- ¹⁰ National Association of Federally Impacted Schools. (n.d.). What is Impact Aid? Retrieved from <https://www.nafisdc.org/impact-aid-resources/about-impact-aid/>.
- ¹¹ National Association of Federally Impacted Schools. (2025). Impact Aid Payments Overview. Washington, DC: Author. Retrieved from <https://www.nafisdc.org/wp-content/uploads/2025/09/FY25-Payments-Overview.pdf>.
- ¹² Politico Staff. (2023, September 23). Food stamps, free lunch, airplane inspections: What's hit when the government shuts down. *Politico*. Retrieved from <https://www.politico.com/news/2023/09/23/government-shutdowns-can-wreak-more-havoc-than-you-think-00117725>.
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- ²⁰ S.2587 - 119th Congress (2025-2026): Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2026. (2025, July 31). <https://www.congress.gov/bill/119th-congress/senate-bill/2587>.

²¹ H.R. 5304 – 119th Congress (2025-2026): Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2026 (2025, September 11).
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