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GENERAL MEMORANDUM 25-010

Impacts of the Government Shutdown on Indian Country Programs

As of October 1, 2025, the federal government has entered a shutdown, meaning many federal agencies are closed or operating with limited staff. A full or partial shutdown occurs when Congress fails to pass either all twelve appropriations bills or a Continuing Resolution (CR) to fund government operations by the start of a new fiscal year. Without an authority to spend money, programs not deemed essential must halt. Furthermore, a large portion of federal employees are furloughed or must work without pay until funding is restored. The shutdown will end only when Congress enacts legislation providing funding for the government.

In addition to traditional shutdown procedures, the Office of Management and Budget has released new guidance advising agencies to consider Reductions in Force (RIFs) notices for employees in programs, projects, or activities (PPA) 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.

This is a novel move; agencies typically do not pursue RIFs during shutdowns and only furlough workers who are not deemed essential by their agency. Workers who are not furloughed are expected to carry out their responsibilities unpaid, although Congress has previously approved retroactive payment for essential workers. Each agency makes its own determinations regarding essential and non-essential workers in its shutdown contingency plan. Notably, the shutdown contingency plans released so far by government agencies have not included widespread RIF plans. Instead, they generally highlight which employees will be furloughed, consistent with previous shutdown procedures. This situation could still change at any time.

Bureau of Indian Affairs

As a result of the shutdown, the Bureau of Indian Affairs (BIA) is scaled back to only those services deemed essential. Importantly, Tribal government operations activities will continue to allow the disbursement of Tribal funds that are not subject to lapse. Other activities that will continue include:

- Law Enforcement and Detention Centers.
- Social Services Child and Adult Protection.
- Irrigation, Power, and Safety of Dams.
- Transportation Program.
- Wildland Fire Management.
- Emergency Energy Production.
- President's Budget Formulation.

A total of 1,972 (63%) BIA employees are retained to perform these activities. Additionally, 74 (23%) employees in the Office of the Assistant Secretary – Indian Affairs will continue working through the shutdown to ensure the continuous operation of the programs described above.

Read the BIA's shutdown contingency plan [here](#) and the Assistant Secretary – Indian Affairs' [here](#).

Bureau of Indian Education

The Bureau of Indian Education (BIE) is largely unaffected by the government shutdown. This is because the BIE receives forward funding for a large portion of its budget. For example, the agency already has the funding it needs for the 2025-2026 K-12 school year. As a result, all BIE staff will continue working during the lapse in appropriations. The BIE plans to use its forward funding as well as carryover balances to retain all of its programs and activities for the length of the shutdown.

Read the BIE's shutdown contingency plan [here](#).

Indian Health Service

The Indian Health Service (IHS) is largely unaffected by the government shutdown. This is because most IHS accounts receive advance appropriations, which means they receive their budget one year ahead of time. Because of this, IHS can continue to provide direct healthcare services at federal facilities and process annual payments to Tribes with self-governance and self-determination agreements during the shutdown. Indeed, the IHS shutdown contingency plan confirms that at present, no staff will be furloughed due to the lapse in appropriations.

A few IHS accounts do not receive advance appropriations, namely Electronic Health Record Modernization, the Indian Health Care Improvement Fund, Contract Support Costs (CSC), Section 105(l) Leases, Sanitation Facilities Construction, and Health Care Facilities Construction. In general, these activities may not continue during the government shutdown, and their funding may not be distributed to Tribal Nations until Congress agrees on a spending bill.

Read the IHS's shutdown contingency plan [here](#).

Indian Housing Programs

The Department of Housing and Urban Development (HUD) will retain 1,746 (29%) of employees during the government shutdown. As a result, many of HUD's programs, including

the Office of Native American Programs, will be affected. For example, the Office of Loan Guarantee will close, halting all activities related to the Indian Housing Loan Guarantee Program (Section 184), Native Hawaiian Housing Loan Guarantee Program (Section 184A), and the Indian Housing Block Grant Loan Guarantee (Title VI). There will be no new case numbers, firm commitments, loan guarantee certificates, or claims processed until funding resumes. HUD will only take limited actions necessary to protect life, safety, or property.

Some services will continue in a limited capacity. Technical assistance and training will proceed only for requests already approved and obligated prior to the shutdown, as long as they do not require HUD staff involvement. Previously obligated Indian Housing Block Grant (IHBG) and Indian Community Development Block Grant (ICDBG) funds already available will remain accessible for drawdown, but new awards will not be processed if grant agreements were not completed before the shutdown. The IHBG Formula Customer Service Center will remain open to accept requests by email, fax, or voicemail, but responses requiring HUD action may be delayed. Additionally, there will not be notification of IHBG formula allocations until appropriations are restored.

Read HUD's shutdown contingency plan [here](#).

Other Federal Agencies

Many programs and services benefiting Indian Country exist outside the agencies described above. In general, those that rely on discretionary funding are affected by a government shutdown. Staff processing grant applications, funding agreements, technical assistance, and payments may be furloughed and unable to perform these tasks. Delays are expected until the government shutdown ends.

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