



Federal Government Faces Funding Lapse

WASHINGTON, D.C. – The federal government officially shut down at midnight on October 1, 2025. This shutdown is a full shutdown, as no appropriations bills were passed by both chambers of Congress, thus every branch and agency has not received appropriations.

Historically, shutdowns lasting more than a few days have been rare. Since 1976, the U.S. government has shut down 20 times. While no shutdowns occurred from 1995 to 2013, there have been three shutdowns since then. The last *full* government shutdown was during President Trump's first term, this one lasting three days. Later in his Presidency, there was also a partial shutdown that lasted 34 days—the longest ever. There is no sense of how long the current shutdown will last.

The members of the **military** are paid on the 15th and 30th of the month. While armed forces personnel continue to work during a shutdown, if the government has not reopened by October 15th, they will continue to work but without expectation of pay.

Presently, the **Bureau of Indian Affairs** (“BIA”) is reporting that 1,154 of its 3,126 employees are furloughed (i.e. on leave until the shutdown ends and will not be paid until the shutdown is over). Some BIA employees are excepted from furlough (i.e. those who will work without pay until the shutdown is over) or exempted (receiving pay from non-appropriated funding sources). Excepted or exempted are staff in the following areas:

- Law enforcement and detention centers
- Social Services Child and Adult Protection
- Irrigation, power, dam safety
- Transportation program
- Wildland Fire Management
- Tribal Government Operations
- Emergency Energy Production
- Budget formulation

The **Bureau of Indian Education** is forward-funded and therefore not expecting any direct interruptions in its staffing or schools.

The **Indian Health Service** (“IHS”) received advance appropriations for FY26 and is not expecting any interruptions in service, except for certain programs within IHS that did not receive funding and will be severely delayed or wholly paused during the shutdown. The IHS programs that did **not** receive advance appropriations are:

- Facilities construction (funding that has already been awarded will not be rescinded)
- Sanitation construction (funding that has already been awarded will not be rescinded)
- Contract Support Costs
- 105(l) lease payments
- Electronic health records modernization
- Special Diabetes Program for Indians (they will use unobligated balances to keep this staffed for as long as possible)

Finally, the White House Office of Management and Budget (“OMB”) Director Russ Vought—author of Project 2025—issued a memorandum last week encouraging federal agencies to engage in reductions-in-force measures during the shutdown, which would permanently lay off some staff. NNWO immediately reached out to BIA leadership and was informed that they are not planning to engage in any reductions.

Congress historically has passed legislation to provide back pay to federal employees to compensate for the lost wages incurred during a shutdown. They have not yet agreed to such a measure for this shutdown, but these conversations can be expected when the government reopens.

The next vote to end the shutdown will occur on Friday, October 3, 2025. NNWO will continue to monitor progress in Congress towards ending the stalemate and any additional federal actions.