
Date: September 30, 2025

To: Chancellors, Superintendents, Presidents, and Accreditation Liaison
Officers of ACCJC Member Institutions; Other Interested Parties

From: Mac Powell, President *MP*

Subject: Impacts of a Potential Government Shutdown

ACCJC continues to actively engage in higher education and accreditation matters at the federal level. With Congress facing a possible lapse in federal funding, we are monitoring potential impacts on higher education, member institutions, and students.

Background

The federal fiscal year runs from October 1 to September 30. If Congress does not pass appropriations bills or a temporary funding measure (a Continuing Resolution, or CR) by September 30, the federal government must partially shut down. Essential functions would continue, but most federal employees would be furloughed and many program activities paused.

At this time, Congress has not passed any of the fiscal year (FY) 2026 appropriations bills, including the bill that funds the Departments of Labor, Health and Human Services, and Education. The likelihood of a federal government shutdown is high, and anyone who relies on federal discretionary funding or support from federal agencies should be prepared for this possibility.

In the past, the Office of Management and Budget (OMB) has provided guidance for agencies and the public on federal operations and programs during a shutdown, and agencies such as the Education Department (ED) have released their own shutdown contingency plans. While no guidance or plans have yet been made public, some possibilities based on past practice are summarized below.

Possible Impacts for Higher Education

1. Student Financial Aid

- Federal Pell Grants and Direct Student Loans should continue to operate, as they are funded through mandatory and carryover appropriations.
 - Aid disbursements should continue, but Federal Student Aid (FSA) staffing would be minimal and institutions may see slower federal support for student aid questions and processing.
2. Federal Grants and Contracts
- Existing grants and contracts would likely continue, with institutions able to draw down funds already awarded.
 - Activities requiring federal approval (such as grant budget revisions) would be delayed until staff return.
 - Competitive grant programs (e.g., Fund for the Improvement of Postsecondary Education, Education Innovation and Research) could face delays in application review, processing, and award announcements.
3. Federal Agency Staffing and Communication
- Up to 90% of ED staff could be furloughed. Essential personnel would likely focus mainly on student aid operations.
 - Communication with program officers and other staff at ED and related agencies could be extremely limited.

Additional Context - Potential Reductions in Force

As noted above, no official guidance from the OMB nor ED has been made public. However, an internal memo from the OMB to federal agencies has been widely reported on in the media. In the memo, agencies are directed to consider carrying out reductions in force (RIFs) of employees who work on programs and activities that undergo a lapse in funding because of a shutdown, do not receive funding from another source, and are inconsistent with the Administration's priorities. Unlike furloughs, RIFs permanently eliminate positions.

While RIFs are a possibility, there is uncertainty that they are appropriate and/or possible. Shutdowns represent a temporary lapse in funding, and programs typically restart once appropriations are restored. Moreover, RIFs are complex and time-intensive, requiring detailed planning, seniority considerations, and cost assessments, making them difficult to execute during a brief shutdown.

ACCJC will remain engaged in conversations and advocacy in support of our institutions and their students. We will keep you apprised of any information that may be helpful to your planning if it becomes available.