

Department of Correction

Federal Shutdown Impact Report

1. Opioid Use Disorder Summary

The Department of Correction (DOC) relies on federal funding to support critical programs addressing opioid use disorder (OUD) and recovery services within six correctional facilities and the community. A federal government shutdown or funding cuts will significantly impact these programs and the four providers that manage them, potentially disrupting care delivery, delaying payments to providers, and necessitating program reductions. This report outlines the anticipated impacts, response plans, and funding gaps that may arise during a federal shutdown.

2. Impacted Programs and Services

A. Medication for Opioid Use Disorder (MOUD) Services

- **Purpose:** Provide FDA-approved medication and clinical support for incarcerated individuals with OUD, including discharge planning.
- **Current Scope:** Over 1,000 individuals actively receive MOUD across 10 correctional facilities via contracted providers.
- **Federal Funding:** \$1.2 million allocated from State Opioid Response (SOR) funds for FFY26.
- **Impact of Shutdown:**
 - Delays in federal reimbursements could disrupt provider payments.
 - Risk of interrupted care and provider withdrawal.
- **Mitigation Plan:**
 - **Short-Term (Under 30 Days):** Prioritize services for current patients; possible delayed reimbursements.
 - **Mid-Term (30–60 Days):** Pause new MOUD inductions; restrict to essential care; emergency state fund reallocations.
 - **Long-Term (90+ Days):** Suspend intake and non-critical services; potential contract suspensions; seek emergency state appropriations.

B. Recovery Coaching and Reentry Support Services

- **Purpose:** Peer support, case management, and reentry planning for MOUD program participants.
- **Federal Funding:** \$260K from Residential Substance Abuse Treatment (RSAT) for FFY26.

- **Impact of Shutdown:**
 - Providers may furlough staff or pause services due to cash flow issues.
- **Mitigation Plan:**
 - **Short-Term:** Delay payments
 - **Mid-Term:** Suspend new intakes; reallocate state funds.
 - **Long-Term:** If funding remains unavailable, suspend intake and non-critical services; potential contract suspensions; seek emergency state appropriations.

C. Private Provider Cost of Living Adjustments (COLA)

- **Purpose:** Adjust contracted provider rates to reflect inflation and support service quality.
- **Federal Funding:** \$1.36 million from American Rescue Plan Act (ARPA) funds for FFY26.
- **Impact of Shutdown:**
 - A shutdown may not have immediate impacts but there is concern that funding may be redirected.
- **Mitigation Plan:**
 - **Short-Term:** Prioritize processing COLA amendments
 - **Mid-Long Term:** Explore alternate state funding solutions.

3. Response to Federal Funding Cuts

- Permanent reductions or elimination of SOR and RSAT funds will necessitate approximately \$1.5 million in additional state funding to maintain MOUD and recovery services through FFY26.
- Without supplemental funding, the DOC will be forced to reduce MOUD intake, cut provider contracts, and delay planned expansions.
- If ARPA COLA funds are clawed back, the DOC will require alternative state funds to cover provider payments.
- All mitigation actions require approval from the Office of Policy and Management (OPM) and will be implemented only upon formal federal notification.

4. Impact on DOC Employee Payroll

- No DOC employees are currently funded through SOR, RSAT, or ARPA COLA funds.

- However, a federal shutdown of 30 days or longer would still result in:
 - Suspension of new MOUD inductions.
 - Loss of recovery support staff due to provider furloughs or contract suspensions.
 - Growing financial deficits as DOC absorbs shifted costs.
 - Negative consequences for public health and safety outcomes.
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5. Conclusion and Next Steps

The Department of Correction will continue monitoring federal developments closely and coordinate with OPM to mitigate impacts. Prompt notification and early action are critical to maintain continuity of care for incarcerated individuals with OUD and those reentering the community. The DOC recommends exploring state funding contingencies to ensure service stability in the event of prolonged federal funding disruptions.

1. DOC USD1 - Executive Summary

The Department of Correction's USD #1 depends on federal grants to support educational services within correctional facilities. A federal government shutdown could disrupt staffing, assessments, mandated reporting, and student services. This report outlines the potential impacts, affected programs, and mitigation strategies based on current grant allocations and staffing dependencies.

2. Impacted Programs and Services

A. Title I – Correctional Education Staffing

Purpose: Supports Correctional Transition Instructors (CTIs) and clerical staff who facilitate reentry education and administrative support.

Current Scope: 1 full-time CTI and 5 part-time positions (3 CTIs, 2 Clerk Typists) across various sites.

Federal Funding: \$762,825 allocated through 9/30/2026. Approx. \$22K per pay period.

Impact of Shutdown:

- GED and standardized testing operations at 8 sites would be delayed or suspended. Testing would halt.
- Loss of CTIs would hinder student enrollment, Child Find compliance, and transition programming.

Mitigation Plan:

- Short-Term (<30 Days): Delay non-essential assessments; reassign duties where possible.
- Mid-Term (30–60 Days): Suspend new student intakes; reduce transition class offerings.
- Long-Term (90+ Days): Seek emergency state support so CTI and clerical positions can be covered with State funding and ultimately reimbursed with Federal dollars.

B. Title II – Professional Development

Purpose: Funds are used for professional development for 125 certified staff. There wouldn't be any essential training provided for staff.

Federal Funding: \$2,743 through 6/30/2026.

Impact of Shutdown:

- Training delays for certified staff.
- Potential compliance issues with continuing education mandates.

Mitigation Plan:

- Short-Term: Postpone scheduled essential trainings.
- Mid- to Long-Term: Explore state-funded alternatives or virtual options.

C. IDEA Part B – Special Education Services

Purpose: Supports CTIs who oversee Child Find and related services for students with disabilities.

Current Scope: 1 part-time CTI.

Federal Funding: \$221,743 through 6/30/2026. Approx. \$3.1K per pay period.

Impact of Shutdown:

- Disruption in Child Find protocols and related services monitoring.
- Risk of non-compliance with DOJ implementation plan.

Mitigation Plan:

- Short-Term: Prioritize high-need cases.
- Mid-Term: Reallocate internal resources impact on State Budget.
- Long-Term: Request emergency funding to maintain compliance.

3. Broader Programmatic Risks

Assessment Disruption: GED and standardized testing at 8 sites would be delayed or suspended.

Mandated Reporting: Any loss of clerical support would hinder timely and accurate data submission to the State Department of Education.

Transition Programming: Life Skills and Reentry classes may be paused due to inability to support staffing.

Student Enrollment: Daily recruitment and intake processes would be compromised.

4. Financial Overview

Grant	Remaining Balance (through 6/30/26)	Projected 6-Month Drawdown
Title 1	\$762,825	\$381,413
Title 2	\$2,743	\$2,743
IDEA Part B	\$221,743	\$110,872

Note: Other grants such as RSAT, ARPA, and SOR are not currently tied to active staff positions but may be impacted if redirected or frozen.

5. Child Nutrition Program Impact

USD #1 currently receives federal reimbursement for the Child Nutrition Program covering 318 incarcerated students. In the event of a federal shutdown, this funding stream would be suspended.

Impact of Shutdown:

- The loss of federal reimbursement would eliminate approximately \$71K in monthly reimbursement for daily meals provided to incarcerated students.
- The financial burden would shift entirely to the state, placing additional stress on the agency's operating budget.

Mitigation Plan:

- Short-Term: Utilize existing funding to continue to maintain meal service.
- Mid-Term: Coordinate with the Office of Policy and Management to secure any additional state funding that may be needed to offset an increased deficit.
- Long-Term: Explore future budgetary options to increase appropriations associated with inmate meals.

Conclusion

A potential federal shutdown poses serious risks to DOC's USD#1 education. DOC is still awaiting approval for the 2025–2026 Program Enhancement Project grant, and SDE has confirmed that \$250,000 previously used to support adult education, vocational, English As A Second Language and transition programming is stalled due to delays at the federal level. Additionally, the Title I grant application, DOC's primary funding source for academic programs serving students under 22, has yet to open, despite being scheduled for mid-month. Since USD#1 relies heavily on federal grants, a shutdown would significantly delay access to critical funding and directly impact our programs.

Federally Funded Grants 2026

Grant Name	Award Date	Number of Federally Funded Positions	Full or Partially Funded	Average Bi-Weekly Salary and Fringe Expenditure	Remaining Grant Balance Through 6/30/26	Projected Draw Down for next 6 months
Title I *	07/01/24 - 09/30/2026	6	Full	\$22,010	\$762,825	\$381,413
Title II *	07/01/24 - 06/30/2026	0	Full	N/A	\$2,743	\$2,743
IDEA Part B *	07/01/24 - 06/30/2026	1	Full	\$3,046	\$221,743	\$110,872
NSL Program - School Equipment	07/01/24 - 09/30/2025	0	Full	N/A	\$1,395	\$0
RSAT 25 *	10/01/25 - 09/30/2026	0	Partial - 75%	N/A	\$260,948	\$130,474
NARCAN	09/01/22 - 08/31/2027	0	Full	N/A	\$64,440	\$64,440
SCAAP	N/A	0	Full	-	\$7,876,015	\$0
SAMHSA SOR	09/30/24-09/29/2027				\$597,489	\$0
ARPA-COVID *					\$1,174,852	\$0
ARPA-Private Provider One Time *					\$77,052	\$77,052
ARPA-TRUE Unit - Cheshire CI *					\$198,862	\$148,136
ARPA-WORTH Program York CI *					\$7,251	\$7,251
ARPA-Vocational Village *					\$434,709	\$308,922
Perkins Grant *	09/30/23 - 11/30/2025				\$3,929	\$3,929
OPIOID Settement Fund	7/1/2024-6/30/2026				\$325,651	\$0
Total		7		\$25,056	\$12,009,905	\$1,235,232

Notes:

* Federal Receivables Grants

USD #1 positions will need be funded with State funds until Federal funds are received.