

STATE OF CONNECTICUT

STATE BOARD OF EDUCATION



To: Governor Ned Lamont

Secretary Jeff Beckham, OPM

From: Charlene M. Russell-Tucker

Commissioner of Education

Date: September 30, 2025

Subject: Federal Shutdown Considerations

The Connecticut State Department of Education (CSDE) has examined the impact of the federal shutdown on our agency. As always, our primary concern is the well-being of Connecticut students, who receive crucial services and assistance through federal grants administered by CSDE and disseminated to school districts. The extent of financial hardship felt in Connecticut's schools and districts will be dependent upon the duration of the federal shutdown and any prohibitive legislation. A prolonged shutdown would raise serious concerns about the ability of towns and school districts to provide educational and nutritional services to students in the absence of the federal revenue streams that support the delivery of these services.

The CSDE currently administers over 90 individual federal grant programs with several additional sub-grants from the U.S. Department of Education (USED) (e.g., Title I and IDEA Special Education Grants), the U.S. Department of Agriculture (USDA) (e.g., Child Nutrition Grants), and the U.S. Treasury (UST) (e.g., ARPA Grants). All of these programs are on a letter-of-credit basis that allows the State access to funds regardless of the shutdown.

For the majority of grants received by USED, grant award notifications have been received and the letter-of-credit approach has been established. There is some concern that there could be delays in payment processes in the event of a shutdown, but in a September 28, 2025 memorandum to the Office of Management and Budget (OMB) from Education Secretary McMahon, it was stated that "States, schools and other grantees will continue to be able to access funds from the billions of dollars in recent awards the Department made over the summer."

For Title I, Title II and IDEA, the CSDE is waiting on an October 1, 20205 grant award notifications in order to allocate funds, which total over \$211.9M. In the OMB memorandum, it was also stated that "the Department will... make Title I and IDEA grant funding available as usual." If this is the case, then CSDE will be able to establish the funding and proceed as indicated above.

For USDA meal reimbursement to schools, payments are made the month after meals are provided. CSDE anticipates being able to pay September payments based on funding that was requested and received on September 30, 2025. The Council of Chief State School Officers (CCSSO) also <u>released a memorandum</u> on September 23rd, in which they stated, "An official at the U.S. Department of Agriculture (USDA) has confirmed that the agency typically has funding on hand for three months of school meals following a shutdown, and USDA is unlikely to issue any guidance on school meals until closer to that three-month mark. Thus, funding for school meal programs should be available through the end of the calendar year." If a shutdown goes beyond this point, we will likely need to reassess resources that districts will need in order to continue funding school meals.

If there are changes to the information provided herein, our contingency plan includes notifying districts that they could expect a possible delay in receiving dollars from the State for their federally funded programs. We anticipate that an interruption to the revenue flow would lead to anxiety at the local level as to when the revenue stream would be restored. This would be particularly acute for the non-profit organizations that do not have other revenue sources to draw down during a shutdown period. We may need to consider temporarily financing grant payments to districts in order to support local level programs.

We plan to continue discussions internally and with the Office of Policy and Management as to the appropriateness of the actions to be taken by our department so that a coordinated response at the state level is delivered.

Thank you for the opportunity to review our department's considerations.