



Federal Government Shutdowns

Impacts and Policy Guidance for Tribal Leaders

Presenters



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2025 Federal Government Shutdown – How did we get here?

Political disagreement on extending ACA tax credits and holding Admin accountable for spending = 43-day government shutdown beginning on Oct. 1

- ‘Clean’ continuing resolution through November 21, 2025
 - Passed the House on party-line vote September 19th
 - Failed to garner 60 votes in the Senate 13 times

H.R. 5371 FY 2026 Continuing Appropriations and Extensions Act

- Continuing resolution for 9/12 appropriations bills through January 30, 2026
- Full-year appropriations for USDA, Military Construction-VA, Legislative Branch
- SNAP benefits funded through September 2026
- Handshake Senate deal to vote on ACA premium tax credit extension in December

OMB Response to Shutdown

September 24, 2025: Office of Management and Budget instructions all federal agencies to prepare reduction in force (RIF) lists in event of shutdown

RIFs Affecting Indian Country:

- Community Development Financial Institution (CDFI) Fund, Treasury
- Office of Indian Education, Dept. of Education
- Rural Community Development Program, ACF, Dept. of Health and Human Services

DOI court filing shows intent to RIF in IBC, Contracting, Finance, NPS, USGS, BOEM, FWS, etc.

Considerations for Tribal Nations as Government Reopens

- Length of the shutdown has caused backlog of awards
- NOFOs will resume
 - Delayed opportunities to be reposted
 - Competitions already in development to resume quickly
 - Proposal timelines to normalize over the next few weeks
- CR restriction on large awards before full year appropriations
 - New opps can still be released, but may be funded incrementally
- Plan to reconnect with program officers and move forward with funding applications
- Changes to IDC negotiation process – new system at HHS and delays in review

Brookings Report

RESEARCH

The government shutdown shows the need to reform how the federal government funds Native American Tribes and communities

Robert Maxim, Liz Malerba, Glencora Haskins, and Danika Grieser
October 28, 2025



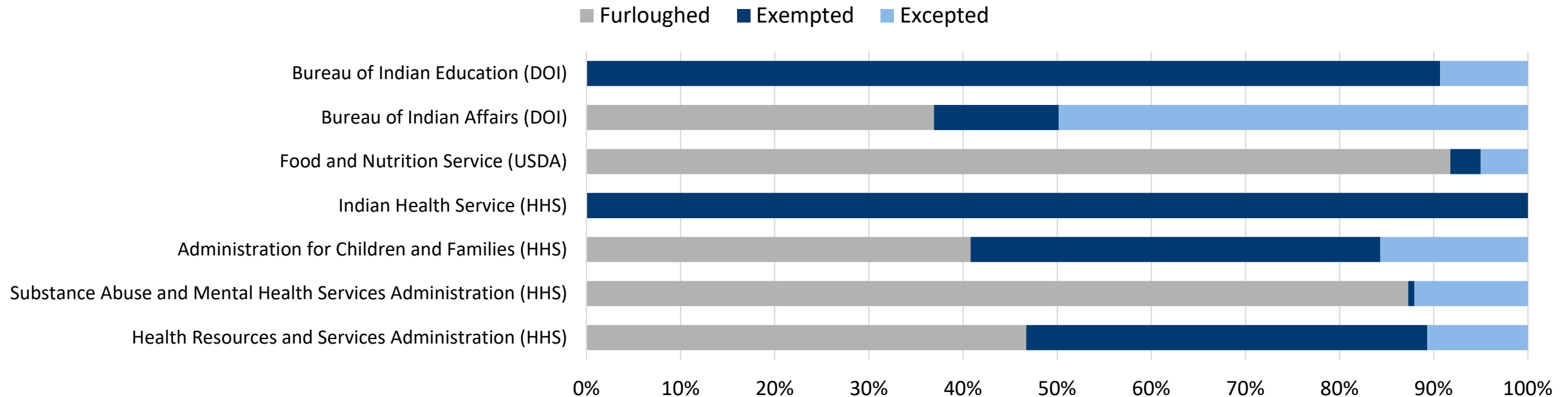
Agencies across the federal government serve Indian Country

The federal government enacted **\$37.5 billion** in spending across **37 federal departments and agencies** serving Tribes and American people in FY2024

Department	Acronym	Department	Acronym
Advisory Council on Historic Preservation	ACHIP	Environmental Protection Agency	EPA
Alyce Spotted Bear And Walter Soboleff Commission on Native Children	CNC	Federal Communications Commission	FCC
Army Corps of Engineers	USACE	Federal Permitting Improvement Steering Council	FPISC
Corporation for National and Community Service	CNCS	Gulf Coast Ecosystem Restoration Council	GCERC
Denali Commission	Denali	Institute of American Indian and Alaska Native Culture and Arts	IAIA
Department of Agriculture	USDA	Institute of Museum and Library Services	IMLS
Department of Commerce	DOC	Morris K. Udall Foundation – Native Nations Institute	Udall
Department of Defense	DOD	National Aeronautics and Space Administration	NASA
Department of Education	ED	National Endowment for the Arts	NEA
Department of Energy	DOE	National Endowment for the Humanities	NHD
Department of Health & Human Services	HHS	National Science Foundation	NSF
Department of Homeland Security	DHS	Nuclear Regulatory Commission	NRC
Department of Housing & Urban Development	HUD	Office of Navajo And Hopi Indian Relocation	ONHIR
Department of Justice	DOJ	Office of Personnel Management	PM
Department of Labor	DOL	Small Business Administration	SBA
Department of The Interior	DOI	Smithsonian Institution	Smithsonian
Department of The Treasury	Treasury	Social Security Administration	SSA
Department of Transportation	DOT	Tennessee Valley Authority	TVA
Department of Veterans Affairs	VA		

Agencies supporting Indian Country were impacted by the shutdown

Employment Status of Federal Workers at Selected Tribally Serving Federal Agencies

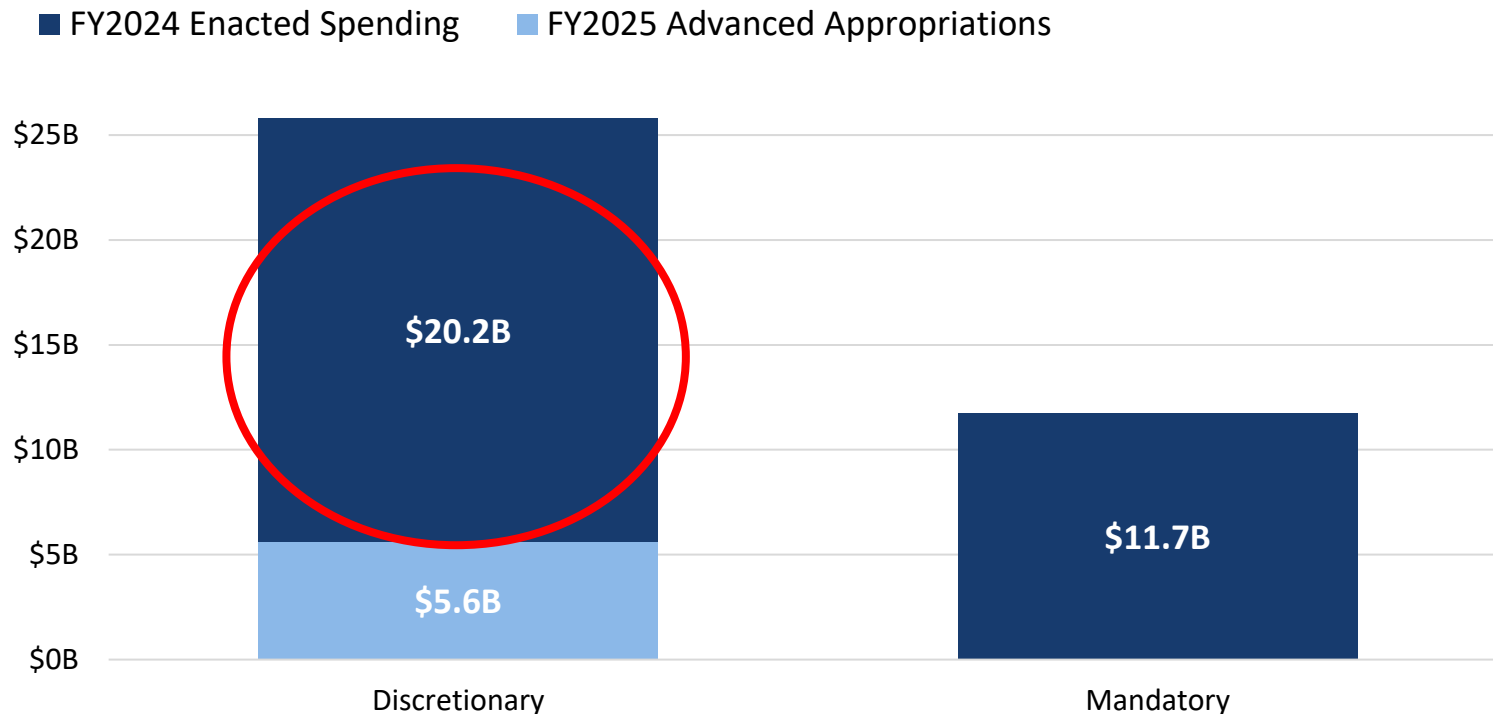


Source: Brookings' analysis of FY2025 agency shutdown contingency plans

Note: "Furloughed" employees are on unpaid leave during the government shutdown; "Exempted" employees are working with pay from funding other than annual discretionary appropriations; "Excepted" employees are working due to a necessary function of government and may or may not receive pay during the government shutdown.

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Most funding for Indian Country is discretionary



Congress must **affirmatively pass** appropriations to keep them operating

Discretionary programs **cannot function** in the event of a Congressional funding lapse

This leaves Tribal nations and Native American communities vulnerable to **shutdowns**

Source: FY2025 Native American Funding Crosscut

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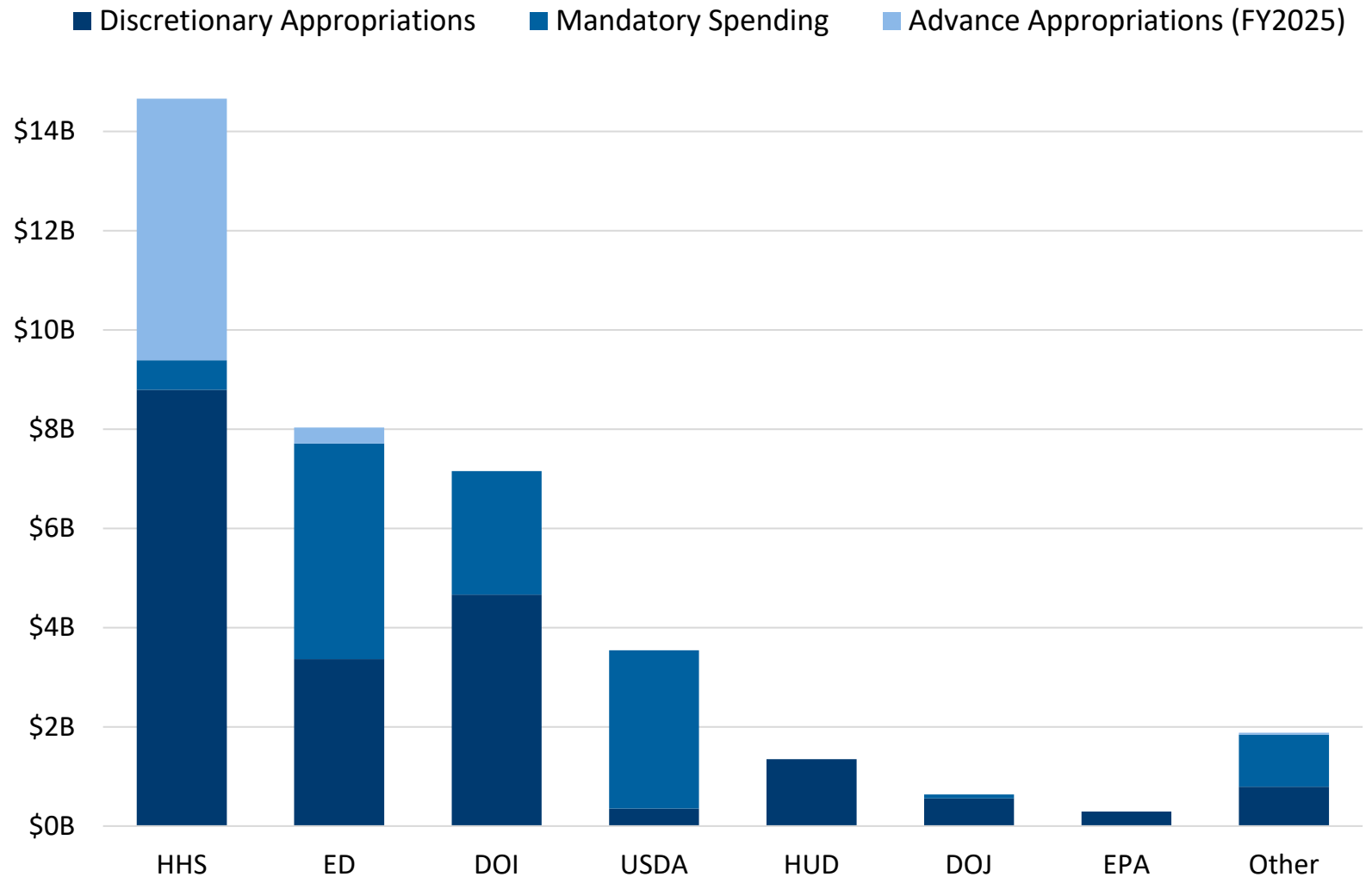
Why this matters: Federal spending deal is only temporary

Current funding law expires **January 30, 2026**

Programs funded by discretionary funding subject to be shut down again

Some mandatory funding (e.g. SNAP) could also face impacts, legal challenges

Federal agencies vary widely in their level of discretionary vs. mandatory funding for Indian Country

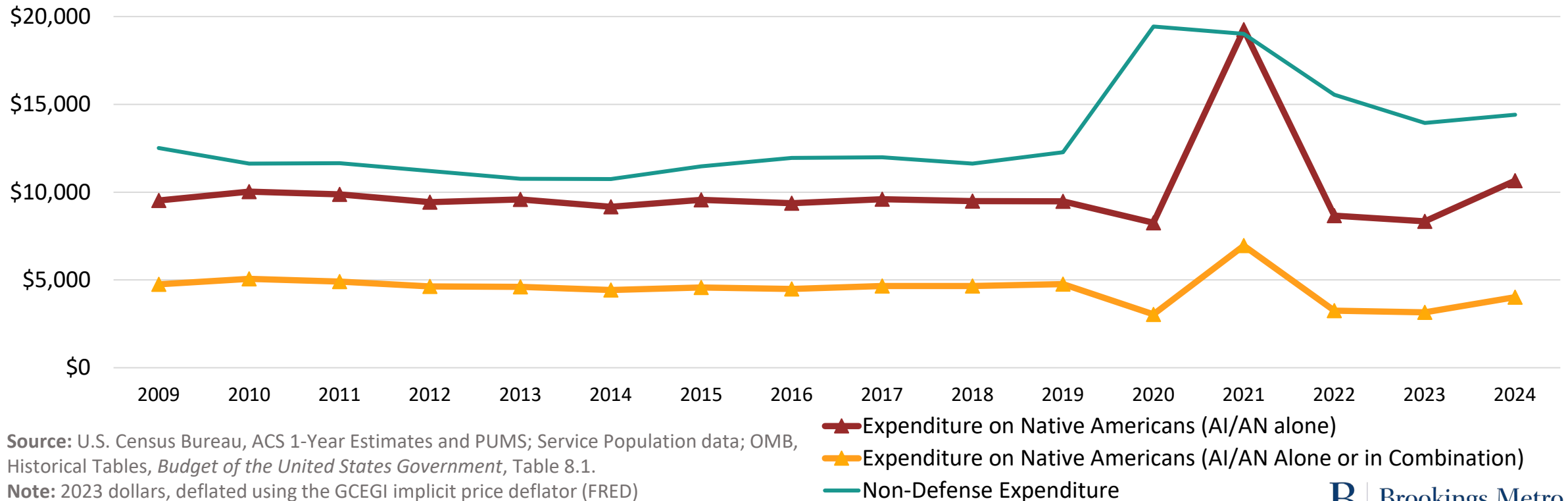


Source: Brookings' analysis of FY2025 Native American Funding Crosscut

Note: FY2024 enacted funding distribution by agency, dollars in billions

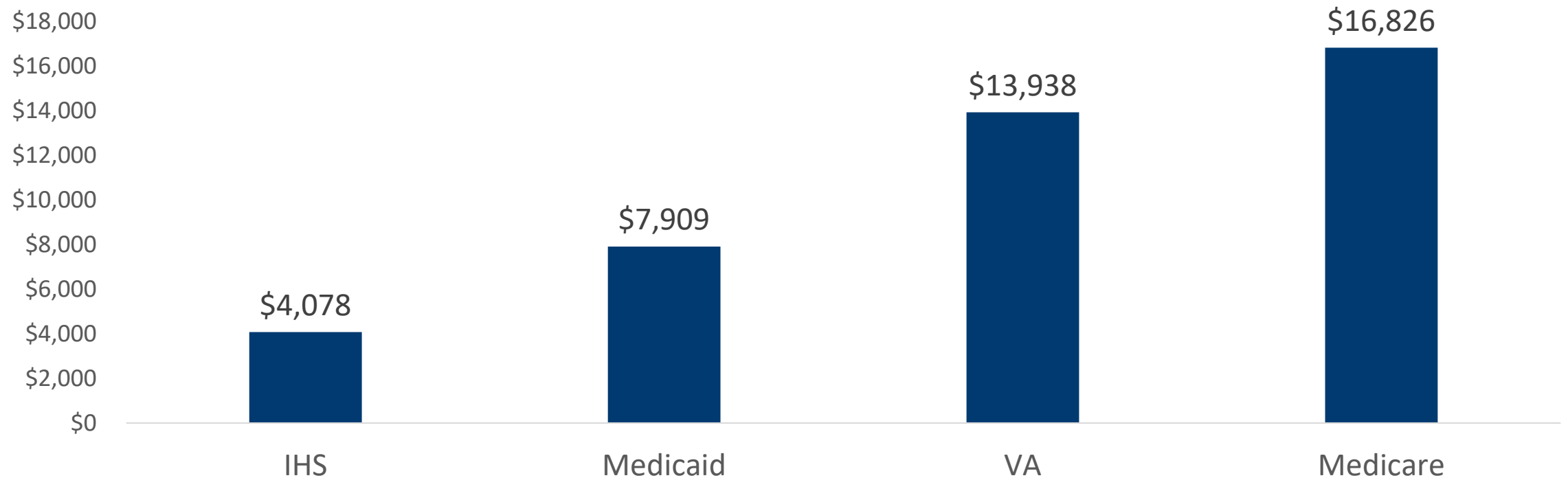
Broader challenge: discretionary funding limits investment into Indian Country

Per-Capita Federal Funding for Native American and Non-Defense Programs
inflation-adjusted dollars



Programs serving Indian Country are hamstrung by discretionary funding

Per-patient spending across federal healthcare programs, FY 2023



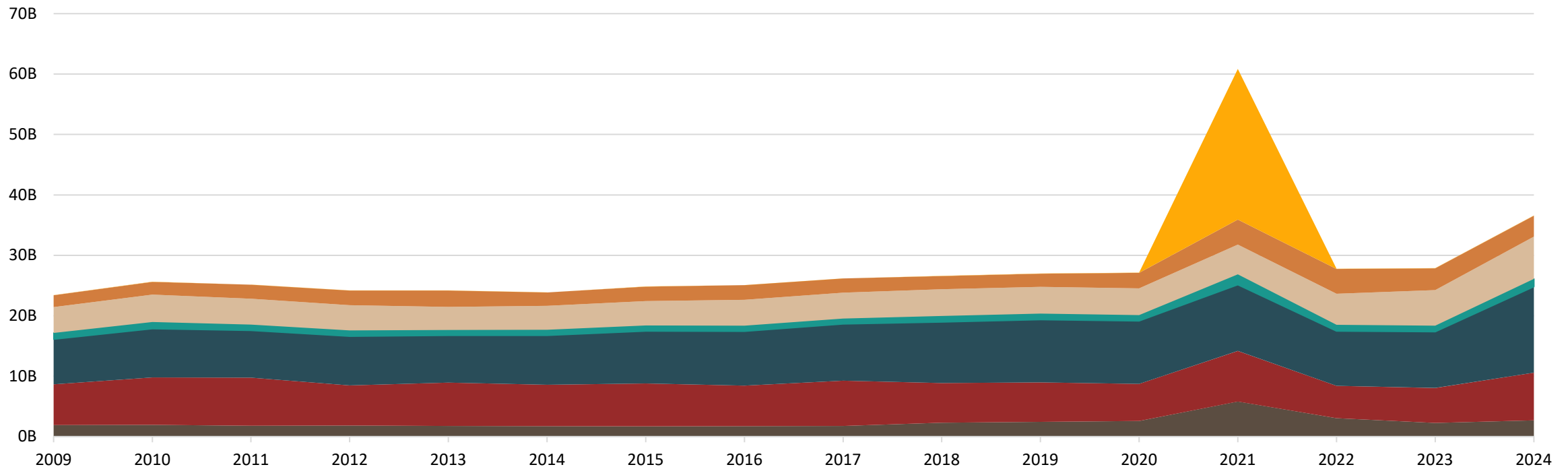
Source: Indian Health Service, Kaiser Family Foundation, Manhattan Institute, Centers for Medicare and Medicaid Services

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Only two years have seen substantial increases in funding to Native Americans

Federal Funding for Programs Benefiting Native Americans and Tribal Nations by Agency

inflation-adjusted dollars in billions across fiscal years



Source: FY2011 - FY2024 Native American Funding Crosscut

Note: 2023 dollars, deflated using the GCEGI implicit price deflator (FRED)

OTHERS ED HHS HUD DOI USDA TREASURY | Brookings Metro

Solutions include greater use of advance appropriations and mandatory funding

Advance appropriations: provide partial or full funding for programs a year in advance

Advantages:

- Straightforward to provide for IHS, BIA, BIE, and programs outlined in Native American Crosscut

Drawbacks:

- Still require Congress to pass specific funding levels annually
- Subject to funding rescissions

Mandatory funding: provide guaranteed benefits to recipients based on certain criteria

Advantages:

- Permanently authorized
- Can meet full programmatic needs on an annual basis

Drawbacks:

- May be more complex to implement for certain programs

Opportunities to reform federal funding for Indian Country

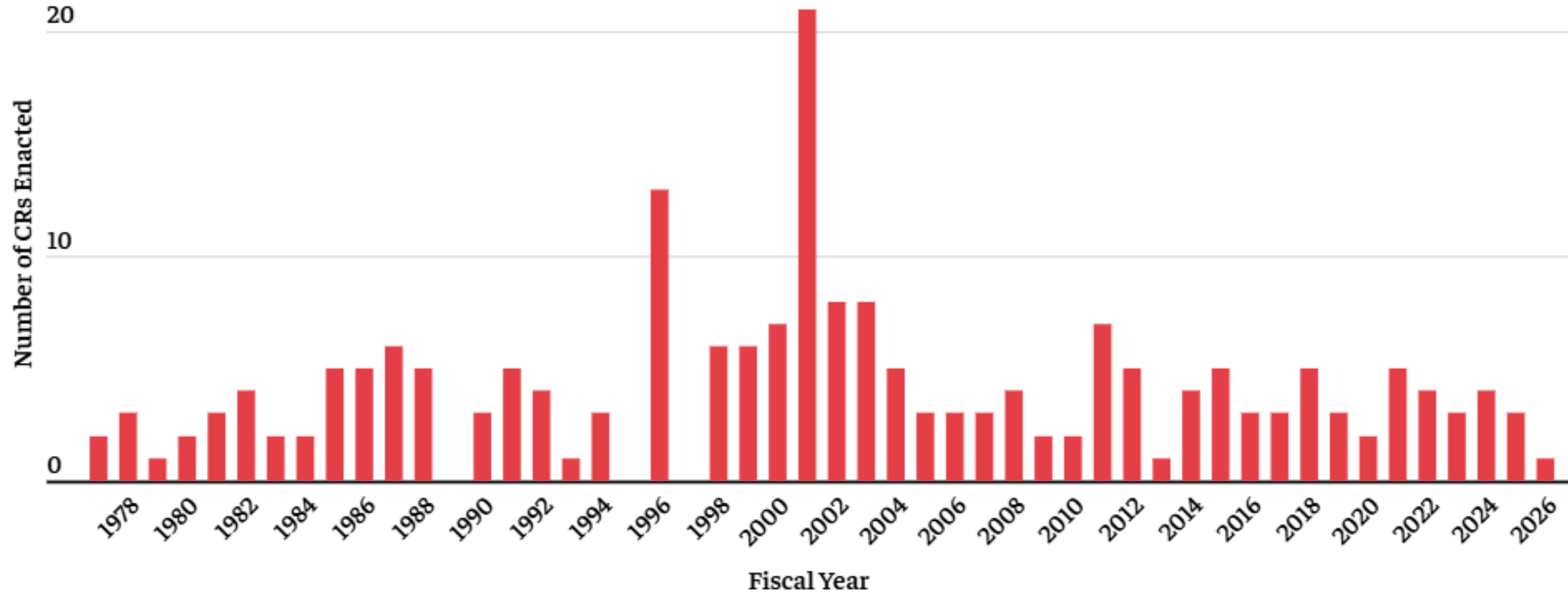
Advance appropriations: Provide for IHS, BIA, BIE, as well as all programs included in the Native American Crosscut at FY2025-enacted levels.

Mandatory funding:

- **Tribal administrative costs and facilities leases:** federal courts have already affirmed these must be paid in full
- All **HHS** and **DOI** programs serving Indian Country
- **Education-related funding** such as Childcare and Development Fund, Head Start, and TCU funding
- Funding that is currently **blended** between discretionary and mandatory, e.g. Bureau of Reclamation



CRs Enacted, FY1977 - 2026



Source: Congressional Research Service

Advance Appropriations Basics

Funding that becomes available 1-year or more after appropriations bill in which it is contained—ex. funding level for FY24 identified in FY23, but drawn down in FY24

Protects funds from delays in appropriations process—i.e. Shutdowns, CRs

Other entities receiving: VA Health Administration, Corporation for Public Broadcasting, Education Title I grants

Proposals to Expand/Codify Advance Appropriations

S.2771/H.R. 5328 Indian Programs Advance Appropriations Act

- Introduced over multiple Congresses
- Would expand advance approps to BIA and BIE, Codify IHS
- Needs additional cosponsors

This bill is a necessary and widely support change, however...

- Doesn't encompass all funding to Tribal Nations
- Doesn't address chronic underfunding

Treatment of Binding Obligations

Federal courts and SCOTUS have ruled that Contract Support Costs and 105(l) leases under ISDEAA agreements must be paid in full.

Some in Congress signal openness to move these lines to mandatory:

Senate FY 2024 Interior Appropriations Bill: *“payments for contract support costs and 105(l) leases appear to create a type of budgetary entitlement that is typically not funded through discretionary appropriations.”*

Mandatory Funding for IHS

8/12/21: [HHS DTLL](#) initiating consultation on mandatory funding approaches

November 2021: IHS seeks participants for Budget Formulation Sub-Workgroup re: IHS full and mandatory funding

- Group has convened several times

President's FY 2022-25 Budget Requests: Contain mandatory funding for IHS with no legislative proposals

Universe of Federal Spending

Budget Enforcement Act Category	Discretionary	Mandatory			
Funding Provided By...	Annual Appropriations Act			Authorizing Legislation	
Which is...	Capped	Open Ended	Capped	Open Ended	
Referred to as...	Discretionary Spending	Appropriated Entitlements or Mandatory Appropriations		Entitlement Authority, Mandatory Spending, or Direct Spending	
Examples...	IHS, FDA, NIH Research	SSBG, PSSF	Medicaid	SDPI, CHIP, TANF	Medicare

Source: IHS Consultation slides

Marshall Plan for Tribal Nations

USET SPF White Paper

- The U.S. should make a substantial, one-time investment in Tribal Nation rebuilding
 - Cabinet-level Department of Tribal Nation Relations
 - Codify requirements for Tribal Nation consent for federal action
- Federal funding reforms, including:
 - Mandatory funding for all federal Indian agencies and programs
 - Eliminate grants and competitive awards, reporting requirements, limits on funding utilization
 - ISDEAA and 477 expansion, Increase direct funding to Tribal Nations





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