MANAGEMENT AND BUDGET

Federal Government Shutdown Update

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Current Status

On September 30, 2025, the federal fiscal year ended without Congress passing a budget for federal fiscal year 2026.

We are now on day 29 and the shutdown continues with no clear end in sight.

The US Senate has voted multiple times on a continuing resolution, but it has failed to pass.

November Impacts

Nutrition Impacts

- Supplemental Nutrition Assistance Program (SNAP)
- Woman, Infants & Children (WIC)*

Energy Assistance Impacts

LIHEAP

Healthcare Impacts

Nursing Home Licensure

**Specific impact dates are in flux due to shifts in federal agency response*

Supplemental Nutrition Assistance Program (SNAP)

SNAP provides low-income individuals and families with monthly funds on an EBT card to buy eligible food items

$4 million in increased state support to food shelves

USDA has told DCYF not to load EBT cards for November 1 benefits

~$74 million/month, over 440,000 participants in Minnesota

Guidance from USDA says reserve funds will not be available states will not be reimbursed for benefits provided during a shutdown

Woman, Infants & Children (WIC)

In Minnesota, WIC provides around $9 million in benefits monthly in healthy foods to over 100,000 women, infants, and children under 5

Some WIC recipients are also SNAP recipients and SNAP changes may impact the availability of resources

WIC also provides nutrition and breastfeeding support through state and local agency resources

Currently estimate sufficient resources for benefits through the third week of November and administrative support through November

Timelines remain **in flux** as the federal government allocates contingency resources to WIC

National School Lunch Program (NSLP) & Child and Adult Care Food Program (CACFP)

- NSLP provides funding for breakfast and lunch in schools for students from low-income households
  - Breakfast: $6-9M per month
  - Lunch: $20-27M per month
- CAFCP provides $6-7 million per month for meals at participating home and center based childcare facilities, and adult day care centers
- Timing depends on the number of claims and when they are submitted
- Breakfast and Lunch reimbursements are also supported by state funds
- **Now estimate sufficient federal resources through mid-December**

Low Income Energy Assistance Program (LIHEAP)

Helps 125,000 Minnesota households — many with seniors, children, or people with disabilities — keep their heat on

Takes approximately 1 month between federal authorization and the state making payments

Insufficient funds to provide payments, which generally start in November

About $25M is provided to Commerce each November and $12-14M per month after through the winter

Approximately 70,000 applications so far

Nursing Home Licensure & Regulation

MDH is responsible for routine and critical health safety inspections of nursing homes under an agreement with the federal government

Around 70 employees are supported by this federal funding

MDH continues to investigate critical complaints

Routine inspections have been paused because Federal funding for this activity ended on September 30

Employees shifted to state funded health regulation work through November

Sample of Preliminary Assessment of Impacts to Programs NOT Administered by the State

Rental assistance could be at risk in December resulting in delayed or missed rental payments leading to evictions and/or property owners facing immediate shortfalls (reported by HFA)

Funding for the Essential Air Service program supporting rural airports will lapse on November 2, 2025, possibly leading to reduced or eliminated subsidy payments and grant reimbursements (reported by MnDOT)

Equal Employment Opportunity Commission is no longer conducting intake for new discrimination cases leading to fewer opportunities for individuals to seek assistance (reported by MDHR)

Enterprise Response

- Tracking impacts to state administered programs
- Gathering information on impacts to programs and services not administered by the state
- Unable to backfill due to limited state resources and budget authority
- Identified resources to address urgent needs
  - Resources for food banks
  - Head Start flexibility

Looking Ahead: Ongoing Analysis and Tracking

- Enterprise data collection to understand impact dates for each federally funded state program
- Ongoing revising of working assumptions regarding risk to the enterprise
- Public tracking of current shutdown impacts