

Federal Funds Update Call

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October 23, 2025 Agenda

Presentation (15 minutes)

- 1. Introduction: Team & Purpose
- 2. Updates: Federal Developments, Resources, Funding Opportunities
- 3. Topic Area Spotlight: Federal Government Shutdown Update, Assistant Commissioner Dr. Shaneen Moore

Questions and Group Discussion (15 minutes)

Team Intro & Overview

Mission: Partner with Minnesota entities to access and deploy federal funds to accelerate state goals.



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Our Focus Areas

- 1. Monitor the federal landscape
- 2. Advance the resourcing of strategically significant projects
- 3. Monitor and evaluate federal funds deployment
- 4. Curate, develop & share federal funding technical assistance

Purpose of this call

While we can't provide clarity right now, we can:

- Share information to facilitate risk analyses
 - Tracking reimbursement blockages
 - Tracking cancellations
 - Tracking guidance and EOs
- Provide a space for others to share information and strategies
- Build a support network of people working through similar problems

Federal developments

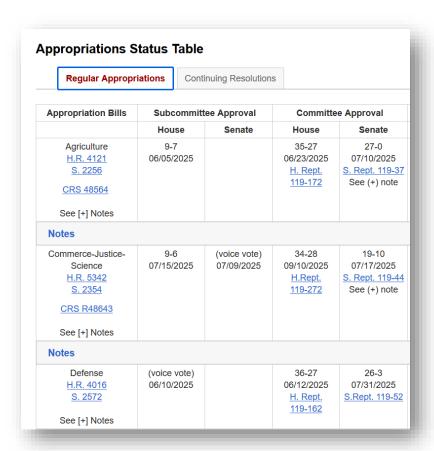
- The President <u>reallocated funds</u> from H.R.1 to keep military troops and ICE agents paid during the shutdown. According to some legal experts, funds should only be able to be moved around with Congressional authority.
- The President has claimed the authority to pick and choose which federal workers will <u>receive back pay</u> once the shutdown concludes. This authority has yet to be tested.
- According to reporting, the administration has cancelled or paused about \$28B in funds nationally since the shutdown began, about 97% of which were headed toward recipients in currently-Democratic congressional districts.
- The administration announced it would reopen local USDA offices—closed due to the shutdown—and distribute \$3B in aid to farmers from existing programs.
- Seven of nine schools asked by the administration to sign a <u>higher education compact</u> that promised preferential funding in exchange for adherence to <u>administration priorities</u> declined. Two have yet to announce their decision.
- The administration proposed moving the \$15B special education program from the Department of Education to the Department of Human Services, a step consistent with its goal of closing the Dept. of Education.

Funding Adjacent Developments

- Senate Republicans are beginning to discuss <u>ending the filibuster</u> if the shutdown does not end soon.
- The 9th Circuit reversed a district court ruling and allowed the President to deploy national guard troops to Portland, OR.
- The President <u>commuted the prison sentence</u> of former representative George Santos, who was convicted of campaign-finance-related crimes, and the administration <u>indicted</u> former national security advisor John Bolton over alleged mishandling of classified documents.
- Defense Secretary Hegseth issued new rules that require centralized approval for <u>military branch communications with congress members</u>.

Shutdown: How it started, how it ends

- The shutdown started on October 1, the start of the federal fiscal year (FY26).
- The shutdown is occurring because Congress did not approve funding—either through appropriations bills or continuing resolutions—past September 30 (the end of FY25).
- The shutdown will end when Congress passes a continuing resolution (CR) or appropriations bills, needing at least 60 votes to pass. The Senate voted for a 12th time late on Oct. 22, 54-46 (the House has not been in session since the shutdown began)
- Republicans are currently asking for a CR that maintains existing funding levels through November 21 (they are beginning to discuss <u>later dates</u>);
 <u>Democrats</u> are currently asking that funding approvals include extensions of Affordable Care Act subsidies, reversals of HR1 health spending cuts, and limits on the administration's ability to withhold congressionally appropriated funds.
- NOTE: Different subject areas have their own appropriations bills—you can track the status at https://www.congress.gov/crs-appropriations-status-table.
- NOTE: Not all appropriations bills are on the FY timeline (transportation appropriations are on a five-year cycle--the BIL/IIJA expires Sept. 30, 2026).



Current and Upcoming Resources

- October 22, 2025: FFIT Federal Shutdown Impacts Tracker
 - Outlines current fiscal and service impacts of the federal shutdown on Minnesota programs; it does not reflect anticipated future impacts of the federal shutdown.
 - The SNAP Outreach program is currently the only state program experiencing impacts of the shutdown. We will continue to update as more impacts to state programs occur.
 - You can find it on our website alongside the other disruptions trackers.
- November 3, 2025: Deloitte Office Hours for non-profits/governments interested in Direct Pay
 - While tax credits for certain projects (e.g. solar) will expire between 2025 and 2027, other clean energy credits like those for geothermal heating will remain available. You can learn more about new eligibility requirements and about direct pay in general at Deloitte's office hours or by scheduling a 1:1 consultation.
 - 9:00am 11:00am CDT
 - Register for free here: <u>State of MN Municipalities IRA Informational Town Hall</u>



Federal Shutdown Update: SNAP and MFIP

Dr. Shaneen Moore | Assistant Commissioner

Core Shutdown Planning and Mitigation Values

- Provide timely and transparent updates to our partners (counties and Tribes) that administer programs, even if we do not know all the answers.
- Share updates with larger community.
 - DCYF shutdown site on public website, partner meetings (e.g., SNAP Coalition), legislator updates
- Ensure compliance and accurate program operations.
- Partnering with counties, Tribes, and national organizations as we explore solutions and mitigation strategies.
- Living into our values Minnesota did not cause the federal shutdown, but we are doing everything we can to protect the most vulnerable among us.

Status of November SNAP Benefits

- On October 10, the USDA's Food and Nutrition Service (FNS) sent a memo to state SNAP agencies regarding federal funding for November.
- The memo reiterated that federal funding was available for SNAP benefits and operations through the month of October.
- The memo warned that FNS has "insufficient funds to pay full November SNAP benefits for approximately 42 million individuals across the nation."
- The memo instructed states to hold their November issuance files and delay transmission to state EBT vendors until further notice.

Key Issues

DCYF's contingency planning efforts identified three primary issues related to November SNAP benefits:

- The need to separate combined SNAP benefits for October and November, given the operational complexities of quickly updating MAXIS.
- The need to separate MFIP cash assistance from federally-funded food for November, given Minnesota's longstanding waiver combining both benefits.
- 3. The need to restart November SNAP benefit issuance as quickly as possible once the shutdown ends and ensure accurate reconciliation of benefits.

DCYF Planning and Mitigation Efforts

- Without an immediate IT solution to separate October and November SNAP benefits,
 DCYF prioritized quick and transparent communication to county and Tribal partners.
- On 10/13, DCYF shared details of the FNS letter and instructed county and Tribal agencies to pause SNAP and MFIP application approvals by 10pm on 10/14, to ensure that November benefits would not be paid out.
- DCYF, in partnership with MN.IT, identified an IT solution by 10/14, and was able to remove the SNAP and MFIP application block before it went into effect.
- SNAP and MFIP application processing and approvals continue through end of October, and current SNAP participants can continue to use their benefits as normal.
- On 10/21, DCYF announced that an IT solution had been identified to ensure MFIP cash payments continue in November even if federal SNAP benefits remain unavailable.

Ongoing DCYF Mitigation Efforts

- Notices sent to SNAP and MFIP recipients on 10/21 informing them that November SNAP benefits will be impacted if shutdown continues.
- Continued work with MN.IT to quickly restart November SNAP once federal shutdown ends and ensure accurate reconciliation of benefits.
- Prioritizing distribution of SFY26 funds to food shelves and food banks to mitigate impacts of shutdown.



Questions?

Dr. Shaneen Moore | Assistant Commissioner

https://dcyf.mn.gov/federal-shutdown

Thank you!

Sign up for the Federal Funds Information email list:

<u>public.govdelivery.com/accounts/MNMMB/signup/4</u>
<u>7799</u>



Submit a topic request or feedback for the Federal Funds Update:

https://forms.cloud.microsoft/g/GH9G1Zzk9i





Supplemental Info

Ongoing Resources

- Federal Budget Information: Reconciliation
- Disruption Trackers: <u>Temporary Disruptions, Permanent Cancellations, and Court Ordered Reversals</u>
- Lawyers for Good Government: <u>Fund Protection Clinic</u>
- MN TA Collaborative: <u>Technical Assistance Provider Directory</u>
- Environmental Protection Network: <u>Federal Funding Management Webinars and Office Hours</u>
- Impala Ecosystem: Minnesota Philanthropic Hub (for MN-based nonprofits, foundations and members of the Minnesota Council of Foundations)
- MCN Legal Services Initiative: <u>Nonprofit Legal Help Desk, Legal Resource Library, Compliance Support</u> and <u>Webinars</u>
- Federal Funds Information for States (FFIS): <u>Deciphering Federal Budgetspeak</u>

Al screening for words and themes

- Analysis has shown that words associated with themes in issued executive orders and federal agency guidance are being removed or replaced on federal websites.
- Federal agencies may be conducting Al screening for these or similar words in federal grant applications and reporting.
- Applications and reports that omit these words or themes may not trigger additional review.

The New York Times			
accessible	discriminated	inclusive	privilege
activism	discrimination	inclusive leadership	privileges
activists	discriminatory	inclusiveness	promote diversity
advocacy	disparity	inclusivity	promoting diversity
advocate	diverse	increase diversity	pronoun
advocates	diverse backgrounds	increase the diversity	pronouns
affirming care	diverse communities	indigenous community	prostitute
all-inclusive	diverse community	inequalities	race
allyship	diverse group	inequality	race and ethnicity
anti-racism	diverse groups	inequitable	racial
antiracist	diversified	inequities	racial diversity
assigned at birth	diversify	inequity	racial identity
assigned female at birth	diversifying	injustice	racial inequality
assigned male at birth	diversity	institutional	racial justice
at risk	enhance the diversity	intersectional	racially
barrier	enhancing diversity	intersectionality	racism
barriers	environmental quality	key groups	segregation
belong	equal opportunity	key people	sense of belonging
bias	equality	key populations	sex
biased	equitable	Latinx	sexual preferences
biased toward	equitableness	LGBT	sexuality
biases	equity	LGBTQ	social justice

Reminders/Best Practices

- Grants with signed agreements appear to be somewhat stable for the time being
- Some grants may be terminated for convenience—check terms and conditions
 - The standard terms and conditions are being amended by EPA to make grants easier to cancel for convenience
 - Stay consistent with terms and conditions
- Get any directives in writing
- Know that calls may be recorded
 - Folks from the federal government and potentially DOGE in particular are joining meetings.
- Reporting and funding applications: anticipate use of AI screening for key words.
- Court cases continue: Covid and FEMA fund cancellations were blocked; reductions in force blocked, then unblocked.