

## FEDERAL BUDGET STATUS: BUDGET PASSED, CONTINUING RESOLUTION, OR GOVERNMENT SHUTDOWN?

As of August 2024, the U.S. federal budget for fiscal year (FY) 2024 is still under discussion, with looming threats of a government shutdown if no agreement is reached by the September 30 deadline. Lawmakers are negotiating to pass a **continuing resolution (CR)**, which would extend federal funding temporarily to avoid a **government shutdown**.

A continuing resolution is a temporary funding measure passed by Congress to prevent a government shutdown when the regular appropriations bills for the next fiscal year have not been approved by the deadline, typically the end of the federal fiscal year on September 30. CRs maintain funding for government agencies, including the Department of Education, at the previous year's levels or adjusted rates, depending on the resolution's terms.

If no agreement is reached, essential programs, including **some education funding**, could be affected. Congress has yet to finalize major appropriations bills, and debates around spending priorities continue to complicate the process. It's possible that a continuing resolution or short-term funding measure will be implemented by September 30 to give lawmakers more time to negotiate a full budget.

### Impact on Education

When a CR is in effect, federal education programs continue operating, but with limitations:

1. **Delayed Program Funding:** Schools and education agencies may not receive new funding for specific programs and grants, delaying initiatives, expansion, or new hires.
2. **Limited Long-Term Planning:** School districts, colleges, and educational institutions may find it difficult to plan for the academic year without certainty about future funding levels. This could hinder decisions related to hiring staff, expanding services, or launching new projects.
3. **Impact on Title I and Special Education:** Programs like Title I (supporting low-income schools) and IDEA (Individuals with Disabilities Education Act) may continue with existing funds, but future increases or modifications to these programs are put on hold until a full budget is passed.
4. **Disruptions to Competitive Grant Programs:** Some competitive grant programs, such as research grants or innovation funds, may be paused or delayed, affecting universities, colleges, and research institutions.
5. **Uncertainty for Higher Education:** Programs like Pell Grants or Federal Work-Study may face funding uncertainties, affecting students' financial aid availability if a CR extends too long.

**Current Context**

In recent years, Congress has frequently passed continuing resolutions, often causing uncertainty for federal education funding. For fiscal year 2024, a continuing resolution would ensure that federal education programs continue but at prior-year funding levels until a final budget is approved.

**WHAT DOES THIS MEAN FOR YOU?**

The uncertainty of what the final budget will look like for federal funds for each district may make you reticent to purchase large new items, curriculum or professional development. Another challenge it presents is purchasing multi-year contracts for products or services. Until you are sure how much money you will be receiving and when, you may stick to single year buys.

Given this is an election year, it is likely that a CR will be put in place by September 30. Neither party wants to be responsible for a government shutdown. However, the proposed 2024 budget with increases for several education programs will still be under negotiation. Ironically, the 2025 budget is supposed to begin October 1 but that is NOT going to happen.

For more details on federal budget status for both FY2024 and FY2025, please contact RedRock Reports, [jhouse@redrockreports.com](mailto:jhouse@redrockreports.com).