

Federal Policy Digest

November 13, 2025

Federal Shutdown Ends, but Education Department Funded Only Through January (11.12.25)

The longest federal government shutdown in U.S. history [ended](#) Wednesday night after 43 days. The spending package does not include an extension of federal health care subsidies, which had been Democrats' main demand. The legislation fully [funds](#) the Department of Veterans Affairs and military construction projects, the Department of Agriculture and the FDA, and the legislative branch through the end of fiscal year 2026 (September 30, 2026). However, the Education Department (ED) and most other federal agencies are [funded](#) only through January 30, 2026, under a continuing resolution (CR) that maintains last year's funding levels. Because most ED staff continued working in October and November – overseeing critical operations such as financial aid disbursement and student loan servicing – higher education institutions should not see significant changes as the government reopens.

Implications/next steps: The legislation directs the reinstatement of the 460+ ED employees affected by October's reduction in force within five days of enactment. Many of these employees had overseen K–12 and higher education grant programs. However, critics worry that the ED may not comply with the CR's reinstatement requirements or may not retain reinstated staff beyond January. Jon Fansmith at the American Council on Education [noted](#) that he expects to see efforts to further reduce ED staffing. Outside of the ED, SNAP beneficiaries [should](#) see their accounts fully restored within hours of the government reopening, while the 20 Head Start programs forced to close may need up to two weeks to receive the funding necessary to restart operations. Within federal research agencies, research grant administration [processes](#) are resuming, though significant delays are expected.

Education Department Redirects Funding Towards “Special Projects” Grants (11.10.25)

The Education Department [announced](#) a new competition for “special projects” grants, redirecting roughly \$167M from the Fund for the Improvement of Postsecondary Education (FIPSE) into four broadly defined priority areas aligned with the administration's agenda: accreditation reform (\$7M), artificial intelligence (\$50M), civil discourse (\$60M), and short-term training program (\$50M). FIPSE was created by Congress in 1972 and has historically been used for college access, retention, and degree completion.

Implications/next steps: Most current FIPSE projects will not experience immediate funding cuts since funding is awarded at the start of a project, but institutions will not be eligible to reapply under the new competition. Though redirecting FIPSE funding is technically legal, critics [argue](#) that the redirection undermines congressional intent and will likely harm institutions and students by diverting money away from established student-success initiatives. Some experts say the funding redirection reflects not only a shift in priorities but also a deliberate political strategy to use discretionary grants to advance the administration's policy goals. Institutions also face tight timelines: grant proposals are due December 3, and awards are expected to be announced by December 31. However, recent layoffs within the Office of Postsecondary Education could make that timeline difficult to meet, according to education policy experts.