Holland & Hart

Don't Get Caught Off Guard: Essential Shutdown Preparation for Federal Projects



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Turmoil Ahead

The federal government is poised for a September 30 shutdown. On Friday, September 19, 2025, Senate Democrats prevented passage of a House-passed continuing resolution (CR) to fund the government through November 21, 2025. The CR would have funded most federal agencies and programs at FY2025 levels. While Democrats counteroffer with an alternative funding package through October 31, 2025 that reverses cuts to Medicaid and permanently extends Affordable Care Act tax credits, the chasm between the sides continues, and a shutdown looms on the horizon.

How to Prepare for a Shutdown

The worst strategy to deploy in the face of a shutdown is to do nothing. If you have any pending approvals, permits, or need any kind of guidance or information from the federal government, you should be proactive and act now:

Immediate Action

- **Start communicating with agency staff right now**. Ask how a shutdown will impact your organization and your specific projects. Once a shutdown occurs, you will likely have questions, and answers may not come quickly.
- P**ress for critical information now**. If you are waiting for information from an agency that is necessary for your operations or to continue working on a project, start pressing agency staff right now to get that information.

Assess Your Exposure

- **Identify how your operations could be impacted by a shutdown**. Anticipate that a shutdown could last weeks and identify what you may need from an agency now and ask for it so that you can continue progress.
- **Analyze your project's funding streams**. Will your project be impacted by a shutdown? For example, EPA has special accounts that are funded and not subject to the appropriations process. Or are they? Assess the funding streams that impact your project, then ask the agency how it will be impacted by a shutdown.

Understand the Timeline

- **Shutdowns are often staggered**. The entire federal government may not shut down at once. During the first Trump administration, departments and agencies remained open until funding was exhausted. In fact, even individual offices within EPA shut down on different dates depending upon the carryover levels and the type of available funds.
- **Consider state government impacts.** Federal government shutdowns impact state governments as well. If you are working on a state issue that has any federal nexus, start assessing whether the shutdown will impact your work with the state.

Once the government shuts down, agency staff won't be available to answer your questions. Act now to get the information you need. For complicated projects, consider getting help to identify the right questions and people, as shutdowns can last weeks and significantly impact schedules, financing, and ultimately completion of projects.

While the Senate, House, and White House negotiate through the funding standoff, it is best to prepare for a worst-case scenario. Action now can save you from potential delays, uncertainty, and disengagement from federal agencies in a shutdown. Holland & Hart's Federal Affairs team helps clients develop strategic action plans to effectively navigate potential paths forward during government shutdowns.

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