Holland & Hart

Now the EPA Shutdown Really Begins

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Introduction

Effective Monday, October 20, 2025, the U.S. Environmental Protection Agency (EPA) issued furlough notices to its largest group of employees to date. Since the start of the shutdown on October 1, the agency has operated on reduced staff using carryover funds that bridged the October 1 funding deadline. Initially, ten days into the shutdown, EPA began a phased furlough approach, affecting just the first wave of a relatively small share of employees.

Impacts

Staffing
This latest round will affect most career staff, including some career leaders. As a result, a skeleton crew of senior political appointees, top career leadership, and attorneys will maintain operations by the agency. If the agency fully implements its shutdown contingency plan, nearly 90 percent of its workforce would be furloughed.

Regulations & Rulemaking
Work on regulations and rulemaking will slow as the agency concentrates on essential functions—protecting human health, responding to emergencies (including Superfund actions posing imminent risks), supporting law enforcement and disaster response, and safeguarding EPA property. In the case of Superfund special accounts, it is possible work that is funded by a special account can continue, but EPA has not been consistent on this in the past so stakeholders should check with EPA.

Programs
During the shutdown, EPA will not issue new grants, permits, or regulations, and civil enforcement inspections without imminent threats will be paused. Certain programs funded by fees or dedicated revenues—such as those tied to the Superfund tax, Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), and Pesticide Registration Improvement Act (PRIA)—can continue in limited form. However, these resources could be at risk if unallocated federal funds are redirected to support military pay.

What You Should Do

State and local programs can also be affected with work slowed down or altogether stopped in certain cases. Awareness of whether a state project will be impacted as the shutdown progresses can help you prioritize your work with a state or local agency. Holland & Hart's Federal Affairs team helps clients develop strategic action plans to effectively navigate potential

paths forward during the government shutdown.

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