

Update on Federal Funding for Public Education

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John Sena | John.Sena@nmlegis.gov

Federal Funds Impoundment

- The U.S. Department of Education notified states June 30, 2025 that it is reviewing nearly \$7 billion in FY25 funding for the following programs and did not release funds normally released on July 1:
 - Title I-C – Migrant Education
 - Title II-A – Supporting Effective Instruction
 - Title III-A – English Language Acquisition
 - Title IV-A - Student Support and Academic Enrichment
 - Title IV-B – 21st Century Community Learning Centers

Federal Funds Impoundment

- The potential loss of funding could impact both programming and employees at the Public Education Department (PED) and local education agencies (LEAs).

Allocations Not Received		Approximate number of PED positions	Approximate number of LEA positions
Title I-C	\$ 1,004,200.00	0.75	5.48
Title II-A	\$ 18,006,586.00	4.2	74.32
Title III-A	\$ 5,832,083.00	0.75	20.42
Title IV-A	\$ 10,175,039.00	4	75.82
Title IV-B	\$ 9,758,185.00		
Total	\$ 44,776,093.00	9.7	176.04

Source: PED

ESEA Formula Grants Update

- PED has received preliminary awards for Title I-A and Title V-B, with all other preliminary ESSA formula grants pending updates from the federal government.
- PED has not seen any significant fluctuations in preliminary awards.
- The Trump Administration has indicated it will allocate remaining funding in ways that align with the administration's priorities.

Federal Budget Request for FY26

- The administration released additional information on its FY26 budget request for public education.
- The request includes \$66.7 billion in new discretionary budget authority for the U.S. Department of Education, a \$12 billion reduction, or 15.3 percent, from FY25.
- The request includes flat funding for Title I-A, special education, Impact Aid, Indian education initiatives, and career and technical education state grants.

K-12 Simplified Funding Formula

- The administration proposed a K-12 Simplified Funding program, which would combine 18 grants into one \$2 billion funding stream, a reduction of approximately \$3.8 billion from those programs.
1. Comprehensive literacy state development;
 2. Innovative approaches to literacy;
 3. Neglected, delinquent, and at-risk children and youth;
 4. Supporting effective instruction;
 5. 21st century community learning centers;
 6. State assessments;
 7. Education for homeless children and youths;
 8. Native Hawaiian education;
 9. Alaska Native education;
 10. Rural education;
 11. Student support and academic enrichment;
 12. American history and civics education;
 13. Magnet schools assistance;
 14. Arts in education;
 15. Javits gifted and talented education;
 16. Statewide family engagement centers;
 17. School safety national activities; and
 18. Promise neighborhoods.

Other Notable Updates

- While the topline request for special education is flat, the administration is recommending consolidating special education national activities programs into the primary IDEA funding stream for states.
- The Institute of Education Sciences would be cut by 67 percent, with the consolidation of funding for research, statistics, assessments, statewide longitudinal data systems, and special education studies.
- The administration recommends eliminating funding for TRIO, English language acquisition, adult education, and migrant student education.
- Congress is deliberating on potential changes to SNAP and Medicaid.

Questions?