

# Federal Funding for Public Education

May 29, 2025

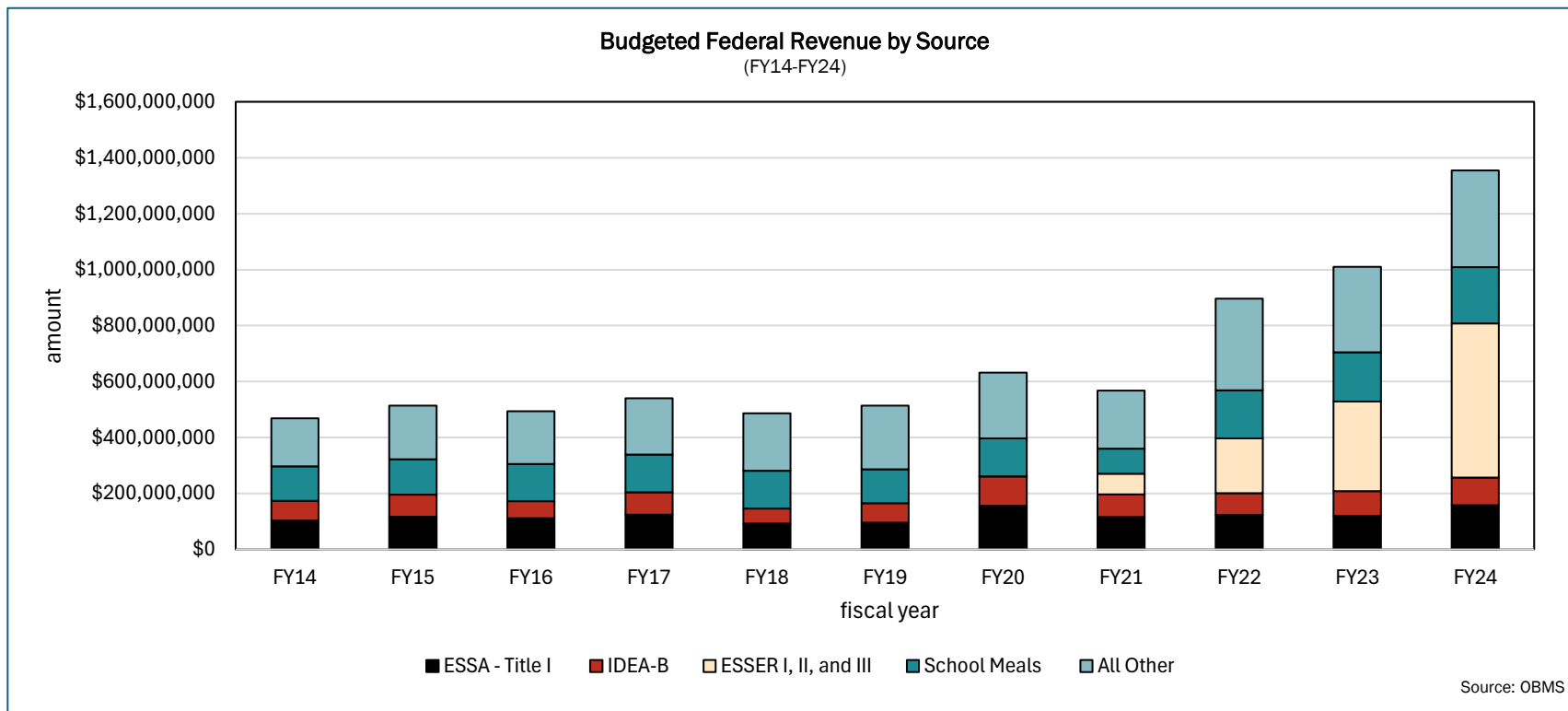
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# Background

Federal funding has grown, largely driven by pandemic-related funding.



# Primary Federal Funding by Source

Federal Funding Stream	Estimated Distributions for 2025
Title I-A (Low-Income)	\$147,595,262
Title I-B (Assessments)	\$4,347,020
Title I-C (Migrant)	\$1,001,019
Title 1-D (Neglected & Delinquent)	\$147,667
Title II-A (Professional Learning)	\$17,985,911
Title III-A (English Learners)	\$6,074,909
Title IV-A (Student Support)	\$10,648,421
Title IV-B (21st Century Learning Centers)	\$10,202,693
Title V-B (Rural Education)	\$834,249
IDEA-B Entitlement (Special Education)	\$110,073,729
Carl Perkins (CTE)	\$10,738,223
School Meals	\$202,510,000
Title VII (Impact Aid)	\$111,439,399
<b>TOTAL OF PRIMARY FUNDING SOURCES</b>	<b>\$633,598,502</b>

Source: U.S. Department of Education State Tables

# Federal K-12 Public Education Proposals

- The administration submitted a preliminary budget proposal to Congress that includes structural changes to public education funding streams and revisions to funding amounts, including:
  - Flat funding for Title I;
  - Flat funding for IDEA and a consolidation of IDEA programs; and
  - Consolidation of formula awards and reducing \$4.5 billion.
- The administration will submit its FY26 budget request to Congress in early June, and appropriations will depend on congressional action.
- Current continuing resolution expires September 30, 2025 ([PL 119-4](#))

# Title I – Part A

- **Purpose:** May distribute a preliminary award of \$121.0 million for FY26 for low-income students.
- **Allowable expenses:**
  - Credit recovery;
  - Counseling and school-based mental health programs; and
  - Instructional Materials.
- **Staff Highlight:** A state-level mechanism for distributing block grants may be needed.

# Title II – Part A

- **Purpose:** May distribute a preliminary award of \$14.9 million in FY26 for professional development.
- **Allowable expenses:**
  - Salaries and benefits for instructional coaches;
  - Differentials for recruitment and retention in high-need areas; and
  - Materials and supplies.

**Staff Highlight:** Administration has flexibility in changing some funding levels.

# Title III

- **Purpose:** May distribute a preliminary award of \$4.7 million in FY26 to support proficiency in English.
- **Allowable expenses:**
  - Professional development;
  - Family engagement; and
  - Instructional materials.
- **Staff Highlight:** The administration may eliminate the Office of English Language Acquisition and has recommended terminating grant funding.

# Other ESSA Funding Sources

Federal Funding Stream	Amount	Purpose
Title IV-A (Student Support)	\$10.6 million	Supporting a well-rounded education, improving school conditions, and improving the use of technology.
Title V-B (Rural Education)	\$3.4 million	Supporting rural school districts and charter schools.
Title VII (Impact Aid)	\$111.4 million	Supporting school districts and charter schools on tribal land or other federal land.

Source: U.S. Department of Education State Tables



# IDEA – Part B (Entitlement)

- **Purpose:** May distribute a preliminary award of \$84.1 million in FY26 for students with disabilities.
- **Allowable expenses:**
  - Salaries and benefits for special education personnel;
  - Contractual costs for student evaluations; and
  - Professional learning.
- **Staff Highlight:** IDEA programs recommended for consolidation.

# School Meals Program

- Section 22-13C-4 NMSA 1978 requires students receive a free breakfast and lunch.
- The school meals program may generate \$202.5 million in federal reimbursements in FY25, with approximately \$48.8 million in state costs supported by the general fund.
- Statutory or regulatory changes to the community eligibility provision or revisions to SNAP and Medicaid eligibility may require the state to backfill any forgone federal reimbursements.

# Federal Funding Lost for Public Education

Federal Funding Stream	Amount	Purpose
ESSER	\$12.3 million	Responded to pandemic-related impacts on students and currently in litigation.
Teacher Quality Partnership Program	\$5.1 million	Supported residency programs, with 68 people impacted by lost stipends, coaching, and mentoring.
School-Based Mental Health Services	\$5.0 million	Supported behavioral health programs at Silver City and the Central REC, with 18 positions at risk.

Source: LESC Files

# Recent Legislative Action

- For FY26, the Legislature appropriated \$4.5 billion to the State Equalization Guarantee, an increase of \$327.3 million, or 7.8 percent.
- Strong below-the-line investments have continued in professional development, targeted compensation, and support for at-risk students.
- [House Bill 63](#) will shift reliance on federal data and guidance.
  - Revisions to the At-Risk Index; and
  - Statutory guidance for English learner funding.
- Data sovereignty will be critical in tracking student performance.

# Future Budget Considerations

- The Legislature should develop a framework for evaluating its response to federal funding decisions, including:
  - Assessing whether a grant is supplementing state appropriations;
  - Determining whether a grant should be backfilled, and
  - Evaluating whether backfilling should be recurring or non-recurring.
- There may be statutory barriers to backfilling grants that were awarded to specific entities.

# Future Policy Considerations

- The Legislature should assess whether traditional functions and guidance of the federal government should be codified in state statute.
- Areas of focus for LESC staff may include:
  - Special Education;
  - State-Level Accountability; and
  - Data sovereignty.
- There should be a focus on strengthening agency capacity to measure and evaluate student performance.

**Thank You**