



Federal Education Update

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Department of Education

- \$5.2 billion in K12 funds for FY25 a month late (Review by OMB)
- ESSER Late Liquidation Policy Change – Pending litigation
- Grant cancellations and discontinuations – including mental health and teacher preparation grants
- Supplemental Grant Priorities:
 - Evidence-based literacy,
 - Expanding education choice, and
 - Returning education to the states: will enable the Department to prioritize state applicants in competitions where they qualify as eligible entities or can endorse other types of entities.

Fiscal Year 2026

President's Budget Proposal

- Cuts \$12.4 billion from ED, about \$6 billion from K12
- Level funds Title I
- Block grants (most of) IDEA
- Block grants 18 other competitive and formula programs
- (\$6.5 billion ≠ \$2 billion)
- Eliminates Title I-C, Title III, Full-service Community Schools, Teacher and School Leader Incentive Grants, GEAR UP, TRIO

Senate Bipartisan Proposal

- Increases Title I (+50 million), IDEA (+50 million) and REAP (+5 million)
- Level funds most other K12 programs
- Reduced funding for school safety national activities, Full-service Community Schools, Arts in Education, TQP, and Education Innovation and Research, among others
- Adds language to require funding goes out by July 1 and prevents transfer of programs to another Departments

Appropriations – Next Steps

Nothing substantial until September.

- Will the Senate bill pass the full Senate?
- House plans to schedule markup upon return – will it try to pass the President's proposal?
- All signs read: Possible shutdown.
 - Reminder: during a shutdown Head Start and Impact Aid are immediately impacted.

H.R. 1 – The One Big, Beautiful Bill Act

- Establishes the first ever national school voucher program
- Dollar-for-dollar tax credit for donations made to “scholarship granting organizations”
 - \$1700 individual donation/\$3400 married couples
- States must opt-in
- Treasury can issue regulations as can States
- Credit is available as of Jan 1, 2027
 - States have the next 18 months to determine how they want to run their programs

Next: More information/regulation from Treasury

H.R. 1 – The One Big, Beautiful Bill Act

Established “workforce” or “short-term” Pell Grants

- Expand Pell Grant eligibility to learners and workers who want to pursue a short-term job training program
- States will have a significant role in the eligibility, creation, and maintenance of eligible programs

Makes changes to SNAP and Medicaid that shifts some cost share to States

What else?

- Secure Rural Schools still outstanding
 - \$1.5 million for Kentucky
- Student Privacy remains a bipartisan priority
- Workforce and CTE

