

Urgent Update: FY25 Federal Education Funding Delay and Impact to Texas Schools

Late Monday night, the U.S. Department of Education (USDE) informed states that it will delay the release of FY25 allocations for several key federal education programs, including:

- Title I, Part C- Education of Migratory Children
- Title II, Part A- Supporting Effective Instruction
- Title III, Part A- English Language Acquisition
- Title IV, Part A- Student Support and Academic Enrichment
- Title IV, Part B- 21st Century Community Learning Centers

This sudden delay affects over \$6 billion in federal funding nationally, with Texas alone expecting to receive over \$700 million through these programs. These funds support teacher recruitment and retention, migrant student services, English learner instruction, school safety and mental health, and out-of-school-time learning programs.

In March, Congress passed a continuing resolution that maintained funding levels for these programs through the 25-26 school year, signed into law by President Trump. The law allocated around \$45 billion to support students in K-12 across the U.S.- with a major emphasis on funds for underserved students.

The Department cited the administration's transition and a desire to review program funding in light of shifting federal priorities as reasons for the holdup. Unfortunately, this announcement came just hours before many districts anticipated accessing these funds to support staffing, summer programming, and start-of-year preparation.

The act of withholding federal funds- whether by direct decision or by failing to act- is known as "impoundment". Under federal law, a president cannot delay or cancel the release of congressionally approved funds without formally submitting a "special message" to Congress outlining the amount of funding involved, the reasoning behind the hold, and the expected budgetary impact. Once submitted, the administration may temporarily withhold the funds for up to 45 legislative session days. During that time, both the House and Senate would need to approve the proposal by a simple majority. If Congress does not approve the request within that 45-day period, it is automatically denied, and the administration is legally required to release the funds. As of now, no special message has been submitted by the current Administration regarding the delay in funding for these five federal education programs.

If USDE continues to withhold these funds without Congressional approval, the Government Accountability Office (GAO) has the authority to act. As of July, GAO can investigate the impact of the delay on states, districts, and students, and report any unlawful impoundment to Congress. GAO also has the power to bring a civil case against the Executive Branch for failing to release appropriated funds on time.

GAO is currently reviewing at least 39 possible violations of the Impoundment Control Act by the Administration. In one recent case, GAO found the Administration illegally withheld funds from the Institute of Museum and Library Services. If legal action is pursued, the process could be long and potentially end up in front of the Supreme Court.

What This Means for Texas:

WHAT THIS MEANS FOR TEXAS.

- Local Education Agencies (LEAs) may face funding shortfalls **with 25-26 funds fall initiatives.**
- Districts should prepare for a prolonged delay or potential loss of these funds. Early contingency plans can help minimize disruption to critical services for students, families, and educators.
- Districts may need to adjust or pause planned services for students most at risk, including English learners and migrant youth with 25-26 funds.
- **Current funds (with a programmatic period ending date of September 30, 2025) are still accessible and should continue to be drawn by school systems.**
- Reach out to ESC staff with questions. Your federal programs team can be contacted at statefed@esc20.net or call Dr. Alexis Gutierrez directly at 210-370-5378.

Sources for this update include:

- [EducationWeek](#)
- [Learning Policy Institute](#)

We recognize the strain this places on local planning and operations and will continue to provide updates as more information becomes available. Join ESC-20 and Moak Casey on **Wednesday, June 16, 2025 from 10am- 12pm** to discuss the federal funding delay and HB2 implications. The zoom link to the session is below:

<https://esc-20.zoom.us/j/92755113267>

Thank you for your continued commitment to serving Texas students in the face of these evolving challenges.

Email Us



www.esc20.net
1314 Hines Avenue
San Antonio, TX 78208
(210) 370-5200



SUBSCRIBER SERVICES:

[Manage Subscriptions or Account Preferences](#) | [Delete Account](#) | [Help](#)

The "Delete Account" link will unsubscribe you from every topic and delete your email address from the system. To unsubscribe from select topics, click on "Manage Subscriptions or Account Preferences."