

Federal Legislative Report (119-05)

Distributed via email: July 28, 2025

Federal Education Funding Update

FY2025 (2025-2026 School Year)

On July 25, the U.S. Department of Education announced that it would release billions in education funding slated for use during the 2025-2026 school year, including over \$164 million for Illinois public schools.

As IASB has previously reported, on June 30, the U.S. Department of Education notified states that the Department would not be issuing Grant Award Notifications obligating funds for Title I-C, II-A, III-A, IV-A, IV-B grant programs on July 1. Illinois allocations for these funds can be found in the [IASB Call to Action from July 2](#). The Department also indicated it was conducting a review to ensure spending aligns with the administration's priorities and responsibilities, and funds would not be released until that review is complete.

IASB Governmental Relations staff and IASB members contacted Congressional Members and staff, holding 20 meetings over the last three weeks to ask for assistance in advocating for the release of these funds. Many Illinois members of Congress signed letters to the Department of Education requesting the timely release of these funds, already appropriated by Congress to be used this school year. The Illinois Attorney General joined several state attorneys general and governors, in filing a lawsuit against the Trump Administration for withholding these funds. As noted in [ISBE's July 22 message](#), this is the sixth multistate lawsuit related to federal education issues.

On July 18, the Department of Education notified states that they would release the Title IV-B funds, but that upon accepting the funds, states must effectively certify compliance with applicable laws and regulations. The July 25 release of the remainder of the funds is a victory for IASB and the many organizations that advocated for the importance of these funds for local school districts, highlighting the significance of our efforts to

communicate the local impact of proposed federal actions.

There is still speculation about the inclusion of education funding in a second rescissions package to claw back already appropriated FY 2025 funding. The timing and makeup of such a package is unknown.

FY 2026 (2026-2027 School Year)

The President's proposed budget requested stable funding for the Individuals with Disabilities Education Act (IDEA) and Title I, the largest federal programs for schools. However, the President's budget request consolidated 18 smaller federal education programs into a block grant with greatly reduced funding, and it eliminated other programs entirely. Overall, the President's request is a 15% reduction for education.

It is yet to be seen how closely the House and Senate appropriations legislation will adhere to the President's request, both the shift to block grant funding and the proposed reduced amounts. The Senate Appropriations Committee, which has produced bipartisan appropriations legislation already this year, is set to report its version of the legislation on July 31. House Appropriations Committee consideration of the annual bill funding the Department of Education and federal programs related to schools was postponed until September.

Senate Health Education Labor and Pensions (HELP) Committee

The K-12 Subcommittee of the Senate HELP Committee held a [hearing on Wednesday, July 23](#) discussing Education Literacy and Choice. Witnesses discussed recent Congressional action to fund a voucher program for private schools, as well as their support for charter schools, and the needs of public schools, most notably, fully funding the IDEA.

Recent U.S. Supreme Court Decisions

Three recent decisions by the U.S. Supreme Court will impact public schools nationwide. Information about the Court's decisions to uphold E-Rate funding, allow parents to opt-out of specific curriculum due to religious objections, and apply the same standard to students filing claims under the ADA and Rehabilitation Act as applies to other individuals alleging disability discrimination can be found on [IASB's Recent Court Decisions webpage](#).

Another action by the Supreme Court will allow the Department of Education to proceed

with layoffs and a restructuring effort to shift responsibilities to other agencies. However, the ruling is temporary and will remain in effect while lower courts continue reviewing the legality of the President's actions.

Federal Advocacy Opportunity: September 7-9

IASB invites school board members to attend the COSSBA Federal Advocacy Conference in Washington, D.C. on September 7-9. With all the Federal activity, there has never been a more important time to advocate with federal legislators on behalf of your school board. Registrations are almost at capacity, and the deadline to reserve rooms at the conference hotel rate is August 1. To find the conference agenda, hotel information, and registration details, visit the [COSSBA Events](#) page.

REGISTER

Links

[2025 House Calendar](#)

[U.S. Department of Education](#)

[U.S. Senate Committee on Health, Education, Labor and Pensions](#)

[U.S. House Committee on Education and Labor](#)

[U.S. Senate Budget Committee](#)

[Congressional Budget Office \(CBO\)](#)

[Federal legislative information](#)

Illinois Association of School Boards

2921 Baker Drive,
Springfield, Illinois 62703-5929
[\(217\) 528-9688](tel:2175289688)