

Forward-Funded Federal Education Programs: Frequently Asked Questions

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In the annual appropriations process, Congress elects to make appropriations for certain federal education programs, in part, on a *forward-funded* basis. Programs funded in this manner receive appropriations in an appropriations act that become available during the last quarter of the fiscal year (i.e., on July 1) and remain available in the next fiscal year. Such programs also may receive an additional amount of funds as *advance appropriations*, which are provided in one fiscal year's appropriations act but do not become available to the agency until a following fiscal year. Thus, a single appropriations act funds particular education programs, but those funds become available to the U.S. Department of Education (ED) on a staggered basis for distribution to state grantees.

For the forward-funded component of these programs, ED has had a long-standing practice of making those funds available to state grantees for obligation on the same day that the funds become available to ED, namely on July 1. For FY2025, ED departed from this practice and did not release forward funds on July 1. The affected programs include those authorized by the Elementary and Secondary Education Act (ESEA) and the Workforce Innovation and Opportunity Act (WIOA), particularly

- ESEA Title I-C: Education of Migratory Children,
- ESEA Title II-A: Supporting Effective Instruction,
- ESEA Title III-A: English Language Acquisition,
- ESEA Title IV-A: Student Support and Academic Enrichment Grants,
- ESEA Title IV-B: 21st Century Community Learning Centers,
- WIOA Title II: Adult Basic and Literacy Education State Grants, and
- WIOA Title II: Integrated English Literacy and Civics Education State Grants.

ED alerted states in a June 30, 2025, email that the funds would not be made available under the affected programs on July 1. The email indicated that the Office of Management and Budget (OMB) was conducting a programmatic review of the funds, in part to ensure that grantees spent funds in accordance with the President's priorities. ED eventually made funds under the ESEA Title IV-B program available to states on July 21. Funds for the remaining affected programs were released on July 30.

Congress addressed the timing of ED's release of forward funds for FY2026 in the Consolidated Appropriations Act, 2026 (P.L. 119-75), which provides appropriations for ED. The act includes a new general provision (Division B, Title III, §312) requiring the Secretary of Education to award formula grant funding for specified programs "on the date such funds become available for obligation" to ED. This provision applies to formula grant programs authorized by the ESEA, the McKinney-Vento Homeless Assistance Act, the Individuals with Disabilities Education Act (IDEA), the Carl D. Perkins Career and Technical Education Act, and the Adult Education and Family Literacy Act that received appropriations in the Consolidated Appropriations Act, 2026. It applies both to forward funding for these programs available on July 1, 2026, as well as advance appropriations that become available on October 1, 2026.

Contents

Introduction	1
When does funding become available to ED for federal education programs that provide formula grants?	2
Which federal education programs receive forward funds, advance appropriations, or both?	2
How has ED distributed forward funds in the past?	4
Which forward-funded federal education programs did not receive forward funds on July 1, 2025?	4
What amount of funding did affected programs receive for FY2025?	5
What did ED say about its decision not to make funds available for the affected programs?	7
When and under what circumstances did ED release funds for the affected programs?	8
What “guardrails” did ED place on funding for the affected programs?	10
What were potential practical implications of ED not making funds available under the affected programs?	10
Did ED also delay the allocation of FY2025 advance appropriations for affected programs?	11
How does the Consolidated Appropriations Act, 2026, address ED’s release of FY2026 appropriations for affected programs?	11

Tables

Table 1. Method by Which Appropriations Are Provided to Selected Programs Administered by ED	3
Table 2. Appropriations for Programs Administered by the U.S. Department of Education for Which FY2025 Funds Were Not Made Available on July 1, 2025	5

Contacts

Author Information	12
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Introduction

Congress typically funds certain federal education programs with a different appropriations model than it most commonly uses in regular appropriations acts. Most federal programs funded in such regular acts receive appropriations that become available for obligation to the relevant agency on the first day of the fiscal year covered by the act.¹ Thus, funds appropriated in acts making regular appropriations for FY2025 most commonly became available to agencies on the first day of the fiscal year, October 1, 2024.

For certain federal education programs, Congress instead provides the Department of Education (ED) with a combination of *forward funds* and, in some cases, *advance appropriations*. Both types of appropriations do not become available on the first day of the fiscal year for which the appropriations act provides funding, instead becoming available later in the fiscal year. Forward funds become available on the first day of the last quarter of the fiscal year, July 1.² Advance appropriations become available on the first day of the subsequent fiscal year.³

ED's long-standing practice has been to make such federal education funds available to state grantees on the same day that the funds become available to ED itself.⁴ Thus, for the forward-funded component of relevant ED appropriations, the department's long-standing practice has been to make the funds available to state grantees on July 1. ED departed from that practice in FY2025, citing a programmatic review of the funds by the Office of Management and Budget (OMB).⁵ Following litigation brought by states, school districts, and others, ED ultimately agreed to release the funds by late July.

Congress has since legislated on the timing of ED's release of forward funds for FY2026 in the Consolidated Appropriations Act, 2026 (P.L. 119-75), which provides appropriations for ED. The act includes a new general provision (Division B, Title III, §312) requiring the Secretary of Education to award formula grant funding for specified programs "on the date such funds become available for obligation" to ED.

This report answers frequently asked questions regarding ED's forward- and advance-funded education programs. It discusses the funding structure of those programs, ED's historical approach to the release of such funds, and its approach to funds release in 2025. The report also discusses recently enacted legislation addressing the timing of ED's release of forward or advance funds.

¹ See 1 U.S.C. §105 (stipulating that the style and title of an appropriations act include the statement that the act makes appropriations "for the year ending September 30" of a calendar year).

² U.S. Government Accountability Office (GAO), *A Glossary of Terms Used in the Federal Budget Process*, p. 56 (September 1, 2005), <https://www.gao.gov/products/gao-05-734sp> (hereinafter referred to as GAO Glossary).

³ GAO Glossary, p. 56.

⁴ CRS examined data available through USAspending.gov for FY2008 through FY2024 to determine when ED initially obligated funds to states under the programs for which funds were withheld while OMB conducted a programmatic review. That analysis revealed that ED has traditionally made forward funds available to states for obligation and expenditure under these programs on July 1 of each fiscal year with few exceptions. Funds for other entities (e.g., outlying areas, Bureau of Indian Education) may have been made available later.

⁵ For more information, see the FAQ titled "What did ED say about its decision not to make funds available for the affected programs?".

When does funding become available to ED for federal education programs that provide formula grants?

The federal government's fiscal year starts on October 1 of one calendar year and ends on September 30 of the following calendar year.⁶ A federal fiscal year is identified by the calendar year in which it ends.⁷ For example, FY2025 began on October 1, 2024, and ended on September 30, 2025.⁸ Funding for federal programs provided through the annual appropriations process typically becomes available for obligation by a federal agency on the first day of the fiscal year for which the act makes appropriations. Thus, acts making appropriations for FY2025 typically provided funds that first became available to federal agencies for obligation on October 1, 2024.⁹

Certain fund types used in regular appropriations acts depart from this first-day-of-the-fiscal-year model of availability. Programs supported with *forward funds* are appropriated amounts that become available in the last quarter of a fiscal year.¹⁰ For example, FY2025 forward funds became available during FY2025, but not until July 1, 2025, or later. Forward funds may remain available to the agency concerned through at least part of the following fiscal year.¹¹

In addition, some federal programs are funded in the annual appropriations process with *advance appropriations*. Advance appropriations are enacted one or more fiscal years prior to when they first become available for obligation by a federal agency.¹² For example, if an FY2024 appropriations bill included advance appropriations, the funds would not have become available until, at the earliest, October 1, 2024 (i.e., the first day of FY2025).¹³

Which federal education programs receive forward funds, advance appropriations, or both?

Congress provides forward funding to many elementary and secondary education programs to allow additional time for school officials to develop budgets in advance of the school year and to better align federal appropriations with the fiscal year used by many school districts, which typically runs from July 1 to June 30.¹⁴ Congress provides some of these forward-funded programs with advance appropriations, with such funds becoming available to ED on the first day of the subsequent fiscal year (i.e., October 1).

⁶ 31 U.S.C. §1102.

⁷ 1 U.S.C. §105.

⁸ 31 U.S.C. §1102.

⁹ 1 U.S.C. §105.

¹⁰ GAO Glossary, p. 56.

¹¹ GAO Glossary, p. 56.

¹² GAO Glossary, p. 8.

¹³ See Consolidated Appropriations Act, 2024, P.L. 118-42, div. A, tit. II, 138 Stat. 5, 41 (appropriating amounts for the Veterans Health Administration Medical Services account, all of which became available on the first day of FY2025).

¹⁴ According to the National Conference of State Legislatures (NCSL), 46 of 50 states have fiscal years that run from July 1 to July 30 (NCSL, *Almost All States Began New Fiscal Year with Enacted Budgets*, July 7, 2025, <https://www.ncsl.org/press-room/details/almost-all-states-began-new-fiscal-year-with-enacted-budgets>). The District of Columbia follows the federal fiscal year (DC Fiscal Policy Institute, *A Resident's Guide to the DC Budget*, February 7, 2024, <https://www.dcfpi.org/all/a-residents-guide-to-the-dc-budget/>). Puerto Rico's fiscal year runs from July 1 to June 30 (National Association of State Budget Officers, *Puerto Rico*, <https://www.nasbo.org/mainsite/resources/proposed-enacted-budgets/puertorico-budget>).

Table 1 provides examples of elementary and secondary education programs administered by ED that typically receive forward funds, advance appropriations, or both in the annual appropriations process, as well as adult education programs that receive forward funds, advance appropriations, or both.

Table 1. Method by Which Appropriations Are Provided to Selected Programs Administered by ED

Program	Forward Funds	Advance Appropriations
ESEA, Title I-A: Education for the Disadvantaged (all formulas)	X	X
ESEA, Title I-B: State Assessment Grants	X	
ESEA, Title I-C: Education of Migratory Children	X	
ESEA, Title I-D-1: Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At-Risk (State Agency program)	X	
ESEA, Title II-A: Supporting Effective Instruction	X	X
ESEA, Title III-A: English Language Acquisition	X	
ESEA, Title IV-A: Student Support and Academic Enrichment Grants	X	
ESEA, Title IV-B: 21 st Century Community Learning Centers	X	
ESEA, Title V-B-1: Small, Rural School Achievement Program	X	
ESEA, Title V-B-2: Rural and Low-Income School Program	X	
Perkins CTE Basic Grants to States	X	X
IDEA Part B: Grants to States	X	X
IDEA Part B: Preschool Grants	X	
IDEA Part C	X	
WIOA, Adult Basic and Literacy Education State Grants	X	
WIOA, Integrated English Literacy and Civics Education State Grants	X	

Source: Prepared by the Congressional Research Service (CRS) using data available from the U.S. Department of Education, *FY2025 Justifications of Appropriations Estimates to the Congress*, March 2024, <https://www2.ed.gov/about/overview/budget/budget25/justifications/index.html>.

Notes: ESEA = Elementary and Secondary Education Act; IDEA = Individuals with Disabilities Education Act; Perkins CTE = Perkins Career and Technical Education Act; WIOA = Workforce Innovation and Opportunity Act.

How has ED distributed forward funds in the past?

CRS examined data available from USAspending.gov for FY2008 through FY2024 to determine when ED initially obligated funds to states under the programs for which funds were, in FY2025, withheld while OMB conducted a programmatic review. That analysis revealed that ED has traditionally made forward funds available to states for obligation and expenditure under these programs on July 1 of each fiscal year, with few exceptions.¹⁵ Funds for other entities (e.g., outlying areas and the Bureau of Indian Education) may have been made available later.

Which forward-funded federal education programs did not receive forward funds on July 1, 2025?

The timing of ED's release of certain FY2025 forward funds departed from the traditional release schedule noted above. On July 1, 2025, ED did not make available to states, the District of Columbia, Puerto Rico, the outlying areas,¹⁶ or the Bureau of Indian Education FY2025 forward funds for the following programs authorized by the ESEA:¹⁷

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

ED also did not make forward funds available on July 1, 2025, to states, the District of Columbia, or Puerto Rico¹⁸ for formula grants¹⁹ under two adult education programs authorized by Title II of the Workforce Innovation and Opportunity Act (WIOA): the Adult Basic and Literacy Education State Grants and the Integrated English Literacy and Civics Education State Grants. For purposes of this report, these ESEA and adult education programs are collectively referred to as the *affected programs*. FY2025 funds for the affected programs were primarily for use during the

¹⁵ For example, in 2017, July 1 fell on a Saturday. Data in USAspending.gov indicates that ESEA Title II-A and Title IV-B grants were first made available for obligation by states on July 3, 2017.

¹⁶ The outlying areas include American Samoa, Guam, Northern Mariana Islands, and the U.S. Virgin Islands.

¹⁷ For more information about ESEA programs, see CRS Report R45977, *The Elementary and Secondary Education Act (ESEA), as Amended by the Every Student Succeeds Act (ESSA): A Primer* (Feb. 12, 2024). The Department of Education Justifications of Appropriation Estimates to the Congress indicate whether a program is forward funded. More specifically, the FY2026 ED Justifications include information about the following affected programs being forward funded is available as follows: Education of Migratory Children (<https://www.ed.gov/media/document/fy-2026-congressional-justification-education-disadvantaged-110143.pdf#page=34>), Supporting Effective Instruction (<https://www.ed.gov/media/document/fy-2026-congressional-justification-school-improvement-programs-110158.pdf#page=11>), English Language Acquisition (<https://www.ed.gov/media/document/fy-2026-congressional-justification-english-language-acquisition-110146.pdf#page=8>), Student Support and Academic Enrichment Grants (<https://www.ed.gov/media/document/fy-2026-congressional-justification-school-improvement-programs-110158.pdf#page=58>), and 21st CCLC (<https://www.ed.gov/media/document/fy-2026-congressional-justification-school-improvement-programs-110158.pdf#page=16>). The FY2026 ED Justifications do not discuss how the adult education programs receive funds, but the FY2025 ED justifications state that the programs are forward funded: Adult Basic and Literacy Education State Grants and Integrated English Literacy and Civics Education State Grants (<https://www.ed.gov/sites/ed/files/about/overview/budget/budget25/justifications/o-ctae.pdf#page=23>).

¹⁸ The outlying areas and Palau receive funds under the Adult Basic and Literacy Education State Grants program but do not receive funds under the Integrated English Literacy and Civics Education State Grants program.

¹⁹ ED also awards competitive grants under the Adult Basic and Literacy Education State Grants for the Pacific Region program (WIOA, §211(e)).

2025-2026 school year. Funds under these programs can be used for various purposes, such as educator professional development, summer programs, after-school programs, and adult education.²⁰

In ED's FY2026 and FY2027 budget requests,²¹ the Administration proposed the consolidation of the ESEA Title II-A, Title IV-A, and Title IV-B programs into a new block grant program that would allow funds to continue to be used for the same purposes as under current law, albeit with added flexibility via the pooling together of funds from additional ESEA programs. The Administration has proposed that the other affected programs be eliminated.²²

What amount of funding did affected programs receive for FY2025?

ED's delay in releasing FY2025 forward funds affected billions in FY2025 forward funds. **Table 2** details FY2025 appropriations levels for the affected programs. As discussed below, ED had flexibility with respect to determining the amount of appropriations provided to some of the affected programs but provided the same amount of funding for these programs in FY2025 as was provided in FY2024.²³

Table 2. Appropriations for Programs Administered by the U.S. Department of Education for Which FY2025 Funds Were Not Made Available on July 1, 2025

dollars in thousands

Program	FY2025 Appropriation
ESEA Title I-C: Education of Migratory Children	\$375,626
ESEA Title II-A: Supporting Effective Instruction	\$2,190,080
ESEA Title III-A: English Language Acquisition	\$890,000
Title IV-A: Student Support and Academic Enrichment Grants	\$1,380,000
ESEA Title IV-B: 21 st Century Community Learning Centers	\$1,329,673
WIOA Title II: Adult Basic and Literacy Education State Grants	\$629,600

²⁰ For more information about the ESEA programs, see CRS Report R45977, *The Elementary and Secondary Education Act (ESEA), as Amended by the Every Student Succeeds Act (ESSA): A Primer* (2024). For more information about the adult education programs, see CRS Report R43789, *Adult Education and Family Literacy Act: Major Statutory Provisions* (2014).

²¹ U.S. Department of Education, *School Improvement Programs: Fiscal Year 2026 Budget Request*, 2025, p. 64, <https://www.ed.gov/media/document/fy-2026-congressional-justification-school-improvement-programs-110158.pdf#page=65>; and U.S. Department of Education, *Education for the Disadvantaged: Fiscal Year 2027 Budget Request*, 2026, p. 27, <https://www.ed.gov/media/document/fy-2027-congressional-justification-education-disadvantaged-113537.pdf#page=28>.

²² For example, see U.S. Department of Education, *Fiscal Year 2027 Budget Summary*, 2026, <https://www.ed.gov/media/document/fy-2027-budget-summary-113552.pdf>; and U.S. Department of Labor, *FY2027 Congressional Budget Justification: Employment and Training Administration, Training and Employment Services*, 2026, p. 30, <https://www.dol.gov/sites/dolgov/files/general/budget/2027/CBJ-2027-V1-02.pdf#page=34>. The U.S. Department of Education is assisting ED in operating adult education programs through an Interagency Agreement (IAA). For more information about the IAA, see <https://www.ed.gov/media/document/ed-and-dol-interagency-agreement-octae-partnership-may-12-2025-and-september-12-2025-addendum-113001.pdf>.

²³ For more information, see U.S. Department of Education, *FY2026 Department of Education Justifications of Appropriation Estimates to the Congress*, 2025, <https://www.ed.gov/about/ed-overview/annual-performance-reports/budget/budget-requests/fy-2026-department-of-education-justifications-of-appropriation-estimates-congress>.

Program	FY2025 Appropriation
WIOA Title II: Integrated English Literacy and Civics Education State Grants	\$85,855
TOTAL	\$6,794,979

Source: Prepared by CRS using U.S. Department of Education, *Fiscal Year 2027 Budget Summary*, <https://www.ed.gov/media/document/fy-2027-budget-summary-113552.pdf>.

Notes: ESEA = Elementary and Secondary Education Act; WIOA = Workforce Innovation and Opportunity Act.

In March 2025, Congress enacted a full-year continuing resolution (CR) for FY2025 (the Full-Year Continuing Appropriations and Extensions Act, 2025 [P.L. 119-4]), which generally makes appropriations for FY2025 at levels contained in the prior year’s appropriations acts, including the Department of Education Appropriations Act, 2024 (P.L. 118-47, Division D).²⁴ The FY2024 appropriations act did not specify in statute precise funding amounts for every program that ED administers. Instead, it was accompanied by an explanatory statement that included a funding table, which delineated funding levels that Congress intended ED to provide to certain programs from a single appropriated amount made for the purpose of two or more such programs.²⁵ No similar explanatory statement accompanied the full-year CR for FY2025.

The ESEA formula grant programs for which ED did not make funds available on July 1, 2025, receive appropriations under three different headings in ED’s appropriations act. The Title I-C program is funded under the “Education for the Disadvantaged” heading.²⁶ While statutory language specified amounts for several programs funded in this heading that were not affected by the withholding, it did not include a specific amount that was set aside for the Title I-C program. Rather, the appropriation provided funds for the program by stating that amounts in the heading were available “for carrying out title I” of the ESEA, which includes the Title I-C program.²⁷

The Title II-A, Title IV-A, and Title IV-B programs are funded under the “School Improvement Programs” heading. The FY2024 appropriations act provided \$5.8 billion for this heading, including \$1.7 billion in advance appropriations.²⁸ While the heading did not specify a funding level for the Title II-A program, it stated that the amount appropriated for the Title IV-A program was \$1.4 billion and the amount for the Title IV-B program was \$1.3 billion.²⁹ The FY2025 full-year CR continued these levels.³⁰ Similar to the Title I-C program, the statutory language indicated that funds are provided “for carrying out school improvement activities authorized by ... part A of title II” of the ESEA, among other activities, but did not provide a specific appropriations level for the Title II-A program.³¹

²⁴ P.L. 119-4 §1101(a)(8), 139 Stat. 10, 11.

²⁵ The explanatory statement for the ED appropriations act is available at <https://docs.house.gov/billsthisweek/20240318/Division%20D%20LHHS.pdf#page=75>.

²⁶ P.L. 118-47, 138 Stat. 681-82.

²⁷ P.L. 118-47, 138 Stat. 681-82.

²⁸ P.L. 118-47, 138 Stat. 682-83.

²⁹ P.L. 118-47, 138 Stat. 683.

³⁰ P.L. 119-4 §1101(a)(8), 139 Stat. 10, 11.

³¹ P.L. 118-47, 138 Stat. 682-83.

The Title III-A program is funded under the “English Language Acquisition” heading.³² The FY2024 appropriations act specified a funding level of \$890 million for the program.³³ The FY2025 full-year CR continued this level for FY2025.³⁴

The WIOA Title II programs are funded under the “Career, Technical, and Adult Education” heading.³⁵ A total of \$2.2 billion was provided for programs in this heading, including forward funds and advance appropriations, but the FY2024 appropriations act did not detail a specific amount of funding for the affected adult education programs.³⁶ The statute instead appropriated a total dollar amount for career and technical education programs and adult education programs, collectively, without specifying the amount of that total that individual programs are to receive.³⁷

What did ED say about its decision not to make funds available for the affected programs?

On June 30, 2025, ED sent the following email to states:

Given the change in Administrations, the Department is reviewing the FY 2025 funding for the [Title I-C, II-A, III-A, IV-A, IV-B] grant program(s), and decisions have not yet been made concerning submissions and awards for this upcoming academic year. Accordingly, the Department will not be issuing Grant Award Notifications obligating funds for these programs on July 1 prior to completing that review. The Department remains committed to ensuring taxpayer resources are spent in accordance with the President’s priorities and the Department’s statutory responsibilities.³⁸

ED separately informed congressional staff that funds for the affected programs would be withheld.³⁹ ED’s congressional notification referred all questions about the affected programs to OMB.⁴⁰

In a statement made to an education news outlet, OMB said that its initial findings from its programmatic review “show that many of these grant programs have been grossly misused to subsidize a radical leftwing agenda.”⁴¹ In discussing the affected programs at a press event in July 2025, OMB Director Vought told reporters that the affected funds were currently “under programmatic review” and claimed that the programs were “riddled” with “critical race theory funding.”⁴²

³² P.L. 118-47, 138 Stat. 684.

³³ P.L. 118-47, 138 Stat. 684.

³⁴ P.L. 119-4, §1101(a)(8), 139 Stat. 10.

³⁵ P.L. 118-47, 138 Stat. 687.

³⁶ P.L. 118-47, 138 Stat. 687.

³⁷ P.L. 118-47, 138 Stat. 687.

³⁸ See Plaintiff States’ Motion for Preliminary Injunction at 19-20, *California v. McMahon*, No. 1:25-cv-00329, (D.R.I. July 14, 2025), <https://storage.courtlistener.com/recap/gov.uscourts.rid.60020/gov.uscourts.rid.60020.2.0.pdf>.

³⁹ *Ibid.* at 19.

⁴⁰ *Ibid.*

⁴¹ Kara Arundel, “States sue Trump administration over frozen K-12 funds,” *K-12 Dive*, July 14, 2025, <https://www.k12dive.com/news/states-sue-over-frozen-education-funds-Linda-McMahon-Trump-OMB/752995/>.

⁴² Cameron Joseph, “As Congress codifies government cuts, Russell Vought promises more to come,” *Christian Science Monitor*, July 17, 2025, https://www.csmonitor.com/USA/Politics/monitor_breakfast/2025/0717/russell-vought-trump-congress-budget.

When and under what circumstances did ED release funds for the affected programs?

Data available from USAspending.gov show that ED initially made forward funds available to states under all the affected programs by July 30, 2025.⁴³

According to a July 18, 2025, news report, a senior Trump Administration official indicated that OMB had completed its review of the 21st CCLC funds and would be releasing affected funds.⁴⁴ The official also reportedly said that “guardrails” had been put into place to ensure that the funds would not be used a manner that violated any executive orders.⁴⁵ ED released the funds to states on July 21.⁴⁶ The email notifying 21st CCLC grant recipients that the funds were being released also noted that the Grant Award Notification (GAN) would include additional “condition[s] to ensure compliance with applicable laws and regulations.”⁴⁷ The email stated that no decision had been made regarding the other affected programs.

On July 25, reports indicated that OMB had completed its programmatic review and that ED would release funds for the remaining affected programs the following week.⁴⁸ A CRS analysis of available data found that ED made funds for the remaining affected programs available to states on July 30.⁴⁹

ED released the forward funds during a time when it faced litigation from two sets of plaintiffs affected by the withholding. In the first case, filed on July 14, 2025, 24 states and the District of Columbia (state plaintiffs) sued President Trump, ED, and OMB in the U.S. District Court for the District of Rhode Island.⁵⁰ The lawsuit contested the Administration’s withholding of funds for the affected programs. The state plaintiffs urged the court to issue a preliminary injunction to “make the appropriated funds for the Impacted Programs available to Plaintiff States.”⁵¹

In support of this request, the state plaintiffs argued that ED regulations required ED to make funds for state-administered formula grant programs available to states for obligation on the same day that those funds become available to ED. In particular, the state plaintiffs claimed that ED

⁴³ See footnote 4.

⁴⁴ Juan Perez Jr., “In partial reversal, Trump administration opts to release some federal education money to states,” *Politico*, July 18, 2025, <https://subscriber.politicopro.com/article/2025/07/trump-administration-release-federal-money-summer-school-00462639>.

⁴⁵ Perez Jr., “In partial reversal, Trump administration opts to release some federal education money to states,” *Politico*, July 18, 2025.

⁴⁶ OMB had not released the results of its programmatic review nor had OMB or ED issued any statements regarding the release of the funds under the remaining program as of the cover date of this report. See footnote 4 for information about the release of funds.

⁴⁷ Complaint at 24, No. 1:25-cv-00347 (D.R.I. July 21, 2025), <https://storage.courtlistener.com/recap/gov.uscourts.ri.60062/gov.uscourts.ri.60062.1.0.pdf>.

⁴⁸ For example, see Linda Jacobson, “Education Dept. Lifts Freeze on Remaining Federal Funds,” *The 74*, July 25, 2025, <https://www.the74million.org/article/education-dept-lifts-freeze-on-remaining-federal-funds/>; Juan Perez Jr., “Trump administration moves to release billions in federal cash,” *Politico*, July 25, 2025, <https://www.politico.com/news/2025/07/25/trump-administration-moves-to-release-billions-in-federal-education-cash-00477213>; and Office of the Attorney General, Connecticut, “State Of Connecticut Secures Major Win as U.S. Education Department Restores Previously Withheld Funding,” press release, August 5, 2025, <https://portal.ct.gov/ag/press-releases/2025-press-releases/connecticut-secures-major-win-as-us-education-department-restores-previously-withheld-funding>.

⁴⁹ See footnote 4.

⁵⁰ Complaint, *California v. McMahon*, No. 1:25-cv-00329 (D.R.I. July 14, 2025), <https://storage.courtlistener.com/recap/gov.uscourts.ri.60020/gov.uscourts.ri.60020.1.0.pdf>.

⁵¹ Plaintiff States’ Motion for Preliminary Injunction at 3, *California v. McMahon*, No. 1:25-cv-00329 (D.R.I. July 14, 2025), <https://storage.courtlistener.com/recap/gov.uscourts.ri.60020/gov.uscourts.ri.60020.2.0.pdf>.

had previously approved their state plans for ESEA purposes.⁵² As a result, the state plaintiffs contended that 34 C.F.R. §76.703(d) stipulated that “the State may begin to obligate funds” for such programs “on the date that the funds are first available for obligation by the Secretary,” which, for the FY2025 forward funds, would have been July 1.⁵³

The federal government defendants did not respond to these preliminary injunction arguments. Prior to the federal government’s response deadline, on August 5, 2025, the district court granted the state plaintiffs’ motion to withdraw their preliminary injunction request.⁵⁴ Later that month, on August 25, the parties jointly moved to dismiss the plaintiffs’ complaint after reaching agreement on disposition of the FY2025 funds.⁵⁵ The parties’ August 25, 2025, agreement, or stipulation, confirms that ED made FY2025 forward funds available to states.⁵⁶ On September 12, 2025, the district court granted the parties’ joint motion to dismiss, ending the state plaintiff litigation.⁵⁷

Separately, on July 21, a group of school districts and others (school district plaintiffs) sued ED and OMB, also in the Rhode Island federal district court. The school district plaintiffs argued that the failure to make forward funds available was arbitrary and capricious, contrary to law, and was agency action unlawfully withheld or delayed, all in alleged violation of the Administrative Procedure Act.⁵⁸ The school district plaintiffs initially sought a nationwide preliminary injunction but,⁵⁹ like the state plaintiffs, withdrew their request once ED represented that it had “disbursed all outstanding [forward] funds.”⁶⁰ Also like the state plaintiffs, the parties in the school district litigation jointly moved to dismiss the case upon the same stipulation that ED and the state plaintiffs reached in the separate lawsuit.⁶¹ On September 12, 2025, the district court granted the parties’ joint motion to dismiss, ending the school district plaintiff litigation.⁶²

⁵² *Ibid.* at 32.

⁵³ 34 C.F.R. §76.703(d).

⁵⁴ Text Order Granting Plaintiff States’ Motion to Withdraw Their Motion for Preliminary Injunction, *California v. McMahon*, No. 1:25-cv-00329 (D.R.I. Aug. 5, 2025), <https://www.courtlistener.com/docket/70791182/state-of-california-v-mcmahon/>.

⁵⁵ Joint Motion to Dismiss the Complaint Without Prejudice Subject to the Parties’ Stipulation, *California v. McMahon*, No. 1:25-cv-00329 (D.R.I. Aug. 25, 2025), <https://storage.courtlistener.com/recap/gov.uscourts.rid.60020/gov.uscourts.rid.60020.58.0.pdf>.

⁵⁶ *Ibid.* at 2. As discussed above, the stipulation also recited that ED “intend[ed] to make the Second Tranche of funds”—that is, FY2025 advance appropriations—“available on or about October 1, 2025, but no later than October 3, 2025.” *Ibid.* at 2-3. See “Did ED also delay the allocation of FY2025 advance appropriations for affected programs?”

⁵⁷ See Text Order, *California v. McMahon*, No. 1:25-cv-00329 (D.R.I. Sept. 12, 2025), <https://www.courtlistener.com/docket/70791182/state-of-california-v-mcmahon/>.

⁵⁸ See Complaint, *Anchorage Sch. Dist. v. U.S. Dep’t of Educ.*, No. 1:25-cv-00347 (D.R.I. July 21, 2025), <https://storage.courtlistener.com/recap/gov.uscourts.rid.60062/gov.uscourts.rid.60062.1.0.pdf>.

⁵⁹ Memorandum of Law in Support of Plaintiffs’ Motion for Preliminary Injunction & to Preliminarily Set Aside & Stay Agency Action, *Anchorage Sch. Dist. v. U.S. Dep’t of Educ.*, No. 1:25-cv-00347 (D.R.I. July 21, 2025), <https://storage.courtlistener.com/recap/gov.uscourts.rid.60062/gov.uscourts.rid.60062.9.1.pdf>.

⁶⁰ Plaintiffs’ Notice of Withdrawal of Motion for Preliminary Injunction, *Anchorage Sch. Dist. v. U.S. Dep’t of Educ.*, No. 1:25-cv-00347 (D.R.I. Aug. 4, 2025), <http://storage.courtlistener.com/recap/gov.uscourts.rid.60062/gov.uscourts.rid.60062.21.0.pdf>.

⁶¹ Joint Motion to Dismiss the Complaint Without Prejudice Subject to the Parties’ Stipulation, *Anchorage Sch. Dist. v. U.S. Dep’t of Educ.*, No. 1:25-cv-00347 (D.R.I. Aug. 25, 2025), <https://storage.courtlistener.com/recap/gov.uscourts.rid.60062/gov.uscourts.rid.60062.22.0.pdf>.

⁶² See Text Order, *Anchorage Sch. Dist. v. U.S. Dep’t of Educ.*, No. 1:25-cv-00347 (D.R.I. Sept. 12, 2025), <https://www.courtlistener.com/docket/70873172/anchorage-school-district-v-us-department-of-education/>.

What “guardrails” did ED place on funding for the affected programs?

ED created an attachment—the *Governmentwide Administrative Statutory and National Policy Requirements for U.S. Department of Education Awards*—that accompanied the GANs for at least some of the affected programs.⁶³ The document was dated July 25, 2025, and is also referred to as the “Formula GAN Attachment.” It lists the federal laws and policies that may apply to awards. As part of this document, ED included the following condition, which ED stated was applicable to all grantees:

Grantees must not use federal funds under this project in any manner that violates the United States Constitution, Title VI or Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq. or 42 U.S.C. § 2000e et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 et seq.), section 504 of the Rehabilitation Act (29 U.S.C. § 794), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12131 et seq.), the Boy Scouts of America Equal Access Act of 2001 (20 U.S.C. § 7905), section 117 of the Higher Education Act of 1965, as amended (20 U.S.C. § 1011f), or other applicable federal law. To the extent that a grantee uses grant funds for such unallowable activities, the Department intends to take appropriate enforcement action including under section 451 of the General Education Provisions Act (GEPA), which may include the recovery of funds under section 452 of GEPA.⁶⁴

The Formula GAN Attachment included information about *financial assistance general certifications and representations*.⁶⁵ It also contained a chart that summarized various requirements that grantees must meet (e.g., conflict of interest, lobbying disclosures, subaward reporting, wage protections), a description of each requirement, and the laws and policies associated with each requirement.⁶⁶

What were potential practical implications of ED not making funds available under the affected programs?

ED’s decision to not make funds available to grantees under the affected programs on July 1 may have created challenges for planning, staffing, and programming for the summer and upcoming school year. For example, the state plaintiffs alleged in their motion for preliminary injunction that because

many school systems have summer programs supported by federal funds, and because the school year begins just a few weeks after July 1 in many districts, the States’ ability to start drawing down funds and to make these funds available to LEAs on or around July 1 is critical. Without access to these funds, States and LEAs run a serious risk of accruing budgeted expenses without the federal funds to meet those expenses, and they face

⁶³ A copy of the attachment was provided to CRS by ED on July 31, 2025. The document is available to congressional clients from the authors of this CRS report.

⁶⁴ 20 U.S.C. §1234.

⁶⁵ This section of the document provides information about registering in the System for Award Management and the requirement that grantees agree to the Financial Assistance General Certifications and Representations that are binding on every award.

⁶⁶ See pp. 7-12 of the Formula GAN Attachment.

difficulties meeting federal reporting and monitoring requirements that help ensure federal funds are being utilized properly and effectively.⁶⁷

The federal defendants did not respond to these allegations concerning the effect of ED's funding delay because prior to their deadline for responding to the state plaintiffs' motion, the district court granted the state plaintiffs' motion to withdraw their injunction request.⁶⁸ The parties subsequently settled their dispute, and the district court granted their joint motion to dismiss the litigation.⁶⁹

Did ED also delay the allocation of FY2025 advance appropriations for affected programs?

ED has traditionally made advance appropriations available to states for obligation on the same date that they become available to ED for obligation, that is, October 1 of the fiscal year following the fiscal year in which they were appropriated.⁷⁰ As part of the stipulation it reached to resolve the civil actions brought by the state and school district plaintiffs, ED agreed to "make the Second Tranche of funds for the Impacted Programs"—that is, the FY2025 advance appropriations—"available to the Plaintiffs through issuance of GANs on or about October 1, 2025, for the Impacted Programs without any new conditions or restrictions beyond those specified in the [forward funds] GANs."⁷¹ This agreement applied only to the affected programs and only for FY2025 funds.⁷² It did not address advance appropriations provided for other programs administered by ED, nor did it apply to subsequent fiscal years.⁷³

How does the Consolidated Appropriations Act, 2026, address ED's release of FY2026 appropriations for affected programs?

On February 3, 2026, Congress enacted the Consolidated Appropriations Act, 2026 (P.L. 119-75). Division B of the act provides appropriations for ED and continues to provide forward funds, advance appropriations, or both for programs affected by the 2025 temporary withholding. In

⁶⁷ Plaintiff States' Motion for Preliminary Injunction at 19, *California v. McMahon*, No. 1:25-cv-00329 (D.R.I. July 14, 2025), p. 18, <https://storage.courtlistener.com/recap/gov.uscourts.riid.60020/gov.uscourts.riid.60020.2.0.pdf>. The motion includes additional information about the "harms from the ED Funding Freeze" in Part C of the Factual Background section. In addition, eligible private school students and staff may receive services and support under some of the affected ESEA programs in accordance with equitable services provisions. See CRS Report R46907, *Equitable Services for Private School Students and Staff and the Elementary and Secondary Education Act*.

⁶⁸ Text Order Granting Plaintiff States' Motion to Withdraw Their Motion for Preliminary Injunction, *California v. McMahon*, No. 1:25-cv-00329 (D.R.I. Aug. 5, 2025), <https://www.courtlistener.com/docket/70791182/state-of-california-v-mcmahon/>.

⁶⁹ See Text Order, *California v. McMahon*, No. 1:25-cv-00329 (D.R.I. Sept. 12, 2025), <https://www.courtlistener.com/docket/70791182/state-of-california-v-mcmahon/>.

⁷⁰ See footnote 4.

⁷¹ Joint Motion to Dismiss the Complaint Without Prejudice Subject to the Parties' Stipulation at 2-3, *Anchorage Sch. Dist. v. U.S. Dep't of Educ.*, No. 1:25-cv-00347 (D.R.I. Aug. 25, 2025), <https://storage.courtlistener.com/recap/gov.uscourts.riid.60062/gov.uscourts.riid.60062.22.0.pdf>.

⁷² Joint Motion to Dismiss the Complaint Without Prejudice Subject to the Parties' Stipulation at 2-3, *Anchorage Sch. Dist. v. U.S. Dep't of Educ.*, No. 1:25-cv-00347 (D.R.I. Aug. 25, 2025), <https://storage.courtlistener.com/recap/gov.uscourts.riid.60062/gov.uscourts.riid.60062.22.0.pdf>.

⁷³ For example, the Title I-A program authorized by the ESEA and Grants to States program authorized by the Individuals with Disabilities Education Act (IDEA) Part B receive advance appropriations.

other words, the act does not alter the approach that Congress took in FY2025 when specifying when funds for these programs become available to ED for obligation.

The act includes a new general provision that addresses the timing of ED's release of funds for programs affected by the 2025 temporary withholding as well as other programs administered by ED. Section 312 of Division B requires the Secretary of Education to award formula grant funding for specified programs "on the date such funds become available for obligation."⁷⁴ This provision applies to formula grant programs authorized by the ESEA, the McKinney-Vento Homeless Assistance Act, the Individuals with Disabilities Education Act (IDEA), the Carl D. Perkins Career and Technical Education Act, and the Adult Education and Family Literacy Act for which funds were appropriated in the appropriations act.⁷⁵ This provision applies to FY2026 forward funding available on July 1, 2026, and FY2026 advance appropriations included in the act that become available on October 1, 2026.⁷⁶

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⁷⁴ P.L. 119-75, div. B, §312, 140 Stat. 173, 306.

⁷⁵ P.L. 119-75, div. B, §312, 140 Stat. 173, 306.

⁷⁶ The Consolidated Appropriations Act, 2026, includes advance appropriations for the Title I-A program and Supporting Effective Instruction State Grants program (Title II-A), which are authorized by the ESEA, as well as for the Basic State Grants program authorized by the Perkins Career and Technical Education Act.