TESTIMONY

Testimony To: House Committee on Education

Respectfully Submitted by: Jill Briggs Campbell, Deputy Secretary of Education

Anne Bordonaro, Director of Federal Education Support Programs

Subject: Federal Updates

Date: April 2, 2025

Background

Last week's meetings in Washington, DC provided important insights into the continuing uncertainties and disconnections in the current administration. Midweek, Jill Briggs Campbell and Anne Bordonaro met with senior political appointees in the Department of Education including Secretary McMahon, Principal Deputy Assistant Secretary of Office of Elementary and Secondary Education (OESE), Hayley Sanon, and nominated Deputy Secretary of Education, Penny Schwinn. In those meetings, they assured us that they are prioritizing continued funding and staffing to support "core" education programs. They referenced Title I and IDEA repeatedly as "core" programs. They also committed to getting allocations for school year 25-26 for these programs out roughly within normal time frames, despite staffing cuts.

The Agency will continue to rely on what we receive in writing from the federal agencies and from our trusted sources (i.e. Council of Chief State School Officers (CCSSO) and our delegation) who are monitoring federal policy by the moment. However, as a state, we are preparing for the potential fiscal and programmatic impacts by carefully prioritizing state and LEA needs and transforming our education system to be more resilient in the face of such federal challenges and other external forces.

Liquidation Extension and Availability of COVID-era Funds

On Wednesday, March 26, in a meeting with state education leaders, Hayley Sanon reaffirmed that states and districts can and should expect that ESSER and other COVID-era funds would still be available through the late liquidation process and that reimbursements would be made.

Despite these unequivocal assurances, a significant and unanticipated decision on late liquidation was announced by Secretary McMahon on Friday at 5:03 pm. This decision reversed the Biden administration's approach to liquidation extension, approvals and reimbursement processes. We intend to submit waivers and will support LEAs in submitting waivers once we have more information on the process and required documentation. We have suggested that LEAS pause grant funded activities until we can determine the impact of the change on this process. The Agency is working directly with LEAs (districts) to share the information that we currently have, along with next steps. Additionally, the Agency is offering ongoing office hours to keep our partners in the field informed. Up to date information is available on the AOE's Federal Updates webpage.

The Agency has also paused all of its contracted services that are supported through these funds, including activities to support literacy professional development, educator wellness initiatives, and modeling and analysis related to CTE and special education services.

Updates on FY25 Spending

Congress funds the federal government in two budget categories: discretionary and mandatory. Most education programs fall into the former category. Child nutrition, Medicaid, and other "entitlement" programs fall into the latter category. Social Security and Medicare are funded separately.

The recently passed Continuing Resolution (CR) funded discretionary programs for the remainder of federal FY25 at FY24 levels. We still believe education programs, which are forward funded, are secure through school year 25-26. However, we have not yet seen allocations from the Department of Education for the specific ESEA or IDEA sub-programs within these broad program categories, such as personnel development grants within IDEA or McKinney-Vento Homeless grants which are usually folded into Title I notifications.

Congress still must pass appropriations for the mandatory programs, which comprise most of the federal budget. To fund continuation of the 2017 tax cuts and increases in military and immigration enforcement spending, they must find substantial savings from other programs. The House and Senate have agreed on top line budget numbers for each major category of mandatory spending, including cuts of $880 billion in non-military spending. These cuts may occur over 10 years.

Republicans are pursuing a strategy known as "reconciliation" to complete this funding process. Reconciliation requires only simple majorities in both chambers. Both programmatic changes and actual funding levels can be adjusted as part of the reconciliation process so long as their impact is primarily fiscal. (Challenges may be brought regarding the allowability of a particular change through the Senate parliamentarian.) Such changes could be near-term, or they could propose changes that are concentrated in the final years of the 10-year window and still claim to have met the spending requirements.

Congress must pass this mandatory spending before December 31, 2025 when the tax cuts expire. The legislative committees are working on their individual budget areas now, and we expect Congress to unveil their bill in May, although it could take longer.

Once the plans are unveiled, negotiations on funding and programmatic changes and timelines for implementation of any changes will begin in Congress. We will be working with our state agency partners to inform our Congressional delegation in order that they may negotiate the most advantageous outcomes possible for Medicaid, nutrition, and child nutrition programs.

Updates on Federal FY26 Funding

The President has not yet unveiled his federal FY26 budget and Congress is consumed with the FY25 reconciliation bill. We have been told that it is likely that a Continuing Resolution (CR) will be needed to fund the government at the start of the new fiscal year (October 1, 2025). Unlike reconciliation, a CR would require 60 votes in the Senate.

New Flexibilities

In line with their stated goal of reducing the federal burden in education, we were encouraged by senior Department of Education staff to apply for waivers of regulations within the (relatively few) areas where the Department has waiver authority. To that end, the Agency is currently considering areas where we may want to apply for waivers. Some possibilities include Title IVA spending requirements and state assessment program design. Any contemplation of change would be done through a robust collaboration with our partners in the field.

Reduced Reporting Burden

Also, within their goal of reducing federal burden on SEAs and LEAs, ED is taking comment on two required data collections and may adjust them based on state input. We also will continue to raise ESSER, GEER and EANS Annual Performance Reporting, which, historically, has been extremely burdensome to the Agency and LEAs and the current year data collection is live. Critically, the Agency uses ARP ESSER funds to support the work of a contracted partner to complete this reporting, and that work is now paused. We have alerted the Department of this situation and know of at least one other state in similar circumstances.