

PARSS Legislative Update

August 2, 2025

Good News and Bad News for School Budget: Redux

Repeating last week's scenario, there is good news for school budgets at the federal level and continued bad news at the state level.

First, for the positive development on federal education funds. All of the attempted clawback of US Department of Education funds has been released. The previously released \$1.2 billion included funding for after school programs. The most recent release includes \$2 billion for teachers' professional development and class size reduction, \$1 billion for academic enrichment grants, \$890 million for English language learner programs, \$376 million to educate the children of migrant workers; and \$715 million for adult reading. A total of \$6 billion will be flowing for already approved federal budget items. Unfortunately, there is no indication that the clawback maneuver will not be used in future budgeted allocations to schools across the country. To read more about the release of the funds [click here](#).

Second, the state budget impasse continues. State Budget Secretary Uri Moson sent letters to all schools indicating that without a budget \$2 billion in state aid payments to local education agencies will be at risk. There is no indication by budget negotiators that the significant progress has been. In his letter Monson said, "Negotiations are continuing and the dialogue is respectful and productive; however, finding agreement can be slow moving and we have not yet come to final agreement," Monson wrote.

While the missed state aid scheduled to be received by schools last month was a fiscal setback, failure to provide August payments to schools at the end of the month, including the first Basic Education Funding payment of the year, will set off borrowings to stabilize cash flow in poorer districts across the state. For a full text of the Budget Secretary's letter, see next page.