

POLICY ISSUE BRIEF:

FEDERAL FUNDING AND SUPPORT FOR SECONDARY EDUCATION

Issue at a Glance

Since the 1965 enactment of the Elementary and Secondary Education Act (ESEA), the federal government has played a critical role in bolstering the state and local funding provided to ensure quality education for all students. Federal funding plays an especially important role for high-poverty and rural schools which often lack the local tax base of more affluent districts. In 2015, Congress passed the newest bipartisan rewrite of ESEA, renamed the Every Student Succeeds Act (ESSA). Congress increased funding for key programs but when adjusted for inflation, ESSA programs receive less money today than a decade ago.

According to the most recent U.S. Census data and prior to the COVID-19 pandemic, the nation spent \$752.3 billion on its 48 million children in public schools in fiscal year 2019, a 4.7% increase from the previous year and the most per pupil spending in more than a decade. Instructional salaries were the largest expenditure, totaling \$239.9 billion in fiscal year 2019 or 31.9% of total expenditures for public elementary and secondary education.

Additionally, calculations from the U.S. Census Bureau's Annual Survey of School System Finances Tables for August 16, 2022, the most recent year for which information is available, the federal share grew in the 1970s, reaching 8.1% of all school district revenue in 1977. More recently, the federal share was about 9% between 2005 and 2013 and 8% in 2017, before reaching 10% in 2021, as a result of the American Rescue Plan and its Elementary and Secondary School Emergency Relief Fund.

A summary provided by senior education staff from the U.S. Department of Education in early January 2025 also notes federal investment in support of secondary education. It provides reasoning for the importance of the department and its jurisdiction to disseminate supplemental state funding:

- K–12 funding required to be distributed every year reaches over 100,000 public schools in every state and territory.
- Over \$15 billion supports 7.4 million students with disabilities.
- Over \$18 billion supports more than 26 million students from low-income families.
- Nearly \$900 million supports 5 million English learners.
- Over 5,800 colleges, universities, and postsecondary institutions receive federal funding from the department.

Over the years, emphasis has been made on early learning success through preschool and elementary education programs but has still left middle level and high school resources with deficits and educator

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shortages. Early education funding is provided by various funding sources, including childcare subsidies, public pre-K funding, philanthropic grants, corporate contributions, and small business grants/loans.

Middle level and high school students deserve the same high-quality education that they receive in the early grades, and any failure to meet students' needs in the latter years often translates into lower performance and higher drop-out rates and reduces college or career readiness.

Within ESSA and the other federal government support to schools, there are two primary types of grants: formula and competitive:

- Foundational formula grants in K–12 education serve as the primary means to distribute federal education funding to states, districts, and schools and are mostly restricted by eligibility. They include Title I grants for schools with low-income students, state grants that serve students with disabilities under the Individuals with Disabilities Education Act (IDEA), and grants that support the professional development of principals and other educators under Title II, Part A (Supporting Effective Instruction State Grants).
- Competitive grants are restricted by criteria that applicants must meet and are only awarded to a select group of states or districts. Currently, ESSA offers 12 state formula-allocated grant programs and 21 competitive grant programs.

Unfortunately, the annual appropriations process has resulted in many of these programs being severely underfunded year-to-year, with several lacking any funding or no longer being distributed to states.

School leaders are particularly concerned about funding for Title I and IDEA and the unfunded mandates for implementation that accompany these underfunded programs. According to the Committee for Education Funding, a coalition of more than 110 education organizations and institutions, fully funding Title I grants would require an appropriation of approximately \$44 billion annually, an increase of more than \$25 billion from what the program received in FY 2025. Likewise, when IDEA was enacted in 1975, the intention of Congress was to fund 40% of the excess cost of educating students with disabilities. Lawmakers have continued to fall short forcing states and districts to pay for the shortfall.

In FY 2025, the federal share for IDEA is approximately 10%, a 30% deficit. Federal mandates created by these programs result in a more equitable, positive learning environment for all students. However, schools across the nation are being forced to make difficult decisions to adhere to these mandates. Funding decisions can often include staff cuts and shortages, as well as delays in updating necessary infrastructure and implementing other programs aimed at improving academic achievement and benefiting students.

National Principals Association Position

- Federal, state, and local secondary school programs that are fully funded help all students graduate with the knowledge and skills needed for post-graduation success.
- Congress and state legislatures routinely approve laws that necessitate local compliance. To be effectively implemented, many of these statutes require adequate funding. Federal and state governments must provide appropriate resources to meet these mandates.

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- Public schools provide education to 90% of American citizens. Therefore, state and federal funding for education must be targeted to public schools, especially those with the greatest need.
- Competitive grants should only be authorized and implemented to achieve equity.
- Legislators at all government levels must include the school leader's voice when making policy decisions which impact school systems, educators, and students.

Recommendations for Congress

- Fully fund all secondary education programs in ESSA and IDEA at their authorized levels.
- Seek input from public education stakeholders including school principals, assistant principals, school administrators, and student leader groups.
- Realize the importance of proper federal long-term investments in our nation's public schools to ensure equitable learning and growth opportunities for all students.
- Prioritize substantial funding for formula grants that help achieve equity in per-pupil spending and that fulfill federal mandates over education funding for competitive grants.
- Prioritize funding for programs like Title II, Part A (Supporting Effective Instruction State Grants) that ensure the improvement and placement of effective teachers, principals, and other educators in schools and reduce nationwide shortages in the educator profession.
- Only fund competitive grants that specifically distribute funds to public schools that comply with federal mandates, promote equal access, and are guided by criteria for student achievement grounded in evidence-based research with a realistic timeline for implementation.
- Refrain from authorizing legislation with mandates that go largely unfunded by Congress either because of political or fiscal circumstances, placing the burden of funding those mandates on states and districts.

Recommendations for The U.S. Department of Education

- Regularly and thoroughly review available nationwide data on indicators that contribute to student achievement—including per-pupil funding; attendance, graduation, and discipline rates; and school personnel, such as special education aides and specialized instructional support personnel—among other indicators.
- Only fund competitive grants that specifically distribute funds to public schools that comply with federal mandates, promote equal access, and are guided by criteria for student achievement grounded in evidence-based research with a realistic timeline for implementation.
- Provide adequate time and technical assistance to states and districts that apply for competitive grants, especially those that are in rural areas or have a significant proportion of students from low-income families, to ensure that all eligible entities have the capacity to submit strong applications and compete fairly.

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- Provide proper and timely guidance to ensure states are using federal dollars to supplement state education funds.

Recommendations for School Leaders

- Urge your members of Congress to fully fund all ESSA and IDEA programs.
- Review federal grant opportunities and urge your states and governing bodies to apply for grants that would boost equitable learning opportunities within your district.
- Collect and share data on state and federal programs in your schools with your elected leaders to display the effectiveness, achievements, outcomes, and importance of funding allocations.