

DATE:	July 3, 2025
SUBJECT:	Federal Grant Update
CATEGORY:	Funding Implications
NEXT STEPS:	Share with appropriate finance, grants, and federal program staff

Texas Education Agency (TEA) staff strive to provide grantees with the best available information at the time, and our guidance is always subject to change as a result of future guidance and other communication updates provided by federal agencies with regulatory oversight of these programs.

This information is intended solely to provide general guidance to Texas LEAs, ESCs, and other TEA subgrantees. This does not constitute legal advice, and entities are, therefore, advised to seek legal counsel regarding the information and guidance provided before acting upon the information provided.

Background

Late afternoon on June 30, 2025, the U.S. Department of Education (USDE) sent TEA the following message regarding federal grant allocations for the coming federal fiscal year:

“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.”

This delay impacts multiple federal formula grant and discretionary programs under the Elementary and Secondary Education Act (ESEA), including:

- Title I, Part C – Migrant Education
- Title II, Part A – Supporting Effective Instruction
- Title III, Part A – English Language Acquisition
- Title IV, Part A – Student Support and Academic Enrichment
- Title IV, Part B – Nita M. Lowey 21st Century Community Learning Centers (21st CCLC)

Additional grant-specific information will be shared directly with grantees who receive 21st CCLC funding.

Key Impacts

USDE grant awards for other federal programs not listed above are being received by TEA, and that funding is not impacted.

Currently, there is no timeline from the USDE regarding if or when these funds might be released to TEA. While TEA expected these grant awards on July 1, 2025, USDE has until the end of the performance period (September 30, 2026) to obligate the funds by releasing them to states.

TEA and school systems cannot begin to obligate these grant funds until TEA receives the GAN from USDE and sets the funding up for school systems to receive NOGAs. If and when TEA receives the GAN, school systems would be able to expend funds through September 30, 2027 (includes the allowable carryover period) and closeout the grant within 90 days of that grant end date.

Action Items

Planning

School systems should review grant budgets for potential contracts, staffing, and procurements, and plan program services accordingly for these funds to not be available for an undetermined length of time. School systems may consider allowable uses and flexibilities of other grants and fund sources to assist with expenditures that were previously planned for the programs listed above.

Application for Grant Funds

TEA will keep the ESSA Consolidated Application unchanged in the eGrants system. As such, school systems are encouraged to submit their application as is the standard process; however, the NOGA is a prepopulated form based on the information you submit. In this case, TEA never expected such late notice of the delay in allocations, and the IT process to change the NOGA will take several weeks. The NOGA for these impacted programs is incorrect and should be ignored as TEA is not awarding any of these funds until if and when the allocation is received from USDE. This is the only option we have to award the Title I, Part A and Title I, Part D funds since all the ESSA programs are in a consolidated application in eGrants.

Since TEA is receiving GANs for other federal education programs on a rolling basis, NOGAs may be received by school systems at different times due to funding not being available until GANs are received by TEA.

Carryover

School systems should review budget records to determine potential carryover amounts within the grant programs that end September 30, 2025. School systems with carryover funds in the impacted programs may want to consider transferability of those funds into Title I, Part A, which may be able to increase services within the school system.

In all programs, the school system will continue to have access to the carryover funds; however, TEA will not be able to NOGA the carryover amounts until after the closeout process ends January 30, 2026. Your school system knows your carryover amount as soon as it completes the local closeout process in the fall and can plan for and expend the funds before TEA issues the carryover NOGA. TEA has no concern with school systems paying expenditures locally and then reimbursing itself when the carryover funds become available in the early spring.

Period of Availability

At this time, we do not know when these funds will be released to TEA and school systems.

However, we do not expect the period of availability to be extended and do not know when the start date might be.

Additional Information

Additional information will be provided as TEA receives more clarification. For any questions, please email Cory Green (cory.green@tea.texas.gov) or Nick Davis (nick.davis@tea.texas.gov).