

National Funding Summary Guide

Funding Insights for Fiscal Year 2025



Introduction

Imagine Learning is sharing our National Funding Summary Guide for fiscal year 2025 (FY25) to help school communities and their leaders better understand the current K–12 education funding landscape and insights across state budgets, spending strategies with the remainder of the federal emergency relief funds, the proposed elementary and secondary program funds and themes from the U.S. Department of Education (USED), and the variety of grants and resources amongst donors.

Our guide will help illustrate some of the most common themes and insights into what to expect in FY25 through the primary funding sources available to support K–12 education and assist State Education Agencies (SEAs), Local Education Agencies (LEAs), and schools seeking to create sustainable and diversified funding portfolios across a range of funds for education programs and initiatives.

Funding Summary

It is widely known that the primary K–12 funding revenue streams historically derive from state and local governments (of which nearly 40% of education funding stems from local property taxes) and the federal government (primarily from the USED, which traditionally contributes approximately 8–10%). Since the 2020–21 school year, SEAs, LEAs, and schools received an influx of over \$200 billion through the one-time emergency relief funds to aid their communities during and after the COVID-19 pandemic. It is projected that during the 2024–25 academic year, elementary and public schools will be relatively flat to the 2023–24 projected expenditures. For example, it is projected that K–12 schools will spend approximately \$784 billion in current expenditures (inflation adjusted, excluding the emergency relief funds) with an average daily attendance (ADA) per pupil amount of \$17,229¹.

Overall, FY25 seems to be relatively stable for most states. Enacted and proposed K–12 education budgets and general education funds have slight growth; the USED proposed a budget of \$82.4 billion² in total discretionary funds for elementary, secondary, and postsecondary school communities; and there is nearly \$39 billion remaining³ in the American Rescue Plan Act (ARP) Act’s Elementary and Secondary School Emergency Relief Funds (ARP ESSER III) funds.

\$784B

K–12 EXPENDITURES

School year 2024–25 spending projections to include instruction, support services, food services, and enterprise operations

\$44B

FEDERAL FUNDS

The U.S. Department of Education’s elementary and secondary education proposed program budget for FY25

(as of March 2024)

\$39B

**EMERGENCY RELIEF FUNDS:
ARP ESSER III**

Remaining funds to be obligated “spent” by September 30, 2024

Data reflected is for the reporting period ending March 31, 2024.

¹U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), “National Public Education Financial Survey,” 1989-90 through 2018-19; National Elementary and Secondary Enrollment Projection Model, through 2030; and Public Elementary and Secondary Education Current Expenditure Projection Model, through 2031-32. (This table was prepared October 2023.)

²U.S. Department of Education **Fiscal Year 2025 Budget Summary**

³Education Stabilization Fund (ESF) Public Transparency Portal at [Covid-Relief-Data.ed.gov](https://www.covid-relief-data.ed.gov)



State and Local Funds

K–12 Highlights and Themes

STATE BUDGETS

Across the nation, state administrators, district and school leaders, and educators continue to be weighed down with insurmountable funding challenges, such as student enrollment declines, chronic absenteeism, educator and specialist staff shortages, administrative and teacher turnovers, current or planned layoffs, program reductions or eliminations, fiscal budget constraints, and the economic uncertainty once the emergency relief funds expire in September 2024. While all of these varying challenges ultimately impact K–12 education budgets, especially for districts and local school communities, the majority of states' K–12 education budgets and general funds have slightly increased compared with fiscal year 2024 (FY24)⁴.

Majority of states are experiencing growth

- 12 states (>3% growth): AR, CO, HI, ID, IN, MN, NY, OH, TX, WA, WI, and WV
- 23 states (0–3% growth)

Some states are experiencing declines

- 6 states (0–3% decline): AK, IA, KS, ME, OK, and VT
- 2 states (>10% decline): ND and NE

Top Budget Trends

The top education trends across governors' 2024 State of the State addresses:

1. **Career pathways:** workforce development and career and technical education
2. **K–12 funding:** increased investments and reexamination or changes to funding formulas
3. **Teacher workforce:** compensation, recruitment, and retention
4. **Early childhood education:** access, expansion, workforce, and universal PreK
5. **Academic achievements:** literacy, early reading, math, and tutoring
6. **Student well-being:** physical, mental, and behavioral health supports

Other Budget Themes

- Increasing opportunities for school choice
- Providing transparency in voucher programs
- Reforming the special education system
- Increasing investments in school safety
- Modernizing school facilities
- Providing additional funding for school transportation and food services

Instructional Materials: Emerging Priorities

- Literacy and reading
- Mathematics
- STEM education
- Computer science (CS)
- Career and technical education (CTE)
- Dual language programs
- PreK and early learning

Additionally, with the expiration of the emergency relief funds, school district leaders indicated more reliance on general, local, and state funds in the coming school years⁵.

Sources: The National Governors Association (NGA) and the Education Commission of the States (ECS) State Education Trends For 2024 report (March 2024); NASBO Summaries of Governors' 2024 State of the State Addresses (April 25, 2024); NCSL FY2025 State Budget Status

⁴EduonomicsLab "State Revenues Outlook" (April 2024)

⁵EdWeek Market Brief: Special Report "School District Purchasing Priorities 2024–2025" (February 2024)

Federal Funds

\$44 billion

K–12 education

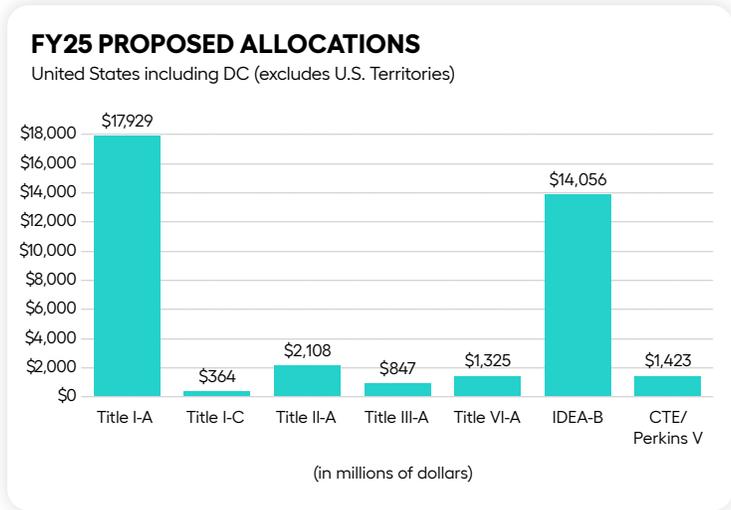
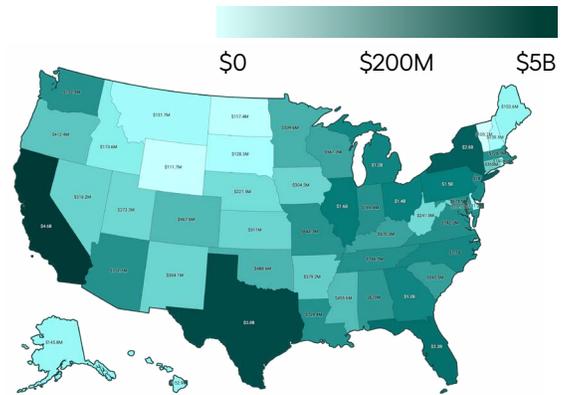
The proposed U.S. Department of Education FY25 budget is approximately \$82.4 billion, up 4% from FY24 estimated allocations⁶. The largest budget increases were made toward postsecondary education programs. The elementary and secondary education proposed budget is approximately \$44 billion, a 1.1% increase of \$500 million over FY24 estimated allocations. Out of the twenty federal annual funding programs for elementary and secondary education, only seven programs had proposed increases⁷. With the exception of districts experiencing enrollment declines or demographic shifts, many should expect a relatively flat year in funding levels across the federal formula programs.

2024–2025 THEMES

- Equity
- Social, emotional, and mental health
- Academic needs
- Learning acceleration
- Educator workforce

Explore some of the most common federal funds used toward Imagine Learning’s solutions.

- **Title I, Part A:** Grants to Local Educational Agencies
- **Title I, Part C:** Migrant Education
- **Title II, Part A:** Supporting Effective Instruction State Grants
- **Title III, Part A:** English Language Acquisition
- **Title IV, Part A:** Student Support and Academic Enrichment Grants
- **IDEA, Part B:** Grants to States
- **CTE/Perkins V:** Career and Technical Education



STATE ALLOCATION HIGHLIGHTS

Title I, Part A funds: 1% increase over FY24

- 4 states (AZ, DC, GA, NJ) have slight decreases. An approx. 1% increase over FY24 for all other states

IDEA, Part B funds: 1.3% increase over FY24

- 5 states (AZ, DC, ND, VT, WY) had a 2.6% increase. TX saw the highest increase at 4.1%. An approx. 1% increase over FY24 for all other states

Title III, Part A funds: 3.9% increase over FY24

- Each state (except MT, VT, WY) had an automatic 3.9% increase over FY24.

NEW! COMPETITIVE GRANT PROGRAM: ACADEMIC ACCELERATION AND ACHIEVEMENT GRANTS

The USED proposed a new authorization of an \$8 billion competitive grant program over 5 years to “rapidly improve outcomes for underserved students” and “accelerate student achievement and address gaps caused by learning due to the COVID-19 pandemic” by supporting states and school districts to “meet the critical needs of their students by increasing student attendance and engagement; providing high-quality tutoring; and expanding summer, extended, and after school learning opportunities.”

⁶U.S. Department of Education Fiscal Year 2025 Budget Summary

⁷Fiscal Years 2023–2025 State Tables for the U.S. Department of Education



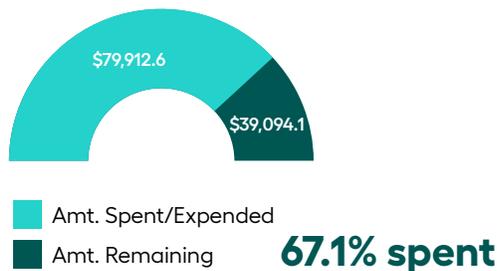
ARP ESSER III

\$39 billion remains

Emergency Relief Funds

The one-time emergency relief funds as part of the American Rescue Plan (ARP) Act's Elementary and Secondary School Emergency Relief Funds (ARP ESSER III) provided an influx of over \$122.8 billion to school communities since 2021. The emergency relief funds under the CARES and CRRSA Acts have been spent or are under liquidation, and the ARP ESSER III funds will soon expire. Across the nation (excluding U.S. territories), it is reported (as of the last reporting period ending March 31, 2024), that 67.1% of ARP ESSER III funds have been spent, and nearly \$39 billion remains to be spent by the obligation ("spending") deadline. School communities are under enormous pressure to commit any remaining funds toward their most pressing educational needs and priorities and draw down those funds expeditiously.

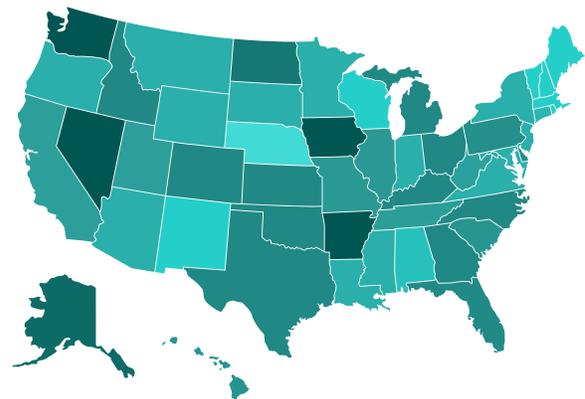
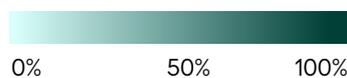
REMAINING FUNDS



ARP ESSER III: % OF FUNDS SPENT & REMAINING FUNDS FROM AWARDED AMOUNTS

As of May 14, 2024 (data from reporting period ending 3/31/2024). The deadline for SEAs and LEAs to obligate funds is September 30, 2024, with the statutory liquidation deadline expiring January 28, 2025. For all SEAs/LEAs who receive approval for liquidation extension deadline, that ends March 2026.

ESSER III % SPENT



Map: ARP ESSER Funds (Education Stabilization Fund Public Transparency Portal at [Covid-Relief-Data.ed.gov](https://www.covid-relief-data.ed.gov)) Source: Imagine Learning

DEADLINES

September 30, 2024

Obligation "spending" deadline

January 28, 2025

Statutory liquidation period ends

March 28, 2026

Extension liquidation period ends for SEAs who receive extension approvals

ESSER III: KEY PURCHASING INSIGHTS

- Contracts with vendors must be signed by the obligation deadline (September 30, 2024).
- Tutoring, extended learning time, and summer programs were approved (by the USED) as the types of services (provided by vendors) that may be extended through March 28, 2026 (under the liquidation extension).
- SEAs must apply to the USED by December 31, 2024, requesting a liquidation extension for these types of services.

Sources: USED Education Stabilization Fund; EdWeek Market Brief Decision Point: How School Districts Will Spend the Rest of Their Stimulus Money; EdWeek Market Brief Special Report: School District Purchasing Priorities for 2023-24; Ednomics Lab; ERS Strategies



POPULAR SPENDING STRATEGIES

Spending Strategy	How Imagine Learning can help...
Summer and extended learning	Summer and extended learning programs are great opportunities for students to work on grade-level skills, receive targeted intervention, or accelerate their learning. Imagine Learning provides flexible options to customize summer or extended learning programs that move students toward their full potential.
High-quality curriculum and instruction to accelerate learning	<p>Every classroom, every student is bursting with potential. That's why Imagine Learning creates PreK–12 digital-first solutions fueled by insights from educators. We work alongside educators to support 15 million students, in over half of the districts nationwide, with school services and core, courseware, and supplemental solutions.</p> <ul style="list-style-type: none"> • Curriculum: Imagine Learning has personalized learning solutions that support each student's unique learning journey. • Instructional Services: Certified teachers improve K–12 student performance with dynamic curriculum, proactive communication, and live instruction. Serve more students and close staffing gaps in your school with dedicated, passionate online educators and countless high-quality courses.
Professional development	Imagine Learning provides targeted training, customized sessions, and practical resources to give educators everything they need to be successful. Our flexible packages include focused professional development for each product with options for virtual or onsite delivery.
High-intensity tutoring	Imagine Learning provides expert, on-demand virtual tutors providing real-time individual student support using a secure online platform. Equitable access to one-on-one support gives students the guidance they need to move on to more complex concepts with confidence.
Small-group instruction	Imagine Learning's highly qualified, certified teachers provide Small Group Targeted Instruction (SGTI) , a synchronous, ESSA-aligned, evidenced-based program, to intensify acceleration pathways for students' academic achievements and engagement in mathematics, English language arts (ELA), science, social studies, English language development (ELD), and test prep.

Sources: Education Stabilization Fund (ESF) Public Transparency Portal at [Covid-Relief-Data.ed.gov](https://www.covid-relief-data.ed.gov); EdWeek Research Brief: [School District Purchasing Priorities | 2024-25](#); McKinsey [“Stimulus funding deadlines loom: How are K–12 schools adjusting their priorities?” \(October 2023\)](#); Edumomics Lab

Private Sector Grants

\$70 billion

The rising role of donors

Aside from the primary PreK–12 funding revenue streams deriving from state, local, and federal government agencies, districts and schools may also apply to competitive grant opportunities from a variety of donors, such as individuals, foundations, and corporations. According to CCS Fundraising’s “2023 Philanthropic Landscape” report, it was estimated that more than \$70 billion in charitable giving was made to PreK–20 education during 2022.

EDWEEK MARKET BRIEF SURVEY (April 2024)
“Grants Are an Alternative to Stimulus Aid. Vendors Can Help Districts Pursue Them”

“More districts plan to look for grant support over the next year.” To learn more, go here, marketbrief.edweek.org/market-trends/grants-alternative-stimulus-aid-vendors-can-help-districts-pursue

The private sector makes significant investments and donations to education, but many districts and schools do not pursue these types of funders. This could be due to a variety of reasons, such as being unaware of how donors support education, not having the capacity to research or write grants, or lacking the skillsets in approaching donors and securing grants. However, with the emergency relief funds expiring, districts and schools will be ramping up efforts to pursue more grants for their education programs.

Imagine Learning is leading the way to help our district and school partners recognize the importance of donors’ roles in education and how to establish and grow relations with donors, specifically foundations and corporations, who are investing in a wide variety of education areas.

Our Grants and Funding team is sharing a new resource — **Imagine Learning’s Donor Grant Toolkit** — which includes tips on donor relations, secrets and guides for grant-seeking and grant-writing efforts, and resources to support our district and school communities in researching potential grants to further support K–12 education programs and initiatives.

The toolkit will provide supports to:

- Identify education needs
- Find potential donors
- Engage and steward donors
- Pursue funding opportunities
- Write grant applications
- And much more

Free download at imaginelearning.com/support/funding-resources

Our purpose in providing this toolkit is to help our school community partners pursue donors, reduce the grant preparation and grant writing time, improve the quality of submitted grant applications, and increase the chances of being selected for funding.

ADDITIONAL RESOURCES

- Candid – candid.org
- Grantmakers for Education (EdFunders) – edfunders.org
- GetEdFunding – getedfunding.com
- Grants.gov
- GrantWatch – grantwatch.com
- Inside Philanthropy – insidephilanthropy.com/grants-for-k-12-education



Imagine More Equitable Learning

Find out more about how our evidence-based programs, services, and supports qualify for many funding programs.

Imagine Learning			Emergency Relief Funds	Federal Annual Formula Funds				
Program	Curriculum Type	Grades	ARP Act ESSER III EANS II Obligation Deadline: 9/30/2024	Title I Part A	Title II Part A	Title III Part A	Title IV Part A	IDEA Part B
Imagine Learning EL Education®	Core ELA	K-8	✓		✓		✓	✓
Imagine IM	Core Math	K-12	✓		✓		✓	✓
Twig® Science	Core Science	PreK-8	✓		✓		✓	✓
Traverse®	Core Social Studies	6-12	✓		✓		✓	✓
Imagine Edgenuity®	Courseware	6-12	✓	✓	✓	✓	✓	✓
Imagine EdgeEX	Next generation of Imagine Edgenuity	9-12	✓	✓	✓	✓	✓	✓
Imagine Language & Literacy®	Supplemental Literacy	PreK-6	✓	✓	✓	✓	✓	✓
Imagine Español®	Supplemental Literacy & SLA	K-5	✓	✓	✓	✓	✓	✓
Imagine MyPath®	Supplemental Reading and Math	K-12	✓	✓	✓	✓	✓	✓
Imagine Math®	Supplemental Math	PreK-Geometry	✓	✓	✓	✓	✓	✓
Imagine Math Facts®	Supplemental Math	1-5	✓	✓	✓		✓	
Imagine Robotify®	Supplemental STEM	3-8	✓	✓	✓		✓	
Imagine Science Corner®	Supplemental Science	K-5	✓	✓	✓		✓	
Imagine Purpose™	Supplemental SEL	K-12	✓	✓	✓	✓	✓	✓
Imagine Sunday System LPL	Reading Intervention	PreK-K	✓	✓	✓	✓	✓	✓
Imagine Sunday System 1	Reading Intervention	K-2	✓	✓	✓	✓	✓	✓
Imagine Sunday System 2	Reading Intervention	3-8	✓	✓	✓	✓	✓	✓
Imagine Sunday System E	Foundations (Tier 1 Reading)	K-5	✓	✓	✓	✓	✓	✓
Imagine Galileo®	Assessment	K-12	✓	✓	✓	✓	✓	✓
Instructional Services	Certified K-12 Virtual Teachers	K-12	✓	✓	✓	✓	✓	✓
Tutoring & Intervention Services	On-Demand Tutoring	K-12	✓	✓	✓	✓	✓	✓
	Small Group Targeted Instruction	K-12	✓	✓	✓	✓	✓	✓
Specialized Services	Speech Teletherapy	PreK-12	✓	✓		✓	✓	✓
	Exceptional Education Services*	K-12	✓	✓	✓	✓	✓	✓

*COVID-19 Compensatory services may be paid for with IDEA Part B funds, including supplemental IDEA Part B LEA allocations under the federal American Rescue Plan (ARP) Act.

Imagine Learning's products, solutions, and services align to state and local funds as well as a variety of federal formula and discretionary funds and competitive grants not featured in our chart. All Imagine Learning solutions meet the ESSA evidence standards and can be used for implementations of evidence-based interventions, programs, and activities. Learn more about Imagine Learning's ESSA effectiveness by exploring our evidence at imaginelearning.com/essa-effectiveness. Funding alignment subject to change.

Find out more about how our evidence-based programs meet your federal, state, and emergency relief funding requirements at imaginelearning.com/funding



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