

# Current Fiscal Landscape

**Coordinators' Training**

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**July 15, 2025**

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**SOUTH CAROLINA  
DEPARTMENT OF EDUCATION**

# How's it going?



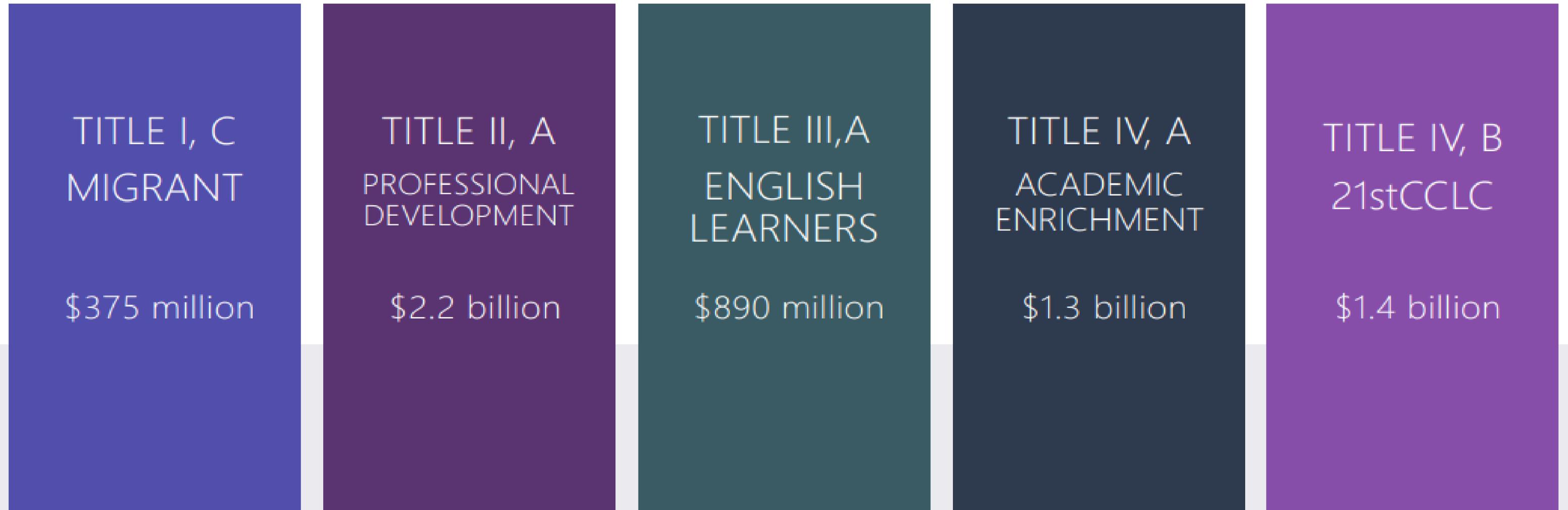
# June 30, 2025

## ED Email re: FY 2025 Formula Grants

“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.”



# Where's The Funds?



**WIOA:** Title II – Adult Education and Family Literacy Act (AEFLA): \$729 million



# Appropriation Timelines

FY 2024 Appropriations Bill says for each provision that funds are available as of July 1, 2024:

- “For carrying out school improvement activities authorized by part B of title I, part A of title II, subpart 1 of part A of title IV, part B of title IV, part B of title V, and parts B and C of title VI of the ESEA; the McKinney-Vento Homeless Assistance Act; section 203 of the Educational Technical Assistance Act of 2002; and the Civil Rights Act of 1964, \$5,776,178,000, of which \$3,947,312,000 **shall become available on July 1, 2024, and remain available through September 30, 2025**, and of which \$1,681,441,000 **shall become available on October 1, 2024, and shall remain available through September 30, 2025, for academic year 2024-2025**: Provided, That \$380,000,000 shall be for part B of title I: Provided....”
- The Continuing Appropriations and Extensions Act passed March 15, 2025 states:
  - “SEC. 1112. With respect to any discretionary account for which advance appropriations were provided for fiscal year 2025 or 2026 in an appropriations Act for fiscal year 2024, in addition to amounts otherwise made available by this division, **advance appropriations are provided in the same amount for fiscal year 2026 or 2027, respectively, with a comparable period of availability.**”
- **Funds are currently sitting at the Office of Management and Budget.**



# Office of Management and Budget

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OMB develops and oversees the execution of the federal budget.

- Coordinate the development of the President's budget proposal,
- Evaluate the effectiveness of agency programs and policies, and
- Ensure agency actions align with the overall administration policies.

An apportionment is an OMB-approved plan to use budgetary resources (31 U.S.C. 1513(b); Executive Order 11541).

- Once Congress has passed appropriations bills (or a final CR for a full fiscal year) and they become law, OMB is responsible for apportioning the funds to the various federal agencies. This means OMB subdivides the total budget authority provided to agencies by Congress, often by time period, program, project, or activity. **This apportionment process is a critical step before agencies can actually obligate or expend the funds.** – See the Antideficiency Act/OMB Apportionment Process



# OMB (continued)

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"This is an ongoing programmatic review of education funding. Initial findings have shown that many of these grant programs have been grossly misused to subsidize a radical leftwing agenda. In one case, NY public schools used English Language Acquisition funds to promote illegal immigrant advocacy organizations. In another, Washington state used funds to direct illegal immigrants towards scholarships intended for American students. In yet another, School Improvement funds were used to conduct a seminar on “queer resistance in the arts.” As stated before, this is an ongoing programmatic review and no decisions have been made yet.“ – OMB

OMB: [OMBLegislativeAffairs@omb.eop.gov](mailto:OMBLegislativeAffairs@omb.eop.gov)



# Where do we go from here?

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Can the SCDE approve submitted applications and districts obligate funds?

Any prospective charging to FY 25 grants comes with significant risk.

- Per, 34 CFR 76.703, States can begin to obligate funds “on the date that the funds are first available for obligation by the Secretary.”
  - This assumes a substantially approvable State application
- What if OMB’s hold means the funds are not “available for obligation by the Secretary”?
- What if ED decides these program reviews mean State plans are not substantially approvable?
  - 34 CFR 76.704 discusses new State plan requirements/assurances and whether dates should be extended and/or pre-award costs approved as necessary



# Where do we go from here? continued

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Per, 34 CFR 76.708, subgrantees **can not begin** to obligate funds until the later of the two dates:

1. The date that the State may begin to obligate funds (34 CFR 76.703); or
2. The date that the applicant submits its application to the State in substantially approvable form.

States **are not** guaranteed allocations **until** they receive their official Grant Award Notice (GAN) which outlines the period of availability.

- Even assuming ED will eventually award these funds, any obligations incurred at the state or local level that can not be reimbursed may need to be reimbursed with non-federal funds in the event the federal grant is not awarded.



# What should districts do now?

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1. Assess current funding and identify impacts
2. Review applications and budgets and consider what future changes may be needed later if/when funding is provided
3. Use carryover to support current programs
4. Review transferability options (Title II and Title IV carryover?)
5. ED Flex options – review state ED Flex waivers (as applicable)
6. Consider ESEA consolidated admin to cover gaps
7. Schoolwide flexibilities (consolidation)
8. Review current contracts, etc.

