

# Protecting Students While Public Education is Under Attack

## Threat: Dire Cuts to Education Funding

When it comes to ensuring that all students can thrive, money matters. [Research shows](#) that increased school spending is linked to higher graduation rates, higher wages, and reduced adult poverty. Yet most state funding systems are [still inequitable](#) and provide less for students who face greater barriers to opportunity: students of color, multilingual learners, students from low-income backgrounds, students with disabilities, and students from rural areas. Nationwide, federal funds make up about 10% of all public education funding and are designed to support students and districts with more needs. If federal support shrinks or becomes less stable, state leaders must protect equitable funding formulas and ensure that students with the greatest needs receive their fair share.

## *RISK: Reduction of Federal Funding*

Since President Trump took office in January 2025, the administration has repeatedly rescinded, withheld, or threatened to withhold crucial federal education funding previously allocated by Congress to states and districts. Though federal funding makes up a small percentage of education budgets overall, it can be a large source of funding in high-need districts. For example, federal funds make up 20% of total funding in San Antonio, Texas, and 15% of funds in Milwaukee, Wisconsin. Reduced federal funding also harms students in the South and rural areas, which rely more on federal funding than other communities. [Cutting federal school funding would cause irreparable harm](#).

### DATA TO ASSESS YOUR OWN STATE'S FUNDING SYSTEM

- To find the specific components used in a state's funding formula, consult the [50-State Comparison: K-12 Funding](#) by Education Commission of the States
- To see how far your state is from funding students adequately and equitably, consult [The Adequacy and Fairness of State School Finance Systems](#) (specifically the state school finance profiles) by the Albert Shanker Institute
- [State Fiscal Briefs from the Urban Institute](#) summarize the tax sources that each state uses to fund government services (specifically, review the charts titled State and Local Per Capita Revenue).

- [University of Michigan data dashboard](#) includes the state, federal, and district level spending breakdowns for all 50 states.

## How State Advocates Can Drive Change

**Defend state school funding systems to advance equity.** Advocates play a key role in pushing state leaders to build funding systems that fully meet student needs and close long-standing opportunity gaps. In the face of federal rollbacks, advocates must mobilize to ensure state leaders protect and strengthen school funding systems that prioritize equity and adequacy — especially for students from low-income backgrounds, multilingual learners, students with disabilities, and students from rural areas.

Advocates should organize, build coalitions, and push lawmakers and state education leaders to:

- **Reform funding formulas to direct more resources to high-need districts:** Demand changes that channel additional dollars to communities facing the greatest barriers to opportunity, helping close persistent funding and opportunity gaps.
  - *Example: Maryland's [Blueprint for Maryland's Future](#) directs significant new investments to high-need districts to expand opportunity and improve outcomes.*
- **Adopt student-centered, need-based funding models:** Push for funding systems that allocate dollars based on the real needs of students, rather than outdated formulas that perpetuate inequities.
  - *Example: The [Tennessee Investment in Student Achievement \(TISA\)](#) formula funds students based on need and has increased investments in rural and high-poverty districts.*

State leaders can and should do more to more adequately and fairly fund public schools. Too few state funding systems are investing enough funding to cover actual education costs and ensure that districts can provide enriching learning environments for all students. Additionally, many states still fall short of providing additional funding for students that are traditionally underserved by public schools. This makes it more difficult for districts and schools to boost student outcomes and close opportunity gaps. (Read more of EdTrust's policy positions on school funding [here](#).)

Advocates should push state legislators to:

**Find or raise additional revenue.** While federal funds may be reallocated or reduced, students' needs are not decreasing. Many districts need more funding to continue supporting students, particularly those districts that lack the fiscal capacity to raise additional revenue and are facing the steepest fiscal cliffs. Advocates should work with lawmakers to increase investments in the following ways:

- Increase state aid in funding systems by redirecting surpluses or overfunded reserves.

- Examine the state budget to determine where else policymakers might find money for greater investments in public education and advocate for public education investments to be prioritized.
- Adopt progressive taxes and/or reduce or eliminate unfair tax cuts that allow the wealthy to avoid paying their fair share into public systems.
  - *Example:* New Jersey's [Millionaires' Tax](#) directs revenue into public schools, reducing reliance on property taxes.

**Ensure any funding cuts are fair.** If federal revenue decreases substantially and funding cuts become inevitable, advocates must press state leaders to implement budget cuts in ways that do the least harm to high-need districts.

[Lessons learned from the Great Recession of 2008](#) show that high-poverty districts faced longer-term economic harm when states indiscriminately cut public education funding, since they tend to be more reliant on state aid. Research shows that from 2009-2020, state aid-dependent districts struggled more to return to or exceed pre-recession levels of spending on a per-student basis than less state-aid dependent districts. Additionally, more state-aid-dependent districts had built up smaller financial cushions that could allow them to weather future shocks to their economies.

It is crucial that advocates help state leaders to choose the [fairest approach to cutting state funding](#) if cuts are necessary. One way is for states to prioritize providing temporary, supplemental transition grants to districts that meet all the following criteria:

- Federal funding makes up a higher percentage of the district's total revenue than the state average, indicating that the district serves a higher concentration of students from low-income backgrounds.
- State revenue makes up a higher percentage of the district's total revenue than the state average, meaning the district is more reliant on state aid to cover educational expenses.
- The district or municipality lacks a strong, or wealthy, property tax base upon which it can levy progressive tax increases.

### ***RISK: Federal Block Grants***

As part of the broader push to dismantle federal education protections, the Trump administration has renewed efforts to convert core federal education programs into block grants. Block grants give states wide latitude to redirect federal dollars — previously targeted towards specific student groups and schools that need additional support — toward unrelated priorities. Without strong guardrails, struggling schools would have fewer resources and would deprive students — especially those in underfunded urban, rural, and suburban communities — of supports like tutoring, mental health services, after-school programs, and individualized instruction.

So far, Congress has rebuffed the administration's budget requests to block grant many core programs, but ED has moved toward block-grant-like flexibility unilaterally through state ESSA waivers. As of February 2026, ED approved Iowa's request to consolidate state funding across four federal programs, including Title III — funding specifically intended to support English learners. This change allows Iowa to redirect these dollars to other state priorities, putting critical services and supports for English learners at risk.

This is just the beginning. Indiana has requested even broader flexibility, seeking authority to redirect funding across more programs and at both the state and district levels as well as changes to their accountability system that would limit communities' ability to understand whether schools are adequately serving all students. And advocates expect other states will apply for similar flexibilities in the coming months — including Idaho, which plans to ask for changes to assessment requirements that would hold students to vastly different expectations. These changes would dramatically weaken federal funding and transparency protections. To stay up to date on the status of state waivers, visit [essawaiverwatch.org](https://essawaiverwatch.org).

## *Consequences for Students*

Consolidating formula grants for elementary and secondary education, such as Title I funding for high-poverty schools and IDEA funding for students with disabilities, into a [block grant](#) poses three major risk for students: reduced funding, reduced targeting, and reduced accountability, all of which lead to fewer resources for the students who need them most.

- **Reduced funding:** Proposals to consolidate programs into block grants are usually paired with a reduction in total funding: the logic is that block grants have more flexibility and fewer compliance requirements, so state staff won't need to pay as much attention to how dollars are being spent. In addition, over time, block grants eliminate the connection between funding streams and specific groups of students or activities (such as students with disabilities), making it harder to track and advocate for continued funding.
- **Reduced targeting:** Current proposals to consolidate federal grant programs into block grants would allow states to allocate funding in a way that aligns with their priorities, not federal law that ensures the money specifically goes toward schools or students. For example, states could move funding away from serving students from low-income backgrounds, students with disabilities, or communities with concentrated poverty — which often includes rural areas.
- **Reduced accountability:** A shift to block grants could reduce or eliminate requirements for data collection and reporting and evaluation. For example, states could no longer be required to report data on who a program serves or outcomes for students served by the program or report the data using consistent definitions or in a consistent format, reducing transparency and eliminating the data needed to hold leaders accountable for student results. Block grants would also likely come with fewer requirements for states to demonstrate to the Department that they're using federal taxpayer dollars well.

# How State Advocates Can Drive Change

**Urge state legislators and state education agencies (SEAs) to allocate block granted federal funds equitably and continue to supplement, not supplant existing local and state school funding.** Many states already allocate additional, or supplemental, funds to districts for students who need support overcoming barriers to learning through their funding formulas. Should ED begin allocating federal title funds to states via block grants, advocates should work with their legislators and SEAs to:

- **Ensure these funds continue to support the students they currently serve.** Advocates should work with states to make sure these funds are still directed to student groups such as students from low-income backgrounds and multilingual learners
- **Continue supplementing district budgets with title-allocated funds.** State leaders should not replace existing state and local investments with federal block grant dollars, as such an action would reduce state leaders' overall investment in public education.

**Ensure transparency of and accountability for how education funds are allocated and spent.** Advocates must urge state leaders to more clearly explain and share information about how they allocate funds to districts and to implement transparency measures that require districts to publicly report funding allocations and expenditures, ensuring that funds reach the students who need them most.

- *Example: Massachusetts' [Student Opportunity Act](#) mandates that districts develop and report on equity plans to address funding disparities.*

**Ensure SEAs share timely information.** The education policy landscape is constantly shifting under this administration. State education agencies (SEAs) must take a proactive approach to communicating with local education agencies (LEAs) and communities about changes to funding allocations.

- State leaders should **work with their LEAs** to communicate changes to funding allocations that result from changes at ED and prepare communities to adjust to reduced funding and the impact that these decisions will have on students of color, students from low-income backgrounds, students with disabilities, multilingual learners, and other vulnerable student populations.
- State education agency leaders should **engage their communities** in decision-making processes. SEA chiefs and staff should prioritize transparency and invite all relevant stakeholders — educators, administrators, caregivers, students, and advocates — to the table to help shape their next budget and policy choices.
- *Example: Washington's [Family Engagement plans](#) detail Title I funding streams and intended use.*