

SEPTEMBER 2025

National Funding Summary Guide

Preliminary Funding Insights for Fiscal Year 2026



Introduction

Imagine Learning is sharing our preliminary National Funding Summary Guide for fiscal year 2026 (FY26) to help school leaders and their communities better understand and prepare for the overall funding conditions across federal, state and local funds and grants from philanthropic donors and the funding policies shaping K–12 education for the coming years ahead.

STUDENT POPULATION (approximates)

- **49.5M** Public school students
- **3.7M** Charter school students
- **5.7M** Private school students
- **25.5M** Free-reduced lunch students
- **5.2M** English learners students
- **7.6M** Special education students

Our nation continues to endure rapid change in K–12 education: enrollment declines and demographic shifts impacting per-pupil formula funds¹, chronic absenteeism affecting nearly 28% of all students and their associated funding², evolving federal and state education policies redistributing existing funding priorities³, swift policy transformations within the U.S. Department of Education (USED) straining administrators and school leaders⁴, and continued funding uncertainty constricting the ability of schools to accurately forecast and plan long-term.⁵

Rising Challenges

FEDERAL

- Policy shifts
- Funding declines
- USED reductions

STATE

- Spending cuts
- Hiring freezes
- Program reductions

LOCAL

- Budget shortfalls
- Enrollment declines
- Staffing capacity

¹ExcelinEd: “Enrollment Decline: The Biggest Threat to Public Schools That No One Wants to Tackle” (June 2025)

²SchoolHouse Connection and Attendance Works: “Inspiring Best Practices for Improving Attendance of Students Experiencing Homelessness”

³EdWeek Market Brief: “What a Changing State Budget and Policy Landscape will Mean for K-12 Spending” (July 2025)

⁴Education Week: “How Trump Has Changed Schools in His First 100 Days: A Timeline” (April 2025)

⁵EdWeek Research Center: “School Finance in an Uncertain Age” (May 2025)

Funding Environment

For three consecutive fiscal years (2022, 2023, 2024), state education agencies (SEAs), local education agencies (LEAs), and school communities received an influx of emergency relief funding (over \$200 billion) driving instant revenue increases across state, district, and school budgets, and, as a result, higher rates of spending under those one-time investments.

Historically, the federal government provides approximately 8–10% of a state's total K–12 education revenues. However, over the past three fiscal years, many states relied more heavily on the federal government's share of revenues. For example, in FY23, 38 states received more than 11% of their education funding from federal sources. In 20 of those states, the federal share exceeded 15%, and in 4 states it was greater than 20%.⁶ Without those contributions in FY26, states' budgetary conditions will tend to be more stressed. Additionally, with the federal proposed budgetary changes for FY26, approximately 48% of district administrators have indicated that the federal spending changes are negatively impacting district budgets.⁷

Without the relief dollars in play for FY26, states and local communities are tightening budgets, reducing overall spending, and steadily aligning educational priorities with limited resources. Strategic, data-driven financial planning and decisions, even with faced uncertainty, will be critical for school communities to maximize every available dollar to gain a return on investment (ROI) with strong student outcomes for their academic programs and initiatives.

Sources: National Association of State Budget Officers **Fiscal Survey of States** (Spring 2025); U.S. Department of Education: **Fiscal Year 2026 Budget Summary, Justifications of Appropriation Estimates to the Congress, and Budget Tables**; Hanover Research: **2025 Trends in K–12 Education**; MGT "Funding the Future: Financial Strains and Strategies for Schools" (February 2025); U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "State Nonfiscal Survey of Public Elementary/Secondary Education," 1990–1991 through 2023–24. Department of Defense Education Activity (DoDEA) Data Center, Enrollment Data, Fall 2011 through Fall 2023, retrieved November 16, 2023 from <https://www.dodea.edu/education/research-accountability-and-evaluation/enrollment-management>. See **Digest of Education Statistics 2024**, table 203.20, https://nces.ed.gov/programs/digest/d24/tables/dt24_203.20.asp; and, **Private School Review**.

⁶U.S. Census Bureau Annual Survey of School System Finances: **2023 Public Elementary-Secondary Education Finance Data** (April 2025)

⁷EdWeek Market Brief: "School Districts and Vendors Size Up the Financial Hit From the Trump Administration's Policies" (June 2025)

State and Local Funds

K–12 Highlights and Themes

STATE BUDGETS

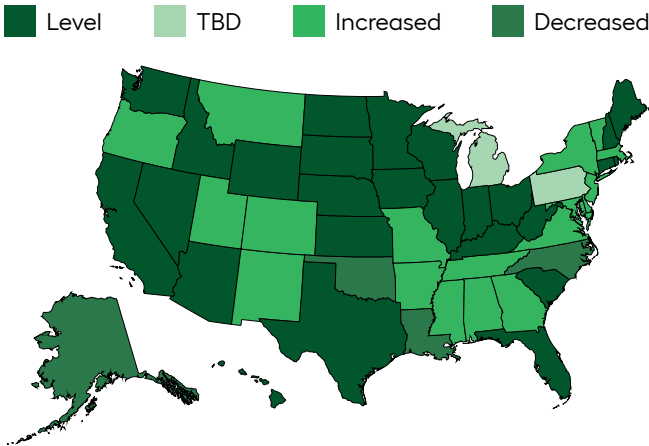
Overall, FY26 state budgets are relatively tight, with many states becoming more cautious with K–12 spending. According to the National Association of State Budget Officers (NASBO), states' general fund spending is expected to be relatively flat — \$1.31 trillion for FY26, an increase of 0.8% compared to FY25 estimated levels⁸. With the impending changes from federal contributions to K–12 education, financial planning across states will become even more challenging as states will attempt to make the most out of every K–12 per-pupil dollar.

SPENDING DATA approximates

- **34%** of general fund expenditures are towards education
- **82%** of education funding is for staff and personnel

Education Budgets (Fiscal Year 2026)

Comparison of FY26 vs FY25 Enacted Budgets (as of August 2025)



K–12 Budgets shown are comparing FY26 vs FY25. These states have biennium budgets: CT, HI, IN, KY, ME, MA, MN, MT, NE, NV, NH, NC, ND, OH, OR, TX, VA, WA, WI, WY*). *Odd Biennial Years.

Map: Imagine Learning Grants & Funding Initiatives Sources: Enacted State Budgets (Various Sources) and Whiteboard Advisors

Nationally, per pupil spend was approximately \$17,015 per student across state (\$8,451), local (\$8,131), and federal (\$2,425) funds in FY23. For FY26, it is anticipated that states will be expected to shoulder more of the financial burden to offset a significantly reduced federal per pupil contribution. At the time of this publication, it is not widely known what the federal contribution, per student, will be for FY26.

⁸National Association of State Budget Officers **Fiscal Survey of States** (Spring 2025)

In addition, states are adapting and aligning to varying K–12 federal education policies under the current federal administration: altering funding formula mechanisms to meet state needs better; adjusting budgets for population shifts specific to student enrollments, demographics, and programmatic support; keeping up with rising costs of salaries, benefits, supplies, instruction, and facilities; and balancing budgets to combat inflation and economic pressures.

LEADING EDUCATION POLICIES

- **Workforce development & career and technical education** (33 states)
- **K–12 funding formulas** (32 governors)
- **Teacher workforce** (26 governors)
- **Academic achievement** (25 governors)
- **Early care and education** (25 governors)
- **Mental and physical health** (21 governors)
- **School choice** (21 governors)

BUDGET THEMES

- Increasing teacher pay
- Expanding educational options
- Improving reading and math skills
- Directing funds for high-dosage tutoring
- Growing summer learning and enrichment

LONG-TERM INVESTMENTS

- Teacher recruitment
- High-quality instructional materials (HQIMs)
- Evidenced-based literacy instruction
- Student and program data and assessments
- Data-driven programs
- Student groups (low-income, English learners, students with disabilities)
- Artificial intelligence (AI)
- Student engagement

Sources: National Association of State Budget Officers (NASBO) **Fiscal Survey of States** (Spring 2025), **Summaries of Fiscal Year 2026 Proposed Budgets** (May 2025); Education Commission of the States (ECS) **Governors’ Top Education Priorities in 2025 State of the State Addresses** (March 2025); National Council for State Legislators (NCSL): **“FY 2026 State Budget Status”** (July 2025); Hanover Research: **2025 Trends in K–12 Education** (January 2025) and **6 Ways K-12 Education is Changing in 2025-26** (August 2025); National Governors Association (NGA) 2025 **“Education Themes in 2025 State of the State Addresses”** (April 2025); **Education Data Initiative** (2025); School Business Now (SBN): **“Education Funding Forecast: What Federal Decisions Mean for Your Budget”** (April 2025); and, Whiteboard Advisors: **“FY26 Education Budgets Signal Cautious Optimism and Innovation”** (August 2025)

Federal Funds

USED, PROPOSED BUDGET, PROGRAM REFORMS, ALLOCATIONS & HISTORICAL FUNDING LEVELS

An abundance of change is occurring abruptly across the USED as the federal government attempts to advance its' foremost priority in "returning education to the states"⁹. These efforts include issuing Presidential Actions and Executive Orders¹⁰ related to education; dissolving departments and reductions of force within the USED¹¹; canceling education and research-based contracts and grants¹²; withholding (then releasing) federal funds allocated to SEAs and LEAs¹³; enforcing Title VI protections for students and pursuing investigations into potential illegal discrimination across SEAs and LEAs; unceasing litigation (particularly around civil rights enforcement, diversity policies and programs, and parental rights); and reshaping the federal education system, directly affecting SEAs, LEAs, administrators, educators, students and families.

FY26 PROPOSED BUDGET

With such abrupt changes, school communities feel uncertain about how to financially prepare for potential transformations with federal funding and programs. Our federal insights can help education leaders and administrators strategically plan for the long-term and quickly assess how these proposed changes might affect school year 2026–2027.

\$67B

- *PreK–20 Proposed Budget*
- **\$12 billion (15.3%) decrease from FY25**

FUNDING PRIORITIES

- **Education choice** for students across public, charter, and private schools; and home-based students
- **Core instruction** in math, reading, science, and history to get students "back to basics"
- **Literacy instruction** with strong and moderate evidence-based programs aligned to the science of reading
- **Career preparation** around skills- and competency-based education, project-based learning, and alternative credentials
- **Patriotic education** to emphasize America's history and celebrate the nation's 250th anniversary
- **Artificial intelligence (AI)** to advance instruction and student outcomes

BUDGET THEMES

- Returning education to the states
- Reducing the "federal bureaucracy"
- Aiding disadvantaged students
- Protecting students with disabilities
- Empowering parents through education choice
- Aligning workforce skills for the future economy
- Improving literacy instruction for all students

STATE IMPACT

- Budgets may be reassessed as states try to fill federal funding and program gaps
- Resources may become unbalanced due to reductions in federal programmatic oversight
- Innovations may occur due to increased flexibility by states when using federal funds

SCHOOL IMPACT

- Reduction in overall federal funds may severely impact schools' decision-making on how programs, initiatives, and personnel are funded, reduced or cut
- Directives in school choice may intensify competition across public, charter, and private schools for federal discretionary grant programs and coveted awards
- Alternatives to federal funds may become limited, as schools with strained resources increase ways to secure other funding sources

Sources: U.S. Department of Education: **Fiscal Year 2026 Budget Summary, Justifications of Appropriation Estimates to the Congress, Budget Tables, Press Releases**; Education Week: "How Trump's School Priorities will Shape New Ed. Dept. Grants" (May 2025); and, K-12 Dive "The Education Department's approach to civil rights enforcement is changing. Here's how." (April 2025).

⁹U.S. Department of Education: **Returning Education to the States Tour**

¹⁰The White House Presidential Actions: **Executive Orders**

¹¹U.S. Department of Education Press Release: "Secretary McMahon Statement on Supreme Court Victory for Future of American Education"

¹²EdWeek Market Brief: "Which Organizations' Contracts at the Education Department Have Been Terminated by DOGE?"

¹³EdWeek Market Brief: "Trump Abruptly Unfreezes All of the Education Funds He Had Withheld"



Federal Funds

PROGRAM REFORMS

The proposed FY26 budget includes restructuring existing federal formulas and discretionary grant programs for elementary and secondary education. These proposed reforms can be classified as programs that are either maintained, consolidated, or eliminated. Remember: these are only proposed changes. Congress will determine the future of each program and respective funding levels sometime during spring 2026. For now, a brief snapshot is provided to better understand the proposed changes and associated funding impacts.

MAINTAINED

Programs will continue to be maintained and receive dedicated funding. Most programs will be level with FY24 appropriations with a slight increase for some.

CONSOLIDATED

Programs will no longer receive dedicated funding. Rather, these programs will be consolidated under the newly proposed \$2B K–12 Simplified Funding Program (“K–12 SFP”).

ELIMINATED

Programs will no longer receive dedicated funding from the federal government. States and locales will use their own funds versus relying on prior federal appropriations.

Title I, Part A

Improving the Academic Achievement of the Disadvantaged
FY26 proposed: \$18.4B

IDEA, Part B

Grants to States (ages 3–17)
FY26 proposed: \$14.9B

Impact Aid

FY26 proposed: \$1.6B

CTE/Perkins V

Career Technical Education
FY26 proposed: \$1.4B

Charter School Grants

FY26 proposed: \$500M

Indian Education

FY26 proposed: \$194.7M

Title I, Part D

Neglected & Delinquent Students

Title II, Part A

Supporting Effective Instruction State Grants

Title IV, Part A

Student Support and Academic Enrichment Grants

Title IV, Part B

21st Century Community Learning Centers

Other consolidated formula and discretionary grant programs include:

- Alaska Native Education
- American History & Civics Ed (AHC)
- Arts in Education
- Comprehensive State Literacy Development (CLSD) Grants
- Gifted and Talented Students
- Innovative Approaches to Literacy
- Magnet Schools Assistance
- McKinney-Vento Homeless Act
- Native-Hawaiian Education
- Promise Neighborhoods Rural Education (REAP)
- School Safety National Activities
- State Assessments
- Statewide Family Engagement Centers

Title I, Part C

Migrant Education Programs

Title III, Part A

English Language Acquisition

Other eliminated programs include:

- Adult Education
- Comprehensive Centers
- Education Innovation and Research (EIR)
- Full-Service Community Schools (FSCS)
- Ready to Learn Programming (RTL)
- Supporting Effective Educator Development (SEED)
- Teacher and School Leaders
- Training and Advisory Services

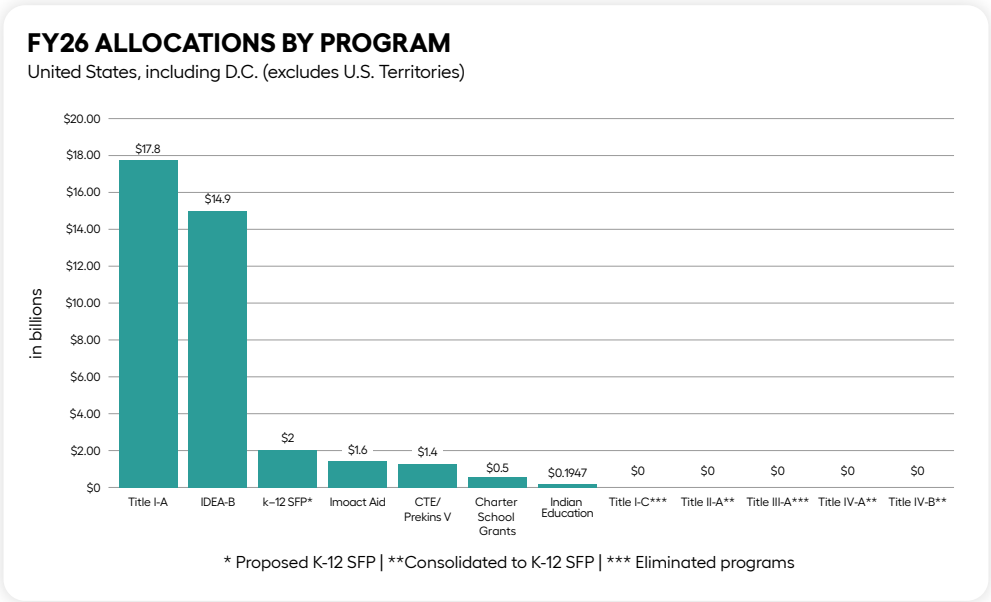
Sources: U.S. Department of Education **Fiscal Year 2026 Budget Summary** and **Justifications of Appropriation Estimates to the Congress**

Federal Funds

FY26 PROGRAM ALLOCATIONS

The USED issued the proposed budget for the maintained, consolidated, and eliminated programs along with budget justifications. All SEAs have received their FY26 estimated allocations for the maintained programs: a \$0.00 allocation for the consolidated programs and a \$0.00 allocation for the eliminated programs. This has left SEAs and LEAs scrambling to figure out how existing programs and personnel will be funded for SY26–27.

Additionally, the new \$2 billion K–12 SFP proposed programs do not have any allocations to SEAs at the time of this guide’s publication, as the K–12 SFP funding formula has not been formally established by the USED and Congress; this is causing further uncertainty for school communities.



K–12 SIMPLIFIED FUNDING PROGRAM K–12 SFP: \$2 BILLION

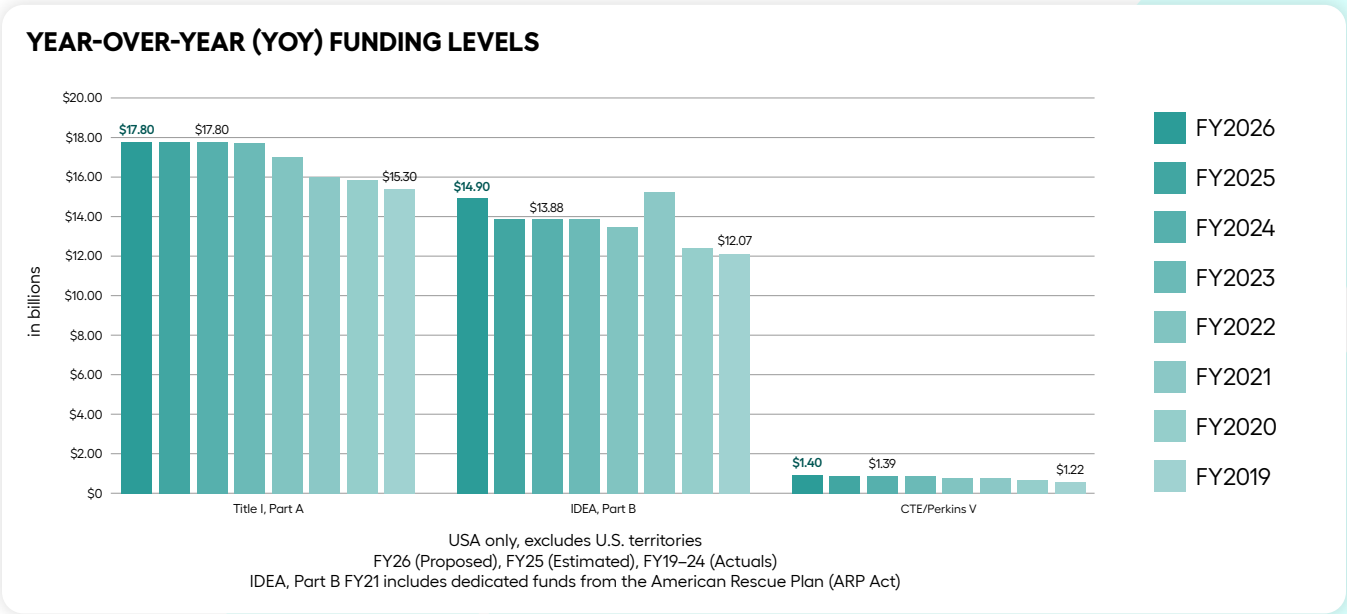
As part of the current administration’s efforts to diminish the USED federal agency and return education to the states, the proposed K–12 SFP program consolidates programs, reducing the federal burden on states through a singular fund and providing increased flexibility with minimal federal requirements.

Key Insights

- 18 federal formula and discretionary grant programs consolidated into a single funding program
- The allowable uses of funds would be in the same manner as the consolidated programs in prior years (with greater “flexibility and discretion” for states)
- States would be required to use at least 7.5% of funds on literacy instruction (strong or moderate evidence only)
- A statewide literacy plan would be required for states to receive K–12 SFP funds
- Goals of performance indicators would not be established (as a “temporary program under an outgoing agency”)

HISTORICAL FUNDING LEVELS

The funding levels for three protected programs — Title I-A, IDEA-B, and CTE/Perkins V — are relatively level with FY24 appropriations. Historically, these programs’ funding levels have increased since FY19 (pre-pandemic), continuing to be a reliable source of funds for school communities in FY26.



Sources: U.S. Department of Education **Fiscal Year 2026 Budget Summary, Justifications of Appropriation Estimates to the Congress, and Budget History**

FY26 INVESTMENT STRATEGIES

INVESTMENTS	How Imagine Learning can deliver...
High-quality instructional materials (HQIM)	<p>K–12 learning solutions that support the boundless potential of students in more than half the districts nationwide. Empowered with data and insights from educators, we innovate to shape the future of education with a robust, digital-first portfolio of school services and core, courseware, and supplemental solutions.</p> <ul style="list-style-type: none"> • Curriculum: Our personalized learning solutions are designed to empower educators and improve student achievement. • HQIM: Imagine Learning knows HQIM play a crucial role in the education landscape, significantly influencing student engagement and achievement and teacher effectiveness. • 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.
Literacy and science of reading	<p>A comprehensive English language arts (ELA) suite designed so each student has a pathway to literacy. Imagine Learning offers core curriculum solutions that are effective, innovative, and student-centered, plus a research-proven supplemental solutions focused on literacy and language development. Our evidence-based curricula and instruction align to the Science of Reading.</p>
Artificial intelligence (AI)	<p>Trusted, research-backed insights and instructional support that improve learning outcomes for students and their teachers. Through our Curriculum-Informed AI™ philosophy, we are building and integrating AI across our portfolio to align with high-quality instructional materials (HQIM) and evidence-based instructional practices.</p>
Data and assessments	<p>Screening, diagnostic, and formative assessments to enable precise, personalized learning and support informed instructional decisions. Imagine+ Assessment seamlessly integrates with Imagine Learning's ELA and math supplemental solutions.</p>
High-intensity tutoring	<p>Expert, on-demand virtual tutors provide real-time 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.</p>
Small group instruction	<p>Highly qualified certified teachers provide Small Group Targeted Instruction (SGTI) to intensify acceleration pathways for students' academic achievements and engagement in mathematics, ELA, science, social studies, English language development (ELD), and test prep.</p>
Summer and extended learning	<p>Flexible options help customize summer or extended learning programs that move students toward their full potential. Summer and extended learning programs are ideal opportunities for students to work on grade-level skills, receive targeted intervention, or accelerate their learning.</p>
CTE and skills-based learning	<p>A robust catalog of highly relevant career and technical education (CTE) courses empowering students to explore their career or job interests by engaging with learning experiences across different careers and industries — including multiyear support for high-demand, high-interest careers and job certification exam readiness.</p>
Special education	<p>The Imagine Ascend™ portfolio addresses two critical needs that challenge special education programs: sustainable answers to staff shortages and equitable approaches to increase student success and graduation rates. Imagine Learning has a powerful, comprehensive service including Speech Teletherapy and Exceptional Education Services to provide learners with the accommodating instruction and supportive community they need to meet Individualized Education Program (IEP) goals.</p>
Professional learning	<p>Targeted training, customized sessions, and practical resources to give educators everything they need to be successful. Job-embedded coaching and professional learning help build a collaborative community, with teachers and administrators sharing best practices in instruction. Imagine Learning partners with educators to ensure they implement our classroom solutions with fidelity; learn how to support all students in a blended, hybrid, or virtual classroom; and engage learners.</p>

Philanthropic Donors

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 2024 Philanthropic Landscape **report**, it was estimated that more than \$87.7 billion in charitable giving was made to PreK–20 education during 2023, an 11.1% increase over 2022.

The private sector makes significant investments and donations to education, but many districts and schools do not pursue these types of funders. Many factors can contribute, such as being unaware of how donors support education, insufficient capacity to research or write grants, or a lack of skills in approaching donors and securing grants.

However, even with limited resources, many districts and schools are increasing their efforts to pursue more grants for their education programs.

Imagine Learning is proud to support districts and schools in recognizing the vital role of donors in education and in building strong relationships with donors, especially foundations and corporations, who are investing in various areas of education.

The Imagine Learning Donor Grant Toolkit includes tips on donor relations, secrets and guides for grant-seeking and grant-writing efforts, and resources to support district and school communities in researching potential grants to support K–12 education programs and initiatives.

The toolkit provides support to:

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

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



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 Learning's Qualified Programs

Our evidence-based solutions currently qualify for many **existing PreK–12 federal funding programs** and we anticipate our solutions will continue to align with the FY26 federal programs, whether maintained or consolidated.

Chart legend:

✓ = Anticipated to be aligned for FY26

† = Dependent upon funding use case for FY26 (e.g., supplement-not-supplant with state/local funds, state laws, program criteria, etc.)

± = Alignment unknown for FY26 due to any federal program allowable use of funds changes

Imagine Learning			FY26 Maintained + Proposed Federal Programs				
Program	Curriculum Type	Grades	Impact Aid	Title I-A	IDEA-B	CTE-Perkins V	K–12 SFP
IMAGINE LEARNING CLASSROOM	CORE CURRICULUM						
Dragonfly (NEWLY RELEASED)	Core ELA	K–5	†	†	†		†
Imagine IM	Core Math	K–12	†	†	†		†
Twig® Science	Core Science	PreK–8	†	†	†		†
Traverse®	Core Social Studies	6–12	†	†	†		†
COURSEWARE	COURSEWARE/CTE						
Imagine Edgenuity®	Courseware	6–12	✓	✓	✓	†	✓
Imagine EdgeEX™	Next generation of Imagine Edgenuity®	9–12	✓	✓	✓	†	✓
IMAGINE PLUS	SUPPLEMENTAL & INTERVENTION						
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 Purpose™	Character Education	K–12	✓	✓	✓	†	✓
Imagine Sonday System LPL	Reading Intervention	PreK–K	✓	✓	✓		✓
Imagine Sonday System 1	Reading Intervention	K–2	✓	✓	✓		✓
Imagine Sonday System 2	Reading Intervention	3–8	✓	✓	✓		✓
Imagine Sonday System E	Foundations (Tier 1 Reading)	K–5	✓	✓	✓		✓
IMAGINE ASSESSMENT	ASSESSMENT AND DIAGNOSTICS						
Imagine Galileo®	Assessment (ELA, SLA, Math, Science)	K–12	✓	✓	✓		✓
Imagine Assessment+	Screeners (Dyslexia + Reading Challenges)	PreK–3	✓	✓	✓		✓
	Diagnostic (Math + ELA)	K–12	✓	✓	✓		✓
	Formatives (Math + ELA)	K–8	✓	✓	✓		✓
IMAGINE SCHOOL SERVICES	SERVICES AND SUPPORTS						
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	✓	✓	✓		✓

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 implementation 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.

Imagine More Learning Opportunities

Find out how our evidence-based programs can deliver a return on your investment for your FY26 strategies at imaginelearning.com/funding.



imaginelearning.com/funding
877-725-4257 • solutions@imaginelearning.com

For a digital copy of this brochure, please visit imaginelearning.com/funding.