CCIP Note #573

Re: Important Federal Funding Update Impacting Consolidated ESEA Grants
Date: July 2, 2025
To: Superintendents, Treasurers, Authorized Representatives, Fiscal Representatives, and Consolidated Funding Application Contacts

Important Federal Funding Update
On June 30, the Ohio Department of Education and Workforce (DEW) received information that the U.S. Department of Education (U.S. ED) is conducting a comprehensive review of several federal programs, including Title II, Title III, Title IV, 21st Century, and Migrant Education. At this time, the funds we expected by July 1 for the 2025-2026 school year are not being allocated.

U.S. ED provided the information below:

> *"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."*

How Does this Impact the Consolidated Application?
DEW had previously loaded allocations and placeholder amounts to help local education agencies (LEAs) begin to budget for the new fiscal year. See CCIP Note 570, 571, and 572 for more information. Due to the U.S. ED announcement, DEW will be taking the following actions:

- **DEW will <u>remove</u> allocations and placeholder amounts** in the Consolidated application for the following grants:
    - Title I-C, Title II-A, Title III, and Title IV-A.
- **DEW will <u>maintain</u> allocation amounts** in the Consolidated application for both Title I-A and Title I-D (Neglected and Delinquent). U.S. ED already provided preliminary allocations for these grants.
- **DEW will <u>maintain</u> the "placeholder" allocation** amount for Title V-B (Rural). DEW has not received the Title V-B (Rural) allocations but the Title V-B award typically is provided later and the U.S. ED communication from June 30 did not mention Title V-B.

What Does this Mean for LEAs?
- *Specifically for Title I-A, Title I-D, and Title V-B*: Since DEW has already received preliminary allocations and the grant award notices (GANs) for Title I-A and Title-D, LEAs may <u>continue to submit</u> applications in accordance with the guidance from CCIP

Note 572. CCIP Note 572 acknowledged errors and delays in the One Funding Application but encouraged LEAs to submit their applications promptly to secure the earliest possible obligation period. At this time, DEW is only requiring these applications to be submitted with signed assurances (from the authorized and fiscal representatives) since the One Funding Application system is experiencing errors and there are delays in allocations. Once the system features are corrected, DEW will return the applications for the LEAs to complete and make the necessary revisions.

- *Specifically for Title I-C, Title II-A, Title III-A, and Title IV-A*: Until U.S. ED provides further communication regarding the availability of these program funds, LEAs should "pause" efforts in the One Funding Application to budget and plan for these ESEA title programs. Once DEW receives these title awards and allocations, LEAs will be notified regarding any additional steps to complete their funding applications.

Disclaimer

The LEA is not permitted to obligate funds until the later of 1) the state receiving the legal ability to obligate (access to the award); or 2) the LEA has an application in substantial approvable form. Therefore, the very earliest an LEA is legally permitted to obligate the federal funds is the date the state educational agency (SEA) is provided with the authority to obligate, even if the LEA had previously submitted an application in a substantial approvable form prior to the state receiving authority to obligate. Therefore, districts should use caution if they plan to rely on the federal funds for expenses incurred prior to the obligation period.

Ongoing Communication and Support

DEW understands that this uncertainty in the timing and availability of federal resources disrupts the planning process and can pose significant challenges. If permitted, DEW will plan to provide LEAs the maximum available flexibility to obligate these funds.

The Department will continue to provide updates to LEAs as they become available through additional CCIP Notes. For questions about the Consolidated application, please contact your assigned Federal Programs Specialist.