



ITCA Update June 3, 2025

This update discusses the newly released President's Budget request for FFY 2026 that begins October 1, 2025. The Congress reconvenes in Washington DC this week with the Senate focusing its attention on consideration of the House Reconciliation bill that passed the House right before the Memorial Day recess.

FFY 2026 President's Budget Request On May 30th the Office of Management and Budget (OMB) released an additional 1,224 pages of the President's budget request for FFY 2026. This document expands on the "skinny" budget released last month, adding more detail on requests for discretionary spending. The budget request does not include information on 10-year estimates of federal spending, revenue, and deficits, as well as projections of economic growth, and interest rates. A spokesperson for the administration has indicated that the rest of the budget information will be released after the reconciliation process is completed.

The Congress considers the President's budget request but does not vote on it. The next step is for the House and Senate Appropriations Committees to develop their funding levels for each federal program. The committees will also have to decide if they are willing to include the necessary statutory changes in the funding bill. The Congress and the President have until midnight September 30th to enact a bill to fund all federal programs for the year. It is not likely that the final bill will be completed by the deadline, given how late the process began this year. A Continuing Resolution (CR) will be necessary to keep the government open and allow more time for agreement to be reached after October 1, 2025. These FFY 2026 funds will be allocated in the Part C awards, July 1, 2026.

Department of Education IDEA Budget Request The request for the Education Department for FFY 2026 is \$66.7 billion, a \$12 billion, or 15.3 percent reduction below FFY 2025 appropriation. The budget documentation indicates this request "reflects an agency that is responsibly winding down." The request includes a consolidation of seven of the eight programs under IDEA. According to the request, Part C, the Early Intervention program would continue to be separately funded at \$540 million, a freeze at the levels for both FFY 2024 and 2025. The document request states:

"Ensuring infants and toddlers with disabilities are identified and receive services in a timely manner is crucial to improving long-term outcomes. The Request would increase flexibility for States to use funding to identify and refer for services individuals who are expected to become an infant or toddler with a disability. ...Such programs are generally designed to mitigate the need for more extensive services in the future and ensure that infants and toddlers with disabilities receive the supports and services they need to prepare them to enter formal education. At the requested level, the median State award would be just under \$6.9 million, with a minimum award of approximately \$2.6 million and a maximum award of \$57.5 million. The Request would increase flexibility for States to use funding to identify and refer for services individuals who are expected to become an infant or toddler with a disability."

The request wants the remainder of the IDEA programs to be consolidated under the Part B Section 611 State Grant program. In addition to the Preschool 619 program, funded at \$420 million in FFY 2025, the programs under Part D recommended to be consolidated include: State Personnel Development funded at \$38.6 million in FFY 2025, Technical Assistance and Dissemination funded at \$39.4 million in FFY 2025, Personnel Preparation funded at \$115 million in FFY 2025, Parent Information Centers funded at \$33.2 million, and Educational Technology, Media, and Materials funded at \$31.4 million in FFY 2025.

According to the request, these six programs would not receive any funds. The Administration requests \$14.9 billion, an increase of \$677.5 million over the 2024 level for the Part B State Grant Program. According to the request, the resulting consolidated Part B State Grants “would support approximately 11 percent of the national average per pupil expenditure and provide an estimated average of \$1,944 per child for about 7.6 million children ages 3 through 21.”

Under the request, the newly consolidated Part B State Grants Program would continue “to be allocated to States and LEAs in accordance with IDEA Section 611, and States would receive additional flexibility to reserve funds for State-level activities, including those currently supported under the National Activities programs and the Preschool 619 program.” States would also continue “to meet key IDEA accountability and reporting requirements aimed at ensuring a free appropriate public education is available to all students with disabilities and protecting the rights of those students and their families.” Additional Part B provisions are included in the request including the following Part B requirements:

- To provide a free appropriate public education (FAPE) in the least restrictive environment.
- Services are provided in accordance with individualized education programs (IEPs) that are developed by teams that include not less than the child’s parents, a special educator, a representative of the LEA, a regular educator, and the child with a disability as appropriate.
- Services must be provided, to the maximum extent appropriate and in the least restrictive environment, which for most children means full participation in classes with children without disabilities.
- Students with disabilities also must be included in general State and district-wide assessments, including the assessments required under ESEA, and States must appropriately accommodate children with disabilities so they can participate in these assessments, or alternate assessments for those children with the most significant cognitive disabilities who cannot participate in regular assessments.

K-12 Simplified Funding Program (K-12 SFP) The request would consolidate eighteen currently funded formula and competitive grant programs for elementary and secondary education into a single State formula grant program to be funded at \$ 2 billion. States and localities would have flexibility to use these consolidated K-12 SFP funds for any number of elementary and secondary education activities, consistent with the needs of their communities, including increasing educational options for students within and across schools, strengthening instruction in core academic subjects, and promoting patriotic education.

Some of the eighteen programs to be consolidated include literacy programs, services to students who are migrant, services to children who are homeless, rural education, arts, gifted and talented education, 21st Century Learning Centers, English Language Acquisition, and programs for Hawaiian

and Alaska Education. The activities of the 18 K–12 education grant programs would remain allowable under the new program with States and localities having the flexibility to deploy these resources in a manner consistent with the needs of their communities. This program would operate alongside Title I-A Grants to LEAs. The request also proposes a minimum of 7.5 percent of available funds (\$150 million) be dedicated to reading instruction.

Institute of Education Sciences (IES) According to the Budget request, the “Administration is currently in the midst of reimagining a more efficient, effective, and useful IES to improve support for evidence-based accountability, data-driven decision making, and education research for use in the classroom.” The Administration requests \$261.3 million for IES activities, \$531.8 million less than the fiscal year 2024 appropriation. Seven programs including Special Education Research, State Longitudinal Data Systems and Special Education Studies and Evaluation are included in this description but not given a specific funding level.

Charter Schools The Budget request includes a recommended \$500 million, a \$60 million increase “to expand high-quality charter schools, which have a proven record of improving students’ academic achievement.” The language in the request indicates “These funds would support new and continuation awards that make start-up, replication, expansion, and facility support available to charter schools capable of delivering innovative solutions to meet student needs.”

Budget Request for Health and Human Services HHS proposes \$94.7 billion in discretionary budget authority for FFY 2026. According to the Budget request, HHS plans significant reorganization of the department. HHS plans to consolidate twenty-eight operating divisions to fifteen and close five of the “most costly” regional offices. The reorganization will combine multiple agencies, including the Health Resources and Services Administration (HRSA), Substance Abuse and Mental Health Services Administration (SAMHSA), Office of the Assistant Secretary for Health (OASH), National Institute for Environmental Health Sciences (NIEHS), and some programs from the Centers for Disease Control and Prevention (CDC) into a new, entity called the Administration for a Healthy America (AHA).

The budget would also consolidate programs formerly housed in the Administration for Community Living (ACL) into the Administration for Children and Families (ACF) under a new operating division, called the Administration for Children, Families, and Communities (ACFC). The Budget requests \$29.3 billion in discretionary funding for ACFC. The budget eliminates program funding for the Low-Income Home Energy Assistance Program, Community Services Block Grant programs, University Centers for Excellence in Developmental Disabilities, Voting Access for People with Disabilities, and the White House Conference on Aging.

Head Start Despite the original expectation that the Head Start program would be eliminated, the budget request continues to support the Head Start program. The budget requests \$12.3 billion to fund an estimated 675,000 slots for eligible children and pregnant women across the United States.

The President’s Budget proposes a set of reform principles to modernize the Head Start program. These reforms:

- Increase parental choice, enhance, and prioritize efficiency, promote parental engagement, and improve health, education, and employment outcomes.

- Focus on collaborating with early childhood systems to maximize parental choice.
- Work with grantees to better manage funds, remove DEI, and reduce improper payments to increase financial accountability for the program.

Child Care and Development Block Grant The Budget request provides \$8.7 billion in discretionary funds for the Child Care and Development Block Grant. The Request notes that “Under President Trump’s leadership, ACFC recently issued guidance to ensure families have access to a range of childcare providers, including faith-based providers, to empower parents to select the setting that is the best fit for their families.”

Disability Programs, Research, and Services The budget includes \$466 million to provide resources to states and communities “to assist individuals with disabilities in leading full lives in their communities.” According to the request, Independent Living (\$228 million) and State Councils on Developmental Disabilities (\$80 million) provide access to education, health, employment, and other aspects of community life to individuals with disabilities living on their own.

The budget also provides \$100 million to the National Institute on Disability, Independent Living, and Rehabilitation Research to support grantees through sponsoring comprehensive and coordinated programs of research, training, knowledge translation, and capacity-building. This will provide products to help improve the independence of individuals living with disabilities. These products and services allow this population to use transportation services, access independent living, retain employment and function in the broader community.

Administration for a Healthy America (AHA) This new agency consists of Primary Care, Maternal and Child Health, Mental and Behavioral Health, Environmental Health, HIV/AIDS, Health Workforce, AHA Policy, Research, and Oversight, which includes the Surgeon General. Some programs eliminated from HRSA include Healthy Start, Newborn Screening for Heritable Disorders, Early Hearing Detection and Intervention, Emergency Medical Services for Children, Ryan White Part F, Rural Hospital Flexibility Grants, State Offices of Rural Health, Rural Hospital Stabilization, Family Planning, and fifteen workforce programs.

Maternal and Child Health The budget includes \$897 million to support maternal and child health programs formerly managed by HRSA. According to the request, this funding prioritizes programs that provide states and communities the flexibility to address local maternal and child health needs, like the Maternal and Child Health Block Grant.

The budget provides \$767 million for the Maternal and Child Health Block Grant. The Block Grant provides formula awards to states based on population size and need. It includes a set-aside to implement state specific innovative action plans to improve access to maternal care services and address workforce needs.

The budget also includes \$158 million for a wide variety of birth defects, developmental disabilities, and disability and health activities formerly executed by CDC.