

AUGUST 2025

National Funding Summary Guide

Funding Updates for Fiscal Year 2025



Introduction

Imagine Learning is sharing our updated National Funding Summary Guide for fiscal year 2025 (FY25) to help school communities and their leaders better understand the current K–12 education funding landscape across state budgets, the elementary and secondary formula and discretionary program funds from the U.S. Department of Education (USED), and the variety of grants and resources amongst donors.

Our guide will help illustrate some of the most common themes, insights, and spending strategies for FY25 through the primary funding sources available to support K–12 education and assist State Education Agencies (SEAs), Local Education Agencies (LEAs), and schools seeking to strategically invest in academic programs and initiatives by aligning spending priorities with available funds. As many school communities face uncertainty amidst evolving priorities, funding and policy shifts, enrollment declines, and a variety of other challenges, Imagine Learning understands:

- How federal spending changes are directly affecting school communities
- How districts and schools are navigating tight timelines under immense and rapid change
- How critical it is for communities (even those with limited funds) to align spending to academic goals and outcomes

Funding Summary

It is widely known that the primary K–12 funding revenue streams historically derive from state and local governments (of which nearly 40% of education funding stems from local property taxes) and the federal government (primarily from the USED, which traditionally contributes approximately 8–10%). Since the 2020–21 school year, SEAs, LEAs, and schools received an influx of over \$200 billion through the one-time emergency relief funds to aid their communities during and after the COVID-19 pandemic. It was projected that during the 2024–25 academic year, elementary and public schools would be relatively flat to the 2023–24 projected expenditures. For example, it was projected that K–12 schools would spend approximately \$784 billion in expenditures (inflation adjusted, excluding the emergency relief funds) with an average daily attendance (ADA) per pupil amount of \$17,229¹.

Overall, FY25² continues to be a tight budgetary year for most states. Enacted K–12 education budgets and general education funds had slight growth, the FY25 appropriations³ for elementary and secondary education was passed in March 2025, and the American Rescue Plan’s Elementary and Secondary School Emergency Relief Funds (ARP ESSER III) have expired.

\$384B

STATE FUNDS

approx. \$7,773 per student

\$45B

FEDERAL FUNDS

approx. \$1,600–\$1,800
per student

\$375.2B

LOCAL FUNDS

approx. \$7,562 per student

¹U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), “National Public Education Financial Survey,” 1989-90 through 2018-19; National Elementary and Secondary Enrollment Projection Model, through 2030; and Public Elementary and Secondary Education Current Expenditure Projection Model, through 2031-32. (This table was prepared October 2023.)

²U.S. Department of Education **State Budget Tables, Education Data Initiative (2025)**

³H.R.1968 - Full-Year Continuing Appropriations and Extensions Act, 2025

State and Local Funds

K–12 Highlights and Themes

STATE BUDGETS

Across the nation, state administrators, district and school leaders, and educators continue to be weighed down with insurmountable funding challenges, such as student enrollment declines, chronic absenteeism, educator and specialist staff shortages, administrative and teacher turnovers, current or planned layoffs, program reductions or eliminations, fiscal budget constraints, and continued economic uncertainty. While all of these varying challenges ultimately impact K–12 education budgets, especially for districts and local school communities, the majority of states’ general fund expenditures have slightly increased compared with fiscal year 2024 (FY24)⁴.

A majority of states (32) are experiencing growth:

- 20 states (>3% growth): DE, HI, IN, IA, KS, KY, ME, MS, MO, NV, NH, NY, NC, OR, PA, RI, TX, VA, WA, and WY
- 12 states (0–3% growth): AK, CT, DC, GA, ID, IL, MA, NE, NJ, OK, SC, and SD

Some states (18) are experiencing declines:

- 3 states (0–3% decline): FL, LA, and NM
- 15 states (>3% decline): AL, AZ, CA, CO, MD, MI, MN, MT, ND, OH, TN, UT, VT, WV, and WI

Approximately one-third of states’ general funds are allocated to K–12 education, so even minor shifts in state spending and revenue impact K–12 budgets.

Top Budget Trends

The top education trends across governors’ 2025 State of the State addresses:

1. **Career pathways:** workforce development and career and technical education
2. **K–12 funding:** increased investments and reexamination or changes to funding formulas
3. **Teacher workforce:** compensation, recruitment, and retention
4. **Early childhood education:** access, expansion, workforce, and high-quality programs
5. **Academic achievements:** literacy, early reading, math, and tutoring
6. **Mental and physical health:** supporting students’ mental health and universal free lunches
7. **School choice:** expanding schooling options for all students

Other Budget Themes

- Increasing opportunities for school choice
- Providing transparency in voucher programs
- Reforming the special education system
- Increasing investments in school safety
- Modernizing school facilities
- Providing additional funding for school transportation and food services

Instructional Materials: Emerging Priorities

- Literacy and reading
- Mathematics
- STEM education
- Computer science (CS)
- Career and technical education (CTE)
- Dual language programs
- PreK and early learning

Additionally, with the conclusion of the emergency relief funds, school district leaders indicated more reliance on general/ local funds, Title I-A, state grants, and philanthropic grants in the coming school years⁵.

Sources: **The National Governors Association (NGA) and the Education Commission of the States (ECS) State Education Trends for 2025 report** (March 2025); **NASBO Summaries of Governors’ 2025 State of the State Addresses** (April 10, 2025); **National Conference of State Legislatures (NCSL) FY2025 State Budget Status**

⁴NASBO “The Fiscal Survey of States” (Fall 2024)

⁵EdWeek Market Brief: “As Cuts to Federal Funding Loom, How Will Districts Pay for Products?” (June 2025)

Federal Funds

K–12 education

While the U.S. Department of Education continues to alter its priorities, funding levels and appropriations, and essential strategies, there are still over 20 elementary and secondary federal funding programs and a variety of discretionary grant programs for SEAs and LEAs to lean on in FY25 to support their education programs and outcomes.

Explore some of the most common federal funds used toward Imagine Learning's solutions.

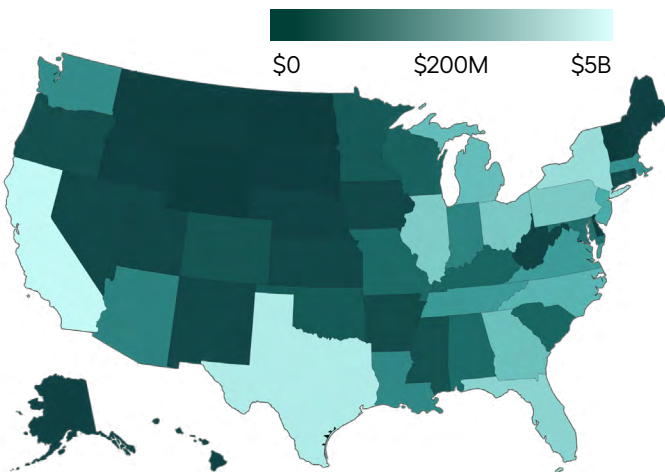
- **Title I, Part A:** Grants to Local Educational Agencies
- **Title I, Part C:** Migrant Education
- **Title II, Part A:** Supporting Effective Instruction State Grants
- **Title III, Part A:** English Language Acquisition
- **Title IV, Part A:** Student Support and Academic Enrichment Grants
- **IDEA, Part B:** Grants to States

2025 PRIORITIES

- Education choice
- Artificial Intelligence (AI)
- High-quality instructional materials (HQIMs)
- Evidence-based literacy
- High-quality tutoring
- CTE coursework
- Credit recovery
- Dual enrollment
- Personalized learning approaches
- Out-of-school activities

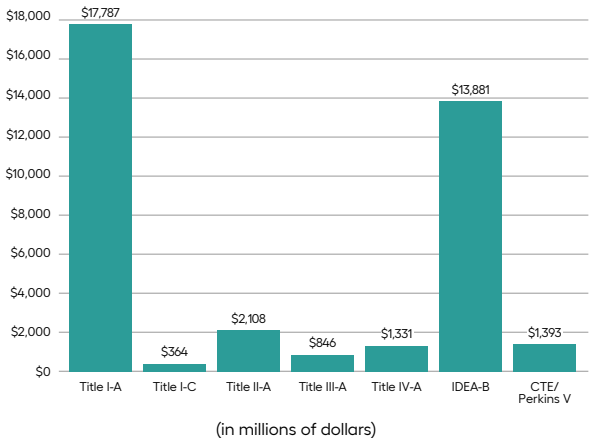
TOTAL FEDERAL FUNDS ALLOCATED

(reflect Title I-A, Title I-C, Title II-A, Title III-A, Title IV-A, and IDEA-B only)



FY25 ESTIMATED ALLOCATIONS

United States including D.C. (excludes U.S. Territories)

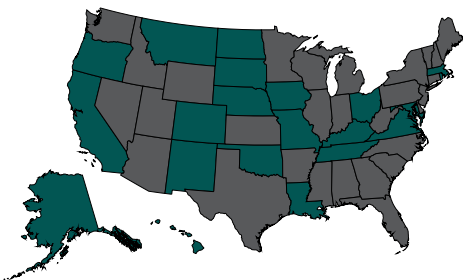


FEDERAL GRANT SPOTLIGHT:

Comprehensive Literacy State Development (CLSD) Grants

\$194 million was awarded to **23 states** to advance literacy skills, reading, and writing for children from birth through grade 12 and to support educators through professional learning.

Learn more at imaginelearning.com/funding/#fed-grant-spotlight



Sources: H.R.1968 - Full-Year Continuing Appropriations and Extensions Act, 2025; Fiscal Years 2023–2025 State Tables for the U.S. Department of Education; Budget Requests (U.S. Department of Education)

POPULAR K–12 SPENDING STRATEGIES

Spending Strategy	How Imagine Learning can help...
Summer and extended learning	Summer and extended learning programs are great opportunities for students to work on grade-level skills, receive targeted intervention, or accelerate their learning. Imagine Learning provides flexible options to customize summer or extended learning programs that move students toward their full potential.
High-quality curriculum and instruction to accelerate learning	<p>Imagine Learning creates PreK–12 digital-first solutions fueled by educator insights to support over half of the districts nationwide with school services and core, courseware, and supplemental programs.</p> <ul style="list-style-type: none"> • Curriculum: Our personalized learning solutions support each student’s unique learning journey. • 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 high-quality courses.
Professional development	Imagine Learning provides targeted training, customized sessions, and practical resources to give educators everything they need to be successful. Our flexible packages include focused professional development for each product with options for virtual or onsite delivery.
High-intensity tutoring	Imagine Learning provides expert, on-demand virtual tutors providing real-time individual 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.
Small-group instruction	Imagine Learning’s highly qualified, certified teachers provide Small Group Targeted Instruction (SGTI) , a synchronous, ESSA-aligned, evidenced-based program, to intensify acceleration pathways for students’ academic achievements and engagement in mathematics, English language arts (ELA), science, social studies, English language development (ELD), and test prep.
Artificial Intelligence (AI)	Imagine Learning delivers trusted, research-backed AI insights and instructional support that improve learning outcomes for students and their teachers. Through our Curriculum-Informed AI™ , we are building and integrating AI across our portfolio to align with high-quality instructional materials (HQIM) and evidence-based instructional practices.

Sources: EdWeek Research Brief: School District Purchasing Priorities | 2024-25; McKinsey “Stimulus funding deadlines loom: How are K–12 schools adjusting their priorities?” (October 2023); Edunomics Lab

Private Sector Grants

\$87.7 billion

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. This could be due to a variety of reasons, such as being unaware of how donors support education, not having the capacity to research or write grants, or lacking the skillsets in approaching donors and securing grants. However, with the emergency relief funds expiring, districts and schools will be ramping up efforts to pursue more grants for their education programs.

Imagine Learning is leading the way to help our district and school partners recognize the importance of donors’ roles in education and how to establish and grow relations with donors, specifically foundations and corporations, who are investing in a wide variety of education areas.

Our Grants and Funding team is sharing our resource — **Imagine Learning’s Donor Grant Toolkit** — which includes tips on donor relations, secrets and guides for grant-seeking and grant-writing efforts, and resources to support our district and school communities in researching potential grants to further support K–12 education programs and initiatives.

EDWEEK MARKET BRIEF SURVEY (April 2024)

“Grants Are an Alternative to Stimulus Aid. Vendors Can Help Districts Pursue Them”

“More districts plan to look for grant support over the next year.” To learn more, visit: marketbrief.edweek.org/market-trends/grants-alternative-stimulus-aid-vendors-can-help-districts-pursue

The toolkit will provide supports to:

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



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

Our purpose in providing this toolkit is to help our school community partners pursue donors, reduce the grant preparation and grant writing time, improve the quality of submitted grant applications, and increase the chances of being selected for funding.

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 More Learning

Find out more about how our evidence-based programs, services, and supports qualify for many funding programs.

Imagine Learning			Federal Annual Formula Funds				
Program	Curriculum Type	Grades	Title I Part A	Title II Part A	Title III Part A	Title IV Part A	IDEA Part B
Imagine Learning EL Education®	Core ELA	K-8		✓		✓	✓
Imagine IM	Core Math	K-12		✓		✓	✓
Twig® Science	Core Science	PreK-8		✓		✓	✓
Traverse®	Core Social Studies	6-12		✓		✓	✓
Imagine Edgenuity®	Courseware	6-12	✓	✓	✓	✓	✓
Imagine EdgeEX™	Next generation of Imagine Edgenuity	9-12	✓	✓	✓	✓	✓
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+ Screener	Assessment (Dyslexia + Reading Challenges)	PreK-3	✓	✓	✓	✓	✓
Imagine Assessment+ Diagnostic	Assessment (Math + ELA)	K-12	✓	✓	✓	✓	✓
Imagine Assessment+ Formatives	Assessment (Math + ELA)	K-8	✓	✓	✓	✓	✓
Imagine Galileo®	Assessment (ELA, SLA, Math, Science)	K-12	✓	✓	✓	✓	✓
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 implementations 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.

Discover how our evidence-based programs can meet your funding requirements and deliver a return on your investment 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