



To the Administrator Addressed

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • tea.texas.gov

DATE:	November 20, 2025
SUBJECT:	Federal Government Continuing Resolution and Impact on Grants
CATEGORY:	Funding Implications
NEXT STEPS:	Share with appropriate finance, grants, and federal program staff

Effective October 1, 2025, the federal government initiated a shutdown of operations pending the passage of a Federal Fiscal Year (FFY) 2026 budget or a continuing resolution (CR). On November 12, 2025, the federal government reopened under a CR that extends through January 30, 2026. Congress must either pass an FFY 2026 budget or approve another CR before January 30 to continue federal funding.

The CR reinstates federal employees at the U.S. Department of Education (USDE) and prohibits staff reductions through January 30. USDE staff resumed work the day after the CR was signed.

The Texas Education Agency (TEA) continues to have access to draw funds and to receive and distribute grant payments to school systems through the Expenditure Reporting (ER) System. TEA and subrecipients are expected to continue meeting fiduciary responsibilities to implement compliant grant programs.

Funding Background

Federal education funding through the U.S. Department of Education is “forward funded,” meaning funds for the 2025–2026 school year were allocated from the FFY 2025 budget. The current CR funds the federal government in FFY 2026 through January 30. The FFY 2026 approved federal budget will fund federal education grants for the 2026–2027 school year.

Best Practices During a Continuing Resolution

During a federal CR, grantees and subrecipients should continue using federal education grant funds as intended, ensuring programs are implemented in compliance with applicable requirements.

Recommended actions include:

- Continue implementing programs in an allowable manner.
- Ensure internal policies and procedures are documented and followed.
- Maintain data collection for reporting.
- Meet program and grant timelines.

Contact Information

For questions regarding the impact of the CR on federal grants at the school system level, email Cory Green (cory.green@tea.texas.gov) and Nick Davis (nick.davis@tea.texas.gov) in the Department of Grant Compliance and Administration.