

# Federal Share of K-12 Education Funding

Public schools operate through a blend of local, state, and federal resources—funding streams that can both complement and compete with one another. Federal education revenues have historically accounted for a relatively small share of overall K-12 education spending, typically between nine and eleven percent. Understanding not just the total dollars a district receives from the federal government, but the proportion those funds represent within a district's overall budget, is critical to assessing the potential impact of proposed federal cuts. For the 2022–23 school year, AASA's analysis found that federal funds made up just under 13 percent (12.75%) of a typical school district's operating budget.

This updated analysis, conducted using a dataset prepared by ProximityOne, builds on AASA's 2023 report examining federal funding levels for school year 2020–21. It provides a powerful tool for understanding and demonstrating how federal dollars shape district budgets. Most importantly, the findings highlight how the deep education cuts proposed for FY26 by President Trump and the House of Representatives would fall hardest on the nation's most vulnerable communities. Such blunt reductions would not only undermine cornerstone federal programs—including Title I and Title II of the Elementary and Secondary Education Act—but also threaten the broader success of public schools and the students they serve.

Using the ProximityOne dataset, this analysis examines which states and districts have above-average—often significantly higher—shares of their operating budgets supported by federal revenues. The findings underscore why Congress must avoid the deep cuts currently proposed. The impact of such reductions will vary across states and districts, reflecting differences in fiscal capacity and willingness to fund education at the state and local levels. Districts that rely more heavily on federal support will experience the greatest harm.

Public schools are essential to preparing the nation's future workforce, yet current federal budget proposals fail to protect this critical investment. Congress must reject blunt cuts and instead pursue a bipartisan approach that safeguards education through a balanced mix of new revenues, targeted spending adjustments, and thoughtful reforms to mandatory programs.

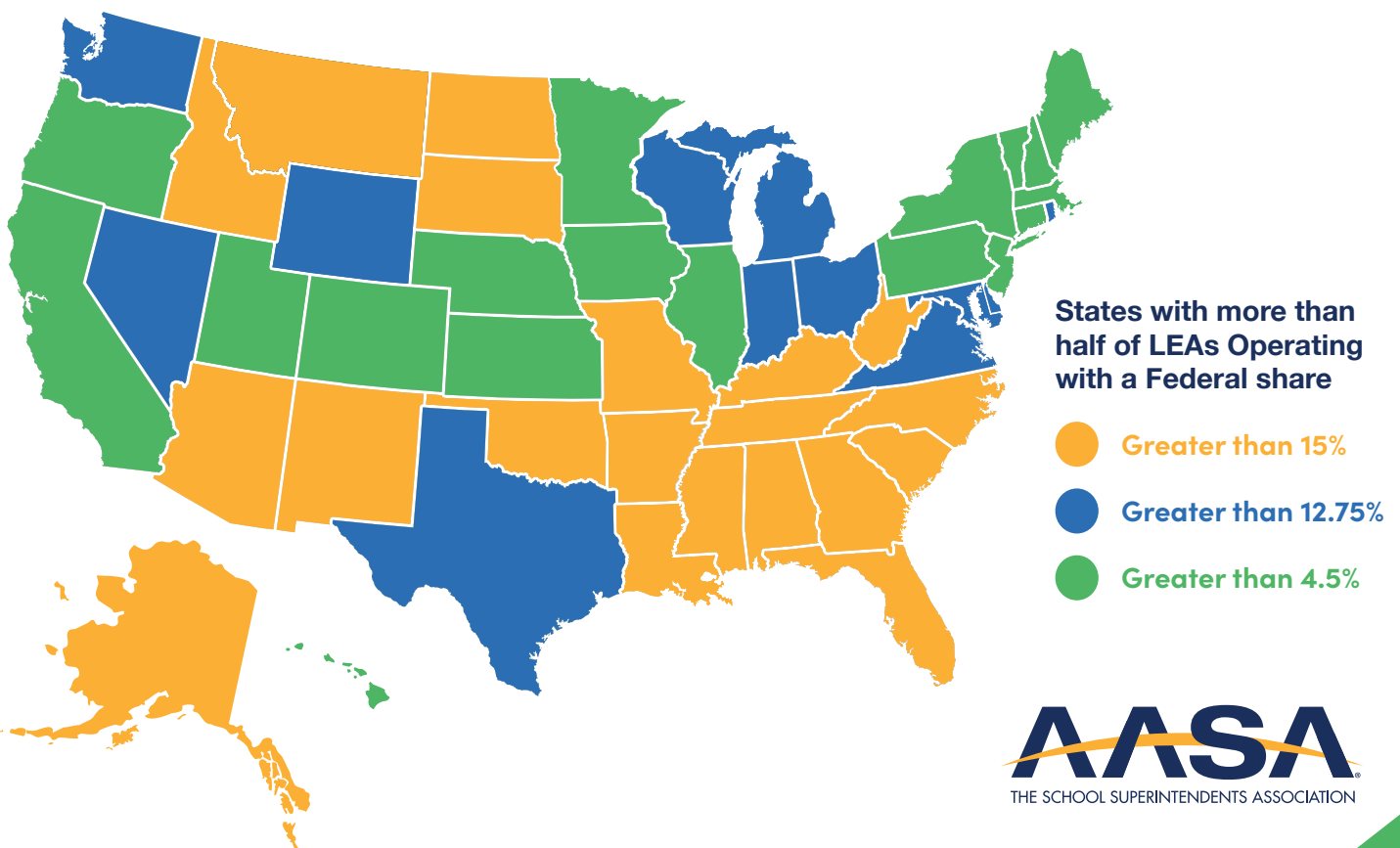


Table I below reports the average share of federal, state, and local revenues in LEA operating budgets across all 50 states.

Table II below highlights states with significant numbers of districts that are especially dependent on federal funds.

This data collection is sourced from the US Census 2023 Annual Survey of School System Finances, representing the 2022-23 school year. This analysis examines the share of school district budgets that are funded by annually appropriated federal dollars during that school year. This analysis does NOT include any remaining Elementary and Secondary School Emergency Relief (ESSER) or American Rescue Plan (ARP) funds.

**TABLE I**

Education Revenues (Federal, State, and Local)											
State	Fed %	State %	Local %	State	Fed%	State %	Local %	State	Fed%	State %	Local %
Nat'l	12.75%	45.05%	42.20%	KY	19.90%	54.88%	25.22%	ND	16.82%	43.34%	39.83%
AL	18.51%	53.59%	27.90%	LA	21.76%	35.62%	42.62%	OH	11.33%	36.93%	51.75%
AK	25.03%	57.89%	17.08%	ME	7.13%	31.55%	61.32%	OK	19.38%	43.43%	37.18%
AZ	21.29%	43.14%	35.57%	MD	11.93%	45.07%	43.01%	OR	10.21%	59.22%	30.56%
AR	21.34%	63.74%	14.92%	MA	8.24%	41.51%	50.25%	PA	9.85%	38.40%	51.75%
CA	9.69%	53.18%	37.13%	MI	12.36%	52.57%	35.06%	RI	11.41%	28.47%	60.12%
CO	10.49%	45.08%	44.43%	MN	11.02%	57.67%	31.31%	SC	15.77%	43.84%	40.39%
CT	6.54%	30.22%	63.23%	MS	26.23%	44.82%	28.95%	SD	18.48%	27.52%	54.00%
DE	13.07%	59.81%	27.12%	MO	17.45%	41.03%	41.52%	TN	19.48%	48.96%	31.56%
FL	19.89%	38.77%	41.34%	MT	20.24%	39.35%	40.41%	TX	14.93%	36.49%	48.57%
GA	17.77%	44.03%	38.21%	NE	9.04%	21.50%	69.46%	UT	9.38%	46.14%	44.48%
HI	10.72%	88.00%	1.28%	NV	14.73%	77.55%	7.72%	VT	6.72%	82.27%	11.01%
ID	16.43%	63.90%	19.67%	NH	6.49%	28.82%	64.70%	VA	14.35%	48.88%	36.77%
IL	10.51%	41.30%	48.19%	NJ	5.96%	35.67%	58.37%	WA	12.25%	67.99%	19.77%
IN	11.99%	53.47%	34.54%	NM	16.03%	65.59%	18.38%	WV	19.56%	46.49%	33.95%
IA	9.65%	44.31%	46.04%	NY	7.52%	43.94%	48.54%	WI	11.64%	45.73%	42.62%
KS	10.72%	58.64%	30.64%	NC	19.74%	58.73%	21.54%	WY	14.65%	43.26%	42.09%

**TABLE II**

States w/ More Than Half of LEAs Operating w/ Federal Share Greater than 12.75%		
AL	LA	SC
AK	MS	TN
AZ	MO	TX
AR	MT	VA
FL	NV	WV
GA	NM	WY
ID	NC	
KY	OK	

States w/ More Than Half of LEAs Operating w/ Federal Share Greater than 15%		
AL	ID	NM
AK	KY	NC
AZ	LA	OK
AR	MS	TN
FL	MO	WV
GA	MT	