

# The Federal Update for March 10, 2023

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Re: Federal Update

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## Legislation and Guidance

### President Submits Budget Proposal to Congress

On Thursday President Biden submitted a budget proposal to Congress. The proposal would include an increase of 13.6 percent to spending at the U.S. Department of Education, for a total of $90 billion.

Among the priorities outlined in the document are a grant program that would “lay the groundwork” for free community college nationwide through two-year scholarships and a $500 million demonstration grant to expand free preschool to children in Title-I eligible school attendance areas. The proposal would also provide $15 billion over 10 years to support expansion of the Community Eligibility Program, an increase to the maximum Pell grant by $820, and a 27% increase in the operation budget of the Office for Civil Rights at the Department of Education -- a request that drew criticism from top Senate education Committee Republican Bill Cassidy (R-LA), who suggested funds would be used “to promote biological males competing in female sports. And the administration has renewed its ask for $200 million for a Career Connected High Schools dual-enrollment initiative.

But changes in funding are not always spread equally throughout programs or even within Titles – for example, National leadership activities under the Adult Education and Family Literacy Act (AEFLA) would see their funding double under this program, while State grants would stay stagnant.

In a nod to Republicans in Congress who have called for reducing the rate of spending, the proposal also suggests $3 billion in deficit reduction.

Additional proposed funding levels are outlined in the table below (note that amounts proposed are in thousands of dollars.

|  |  |  |  |
| --- | --- | --- | --- |
| **Program** | **FY 2023 Final** | **FY 2024 President’s proposal** | **Percent change v. FY 2022** |
| **Title I** | $19,088 | $20,536 | 11.69% |
| **Title II** | $2,190 | $2,190 | -- |
| **21st Century** | $1,330 | $1,330 | -- |
| **Title IV-A/SSAE** | $1,380 | $1,405 | 1.81% |
| **IDEA Part B** | $14,194 | $16,259 | 14.55% |
| **CTE State Grants** | $1,430 | $1,473 | 3.04% |
| **AEFLA** | $729 | $759 | 4.11% |
| **CCDBG** | $8,021 | $9,000 | 12.2% |

Author : JCM

### House Committee Passes Bill to Define “Sex” for Sports

The House Committee on Education and Labor held a markup this week where it voted to approve a bill that would define sex for the purposes of participation in school sports teams. The “Protection of Women and Girls in Sports Act” (H.R. 734) would amend Title IX of the Education Amendments of 1972 to prohibit students from participating in women’s or girls’ sports if their reproductive biology and genetics are designated male at birth. The restriction would apply to all recipients of federal funds at any level, covering K-12 education as well as colleges.

The bill drew criticism from Democratic lawmakers, who noted that it only impacted students who are attempting to participate in women’s and girls’ sports, and said it would negatively impact the mental health of trans girls, a group which is already often marginalized. Committee ranking member Bobby Scott (D-VA) said that transgender athletes represent only a “tiny fraction” of the school population and sports teams, and suggested that the bill represented Congressional overreach.

Committee Chair Virginia Foxx (R-NC) released a statement on the bill, stating that under the current system “women are deprived of an equal playing field and stripped of opportunities to succeed in sports to which they dedicated their entire lives.” During the hearing she also said that Title IX has been “perverted” by the Biden administration.

The legislation would align with similar rules passed in a number of States in recent years, and if passed by Congress, it would preempt an anticipated regulation on Title IX and athletics that the U.S. Department of Education has indicated would define “sex” broadly to include gender identity. There is no timeline for its consideration in the full House.

Author: JCM

### House Republicans Advance Parents Bill of Rights Act

On Thursday, House Republicans advanced H.R. 5, the Parents Bill of Rights Act, which follows legislation under consideration in 26 Republican-led state legislatures. After the House Education and Workforce Committee’s 16-hour markup session, the committee voted along party lines to advance the bill, along with H.R. 734 – the Protection of Women and Girls in Sports Act of 2023.

The Parents Bill of Rights Act was introduced earlier this month and would require school districts to offer parents access to, among other things, books, curriculum, budget materials, parent-teacher conferences, and school board testimony. The legislation would limit course materials that have race-related or sexual themes. The bill would also subject school districts to federal financial penalties if they do not comply with curriculum transparency requirements and student privacy protections.

During the markup, Republicans offered a number of amendments, including one that would give parents the right to be notified when the school plans to have speakers or organizations at school functions and giving parents the right to view professional development materials. Additionally, Republicans added amendments that would require schools to get parent consent to use a student’s preferred pronouns and notify parents if a student is allowed to use restrooms aligned with a gender identity that differs from their sex assigned at birth.

Republicans voted down almost all Democratic amendments, including amendments to prohibit banning certain courses and books, boost funding for teacher training grants, and increasing diversity in schools.

The Parents Bill of Rights Act is part of with the “Commitment to America,” the Republican policy agenda. Republican leadership has prioritized the legislation and is eager to bring it to a vote. House Majority Leader Steve Scalise (R-LA) stated that the legislation could be up for vote on the House floor as early as March 20th. The bill is likely to pass the House, but is expected to stall in the Democrat-controlled Senate.

Resources:
Bianca Quilantan, “House Panel Clears Parents Bill of Rights, Transgender Sports Bill,” Politico, March 9, 2023.
Author: BNT

## News

### SoFi Sues Department Over Student Loan Payment Pause

Last week, SoFi, an online private lender, filed a lawsuit in the U.S. District Court for the District of Columbia against the U.S. Department of Education (ED) and Education Secretary, Miguel Cardona. The lawsuit is aimed at the most recent extension of the federal student loan payment pause, which extends the moratorium while the Supreme Court decides the case on the student loan forgiveness program.

In the complaint, SoFi alleges that ED’s rationale for the extension of the pause is not justified under the 2003 Higher Education Relief Opportunities for Students (HEROES) Act which the administration used as a basis for the extension. When the last extension was made in November of 2022, Cardona stated that reason for the extension was to reduce financial uncertainty for borrowers as the Supreme Court heard the forgiveness program case. The HEROES Act allows the President to alleviate hardships that borrowers may suffer due to national emergencies. But SoFi argues that the extension was an illegal overreach by the administration and has asked the Court to invalidate the extension or order ED to require borrowers who are not eligible for the forgiveness program to resume making payments.

ED, however, has maintained that the extension is legal. The agency argues that the lawsuit is simply an attempt by SoFi to make money “while they force 45 million borrowers back into repayment — putting many at serious risk of financial harm.”

SoFi’s complaint argues that it will lose $25 million to $30 million if the paymentpause remains in place. Along with other loans, the company refinances federal student loans and offers lower interest rates to qualified borrowers. Now, according to the SoFi complaint, the moratorium on interest has removed the benefit of refinancing federal student loans for borrowers. SoFi has to compete with the 0% interest rate that is currently being applied to federal student loans. Overall, the company notes that it has lost $150 million to $200 million since the COVID-19 pandemic and the implementation of the student loan payment pause.

The federal student loan payment pause has been in place since March of 2022 at the beginning of the COVID-19 pandemic. The pause was extended twice by the Trump administration. The Biden administration has further extended the pause six times-- justifying the extensions with the need to assist borrowers in the economic climate of the public health crisis.

Resources:

Danielle Douglas-Gabriel, “SoFi Sues Cardona, Education Dept. to End Student Loan Payment Pause,” *Washington Post*, March 6, 2023.
Author: BNT

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