

# **The Federal Update for March 15, 2024**

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Re: Federal Update

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## Legislation and Guidance

### President Releases FY 2025 Budget Proposal

President Biden sent his FY 2025 spending proposal to Congress this week, kickstarting debate on federal funding for the year that starts October 1. The proposal includes small increases in certain programs, but overall attempts to stay within the spending cap agreed to in the debt ceiling deal last June. This means the budget proposal does not include the same kind of significant program increases that the administration has suggested in prior years.

The U.S. Department of Education would receive a 4% increase in spending in the proposal, but this would be offset by proposed new cost savings including a rescission of funding for the Institute for Education Sciences and keeping the Vocational Rehabilitation State Grant Program at current levels rather than providing an increase in spending to match inflation. Much of the increase in spending would go to Pell grants and staffing within the Department of Education, with almost $700 million in new spending split among student aid administration, the Office for Civil Rights, and a handful of other offices.

Several programs would see more modest increases under the proposal, including Title I (an increase of 1.1%) and IDEA Part B (up 1.4%). The biggest boosts would go to Career and Technical Education National Programs – which would double – and the Fund for Improvement in Education, which would increase 42%. Full-Service Community Schools would see a boost of 33%, and Child Care Access Means Parents in Schools would increase 7%. TRIO and GEAR-UP would also see increases of approximately 2 and 3%, respectively.

The document would cut funding for the Charter School grant by 9%, though this is unlikely to pass through a Republican-controlled House, which has in recent years suggested maintaining or increasing charter school funding even as it would cut other formula programs. Comprehensive centers would see a decrease of 9%. Child care programs off campus would see decreases, with Head Start going down by 4%, the Child Care and Development Block Grant by 6%, and the Preschool Development Grants by 21%. In its place, the administration has suggested a new preschool and childcare initiative.

A chart detailing the proposal is below as compared to FY 2023, the most recent fiscal year with final funding levels. Amounts are in thousands of dollars.

|  |  |  |  |
| --- | --- | --- | --- |
| **Program** | **FY 2023 Final** | **FY 2025 President’s proposal** | **Percent change v. FY 2022** |
| **Title I** | $19,088 | $19,288 | 1% |
| **Title II** | $2,190 | $2,190 | -- |
| **21st Century** | $1,330 | $1,330 | -- |
| **Title IV-A/SSAE** | $1,380 | $1,380 | -- |
| **IDEA Part B** | $14,194 | $14,394 | 1.4% |
| **CTE State Grants** | $1,430 | $1,470 | 2.8% |
| **AEFLA** | $729 | $734 | 0.7% |
| **CCDBG** | $8,021 | $8,521 | 6.2% |

The budget also includes a proposal to differentiate the Pell maximum grant by the type of institution a student attends. Under this budget, students at public and non-profit institutions would have a maximum available grant of $8,145 while students at proprietary institutions would receive no more than $7,495.

Before Congress turns to FY 2025 spending, however, it will need to complete work on FY 2024. While six of the 12 appropriations accounts have seen full-year spending pass into law, the remaining six are still up in the air – including the Labor-HHS-Education account. A temporary funding measure for those accounts expires on March 22nd, meaning that Congress will likely try to finalize spending numbers in the coming week.

Author: JCM

## News

### ED Announces Fix for Some FAFSA Issues

After multiple technical glitches in the rollout of the new Free Application for Federal Student Aid (FAFSA), the U.S. Department of Education (ED) announced this week that it had corrected some of those errors related to parents without social security numbers (SSNs).

In December, ED released the long-awaited new FAFSA, which was supposed to include changes that would make the application easier to fill out and more accessible. However, since its release, multiple technical issues have been discovered that prevent families from completing the application. Additionally, ED has reported delays in processing the submitted applications, which colleges rely on to issue financial aid awards.

One of the technical glitches reported prevented students from inviting parents to complete their section of the FAFSA if the parent did not have an SSN. Even if the parent initiated their own application, the parent would run into error codes preventing submission. ED says that it has corrected this issue, and families should now be able to complete the FAFSA online.

The glitch and delay led many families to fill out the paper version of the FAFSA. However, ED announced this week that it would prioritize the backload of electronic FAFSA submissions. ED began sending out data to schools this week.

While some of the glitches have been corrected, ED is still working on other issues that prevent some families from submitting the FAFSA. One known error prevents applicants without an SSN from automatically transferring their tax information into the application. Applicants without an SSN must manually enter all financial information until the issue is resolved. Additionally, some applicants whose parents do not have a SSN were still unable to submit their applications. ED says that this occurs when the personally identifiable information on the FAFSA does not match their studentaid.gov account information.

In response to the errors, ED released a new resource document for families with parents without a SSN. For that resource and other updates, visit [ED’s FAFSA Contributor Updates page](https://www.ed.gov/FAFSAContributorUpdates).

Resources:

Bianca Quilantan, “Education Department announces FAFSA fix for families with mixed immigration statuses,” *Politico*, March 13, 2024.

Author: BNT

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