

# The Federal Update for July 8, 2022

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Re: Federal Update

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Congress will return to session on Monday, July 11, following its July Fourth recess. The Senate has 20 days left and the House has 12 days left in session prior to Congress’ planned summer recess.

## Legislation and Guidance

### ED Issues New, Looser Charter School Rules

After vocal objections from charter school advocates and some States, the U.S. Department of Education (ED) has issued a set of final regulations for the Charter School Grant Program (CSGP) that are significantly softer than the controversial draft.

The new regulations would still require school applicants to publish information on their ties to for-profit charter management organizations, known as CMOs, but those schools would not be precluded from receiving grants under the final regulations. Instead of an intense reporting requirement intended to determine whether there was existing demand for a charter school in a community, entities applying for subgrants would be able to provide a “needs analysis” to the State based on information already available.

Finally, charters will no longer have to demonstrate a partnership with a local school district – collaboration with schools or other entities will suffice. And they will no longer have to show that the school is racially or socioeconomically diverse because of its mission – for example, serving Native Americans students.

The regulations will only apply to recipients of grants under the CSGP, starting with the new competition that opened this week. Authorizers may still approve and otherwise fund charters which do not meet these requirements.

Advocates had complained that the previous version of the regulations was overly restrictive and would discourage charters from forming in districts that were under enrolled or not racially diverse. ED officials had initially defended the draft rule, saying that it was intended to ensure quality and reduce the number of charters that pull public funds but close shortly after opening, citing data which shows that about 14.5 percent of schools funded through CSGP had either never opened or closed prior to the end of their grant period.

The new [regulations are available here](https://public-inspection.federalregister.gov/2022-14445.pdf?utm_source=federalregister.gov&utm_medium=email&utm_campaign=pi+subscription+mailing+list).

Author: JCM

### Administration Proposes Changes to Target Loan Relief Programs

The U.S. Department of Education (ED) issued regulations this week addressing targeted student loan relief under federal aid programs, including the borrower defense to repayment program. The proposed rule comes amid a national debate over whether and how to implement a widespread student loan forgiveness initiative.

The proposed rule amends requirements for the borrower defense to repayment program, which allows borrowers to submit claims for loan relief if their institution has defrauded them; total and permanent disability discharges; closed school discharges; false certification discharges; and the Public Service Loan Forgiveness (PSLF) program. Key changes to the borrower defense to repayment program include allowing ED to group applicants based on similar situations and evidence, modifying the misconduct standards for borrower defense into clearer categories, setting timelines for consideration of claims, providing reconsideration for borrowers who only received a partial discharge of loans, providing a standard process overall for pending and future claims, and separating recoupment and relief processes so that borrowers with approved claims do not have to wait for ED to recoup funds from the institution prior to receiving relief.

The proposed rule also modifies the Public Service Loan Forgiveness program in several ways, including more flexibility on which payments count toward the required minimum on-time payments to receive relief, changing the definition of full-time employment to mean at least 30 hours of work per week, allowing some deferment and forbearance statuses to count toward PSLF, moving toward automation for tracking a borrower’s progress toward relief, and allowing for reconsideration of borrowers who are denied forgiveness. In addition, ED is requesting comments from the public on how certain types of employment should be treated with regard to the PSLF program.

The proposed rule would also provide automatic loan discharge within one year for borrowers whose institution closed before they earned their degree as long as a borrower was enrolled 180 days before closure and did not participate in and complete a teach out option. The current regulations provide that discharge within three years, resulting in many borrowers defaulting on their loans. In addition, ED is seeking to expand the disability statuses that would qualify for a total and permanent disability discharge and remove the monitoring period for individuals who receive this type of discharge.

Finally, the proposed rule makes modifications to requirements surrounding false certifications (when an institution falsely certifies a borrower for federal aid eligibility), removes interest capitalization for borrowers when it is not required by law, and prohibits institutions from requiring students to sign pre-dispute arbitration agreements or class action waivers.

[An unofficial copy of the proposed regulations is available here](https://www2.ed.gov/policy/highered/reg/hearulemaking/2021/nprm1preambleregriafinal.pdf?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=). They will be available in the *Federal Register* in the coming days.

Author: KSC

## News

### ED Announces National Tutoring Program

The U.S. Department of Education in collaboration with other private organizations announced a new program this week—the National Partnership for Student Success (NPSS)—to support students by attracting individuals nationwide to serve as tutors, mentors, student success coaches, wraparound service coordinators, and post-secondary transition coaches over the next three years. The public-private partnership seeks to engage 250,000 adults to fill these roles and will utilize collaboration between schools and school districts, institutions of higher education, and national and local youth serving organizations to attract and train individuals and serve students. The partnership relies on research-based observations that indicate students succeed best when supported by individuals in these roles. According to its website, the partnership is designed to “help educators and families address critical educational and mental health challenges exacerbated by the COVID-19 pandemic.” Organizations participating in NPSS include the Boys and Girls Club of America, Big Brother Big Sisters of America, City Year, as well as others.

[A description of the NPSS is available on its website here.](https://www.partnershipstudentsuccess.org/)

Author: ASB

*To stay up-to-date on new regulations and guidance from the U.S. Department of Education, register for one of Brustein & Manasevit’s upcoming virtual trainings. Topics cover a range of issues, including COVID-19 related issues, grants management, the Every Student Succeeds Act, special education, and more. To view all upcoming virtual training topics and to register, visit* [*www.bruman.com/virtualtrainings/*](http://www.bruman.com/virtualtrainings/)*.*

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