

# The Federal Update for September 9, 2022

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Re: Federal Update

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## Legislation and Guidance

### Congress Preparing a Temporary Budget Measure for Start of FY 2023

Lawmakers in the U.S. Senate say they are preparing to discuss a temporary budget measure – known as a “continuing resolution” or “CR” – that will fund the federal government in the early weeks of federal fiscal year (FY) 2023, which begins on October 1. Senate leadership says that the bill will likely fund the government through mid-December, allowing lawmakers to delay passage of a full-year bill until after the midterm elections.

While there is general consensus on the need to pass a CR, trouble may come as lawmakers debate the policy proposals to be attached to the bill.  There seems to be agreement that additional aid to Ukraine will be part of the legislation. However, there is no agreement on whether to include additional funding for COVID-19 testing and treatment – including for the updated vaccinations recently approved by the Federal Drug Administration.  Senator Joe Manchin (D-WV) – one of the key swing votes in the Senate – has said that he wants new energy permitting attached to the bill, and Congressional Democrats would like to include a policy rider which offers formal federal recognition of same-sex marriage.

Still, debate on the measure will have to wait as several Senators announced this week that they had tested positive for COVID-19 and will be quarantining.  The Senate does not allow for proxy voting like the House of Representatives, so each Senator’s vote is key to passing major legislation.

Author: JCM

### ED Offers More Details on Student Debt Relief

The U.S. Department of Education (ED) recently provided additional information on the StudentAid.gov website on its plan to provide one-time debt relief to federal student aid borrowers who make less than $125,000 for individuals, or $250,000 for households, based on their tax filing.

To claim the relief, borrowers must complete an application that will be available online in early October. Borrowers will have until December 31, 2023, to complete the application. Borrowers who received a Pell Grant in college are eligible for $20,000 in debt relief, while non-Pell students who meet the income requirements will be granted $10,000 in relief. Most federal student loans are eligible for relief under the plan meaning that individuals who have Undergraduate or Graduate Direct Loans, Parent PLUS, Graduate PLUS, FFEL and Perkins Loans, and Consolidation and Defaulted loans with ED are eligible for relief.

According to the FAQs on FSA.gov, ED will determine how it applies the relief to borrowers’ loans. For borrowers with multiple loans, ED will use the following order: defaulted ED-held loans, defaulted commercial FFEL Program loans, non-defaulted Direct Loan Program loans and FFEL Program loans held by ED, then Perkins Loans held by ED. For borrowers who have multiple loans in a program type the relief will first be applied to loans with the highest statutory interest rate. If interest rates are the same, ED will apply relief to unsubsidized loans prior to subsidized loans. If interest rate and subsidy status are the same, ED will apply the relief to the most recent loan. If interest rate, subsidy status, and disbursement date are the same, ED will apply relief to the loan with the lowest combined principal and interest balance.

To prepare, ED advises borrowers interested in the relief to make sure StudentAid.gov and their loan servicer have their most recent contact information.

Complete information on the one-time debt relief can be viewed [here](https://studentaid.gov/debt-relief-announcement/one-time-cancellation).

Author: ASB

## News

### ACICS to Shut Down After Losing Recognition

The Accrediting Council for Independent Colleges and Schools (ACICS) will shut down following the Biden administration’s recent decision to terminate the accreditor’s federal recognition.

The embattled accreditor has faced challenges and controversy over the years, losing its recognition under the Obama administration, only to be restored by President Trump’s U.S. Department of Education, then lost again under the Biden administration. However, even the Trump administration acknowledged shortcomings in ACICS’ operations upon restoring its recognition. Following Secretary Cardona’s decision in July to uphold the prior termination, ACICS said it was considering appealing the decision to federal court. Instead, ACICS has decided to dissolve the organization and will halt operations by March of 2024.

“In its 110 years of service as an accreditor, ACICS has had the honor of working to advance educational excellence at independent, nonpublic career schools, colleges, and organizations in the United States and abroad,” the president and chief executive officer of ACICS said in a statement. “We will continue to uphold those principles as we wind down our operations.”

ACICS was the accreditor for the now-defunct for-profit chains ITT Tech and Corinthian Colleges and drew significant opposition from Democrats over the years. The schools currently accredited by ACICS will have 18 months to find a new accreditor or will risk losing access to federal financial aid.

Resources:

Michael Stratford, “For-profit college accreditor ACICS plans to shut down after Biden administration stripped its federal powers,” *Politico*, September 6, 2022.

Author: KSC

### President Nominates Danté Quintin Allen for Commissioner of RSA

President Biden nominated Danté Quintin Allen late last week to serve as the Commissioner of the Rehabilitation Services Administration (RSA) at the U.S. Department of Education (ED). Allen currently serves as the executive director of CalABLE, a program that allows California and out-of-state residents to save for disability-related expenses by putting money in tax-advantaged investments, while preserving their eligibility for means-tested public benefits programs.

Allen has also worked in communications, previously working for California’s Department of Public Health and Kaiser Permanente. He is also involved with disability rights organizations, including a non-profit that helps individuals with disabilities live independently.

In a statement following the nomination, Secretary of Education Miguel Cardona said: “Mr. Allen's personal experience and impressive career empowering students with disabilities and their families reflect his deep belief that every individual with a disability needs to live with the economic security that comes from accessing an appropriate education that leads to a good job.”

As Commissioner of RSA, Allen will primarily be responsible for overseeing ED’s administration of vocational rehabilitation programs. Allen is one of the final political nominees for ED, with only the Assistant Secretary for Elementary and Secondary Education position remaining open. He will face confirmation by the Senate, which has yet to confirm some previously nominated individuals for ED leadership positions.

Resources:

U.S. Department of Education Press Release, “Statement by U.S. Secretary of Education Miguel Cardona on President Biden’s Nomination of Danté Allen,” September 2, 2022.

Author: KSC

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