

# The Federal Update for October 14, 2022

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Re: Federal Update

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## News

### ED Publishes Draft Application for Student Loan Forgiveness

This week the White House and the U.S. Department of Education (ED) released a preview of the application that federal loan borrowers will fill out in order to receive the student loan forgiveness announced this summer. The form will reportedly go live later this month in English and Spanish. Officials have previously said they hope to process applications quickly, preventing eligible borrowers from having to resume payments when the pandemic-related deferment ends in January 2023.

Administration officials told reporters Tuesday that the application process will contain “strict fraud prevention measures” that are “risk based” and will require certain borrowers who may exceed the income threshold to present additional evidence showing eligibility.

Responding to legal challenges, the administration recently narrowed the scope of loan forgiveness and added extra steps. Borrowers whose information is already on file with ED – who are considered automatically eligible for forgiveness – will have the option to “opt out” of loan forgiveness. ED has also said forgiveness will only apply to federally originated loans, not to federally-guaranteed privately-held loans, following lawsuits from servicers who complained they would lose out on revenue. So far only one of the suits filed against loan forgiveness has been dismissed, but no judge has issued an injunction that would halt the program.

The administration says that the application will be available this month, and borrowers must apply by December 31, 2023.

Author: JCM

## Reports

### Charter Schools Receiving CSP Grants Less Likely to Close, GAO Finds

In a report released this week, the Government Accountability Office (GAO) found that charter schools that received federal Charter School Program (CSP) funding under the Elementary and Secondary Education Act were less likely to close than non-CSP-funded charter schools.

GAO analyzed the success of charter schools receiving three types of CSP grants to create or expand new charter schools from fiscal years 2006 to 2020, including the State educational agencies/entities grant, the charter management organization grant, and the non-State educational agencies/developers grant. GAO compared the CSP recipient schools during that time period to charter schools that did not receive a CSP grant but that were similar in nature. Overall, GAO found that over the time period examined, CSP recipients were 1.5 times less likely to close than other charter schools. The results held true when accounting for specifications of the schools, such as location, income status of students, and race and ethnicity of students, among other characteristics.

A provision in the fiscal year 2021 appropriations bill requiring GAO to conduct a review of CSP grants spurred this report, as some lawmakers have raised concerns in recent years about the effectiveness of the Charter School Program. The report released this week is the first of two planned reports on CSP.

[The full GAO report on CSP grants is available here](https://www.gao.gov/assets/gao-23-105616.pdf).

Author: KSC

### FutureED Study Highlights Districts’ ESSER Spending on Teachers

FutureED, a Georgetown education thinktank, conducted a study that analyzed the COVID-19 relief spending plans of 5,000 school districts and charter organizations representing 74 percent of the nation’s public-school students. With the help of Elementary and Secondary School Emergency Relief (ESSER) funds, particularly from the American Rescue Plan (ARP), the study found that many districts made spending on academic staff a top priority. These efforts include providing funds for hiring and paying teachers, staff retention and recruitment, additional pay and stipends, and professional development.

The study found that 60 percent of school districts and charter organizations planned to use federal relief funds to hire new teachers or pay teachers and other staff to expand instruction. Of the 100 largest local educational agencies, 65 planned to use funds to pay salaries and benefits. Districts indicate that hiring and paying teachers will allow them to have math and reading specialists provide more targeted instruction, place additional classroom teachers in smaller class sizes, and allow teachers or staff to carry out new or expanded initiatives. For example, Boston Public Schools plans to spend more than $10 million on 100 specialists, while Howard County in Maryland plans to spend $1.1 million on three years of salary and benefits for resource teachers to focus on early childhood education and reading. In addition, Baltimore County plans to spend $11.6 million over two years for 78 teachers to reduce class sizes. Some of the largest districts, at least 15, also indicated that they will use the federal aid to pay existing salaries and, in some cases, to avoid layoffs.

Many school districts also focused their use of ESSER funds on creative ways to recruit and retain staff. For example, Duval County in Florida will hold an online recruitment event and Houston Independent School District will waive the fee for its alternative teacher certification program. Districts in Georgia, Kansas, Kentucky, and Tennessee are using funds to develop “grow-your-own” programs designed to recruit teacher aides, school support staff, and local college students for possible teaching roles. To help retain staff, Mountain View School District in Arkansas will spend $1.6 million on a one-time bonus payment for its teachers, while Wake County Schools in North Carolina also plans to spend $49 million in ARP ESSER funding on bonuses. Houston Independent School District will also offer a $5,000 bonus to teachers who stay for three years, with bonus payment increments each year. The bonus payments are structured so that teachers receive $500 in June 2022, $1,500 in June 2023, and $3,000 in June 2024 – a plan that attracted a lot of young talent according to the district’s chief talent officer.

While staff shortages and vacancies continue to affect many school districts, the report highlights how districts have strategically used relief funds to address their staff needs.

[A full copy of the report can be viewed here.](https://www.future-ed.org/wp-content/uploads/2022/10/Educators-and-ESSER-How-Pandemic-Spending-is-Reshaping-the-Teaching-Profession.pdf)

Author: ASB

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