

**The Federal Update for September 13, 2024**

From: Michael Brustein, Julia Martin, Steven Spillan, Kelly Christiansen

Re: Federal Update

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## Legislation and Guidance

### CR Bill Introduced but Faces Uncertain Future

Late last Friday, leadership in the House of Representatives unveiled a temporary spending measure – known as a “continuing resolution” or CR – that would fund the federal government at current levels through March 28th. The bill was scheduled for a House vote this week but was pulled from the schedule Wednesday due to growing opposition on both sides of the aisle.

Agency heads have complained that the six-month timeframe leaves federal agencies and the military unable to plan adequately or accommodate significant budget swings in the later months of the fiscal year. They have also noted that the stopgap measure that has been introduced would not address emerging issues – like additional money that the U.S. Department of Education’s Office of Federal Student Aid may need to improve the rollout of the updated FAFSA – while funding redundant older programs. Failing to pass a comprehensive appropriations package by January 1st would also trigger an automatic across-the-board one percent reduction in spending under an agreement reached between Congress and the White House in 2023. These concerns have led some lawmakers on both sides of the aisle to oppose the legislation, instead urging the Speaker of the House to change the legislation’s expiration to December 31st and make it a “clean” bill, without any potentially controversial policy riders.

The bill also contains provisions that would require documentary proof of citizenship to vote in federal elections. Democrats in the House have called this requirement redundant but have also expressed concerns about the civil and criminal penalties that could be imposed on election workers, and about the potentially chilling effect it could have on the upcoming November election. Senate leadership has called the inclusion a “poison pill” that could make the CR dead on arrival in the Senate.

Congress must pass an appropriations bill – either a temporary measure or a full-year bill – before the end of the fiscal year on September 30th or risk a federal government shutdown.

Author: JCM

### House Committees Advance School Choice, Parents’ Rights Bills

With Congress back in session this week, Committees in the House of Representatives have voted to move several pieces of legislation that would impact K-12 schools forward to a vote on the House floor.

First, the Committee on Ways and Means passed the Educational Choice for Children Act (H.R. 9462). The bill is a tax bill which would allow the IRS to provide up to a total of $10 billion in tax credits each year for eligible individuals who donate to scholarship and school voucher organizations. The credits would be distributed on a first come, first serve basis to individuals until the program’s $10 billion maximum is met. The scholarships would be limited to families who earn 300 percent of the median area income or less, but some lawmakers expressed concern that it would benefit relatively wealthier families as well. Others expressed concern that it would duplicate State tax credits in many places. But the sponsors said they saw it as a way to increase opportunities, and that it would be a “companion” bill to the current U.S. Department of Education funding proposal, substituting voucher payments to make up for proposed cuts to Title I of the Elementary and Secondary Education Act.

The House Committee on Education and the Workforce also advanced K-12 legislation this week. The PROTECT Kids Act (H.R. 736) would require parental consent to allow students to go by a different name or pronoun from what is on their birth certificate, or for a school to provide “sex-based accommodations” like use of a locker room or bathroom that aligns with their gender identity. Critics of this legislation called it overbroad, predicting a significant increase in administrative burden for schools since it would also apply when students want to use a nickname.

Both bills will now await floor action in the full House of Representatives.

Author: JCM

## News

### Senators Ask ED for Gainful Employment Reporting Extension

This week, a bipartisan group of Senators asked the U.S. Department of Education (ED) to delay reporting requirements part of the new gainful employment and financial value transparency regulations.

The new regulations were released last year and require higher education programs to report additional information to the federal government, such as the total cost of attendance and the amount of private loans distributed. In order for certain programs to continue their access to federal financial aid, they have to show that graduates can afford their annual loan payments and that students earn more than adults who did not attend college.

Originally, ED required two years of data to be reported by July 31st of this year, but ED pushed that deadline back to October 1st after a series of challenges with the Free Application for Federal Student Aid (FAFSA) led to increased administrative burden on institutions of higher education.

The Senators, led by Tim Kaine (D-VA) and Roger Marshall (R-KS), wrote in a letter to Secretary of Education Miguel Cardona that the FAFSA errors and delays have overwhelmed college financial aid offices, making it difficult for them to submit high-quality data. They wrote that even though institutions were thankful for the initial extension, the continued FAFSA delays and errors have substantially increased the workload of financial aid offices, who have had to manually submit corrections for individual students. The FAFSA issues have also impacted student information system providers, who provide the system functionality to generate reports for institutions.

Further, the Senators note that ED did not release a reporting user guide until July, and the Department estimates that institutions will need 400 hours to complete the reporting. With the additional workload for FAFSA corrections, they say that institutions do not have the time to devote to reporting by the deadline.

“Extending the reporting deadline to July 2025 will still give the Department a full year to implement their part of the rule,” they say, as the regulations will not be fully implemented until July 2026.

[The full letter can be viewed here.](https://www.kaine.senate.gov/imo/media/doc/091024lettertoedregefvtextension.pdf)

Resources:

Katherine Knott, “Senators Urge Education Department to Extend Gainful Reporting Deadline,” *Inside Higher Ed*, September 11, 2024.

Author: BTW

## Reports

### ED OIG Issues Report on RSA’s Oversight of State VR Program

The U.S. Department of Education’s Office of Inspector General (ED OIG) issued a report this week reviewing ED’s Rehabilitative Services Administration (RSA) oversight of State Vocational agencies’ use of funds in compliance with State Vocational Rehabilitation Services program requirements.

ED did not identify significant deficiencies in RSA’s oversight during its review but did find a few areas where RSA could strengthen its oversight processes and procedures. ED OIG recommended that RSA establish written policies and procedures for annual reviews of State VR agencies. ED OIG also suggested that RSA strengthen its process for selecting grantees for monitoring by modifying its risk assessment process to take into consideration additional factors and setting a timeframe during which all State VR agencies would be selected for an onsite or desk monitoring at least once.

RSA agreed with both of ED OIG’s recommendations and outlined plans to implement actions related to the recommendations. ED OIG also noted that it found “barriers” for State VR agencies in spending down their entire grant allocation each year, leading to funds being returned unused. ED OIG recommends that RSA consider whether legislative amendments to the underlying statute, the Rehabilitation Act, would help reduce the occurrence of returned, unused funds, and to submit a proposal to Congress outlining such recommended amendments.

[The full ED OIG report is available here](https://oig.ed.gov/sites/default/files/reports/2024-09/FY24-A23CA0140-9524v100508SECURED.pdf).

Author: KSC

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