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2026 Federal Programs Institute

Welcome & Announcements

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Welcome Julia Martin

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Federal Update

News from Congress and Federal Agencies

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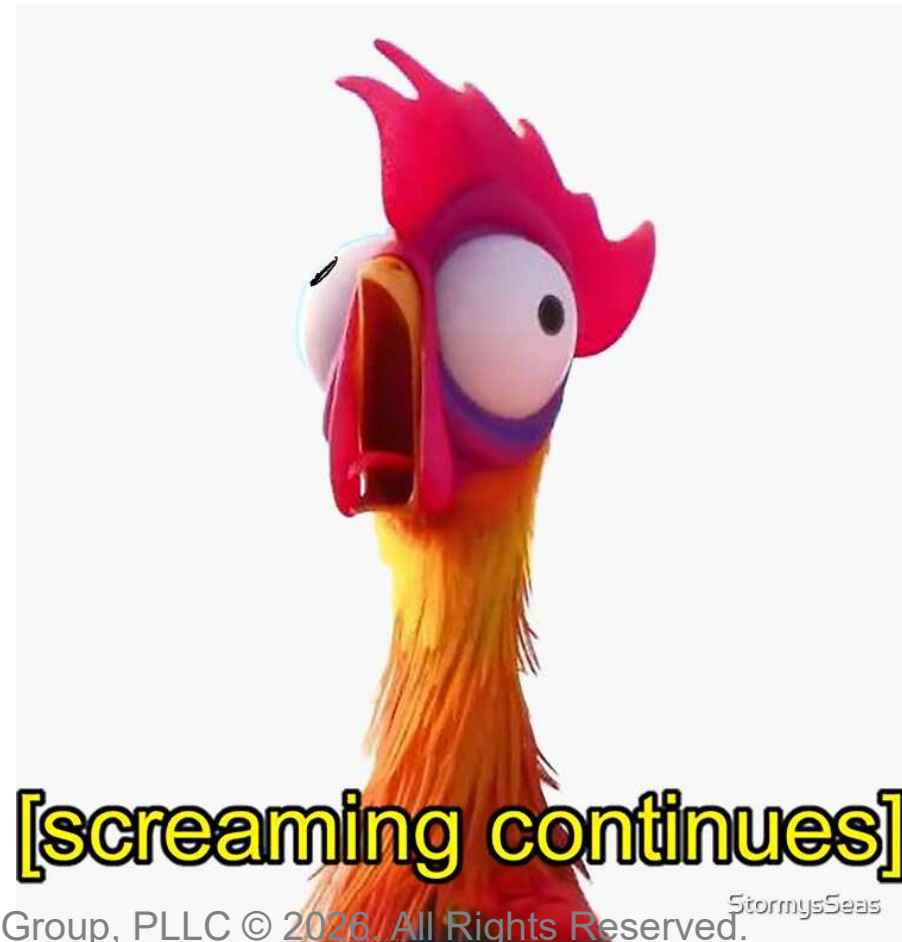
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Alternate title:



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Agenda

- Congressional updates
 - Funding
 - Discussion on IAAs
 - Other agenda items
- The Administration
 - Proposed UGR
 - Interagency Agreements
 - New Guidance
 - Planned rulemaking
- Supreme Court
- Questions

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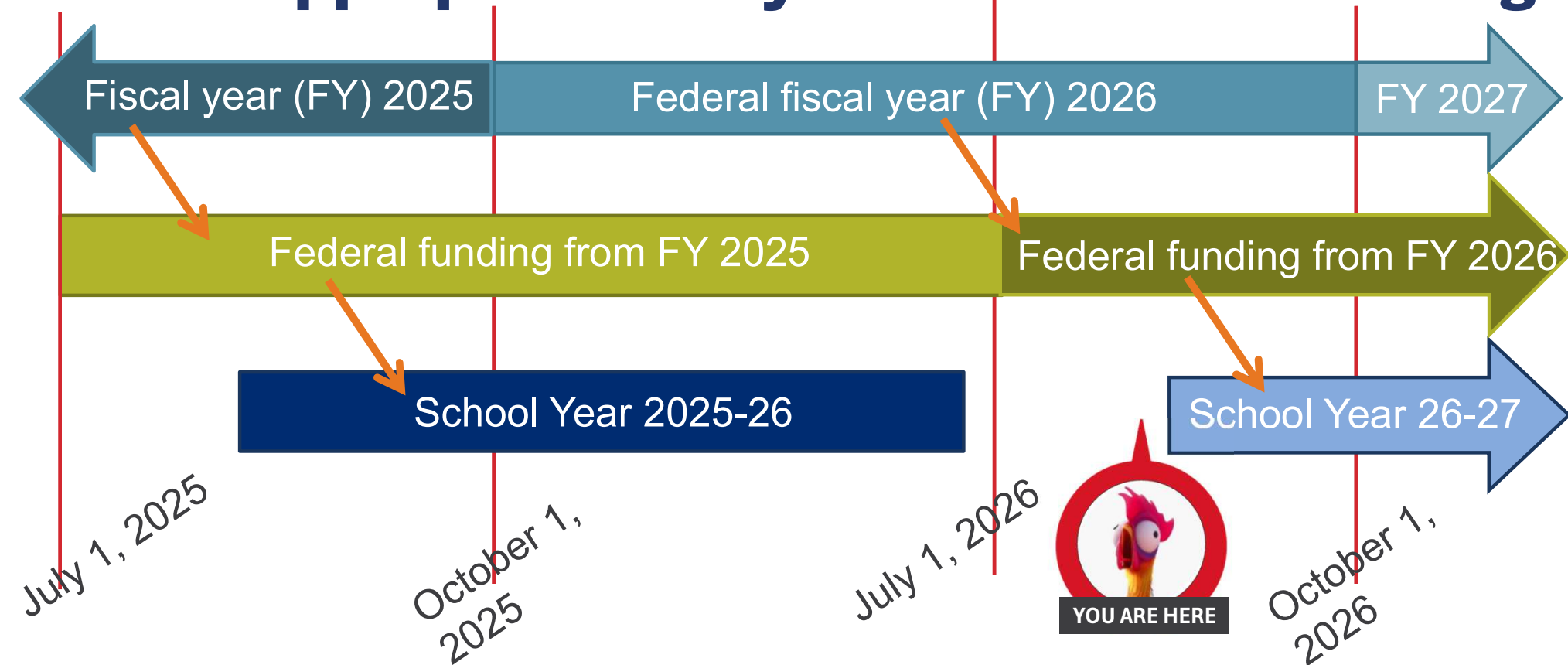
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2026 Federal Programs Institute

Congressional Updates

The Appropriations Cycle and Forward Funding



The President's Proposal for FY 2027

- Overall 10% decrease to non-defense spending
- Would consolidate several federal program streams
 - ESEA (“Make Education Great Again” / “MEGA” grants)
 - IDEA
 - Workforce Training (“Make America Skilled Again”)
- Would eliminate some smaller targeted programs (Migrant, Title III-A, Minority-Serving Institutions Program, Adult Ed, etc.)
- Asks for \$60 million more in new charter school grant funding



Program	FY 2026 Final	FY 2027 President's Proposal	Difference FY 2026 to proposed FY 2027
ESEA Title I-A	\$18,427	\$18,427 (as consolidated)	--
ESEA Title I-C, Migrant Education	\$376	\$0	-100%
ESEA Title II-A, Supporting Effective Instruction	\$2,190	\$0	-100%
ESEA Title III-A, English Language Acquisition	\$890	\$0	-100%
ESEA Title IV-A, SSAE	\$1,380	\$0	-100%
ESEA Title IV-B, 21 st CCLC	\$1,330	\$0	-100%
IDEA Total	\$15,490	\$16,029 (as consolidated)	+3.5%
Perkins State Grants	\$1,440	\$14,440 (at DOL)	--
Charter School Grants	\$500 (\$440)	\$500	-- (+\$60)

House Appropriations Proposal

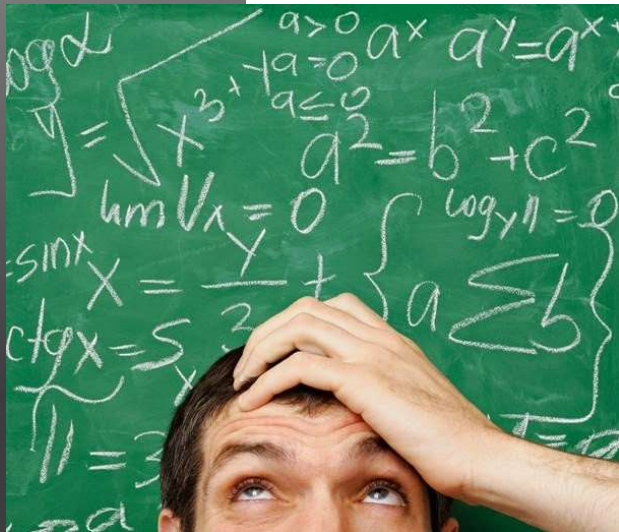
- House is ideologically closest to President
- Tries to straddle the line on policy and funding
 - Gives President elimination of multiple funding streams (Title I-C and I-D, II-A, III-A)
 - Provides requested charter school funding
 - But also reiterates language about getting money out the door ASAP
- Some new policy riders/language aligned with administration
- Has passed Appropriations Committee only

Program	FY 2026 Final	FY 2027 President's Proposal	FY 2027 House	Difference House 2027 v. FY 2026
ESEA Title I-A	\$18,427	\$18,427 (as consolidated)	\$16,523	-10.3%
ESEA Title I-C, Migrant Education	\$376	\$0	\$0	-100%
ESEA Title II-A, Supporting Effective Instruction	\$2,190	\$0	\$0	-100%
ESEA Title III-A, English Language Acquisition	\$890	\$0	\$0	-100%
ESEA Title IV-A, SSAE	\$1,380	\$0	\$1,385	+0.4%
ESEA Title IV-B, 21 st CCLC	\$1,330	\$0	\$1,330	--
IDEA Part B State Grants	\$15,490	\$16,029 (as consolidated)	\$15,536	+0.3%
Perkins State Grants	\$1,440	\$1,440 (at DOL)	\$1,448	+0.6%
Charter School Grants	\$500	\$500	\$500	--

House Proposal – Program Eliminations

- **Preschool Development Block Grants** (\$315 million in FY 2026)
- **Title II-A Supporting effective instruction state grants** (\$2.2 billion in FY 2026)
- **English language acquisition** (\$890 million in FY 2026)
- **Title I – state agency: Migrant grants** (\$376 million in FY 2026)
- **Title I – state agency: neglected and delinquent grants** (\$49 million in FY 2026)
- **Title I – special programs for migrant students (HEP/CAMP)** (\$52 million in FY 2026)
- **Comprehensive Centers** (\$50 million in FY 2026)
- **Training and advisory services** (\$7 million in FY 2026)
- **State assessments** (\$380 million in FY 2026)
- **Full-service community schools** (\$150 million in FY 2026)
- **Promise Neighborhoods** (\$91 million in FY 2026)
- **Adult education state grants and national programs** (\$729 million in FY 2026)
- **International education and foreign language studies** (\$81 million in FY 2026)
- **Teacher quality partnerships** (\$70 million in FY 2026)
- **Teacher and School Leader Incentive Grants** (\$60 million in FY 2026)
- **Supporting Effective Educator Development** (\$90 million in FY 2026)
- **Arts in Education** (\$37 million in FY 2026)
- **Regional Educational Laboratories** (\$54 million in FY 2026)
- **Special Education Studies and Evaluations** (\$13 million in FY 2026)
- **Statewide Longitudinal Data Systems** (\$29 million in FY 2026)
- **Graduate Assistance in Areas of National Need** (\$20 million in FY 2026)
- **Ready to Learn Television** (\$31 million in FY 2026)
- **Statewide Family Engagement Centers** (\$20 million in FY 2026)
- **Javits Gifted and Talented Education** (\$17 million in FY 2026)

Why so many?



- Need to make the math work!
- Proposal needs to match up to topline category spending numbers (known as 302(b)s) for L-HHS-ED from appropriations heads, and total budget from Budget Committee
- They know negotiations will temper this and need to find somewhere to move

New ***PROPOSED*** Policy Riders

- On the Department:
 - Limits the number of non-career (i.e. political) staff to same number in place in December 2022
 - Requires that funding be distributed on the same day it is made available for obligation (i.e. July 1) for:
 - ESEA
 - McKinney-Vento
 - IDEA
 - Perkins
 - AEFLA (even though bill zeros out AEFLA...????)



MAYBE?

New ***PROPOSED*** Policy Riders

- On grantees
 - No funds can go to an organization that “allows an individual whose sex is male to participate in an athletic program or activity that is designated for women or girls. For the purpose of this section, the term “sex” means the reproductive biology and genetics of an individual as determined solely at birth.” (Sec. 313)
 - Aligned with administration
 - May conflict with State laws
 - Impact of SCOTUS decisions TBD



MAYBE?

New ***PROPOSED*** Policy Riders

- On grantees
 - No funds can go to an organization that (Sec. 314)
 - “does not have policies requiring teachers and staff to promptly notify parents about matters related to gender identity generally or any desire or effort of a student to express an identity that does not correspond to the minor child’s sex”
 - Not the same as FERPA standards
 - “withholds or conceals information from a minor child’s parent or guardian regarding such child’s academic performance; extracurricular activities; physical, emotional, or mental health; or desire or efforts to express an identity that does not correspond to the minor child’s sex...”
 - What does this mean? What is “withholding” or “concealing”? Who is responsible (teacher v. administration?) Needs ED guidance
 - How do you demonstrate compliance with this?



MAYBE?

New ***PROPOSED*** Policy Riders

- On grantees
 - “None of the funds made available in this Act may be used by any local education agency to conduct student-involved active shooter drills in schools without first providing student participants under 16 years old with the ability to opt out of such exercises with parental or legal guardianship consent.” (Sec. 317)
 - This is the easiest one to implement/demonstrate compliance with



MAYBE?

What happens next?

- Constitutionally, appropriations bills must originate in the House
- It is likely this bill will pass the House, but the Senate also gets a say
 - House is ideologically closer to administration than Senate
 - Needs to temper both funding and policy riders in order to get a filibuster-proof majority (60 votes)
 - Will impact both numbers and policy
- Senate is up next to introduce its own bill... or not
 - Senate Appropriations committee has been down multiple members in recent weeks (McConnell/Graham)

What happens next?

- Extremely unlikely Congress will pass either a comprehensive appropriations bill or a bill in each of 12 spending categories before the new fiscal year starts October 1
- Congress *must pass* at least a temporary funding bill or risk a government shutdown
- Solution: a temporary spending bill
 - Known as a “continuing resolution” or “CR”

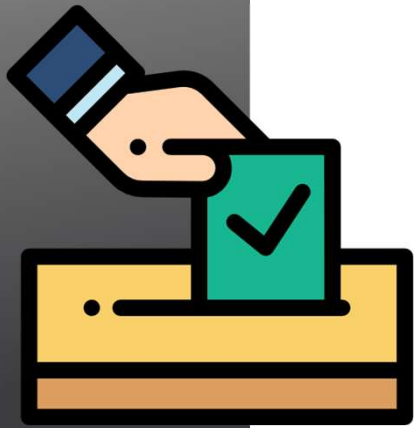
What happens next?

- House passed a CR in July that would extend through 12/4
 - Considered, but did not approve, amendments to limit adoption of UGR
 - Approved amendment emphasizing use of funds for TRIO programs
- Senate passed a CR in August that would extend through 12/11
 - Approved an amendment that would prohibit OMB from implementing new rules while CR is in effect
- Need to agree on one version (or compromise version) and pass before 10/1

What is significant here?

- Both chambers are discussing potential impact of UGR
 - Shows they are knowledgeable about very in-the-weeds rules
 - Demonstrates concern about politicization of grantmaking
- Potential willingness to push back on administration actions
 - Redefining TRIO, control over grants
 - These are areas where Congress is reasserting its own power
- Both aiming for early- to mid-December
 - Kick the can down the road to post-election season

What will Congress look like in January?



- Big changes coming!
- Many current/long time members have lost primaries or chosen not to see reelection because of primary challenges
 - E.g. Bill Cassidy (R-LA), Thom Tillis (R-NC)
- Redistricting in multiple States means district lines are shifting, eliminating long-time members, pitting current members against each other
- Even if there aren't swings in control, there will be lots of new members/Committee leadership

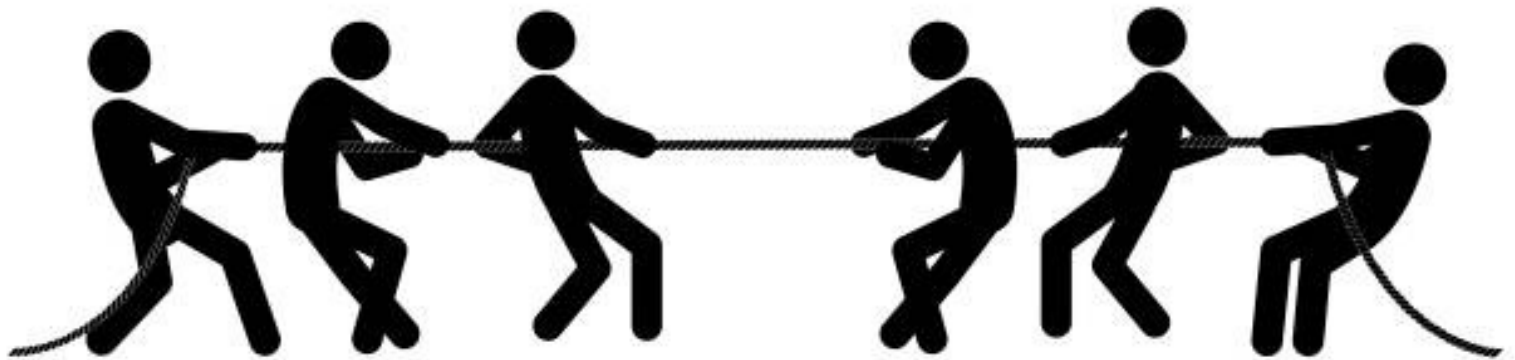
The Conflict over IAAs

- Education and Workforce Committee bills on transferring ED programs ([“Less Bureaucracy, Better Education” package](#))
 - Follow models of IAAs, but
 - Exclude OSERS/ Rehabilitation Act IAAs
 - Allow transfer of existing appropriations and personnel, must be completed within six months of passage but can be transferred earlier
 - Appears that existing programs could run out clock at ED
 - Does not eliminate ED
- Passed House Committee 7/15

The Conflict over IAAs

- Senate Committee on Health, Education, Labor, and Pensions approved bill 7/30 limiting IAAs
 - would prohibit the U.S. Department of Education (ED) from carrying out interagency agreements (IAA) to transfer functions of four of its offices:
 - Office of Elementary and Secondary Education
 - Office of Special Education and Rehabilitative Services (OSERS)
 - Office of Indian Education
 - Office of Postsecondary Education
 - ...but permits other transfers
 - Would require the Secretary of Education to report to Congress and make publicly available information on the cost of implementing each IAA was adopted
 - Bipartisan support (adopted 13-9)

The Conflict over IAAs



Other Congressional Agenda Items



- Very little legislative time left this year!
 - Expect lots of upheaval in next Congressional session
- Competing data privacy bills in House/Senate
 - Duty of care versus parental controls as key sticking point
- Farm Bill
 - Additional changes to SNAP?
- Voter ID bill
 - Presidential priority

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Administration Updates

***PROPOSED* Uniform Grants Rules**



- Proposed changes to UGG
 - Published May 2026 by OMB
 - Additional restrictions on awarding grants based on political preferences
 - Easier to terminate grants
 - Additional administrative workload for States
 - Some changes to cost principles

Proposed UGR Changes

- OMB to make rules for all federal grants
 - No nuance from agency to agency
- Easier to drive grants toward administration priorities
- Easier to terminate grants that don't align with those priorities
 - And removes option of administrative appeal for these terminations
- Requires review of grantee's risk, including affiliations with organizations "engaged in activities that violate federal law"
- Requires pass-through to review potential for "reputational harm"

Proposed UGR Changes

- New limitations on federal spending, e.g.:
 - No federal funds for “DEI” / “gender ideology”
 - No federal funds to be spent on conferences unless approved by the federal agency in the terms of the award
 - No federal funds to be spent on membership / subscription costs
 - No federal funds to be spent on advertising / recruiting unless in the terms of the award

Comments on UGR Changes

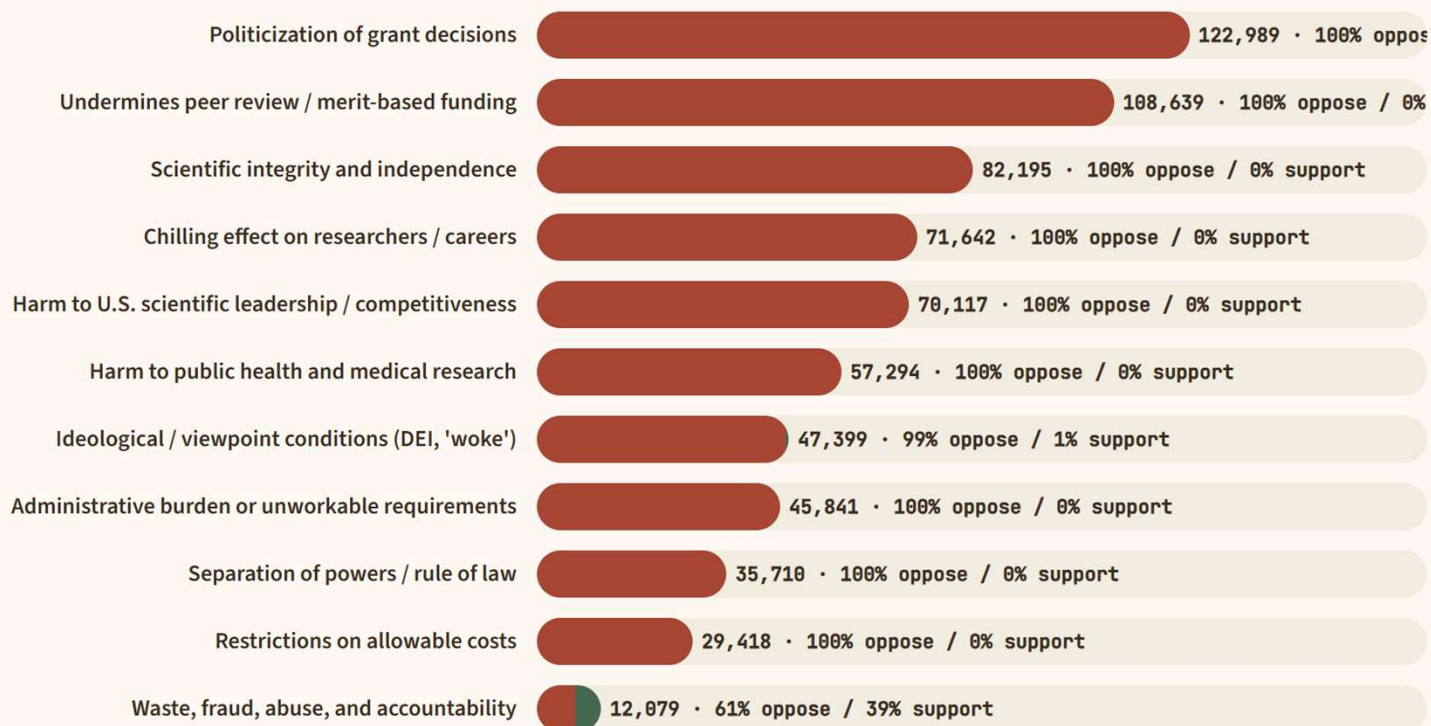
- 167,795 total unique comments (771 campaigns)
- 96% oppose, 3.1% support (remainder “unclear”)
- Commenters were:
 - Individuals (130,401)
 - Researchers/ academics (22,818)
 - In family/public health (10,143)
 - Non profits/advocacy orgs (2,470)
- Most common topics of discussion were:
 - Peer review (68,536)
 - DEI (10,043)
 - Russ Vought and the administration generally (9,659)

Source: <https://omb-comments.abigailhaddad.com/>

Comments on UGR Changes

! Top Concerns

■ Oppose ■ Support Click a concern to filter the table



Comments on UGR Changes

“While greater oversight of grant awards is warranted, replacing traditional peer review with heavy political appointee veto power is likely to reduce the quality and long-term impact of funded research.”

“I have a counter-proposal: put Russ Vought in a prison cell and throw away the key.”

“Just because Russell Vought feels very deeply ...that 75% of government spending is evil ...doesn't make him, for example, a literal rocket scientist who understands how to fund NASA.”

“The prohibitions on funding activities that "promote, encourage, subsidize, or facilitate" DEI policies, "gender ideology," or gender-affirming care are too vague for any recipient to know what conduct they actually prohibit.”

UGR Changes: What's Next?

1. Review comments per APA standards
2. Create final rule(s) and write responses/justifications
3. Publish (target date October 1)
4. Litigation
5. ???



"I have done that," said Toad,
and he crossed out:

~~Wake up~~

Interagency Agreements (IAAs)

- Series of contracts between ED and “partner” agencies to manage federal programs
- Ultimate goal of offloading all ED programs and closing agency
 - ED says they are “proof of concept” for closing agency
- The first two agreements (IAAs) filed in a court declaration in June 2025 showing that ED had made agreements to parcel out some portions of program management
 - Had not been public knowledge until the declaration was filed

Interagency Agreements Status

Total of 14 IAAs as of August 2026:

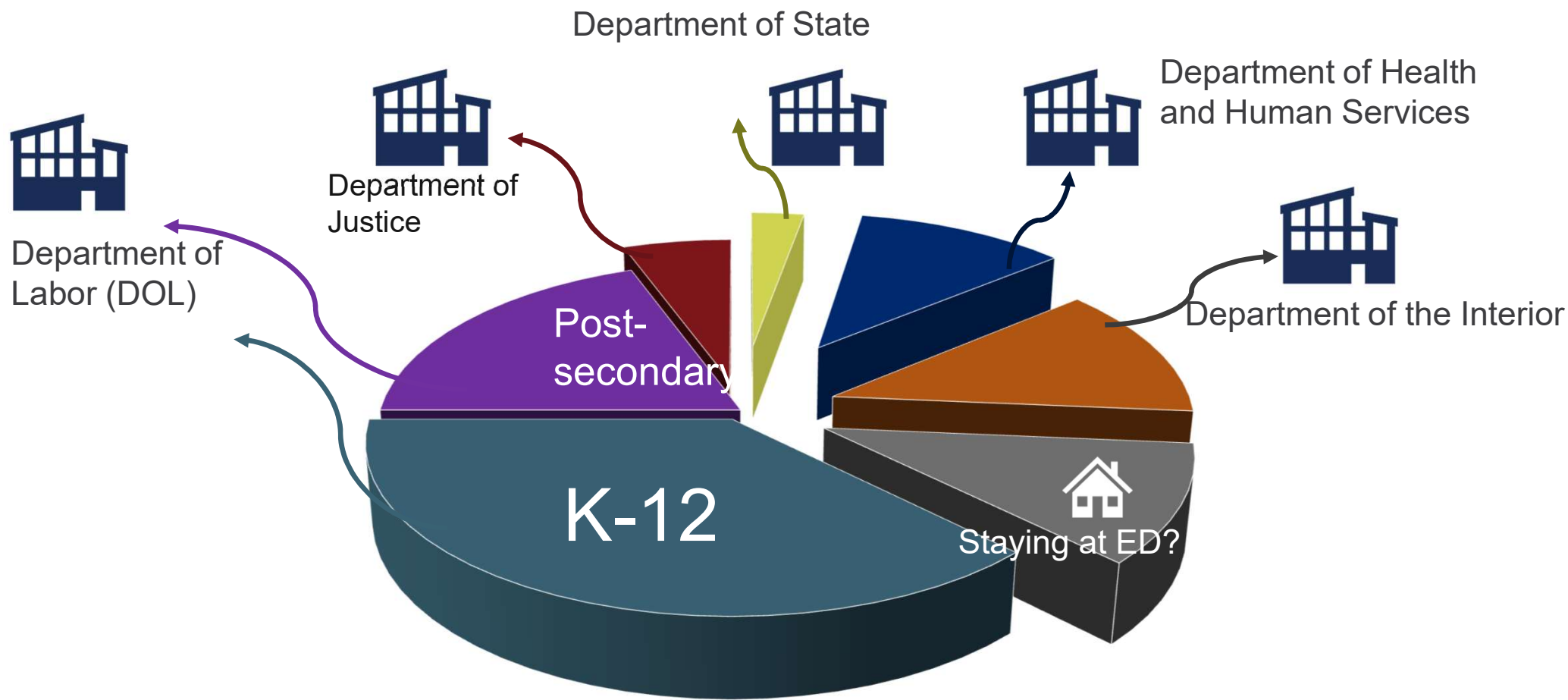
<https://www.ed.gov/about/initiatives/returning-education-states>

- **DOL**
 - Perkins, Adult Ed
 - ESEA formula programs (and some competitive)
 - Postsecondary institutional programs
- **HHS**
 - IDEA
 - Some competitive K-12 grants
 - CCAMPIS
- **Interior**
 - Native American education programs
- **State Department**
 - IHE foreign gift reporting
- **Treasury**
 - Defaulted student loans
- **DOJ**
 - OCR
 - FERPA

The Newest Interagency Agreements

Announced June 16

- DOJ: FERPA
- DOJ: OCR
- DOJ: Training and Advisory Services
- HHS:
 - IDEA Parts B, C, D
 - Rehabilitation Act of 1973
 - Randolph-Sheppard Vending Facility Program
 - Vocational Rehabilitation Disability Innovation Fund
 - Special Olympics Sport and Empowerment Act of 2004
 - Education of the Deaf Act of 1986
 - National Technical Institute for the Deaf
 - Helen Keller National Center Act
 - American Printing House for the Blind
 - Gallaudet University
 - ONPE



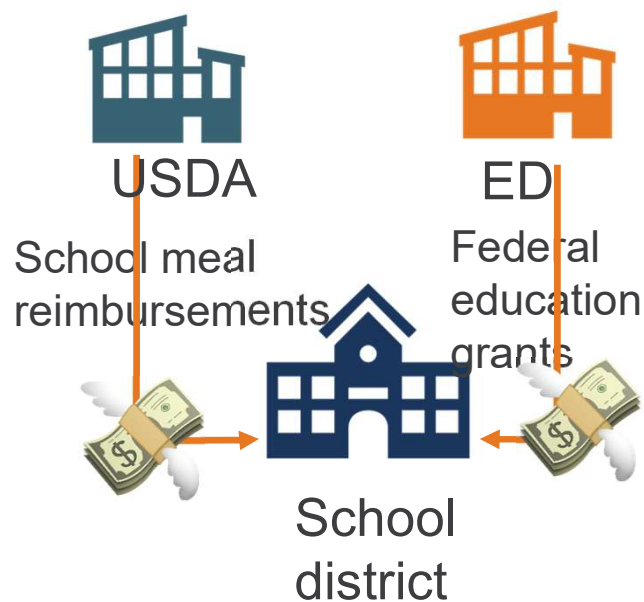
What does this mean for federal funding?

- Does **NOT** mean that federal funds are going away or being reduced
 - That is a choice for *Congress*
- Does **NOT** change the requirements in statute/regulations, or applicability of EDGAR/UGG
 - *Does* mean that guidance, funding will come from new agencies
 - Disbursements will follow new processes using manual approval so will likely be slower
 - Less support from federal-level agency for States and districts



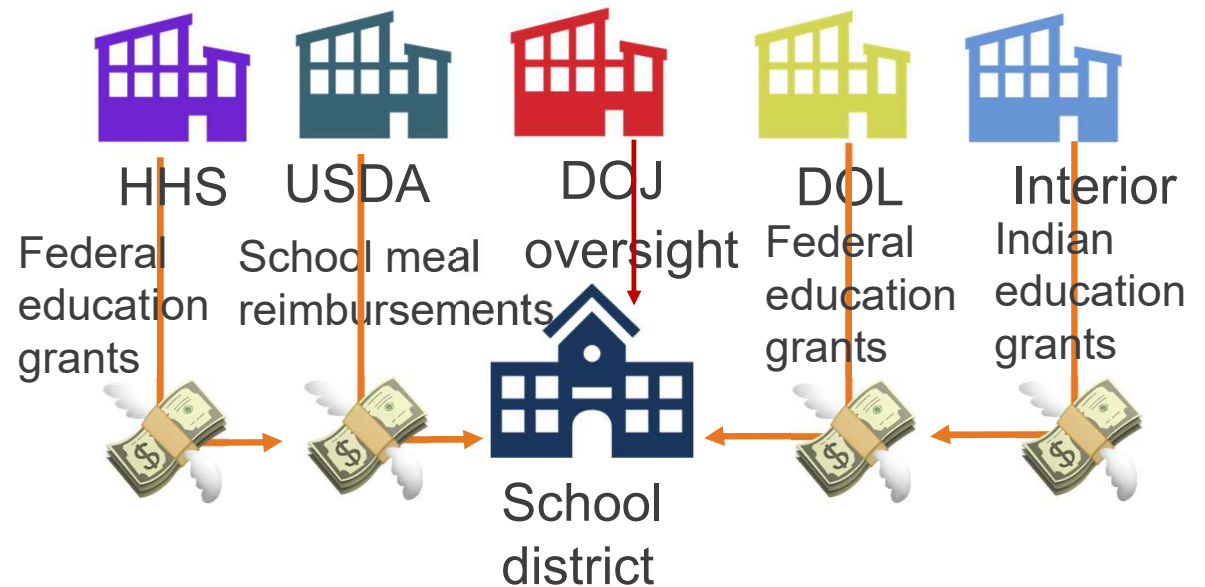
What does this mean for school districts?

The current system



Federal grants administrator

The New System



Federal grants administrator

Status of IAAs



Fully transitioned

Perkins and Adult
Education
CCAMPIS



In process

Almost everything else



Just Announced

IDEA, OCR

ESEA Program Transition

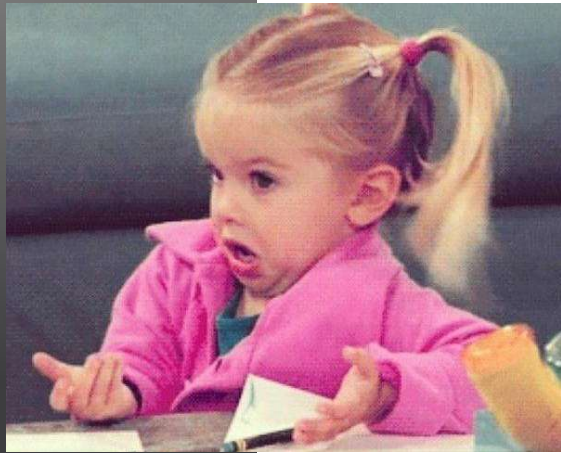
- ED originally was aiming for by July 1 this year, then October 1
 - Now ED says that October 1 funds will still go through ED
- ESEA funds to be transitioned in phases:
 1. Competitive grants (like charter schools)
 2. Adult-facing programs (like educator development)
 3. Programs that support schools/students
 - Key ESEA formula funds fall under this step



ED Program Transition

- Several competitive grants have been issued jointly, as transitions continue:
 - TRIO Talent Search and Educational Opportunity Centers
 - Ready to Learn
 - Promise Neighborhoods
 - Innovative Approaches to Literacy
 - Teacher and School Leader Incentive Fund
 - Supporting Effective Educator Development program
 - Charter Schools Program Grants to State Entities

Mechanics of Program Transition



- ESEA staff moving to DOL building
 - Will likely retain ED email addresses
- Other staff moving to other buildings (HHS, L'Enfant Plaza space) so Energy can move into ED HQ
- Still unclear what IDEA/OCR moves look like
 - Staffing/timing/place in agency TBD!
 - Significant pushback from advocates and Congress will make this messier

Defend the Spend

- Administration initiative intended to ensure additional oversight over federal funds
- Requires written justification for each expenditure submitted for drawdown, including at a minimum:
 - Program payment being requested for
 - List of budget item(s) or expense category(ies), along with an amount for each that sums up to the total payment request; and
 - A date range associated with the costs included in the payment request.
 - Has raised issued for some States with equipment purchases
- ED says it will issue “templates” for spending justifications of 255 characters or less that will not need individualized approval
 - Target implementation date ***now November 1 for G5***

More Flexibility Guidance

- Two new letters published in May 2026 promote two kinds of flexibility in Title V of ESEA:
 - Transferability
 - Alternate Funds Use Authority
- This is not new information! But serve to:
 - (1) follow executive order in promoting school choice (“Expanding Educational Freedom and Opportunity for Families” signed January 29, 2025),
 - (2) let parents, districts, and schools know these are options under federal law, and
 - (3) pressure States to open up flexibility if there are State law/policy restrictions that prevent them from doing so

Transferability Guidance

- Letter [issued May 19th](#)
- Available to both LEAs and SEAs under Sec. 5103
- May transfer any amount, at any point during period of availability
- Does not require prior approval from SEA/ED, but requires notice within 30 days and updating of State/LEA plans
- Does require consultation, including with private schools
- Funds take on characteristics of receiving program, requires re-calculation of set-asides

(more on transferability [in ED's 2020 guidance](#))

ESEA Transferability

- SEA/LEA may transfer funds under Sec. 5103(b)(2)



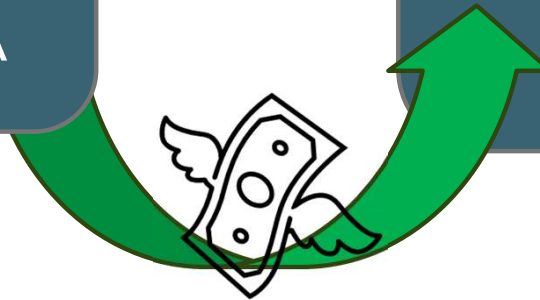
AFUA

- Alternative Fund Use Authority (ESEA Sec. 5211)
- [Letter from ED 5/19 on this!](#)
- Allows SRSA-eligible LEAs to use SOME funds more flexibly
 - This is not the same as transferability – but looks very similar!
 - LEA only has to be eligible for SRSA, does not have to receive SRSA
 - List of eligible LEAs: <https://www.ed.gov/grants-and-programs/formula-grants/rural-and-insular-areas/small-rural-school-achievement-program#srse-eligibility>
 - ED says “can be particularly helpful for rural districts that have limited staff capacity and resources”
- Needs to notify State each year if intending to use

AFUA

Eligible LEAs may
use funds from:
Title II, Part A
Title IV, Part A

To support activities
authorized under:
Title I, Part A
Title II, Part A
Title III, Part A
Title IV, Part A
Title V, Part B



New Waivers!

- Arkansas
 - Ed-Flex approval
 - Consolidation of State-level activities funds for Titles II-A, III-A, IV-A, and IV-B
 -  – Allows advanced students to skip some HS assessments
 -  – Pilot expansion of AFUA through 2030
 - Extends to all RLIS-eligible LEAs
 - “Allows ADE to reassign students enrolled in ALE local education agencies to their school of origin for accountability and school identification to more accurately capture long-term student outcomes.”
 - ALEs are five single-school LEAs which provide “short-term, specialized services”

New Waivers!

- Indiana
 - Allows State to consolidate State-level activities funds from Titles I-B, II-A, III-A IV-A, and IV-B
 - Must be separate from Admin
 - Smaller than originally requested waiver!
 - Waives portion of state accountability that requires academic indicators to have “much greater” weight
 - Pilot for LEA-level program consolidation
 - 15% of LEAs
 - Title II and IV non-admin
 - Additional flexibility for consolidation of admin funds
- Vermont
 - Consolidation of \$4 million in State-level activities funds from Titles II-A, IV-A, and IV-B of ESEA through 2029

New EHCY Guidance

- Published August 4
- In certain circumstances, McKinney-Vento funds can be used for “temporary, short-term housing”
- Must be:
 - A last resort
 - Temporary
 - “essential to remove an immediate barrier to the student’s enrollment, regular attendance, or full participation”
 - Determined on a case-by-case basis

Title VI Disciplinary Guidance

- New August 18th *non-binding* guidance
- Says that taking race into account in student disciplinary policies or decisions violates Title VI
- Disclaims concept of “disparate impact” – says that they are only concerned with discrimination that is intentional and clear on its face
- “a school’s decision to change its discipline policies with the purpose of avoiding or reducing racial disparities in discipline constitutes race discrimination.”

ED Semi-Annual Regulatory Agenda

- [Published in July](#)
- ED Lists as upcoming rules:
 - OCR procedural changes to make it easier to take funding away from schools that violate civil rights laws (higher ed-focused) (July 2026)
 - Title IX regulations to define “sex” narrowly in alignment with sex at birth (July 2026)
 - Changes to significant disproportionality under IDEA (August 2026)
 - Charter rules to “simplify eligibility and application criteria” (August 2026)
 - FERPA regulations to expand definition of educational record (September 2026)
- USDA says new draft school meal rules coming in Sept 2026, final in Sept 2027

E-Rate Inquiry

- FCC [asks for comments](#) on E-rate program
 - Due October 13th
- Why?
 - “rising concerns about the impact of screen time for children” and inappropriate material on the internet
 - “ensuring E-Rate-funded networks and services are being used responsibly and for an educational purpose, as statutorily required”
 - “Should the E-Rate program be limited or sunset to reflect today's extensive connectivity rates?”
 - “Does continued support for self-provisioned network construction and dark fiber risk displacing private investment?”



E-Rate Inquiry

- But! Will not reduce federal spending since E-rate is funded by user fees
 - E-rate is one of four programs funded by USAF

TOTAL DUE

\$86.00

Your bill is due by Aug 18, 2026.

Included Government taxes & fees

Universal Service Fee	\$0.09
State & Local Sales Tax	\$0.14

$0.09/86 = 0.1\%$ of my cell phone bill!

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Supreme Court

Gender Identity and the Supreme Court

- Two combined cases:
 - Little v. Hecox (Idaho, appealing 9th Cir.)
 - West Virginia v. B.P.J. (West Virginia, appealing 4th Cir.)
- ... in both cases, students initiated lawsuit over State laws that banned trans students from playing on girls' sports teams
- Questions:
 - Does Title IX prevent a State from designating sports teams based on biological sex as determined at birth? (i.e. does *Bostock* extend to Title IX)
 - Does 14th amendment prevent a State from offering separate sports team based on sex as determined at birth?

SCOTUS Decision

- Limited only to sports, and only to women's/girls' sports
- State has a compelling government interest in preserving competition/safety, which satisfies intermediate scrutiny
- States *can* be restrictive on athletics if they want to
 - Footnote says this case does *not* determine if States can be more permissive: “these cases do not present the distinct question of whether... schools may allow biological males who identify as female to participate on girls’ and women’s sports teams. **That question is currently the subject of litigation in some lower courts.**”
- To be continued!



Questions?

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