July 31, 2020

The Honorable Betsy DeVos  
Secretary  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, D.C. 20202

Dear Secretary DeVos:

We write to express our serious concerns about the U.S. Department of Education’s (Department) interim final rule interpreting the equitable services provision of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Department has misinterpreted the plain language of the CARES Act in a way that would improperly divert federal emergency aid dollars intended for public schools to private school students. Under this proposed interpretation, Oregon public school students will lose $11,310,291, which will be extremely detrimental to our system of public education and our state. Our public school students, teachers, and staff in Oregon and across the country must have the full support of our federal government as the COVID-19 pandemic continues to upend their lives.

The CARES Act requires that local educational agencies (LEAs) provide equitable services to private school students “in the same manner” as section 1117 of the ESEA of 1965. In April of 2020, the Department first released its unlawful interpretation of this provision as non-binding guidance. After multiple states, including our home state of Oregon, indicated that they would ignore this guidance and follow the letter of the law, the Department codified its unlawful interpretation into a regulation and improperly imbued it with the immediate force of law.

For the following reasons, we implore you to rescind this rule and all associated guidance and allow states to comply with the CARES Act as Congress intended, and use all emergency resources to safely reopen public schools:

1.) The plain language of the CARES Act directs LEAs to reserve funds for equitable services in direct proportion to the number of low-income students in private schools. According to the Congressional Research Service’s (CRS) recent legal analysis (CRS memo), “a straightforward reading of section 18005(a) based on its text and context suggests that the CARES Act requires LEAs to follow section 1117’s method for determining the proportional share, and thus to allocate funding for services for private school students and teachers based on the number of low-income children attending private
schools.” Specifically, section 18005 of the CARES Act requires LEAs to provide equitable services “in the same manner as provided under section 1117 of [Title I-A of the Elementary and Secondary Education Act (ESEA)] of 1965.” Because the allocation calculation is a statutory component of section 1117, this mandates that LEAs reserve the same proportion of CARES Act funds for equitable services under the CARES Act as LEAs reserve under Title I-A. Stated differently, LEAs must calculate their equitable services reservation as described above by counting the number of low-income students enrolled in private schools.

2.) The Department’s Interim Final Rule claims ambiguity where none exists and develops two alternative interpretations of the CARES Act that conflict with the statute. The Department claims that the CARES Act text requiring LEAs to “provide equitable services in the same manner as provided under section 1117 of the ESEA of 1965” is ambiguous. The Department argues that “in the same manner” requires deviation from some of the mechanisms of section 1117 and “if [Congress] simply intended to incorporate “section 1117 of the ESEA of 1965 by reference in the CARES Act… [t]he unqualified phrase “as provided in” alone would have been sufficient.” The Department concludes that, because Congress did not use the magic words “as provided in,” the Department may cast off the calculation formula in section 1117 and develop its own. This argument is wrong. In the 2012 Supreme Court decision National Federation of Independent Businesses (NFIB) v. Sebelius, the Court held that “when the phrase “in the same manner” references a specific provision in the law, that specific reference supplies the methods or procedures for the agency to follow.” The Court’s interpretation of this phrase is controlling, requiring LEAs to provide equitable services using the “methods or procedures” required under section 1117 to implement the equitable services provision, including the calculation for the funding allocated for the provision of equitable services.

When Congress directed equitable services to be provided “in the same manner as section 1117” it meant for LEAs to follow standard practices outlined in ESEA Section 1117 when reserving and using funds for equitable services. Instead, the Department has promulgated a rule that distributes funds in a different manner. The Department claims to be providing LEAs two options for compliance, but, is forcing LEAs to adhere to the mandate of the April 30th equitable services guidance because the Department’s proposed alternative incorporates onerous restrictions on the use of funds where no such restrictions exist in statute.

3.) The Department’s April 30th directive, contained in the IFR as option one, conflates which students LEAs must count for allocation purpose with which students may be the beneficiaries of equitable services. The Department’s foundational argument in support of the rule’s first option is that “if the CARES Act does not limit services based on residence and poverty, then it stands to reason that an LEA should not use residence and poverty to determine the proportional share of available funds for equitable services.” This imagines a distinction between the CARES Act and Title I where none exists, and

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4 CARES Act Programs; Equitable Services to Students and Teachers in Non-Public Schools, 85 Fed. Reg. 39,479, 39,481(July 1, 2020).
draws a conclusion from that imagined distinction that does not logically follow.\textsuperscript{6} The Department’s April 30 guidance attempts to distinguish between the CARES Act and Title I equitable services claiming that “the services that an LEA may provide under the CARES Act programs are clearly available to \textit{all} public school students and teachers, not only low-achieving students and their teachers as under Title I, Part A.”\textsuperscript{7} The Department claimed that this distinction necessitated the Department’s reinterpretation of section 1117 as applied to CARES Act funds\textsuperscript{8} and its rule repeats a version of this claim.\textsuperscript{9} But these assertions misrepresent the facts.\textsuperscript{10} In reality, in most cases Title I-A allows LEAs to provide schoolwide services, not services targeted only at low-achieving students. Schoolwide services, by definition, serve all public-school students in attendance at Title I schools. In fact, according to the Department’s own National Center for Education Statistics, 95 percent of all students served in Title I-A participating public schools receive services in schoolwide programs.\textsuperscript{11}

The Department’s rule claims that the most consequential sub-sections of section 1117, those governing the equitable services allocation, “are inapposite in a CARES Act frame” because of this perceived tension between allocation and use.\textsuperscript{12} But the CRS memo confirms that “there is no inherent tension in Congress directing the equitable share of a fund that is, at least in part, income-based to be distributed based on income.”\textsuperscript{13} When Congress directed LEAs to provide CARES Act equitable services in the same manner as provided under 1117 it did not parse the applicable subsections of section 1117. The Department may not do so in absence of Congressional direction.

4.) The Interim Final Rule’s option two is not a possible option, especially for high-poverty LEAs, and has no basis in law. Under option two, LEAs may allocate funds for equitable services in accordance with the requirements of section 1117, but LEAs must abide by two restrictions rendering this option both untenable and functionally impossible. First, LEAs may only distribute CARES Act funds to Title I-

\textsuperscript{6} See also Enclosure 1, Congressional Research Service Legal Memo. “\textit{Analysis of the CARES Act’s Equitable Services Provision.”} July 1, 2020. P. 12, 16. (The CRS memo indicates that the Department’s argument “may elevate a general conception of equity ...over the specific procedures set out in section 1117.” And also states that using the “in the same manner” phrase in statute, “Congress, likely meant to indicate how LEAs should provide equitable services with relief funds rather than \textit{for what or to whom}.”

\textsuperscript{7} See U.S. Department of Education, Providing Equitable Services to Students and Teachers in Non-Public Schools Under the CARES Act Programs, page 6 (Apr. 30, 2020).

\textsuperscript{8} See \textit{Id at 6} (“This requirement, on its face, necessitates that the Department interpret how the requirements of section 1117 apply to the CARES Act programs, given that an LEA under the CARES Act programs may serve all non-public school students and teachers without regard to family income, residency, or eligibility based on low achievement.”)

\textsuperscript{9} CARES Act Programs; Equitable Services to Students and Teachers in Non-Public Schools, 85 Fed. Reg. 39,479, 39,481 (July 1, 2020). (“Eligible public school students must live in a school attendance area selected to participate under Title I and be low achieving.”)

\textsuperscript{10} See also, Enclosure 1, Congressional Research Service Legal Memo. “\textit{Analysis of the CARES Act’s Equitable Services Provision.”} July 1, 2020. P. 17 (“[T]he fact that the CARES Act Relief funds may serve a wider swath of students and teachers does not necessarily resolve whether Congress intended to depart from section 1117’s express directive to count low-income students as the way (i.e. manner) to determine equitable share.”

\textsuperscript{11} National Center for Education Statistics, \textit{Study of the Title I, Part A Grant Program Mathematical Formulas} (2019), Executive Summary.

\textsuperscript{12} CARES Act Programs; Equitable Services to Students and Teachers in Non-Public Schools, 85 Fed. Reg. 39,479, 39,481 (July 1, 2020).

\textsuperscript{13} Enclosure 1, Congressional Research Service Legal Memo. “\textit{Analysis of the CARES Act’s Equitable Services Provision.”} July 1, 2020. P. 17
participating schools. Second, the Department requires LEAs employing this option to comply with the supplement not supplant requirement in section 1118(b) of ESEA. These requirements are not rooted in the CARES Act, would deprive tens of thousands of public schools from receiving CARES Act aid, and have rendered this option an impossibility for many LEAs.

Although the Department claims this requirement makes sure CARES Act funds are spent only on low-income students, it actually deprives countless low-income students of the benefit of emergency aid by prohibiting funds from flowing to Title I eligible schools (low-income public schools) that do not participate in Title I because of a lack of annual appropriations. The Department’s restriction ignores this reality and will prevent LEAs from distributing funds to more than 10,000 schools that serve sufficient numbers of low-income students to be eligible for Title I-A but do not receive Title I-A dollars.14 Option two also subjects states and LEAs to supplement not supplant requirements for Title I-A funds, a requirement that has no textual basis in the CARES Act, as noted by the Department. 15 In the Title I-A context, supplement not supplant restricts states and LEAs from reallocating state and local funds from Title I-A recipients and replacing them with Title I-A aid, preventing the dilution of Title I-A aid. The supplement not supplant requirement serves an important purpose in the Title I-A context by making sure that the federal investment in Title I-A increases the funds available to serve those schools instead of simply changing their source. But as applied to the CARES Act, a supplement not supplant requirement would prevent LEAs from exclusively directing CARES aid to Title I schools while allocating extremely limited state and local resources to pay all remaining costs.

5.) The process by which the Department issued this rule is deeply flawed. The Department’s claim that it has good cause to bypass the Administrative Procedures Act mandated 30-day waiting period lacks merit. Courts have repeatedly held that events outside an agency’s control may justify good cause if those events necessitate a rulemaking with immediate effect of law.16 Those cases are limited to “exceptional circumstances” to prevent an agency from “simply wait[ing] until the eve of a statutory, judicial, or administrative deadline, then rais[ing] up the ‘good cause’ banner and promulgat[ing] rules without following APA procedures.”17 In other words, courts have held that “good cause may not arise as a result of the agency’s own delay.”18 If it was necessary for the rule to take effect on July 1, the Department could have published this rule a full month after Congress passed the CARES Act, while providing both 30-day periods and meeting its deadline. Instead, the Department waited more than three months to publish the rule and insisted that in the interim LEAs either comply with the Department’s equitable services guidance or hold the CARES Act funds in escrow.19

14Based on data available from the Elementary/Secondary Information System maintained by NCES, for the 2017-18 school year 11,434 schools were eligible for either Title I targeted assistance or Title I schoolwide programs but did not participate in those programs. See, Dep’t of Educ. National Center for Education Statistics, Elementary/Secondary Information System
15Department of Education, Providing Equitable Services to Students in Teacher in Non-Public Schools Under the CARE Act Programs FAQ, p. 12 (2020).
19See Letter from The Honorable Elizabeth “Betsy” DeVos to Carissa Moffat Miller (May 22, 2020).
In the interest of public schools, teachers, and students in Oregon, and with respect to the rule of law, we request that the Department immediately rescind this rule and all related guidance.

Sincerely,

Suzanne Bonamici  
Member of Congress

Ron Wyden  
United States Senator

Peter DeFazio  
Member of Congress

Earl Blumenauer  
Member of Congress

Jeffrey A. Merkley  
United States Senator