

# HigherEdReg Rundown

---

Thoughts for Institutions Regarding  
the Significant Layoffs at USED



# Thompson Coburn LLP

- Full-service law firm with over 400 attorneys.
- Offices in Chicago, Los Angeles, St. Louis, Dallas, New York, Birmingham, and Washington, D.C.
- **Higher education practice** provides legal counsel, compliance, policy and training services to colleges and universities.
- HigherEdReg Rundown updates the community on a topic of particular importance in a concise format.



Aaron Lacey

[alacey@thompsoncoburn.com](mailto:alacey@thompsoncoburn.com)

314-552-6405

# Much Remains in Play

- We still expect an executive order directing further reduction of the agency.
- Efforts also could be made to move the student loan and grant programs elsewhere.
- But at present, there is no indication that Congress or the current administration intend to take steps to dismantle the student loan and grant programs.
- Both continue to have strong, bi-partisan support from the Hill and the White House.



# Much Remains in Play

- American Federation of Government Employees Local 252 has vowed to fight the RIF.
- A group of 21 attorneys general has filed suit arguing the RIF violated federal law.
- There may be rehiring at the agency if critical functions cannot be maintained.
- Two federal courts recently ordered several federal agencies (not ED) to “immediately” reinstate probationary employees fired last month.



# Scope of the ED RIF

- According to ED's [Newsroom](#) ED's workforce has been reduced from about 4,130 to about 2,180.
  - 259 employees accepted the [Deferred Resignation Program](#)
  - 313 employees accepted the Voluntary Separation Incentive Payment
- About 1,300 were notified on March 11 that they were part of the reduction in force (RIF).



# Scope of the ED RIF

- According to ED, employees impacted by the RIF will be placed on administrative leave in one week, on Friday, March 21.
- They will receive full pay and benefits until June 9, and severance or retirement benefits based upon length of service.
- We know that as of Wednesday, at least some RIF employees were unable to access systems or send external emails.



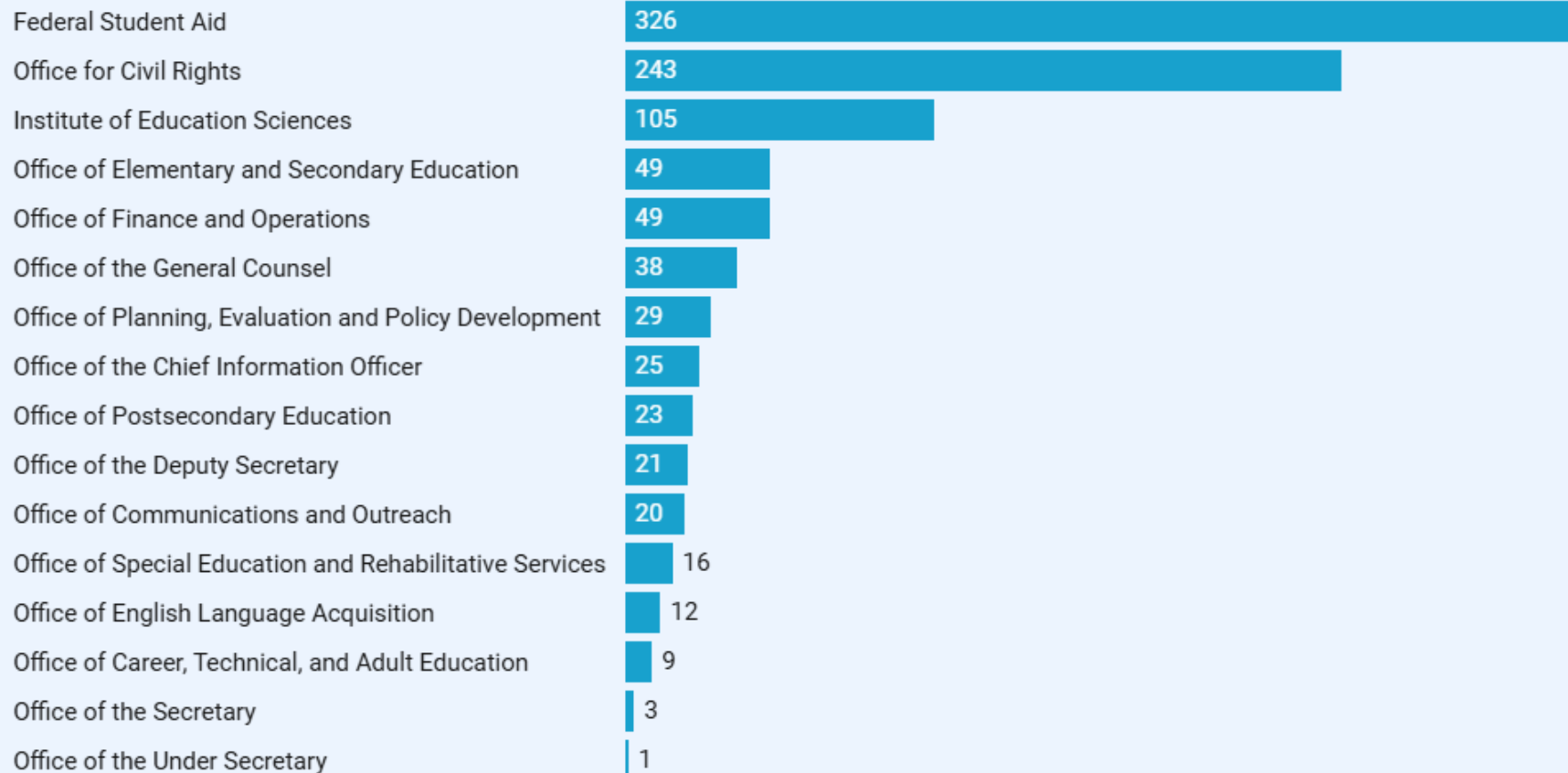
# ERN Data

- Education Reform Now (ERN), a non-partisan, nonprofit think tank, obtained a list of union employees who were part of the RIF and shared a [de-identified data set](#) including 969 employees.
- ERN analyzed the data and provided [three illustrative charts](#).
- The data and charts appear to confirm widespread reports that FSA and OCR experienced the deepest cuts, followed by the Institute of Educational Sciences.



# ERN Data: # RIF by Group

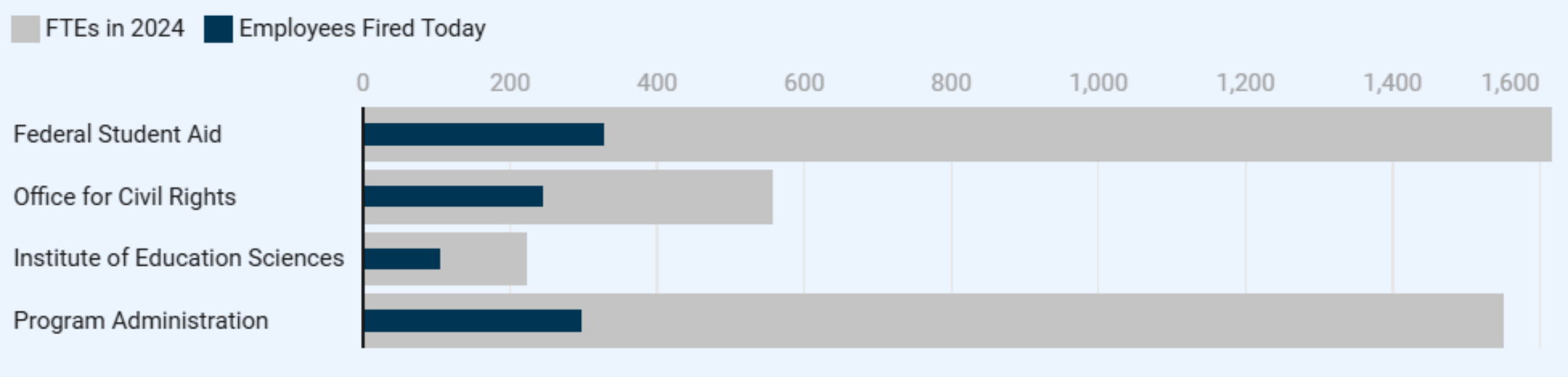
The number of employees who received notification they were being put on leave.



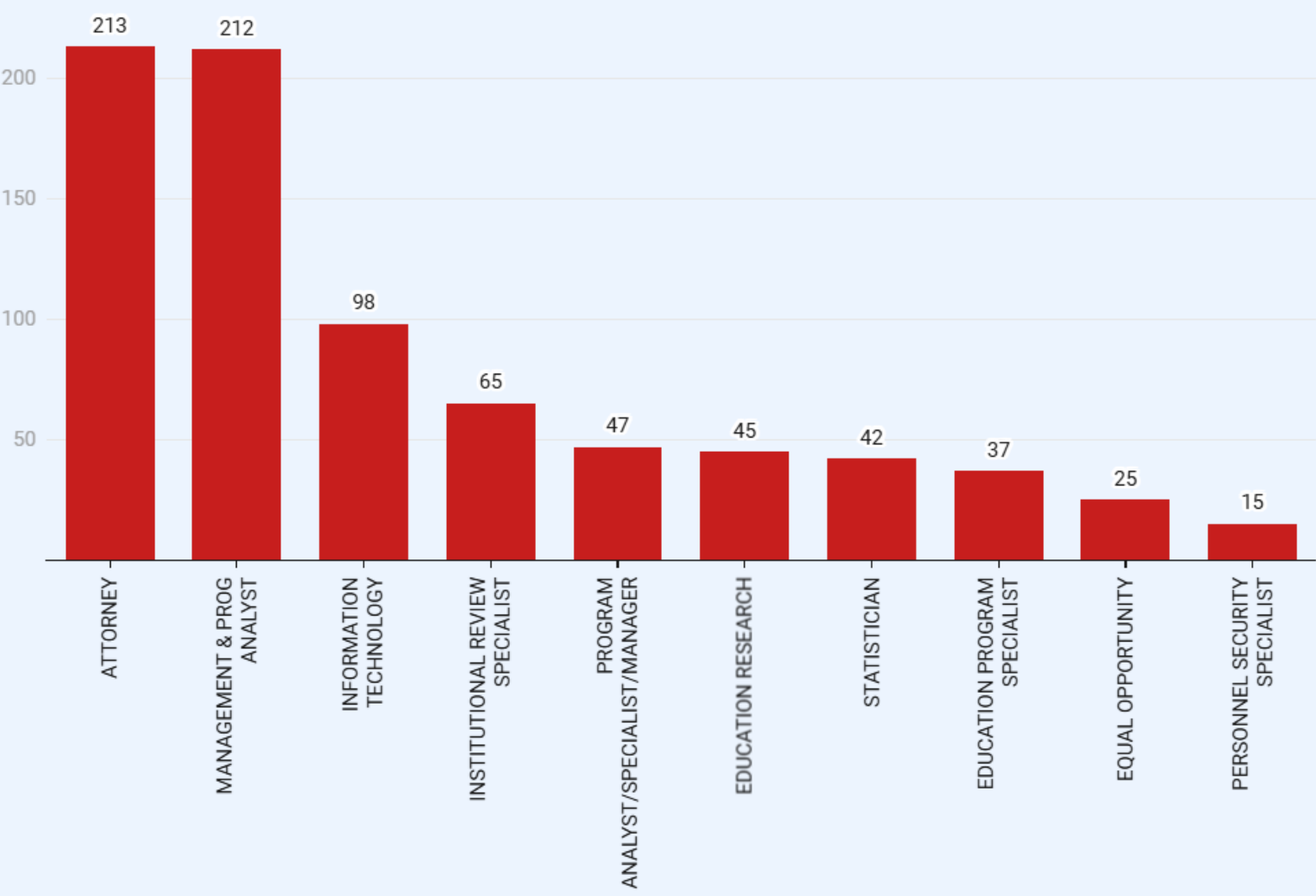
THOMPSON  
COBURN LLP



# ERN Data: RIF vs FTEs



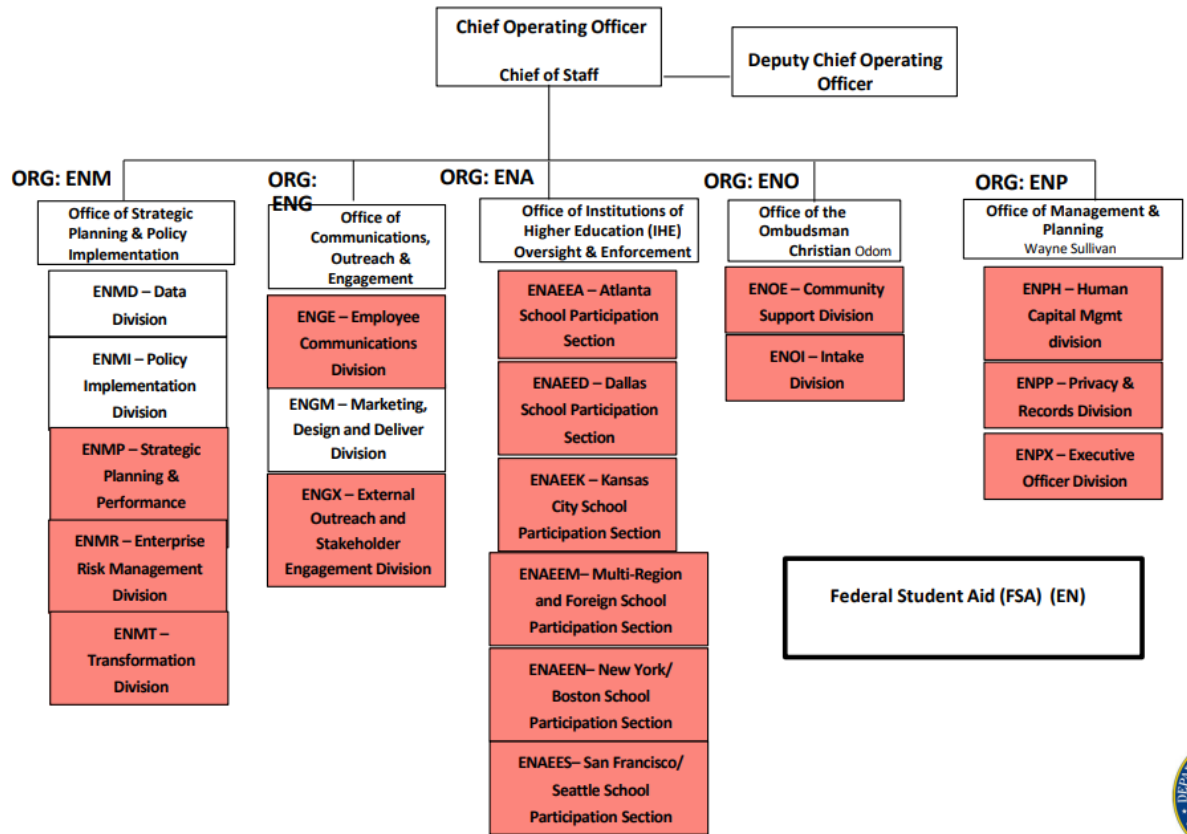
# ERN Data: # RIF by Position



# Politico: RIF Org Chart

- Politico obtained an [ED org chart](#) that highlights the impacted units within the agency.

Organizational Charts U.S. Department of Education



# Politico: RIF Org Chart

- The Politico chart, along with the ERN data, appears to confirm reports that but for Chicago and Philadelphia, all FSA case teams were part of the RIF, including Atlanta, Dallas, Kansas City, New York/Boston, San Francisco/Seattle, and the Multi-Region and Foreign School.
- This also would appear to cover the Financial Services Group, the Third-Party Servicer Group, and the Critical Response Division.

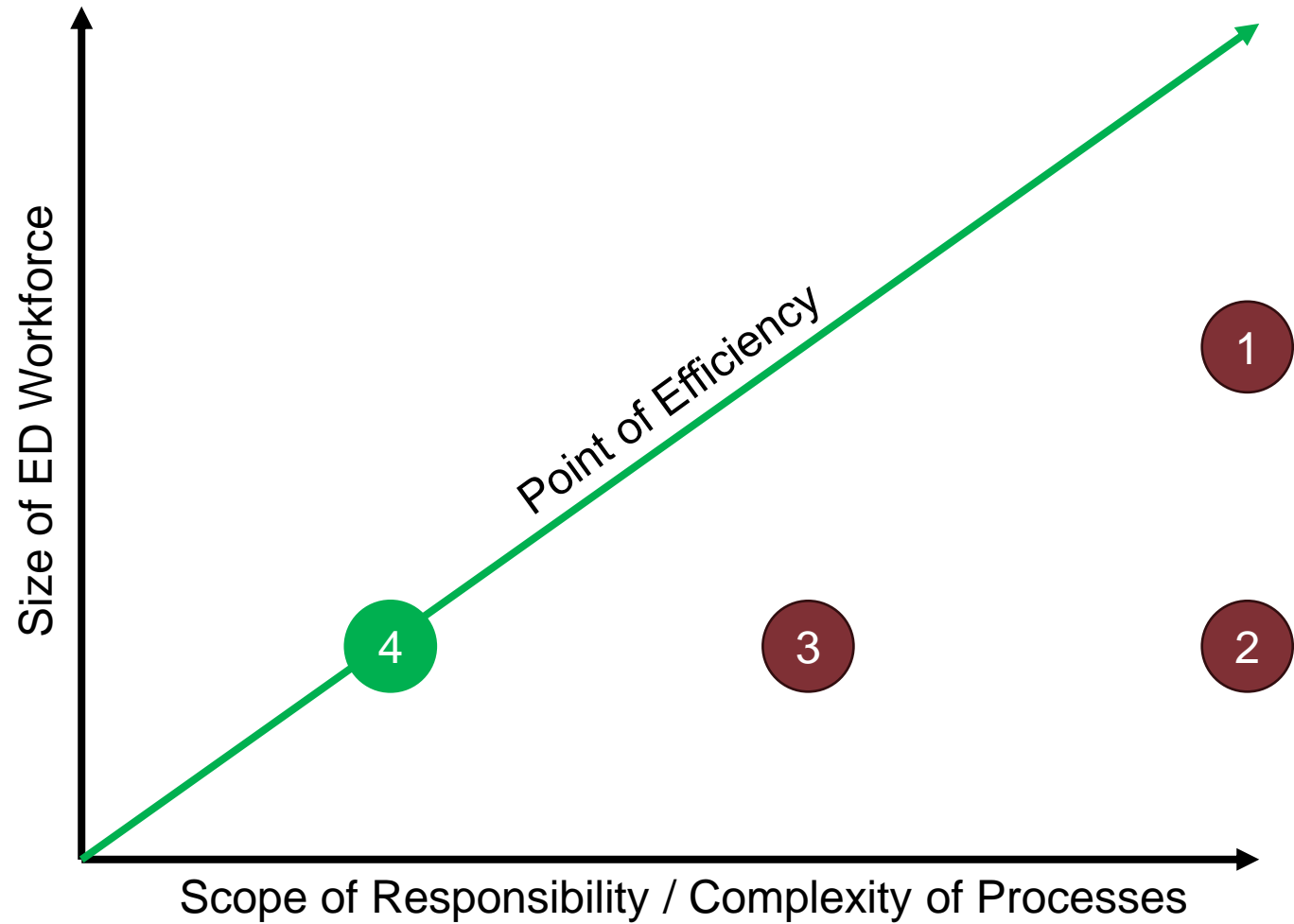


# School Facing FSA Functions

- [FSA Functional Statements - Partner Participation and Oversight](#)
  - Training and information
  - Policy guidance
  - Technical assistance
  - Certification and recertification
  - Review of annual audit submissions
  - Changes in ownership and control
  - CDR, BDR, Clery, and Program Reviews



# Thinking About ED Efficiency



# Getting Practical in the Interim

- Ensure all institutional personnel who might receive **communications from ED** are watching for updates.
- Identify and prioritize any circumstance where feedback or approval is required from ED, or a submission is due to ED, by a **fixed deadline**.
- Where program reviews, audits, investigations, certifications and recertifications, and other such processes are underway, but no deadline or adverse consequence is looming, **remain patient**.



# Getting Practical in the Interim

- Assume pending **policy inquiries** with individual FSA staff will not be successfully transitioned; identify new staff and resubmit for assistance.
- Understand and distinguish among actions that require only **notice** and actions that require **approval**.
- Consider timing strategic initiatives so that critical interactions with ED will occur in 6 to 12 months, or later.





# Additional Thoughts

- American Federation of Government Employees Local 252 has vowed to fight.
- A group of 21 attorneys general has filed suit arguing the RIF violated federal law.
- There may be rehiring at the agency if critical functions cannot be maintained.



# Higher Education Resources Page

## higher education resources

---

EMAIL

As part of our ongoing commitment to the postsecondary community, Thompson Coburn's higher education practice routinely creates complimentary resources designed to assist institutions with navigating the complexities of the higher education regulatory and policy environment. We have collected a number of these resources on this page, including our most recent webinars, training series, desk guides, whitepapers, and blog posts. We hope you find these resources helpful, and if you have any questions, please do not hesitate to contact us!

---

**Compliance Resources** [↘](#)

---

**Webinars/Training Resources** [↘](#)

---

**Blog Posts** [↘](#)



# Presenter Profile

- Practice and Experience
  - Assists institutions of higher education to navigate challenging legal and regulatory matters.
  - Advises regarding strategic planning, governance, and complex substantive changes.
  - Represents institutions in proceedings before the U.S. Department of Education and other postsecondary regulators.
- Contact Information
  - [alacey@thompsoncoburn.com](mailto:alacey@thompsoncoburn.com)
  - 314-552-6405



Aaron Lacey

Partner & Co-Chair  
Higher Education Practice

# Conditions of Use and Disclaimer

- Please note that the purpose of this presentation is to provide news and information on legal issues and all content provided is for informational purposes only and should not be considered legal advice.
- The transmission of information from this presentation does not establish an attorney-client relationship with the participant. The participant should not act on the information contained in this presentation or any accompanying materials without first consulting retained legal counsel.
- If you desire legal advice for a particular situation, you should consult an attorney.

