

Court Report

Education Law News You Can Use January 21, 2025

Kentucky Federal Judge Strikes Down Biden's Title IX Rule Nationwide

A 2024 final rule from the U.S. Department of Education (ED) expanded Title IX regulations to include sex-based discrimination on the basis of gender identity and sexual orientation. The U.S. District Court for the Eastern District Court of Kentucky vacated the final rule nationwide, finding that ED exceeded its statutory authority, violated constitutional principles, and engaged in arbitrary and capricious rulemaking. The court ruled that Title IX's prohibition against sex discrimination applies only to biological sex and rejected reliance on the Supreme Court's opinion in <u>Bostock v. Clayton County</u> (addressing employment discrimination), not material differences in statutory language and intent. The court also concluded that the final rule compelled speech in violation of the First Amendment by requiring individuals to use pronouns consistent with gender identity, and that it violated the Spending Clause by imposing ambiguous conditions on federal funding without clear congressional authorization. The court determined that rather than severing individual provisions, foundational defects in the rule invalidated the entire regulation.

President Trump Issues Executive Order Redefining Title IX Enforcement

Yesterday, shortly after inauguration, the President signed an executive order aimed at re-establishing sex-based definitions in federal policy and programs, emphasizing the biological distinction between men and women. The order expressly rejects the previous administration's interpretation of *Bostock v. Clayton County* as requiring gender identity-based accommodations under Title IX and rescinds multiple guidance documents from the Department of Education.

Indiana Federal Judge Orders Gender-Affirming Bathroom Access

A transgender student in an Indiana public school district sought access to boys' bathrooms, consistent with the student's gender identity. Diagnosed with gender dysphoria, the student had undergone social and medical transition, including a legal name and gender-marker change. The school district allowed the student to access single-use faculty restrooms. The U.S. District Court for the Southern District of Indiana previously granted a preliminary injunction, which the U.S. Court of Appeals for the Seventh Circuit affirmed in a consolidated appeal in August 2023. Subsequently, the student sought a permanent injunction, asserting violations of Title IX and the Equal Protection Clause. The court granted the student's motion for partial summary judgment as to liability for Title IX and Equal Protection violations, issuing a permanent injunction requiring the school district to permit the student to use boys' restrooms. The court concluded that the school district's policy showed intentional discrimination on the basis of sex, and that the school district offered no evidence of harm it would face if an injunction were granted, whereas the student had demonstrated emotional harms in the absence of an injunction.

PowerSchool Faces Lawsuits Over Data Breach

PowerSchool, a leading education software provider, experienced a significant data breach in December 2024, potentially exposing personal information of students, teachers, and parents, including names, addresses, Social Security numbers, and grades. In response to the breach, PowerSchool paid ransom to the attackers for assurances that the stolen data had been deleted. Following the incident, three separate suits have been filed against PowerSchool Holdings Inc. in the U.S. District Court for the Eastern District of California, alleging that the company negligently failed to protect personal information and did not maintain reasonable security safeguards.

U.S. Supreme Court Resolves Burden of Proof in Employee Classification under FLSA

In *E.M.D. Sales, Inc. v. Carrera*, a company employed sales representatives to manage inventory at grocery stores. These employees sued under the Fair Labor Standards Act (FLSA), alleging the company failed to pay them overtime wages. The company claimed the employees were exempt as "outside salesmen" under the FLSA. The district court ruled against the company, applying a "clear and convincing evidence standard," and the U.S. Court of Appeals for the Fourth Circuit affirmed this approach. The Supreme Court reversed, unanimously holding that the lower "preponderance of the evidence" standard applies to determining FLSA exemptions. The Court reasoned that the FLSA does not specify a heightened standard for proving exemptions.

U.S. Supreme Court Petitions to Watch:

- <u>Mahmoud v. Taylor</u> Whether public schools burden parents' religious exercise by compelling elementary school children to participate in instruction on gender and sexuality against their parents' religious convictions without notice or opportunity to opt out. **Petition granted.**
- <u>A.J.T. v. Osseo Area Schools, Independent School District No. 279</u> Whether the Americans with Disabilities Act requires children with disabilities to satisfy a uniquely stringent "bad faith or gross misjudgment" standard when seeking relief for discrimination relating to their education. **Petition granted.**
- <u>West Virginia v. B.P.J. by next friend and mother, Heather Jackson</u> Whether Title IX or the Equal Protection Clause prevents a state from designating school sports teams based on biological sex determined at birth.
- <u>Little v. Hecox</u> Whether laws that seek to protect women's and girls' sports by limiting participation based on sex violate the Equal Protection Clause.
- <u>St. Isidore of Seville Catholic Virtual School v. Drummond</u> (linked with <u>Oklahoma Statewide Charter School Board v. Drummond</u>) Whether it violates the First Amendment's protection of religious freedom for a state to exclude religious schools from its charter school program just because the school is religious.
- <u>Hittle v. City of Stockton</u> Whether the legal framework for an employment discrimination action requires a plaintiff to disprove the employer's proffered erason for an adverse employment action.
- <u>Petersen v. Doe</u> Whether Arizona's Save Women's Sports Act, which excludes biological males from girls' and women's sports teams, violates the Equal Protection Clause.

U.S. Supreme Court Cases to Watch:

- <u>Stanley v. City of Sanford</u> Whether, under the Americans with Disabilities Act, a former employee who was qualified to perform her job and who earned post-employment benefits while employed loses her right to sue over discrimination with respect to those benefits solely because she no longer holds her job. (Argued 1/13.)
- <u>Free Speech Coalition, Inc. v. Paxton</u> Whether strict scrutiny or rational basis review applies to a Texas law that restrict minors' access to sexual material but significantly burdens adults' access to protected speech. (Argued 1/15.)
- <u>FDA v. R.J. Reynolds Vapor Co.</u> Whether a tobacco product manufacturer may file a judicial review petition in a circuit outside of the District of Columbia if the manufacturer is not located in that circuit but is joined by a seller of their products located in that circuit. (Set for argument today.)
- <u>FDA v. Wages and White Lion Investments, LLC</u> Whether the FDA's denial of an application for authorization to market new e-cigarette products (including candy and fruit flavors) was arbitrary and capricious.
- <u>U.S. v. Skrmetti</u> Whether Tennessee Senate Bill 1, which prohibits medical treatments intended to allow a minor to identify with a purported identity inconsistent with the minor's sex, violates the Equal Protection Clause (a related petition in <u>L.W. v. Skrmetti</u> asks whether this same bill violates the fundamental right of parents to make decisions concerning the medical care of their children).
- <u>Lackey v. Stinnie</u> (1) Whether a party must obtain a ruling that conclusively decides the merits in its favor, as opposed to merely predicting a likelihood of later success, to prevail on the merits under 42 U.S.C. § 1988; and (2) whether a party must obtain an enduring change in the parties' legal relationship from a judicial act, as opposed to a non-judicial event that moots the case, to prevail under Section 1988.
- <u>Wisconsin Bell, Inc. v. US ex rel. Heath</u> Whether reimbursement requests submitted to the Federal Communications Commission's E-Rate program are "claims" under the False Claims Act.
- <u>Williams v. Washington</u> Whether a plaintiff must first exhaust state administrative remedies before bringing a claim under Section 1983 claim in state court.

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