



Patterson Policy Watch – A Resource for the Nonprofit Sector

Welcome to the *Patterson Policy Watch*, which tracks key legal and policy developments that matter to the nonprofit sector. In response to the rapidly evolving landscape under the new presidential administration, Patterson Belknap's Tax-Exempt Organizations Group is highlighting executive actions, agency directives, legislative updates, and judicial responses that have the potential to impact nonprofit organizations and the communities they serve.

Below is a digest of select developments from the past week through June 22, 2026, which are organized broadly by issue area. We note that this is not a comprehensive list of all updates that may potentially be relevant to tax-exempt organizations. We will continue to provide regular updates to the *Patterson Policy Watch* to help you anticipate and navigate policy and legal developments. You can also view prior editions of the *Patterson Policy Watch* [here](#).

Education

- June 16: The Education Department (ED) [issued](#) a press release announcing four new interagency agreements with the Department of Health and Human Services (HHS) and the Department of Justice (DOJ). Under the agreements, the ED will partner with HHS on "special education and rehabilitative services," and the ED will partner with the DOJ on "civil rights enforcement, student privacy protection, and training and advisory services."
 - The new interagency agreements follow ten previous interagency agreements entered into by the ED and other federal agencies over the past year (covered in the [September 9, 2025](#), [November 25, 2025](#), [March 3, 2026](#), and [March 24, 2026](#) issues of the *Patterson Policy Watch*) and are in furtherance of the March 20, 2025 executive order entitled "[Improving Education Outcomes by Empowering Parents, States, and Communities](#)" (covered in the [March 25, 2025 issue](#) of the *Patterson Policy Watch*), which directs the Secretary of Education "to the maximum extent appropriate and permitted by law, [to] take all necessary steps to facilitate the closure of the [ED] and return authority over education to the States and local communities while ensuring the effective and uninterrupted delivery of services, programs, and benefits on which Americans rely."

Judicial Watch

As legal challenges to executive actions continue to grow, and as the DOJ has begun to initiate actions in court to enforce the administration's priorities, we are tracking developments in key cases that have the potential to most directly impact nonprofit organizations across the sector.

Education Department "Dear Colleague" Letter on DEI

On February 14, 2025, the ED's Office for Civil Rights [issued](#) a "Dear Colleague" letter (the "Letter"), interpreting the Supreme Court's 2023 decision in *Students for Fair Admissions v. Harvard*, which prohibits the use of race in higher education admissions decisions, to apply more broadly to also prohibit considering race in "hiring, promotion, compensation, financial aid, scholarships, prizes, administrative support, discipline, housing, graduation ceremonies, and all other aspects of student, academic, and campus life." On March 1, 2025, the ED [announced](#) the release of a Frequently Asked Questions Document that was "intended to anticipate and answer questions that may be raised in response" to the Letter. Several cases have challenged the Letter.

- *American Federation of Teachers v. U.S. Department of Education* (District of Maryland): On February 25, 2025, the American Federation of Teachers (AFT) and several other professional membership associations representing teachers and sociologists [filed](#) a lawsuit to challenge the Letter and the Letter's requirement that states and schools certify compliance with the Letter's requirements (the "Certification Requirement"). According to the complaint, the Letter threatened to withhold federal funding from schools with diversity, equity, and inclusion (DEI) programs, programs that teach about "systemic and structural racism," or programs that otherwise factor race into educational environments. Plaintiffs sought a declaratory judgment that the Letter and Certification Requirement are unlawful and unconstitutional and a preliminary injunction against any steps taken to implement the Letter and Certification Requirement.
 - On April 24, 2025, the District Court [granted](#) Plaintiffs' motion for a preliminary injunction, holding that the Letter and Certification Requirement likely violate the Administrative Procedure Act because they exceed the ED's statutory authority by trying to dictate the content of curriculum and likely violate the First Amendment by purporting to regulate protected speech.
 - On August 14, 2025, the District Court [granted](#) the Plaintiffs' motion for summary judgment, holding that the Letter and Certification Requirement were unlawful.
 - On October 15, 2025, Defendants [appealed](#) the District Court's decision to the Fourth Circuit Court of Appeals.
 - On January 21, 2026, the parties [filed](#) a joint stipulation in which they voluntarily agreed to dismiss the appeal in the Fourth Circuit, and the Fourth Circuit [granted](#) the joint stipulation and dismissed the appeal on January 22, 2026.
 - On **June 12, 2026**, the parties stipulated to the dismissal of proceedings, which the District Court [granted](#) on June 15.

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