U.S. District Judge Dismisses U.S. Government's Athletics-Related Title IX Case against California

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Title IX guidance has boomeranged for years under different administrations, including on the specific protections surrounding gender identity. In 2025, President Trump signed an Executive Order threatening to withdraw federal funding from educational institutions that base eligibility for participation in athletics programs on gender identity as opposed to biological sex. (See Lozano Smith's 2025 Client News Brief No. 12.) On June 2, 2025, the U.S. Department of Justice (DOJ) sent letters to all California local educational agencies (LEAs), informing them of their obligation to certify that they would not implement CIF Rule 300.D. California refused to oblige and the DOJ filed suit. (Read more about the certification and initiation of *U.S.A. v. CDE/CIF* in Lozano Smith's 2025 Client News Brief No. 31.)

While the Supreme Court recently opined in *West Virginia v. B.P.J.* by Jackson (2026) 609 U.S. 958 that a state may prohibit transgender female athletes from participating in women's and girls' sports, the Supreme Court left open the inverse question of whether a state may allow, or require organizations within the state to allow, such participation. Lozano Smith provided an analysis of this Supreme Court opinion in 2026 Client News Brief No. 20.) That question was central to *U.S.A. v. CDE/CIF*.

Federal Court Opinion

On August 31, 2026, U.S. District Court Judge Cynthia Valenzuela of the Central District of California dismissed the DOJ's complaint on the grounds that the State of California did not have clear notice that federal funding under Title IX was contingent upon forbidding transgender students from participating in athletics programs in a manner that corresponds with their gender identity.

The court considered the Supreme Court's recent holding in *West Virginia v. B.P.J.*, that states may limit students' participation in sports teams based on their biological sex under Title IX. She found that these holdings merely confirmed that Title IX permits schools to base athletics participation on biological sex, not that it requires every school to do so. Similar to the Supreme Court, the District Court's opinion declined to answer whether Title IX affirmatively allows students to participate in athletics programs based on their gender identify, as opposed to their biological sex.

Instead, the opinion found that the DOJ's complaint was barred by the Spending Clause of the Constitution. When Congress conditions federal funds

on complying with specified requirements, it must give recipients clear notice of those conditions so they can decide whether to accept the money. According to the opinion, the language of Title IX, and related regulations, do not clearly communicate that schools can only allow students to participate in their athletics programs based on their biological sex.

Judge Valenzuela pointed to the years of changing, and often inconsistent, Title IX policies under different administrations as further evidence that California lacked the requisite clear notice of the purported condition that participation in sports must be based on biological sex. The DOJ's complaint was dismissed without giving an opportunity to amend. The DOJ does have the right to appeal to the Ninth Circuit Court of Appeals.

Takeaways

California law and CIF Rule 300.D requiring schools to permit students to participate in athletics based on their gender identity remains in effect. The question of whether federal law permits transgender students to participate on teams in accordance with their gender identity as opposed to their biological sex remains unanswered. The DOJ has the right to appeal the dismissal, and this issue is likely to see further litigation. This area of the law continues to evolve and develop, and we will continue to monitor and provide updates.

If you have any questions about decision in *U.S.A. v. CDE/CIF*, or any student-related issues, please contact the authors of this Client News Brief or an attorney at one of our nine offices located statewide. You can also subscribe to our podcast, follow us on Facebook, and LinkedIn or download our mobile app.

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