



The Education Department gave another agency power to distribute its money. It hasn't gone well.

Critics say issues with accessing federal career and technical education funding could preview bigger problems when the Trump administration starts to outsource more of the Education Department's responsibilities to other agencies.



Education Secretary Linda McMahon speaks during a White House press briefing, Nov. 20, 2025, in Washington. | Evan Vucci/AP

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The stumbles of an early Trump administration experiment to carve up the Education Department risks undercutting the president's more dramatic demolition plan for the agency.

The Labor Department began taking control of federal career, technical and adult education money [as part of a pact this spring](#) with the education agency that was intended to centralize and streamline government workforce programs.

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Critics say a combination of technical problems, communication lapses, bureaucratic hurdles and scant preparation related to new grant payment systems snarled the process of distributing money from a [\\$1.4 billion program](#) for career and technical education initiatives for schools and local governments. The record-breaking government shutdown didn't help, either.

Now state education leaders, Democratic lawmakers and former Biden administration officials say recent issues with distributing funds are likely a preview of bigger problems that could unfold when the Trump administration starts [to outsource more of the Education Department's work to other agencies](#).

"The shift is like asking states to fly with no air traffic control," said Richard Kincaid, an assistant state superintendent for college and career pathways at the Maryland State Department of Education, which is among the states that experienced difficulties with its funding from the Carl D. Perkins Career and Technical Education program.

"When you put these sort of programs into agencies that are not well-equipped with the subject matter expertise to take on a number of these large educational programs, the result is going to be a lot of confusion," he said.

Education Secretary Linda McMahon's sweeping attempt to break apart her agency involves moving even more responsibility to Labor in the coming months to distribute tens of billions of dollars for federal K-12 and higher education programs. That includes funding for children from low-income households, state education aid, charter schools, history and civics programs, and teacher training.

“Labor is not positioned to do this work,” said Amy Loyd, the Education Department’s former assistant secretary of career, technical, and adult education during the Biden administration.

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“This is not their core purpose and their core mission. And they may have a crush of smart ED people coming over, but I can’t imagine that this is going to be something that is going to improve student outcomes by any stretch,” added Loyd, who leads the All4Ed education policy advocacy organization. “This is going to do net harm to our states, to our locals, and to our kids.”

Many of the growing pains with the Perkins program transition are linked to a decision to abandon a unified Education Department system that managed federal grants for schools and local communities in favor of [what are now two Labor Department systems](#).

But McMahon defended the move as an upgrade from using her agency’s processes. And the department said career, technical, and adult education fund recipients are set to easily receive an enormous amount of additional aid for K-12 schools and higher education programs now that they have established accounts under the Labor Department’s systems.

“We are going to make sure that there’s no interruption in getting that grant money out the door,” McMahon told reporters at the White House on Thursday. “The really good news is the Department of Labor has a more sophisticated system — technology system and grant fulfilling system — than the Department of Education does.”

But launching the money-transfer process for career and technical education programs took weeks longer than anticipated. Maryland was only able to access Perkins funds that were supposed to be available on Oct. 1 on Wednesday, according to Kincaid.

“It wasn’t broken,” Kincaid said of the Education Department’s system. “We’ve now shifted not only to a new grant system but an entirely new grantmaking agency. And now we’ve injected all this chaos into the system, trying to fix something that wasn’t broken to begin with.”

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Still, the Education Department told POLITICO the administration has not heard concerns over what it said were a limited number of state agencies who have not yet tapped into their career and technical education grant funds.

“We have not really had that many complications,” said a senior department official granted anonymity to discuss the concerns. “It’s been a really smooth process and our grantees have received concierge-level support through the process.”

“There’s been people that want to be opposed to it out the gate and want to generate rumors about mass complaints,” the official added. “When we hear that, we always like to say, ‘Well, from whom?’ and there’s never a list of states.”

Roughly \$228 million in Perkins and adult education grants have been distributed as of Thursday morning, according to the department.

Seventeen of the country’s 53 Perkins grant recipients had not yet tapped their funding, according to the department official, who said three states — Mississippi, New Jersey and Vermont — are experiencing technical glitches that can be easily resolved with updated banking information.

The Education Department is also paying to cover some of the Labor Department’s costs associated with administering the program. Those reimbursements are estimated to be “up to \$262,000” for the fiscal year that ended Sept. 30 and \$807,000 for fiscal 2026, according to an [addendum signed Sept. 12 obtained by POLITICO](#).

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The federal workforce funding transition was a repeated point of discussion between congressional offices and Education Department officials Tuesday during a briefing about the Trump administration’s broader plans. Though department officials told

lawmakers' offices that many of the problems were overblown or have been resolved, the concerns were still a key point of contention during a Wednesday congressional hearing.

"These programs are objectively worse off now that they've been moved to the Department of Labor," Rep. [Suzanne Bonamici](#), (D-Ore.) said during the hearing. "Ironically, the transfer of these programs from Education to the Department of Labor has created more bureaucratic inefficiencies, not reduced them."

According to the Education Department, the agency has moved all grantees to the Labor Department's GrantSolutions and Payment Management systems. Thirteen staffers from its office of career, technical, and adult education have been detailed to Labor as part of the transition.

Some Republicans are [still expressing doubts](#) about the Trump administration's plans for the agency, including a still pending decision to transfer the department's special education and student loan functions to other agencies.

"The administration's decision to transfer these congressionally mandated responsibilities and programs to other agencies that lack the necessary policy expertise may have lasting negative impacts on our young people," Sen. [Lisa Murkowski](#) (R-Alaska) said in [a social media post](#) Thursday. "And simply moving the administration of these programs to other agencies will not return control of education to the states."

The administration's future plans for the Labor Department would still leave a limited set of functions for the Education Department, including interacting with watchdogs like the Government Accountability Office and inspector general.

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But it would functionally leave day-to-day operations to the Labor Department's Employment and Training Administration, according [to copies of the two](#) interagency agreements signed Sept. 30 obtained by POLITICO.

That division is the Labor Department's primary grant-distribution arm, but the branch also oversees a disparate portfolio that includes things like immigration matters and unemployment insurance.

Though ETA distributes several billion dollars in formula-based and competitively awarded grants annually, it handles a fraction of the funding that the Education Department historically has.

“Putting aside the many legal questions that arise from this, even just managing the logistics of how this works is not something that you can change overnight,” said Angela Hanks, who was acting ETA administrator for part of the Biden administration. “There is no universe where you could do it on the timeline that the Trump administration seems to be moving on.”

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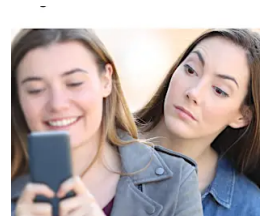
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