



TO: Education Clients

FROM: Bose Public Affairs Group Education Policy Team

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RE: BPAG Deep Dive: Department of Education Executes Six Interagency Agreements Transferring Core Administrative Functions

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Introduction

On Tuesday, November 18, the U.S. Department of Education (ED) announced the execution of six interagency agreements (IAAs) with the Departments of the Interior, Labor, Health and Human Services, and State, collectively representing a significant reorganization of federal education program administration. These agreements transfer a large share of operational responsibility—including grant administration, compliance monitoring, data management, and in some cases contracting and IT oversight—while ED retains statutory authority and high-level policy control.

Taken together, the IAAs constitute one of the most extensive shifts in ED's functional footprint since its establishment. This memo provides an analysis of each agreement, contextualizes the scope of transferred responsibilities, and outlines the broader implications for K–12 and higher education ecosystems.

Broad Implications for Federal Education Governance

The interagency agreements collectively mark a structural shift away from a single Cabinet-level department as the federal hub for education policy and administration. Secretary McMahon has repeatedly framed the IAAs as “bold action to break up the federal education bureaucracy and return education to the states,” positioning ED primarily as a “pass-through agency” for congressional appropriations and describing these moves as a “proof of concept” for ultimately closing the department. President Trump’s executive order directing the Secretary to “facilitate the closure of the Department of Education and return authority over education to the States and local communities” provides the broader political backdrop.

In practice, the IAAs redistribute over 80 grant programs and nearly \$34 billion in annual funding across four other agencies, while ED retains formal statutory responsibility. The result is a de facto multi-agency education system: Labor as the emerging center for K-12 and postsecondary grant administration, Interior as a consolidated home for Native education, HHS for childcare and medical accreditation, and State for international and foreign language programs. Reporting indicates that more than \$20 billion in K-12 formula funding alone will now be administered by Labor, with additional postsecondary and Native education portfolios similarly moving out of ED.

This dispersion raises several governance questions. First, it blurs the line between policy leadership and operational control. While ED nominally retains responsibility for meeting statutory requirements, day-to-day operational decisions will increasingly be made in agencies whose primary missions center on workforce development, public health, foreign policy, or natural resources rather than education. That dynamic may influence how programs are interpreted and implemented over time, even without formal statutory changes.

Second, the IAAs embed the dismantling of ED within ordinary administrative tools rather than explicit congressional action. Internal ED documents describe the earlier OCTAE pilot transfer as “minuscule” compared with the complexity of migrating larger K-12 and higher education portfolios, and acknowledge that the department had not fully nailed down the statutory authority and funding mechanics for future transfers. Those documents also describe concerns about degraded oversight capacity as programs move to agencies with more limited grant systems, and warn that migrating larger formula grants will be “much more difficult to migrate” and “more opaque” because only portions of programs are being sliced off and distributed across multiple agencies.

Third, the IAAs interact with an ongoing workforce contraction at ED. Reporting indicates the department has already shed nearly half its staff through layoffs and buyouts, with additional workforce reductions discussed during the shutdown. Some program offices, such as OESE, could be reduced from nearly 300 staff to around 50. Internal planning documents anticipate heavy reliance on detailees from ED to receiving agencies, but employees describe “little-to-no answers” on logistics and significant anxiety about the transition. This combination of depleted capacity and increased interagency coordination demands may weaken ED’s ability to exercise the policy oversight it is supposed to retain.

Finally, the IAAs set a precedent for further transfers. Senior officials have acknowledged that additional IAAs are under consideration for offices overseeing special education, civil rights enforcement, student loans, and federal education research. Even if future administrations seek to reverse these arrangements, integration of IT systems, staffing, and agency cultures could make re-centralization difficult. The net effect is a long-term shift toward a more fragmented federal education architecture, in which responsibility for equity, accountability, and program performance is distributed across agencies with different incentives and institutional histories.

Reactions

Secretary Linda McMahon framed the interagency agreements as a planned step toward “returning education to the states” and part of her long-stated goal to demonstrate a “proof of concept” for eventually eliminating the Department of Education. In internal briefings, she characterized ED as largely a “pass-through agency” for federal grants and told staff she would seek congressional action to codify these structural changes if implementation proceeds smoothly.

Democratic lawmakers and education-aligned unions reacted sharply. ED’s staff union president, Rachel Gittleman, called the agreements “unlawful” and warned they shift essential work to agencies with “no educational expertise,” risking increased confusion for schools and “ultimately harm[ing]

students and families.” Other Democratic officials described the moves as circumventing Congress and fragmenting core federal responsibilities.

Republican lawmakers and conservative-aligned leaders were generally supportive, viewing the transfers as aligned with longstanding goals to reduce the federal education footprint. Some highlighted the shift as overdue structural reform and consistent with the policy vision embedded in Project 2025.

State leaders expressed a wide range of views. Supportive chiefs highlighted continuity: Indiana Secretary Katie Jenner said the IAAs “will not impact funding or day-to-day operations” of schools, and Idaho Superintendent Debbie Critchfield noted federal officials told them “we’re here to support the states... it’s just going to look a little bit different.” Wyoming Superintendent Megan Degenfelder called the changes a “long overdue mandate to optimize federal programs.”

But others warned of administrative confusion and reduced federal capacity. California Superintendent Tony Thurmond argued the shift “will only create duplication, confusion, and unnecessary red tape,” calling it “the opposite of streamlining” as districts will now navigate multiple federal agencies instead of one. New York’s education department described the effort as a “retreat from federal responsibility” that will increase burden on states and districts.

Leaders already affected by the earlier IAA reported practical challenges. North Carolina Superintendent Mo Green noted states “don’t know where to send questions” and now operate “two different grant systems with two different reporting systems” following the transfer of career and technical education programs to DOL.

Tribal education experts raised additional concerns. Susan Faircloth, an advocate and member of the Coharie Tribe, warned that the Bureau of Indian Education “will struggle even more to deliver required services on time” and emphasized the move occurred without consultation from Tribal leaders.

Across these perspectives, supporters emphasized structural modernization and alignment with broader policy goals, while critics warned of capacity gaps, legal vulnerabilities, and heightened administrative burden during a period of rapid federal reorganization.

What’s Next

In the immediate term, Congressional Democrats are working to assert oversight and spending authority through the FY 2026 Labor–Health and Human Services–Education Appropriations bill. In particular, education advocates are expected to push for an expansion of a Senate bill provision included in the Senate’s bipartisan Labor–HHS measure, advanced at the end of July. That provision

(Section 314) prohibits the Department of Education from transferring Title I or Individuals with Disabilities Education Act funds and activities to other agencies. (Senate Democrats sought a broader expansion of the provision earlier this year but were only able to negotiate two specific Department of Education programs with their Senate Republican colleagues. At this time, advocacy is viewed as the primary tactic to address the operational transfer of programs from the Department of Education to Labor as the legality of the inter-agency agreement is uncertain.)

Senate Appropriators are currently working in a bipartisan manner to advance the Labor-Health and Human Services-Education Appropriations; the measure is expected to come to the Senate floor as a “mini-bus” package immediately after the Thanksgiving holiday.

Should implementation proceed, it will be dominated by operational transition work rather than formal policy changes. Internal reviews of the OCTAE pilot emphasize that even a relatively small transfer nearly missed key fiscal-year deadlines, creating risks of disrupting funding flows. Larger K-12 and higher education programs will require rebuilding grants in receiving agencies’ systems, maintaining parallel access to ED platforms, and detailing staff across departments. Those same internal reports underscore that the work completed to date is “minuscule” compared with what remains and that migrating larger formula programs will be “much more difficult,” suggesting a protracted and potentially uneven transition period.

Externally, states and grantees are preparing for a period in which they may need to interact with as many as five federal agencies for education issues. Reporting on state chiefs shows a mix of reassurance and uncertainty: some leaders emphasize that funding and core program purposes remain intact, while others already managing the Perkins transfer describe duplicative systems, delays, and persistent confusion over where to send questions. Experiences from those early transfers will likely shape how states interpret the new IAAs and how aggressively they press for clarity from Washington.

On Capitol Hill, the IAAs are likely to become a focal point in debates over congressional authority, appropriations constraints, and the limits of executive reorganization. Because closing a Cabinet department requires an act of Congress, the Administration’s strategy effectively tests how far interagency agreements and executive orders can go in dismantling an agency without explicit legislation. Lawmakers could respond through appropriations riders, authorizing-committee oversight, or targeted legislation either to ratify specific transfers, block them, or condition them on additional safeguards. Parallel litigation—both from unions and advocacy groups—may surface questions about statutory authority, non-delegation, and compliance with program-specific requirements.

Within the executive branch, further steps are already being contemplated. Federal workforce reporting indicates ED has begun “soft-launching” employee reassignments to receiving agencies, with additional reassignment waves and potential future reductions-in-force discussed for early 2026.



The Department's own press materials describe the six IAAs as part of a broader "final mission" to break up the department and explicitly tie their success to a future request that Congress codify the reorganization.

Looking ahead, several inflection points will shape how durable this restructuring becomes:

- **Additional IAAs:** Officials have signaled that offices overseeing special education, civil rights enforcement, student aid, and federal research remain potential candidates for future transfers, which could further reduce ED's operational footprint.
- **Oversight and evaluation:** External watchdogs and congressional committees are likely to assess early implementation, including effects on timeliness of payments, oversight quality, and compliance with statutory obligations—especially for vulnerable student populations.
- **Future administrations:** Depending on electoral outcomes, a subsequent administration could attempt to unwind or renegotiate the IAAs. However, once staff, systems, and processes have migrated, reversing course may prove complex, potentially leaving a hybrid governance model even if ED's formal status is restored.

Taken together, the IAAs move federal education governance into a transitional phase in which statutory structures lag behind rapidly shifting administrative realities. The immediate horizon is less about headline policy changes and more about whether a multi-agency model can effectively manage core federal education responsibilities without eroding coherence, accountability, or equitable service delivery.

Conclusion

ED's interagency agreements with Interior, Labor, HHS, and State represent a notable restructuring of federal education program administration. The operational realignments offer potential for programmatic coherence in certain domains, but they also introduce new complexities as programs migrate into agencies with distinct missions and administrative cultures. Should implementation proceed, the educational landscape will recalibrate longstanding assumptions about the role of ED and the distribution of federal education responsibilities.

Interagency Agreement 1: ED & Department of Labor — Office of Elementary and Secondary Education (OESE)

Overview

The agreement transferring major K–12 responsibilities from ED’s Office of Elementary and Secondary Education to the Department of Labor’s Employment and Training Administration represents one of the most far-reaching structural changes announced to date. This realignment moves core functions associated with the federal government’s primary K–12 programs—including oversight, monitoring, technical assistance, and administrative operations—into an agency historically focused on workforce development. ED’s public rationale frames this as an effort to better integrate K–12 and workforce pipelines, but some argue the scale of the transfer extends well beyond targeted programmatic collaboration.

This agreement is also part of a broader restructuring strategy, building on the first IAA executed in July that shifted career and technical education and adult education programs to ETA. Taken together, the agreements reflect a pattern of consolidating education-related functions within DOL as part of the Administration’s broader ambition to reduce ED’s footprint and reassign its functions across the federal government.

Impacted Programs and Grants (as referenced in this section)

- Title I–A: Improving Basic Programs
- Migrant Education Program
- Title I–D programs for neglected, delinquent, or at-risk youth
- Title II–A: Supporting Effective Instruction
- Title III: English Language Acquisition
- Title IV–A: Student Support and Academic Enrichment
- 21st Century Community Learning Centers
- Rural Education Achievement Program (REAP)
- Charter School Programs (State Entity, CMO, Developer, Facilities, Credit Enhancement)
- Arts Education programs
- American History & Civics programs
- Promise Neighborhoods
- Full-Service Community Schools
- Impact Aid
- McKinney-Vento Education for Homeless Children and Youth

Implications



The implications for internal operations are substantial. ETA's existing infrastructure—particularly within its Youth Services Division—is not currently sized to manage the volume of funding and scope of oversight involved in administering the nation's largest K–12 federal programs. Integrating K–12 program management into ETA's workforce-oriented operating model may require extensive system adaptations, staff onboarding, revised monitoring frameworks, and new data structures.

Frequently Asked Questions

Q1: How does the transfer to the Department of Labor affect Title I funding levels or allocation formulas?

A: It doesn't. Funding formulas and allocations for Title I and other ESSA programs are set in federal law and remain unchanged. The shift only affects *administration*, not how much money districts receive or how those dollars are calculated.

Q2: Will new information be released about who to contact for technical assistance, monitoring, or grant questions?

A: Yes. As ETA assumes operational responsibility, districts and states can expect updated contact information, guidance documents, and instructions on where to route questions. During the transition, ED's existing points of contact will remain active until ETA formally issues new procedures.

Q3: Should STEM, EdTech, and afterschool partners expect immediate changes to how their programs are reviewed or supported?

A: No. Existing rules, program goals, and monitoring frameworks remain in effect for now. Over time, ETA may introduce new administrative emphases—especially around skills, workforce relevance, and data—but these shifts will be gradual and communicated through updated guidance rather than sudden program changes.

Department's impact sheet [here](#).

Interagency Agreement 2: ED & Department of Labor — Higher Education Programs

Overview

This agreement transfers a broad set of higher-education programs to the Department of Labor's Employment and Training Administration, further expanding ETA's administrative footprint following earlier IAAs involving career and technical education and K–12 programs. The Administration frames this as part of an effort to better coordinate postsecondary education with workforce development priorities. But the scope of the transfer—spanning access, completion, minority-serving institutions, student support, research infrastructure, and more—marks a substantial redefinition of federal postsecondary administration.



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Alongside the K–12 and OCTAE transfers, this agreement positions ETA as a de facto central administrator for large portions of the federal education portfolio, advancing the Administration’s broader direction of minimizing ED’s operational role.

Impacted Programs and Grants (as referenced in this section)

- TRIO Programs (Upward Bound, Talent Search, McNair, SSS, EOC, Veterans Upward Bound)
- GEAR UP
- Minority-Serving Institution programs (HSI, HBCU, TCU, AANAPISI, NASNTI, ANNH)
- Open Textbooks Pilot
- Digital Learning Infrastructure & IT Modernization
- Modeling & Simulation programs
- HBCU Capital Financing
- Rural Postsecondary and Economic Development programs
- Postsecondary Student Success grants
- Basic Needs for Postsecondary Students

Implications

Internally, ETA will encounter significant capacity challenges as it integrates higher-education program administration into structures historically built for workforce development grants. The operational systems, compliance frameworks, reporting structures, and technical assistance models used for postsecondary programs differ meaningfully from ETA’s existing infrastructure. The office’s ability to absorb these responsibilities may depend on detailees from ED, but available ED staffing has already been constrained by recent RIFs.

Frequently Asked Questions

Q1: Will ETA shift TRIO or GEAR UP toward employment outcome metrics?

A: ETA emphasizes workforce outcomes, but TRIO and GEAR UP remain governed by statutory academic objectives; any realignment would require ED coordination.

Q2: Will institutions administering MSI programs see changes to eligibility or allowable costs?

A: Eligibility and allowable use provisions are statutory and cannot be changed by this administrative transfer alone.

Q3: Does this transfer affect existing award conditions?

A: Existing awards remain under their current terms; ETA will assume administrative oversight but cannot retroactively alter award conditions without ED policy action.

Department’s impact sheet [here](#).



Interagency Agreement 3: ED & HHS (Administration for Children and Families) — CCAMPIS Program

Overview

The agreement transferring operational responsibility for campus-based childcare support for student parents from ED to HHS's Administration for Children and Families situates the CCAMPIS program within the federal agency most experienced in childcare administration. While the Administration has characterized this as a programmatic alignment designed to bring greater coherence and efficiency, this move is also part of the broader effort to redistribute ED's portfolio across federal agencies. Unlike the larger K–12 and postsecondary transfers, this agreement involves a comparatively small program, but its inclusion signals a systematic reallocation strategy affecting programs of all sizes.

Impacted Program (as referenced in this section)

- Child Care Access Means Parents in School (CCAMPIS) program

Implications

Internally, HHS will need to integrate CCAMPIS oversight into its existing early childhood infrastructure, which may involve harmonizing monitoring practices, fiscal oversight, and data systems that differ significantly from ED's higher-education-specific models. For ED, the shift further reduces the operational scope of its postsecondary office at a time when staffing capacity is already strained by reductions-in-force. Coordination between ED and HHS will remain necessary to ensure statutory compliance, but diminished internal resources may affect ED's ability to carry out policy oversight.

Frequently Asked Questions

Q1: Will CCAMPIS awards continue to operate on ED's grant cycle?

A: Yes. Statutory funding cycles do not change, though administrative timelines may shift as HHS establishes its processes.

Q2: Will childcare compliance rules from HHS apply to CCAMPIS programs?

A: Over time, alignment with HHS childcare standards is likely, but the agreement does not impose immediate regulatory changes.

Q3: Are eligibility requirements for student parents changing?

A: Eligibility remains defined by federal statute and is unaffected by this administrative realignment.

Department's impact sheet [here](#).

Interagency Agreement 4: ED & Department of the Interior — Office of Indian Education

Overview

The agreement between the Department of Education (ED) and the Department of the Interior (DOI) represents a substantial reorganization of federal oversight for Native education. Rather than a narrow technical collaboration, this transfer moves program administration, monitoring, technical assistance, and associated operational functions from ED to DOI's Bureau of Indian Education, creating a consolidated federal locus for tribal-serving education programs. The shift is part of a broader series of interagency agreements announced by ED that collectively reassign significant operational responsibilities across the federal government. Public statements from the Administration frame these moves both as program-specific improvements and as steps toward its long-stated goal of reducing the size and footprint of ED and "returning education to the states."

The scale of activity being transferred to DOI signifies a meaningful governance realignment. DOI already plays a central role in tribal education, but this agreement expands its reach into areas historically administered within ED's broader ecosystem. Although ED retains policy oversight, DOI will become the day-to-day administrator for a substantial portion of federal activity connected to Native students and Tribal communities.

Impacted Programs and Grants (as referenced in this section)

- ESEA Title VI American Indian, Alaska Native, and Native Hawaiian programs
- Alaska Native Education programs
- Native Hawaiian Education programs
- State-Tribal Education Partnership (STEP)
- Native American and Alaska Native Language programs
- Perkins V Native Career and Technical Education programs
- IDEA programs supporting Native children
- Tribal Colleges and Universities (TCU) programs
- Other Minority-Serving Institution programs serving Native populations

Implications

The operational consequences of this shift will unfold within an environment of constrained capacity at both agencies. DOI must absorb responsibilities that, in some cases, exceed the size of existing administrative infrastructure. This may include reliance on detailees from ED—an approach already used for the earlier IAA involving career and technical education—though ongoing and potential reductions-in-force at ED limit the pool of staff available for such assignments. The reallocation of responsibilities also raises coordination challenges: DOI's systems, timelines, and administrative culture differ from ED's, and integration will require significant cross-agency alignment.



Frequently Asked Questions

Q1: Will grantees experience immediate changes to reporting systems?

A: The agreement anticipates long-term alignment, but immediate procedural changes are unlikely until DOI completes its transition planning. Existing ED systems remain operative until formally replaced.

Q2: Does the shift affect statutory requirements for participating entities?

A: No. Statutory requirements under ESEA, HEA, Perkins, and IDEA remain unchanged; only the administrative home for these functions is altered.

Q3: Will the Bureau of Indian Education issue new technical assistance guidance?

A: The agreement authorizes DOI to provide TA, but any policy guidance still requires ED coordination, meaning changes will be incremental rather than abrupt.

Department's impact sheet [here](#).

Interagency Agreement 5: ED & HHS — Foreign Medical Accreditation (NCFMEA)

Overview

In transferring the review and evaluation of foreign medical accreditation systems to HHS, this agreement moves a long-standing, highly specialized oversight function away from ED's Office of Postsecondary Education. The Administration has positioned this change as a matter of subject-matter alignment, asserting that HHS is more appropriately equipped to evaluate comparability between foreign and domestic medical accreditation standards. However, as with the other IAAs, the transfer fits into the broader trajectory of shifting ED's operational responsibilities across agencies as part of a larger administrative restructuring.

Impacted Functions and Activities (as referenced in this section)

- Review of comparability applications for foreign medical accreditation
- Monitoring and evaluation of foreign medical accreditation bodies
- Implementation of oversight functions previously managed by the NCFMEA

Implications

Operationally, the move requires HHS to assume oversight processes that have historically been closely tied to ED's administration of Title IV eligibility. Although ED retains policy authority, HHS will now manage the technical review process, introducing a new interagency coordination model for functions that previously resided within a unified administrative context.



Frequently Asked Questions

Q1: Will foreign medical schools face new criteria for comparability?

A: HHS may emphasize health-sector considerations, but major criteria remain grounded in statutory requirements overseen jointly with ED.

Q2: Does the agreement change Title IV eligibility rules?

A: No. ED continues to set policy for Title IV; HHS administers comparability evaluations supporting those determinations.

Q3: Are NCFMEA processes being replaced?

A: The functions are being transferred, not discontinued; procedural updates may follow but require coordination between ED and HHS.

Department's impact sheet [here](#).

Interagency Agreement 6: ED & Department of State — International and Foreign Language Education (IFLE)

Overview

This agreement transfers administration of international and foreign language programs to the Department of State, a significant realignment of functions historically anchored within ED's academic and research-focused ecosystem. The Administration describes the move as a strategic consolidation intended to align international education programs with U.S. foreign policy and national security priorities. Beyond that programmatic rationale, however, the transfer reflects the Administration's broader pattern of distributing ED's responsibilities across agencies, reshaping the federal governance model for higher education.

The shift relocates long-standing academic programs into an agency whose mission is oriented toward diplomacy rather than educational equity or academic development, marking a meaningful repositioning of federal international education policy.

Impacted Programs and Grants (as referenced in this section)

- Title VI National Resource Centers
- Foreign Language & Area Studies (FLAS) Fellowships
- Language Resource Centers
- Centers for International Business Education (CIBER)
- Fulbright-Hays Group Projects Abroad
- Fulbright-Hays Doctoral Dissertation Research Abroad

Implications



Operationally, the transfer introduces new dynamics for both agencies. State must integrate academic grant administration processes, oversight structures, and compliance responsibilities into an agency model historically centered on diplomatic programming. This will require system adaptations, new staffing capacity, and integration of academic review processes into the foreign policy apparatus.

Frequently Asked Questions

Q1: Will Title VI competition priorities shift under State Department administration?

A: The agreement suggests possible alignment with diplomatic priorities, though ED retains authority for policy clearance.

Q2: Do academic institutions need to alter existing program activities?

A: No immediate changes are signaled; existing grant scopes remain intact until State issues new administrative guidance.

Q3: Will Fulbright-Hays review panels change composition?

A: Administrative control by State may eventually influence reviewer selection, but current processes remain coordinated with ED.

Department's impact sheet [here](#).
