



What the Transition of US ED Programs Means for Grants Management

The November 18, 2025, announcement that the U.S. Department of Education (ED) will begin transferring management of core programs to other federal agencies¹ signals a major structural shift in how education funding is administered. While special education, civil rights enforcement, and student financial aid remain under ED for now, responsibilities for programs such as Title I and postsecondary grants will move to the Departments of Labor, Health and Human Services, Interior, and State.

K-12 districts and state agencies must adapt to a complex funding landscape, aligning governance, controls, and services with shifting federal priorities.

K-12 districts and state agencies will need to prepare for a more complex funding environment, one that requires recalibrating governance models, strengthening internal controls, and ensuring continuity of services across multiple federal entities with distinct priorities and timelines.

What Education Leaders Should Be Thinking About Now

The redistribution of federal education programs introduces uncertainty and complexity that will test governance, compliance, and operational agility. Proactive planning is essential to maintain continuity of services and safeguard funding. Leaders must balance two imperatives: stabilizing current operations while positioning their teams for a new era of oversight.

Key actions to prioritize:

- **Map the New Funding Landscape:** Identify which programs are moving to which agencies and analyze the implications for compliance, timelines, and reporting.
- **Revisit Governance and Decision-Making:** Fragmented oversight will require clearer authority structures and escalation protocols to prevent bottlenecks.
- **Strengthen Internal Controls:** Increased complexity heightens risk; ensure fiscal monitoring and audit readiness across all programs.
- **Integrate Data and Reporting Systems:** Prepare for divergent reporting requirements by investing in tools that consolidate data and streamline submissions.
- **Embed Compliance Culture Across Teams:** Equip program staff with the knowledge needed to meet new standards and avoid unintended violations.
- **Engage Stakeholders Early and Often:** Communicate changes to boards, staff, and community partners to maintain trust and minimize disruption.
- **Plan for Technology Readiness:** Assess whether current ERP and grants management systems can handle new workflows; consider interim solutions or upgrades.
- **Stay Active in Cross-Sector Policy Discussions:** Partner with state agencies—including health and labor—and national associations to clarify requirements and drive coordinated, sustainable change.

1. ["U.S. Department of Education Announces Six New Agency Partnerships to Break Up Federal Bureaucracy,"](#) U.S. Department of Education Announces Six New Agency Partnerships to Break Up Federal Bureaucracy, U.S. Department of Education, November 18, 2025.

Leaders must focus on governance, internal controls, stakeholder engagement, and cross-sector collaboration to navigate shifting funding programs, ensure compliance, and drive sustainable change.

How Alvarez & Marsal Can Help

A&M's Education and Public Sector team brings deep expertise in grants management and organizational change. Our approach focuses on both tactical and transformational support:

- **Rapid Readiness Assessments:** We conduct quick-turn evaluations of governance, compliance, and operational capacity to identify immediate risks and opportunities.
- **Process Redesign for Resilience:** We reengineer grants management workflows to accommodate new approval structures while maintaining efficiency and accountability.
- **Change Management and Communication:** We design stakeholder engagement strategies that build trust and minimize resistance, ensuring smooth adoption of new practices.
- **Long-Term Sustainability:** Beyond crisis response, we help embed adaptive governance models that prepare organizations for future federal realignments.

The redistribution of federal education programs will create complexity, but it also presents an opportunity for state and local education agencies to modernize governance and strengthen their financial resilience. Acting now will position states and districts to adapt effectively and maintain stability through this transition.

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