

More Bureaucracy, Greater Burden

Trump's Illegal Transfer of the Office of Career, Technical, and Adult Education to the Department of Labor Wastes Taxpayer Dollars

BEFORE THE INTERAGENCY AGREEMENT

1 system, agency, and process

States used G5, the U.S. Department of Education's grants management and payment system, to draw down funds and submit their plans.



One system



Simple for states

- ✓ One login
- ✓ One set of steps
- ✓ One set of processes

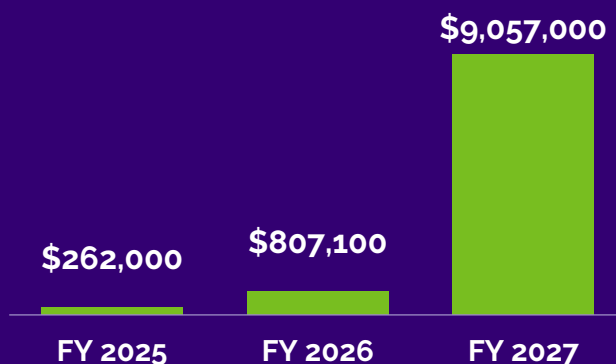
AFTER THE INTERAGENCY AGREEMENT

4 systems and skyrocketing costs

Multiple systems

- G5, ED's grants management system
- GrantSolutions, DOL's grants management system
- Payment Management System, the HHS payment system
- Grants.gov

Skyrocketing Administrative Costs



The Results

Challenges for states and districts

- Increased administrative burden
- More staff time and training
- Higher risk of errors and delays
- Complication in allocating funding to districts
- Resources diverted from students and programs

Wasted time, Wasted taxpayer dollars

- Under DOGE's Defend the Spend, states submitted nearly 5,000 payment requests to DOL, each justified in writing.
- DOL requested **\$9 MILLION** for 26 FTE to run OCTAE after ED cut OCTAE staff by a third.
- ED still pays **\$13 MILLION** a year for G5, even though GrantSolutions and PMS already do the same job.

A single, unified system works better for states, taxpayers, and students.
It's time to bring it back.

Infographic Sources

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Multiple grant management systems are used as a result of the OCTAE-DOL IAA.

- U.S. Department of Education, Office of Career, Technical, and Adult Education, *Program Memorandum 25-5: Transition from G5 to GrantSolutions and Payment Management System for Formula Grants under the Strengthening Career and Technical Education for the 21st Century Act and the Adult Education and Family Literacy Act* (Sept. 8, 2025), <https://www.ed.gov/media/document/octae-program-memo-25-5-transition-g5-grantsolutions-and-payment-management-system-formula-grants-under-perkins-and-aefta-110563.pdf>.

Skyrocketing administrative costs.

- FY 2025 and FY 2026 costs: The OCTAE-DOL IAA states: "In FY 2025, DOL estimates costs of up to \$262,000 from ED to cover expenses associated with planning and administering (i.e. funds control, reconciliation, grant management and accounting reviews, etc.) the award of 219 formula grants. The estimate for costs in FY 2026 is \$807,000 to cover the workload necessary for the full year, continued administration of grants awarded in FY 2025, new awards in FY 2026, systems costs, and potential travel."
- FY 2027 costs: Administrative costs are included in two places within the FY 2027 Congressional Budget Justification for the Employment and Training Administration, Department of Labor: "Increasing the Training and Employment budget activity by \$8,857,000 and 26 FTE to fund the administration of the CTE State Grants and National Programs..." (PA-11); and "The current estimated cost for operations and maintenance (O&M) of ETA grants in the GrantSolutions environment is approximately \$5,800,000. Adding Perkins CTE grants will increase O&M costs by an estimated \$200,000 in FY 2027." (PA-19).

$$\$8,857,000 + \$200,000 = \$9,057,000.$$

U.S. Department of Labor, *FY 2027 Congressional Budget Justification: Program Administration* (Washington, DC: U.S. Department of Labor, 2026), PA-11 and PA-19,

<https://www.dol.gov/sites/dolgov/files/general/budget/2027/CBJ-2027-V1-08.pdf>.

States submitted nearly 5,000 payment requests to DOL.

- "As of May 2026, ED's Office of Career, Technical, and Adult Education (OCTAE) has processed over 4,900 payment requests totaling \$1.3 billion and has onboarded all grantees to DOL's GrantSolutions (GS) and Payment Management System (PMS)."

U.S. Department of Education and U.S. Department of Justice, *Fact Sheet: Department of Education and Department of Justice Student Privacy Protection Partnership* (June 16, 2026),

<https://www.ed.gov/media/document/fact-sheet-department-of-education-and-department-of-justice-student-privacy-protection-partnership-114236.pdf>.

OCTAE staff have been reduced by one-third.

- "As of January 20, 2025, OCTAE had 54 employees within 11 suboffices. Three of these suboffices, consisting of 18 employees, were impacted by the Department's RIF on March 11, 2025. From these 3 suboffices, 11 OCTAE employees were separated through the RIF and another 7 separated through other means between January 20, 2025, and March 31, 2025...resulting in an overall reduction of at least 33 percent of OCTAE employees."

U.S. Department of Education, Office of Inspector General, *Review of U.S. Department of Education Changes in Staffing and Operations*, Control No. ED-OIG/F25DC0245 (June 2026), p. 5, p. 31,

https://oig.ed.gov/sites/default/files/reports/2026-06/FY26%20F25DC0245%20%286.22.26%29v100_508_SECURED.pdf.

ED pays \$13 million for G5.

- <https://www.itdashboard.gov/search-advanced>, accessed July 23, 2026.

Investment Name / Unique Investment Identifier:

Grants Management System (G5)/018-999991341

Agency / Bureau:

Department of Education / Departmental Management

[Download Business Case](#)

Type of Investment
Major IT Investments

Spending \$ FY2024
\$13.30M

Cost Variance
Low: 2 / Med: 1 / High: 0

Mission Support Area
Grants Management

Number of Projects
3

Schedule Variance
Low: 2 / Med: 1 / High: 0

CIO Rating
4