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Before the Subcommittee on Higher Education
and Workforce Training and the Subcommittee
on Early Childhood, Elementary, and Secondary
Education; House Committee on Education and
the Workforce

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DEPARTMENT OF EDUCATION

Status of Prior GAO Recommendations

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GAO Highlights

Highlights of [GAO-14-848T](#), a testimony before the Subcommittee on Higher Education and Workforce Training and the Subcommittee on Early Childhood, Elementary, and Secondary Education; House Committee on Education and the Workforce

Why GAO Did This Study

GAO's recommendations create tangible benefits by improving the efficiency, effectiveness, and accountability of the federal government for the benefit of the American people. In fiscal year 2013 alone, GAO's work resulted in \$51.5 billion in financial benefits for the federal government. However, these benefits can only be achieved when federal agencies implement GAO's recommendations.

GAO has made 286 recommendations to Education since fiscal year 2004. This testimony addresses (1) the status of Education's implementation of GAO's recommendations and the benefits that have resulted from these actions, and (2) the characteristics of recommendations Education has not implemented. To address these topics, GAO reviewed the status of all recommendations, as of August 15, 2014, it made to Education since fiscal year 2004. This time period was selected to capture 10 full years of recommendations in addition to those made during the current fiscal year. GAO also analyzed the financial and other benefits derived from those recommendations that have been implemented, and examined the recommendations that have not been implemented to determine the types of programs and areas related to the recommendations that have not yet been addressed.

View [GAO-14-848T](#). For more information, contact Jacqueline M. Nowicki at (617) 788-0580 or nowickij@gao.gov and Melissa Emrey-Arras at (617) 788-0534 or emreyarrasm@gao.gov.

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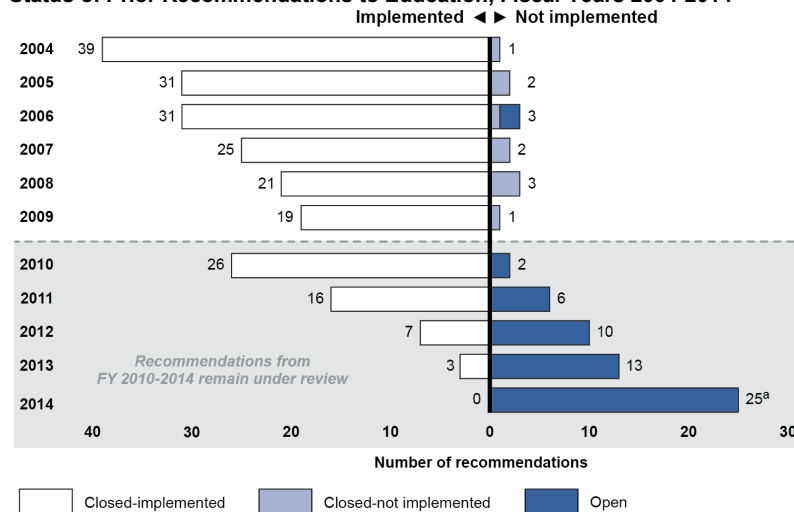
DEPARTMENT OF EDUCATION

Status of Prior GAO Recommendations

What GAO Found

The Department of Education (Education) has implemented 218 of the 286 recommendations GAO has made since fiscal year 2004, resulting in significant benefits and programmatic improvements. Education implemented 93 percent of recommendations made from fiscal year 2004 through 2009 within 4 years, a standard measure GAO uses to track performance, compared to the governmentwide average of around 80 percent. GAO's recommendations to Education have resulted in more than \$2.1 billion in financial benefits and 145 other documented benefits, such as programmatic and administrative improvements, since fiscal year 2004. These results include improved accuracy in calculating students' need for financial aid, new guidance that ensures students with disabilities have equal opportunity to participate in athletics, and a streamlined and less burdensome grant application process for school districts.

Status of Prior Recommendations to Education, Fiscal Years 2004-2014



Source: GAO analysis of recommendations database as of August 15, 2014. | GAO-14-848T

^a GAO is in the process of collecting status updates on the 25 recommendations made since the start of fiscal year 2014.

Education has not implemented 68 of the recommendations GAO has made since fiscal year 2004 for making improvements to various programs. These include 10 recommendations GAO closed after 4 years once determining that Education was unlikely to implement them. For these 10 recommendations, circumstances changed making the recommendation no longer valid, or Education disagreed with the recommendations, did not take sufficient action, or cited implementation challenges. GAO is actively monitoring 58 open recommendations, almost all of which were made within the last 4 years. More than one-third of GAO's open recommendations are directed towards Education's goal for strengthening elementary and secondary programs, while the rest focus on postsecondary programs and other cross-cutting goals from Education's strategic plan. Specifically, GAO's open recommendations propose a variety of necessary improvements across Education's strategic goals, such as strengthening external oversight and monitoring of grantees and contractors, increasing coordination and collaboration with other agencies, and improving internal management.

Chairwoman Foxx, Chairman Rokita, Ranking Member Hinojosa, Ranking Member Loeb, and Members of the Subcommittees:

We appreciate the opportunity to be here today to discuss the status of our prior recommendations to the Department of Education (Education). Our recommendations create tangible benefits for the American people by improving the efficiency, effectiveness, and accountability of the federal government. Governmentwide, approximately 80 percent of our recommendations are implemented within 4 years, yielding significant results across the government. At the end of fiscal year 2013, for example, 1,438 of the recommendations we made in fiscal year 2009 had been implemented.¹ Our work resulted in \$51.5 billion in financial benefits for the federal government in fiscal year 2013—a return of about \$100 for every dollar GAO receives in appropriations.² In addition, many of the benefits that result from our work cannot be measured in dollar terms, and we refer to them as other benefits. During fiscal year 2013, we recorded a total of 1,314 other benefits that resulted from our work including better services to the public, changes to statutes or regulations, and improved government business operations. However, these benefits can only be achieved when federal agencies implement our recommendations.

Since fiscal year 2004, we have made 286 recommendations to Education addressing a wide range of programs and issues. Our remarks today address (1) the status of Education's implementation of our prior recommendations and the benefits that have resulted from these actions, and (2) the characteristics of recommendations Education has not implemented. This statement is based on our recommendations to Education since fiscal year 2004 in more than 100 separately issued reports. We selected this time period to capture 10 full years of recommendations in addition to those made during the current fiscal year.

In developing this statement, we reviewed the status of recommendations as of August 15, 2014, based on information we maintain in an internal database while also accounting for recent recommendation updates

¹ GAO, *GAO Mission and Operations: Performance and Accountability Report Fiscal Year 2013*, [GAO-14-2SP](#) (Washington, D.C.: Dec. 16, 2013).

² Our findings and recommendations produce measurable benefits for the federal government after the Congress acts on or agencies implement them.

provided by Education. We used the same database to analyze the financial and other benefits derived from recommendations that have already been implemented. We assessed the reliability of these data by reviewing documentation about the system used to produce the data and examining our previous use of the data, and we determined that the data were sufficiently reliable for our reporting purposes. We further examined the recommendations that Education has not yet implemented. We developed categories for these open recommendations based on the types of programs and areas that still need to be addressed. Two analysts independently categorized all of these open recommendations and then reconciled any differences between their selections. We also reviewed our prior reports to determine if Education agreed or disagreed with these recommendations at the time they were made.

We conducted this performance audit from June 2014 to September 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

As part of our audit responsibilities under generally accepted government auditing standards, we follow up on recommendations we have made and report to Congress on their status. Agencies also have a responsibility to monitor and maintain accurate records on the status of our recommendations.³

³These requirements are detailed in two Office of Management and Budget (OMB) Circulars. OMB Circular A-50 provides the policies and procedures for use by executive agencies when considering reports issued by GAO and Inspectors General, other executive branch audit organizations, and nonfederal auditors where follow-up is necessary; and OMB Circular A-123 addresses internal management control systems. Among the requirements included are that the agency (1) appoint a top-level audit follow-up official, (2) maintain accurate records on the status of recommendations, and (3) assign a high priority to following up on audit recommendations. In addition, when we issue a report containing recommendations to an agency, the agency head is required to submit a written statement of the actions taken in response to the recommendations to the Senate Committee on Governmental Affairs and the House Committee on Oversight and Government Reform not later than 60 days after the date of the report. 31 U.S.C. § 720.

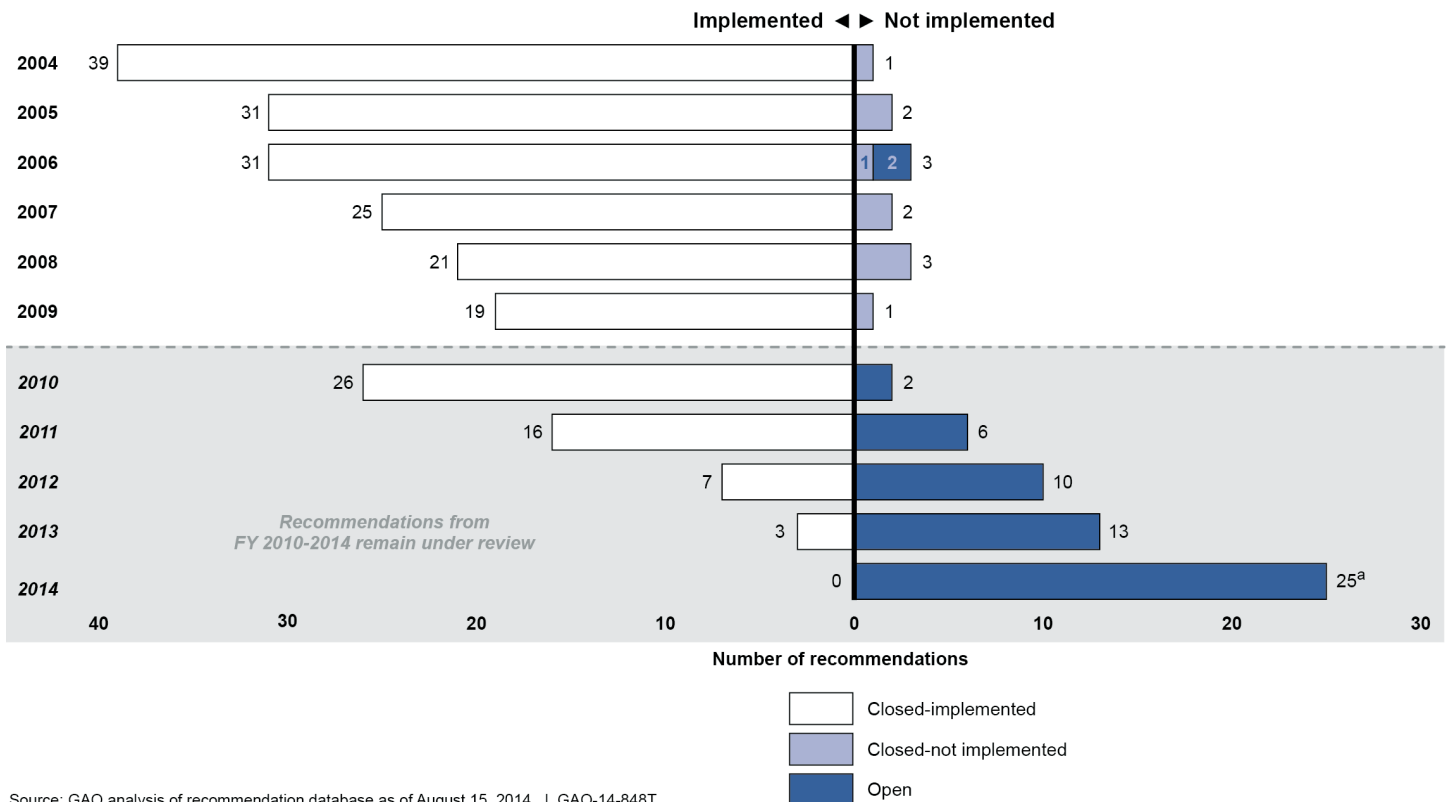
After issuing a report, we follow up with reviewed entities at least once a year to determine the extent to which our recommendations have been implemented and the benefits that have been realized. During this follow-up we generally specify for the agency what additional actions, if any, are needed to address our recommendations. A recommendation is closed when actions that satisfy the intent of the recommendation have been taken, when it is no longer valid because circumstances have changed, or implementation cannot reasonably be expected. Experience has shown that it takes time for some recommendations to be implemented. For this reason, we actively track each recommendation for 4 years. If a recommendation has not been implemented within 4 years, our experience has shown that it is not likely to be implemented.

We maintain a publically available database with information on the current status of all open recommendations. The database allows searches by agency, congressional committee, or key words and is available at <http://www.gao.gov/openrecs.html>.

Education's Implementation of Prior GAO Recommendations Has Produced Numerous Benefits

Education has implemented 218 of the 286 recommendations we made from fiscal year 2004 through 2014 (see fig. 1).

Figure 1: Status of Prior Recommendations to Education, Fiscal Years 2004-2014



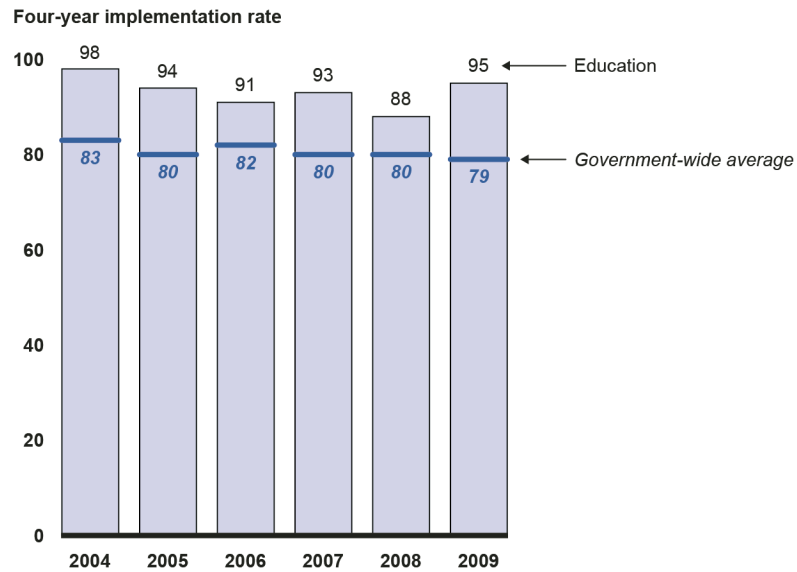
Source: GAO analysis of recommendation database as of August 15, 2014. | GAO-14-848T

^aWe have made 25 recommendations to Education from the start of fiscal year 2014 through August 15, 2014 for which we are in the process of collecting status updates.

Education implemented 93 percent of the recommendations we made from fiscal year 2004 through 2009 within 4 years, one of the measures we use to track our performance, compared to about 80 percent governmentwide during the same time period (see fig. 2).⁴ For example, Education implemented 95 percent of the recommendations we made in fiscal year 2009 by the end of fiscal year 2013.

⁴Since there can be a lag between the time agencies implement a recommendation and it is officially closed in our system, we are not able to determine how long it takes for recommendations to be implemented.

Figure 2: Percentage of Past Recommendations Implemented, Fiscal Years 2004-2009



Source: GAO analysis of recommendations database and Fiscal Year 2013 Performance and Accountability Report. | GAO-14-848T

Since fiscal year 2004, our recommendations to Education have resulted in more than \$2.1 billion in financial benefits and 145 other documented benefits, such as programmatic and administrative improvements. For example:

- Postsecondary education. In 2005, Education implemented our recommendation to update how state and other taxes are accounted for when determining a student’s need for financial aid. The improved accuracy in calculating financial need resulted in a more equitable distribution of financial aid and decreased Pell Grant expenditures by \$1.3 billion over the following 5 years.⁵
- Elementary and secondary education. In response to recommendations from our report on the low rates of athletic participation among students with disabilities, Education issued new guidance in 2013 that clarified schools’ responsibilities to provide students with disabilities with equal opportunity to participate in

⁵ GAO, *Student Financial Aid: Need Determination Could Be Enhanced through Improvements in Education’s Estimate of Applicants’ State Tax Payments*, [GAO-05-105](#) (Washington, D.C.: Jan. 28, 2005).

athletics, thus enabling them to more fully experience the rewards of physical activity.⁶

- Elementary and secondary education. Beginning in fiscal year 2011, Education implemented our recommendation for improving the School Improvement Grants application process by allowing states in certain circumstances to submit a one-page attachment rather than prepare an entirely new application. This change reduced schools' administrative burden by expediting the grant award process and allowed them to instead focus on implementing reforms.⁷

Education Has Not Yet Implemented Recent Recommendations Addressing a Variety of Programs and Issues

Education has not yet implemented 68 of the recommendations we have made since fiscal year 2004 for making improvements to various programs (see fig. 1). These include 10 recommendations that we closed after 4 years and after determining that Education was unlikely to implement them, and 58 open recommendations that we are still actively monitoring.⁸ Among the recommendations that were closed without implementation, 4 were closed because time or changes in circumstances rendered the recommendation invalid. For example, Education's Reading First program was the focus of a recommendation we made in fiscal year 2007, but the program was subsequently phased out by Congress in 2009.⁹ In the remaining 6 cases, we found that Education disagreed with the recommendations, did not take sufficient action, or cited implementation challenges due to difficulty coordinating with other federal agencies. For example, Education disagreed with and did not implement a recommendation from our fiscal year 2007 report to allow Historically Black Colleges and Universities to switch from monthly to semiannual payments on federally guaranteed capital improvement loans, as is common in the private market. Education explained that a less frequent

⁶ GAO, *Students With Disabilities: More Information and Guidance Could Improve Opportunities in Physical Education and Athletics*, [GAO-10-519](#) (Washington, D.C.: June 23, 2010).

⁷ GAO, *School Improvement Grants: Early Implementation Under Way, but Reforms Affected by Short Time Frames*, [GAO-11-741](#) (Washington, D.C.: July 25, 2011).

⁸ All but two of these open recommendations were made within the last 4 years.

⁹ GAO, *Reading First: States Report Improvements in Reading Instruction, but Additional Procedures Would Clarify Education's Role in Ensuring Proper Implementation by States*, [GAO-07-161](#) (Washington, D.C.: Feb 28, 2007)

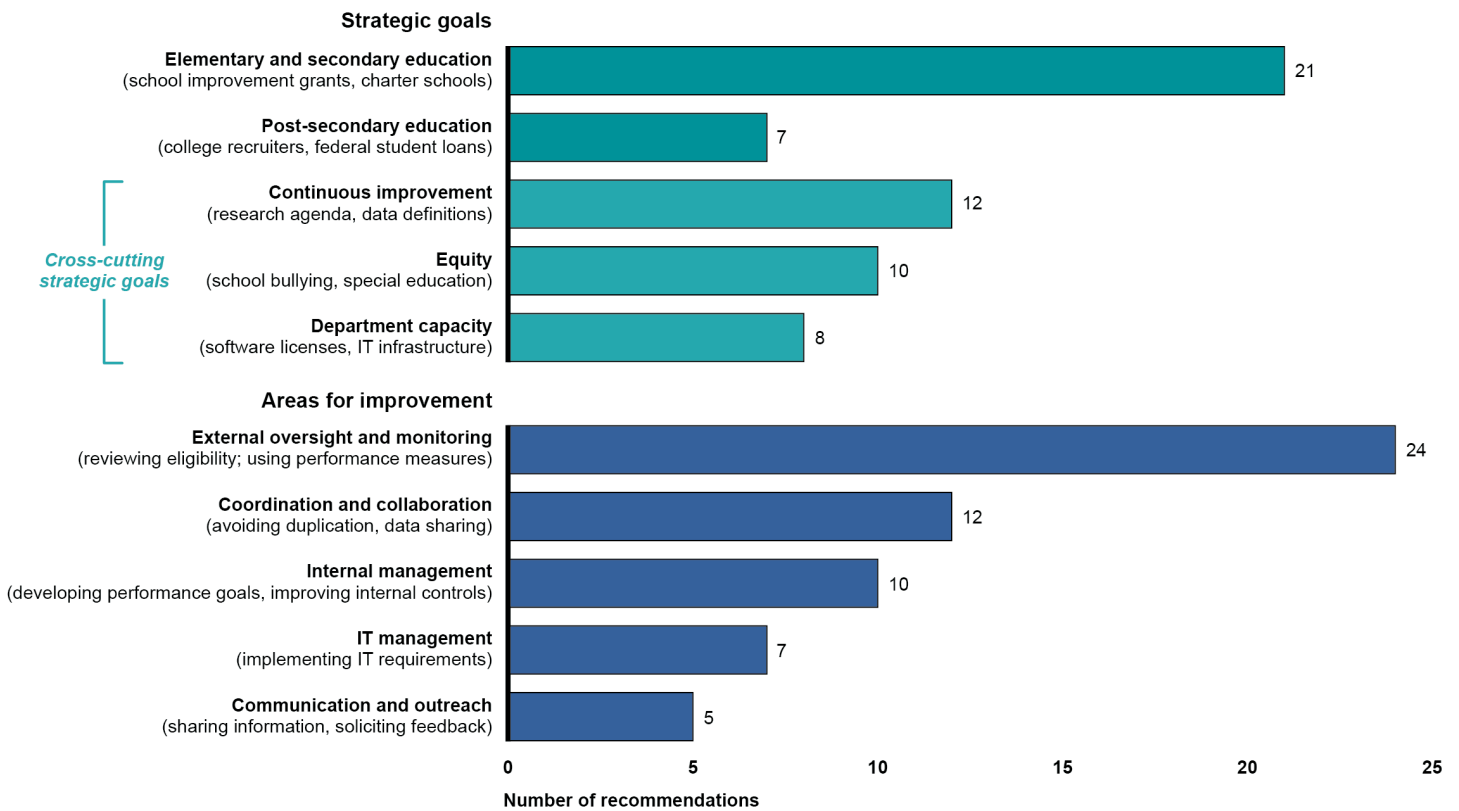
payment schedule could increase default risks.¹⁰ However, we continue to believe that the program's existing safeguards, such as credit evaluations and funds placed in escrow by borrowers, provide sufficient protection against defaults, and that a switch to semiannual payments could better align payments with colleges' cash flow and thereby improve program utilization.

The 58 open recommendations relate to the full range of Education's strategic goals and direct Education to make a variety of improvements (see fig. 3). More than one-third of our open recommendations are directed towards Education's goal for strengthening elementary and secondary programs, while the rest focus on postsecondary programs and other cross-cutting goals from Education's strategic plan.¹¹ Specifically, our open recommendations propose a variety of necessary improvements across Education's strategic goals, such as strengthening external oversight and monitoring of grantees and contractors, coordination and collaboration with other agencies, and internal management.

¹⁰ GAO, *Capital Financing: Department Management Improvements Could Enhance Education's Loan Program for Historically Black Colleges and Universities*, [GAO-07-64](#) (Washington, D.C.: Oct. 18, 2006)

¹¹ The cross-cutting strategic goals in Education's strategic plan are: 1) Continuous improvement- enhancing the education system's ability to continuously improve through better and more widespread use of data, research and evaluation, evidence, transparency, innovation, and technology; 2) Equity- increasing educational opportunities for underserved students and reducing discrimination; 3) Department capacity- improve the organizational capacities of Education. See Education, *Strategic Plan for Fiscal Years 2014-2018* (Washington, D.C.: Mar. 10, 2014).

Figure 3: Education’s 58 Open Recommendation by Strategic Goal and Improvement Area



Source: GAO analysis of recommendations database and prior reports. | GAO-14-848T

Education agreed with the majority of the open recommendations when they were made. Specifically, we found that Education fully concurred with 32 open recommendations, partially concurred with 3, disagreed with 5, and did not state a specific position on the rest.

Implementing these open recommendations could yield significant improvements in Education’s operations if they are fully implemented. For example:

- Improving equity in elementary and secondary education. In fiscal year 2013, we recommended that Education develop a standard approach for defining significant disproportionality—a term used in the Individuals with Disabilities Education Act to refer to the

overrepresentation of racial and ethnic groups in special education—to promote consistency in how states determine which school districts are required to provide early intervening services.¹² In its comments on our report, Education proposed an alternative approach of collecting and publicizing information on the various state definitions that we believe would do little to address concerns about the lack of consistency in how states define significant overrepresentation. Education has since solicited public input on how it should generally address overrepresentation in special education, but it has not taken action to develop a standard definition for gauging the magnitude of the problem.

- Strengthening postsecondary education oversight. In fiscal year 2011, we recommended that Education address potential inconsistencies in its treatment of schools participating in federal student aid programs by revising and applying its guidance for determining fines for schools that violate the statutory ban on paying incentive compensation to individuals based on success in enrolling students or securing their financial aid.¹³ Education agreed with the recommendation, but has not yet established a consistent process for determining fines and settlement payments. Consistent enforcement of the incentive compensation ban would help ensure equal treatment of schools, and protect students from deceptive recruiting practices and federal student aid funds from fraud and abuse. Given that this recommendation was made nearly 4 years ago, it raises concerns about Education’s efforts to apply this guidance in a timely manner.

We will continue to monitor Education’s progress in implementing the 58 open recommendations, paying particular attention to those that have been open for more than 2 years.

Chairwoman Foxx, Chairman Rokita, Ranking Member Hinojosa, Ranking Member Loeb, and Members of the Subcommittees, this completes our prepared statement. We would be pleased to respond to any questions that you may have at this time.

¹² GAO, *Individuals with Disabilities Education Act: Standards Needed to Improve Identification of Racial and Ethnic Overrepresentation in Special Education*, [GAO-13-137](#) (Washington, D.C.: Feb. 27, 2013)

¹³ GAO, *Higher Education: Stronger Federal Oversight Needed to Enforce Ban on Incentive Payments to School Recruiters*, [GAO-11-10](#) (Washington, D.C.: Oct. 7, 2010).

Contacts and Staff Acknowledgments

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