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Washington, DC 20548

Comptroller General
of the United States

April 10, 2020

The Honorable Betsy DeVos
Secretary of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Priority Open Recommendations: Department of Education

Dear Secretary DeVos:

The purpose of this letter is to provide an update on the overall status of the Department of Education’s (Education) implementation of GAO’s recommendations and to call your personal attention to areas where open recommendations should be given high priority.¹ In November 2019, we reported that on a government-wide basis, 77 percent of our recommendations made four years ago were implemented.² Education’s recommendation implementation rate was 70 percent. As of March 2020, Education had 96 open recommendations. Fully implementing these open recommendations could significantly improve agency operations.

Since our April 2019 letter, Education has implemented three of eight priority recommendations.

- The agency analyzed its Civil Rights Data Collection by school types (such as traditional neighborhood schools, charter schools, and magnet schools) and by school groupings (such as high and low black and Latino student enrollment) to further understand issues and patterns of disparities at K-12 schools. These efforts can enhance Education’s ability to target oversight of, and technical assistance to, schools that need it most.
- Regarding federal student loan Income-Driven Repayment plans, Education collected information on the potential causes and cost implications of borrower income recertification lapses. Also, the Fostering Undergraduate Talent by Unlocking Resources for Education Act (FUTURE Act), enacted in December 2019, authorizes the agency to use certain data to automatically recertify borrowers’ eligibility for IDR plans.³ Education is working with the Internal Revenue Service to automatically recertify borrower incomes and eliminate recertification lapses for these borrowers.
- To strengthen oversight of postsecondary schools with respect to protecting student information, Education included information security requirements in its program reviews of these institutions. This will likely improve information security for students receiving financial aid.

¹ Priority recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operations, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or fragmentation, overlap, or duplication issue.

² GAO, *Performance and Accountability Report: Fiscal Year 2019*, [GAO-20-1SP](#) (Washington, D.C.: November 19, 2019).

³ See Pub. L. No. 116-91, § 4, 133 Stat 1189, 1192-1193 (2019).

We ask your continued attention to the remaining five open recommendations identified in the 2019 letter. We are adding one new recommendation related to improving cybersecurity as a priority this year, bringing the total number of priority recommendations to six. (See the enclosure for a list of these recommendations.)

GAO was given responsibilities to review and report to Congress on agencies' implementation of programs designed to assist in the public health emergency currently facing our nation and to provide economic relief to individuals and institutions. This includes, for example, the implementation of the flexibilities offered to federal student loan borrowers. We expect to be engaged in these activities over the year and will communicate with you and your staff as we undertake this work and develop any additional recommendations.

The six priority recommendations fall into three major areas listed below.

Protecting the Investment in Higher Education

In this area, we draw your attention to three important recommendations. In September 2018, we recommended that Education provide additional information to the Public Service Loan Forgiveness (PSLF) servicer and borrowers to enhance their ability to determine which employers qualify for PSLF. The agency released a new online tool to help borrowers better understand the PSLF eligibility requirements, which officials said may be expanded to incorporate additional qualifying employer information. To fully implement this recommendation, Education should ensure that it provides information about qualifying employers to the PSLF servicer and borrowers to help them determine whether employment with specific employers will qualify borrowers for the program.

In November 2015, we recommended that Education review its methods of providing instructions and guidance to student loan servicers. We reported that Education's Office of Federal Student Aid faces challenges in the management of the Direct Loan program that affect its ability to function effectively as a performance-based organization. Further, we concluded that failing to strengthen its instructions and guidance to servicers would result in inconsistent implementation and could have financial consequences that hurt borrowers or risk the integrity of the program. Education is redesigning its student loan financial services system and developing additional guidance to servicers. It is important for the agency to demonstrate that its new system will provide clear and consistent instructions and guidance to servicers to ensure program integrity and improve service to borrowers.

We are also highlighting a May 2012 recommendation that Education sponsor an evaluation of the effectiveness of Title IV programs and higher education tax expenditures in improving student outcomes. We made this recommendation after finding a lack of information on the effects of federal assistance on students in higher education, which makes it difficult for policymakers to make fact-based decisions on the merits and values of various federal assistance efforts. Education officials have begun exploring the technical, legal, and administrative factors associated with sharing information and data with the Department of the Treasury (Treasury) and the Internal Revenue Service (IRS), which could help facilitate evaluative research on the effects of Title IV programs and higher education tax expenditures.

In addition, Education is in the process of convening researchers from inside and outside the government to identify and prioritize key policy questions related to Title IV and higher education tax expenditures. Education would then partner with researchers, in some cases through awarding grants, to investigate the issues identified as priorities. Education needs to ensure that the agency's data-sharing and future grant efforts result in actively sponsoring or conducting

evaluative research specific to federal programs and assistance that can be used in future policymaking.

Ensuring the Well-Being and Education of the Nation’s School-Age Children

Education plays a critical role in helping to protect the safety of the approximately 50 million children attending the nation’s K-12 public schools. In this area, we draw your attention to two important recommendations. First, in July 2018, we recommended that Education collaborate with the Environmental Protection Agency (EPA) to encourage testing for lead in school drinking water. This effort could include disseminating EPA guidance related to lead testing and remediation in schools or sending letters to states to encourage testing in all school districts that have not yet tested.

Education is collaborating with the EPA to raise awareness of the threat of lead in school drinking water, and provide guidance on how schools can protect students and staff. The agency is working with state officials and plans to share resources to support outreach to the states and school districts. In addition, Education officials told us they have not yet decided whether to sign an EPA-led Memorandum of Understanding (MOU) to encourage schools to test for lead. This recommendation will be implemented when the agency completes these efforts, including making a decision about whether to sign the MOU.

Second, we recommended in November 2017 that Education review information provided by states related to changes in federal special education rights when a parent places a student with a disability in a private school, and work with states to correct inaccurate information. The agency said it worked with relevant states to improve the information provided, and reviewed states’ revised information to parents about the federal rights of these students. Education stated that this effort did not identify any inaccurate or inconsistent information. However, some states appear not to have modified language that Education previously identified as inaccurate. Education did not explain why it has determined that this information is now accurate. Education should either provide this explanation or have these states correct any inaccurate information so that parents have access to high-quality information to help them make informed decisions.

Improving Cybersecurity

To protect against cyber threats to their systems and data, federal law and policies emphasize that agencies—including Education—take a risk-based approach to cybersecurity. In July 2019, we recommended that Education fully develop a cybersecurity risk management strategy that includes key elements identified in our report. By August 21, 2020, the agency plans to fully develop a cybersecurity risk management strategy that includes: (1) the definition of risk tolerance and (2) acceptable risk response strategies. In March 2020, Education updated its Cybersecurity Risk Management Framework, which discussed the department’s risk appetite and tolerance. However, the updated framework does not define in detail acceptable risk response strategies (e.g., acceptance, avoidance, mitigation, transfer) or how they are to be selected. To implement this recommendation, Education needs to complete this effort.

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In March 2019, we issued our biennial update to our high-risk program, which identifies government operations that are particularly vulnerable to fraud, waste, abuse, and mismanagement or in need of transformation to address challenges of economy, efficiency, or

effectiveness.⁴ Our high-risk program has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical service to the public.

Several government-wide high-risk areas have direct implications for Education and its operation: (1) ensuring the cybersecurity of the nation, (2) improving the management of IT acquisitions and operations, (3) addressing strategic human capital management, (4) managing federal real property, and (5) improving the government-wide security clearance process.⁵ We urge your attention to these government-wide high-risk issues as they relate to Education. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress, OMB, and the leadership and staff in agencies, including Education.

Copies of this report are being sent to the Director of the Office of Management and Budget; the Committees on Appropriations, Budget, and Homeland Security and Governmental Affairs, United States Senate; and the Committees on Appropriations, Budget, and Oversight and Reform, House of Representatives. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

I appreciate Education's continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in this report, please do not hesitate to contact me or Barbara Bovbjerg, Managing Director, Education, Workforce, and Income Security Issues at bovbjergb@gao.gov or 202-512-7215. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. We will continue to coordinate with your staff on all of the 96 open recommendations. Thank you for your attention to these matters.

Sincerely yours,



Gene L. Dodaro
Comptroller General
of the United States

Enclosure

cc: Russ Vought, Acting Director, OMB
Tony Magro, Supervisor, Federal Student Aid, Department of Education
Philip Rosenfelt, Deputy General Counsel, Office of the General Counsel, Department of Education
Mark Washington, Deputy Assistant Secretary for Management and Planning, Office of Elementary and Secondary Education, Department of Education

⁴ GAO, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, GAO-19-157SP (Washington, D.C.: Mar. 6, 2019).

⁵ [GAO-19-157SP](#). See pages 178-184 for Ensuring the Cybersecurity of the Nation, pages 123-127 for Improving the Management of IT Acquisitions and Operations, pages 75-77 for Strategic Human Capital Management, pages 78-85 for Managing Federal Real Property, and pages 170-177 for Government-wide Personnel Security Clearance Process.

Enclosure

Department of Education (Education) Priority Open Recommendations

Protecting the Investment in Higher Education

Public Service Loan Forgiveness: Education Needs to Provide Better Information for the Loan Servicer and Borrowers. [GAO-18-547](#). Washington, D.C.: September 5, 2018.

Recommendation: The Chief Operating Officer of the Office of Federal Student Aid should provide additional information to the PSLF servicer and borrowers to enhance their ability to determine which employers qualify for PSLF. This could involve Education developing an authoritative list of qualifying employers or improving the PSLF servicer's existing database, and making this information available to borrowers.

Action Needed: Education concurred with this recommendation. The agency released a new online tool to help borrowers better understand the PSLF eligibility requirements, which could be expanded to incorporate additional qualifying employer information. To implement this recommendation, Education needs to demonstrate that it is providing information that will help the PLSF servicer and borrowers determine whether employment with specific employers will qualify borrowers for the program.

Director: Melissa Emrey-Arras, Education, Workforce, and Income Security
Contact information: emreyarrasm@gao.gov or (617) 788-0534

Federal Student Loans: Key Weaknesses Limit Education's Management of Contractors. [GAO-16-196T](#). Washington, D.C.: November 18, 2015.

Recommendation: To strengthen management of the Direct Loan Program and ensure good customer service for borrowers, the Secretary of Education should direct the Office of Federal Student Aid's Chief Operating Officer to review its methods of providing instructions and guidance to servicers, identifying areas to improve clarity and sufficiency, and ensure consistent delivery of instructions and guidance to ensure program integrity and improve service to borrowers. For example, the Department could consider implementing a detailed, common servicing manual for the Direct Loan program.

Action Needed: Education agreed with this recommendation. Education has issued a few clarifications to the servicers to help with consistency and reported that it intends to incorporate this recommendation into its acquisition plan for a new loan servicing system. Education anticipates redesigning its student loan financial services system, which would include additional guidance to servicers, and it expects this system to be fully operational by October 2021. To fully implement this recommendation, the agency needs to complete this work, demonstrating that the new Direct Loan servicing system will provide clear and consistent instructions and guidance to servicers to ensure program integrity and improve service to borrowers.

Director: Melissa Emrey-Arras, Education, Workforce, and Income Security
Contact information: emreyarrasm@gao.gov or (617) 788-0534

Higher Education: Improved Tax Information Could Help Families Pay for College. [GAO-12-560](#). Washington, D.C.: May 18, 2012.

Recommendation: To provide federal policymakers information on the relative effectiveness of Title IV programs and higher education tax expenditures, the Secretary of Education should take advantage of opportunities presented by recent and anticipated substantive program changes to sponsor and conduct evaluative research into the effectiveness of Title IV programs and higher education tax expenditures at improving student outcomes.

Action Needed: Education agreed with this recommendation. Education officials have begun exploring the technical, legal, and administrative factors associated with sharing information with the Internal Revenue Service and Department of the Treasury, which could help facilitate evaluative research on the effects of Title IV programs and higher education tax expenditures. In addition, the agency is planning to convene researchers from inside and outside the government to identify and prioritize key policy questions related to Title IV and higher education tax expenditures. Afterward, Education would partner with researchers to investigate the issues identified as priorities and implement evidence-building agendas with them. To fully implement this recommendation, Education should ensure that its data-sharing and future grant efforts result in actively sponsoring or conducting evaluative research specific to federal programs and assistance that can be used in future policymaking.

Director: Melissa Emrey-Arras, Education, Workforce, and Income Security

Contact information: emreyarrasm@gao.gov or (617) 788-0534

Ensuring the Well-Being and Education of the Nation's School-Age Children

K-12 Education: Lead Testing of School Drinking Water Would Benefit from Improved Federal Guidance. [GAO-18-382](#). Washington, D.C.: July 5, 2018.

Recommendation: The Assistant Secretary for Elementary and Secondary Education should collaborate with EPA to encourage testing for lead in school drinking water. This effort could include disseminating EPA guidance related to lead testing and remediation in schools or sending letters to states to encourage testing in all school districts that have not yet done so.

Action Needed: Education agreed with this recommendation. The agency is collaborating with the EPA to raise awareness of the threat of lead in school drinking water, provide guidance on how to protect students and staff, and may sign an EPA-led Memorandum of Understanding to encourage schools to test drinking water for lead. Education anticipates disseminating relevant resources to its key stakeholder groups and exploring how best to coordinate with states to disseminate EPA's guidance to school districts. To fully implement this recommendation, the agency needs to complete these efforts.

Director: Jacqueline M. Nowicki, Education, Workforce, and Income Security

Contact information: nowickij@gao.gov or (617) 788-0580

Private School Choice: Federal Actions Needed to Ensure Parents Are Notified About Changes in Rights for Students with Disabilities. [GAO-18-94](#). Washington, D.C.: November 16, 2017.

Recommendation: The Assistant Secretary for Special Education and Rehabilitative Services should review information provided by states related to changes in federal special education

rights when a parent places a student with a disability in a private school and work with states to correct inaccurate information.

Action Needed: Education generally agreed with this recommendation. The agency reported it worked with relevant states to improve the information provided, and reviewed states' revised information to parents about federal rights of children with disabilities who are placed by parents in private schools. Education stated that this effort did not identify inaccurate or inconsistent information. However, some states appear not to have modified language that Education previously identified as inaccurate. Education did not explain why it has determined that this information is now accurate. To implement this recommendation, Education needs to either provide an explanation or complete its work with states to correct any inaccurate information.

Director: Jacqueline M. Nowicki, Education, Workforce, and Income Security

Contact information: nowickij@gao.gov or (617) 788-0580

Improving Cybersecurity

Cybersecurity: Agencies Need to Fully Establish Risk Management Programs and Address Challenges. [GAO-19-384](#). Washington, D.C.: July 25, 2019.

Recommendation: The Secretary of Education should fully develop a cybersecurity risk management strategy that includes the key elements identified in this report.

Action Needed: Education agreed with this recommendation. The agency plans to continue its efforts to fully develop a cybersecurity risk management strategy that includes: (1) the definition of risk tolerance and (2) acceptable risk response strategies, which they expect to complete in August 2020. Education updated its Cybersecurity Risk Management Framework in March 2020, but the updated framework does not define in detail acceptable risk response strategies or how they are to be selected. To implement this recommendation, Education needs to complete this effort.

Director: Nick Marinos, Information Technology and Cybersecurity

Contact information: marinosn@gao.gov or (202) 512-9342

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