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Washington, DC 20548

Comptroller General
of the United States

May 3, 2023

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

Priority Open Recommendations: Department of Education

Dear Secretary Cardona:

The purpose of this letter is to provide an update on the overall status of the Department of Education's implementation of GAO's recommendations and to call your continued attention to areas where open recommendations should be given high priority.¹ In November 2022, we reported that on a government-wide basis, 77 percent of our recommendations made 4 years ago were implemented.² Education's recommendation implementation rate was 83 percent. As of March 2023, Education had 88 open recommendations. Fully implementing these open recommendations could significantly improve agency operations.

Since our June 2022 letter, Education has implemented two of five priority recommendations:

- Education issued guidance on services available to parents placing students with a disability in a private school and worked with states to ensure their policies and procedures were consistent with this guidance. These efforts implement our November 2017 recommendation for the agency to work with states to provide accurate information on changes in special education rights when a parent places a student with a disability in a private school.³
- Education implemented our November 2015 recommendation to clarify instructions and guidance to servicers of federal student loans in the Direct Loan program. The agency issued guidance to improve clarity on how servicers should apply overpayments to a borrower's student loan balance and how to treat retirement benefits when calculating borrowers' incomes for Income-Driven Repayment plans. Education is also redesigning

¹Priority 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.

²GAO, *Performance and Accountability Report: Fiscal Year 2022*, [GAO-22-900398](#) (Washington, D.C.: Nov. 15, 2022).

³GAO, *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.: Nov. 16, 2017).

its student loan financial services system, which will include guidance to servicers. These efforts will provide more consistent services to borrowers.⁴

We ask for your continued attention to the three remaining priority recommendations identified in the 2022 letter. We are adding three new recommendations related to TRIO grants for college students with disabilities, Education's privacy program, and the Office of Federal Student Aid (FSA) cost estimation guidance for acquisition programs, bringing the total number of priority recommendations to six. (See the enclosure for a list of these recommendations and actions needed to implement them.)

The six priority recommendations fall into the following areas.

Protecting the investment in higher education. The Department of Education faces challenges overseeing federal student aid and loan programs as student loan debt approaches \$1.6 trillion. Our three recommendations in this area call for evaluating the effectiveness of efforts to assist students who receive federal student aid, assessing the performance of a TRIO grant program that supports college students with disabilities, and improving FSA's cost estimation guidance for acquisition programs. By fully implementing these recommendations, Education could better serve the needs of federal student aid and TRIO participants, and improve the reliability of the cost estimates FSA develops for its acquisition programs.

Ensuring the well-being and education of the nation's school-age children. Education plays a critical role in helping support approximately 50 million children who attend the nation's K-12 public schools. Implementing our three priority recommendations in this area, including improving data on virtual charter school contractors and establishing a time frame to update privacy procedures, could help states address financial risks associated with charter school management organizations, improve reporting on restraint and seclusion incidents, and effectively implement privacy protections.

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In April 2023, we issued our biennial update to our [High-Risk List](#), which identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.⁵

Several government-wide high-risk areas have direct implications for Education and its operations. These include (1) [improving the management of IT acquisitions and operations](#), (2) [improving strategic human capital management](#), (3) [managing federal real property](#), (4) [ensuring the cybersecurity of the nation](#),⁶ and (5) [establishing a government-wide personnel security clearance process](#).

⁴*Federal Student Loans: Key Weaknesses Limit Education's Management of Contractors*, [GAO-16-196T](#) (Washington, D.C.: Nov. 18, 2015).

⁵GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas*, [GAO-23-106674](#) (Washington, D.C.: Apr. 20, 2023).

⁶With regard to cybersecurity, we also urge you to use foundational information and communications technology supply chain risk management practices set forth in our December 2020 report: GAO, *Information Technology*:

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, the Office of Management and Budget (OMB), and the leadership and staff in agencies, including Education. In March 2022, we issued a report on key practices to successfully address high-risk areas, which can be a helpful resource as your agency continues to make progress to address high-risk issues.⁷

In addition to your continued attention to these issues, Congress plays a key role in providing oversight and maintaining focus on our recommendations to ensure they are implemented and produce their desired results. Legislation enacted in December 2022 includes a provision for GAO to identify any additional congressional oversight actions that can help agencies implement priority recommendations and address any underlying issues relating to such implementation.⁸

Congress can use various strategies to address our recommendations, such as incorporating them into legislation. Congress can also use its budget, appropriations, and oversight processes to incentivize executive branch agencies to act on our recommendations and monitor their progress. For example, Congress can hold hearings focused on Education's progress in implementing GAO's priority recommendations, withhold funds when appropriate, or take other actions to provide incentives to act. Moreover, Congress could follow up during the appropriations process and request periodic updates. Congress also plays a key role in addressing any underlying issues related to the implementation of these recommendations. For example, Congress could pass legislation providing an agency authority to implement a recommendation or requiring an agency to take certain actions to implement a recommendation. In addition, Congress should consider legislation requiring colleges to provide clear and standard information in their financial aid offers, in response to our recent recommendation.⁹

Copies of this report are being sent to the Director of the OMB and the appropriate congressional committees. In addition, the report will be available 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 Cindy Brown Barnes, Managing Director, Education, Workforce, and Income Security Issues at brownbarnesc@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 88 open recommendations. Thank you for your attention to these matters.

Federal Agencies Need to Take Urgent Action to Manage Supply Chain Risks, [GAO-21-171](#) (Washington, D.C.: Dec. 15, 2020).

⁷GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

⁸James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 7211(a)(2), 136 Stat. 2395, 3668 (2022); H.R. Rep. No. 117-389 (2022) (accompanying Legislative Branch Appropriations Act, H.R. 8237, 117th Cong. (2022)).

⁹GAO, *Financial Aid Offers: Action Needed to Improve Information on College Costs and Student Aid*, [GAO-23-104708](#) (Washington, D.C.: Nov. 1, 2022).

Sincerely yours,

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is written in a cursive style with a large, prominent "D" and a long horizontal flourish extending to the right.

Gene L. Dodaro
Comptroller General
of the United States

Enclosure

cc: The Honorable Shalanda Young, Director, Office of Management and Budget
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

Department of Education Priority Open Recommendations

Protecting the Investment in Higher Education

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

Year Recommendation Made: 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 and has taken some steps since 2019 to implement it. Education's Fiscal Year 2022-2026 Learning Agenda prioritizes building evidence regarding federal student aid programs to determine which are effective at increasing students' enrollment in, persistence in, and completion of college. In February 2023, Education reported that it is acting on the Learning Agenda by evaluating the effects of Pell Grants on student outcomes. Education noted that it had the budget authority enabling it to sustain research efforts and conduct rigorous evaluations. By completing its study of Pell Grants, Education will provide the evidence and analysis policymakers need to make fact-based decisions about this federal student aid program.

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

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

Department of Education: Additional Data Collection Would Help Assess the Performance of a Program Supporting College Students with Disabilities. [GAO-23-105551](#). Washington, D.C.: February 15, 2023.

Year Recommendation Made: 2023

Recommendation: Education's Assistant Secretary for Postsecondary Education should collect data from Student Support Services (SSS) grantees on each participant's disability status and use this information to report on program performance for participants with disabilities.

Action Needed: Education agreed with this recommendation. The agency plans to collect data from SSS grantees on participants' disability status and use this information to report on the TRIO program's performance for participants with disabilities. To fully implement this recommendation, Education needs to complete these efforts. Without collecting information on which SSS participants have a disability, Education cannot fully assess SSS's performance for individuals with disabilities, and any eventual plan to evaluate and report on the performance of TRIO programs will be incomplete.

Director: Elizabeth Curda, Education, Workforce, and Income Security

Contact Information: CurdaE@gao.gov or (202) 512-4040

Information Technology: Education Needs to Address Student Aid Modernization Weaknesses. [GAO-23-105333](#). Washington, D.C.: October 20, 2022.

Year Recommendation Made: 2023

Recommendation: The Chief Operating Officer of Federal Student Aid (FSA) should update FSA's cost estimation guidance for its acquisition programs to incorporate the best practices called for in *GAO Cost Estimating and Assessment Guide*.

Action Needed: FSA agreed with this recommendation. The office reported that the FSA Chief Operating Officer directed the senior leadership team to establish a working group to identify potential improvements to its project management guidance and practices. To fully implement this recommendation, FSA should update its cost estimate guidance to include all 12 steps of the cost estimating process identified in the *GAO Cost Estimating and Assessment Guide*. Until FSA establishes this revised cost estimating guidance, it is less likely to develop reliable cost estimates for its acquisition programs. Further, FSA risks being unable to effectively estimate funding needs for its investments and using unreliable data to make budgetary decisions.

Director: Marisol Cruz Cain, Information Technology and Cybersecurity

Contact Information: cruzcaim@gao.gov or (202) 512-5017

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

K-12 Education: Education Needs to Address Significant Quality Issues with its Restraint and Seclusion Data. [GAO-20-345](#). Washington, D.C.: April 21, 2020.

Year Recommendation Made: 2020

Recommendations: The Assistant Secretary for the Office for Civil Rights (OCR) should identify the factors that cause underreporting and misreporting of restraint and seclusion and take steps to help school districts overcome these issues.

Action Needed: Education agreed with our recommendation. In February 2023, Education reported that OCR is developing a plan to engage some districts in a series of listening sessions to help determine what is driving the underreporting and misreporting. The listening sessions will take place throughout 2023. Education plans to complete this project in October 2024. We look forward to learning the results of these listening sessions. Until Education more fully understands why so many school districts are underreporting and misreporting federal restraint and seclusion data, it will likely not be able to help districts improve their reporting, thereby improving the accuracy and utility of the data.

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

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

K-12 Education: Department of Education Should Help States Address Student Testing Issues and Financial Risks Associated with Virtual Schools, Particularly Virtual Charter Schools. [GAO-22-104444](#). Washington, D.C.: January 31, 2022.

Year Recommendation Made: 2022

Recommendation: The Secretary of Education should identify the factors that cause underreporting and misreporting of information on management organizations that contract with charter schools, including virtual charter schools, and take steps to help states report accurate data on these contracts.

Action Needed: Education agreed with this recommendation. As of February 2023, Education is assessing the data reported by states about charter schools that contract with management organizations, including virtual charter schools. To fully implement this recommendation, Education should gather information on how states determine whether charter schools have contracts with management organizations with respect to their ED Facts data reporting, modify the instructions for data submissions, and clarify the definition of a management organization, including the for-profit status of these organizations.¹⁰ Unless Education takes steps to improve the quality of data that states submit to ED Facts, it cannot measure and properly mitigate elevated financial and programmatic risks.

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

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

Privacy: Dedicated Leadership Can Improve Programs and Address Challenges. [GAO-22-105065](#). Washington, D.C.: September 22, 2022.

Year Recommendation Made: 2022

Recommendation: The Secretary of Education should establish a time frame for updating the department's policies for creating, reviewing, and publishing system of records notices, and make these updates.

Action Needed: Education agreed with this recommendation and identified plans to address it. The agency reported that it has begun updating existing privacy policies, including those establishing and administering the privacy program. To fully implement this recommendation, the agency needs to finish updating its policies and procedures regarding record notices. Without fully establishing this element of its privacy program, Education will have less assurance that it is consistently and effectively implementing privacy protections.

Director: Jennifer Franks, Information Technology and Cybersecurity

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¹⁰ED Facts is an Education initiative to centralize data provided by state educational agencies, including performance data on public schools (pre-K through grade 12), and financial grant information.

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