

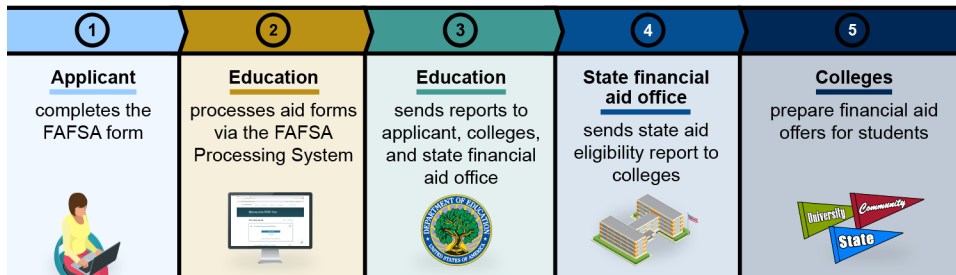
A report to congressional requesters.

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**What GAO Found**

The Department of Education’s Office of Federal Student Aid (FSA) manages the Free Application for Federal Student Aid (FAFSA), which students and parents submit to determine a student’s eligibility for receiving financial aid. The FAFSA Processing System (FPS)—the system that underpins federal student aid—processes these applications (see figure).

**Overview of the Free Application for Federal Student Aid (FAFSA) Process**



Sources: GAO analysis of Department of Education procedures and logo; Golden Sikorka/stock.adobe.com (icons). | GAO-25-107396

In September 2024, GAO testified that nine of the 25 contractual requirements that defined FPS were not deployed. Examples of the nine requirements not yet deployed included allowing FSA to (1) make corrections to FAFSA applications and (2) modify eligibility rules and requirements. Education officials had stated that these remaining requirements would be deployed by 2026.

However, as of May 2025, Education was unable to provide the status of the complete system. FSA officials said they could not readily provide the status because they were no longer tracking requirements. This raises questions about FSA ensuring required work under the contract is being performed.

Further doubts about contract oversight surfaced when GAO determined that FSA was not validating contractor performance data. Although FSA had established processes for monitoring contractor performance, it did not fully implement them.

In addition, FSA could not demonstrate that contracting officer’s representatives and project management staff had complied with certification requirements. The agency also did not ensure key acquisition staff had specialized training related to the systems development methodology used to develop FPS.

Testing of IT systems is critically important. Although leading practices highlight the importance of thoroughly testing IT systems prior to deployment, FSA did not fully apply these practices. For example, test cases—used to determine whether an application, system, or system feature is working as intended—lacked information that would allow for traceability to underlying requirements. Contributing to this lack of traceability was the absence of agency guidance on what information to include in a test case. In addition, FSA does not have a plan to guide future FPS user testing efforts. This increases the risk that testing will be incomplete and inconsistently executed. Overall, such testing shortfalls can lead to the discovery of significant system deficiencies when deployment occurs.

**Why GAO Did This Study**

In December 2023, FSA, the largest provider of student financial aid in the nation, deployed a new system with limited functionality to process student aid applications. However, the system—FPS—had availability issues, recurring errors, and long wait times that affected students’ ability to receive aid. Since then, FSA has continued to work to deploy additional functionality.

Among other things, this report addresses the extent to which FSA conducted selected contract oversight activities and applied leading systems testing practices.

GAO examined how FSA tracked the contractor’s progress in meeting contract requirements and compared FSA actions to established contract oversight processes and agency standards. GAO also identified key contract oversight staff for FPS and compared federal certification and training requirements against relevant documentation for these staff. In addition, GAO compared the actions taken by FSA to leading practices for system testing.

**What GAO Recommends**

GAO is making seven recommendations to Education, including improving its contract oversight; establishing a process to ensure contracting staff receive proper certifications and training; and developing appropriate testing guidance, ensuring that FPS testing is linked to requirements, and developing and implementing a plan for testing with system users.

FSA disagreed with portions of the report, generally agreed with four recommendations, and did not indicate agreement or disagreement with the remaining three. As discussed in the report, GAO maintains that all its recommendations are warranted.