



September 2025

# DEPARTMENT OF EDUCATION

## Gaps in Federal Student Aid Contract Oversight and System Testing Need Immediate Attention

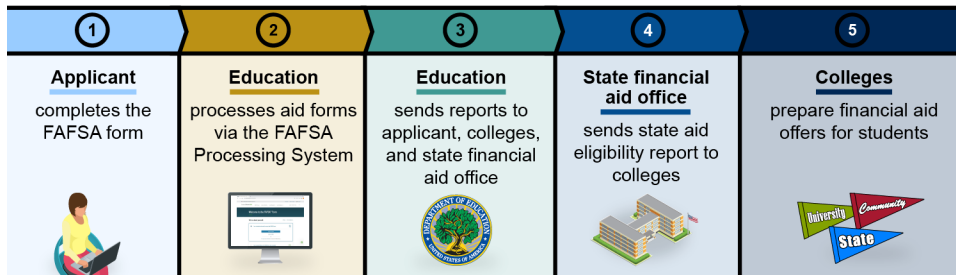
A report to congressional requesters.

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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.

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**Abbreviations**

DITAP	Digital IT Acquisition Program
FAC	Federal Acquisition Certification
FAC-C	Federal Acquisition Certification in Contracting
FAC-COR	Federal Acquisition Certification for Contracting Officer's Representative
FAC-P/PM	Federal Acquisition Certification for Program and Project Managers
FAFSA	Free Application for Federal Student Aid
FPS	FAFSA Processing System
FSA	Office of Federal Student Aid
FUTURE Act	Fostering Undergraduate Talent by Unlocking Resources for Education Act
IEEE	Institute of Electrical and Electronics Engineers
ISIR	Institutional Student Information Records
OMB	Office of Management and Budget
QASP	Quality Assurance Surveillance Plan
SLA	service level agreement

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September 3, 2025

The Honorable Bill Cassidy, M.D.  
Chair  
Committee on Health, Education, Labor, and Pensions  
United States Senate

The Honorable Tim Walberg  
Chairman  
Committee on Education and Workforce  
House of Representatives

The Honorable Virginia Foxx  
House of Representatives

The Department of Education’s Office of Federal Student Aid (FSA) is the largest provider of student financial aid in the nation. It manages the Free Application for Federal Student Aid (FAFSA), which is used to determine a student’s eligibility for receiving financial aid. The office processes nearly 18 million FAFSA forms (paper and electronic) each year. It also provides approximately \$120.8 billion in grant, work-study, and loan funds each year to help students and their families pay for college or career school.

Historically, most FAFSA forms submitted by applicants were processed electronically by FSA’s Central Processing System. In 2019, we reported that this system was among the 10 most critical federal systems in need of modernization.<sup>1</sup> In February 2021, the agency subsequently initiated a project—the Award Eligibility Determination project—to, among other things, develop a system to replace the Central Processing System.<sup>2</sup>

The FAFSA Processing System (FPS)—a key component in the replacement for the Central Processing System—was deployed in December 2023 to process the 2024-2025 FAFSA forms. However,

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<sup>1</sup>GAO, *Information Technology: Agencies Need to Develop Modernization Plans for Critical Legacy Systems*, [GAO-19-471](#) (Washington, D.C.: June 11, 2019).

<sup>2</sup>In February 2021, FSA initiated a multi-project program called the Student Aid Borrower Eligibility Reform initiative, which among other things, is intended to modernize the student financial aid process and the Central Processing System. Within the initiative, the project for replacing the Central Processing System is referred to as the Award Eligibility Determination project.

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issues encountered by its development contractor led FSA to deploy the system without the full planned functionality. Instead, FSA directed its contractor to focus on including functionality that would allow students and families to submit financial aid applications and delayed other functionality, such as allowing students and colleges to correct errors on those applications.

Shortly after the initial launch of the 2024-2025 FAFSA form, student aid applicants reported availability issues, submission errors, and significant load times,<sup>3</sup> among other things.<sup>4</sup> For example, students that were born in 2000 were unable to proceed past a certain section of the application and graduate students were erroneously informed that they were eligible for Pell Grants. These issues left students and colleges without the information they needed to make important financial decisions about the upcoming school year.

Since then, FSA has launched the 2025-2026 FAFSA form with minimal applicant-reported issues. The 2026-2027 form is scheduled to be launched by October 1, 2025, but it is unclear whether the form will include the full planned functionality.

You asked us to review FSA's launch of FPS. Our objectives were to determine (1) the status of delivering the complete FPS and the causes of any delays, (2) the extent to which FSA provided contract oversight of the FPS effort, (3) the extent to which the qualifications of key FPS contract and project oversight staff aligned with federal requirements and Education policy, and (4) the extent to which FSA applied disciplined systems testing practices in deploying FPS.

To address the first objective, we requested documentation that would show FSA's progress towards meeting specific contractual requirements to determine the status of the delivery of the complete FPS system. However, the agency was not able to provide sufficient information for us to complete our analysis. In the absence of this information, we reviewed FSA documentation describing, at a high-level, the release schedule for FPS. This included planned features to deploy from February 2025

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<sup>3</sup>In the context of a web-based application, load times refer to the amount of time a specific page took to load, including all images, text, and other technical elements.

<sup>4</sup>User-reported issues may not have been caused only by defects with the underlying system, FPS. Issues with the infrastructure supporting FPS may have also contributed.

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through August 2025. We also reviewed information about future functionality releases on FSA's website.

To address our second objective, we reviewed Education's standards and guidelines for the monitoring of contracts by program officials.<sup>5</sup> We also assessed the contract for developing FPS (hereinafter referred to as the FPS contract) and its associated documentation, such as the Quality Assurance Surveillance Plan and Performance Work Statement. We then compared actions taken by the agency to monitor the contractor against Education's established standards and guidelines and contract requirements. To do this, we analyzed customer feedback, contractor-provided reports on performance, and meeting minutes between FSA and its FPS contractor.

To address the third objective, we identified key oversight and program management personnel for the FPS project: the Contracting Officer, Contracting Officer's Representative, Project Manager, Product Manager, and Systems Integrator. We did so by reviewing project management documentation, such as the contract and documentation identifying key roles and responsibilities for the project. We then reviewed federal regulations and guidance that identified certification and training requirements for acquisition-related work in civilian agencies.<sup>6</sup> We also reviewed information from the Federal Acquisition Institute to identify other relevant federal workforce qualification requirements, such as the Digital IT Acquisition Program.<sup>7</sup>

Further, we reviewed Education and FSA guidance to identify certification requirements for the key personnel. For example, we reviewed Education's guidance describing standards and guidelines for the

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<sup>5</sup>Department of Education, *Contract Monitoring for Program Officials*, Departmental Directive ACSD-OFO-001 (Feb. 15, 2022).

<sup>6</sup>For example, FAR 1.602-2(d)(2). Office of Management and Budget, Office of Federal Procurement Policy, *Memorandum for Chief Acquisition Officers*, Senior Procurement Executives (Sept. 6, 2011); Office of Management and Budget, Office of Federal Procurement Policy, *Memorandum for Chief Acquisition Officers*, Senior Procurement Executives (Dec. 16, 2013); and Office of Management and Budget, Office of Federal Procurement Policy, *Memorandum for Chief Acquisition Officers*, Senior Procurement Executives (Jan. 19, 2023).

<sup>7</sup>Established in 1976 under the Office of Federal Procurement Policy Act, the Federal Acquisition Institute has been charged with fostering and promoting the development of a federal acquisition workforce. Federal Acquisition Institute, "About FAI" (website), last accessed June 24, 2025, <https://www.fai.gov/about/about-fai>.

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monitoring of contracts by program officials.<sup>8</sup> We compared the requirements and guidance to available certification and training documentation for the key FSA personnel.

To address our fourth objective, we assessed FSA's test management standards and associated testing documentation to determine if they were consistent with leading system development practices from the Institute of Electrical and Electronics Engineers.<sup>9</sup> These practices describe, among other things, key elements to include in system test cases. We focused our review on seven practices that are considered baseline requirements. To conduct the assessment, we compared the test cases for FPS to the seven leading practices.

We supplemented our analysis for each objective with interviews of relevant FSA and contractor officials, such as those responsible for Award Eligibility Determination project management, FPS contract oversight, system testing, and system integration.<sup>10</sup> These interviews allowed us to corroborate evidence and provide additional context to the actions taken by the agency and its contractor prior to and after implementation of FPS. A more detailed description of our objectives, scope, and methodology can be found in appendix I.

We conducted this performance audit from February 2024 to September 2025 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.

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## Background

To be considered for federal student aid, a student must apply and complete a FAFSA form by paper or electronically on FSA's website. FPS

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<sup>8</sup>Department of Education, *Contract Monitoring for Program Officials*, Departmental Directive ACSD-OFO-001 (Feb. 15, 2022).

<sup>9</sup>Adapted and reprinted with permission from © Institute of Electrical and Electronics Engineers, Inc., *Software and systems engineering—Software testing—Part 3: Test documentation*, IEEE/ISO/IEC std. 29119-3:2021 (New York, N.Y.: 2021).

<sup>10</sup>The project for replacing the Central Processing System with FPS is referred to as the Award Eligibility Determination project.



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is the system that underpins federal student aid and processes the applications.

The FAFSA form currently collects personally identifiable information and financial information about the student, and the student's spouse and parent(s) (if applicable).<sup>11</sup> The agency uses the information to determine aid eligibility for award.

Although the primary purpose of the FAFSA is to help distribute federal student aid, the application also assists state and institutional aid programs who rely on the data to calculate their own aid offers. Specifically, after Education processes a FAFSA form via FPS, a report is sent to the applicant or made available for online viewing. This report includes the applicant's Student Aid Index, the types of federal aid for which they qualify, and information about any errors (e.g., questions the applicant did not complete) that Education identified when processing the FAFSA.<sup>12</sup>

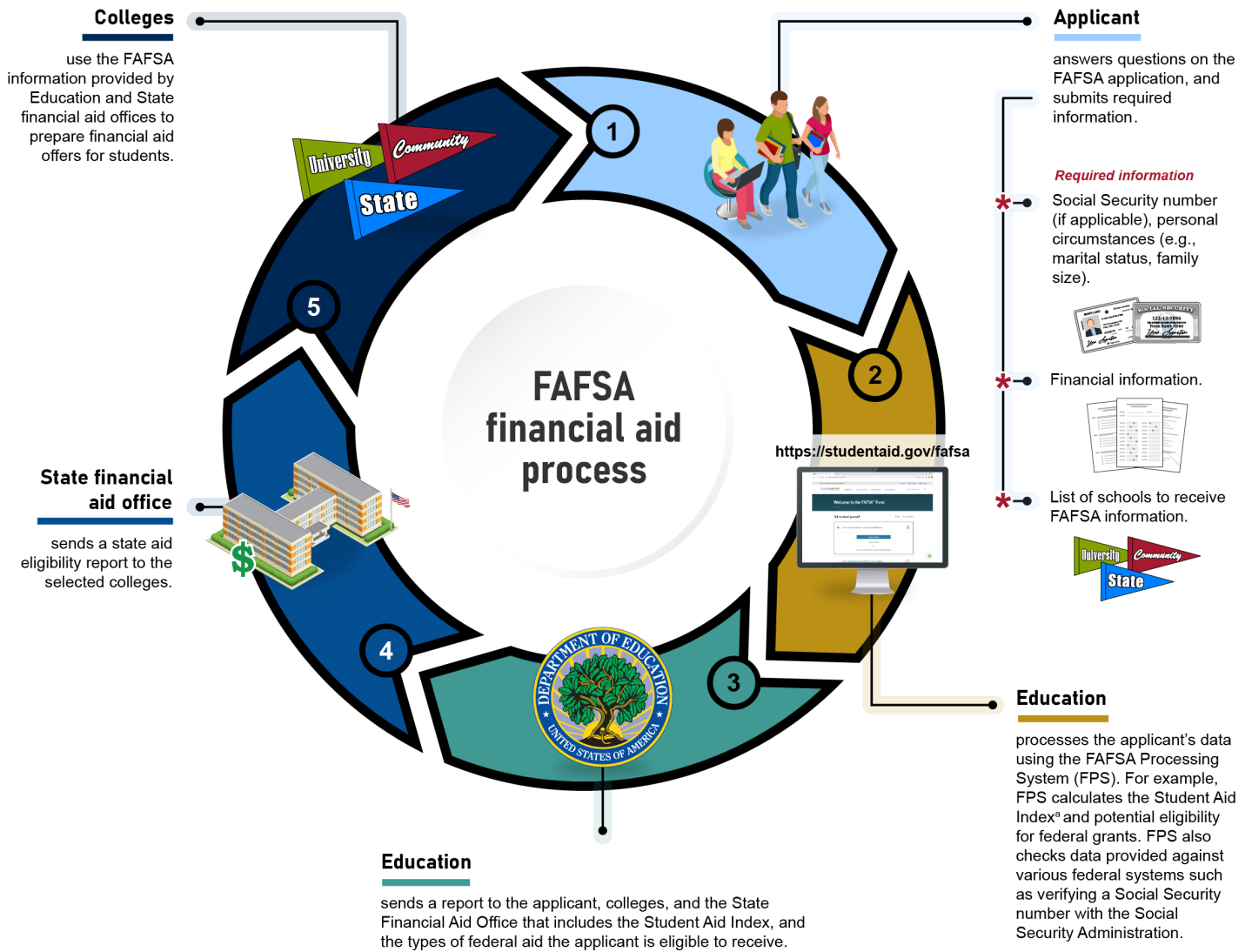
The applicant's selected colleges are also sent reports from Education with the Student Aid Index and from state financial aid offices with aid eligibility. Colleges then use this information to send applicants financial aid offers after admission, providing students with types and amounts of federal, state, and institutional aid they are eligible to receive, should the student decide to enroll. Figure 1 provides an overview of the financial assistance process.

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<sup>11</sup>Personally identifiable information is information that can be used to locate or identify an individual, such as names, aliases, Social Security numbers, biometric records, and other personal information that is linked or linkable to an individual.

<sup>12</sup>The Student Aid Index is a formula-based number that helps to determine how much financial support a student may need.

**Figure 1: Overview of the Free Application for Federal Student Aid (FAFSA) Process**



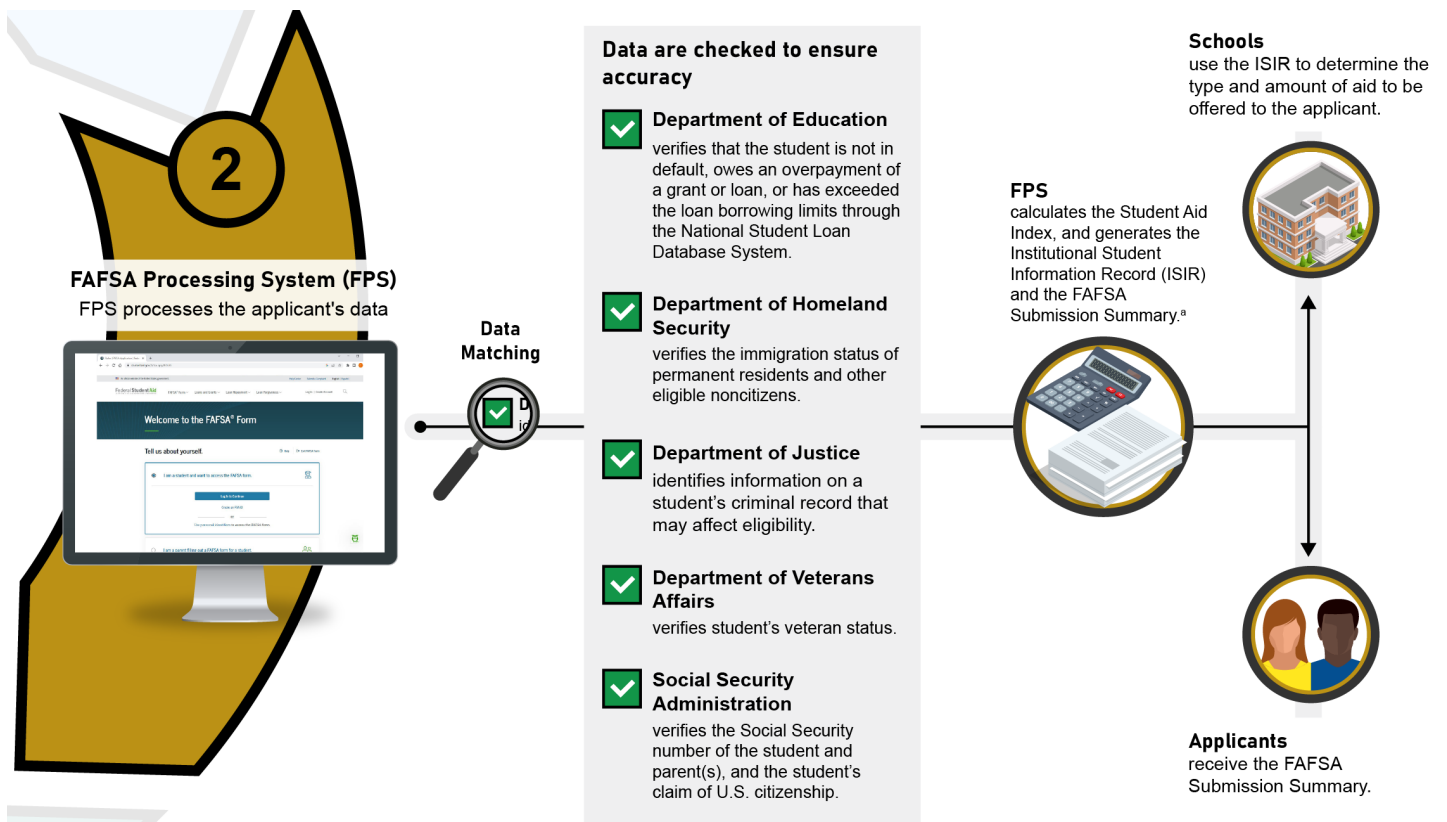
Sources: GAO analysis of Department of Education procedures and logo; Golden Sikorka/stock.adobe.com (illustrations). | GAO-25-107396

<sup>a</sup>The Student Aid Index is a formula-based number that helps to determine how much financial support a student may need.

After the student submits the FAFSA form, FPS stores and uses the information collected from the form (e.g., student's name, address, Social Security number, and financial information) to determine whether the student is eligible to receive federal student aid. FPS also performs checks against data maintained in other systems, including FSA's

National Student Loan Database System and those maintained by other federal agencies, including the Departments of Homeland Security, Justice, and Veterans Affairs; and the Social Security Administration. Figure 2 depicts the process for determining student financial aid eligibility.

**Figure 2: The Role of the Free Application for Federal Student Aid (FAFSA) Processing System in Determining Student Aid Eligibility**



Sources: GAO analysis of Department of Education, Office of Federal Student Aid data; Golden Sikorka/stock.adobe.com (illustrations). | GAO-25-107396

<sup>a</sup>The Student Aid Index is a formula-based number that helps schools determine how much financial support a student may need. The Institutional Student Information Record (ISIR) and the FAFSA Submission Summary show the information the student originally provided, the Student Aid Index, results of the eligibility matches, information about aid history, and information about any inconsistencies identified.

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## FSA Awarded Contracts to Modernize Its Student Aid System and Assigned Staff Key Oversight Responsibilities

In February 2021, FSA initiated a multi-project program called the Student Aid Borrower Eligibility Reform initiative. Among other things, this program is intended to modernize the student financial aid process and its legacy system—the Central Processing System.<sup>13</sup> According to FSA, the following components make up this initiative:

- **FPS**, which is the back-end processing of the FAFSA. This system is where aid eligibility is determined, and records are generated for colleges and state financial aid offices.
- **Digital Customer Care**, which is the front-end (or website) for the FAFSA. This is the user interface and contains the form that students and parents fill out for student aid.
- **Federal Tax Information Module**, which provides (1) a centralized interface used to access tax data from the Internal Revenue Service, (2) a storage of federal tax information, and (3) capabilities to calculate the Student Aid Index and eligibility determination checks, among other things.

There is also underlying **infrastructure** that supports the overall FAFSA system and an **identity and access management system**.

Each of these components were to be developed or provided by four separate contractors.<sup>14</sup> This review focused on the contract related to FPS, which was awarded in March 2022.

This contract was originally valued (if all options were exercised) at approximately \$121.7 million. The contract was for an initial base period from March 2022 through September 2023, which included the design, development, testing, and deployment of a fully functional FPS. Nine additional 1-year option periods for operating and maintaining FPS were also included in the contract.

The contract type for most contract line items—including those pertaining to system design, development, testing, and deployment—was firm fixed

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<sup>13</sup>Within this initiative, the project for replacing the legacy system with FPS is referred to as the Award Eligibility Determination project. Although this report focuses on the development and management of FPS, the Student Aid Borrower Eligibility Reform initiative includes additional projects to modernize the FAFSA process.

<sup>14</sup>The Federal Tax Information Module and the identity and access management system were to be provided by the same contractor. The other three components were to be provided by separate contractors.

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price.<sup>15</sup> Such a structure generally provides for a price that is not subject to any adjustment based on the contractor's actual costs incurred in performing the contract. The contract also included performance standards, or metrics, that the contractor was to meet. These standards are then to be used by FSA to evaluate the contractor's performance.

In April 2023, FSA modified the FPS contract to extend the base period's end date from September 2023 to December 2023.<sup>16</sup> In September 2024, the agency further modified the contract to exercise option period 2 and increased the base and all options value of the contract.<sup>17</sup> As of May 2025, the estimate of the total cost of the contract (if all options are exercised) is approximately \$236.8 million. Similar to the initial contract, the September 2024 contract modification had most contract line items as firm fixed prices and included performance standards.<sup>18</sup>

As of May 2025, FSA had obligated approximately \$100.3 million for the contract. Table 1 shows the various periods of performance and their actual or estimated costs.

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<sup>15</sup>The contract type for the contract line item pertaining to printing and mailing is a fixed unit price. In addition, the contract type for the contract line item for conference support is time and materials.

<sup>16</sup>As of July 2025, FSA had exercised the first two option periods.

<sup>17</sup>According to the contract modification, FSA and the contractor agreed to increase the value of the contract to accommodate adjustments in the execution and delivery of the project.

<sup>18</sup>The contract type for the contract line items pertaining to printing and mailing is a fixed unit price, conference support is a time and materials cost, and software licensing is cost reimbursable.

**Table 1: Free Application for Federal Student Aid Processing System Contract Costs and Cost Estimates for Base Contract and Option Periods as of May 2025**

Option period	Periods of performance	Actual costs and cost estimates
Base Period	March 31, 2022 – December 29, 2023	\$20,895,418*
Option Period 1	December 30, 2023 – September 29, 2024	\$13,917,144*
Option Period 2 <sup>a</sup>	September 30, 2024 – September 29, 2025	\$72,520,047
Option Periods 3 through 9	September 30, 2025 – September 29, 2032	\$129,562,702
<b>Estimated total if all options are exercised</b>		<b>\$236,895,311</b>

Legend: \*=actual costs funded by the Office of Federal Student Aid

Source: GAO (analysis). Office of Federal Student Aid (data). | GAO-25-107396

<sup>a</sup>At the time of this report, the information for Option Period 2 only included September 2024 through May 2025. Therefore, this information includes a mix of actual costs and estimated costs for this option period.

Several acquisitions and project management staff, such as the Contracting Officer, Contracting Officer’s Representative, Project Manager, Product Manager, and Systems Integrator were assigned various execution and oversight responsibilities throughout the duration of the contract. For example, according to the FPS contract and other relevant documentation:

- the **Contracting Officer** is the exclusive agent of the government with authority to enter into and administer contracts. The Contracting Officer is responsible for, among other things, monitoring contract compliance, contract administration, and cost control. As part of their responsibilities, the Contracting Officer is to designate one full-time Contracting Officer’s Representative as the government authority for performance management.
- the **Contracting Officer’s Representative** is to communicate with the contractor as necessary to ensure they are making satisfactory progress in performance of the contract. The representative is responsible for technical administration of the project and is to ensure proper government surveillance of the contractor’s performance. This includes inspection and testing of deliverables and evaluation of reports in accordance with the contract terms. The representative is also to communicate serious concerns or issues to the contractor. However, the Contracting Officer’s Representative is not empowered to make contractual commitments or authorize any contractual changes on the government’s behalf.

- the **Project Manager** works with the Contracting Officer's Representative to ensure proper government surveillance of the contractor's performance. They are to do this by monitoring and providing feedback on the contractor's performance and reviewing deliverables to ensure that they meet quality standards.
- the **Product Manager and Systems Integrator**, among other things, manage and prioritize the product's scope and backlog. Additionally, they collaborate with the contractor to define product increment commitments for each sprint.<sup>19</sup> According to agency officials, the Systems Integrator's daily tasks, among other things, include aligning and coordinating with FAFSA's main vendors, various other relevant FSA systems, and external federal agencies.

## FSA Encountered Significant Delays and Development Issues with FPS

After awarding the contract for FPS development in March 2022, FSA encountered development issues (e.g., complex scope and lack of expertise). This led to two separate decisions to delay key FPS functionality. Specifically:

- In August 2022, FSA began the process of re-baselining the FPS schedule to move the delivery of a fully functional system from October 2023 to December 2023.<sup>20</sup> Agency officials stated that the final decision for this schedule change was made in early 2023 after briefing leadership from the department and the Executive Office of the President. On March 21, 2023, FSA posted an announcement to its website notifying the public about this decision.<sup>21</sup>

Officials explained that several factors contributed to this decision, including the complexity of scope to implement both the Fostering Undergraduate Talent by Unlocking Resources for Education (FUTURE) Act and FAFSA Simplification Act, while modernizing a

<sup>19</sup>In the Agile system development methodology, a product backlog is a high-level list, ordered from highest to lowest priority, of requirements for the entire program. Sprints are short, time boxed iterations in which increments of working software are produced. Each sprint is intended to provide distinct, consistent, and incremental progress of prioritized software features. For more information on Agile, see GAO, *Agile Assessment Guide: Best Practices for Adoption and Implementation*, [GAO-24-105506](#) (Washington, D.C.: November 2023).

<sup>20</sup>According to FSA officials, in June 2022, the FPS project team began working with its leadership and the system development contractor to address concerns regarding the delivery of the FAFSA application for the 2024-2025 award cycle.

<sup>21</sup>Office of Federal Student Aid, "(GENERAL-23-17) Implementing the 2024-25 FAFSA Process" (Mar. 21, 2023), last accessed July 2, 2025, <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2023-03-21/implementing-2024-25-fafsa-process>.

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process that had not been significantly altered in 40 years.<sup>22</sup> These officials also noted that system development delays had cascading effects on other schedule dependencies and there was a lack of available experts to focus on the implementation.<sup>23</sup>

- In November 2023, FSA decided that it would deploy a limited amount of FPS functionality in December 2023. The agency prioritized functionality that would allow financial aid applicants to submit an electronic FAFSA form but deferred other functionality, such as determining a student's financial aid eligibility, until a later date. This delay occurred because, according to officials, development of the remaining functionality was behind schedule and the contractor needed additional time to finish development and testing.

As previously discussed, FSA deployed the 2024-2025 FAFSA form in December 2023, which resulted in significant user-reported issues.<sup>24</sup> According to officials, in late March and early April 2024, processing and data errors were identified that affected approximately 30 percent of FAFSA forms. As a result, students and colleges lacked the information they needed to make important financial decisions about the upcoming school year.

FSA described the key challenges it encountered with the initial launch of the FAFSA form in December 2023. Specifically:

- The development teams for the Digital Customer Care, or front-end system, and FPS had to rely on each other and collaborate closely throughout the development process. This was a challenge because

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<sup>22</sup>This act amends section 6103 of the Internal Revenue Code and allows for certain federal tax information to be shared with FSA for, among other things, administration of the FAFSA form. See *Fostering Undergraduate Talent by Unlocking Resources for Education Act*, Pub. L. No. 116-91, 133 Stat. 1189 (Dec. 19, 2019). The FAFSA Simplification Act makes significant changes to the underlying processes and methodologies for determining federal student aid eligibility. See *FAFSA Simplification Act*, Pub. L. No. 116-260, Div. FF, Title VII, 134 Stat. 3137 (Dec. 27, 2020). The FAFSA Simplification Act Technical Corrections Act amended the FAFSA Simplification Act to require FSA to implement these changes by July 1, 2024. See *FAFSA Simplification Act Technical Corrections Act*, Pub. L. No. 117-103, Div. R, Section 102(a)(1), 136 Stat. 819 (Mar. 15, 2022).

<sup>23</sup>FSA officials explained that the lack of available experts stemmed from the agency's reliance on experts that were simultaneously staffed to other modernization and high priority projects.

<sup>24</sup>The 2024-2025 FAFSA form launched with a limited version of FPS. User-reported issues may not have been caused only by defects with the underlying system, FPS. Instead, issues with the infrastructure supporting FPS may have also contributed.



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the contractors developing these systems were different. Adding to this challenge was the need to integrate these systems with the Federal Tax Information Module and the identity and access management systems, also managed by another contractor.

- FSA lacked internal engineering expertise when it launched the FAFSA form in December 2023. FSA stated it brought in a team of technical leaders in the summer of 2024 and began hiring engineers and technical project managers in the fall of 2024.
- Each contractor created their own development environment and utilized their own tools that did not integrate with each other. This created issues that FSA stated it is still trying to mitigate.

Compounding these issues, according to FSA, was the timeline pressure to develop each component of the system all at once and launch them to the public in a single release. In addition, FSA stated that it had no additional time in the schedule to remediate any issues.

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## Education Reduced Its Workforce by Nearly Half in 2025

On March 11, 2025, Education announced that it was initiating a reduction in force that would impact nearly 50 percent of its workforce—approximately 2,000 employees.<sup>25</sup> According to the Secretary of Education, the reduction in force reflected the department’s commitment to efficiency, accountability, and ensuring that resources are directed where they matter most—students, parents, and teachers.

According to the announcement, the department stated it intended to continue to deliver on all statutory programs that fall under its purview. However, the announcement also stated that all divisions within the department would be impacted by the reduction, including FSA.

In May 2025, FSA officials stated that the agency had lost nearly half of its certified Contracting Officer’s Representatives during the first quarter of the calendar year. The officials added that they were working to identify and train new Contracting Officer’s Representatives, as well as acquire new resources to support FPS. Therefore, it is unclear if and how the

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<sup>25</sup>U.S. Department of Education, Press Releases, “U.S. Department of Education Initiates Reduction in Force” (website), last accessed May 27, 2025, <https://www.ed.gov/about/news/press-release/us-department-of-education-initiates-reduction-in-force>. In May 2025, a United States District Judge ordered the department to reinstate the federal employees whose employment was terminated or otherwise eliminated on or after January 20, 2025, as part of the reduction in force announced on March 11, 2025. The department appealed this decision in the First Circuit and requested that the Supreme Court issue an administrative stay of the injunction. In July 2025, the Supreme Court granted the stay.

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reductions in staff will affect the agency's ability to carry out its mission to manage and oversee student financial assistance programs, such as FAFSA.

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## GAO and Education's Office of Inspector General Have Previously Reported and Have Plans to Report on FSA Challenges

We and Education's Office of Inspector General have issued reports highlighting various challenges in the department's management of FPS and other IT modernization efforts. For example:

- In June 2023, we reported that FPS had critical gaps in its process to manage the project's cost and schedule.<sup>26</sup> We recommended that Education (1) ensure that a life cycle cost estimate is developed for the project and that the budget is updated based on this estimate, and (2) ensure that the project's schedule includes assumptions and constraints. The department agreed with the recommendations; however, as of August 2025 neither of them had been implemented. According to FSA officials, they had planned to fully address these recommendations by July 2025. At the time of this report, we were still working with Education to determine whether it has taken action to address the recommendations.
- In September 2024, we reported that FSA established agency guidance on how to define and manage IT requirements and carry out testing activities.<sup>27</sup> However, it did not always follow this guidance because, according to FSA, it was designed for projects that release all functionality at one time—not across several releases, like FPS. In addition, the agency did not establish or implement guidance to carry out independent verification and validation reviews for FPS.<sup>28</sup> Compounding these issues, the department lacked consistent leadership in its Chief Information Officer role. We made six recommendations to Education, including adhering to agency policy in managing requirements and testing, developing policy for independent acquisition reviews, and hiring a permanent

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<sup>26</sup>GAO, *Department of Education: Federal Student Aid System Modernization Project Should Better Estimate Cost and Schedule*, [GAO-23-106376](#) (Washington, D.C.: June 21, 2023).

<sup>27</sup>GAO, *Department of Education: Preliminary Results Show Strong Leadership Needed to Address Serious Student Aid System Weaknesses*, [GAO-24-107783](#) (Washington, D.C.: Sept. 24, 2024).

<sup>28</sup>Independent verification and validation reviews involve having a knowledgeable party who is independent of the developer determine that the system or product meets the users' needs and fulfills its intended purpose. If carried out effectively, these reviews can enable projects to proactively determine likely project risks early in the system development lifecycle.

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departmental Chief Information Officer. The department neither agreed nor disagreed with our recommendations. As of August 2025, Education had implemented one recommendation and had not yet implemented the remaining five. At the time of this report, we were still working with Education to determine whether they had taken further action to address the remaining recommendations.

- We also reported in September 2024 that the launch of FPS, which was delayed by 3 months, was hampered by a series of technical problems that blocked some students from completing the FAFSA application.<sup>29</sup> For example, students with parents or spouses that did not have a Social Security number encountered significant barriers to accessing and completing the FAFSA application form. In addition to system issues, nearly three quarters of all calls (4.0 million out of 5.4 million calls) to the call center—the main resource for applicant assistance—went unanswered during the first 5 months of the rollout. We made seven recommendations to Education, including that the department overhaul the submission process for parents and spouses without Social Security numbers and ensure sufficient call center staffing. Education neither agreed nor disagreed with our recommendations. As of August 2025, one of the recommendations had been implemented.
- In June 2024, Education’s Office of Inspector General reported on weaknesses in the way FSA adhered to its Lifecycle Management Methodology, its IT project delivery, and governance methodology for its Business Process Operations project.<sup>30</sup> For example, the Office of Inspector General attempted to review test summary reports to confirm that the project’s various systems had been successfully tested and what defects, if any, had been identified. However, FSA was unable to provide 22 of the 32 required reports (69 percent). The Office of Inspector General made several recommendations to FSA to improve testing practices, among others.

In April 2025, Education’s Office of Inspector General initiated a series of reviews to provide information on the impact to the department’s programs and operations following the reductions in the workforce.

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<sup>29</sup>GAO, *FAFSA: Education Needs to Improve Communications and Support Around the Free Application for Federal Student Aid*, [GAO-24-107407](#) (Washington, D.C.: Sept. 24, 2024).

<sup>30</sup>U.S. Department of Education Office of Inspector General, *FSA Transition Plans for Business Process Operations Vendors*, ED-OIG/A22DC0105 (Washington, D.C.: June 18, 2024). The Business Operations Project is part of a component of FSA’s work to overhaul federal student loan processing.

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## FSA Was Unable to Report the Current Status of FPS or Causes for Delays

According to officials in the office, the work is currently ongoing. In addition, in April 2025, we began work on the impact of the reductions in force on the capacity of the agency to carry out its statutory functions. As of August 2025, this work was ongoing.

In September 2024, we reported that, according to FSA, the status of FPS was incomplete. Specifically, nine of the 25 contractual requirements that define FPS's capabilities had not yet been deployed as of August 2024.<sup>31</sup> 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. Officials stated in September 2024 that these remaining requirements would be deployed across several releases starting in the fall of 2024 and ending in calendar year 2026.

As of May 2025, the agency was unable to provide the status of the remaining nine requirements for delivering the complete FPS system or the causes for any delays in completing them. In lieu of this, FSA provided high-level documentation describing the release schedule for the system, including planned features to deploy through May 2025. In addition, in June 2025, FSA stated that in the coming months, it would release the following functionality connected to the FAFSA:

- An overhaul of how contributors interact with the form, which FSA stated represents the top complaint of users and number one call driver to the contact center.<sup>32</sup> For example, students completing a 2026-2027 FAFSA form will be able to invite a parent or spouse as a contributor simply by entering their email, instead of asking students for a contributor's personally identifiable information. FSA stated that this functionality would be deployed in August 2025.<sup>33</sup>
- Real-time matching with the Social Security Administration to confirm a user's identity. This will allow students to complete the form in a single sitting versus having to wait 1 to 3 days to have their identity

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<sup>31</sup>GAO-24-107783. FSA originally intended to deploy all 25 contractual requirements that define FPS's capabilities when the system initially launched in December 2023.

<sup>32</sup>A contributor refers to anyone (student, the student's spouse, a biological or adoptive parent, or the parent's spouse) who is required to provide information on the FAFSA form.

<sup>33</sup>Office of Federal Student Aid, "(APP-25-18) 2026-27 FAFSA Improvements and Beta Testing Plan," (June 23, 2025), last accessed June 25, 2025, <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2025-06-23/2026-27-fafsa-improvements-and-beta-testing-plan>.

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verified. According to FSA, this will also allow for the immediate ingestion of tax information from the Internal Revenue Service. FSA stated that this functionality would be deployed in August 2025.<sup>34</sup>

- Real-time processing for a vast majority of students, providing students with an immediate understanding of their eligibility for aid. FSA did not provide a specific time frame for the release of this functionality.

At the time of this report, we were unable to determine whether this functionality would be included in the 2026-2027 FAFSA form.

The information FSA provided did not make clear how the planned releases aligned with the outstanding contract requirements nor did it outline detailed plans for future releases. FSA officials stated that they could not easily provide information on the status of the nine outstanding contractual requirements because they were not tracking the delivery of FPS in terms of the contractual requirements. Instead, officials stated that FSA prioritized features based on the value that they add to users and their alignment to its core goals and metrics. Officials added that they release software throughout the year and are moving away from an outdated model of planning years in advance for single annual releases.

Education's guidance states that every contract should be monitored to the extent appropriate to provide assurance that the contractor performs the work called for in the contract and develops a clear record of accountability for performance. Without tracking the status of FPS functionality in terms of the initial contractual requirements, the agency significantly increases the risk that it will not be able to ensure that the functionality called for in the contract is provided.

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## FSA Established Two Contract Oversight Approaches but Did Not Fully Implement Them

FSA established two different approaches to monitoring its contractor's performance for FPS. However, the agency did not fully implement either approach because it had not: (1) established all performance metrics prior to September 2024, (2) received data for all of the established performance metrics prior to November 2024, (3) validated contractor performance data, and (4) documented the actions it took to oversee contractor performance.

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<sup>34</sup>Office of Federal Student Aid, "(APP-25-18) 2026-27 FAFSA Improvements and Beta Testing Plan," (June 23, 2025), last accessed June 25, 2025, <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2025-06-23/2026-27-fafsa-improvements-and-beta-testing-plan>.

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## FSA Established Two Approaches to Contractor Oversight Throughout the Life of the Contract

Federal regulations generally require that government officials use performance-based acquisitions for services to the maximum extent practicable and then use measurable performance standards to oversee such contracts and perform government contract quality assurance.<sup>35</sup> To that end, FSA established two different performance-based approaches to oversee the FPS contract. One was established with the initial contract in March 2022. The other, a modified process, was established with a change to the contract in September 2024.

### FSA's Initial Contract Oversight Process

FSA's initial process to oversee the contractor's performance was documented as part of the original March 2022 contract in a Quality Assurance Surveillance Plan (QASP). This oversight process included performance metrics, surveillance methods, and customer feedback.

- **Performance metrics.** FSA's initial oversight process identified performance metrics, known as service level agreements (SLA), that were to be used to ensure the contractor was meeting the desired program outcomes. The FPS contract defined 28 SLAs across six categories: (1) system performance, (2) system testing, (3) system security, (4) Electronic Questionnaires for Investigations Processing, (5) contractor employee clearance monitoring, and (6) Student Aid Information Gateway Tier II help desk.<sup>36</sup>

Each SLA had an established performance target that the agency expected the contractor to achieve. Sixteen of the 28 SLAs included disincentive parameters for not meeting the expected service level targets. These SLAs were represented in each of the six categories the contract defined.

According to the QASP, FSA was to receive information on the compliance of performance metrics via reports from its contractor. The QASP notes that these reports could be produced in various forms, such as monthly and weekly contractor-provided progress reports, internal trackers for contract issues, and project boards.

In addition to SLAs, the agency was to work with its contractor to develop additional performance metrics—key performance indicators

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<sup>35</sup>See FAR 37.102(a), subpart 37.6 (Performance-Based Acquisition), and subpart 46.4 (Government Contract Quality Assurance).

<sup>36</sup>Electronic Questionnaires for Investigations Processing is a web-based, automated system that was designed to facilitate the processing of standard investigative forms when conducting background investigations for federal security, suitability, fitness, and credentialing services. It allows users to electronically enter, update, and transmit personal investigative data over a secure internet connection to a requesting agency.

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(KPI) and sprint metrics.<sup>37</sup> These metrics were to be developed after contract award and used by agency officials to monitor contractor performance.

- **Surveillance methods.** According to the QASP, performance metrics were to be assessed using performance monitoring techniques and tools. The QASP defined three surveillance methods that could be applied to surveil and validate contractor performance:
  - **100 percent inspection** where each month the agency would perform a complete review of performance reports and document the compliance results for contract requirements;
  - **periodic inspection** where an inspection would be performed periodically to evaluate some part, but not all, of the contractor's level of performance of a product or service being monitored; and
  - **random sampling** where statistical methods may be used to estimate the overall level of performance of some, but not all, of a specific contract requirement based on a representative sample drawn from a population.

The QASP also defined a suite of surveillance tools that contract oversight officials were to use to assess contractor performance reports. For example, these included the FSA Operations Tool that was intended to provide the agency with access to available real-time and historic operational data. The tool was to show system health, performance metrics, and enable operational functions.

According to the QASP, FSA was to record the results of its surveillance activities each month in a written report to include the contractor's submitted reports and other supporting evidence. The surveillance report was intended to demonstrate whether the contractor was meeting the stated objectives and performance standards.

- **Customer feedback.** The QASP established customer feedback as another method to assess contractor performance based on communication between the contractor and its customer—FSA.<sup>38</sup> According to the plan, the objective of this communication is customer satisfaction, which the QASP described as an indicator of the success

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<sup>37</sup>Examples of performance metrics for sprints include throughput and team capacity, the number of features completed, bug defects and resolution times, and stability of deployed system features over time.

<sup>38</sup>The QASP defines the customer as FSA staff who interact with the contractor or its products during the period of performance.

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FSA Revised Its Contractor Oversight Approach in Late 2024

and effectiveness of all services provided. The plan further notes that customer feedback can be provided in a variety of ways, including formal surveys, written complaints, and weekly and monthly progress meetings, among others.

FSA officials reported that they experienced challenges in implementing their initial oversight plans due to the staggered release schedule of the 2024-2025 FAFSA form. In addition, officials stated that elements of their initial oversight plan were inappropriately designed and implemented. For example, officials stated that their established performance measures targeted a system that was operational versus a system that was still in development.

To improve FSA's ability to monitor its contractor's performance in developing and operating the FPS system, the agency worked with its contractor and the U.S. Digital Service to establish, among other things, a new process for overseeing contractor performance.<sup>39</sup> This new contract oversight process was established with a contract modification in September 2024.

FSA's new approach to contract oversight focused primarily on performance metrics and surveillance methods and removed the previous requirement for customer feedback. In addition, the new process replaced the general surveillance methods with specific methods that are to be used to verify performance data for each identified metric.

FSA's newly established oversight process identified 13 performance metrics across seven categories: (1) planning, (2) requirements, (3) design, (4) development, (5) testing, (6) security, and (7) release. For each of these metrics, FSA defined the acceptable quality level and surveillance method to be used to determine whether the metric had been met. These methods of surveillance included manual reviews, automated checks, meetings, and documentation reviews.

In addition to the performance metrics, the new oversight approach also included 28 SLAs across nine categories: (1) system performance; (2) testing; (3) security; (4) FPS help desk; (5) annual development; (6) interfacing with other FSA systems; (7) stakeholder communications;

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<sup>39</sup>The U.S. Digital Service provides technological and process support to federal agencies. In January 2025, U.S. Digital Service was renamed to U.S. Department of Government Efficiency Service.



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(8) customer experience; and (9) production, operations, and maintenance.

Each SLA has an established performance target, and three of the 28 SLAs included financial disincentive parameters for not meeting the expected service level targets:

- system availability under the system performance category,
- incident notification timeliness under the system performance category, and
- employee departure notifications under the security category.

As with the previous oversight process, FSA was to receive information on the compliance with performance metrics through various reports from its contractor. For example, most SLAs are reported to FSA via a monthly progress report deliverable. Other performance metrics, such as sprint planning metrics, as defined by the QASP, are to be reported by the contractor through weekly progress reports and biweekly end-of-sprint reports.<sup>40</sup>

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## FSA Has Not Fully Implemented Its Approaches to Overseeing the Contractor's Performance

Education policy requires that every contract be monitored to provide assurance that the contractor performs the work called for in the contract and to develop a clear record of accountability for performance. To do this, government contract oversight officials are to

- validate monitoring efforts by obtaining supporting evidence to determine the reliability of contractor reports, and
- document officials' evaluation of contractor performance reports.

As previously mentioned, FSA's two oversight processes included performance metrics, surveillance methods, and customer feedback.<sup>41</sup> Although the agency modified its approach to improve contract oversight, it has continued to struggle with overseeing FPS system implementation.

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<sup>40</sup>FSA established two deliverables for its contractor—sprint planning reports and end-of-sprint reports—that correspond to Agile sprint planning activities under the new contract modification. These reports establish planned and completed work tasks, respectively, for each sprint iteration.

<sup>41</sup>In the revised contract oversight plan established by the September 2024 contract modification, customer feedback was removed as a method to monitor contractor performance.

In particular, the agency has not fully implemented either its previous or current oversight approach (see table 2).

**Table 2: Office of Federal Student Aid Implementation of Contractor Oversight Approaches for the Free Application for Federal Student Aid Processing System**

Oversight practice	Implemented by initial oversight approach?	Implemented by revised oversight approach?
Provide customer feedback	●	Not applicable <sup>a</sup>
Establish performance metrics	◐	●
Receive status information for performance metrics	◐	●
Surveil contractor performance	○	○
Document oversight	○	○

Legend: ●=Generally addressed. ◐=Partially addressed. ○=Not addressed.

Source: GAO analysis of Office of Federal Student Aid information. | GAO-25-107396

<sup>a</sup>In the revised contract oversight plan established by the September 2024 contract modification, customer feedback was removed as a method to monitor contractor performance.

FSA Conducted Customer Feedback in Its Initial Oversight Plan but Removed It from Its Revised Plan

According to its initial oversight plan, FSA was to assess contractor performance based on communication between the contractor and the agency by providing customer feedback through formal surveys, written complaints, and weekly and monthly progress meetings, among other methods. To that end, FSA officials provided detailed, written feedback to its FPS contractor so it could adjust how it was providing services as needed.

For example, from June 2022 to January 2024, FSA sent at least three letters to the contractor and expressed concerns with the way they were providing services to the agency. These concerns related to:

- the contractor’s implementation of the Agile process and requirements development practices,<sup>42</sup>
- the scope of the work required for the Award Eligibility Determination project,
- Agile coaching,

<sup>42</sup>Agile is an approach to software development in which software is developed incrementally and is continuously evaluated for functionality, quality, and customer satisfaction.

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- government team integration into product planning, and
  - the contract-required tools for supporting and managing FPS.

In response to these concerns, the contractor identified the remediation actions it took or planned to take.

In addition to the formal written complaints, FSA conducted surveys of its staff in December 2022 and June 2023 regarding their satisfaction with contractor performance. The survey covered an overall satisfaction rating, as well as results related to timeliness, quality, communication, issue management, and staffing. For example, about 54 percent of respondents reported that they were satisfied with the contractor's performance and 9 percent reported dissatisfaction.<sup>43</sup> However, in June 2023, satisfied responses dropped to 31 percent, while dissatisfied responses rose to 31 percent.<sup>44</sup>

Finally, FSA provided customer feedback through weekly progress meetings and biweekly contract meetings. In these meetings the agency tracked open issues, action items, status of performance metrics, contract discrepancies, as well as corrective actions taken by the contractor. In its September 2024 modification to the FPS contract, FSA did not include customer feedback as part of its revised contract oversight process.

### FSA Initially Lacked Certain Performance Metrics but Fully Established Metrics in Its 2024 Contract Modification

As previously discussed, the FPS contract states that KPIs and sprint metrics were to be developed and finalized after contract award to provide additional metrics to measure the contractor's performance. Once established, these metrics were to be reported via monthly progress reports and sprint reports by the contractor to the agency.

However, under FSA's initial oversight approach, the KPIs and sprint metrics were not finalized as planned. Officials stated that they deprioritized finalizing these metrics and, instead, focused on developing and delivering FPS functionality.

With the 2024 contract modification, FSA moved away from establishing KPIs and sprint metrics, as defined in their initial oversight process, and established new QASP performance metrics and revised the SLAs as

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<sup>43</sup>The remaining respondents reported that they were neither satisfied nor dissatisfied with the contractor's performance.

<sup>44</sup>The remaining respondents reported that they were neither satisfied nor dissatisfied with the contractor's performance.

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FSA Initially Lacked Status Information for All Performance Metrics Until It Modified Its Approach

previously discussed. By establishing and finalizing these metrics, FSA is better positioned to make data-driven decisions, reduce costs, and improve project outcomes.

FSA was not initially receiving status information from the contractor for most of the established performance metrics, hindering its ability to monitor them. Specifically, from June 2023 to March 2024,<sup>45</sup> FSA received status information from the contractor for nine of the 28 defined SLAs (approximately 32 percent) through monthly progress reports.<sup>46</sup>

FSA officials stated that certain SLAs were not monitored because they were focused on delivering functionality supporting the 2024-2025 FAFSA form. The officials added that they also had not yet established a process to receive information about all SLAs. Officials further stated that they had planned to use the FSA Operations Tool to monitor the contractor's work, but it was not yet available. Agency officials stated that without the tool they were hindered in their ability to monitor the SLAs as planned.

Under its revised oversight approach, established in September 2024, FSA was to receive information on the newly established performance metrics via reports from its contractor. In November 2024, the contractor began reporting on all the applicable QASP performance metrics and SLAs.<sup>47</sup> Specifically, the reports identified which metrics the contractor was able or not able to successfully achieve, an explanation of why a metric was not achieved, and a description of any applicable waivers for not meeting a metric. For example, the contractor could not meet two SLAs related to the FPS help desk in the months of November and December 2024 and January 2025 because of high call volumes. The contractor stated in these reports that it was working to increase staffing, but that the staffing candidates were waiting for preliminary clearance from FSA to begin work.

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<sup>45</sup>To determine whether FSA was receiving status information on performance metrics, we reviewed contract deliverables, such as monthly progress reports June 2023 to mid-March 2024. We discuss this in further detail in appendix I.

<sup>46</sup>This information primarily related to Electronic Questionnaires for Investigations Processing, contractor and employee clearance monitoring, and system security. FSA did not receive status information on, for example, development SLAs related to system testing and operational SLAs related to system performance.

<sup>47</sup>FSA received monthly progress reports in September and October 2024 that included limited performance metric information because, according to FSA, it was working with the contractor on what information to report and how to report it.

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FSA Did Not Validate  
Performance Data Using  
Surveillance Methods

By receiving status information on all established performance metrics, FSA is better positioned to make informed decisions on how well the system is performing and how effective its contractor is at meeting the needs of the agency.

As previously discussed, Education contract monitoring guidance requires contract oversight officials to validate monitoring efforts by obtaining supporting evidence to determine the reliability of contractor reports. However, FSA did not validate contractor performance data through established surveillance techniques in either of its oversight approaches.

According to agency officials, validating contractor-provided performance data has been a challenge because the agency does not have a way to do so independently. Specifically, during the initial process, FSA officials stated that they had planned to develop a method to independently validate data using the assistance of a support contractor. However, these efforts were not finalized by the time the support contract was terminated.

Under its revised oversight approach, FSA continues to lack a process to validate contractor performance data. According to officials, they are assessing whether to continue with plans to develop the FSA Operations Tool, as described by the contract, or some other alternative. FSA officials estimated that the tool or another alternative could be available by the end of 2025 or in 2026. According to the same officials, there are higher-priority items to be addressed first, such as the ability for school Financial Aid Administrators to track verification of student identities and finances.

Without surveilling and validating contractor performance, FSA continues to be limited in its ability to provide assurance that the contractor performs the work called for in the contract. In addition, the agency is unable to develop a clear record of accountability for performance.

FSA Did Not Document Its  
Oversight of Contractor  
Performance

In addition to validating the reliability of contractor reports, Education guidance requires contract oversight officials to document their oversight activities. Specifically, the guidance requires a written evaluation of contractor performance reports provided to the agency.

However, FSA did not document the actions it took to evaluate reports from the contractor on progress towards meeting performance metrics in either of its oversight processes. During the initial process, according to agency officials, performance reports were reviewed, but no formal

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process to document the outcomes of the review existed. Instead of documenting their review, officials stated that they held meetings with the contractor to convey any feedback on performance. FSA officials also noted that the lack of documentation was due, in part, to the fact that they were under resourced given the size of the contract.

Under its revised oversight approach, FSA continues to lack a process to document the actions it is taking to evaluate reports from the contractor on progress towards meeting performance metrics. Officials stated that they continue to rely on meetings with the contractor to convey any feedback on performance. However, without documenting the actions taken to evaluate contractor performance, FSA has limited assurance that proper steps are taken to ensure that contractor performance for FPS meets established standards. Further, the agency lacks a clear record of accountability for contractor performance, per Education's policy.

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## FSA Could Not Always Demonstrate That Key Oversight Staff Had Necessary Qualifications

FSA could not always demonstrate that key officials responsible for overseeing FPS had the proper qualifications to perform their job duties. In addition, the agency could not show that these key officials took specialized training related to the Agile system development methodology that was selected for developing FPS in a timely manner.

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## Key Contracting Officials Did Not Always Have Necessary Certifications

Federal regulations and Office of Management and Budget (OMB) guidance requires that key staff obtain and maintain federal certifications for acquisition- and project management-related work in civilian agencies.<sup>48</sup> To that end, OMB and the General Services Administration created Federal Acquisition Certification (FAC) programs to establish consistent competencies and standards for those performing acquisition-related work in civilian agencies:

- **FAC in Contracting (FAC-C) (Professional).** According to OMB guidance, acquisition workforce members performing the role and

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<sup>48</sup>The FAR requires contracting officer's representatives to be certified with the Federal Acquisition Certification for Contracting Officer's Representatives (FAC-COR). See FAR 1.602-2(d)(2). Office of Management and Budget, Office of Federal Procurement Policy, *Memorandum for Chief Acquisition Officers*, Senior Procurement Executives (Sept. 6, 2011). Office of Management and Budget, Office of Federal Procurement Policy, *Memorandum for Chief Acquisition Officers*, Senior Procurement Executives (Dec. 16, 2013). Office of Management and Budget, Office of Federal Procurement Policy, *Memorandum for Chief Acquisition Officers*, Senior Procurement Executives (Jan. 19, 2023).

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responsibilities of a Contracting Officer are required to obtain this certification.<sup>49</sup> The FAC-C (Professional) is a single-level certification with specific experience and training requirements.

- **FAC for Contracting Officer’s Representatives (FAC-COR).** This is a three-level certification with different training and experience requirements based on the level for which an individual is certified. For example, a level three FAC-COR will have higher training and experience requirements in comparison to a level two FAC-COR.
- **FAC for Program and Project Managers (FAC-P/PM).** According to General Services Administration guidance, this certification is meant for acquisition professionals performing program and project management activities and functions. This could include roles such as the Project Manager, Product Manager, and Systems Integrator.<sup>50</sup> This is a three-level certification where requirements increase as the level increases. The FAC-P/PM certification also has specialization options, such as its FAC-P/PM with IT specialization for program and project managers supporting IT acquisitions.<sup>51</sup>

According to OMB policy, to maintain each certification, individuals must meet specific continuous learning requirements over a 2-year period. These requirements can be met through a variety of acquisition-related learning activities, including training.

However, FSA was not able to demonstrate that all the key contracting officials for FPS met these requirements while they were assigned to the project. Table 3 provides details on the extent to which FSA showed that these officials possessed or maintained required certifications.

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<sup>49</sup>This certification includes the completion of four foundational courses, 1 year of experience in applying established competencies, and passing the professional certification exam. OMB requires acquisition workforce members holding Contracting Officer warrants and contracting professionals in the 1102 job series—the contracting series—to have the FAC-C certification. A Contracting Officer must have a warrant to enter into, administer, and terminate contracts.

<sup>50</sup>As previously discussed, the Project Manager plays an important role in ensuring that performance standards are established, and contractors deliver what they promise. The Product Manager, among other things, establishes the priorities for designing and developing products and scoping the work to be completed. The Systems Integrator’s daily tasks, among other things, include aligning and coordinating with FAFSA’s main vendors, various other relevant FSA systems, and external federal agencies.

<sup>51</sup>To obtain the IT specialization of the FAC-P/PM, program and project managers must have 2 years of experience in applying established competencies.

**Table 3: Extent to Which Key Free Application for Federal Student Aid (FAFSA) Processing System (FPS) Contracting and Program Officials Obtained and Maintained Certifications**

Contracting official	Required certification	GAO rating	GAO assessment
Contracting Officer	<p>Federal Acquisition Certification (FAC) in Contracting (Professional)</p> <ul style="list-style-type: none"> <li>• Both Office of Management and Budget (OMB) and Department of Education guidance require Contracting Officers to obtain the certification before being appointed to any contract.</li> <li>• Education guidance requires Contracting Officers to maintain the certification while appointed to any contract. OMB guidance requires certification holders to meet continuous learning requirements.</li> </ul>	●	<p>Since the award of the FPS contract in March 2022, the Office of Federal Student Aid (FSA) has assigned one Contracting Officer to the FPS contract.</p> <ul style="list-style-type: none"> <li>• FSA demonstrated that the Contracting Officer for FPS obtained the certification in September 2008, which was prior to the award of the FPS contract.</li> <li>• According to training records provided by FSA, the Contracting Officer met the continuous learning requirements to maintain this certification through the time of our review in May 2025.<sup>a</sup></li> </ul>
Contracting Officer's Representative	<p>FAC for Contracting Officer's Representatives</p> <ul style="list-style-type: none"> <li>• Federal regulations and Education guidance require Contracting Officer's Representatives to obtain the certification before being appointed to any contract.</li> <li>• Education guidance requires that Contracting Officer's Representatives appointed to complex, high-risk contracts, such as FPS, obtain a level three certification.</li> <li>• Federal regulations and Education guidance require Contracting Officer's Representatives to maintain the certification while appointed to any contract. OMB guidance requires certification holders to meet continuous learning requirements.</li> </ul>	●	<p>Since the award of the FPS contract in March 2022, FSA has assigned three Contracting Officer's Representatives.<sup>b</sup> One was assigned in March 2022, another in October 2024, and the third in April 2025.</p> <ul style="list-style-type: none"> <li>• FSA demonstrated that all three representatives obtained their certifications prior to being assigned to the contract.</li> <li>• The representative appointed at contract award (March 2022) until March 2025 obtained a level two and not a level three certification as required by Education.<sup>c</sup> The other two representatives obtained a level three certification.</li> <li>• According to training records provided by FSA, all three Contracting Officer's Representatives met the continuous learning requirements to maintain their certifications throughout the remainder of their assignment, or by the time of our review in May 2025.<sup>a</sup></li> </ul>



Project Manager and other project management staff	<p>FAC for Program and Project Managers</p> <ul style="list-style-type: none"> <li>• OMB and Education guidance require Project Managers for major IT acquisitions, such as FPS, to obtain a level three certification with the IT specialization.</li> <li>• Education guidance requires Project Managers to maintain the certification while leading any project. OMB guidance requires certification holders to meet specific continuous learning requirements.</li> <li>• According to General Services Administration guidance, this certification is also for acquisition professionals in the federal government performing program and project management activities and functions. This could include other key staff, such as the Product Managers and Systems Integrators.</li> </ul>	<p>Since the award of the FPS contract in March 2022, FSA has assigned two FPS Project Managers in March 2022 and March 2025, two Product Managers in March 2022 and August 2022, and a Systems Integrator in June 2022.</p> <ul style="list-style-type: none"> <li>• Both FPS Project Managers obtained their level three certifications with IT specialization prior to being assigned to the contract, in March 2017 and January 2024 respectively.</li> <li>• According to training records provided by FSA, the Project Managers respectively met the continuous learning requirements to maintain their certifications throughout their assignment to the contract or by the time of our review in May 2025.<sup>a</sup></li> <li>• The FPS Product Managers and the Systems Integrator had not obtained this certification.<sup>d</sup></li> </ul>
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○ = Requirement not met, ◐ = Requirement mostly not met, ◑ = Requirement partially met, ◒ = Requirement mostly met, ● = Requirement fully met  
Source: GAO analysis of FSA information. | GAO-25-107396

<sup>a</sup>FSA officials stated that they can only view records from the current continuous learning period and one period prior, which at the time of our review was from May 1, 2022 through April 30, 2024. FSA provided documentation showing that the Contracting Officer, one of the Contracting Officer’s Representatives, and one of the Project Managers maintained their certification during the prior continuous learning period. Although this does not cover the beginning of these officials’ assignment periods, March 31, 2022, we considered this short period of time inconsequential.

<sup>b</sup>According to FSA documentation, the agency assigned the first Contracting Officer’s Representative to the FPS contract at award in March 2022. This individual served in that role until they left the agency in March 2025. In October 2024, FSA assigned a second Contracting Officer’s Representative to serve until around March 2025. In April 2025, FSA assigned a third representative who will remain on the contract through termination, according to FSA officials.

<sup>c</sup>According to FSA, this Contracting Officer’s Representative completed all necessary training for the level three FAC for Contracting Officer’s Representatives but did not submit the request to receive the level three certification.

<sup>d</sup>According to FSA, the Systems Integrator completed all necessary training for the FAC for Program and Project Managers but did not submit the request to receive the certification.

Several FSA key oversight officials did not obtain the necessary certifications for various reasons. FSA officials stated that the Contracting Officer’s Representative had not obtained the required level three certification because, although the representative completed the necessary training, they did not submit the request to receive the level three certification. In addition, FSA officials stated that the Product Manager was unable to attend the training required for the project management certification and that the Systems Integrator completed all necessary training for the certification but did not submit the request to receive it.

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According to FSA, workload and budgetary constraints were contributing factors to the lack of certifications. Officials added that they are taking proactive steps to address the certification needs related to the FPS effort, while adjusting to the recent loss of significant resources. Until FSA ensures that key contracting and program officials obtain and maintain required certifications, it increases the risk that the officials will lack the necessary qualifications to effectively oversee major acquisitions, such as FPS.

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### Key Acquisition Staff Lacked Specialized Training in Agile Systems Development Practices

OMB and the U.S. Digital Service collaborated to develop the Digital IT Acquisition Program (DITAP) to provide timely, relevant, and continuous training for acquisition professionals procuring digital services.<sup>52</sup> OMB guidance requires or encourages specific acquisition professionals to attend DITAP training if they are assigned to large acquisitions consisting primarily of digital services, such as FPS.<sup>53</sup>

DITAP includes training on the Agile development methodology and is required by OMB and Education for Contracting Officers. The training is encouraged by OMB for Contracting Officer's Representatives and other key acquisition personnel performing program and project management activities and functions, such as Project and Product Managers and Systems Integrators.

However, these key acquisition personnel did not attend DITAP training, according to FSA. Agency officials stated that due to budget limitations, the agency has only been able to provide half of its contracting professionals with DITAP training. In addition to budget limitations, officials stated that the Contracting Officer was unable to attend the training because of the departure of multiple staff supporting contract oversight and challenges they experienced with the FPS contract.

FSA staff overseeing the contract reported difficulties in performing their roles because they lacked experience and training with the Agile methodology that was selected for developing FPS. For example, according to agency staff, their lack of experience and training in Agile

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<sup>52</sup>DITAP training was developed in 2016 and is a 6-month specialized training and development program comprised of 80 hours of training. In January 2025, U.S. Digital Service was renamed to U.S. Department of Government Efficiency Service.

<sup>53</sup>OMB guidance requires FAC-C (Professional) holders and encourages level two or three holders of the FAC-COR or FAC-P/PM to attend DITAP training if they are assigned to acquisitions consisting primarily of digital services over Federal Acquisition Regulation 13.500(c) thresholds, which is \$15 million.

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made it difficult for them to use reported information to effectively monitor FPS's progress.<sup>54</sup> For example, the contractor provided oversight officials with information, such as sprint velocity and burndown, but the FSA officials were not aware of how to use the information effectively to determine what progress was being made in the FPS effort.<sup>55</sup>

FSA officials stated that the Contracting Officer attended other training related to Agile, but this was 2 years before the FPS contract award. FSA officials also stated that multiple FAFSA team members, including the FPS Product Manager, attended Agile project management training in April 2019, nearly 3 years prior to contract award. The extensive amount of time between the staff attending the training and the need to apply the training to fulfill their job duties for the FPS effort likely contributed to the lack of Agile knowledge.

The contract's initial performance work statement in the March 2022 contract noted that the FPS program team, which would include staff overseeing the contract, is less familiar with Agile methodologies and would require additional training and support from the contractor. This statement demonstrated that FSA knew that the staff needed to take specialized training but did not ensure it happened.

By not providing its contract oversight staff with the appropriate Agile-based training in a timely manner prior to contract execution, FSA increased its risk that staff would lack the knowledge they needed to effectively monitor the FPS contract. Proper training of staff will become continuously more important with the increase in FSA personnel turnover in 2025.

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<sup>54</sup>According to our Agile Assessment Guide, Agile-managed programs collect actual data associated with the program's releases, features, and capabilities to enable contract oversight and hold contractors accountable for producing quality deliverables. See [GAO-24-105506](#).

<sup>55</sup>Sprint velocity is a metric that evaluates project performance specific to an Agile team. Specifically, velocity quantifies the work developers can deliver in each Agile iteration via units called story points. Burndown is a reporting tool that captures and represents velocity data.

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## FSA Did Not Fully Apply Disciplined System Testing Practices for FPS

We have previously reported that FSA's test plan for FPS development did not align with leading system testing practices. In addition, FSA developed test cases that were to guide its efforts in testing the FPS system prior to launch, but most of them lacked key information. Further, while FSA has improved its testing efforts by engaging users, the agency does not have a plan to guide its future efforts.

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## FPS Has Not Implemented Prior Recommendation Related to Test Planning

Testing an IT system is essential to validate that the system will satisfy the requirements for its intended use and user needs. Effective testing facilitates early detection and correction of software and system anomalies. It also provides information to key stakeholders for determining the business risk of releasing the product in its current state. Leading industry practices for systems development identified by the Institute of Electrical and Electronics Engineers (IEEE) state that entities should document their planned activities for systems testing in a test plan.<sup>56</sup> The leading practices also identify what information should be included in a test plan, such as roles and responsibilities, entry and exit criteria, and deliverables, among other things.

In September 2024, we reported that although FSA had guidance for testing IT systems that aligned with leading practices, the agency had not ensured that its FPS system development contractor developed well-defined test plans.<sup>57</sup> Our report states that although the contractor developed a draft plan for testing major FPS releases, the plan was not finalized before testing began. In addition, according to the report, the plan did not include key details for each of the test events, such as roles and responsibilities, entry and exit criteria, and deliverables. Nevertheless, FSA gave approval for its contractor to perform various testing activities.

The report also highlighted that FSA had conducted several test events for FPS prior to initial deployment in December 2023 consistent with the agency's guidance, including integration and performance testing. However, the agency lacked system testing with actual end users (e.g., student and parent applicants, and colleges) prior to deploying the

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<sup>56</sup>Adapted and reprinted with permission from © Institute of Electrical and Electronics Engineers, *IEEE Standard for Software and System Test Documentation*, IEEE Standard 29119 2021(E) (Apr. 24, 2024).

<sup>57</sup>[GAO-24-107783](#).

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system. Further, FSA's guidance on system testing did not describe how to carry out such testing.

FSA's Assistant Deputy Chief Operating Officer at the time of the September 2024 report told us that the agency's guidance for managing projects was designed for projects that deploy all functionality at one time—not across several releases, like FPS. That official added that FSA made every effort to follow its guidance, but that the guidance did not always fit the agency's approach for implementing FPS.

However, FSA had not developed a plan that tailored its guidance on system testing to fit its current incremental deployment approach. In the September 2024 report, we recommended that Education develop a plan that tailors the agency's guidance on system testing to fit its current incremental deployment approach and to implement the plan.

As of June 2025, this recommendation had not been addressed. In our prior report, the FSA Assistant Deputy Chief Operating Officer stated that the agency had begun to draft a plan that tailors the agency's approach for following its guidance and expected to finalize that plan in early fall 2024. However, FSA has not provided an update on the actions it has taken to address the recommendation.

Further, according to officials in January 2025, they do not intend to update the master test plan for future FPS releases to align with leading practices because they want to focus on delivering additional system functionality. However, focusing on delivering functionality without having the tailored guidance or a master test plan increases the risk that the resulting functionality will not fully meet the needs of the agency and its users. Further, until FSA updates its guidance and test plan, the agency unnecessarily increases the risk of problems going undetected until late in the system's release, such as the issues FSA encountered during the initial launch.

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## FPS Test Cases Lacked Key Information

Test cases describe scenarios that the system must perform to meet intended requirements. They are used to determine whether an application, system, or a particular system feature is working as intended. Leading practices in systems development identified by IEEE call for each test case to:

- include a unique identifier so that each test case can be distinguished from all other test cases,

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- identify and describe the objective,
  - define the priority for the testing,
  - describe the preconditions of the test environment,
  - describe traceability,
  - specify the inputs required for execution, and
  - specify expected results required of the test items.<sup>58</sup>

IEEE also states that the actual results of the executed test cases should be documented. They should then be compared to the expected results to determine the final test result.

FSA developed test cases for FPS user acceptance and end-to-end testing for the 2024-2025 and 2025-2026 FAFSA cycles. These test cases included some, but not all, of the recommended components. Specifically, for the 2024-2025 FAFSA cycle, most of the test cases specified inputs (242 of the 244) and expected results (241 of the 244). However:

- 232 did not include a unique identifier,
- 86 did not describe an objective,
- 244 did not define testing priorities,
- 238 did not describe preconditions, and
- 244 did not describe traceability.

For the 2025-2026 FAFSA cycle, most of the test cases specified inputs (107 out of 108) and expected results (98 out of 108). However:

- 89 did not include a unique identifier,
- 85 did not describe an objective,
- 108 did not define testing priorities,
- 96 did not describe preconditions, and
- 95 did not describe traceability.

In addition, many of the test cases did not include enough information to determine whether the tests passed, failed, or were executed at all.

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<sup>58</sup>Adapted and reprinted with permission from © Institute of Electrical and Electronics Engineers, *IEEE Standard for Software and System Test Documentation*, IEEE Standard 29119 2021(E) (Apr. 24, 2024).

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Specifically, FSA did not document actual results for 186 of the 244 test cases from 2024-2025 and 59 of the 108 test cases from 2025-2026. Therefore, it was unclear whether the tests were ever performed. FSA staff could not explain why the test cases lacked key information.

This occurred, in part, because FSA's existing test management standards did not include guidance on what information is required when developing test cases. Without such a standard, FSA could likely continue to lack key information needed to ensure that the test cases support system requirements and reflect the system's ability to perform as intended, regardless of the testing method used.

In June 2025, FSA officials stated that testing at the agency is migrating from traditional manual testing of discrete business functionality to establishing an environment that allows for maximum automated testing. The officials added that this would allow for immediate and comprehensive testing in minimal amounts of time using much fewer resources.

However, the officials did not have a time frame for when this migration to automated testing would take place and did not provide details on how the automated testing would be implemented. Nonetheless, without guidance on how FSA should develop test cases, future testing will likely continue without the information necessary to effectively carry it out.

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### FSA Improved Testing by Engaging Users and Mitigating Errors but Does Not Have a Plan to Guide Future Efforts

Leading practices developed by IEEE suggest that systems testing should be conducted early and often in the life cycle of a systems development project. This allows for the modification of products in a timely manner, thereby reducing the overall project and schedule impacts. In addition, as previously stated, test plans are key to ensuring that testing is carried out effectively.

One type of system testing—beta testing—allows an entity to release a nearly finished product to a limited group of external users to test and provide feedback before its official launch. This allows developers to identify errors, usability issues, and make improvements based on real-world user experiences before releasing the product to the wider public.

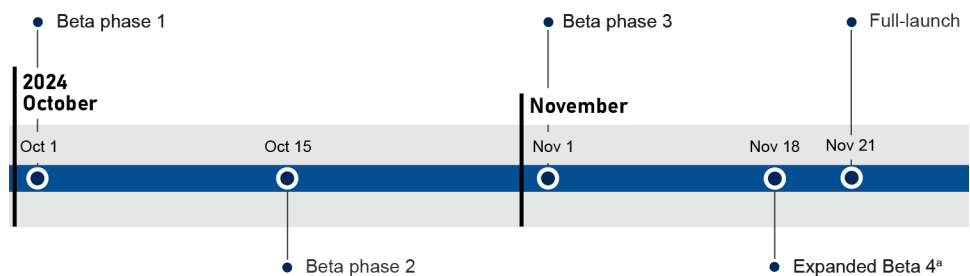
### FSA Engaged with Users to Perform Beta Testing for the 2025-2026 FAFSA Award Cycle

In September 2024, we reported that FSA had not tested the FPS system with actual end users (e.g., student and parent applicants, and colleges) prior to deploying the system for the 2024-2025 FAFSA award cycle. FSA officials explained that they did not conduct such testing due to time

constraints. As a result, the officials did not have assurance that FPS would meet end user needs.

To mitigate this, FSA conducted four rounds of beta testing with a variety of students prior to the launch of the 2025-2026 FAFSA cycle. These tests were intended to help instill trust in its users that the system would work as promised. The agency conducted beta testing from October 1, 2024, through late November 2024 in four phases (see figure 3).

**Figure 3: Timeline of Beta Testing Activities for the Free Application for Federal Student Aid Processing System**



Source: GAO analysis. | GAO-25-107396

<sup>a</sup>FSA opened the form to any interested student or family in an expanded beta four phase.

With each phase, FSA engaged with an increasing number of students and, as a result, more FAFSA forms were submitted by student testers with each phase. Specifically, the agency reported that:

- beta phase one had a total of approximately 680 FAFSA form submissions.
- beta phase two had more than 700 submissions within the first 2 days and there were approximately 1,000 total submissions.
- beta phase three had a total of 10,000 submissions.
- beta phase four had an additional 4,000 submissions.

FSA opened the form to any interested student or family in the expanded beta four phase on November 18, 2024. The agency reported that at the end of its beta testing, there were 122,340 submissions. According to officials, the beta testing effort resulted in the 2025-2026 FAFSA form



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launching without any known critical defects.<sup>59</sup> Officials added that this was due to their efforts in identifying and resolving defects during testing, which we discuss in more detail later in this report.

Agency officials emphasized that the complexity of different FAFSA user types necessitated beta testing with actual users. In addition to testing the FPS system with users, FSA also wanted to ensure that beta testing included the external support capabilities for the FAFSA form. For example, agency officials stated that FSA wanted to test support operations and call center support for accuracy and timeliness before the 2025-2026 FAFSA form fully launched.

FSA stated that the agency focused on several key requirements when planning for the beta testing effort. Specifically, the agency focused on:

- **Creating a substantial scale with a variety of users.** According to FSA officials, they wanted beta testing to include a large number of students with a variety of circumstances to ensure that they adequately tested the system. To do this, they engaged with different types of users that would interact with the form in different ways. FSA wanted to avoid only testing with “typical” users. Beta testing with user groups like students who are provisionally independent, have mixed status families, or are incarcerated allowed the agency to test how the form responded to the atypical information these users provided.<sup>60</sup>

To ensure its beta testing included a variety of student types, FSA recruited testers from community-based organizations, high schools (both public and private), school districts, colleges, and universities.<sup>61</sup> According to agency officials, these organizations were important

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<sup>59</sup>According to FSA, critical defects prevent the accomplishment of a mission-essential capability.

<sup>60</sup>Provisional independent students submit the FAFSA form without parent information. Students generally must have a Social Security number to be eligible for federal student aid. To receive federal student aid, a student must be a U.S. citizen or U.S. national, a citizen of the Freely Associated States (the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau), or a lawful U.S. permanent resident or other eligible noncitizen. We use the term “mixed-status family” to broadly refer to families in which the student is eligible to apply for the FAFSA and their contributor(s) (i.e., parent or spouse) do not have a Social Security number. Most contributors in mixed-status families are parents and spouses that make up 6 percent of all contributors without Social Security numbers.

<sup>61</sup>Community-based organizations are public or private nonprofit organizations that (1) are representative of a community or significant segments of a community and (2) provide educational or related services to individuals in the community.

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FSA Reported Identifying and Resolving System Defects Throughout Beta Testing Phases

because they are familiar with the FAFSA form, are good at recruiting, and typically have access to specific populations, such as unhoused or incarcerated students. FSA also wanted to include various types of relevant organizations in its beta tests. This included colleges that were customers of major financial aid software vendors that processes student information to test that the system was compatible with their software.

- **Performing end-to-end testing.** According to FSA officials, they wanted the beta testing effort to not only include the submission of the FAFSA form, but also the system’s functionality beyond that. For example, the agency wanted to ensure that colleges were able to load Institutional Student Information Records (ISIR) into their financial aid software.<sup>62</sup>

According to FSA, every university uses software programs for financial aid administration that compile various aid packages for students into a single financial aid offer. These aid packages include federal, state, institutional, and other types of financial aid. These financial aid offers, according to agency officials, rely on ISIR data, which necessitated testing various software vendors against new ISIR formats.<sup>63</sup> By working with colleges and other relevant organizations, FSA was able to indirectly test software vendors’ ability to download and process ISIRs.

For the first phase of beta testing, FSA held six in-person events for students to complete the FAFSA form. The agency had “bug fix” teams at these events to monitor the system live while students completed their forms so that they could try to correct system defects as they occurred.

According to FSA officials, they identified and resolved approximately 30 system defects during beta testing. Officials added that most of the defects found were related to errors that prevented students from moving forward in the form. For example, when some students tried to establish new FAFSA accounts, the system would either not create the account or block students from entering the form after account creation. Officials stated that these types of defects would not have been identified without having engineers on-site observing the students.

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<sup>62</sup>FAFSA student records—known as ISIRs—are sent to colleges designated by the student on the FAFSA application. Colleges generally cannot provide students with financial aid packages without first receiving a processed student record from Education.

<sup>63</sup>The FAFSA Simplification Act resulted in changes to the ISIR formats including new data elements and record layout updates.

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## FSA Lacks a Plan for Future Beta Testing Efforts

FSA also collected user feedback through multiple channels; overall, most users reported a good experience with the form during beta testing, according to its website.<sup>64</sup> The primary channels were a feedback form, a post-completion survey, feedback during in-person events, and calls received through the Federal Student Aid Information Center or help desk. According to FSA's website, user feedback about reasonableness of submission time and overall satisfaction were above 90 and 95 percent, respectively.<sup>65</sup>

As previously discussed, leading industry acquisition practices, as well as FSA's test management standards, state that well-defined test plans should be developed for each test event. However, the agency lacked a plan to guide its future beta testing efforts. In March 2025, officials stated that the agency would include a beta testing period for all future major FAFSA form releases as a standard practice. To that end, in June 2025, FSA announced that it would begin beta testing for the 2026-2027 FAFSA award cycle on August 4, 2025. However, according to officials, they will not be creating plans for these efforts.

FSA officials also told us that its management decided, due to limited time and resources, to focus on implementing a working FAFSA product instead of developing detailed documentation to support the beta testing approach. However, since FSA plans to continue beta testing for future releases without plans, it will continue to lack assurance that the testing is consistently executed and is of sufficient quality to ensure that FPS functions as intended. This risk is exacerbated by the significant reduction in Education's staff in 2025.

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## Conclusions

Effectively managing the FPS acquisition is imperative to ensuring that millions of students seeking federal aid can successfully apply. Key to managing such contracts is ensuring the contractor performs the work called for. However, FSA has not tracked the progress of the requirements outlined in the contract or fully implemented its oversight approach, leaving it without a clear record of accountability. Establishing more comprehensive approaches to contract monitoring will greatly

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<sup>64</sup>Office of Federal Student Aid, 2025-26 FAFSA Beta Central, "Data" (website), last accessed Apr. 22, 2025, <https://fsapartners.ed.gov/beta/Data>.

<sup>65</sup>According to FSA's website, satisfaction is defined as the percentage of users who, upon completion, respond "5" or "4" (on a 1-5 scale) to the question, "Please rate your overall satisfaction with the FAFSA form (1 being the worst, 5 being the best)."

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improve FSA's ability to ensure the contractor is performing at the levels the agency outlined.

A key contributing factor to these contract oversight shortcomings was that agency staff was unprepared to conduct oversight because they lacked experience and training in FPS's project management framework. This made it difficult for the agency to monitor the contractor's progress in delivering the system. This happened, in part, because FSA did not ensure that all personnel had obtained appropriate qualifications or training. A process for ensuring that oversight staff are provided with relevant training and are fully qualified before being assigned to a contract will better position the agency to ensure that staff have the knowledge they need to effectively monitor the FPS contract.

Further exacerbating the lack of effective management was the agency not fully implementing leading system testing practices because it did not adequately plan for testing prior to deploying the system. Establishing more comprehensive standards for system testing would greatly improve FSA's ability to ensure the system is appropriately tested before deployment.

Until FSA makes progress in these important areas, FPS is at risk of not functioning as intended in future releases, leading to students having trouble in obtaining timely aid. Further, the FPS contract is at risk of over-expenditure and potentially wasting taxpayer dollars. These risks are compounded by reductions in staff that likely impact the agency's ability to carry out its mission to manage and oversee student financial assistance programs.

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## Recommendations for Executive Action

We are making seven recommendations to Education:

The Secretary of Education should direct the Chief Operating Officer of FSA to take steps to improve its contract monitoring process to provide assurance that the contractor performs the work called for in the contract for FPS and develops a clear record of accountability for performance. (Recommendation 1)

The Secretary of Education should direct the Chief Operating Officer of FSA to establish a process to validate the contractor performance reports it receives. (Recommendation 2)

The Secretary of Education should direct the Chief Operating Officer of FSA to establish a process to ensure that assessments of contractor

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performance are documented in accordance with departmental guidance. (Recommendation 3)

The Secretary of Education should direct the Chief Operating Officer of FSA to take steps to ensure that all personnel performing program and project management activities and functions for the FPS contract obtain the appropriate FAC certifications. (Recommendation 4)

The Secretary of Education should direct the Chief Operating Officer of FSA to take steps to establish a process to ensure that all personnel performing contract oversight roles and responsibilities are provided with training related to the project management framework of the contract they are overseeing prior to contract execution. (Recommendation 5)

The Secretary of Education should direct the Chief Operating Officer of FSA to develop a standard or update its existing standard to include test case criteria for testing the FPS system that align with leading practices. (Recommendation 6)

The Secretary of Education should direct the Chief Operating Officer of FSA to develop a plan for its beta testing efforts for future iterations of FPS. (Recommendation 7)

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## Agency Comments, Third-Party Views, and Our Evaluation

We provided a draft of this report to Education and the FPS contractor for review and comment. FSA, on behalf of the department, provided written comments, reprinted in appendix II. The FPS contractor provided technical comments, which we incorporated as appropriate.

In its written comments, FSA stated that our draft report is, if anything, an understatement of significant and widely reported challenges faced by students and colleges. We disagree that GAO has understated challenges. In September 2024, we provided two testimonies before a congressional subcommittee on the serious problems with the rollout.<sup>66</sup> We concluded, among other things, that a litany of delays and issues had derailed students in seeking aid and undermined colleges' ability to provide the aid. We stressed that department leadership was needed to address the serious weaknesses. The subcommittee chairman agreed that GAO had uncovered new and troubling information on the rollout.

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<sup>66</sup>[GAO-24-107407](#) and [GAO-24-107783](#).

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The two testimonies provide further detail on the issues that occurred after the December 2023 launch of FAFSA and how they affected students' ability to receive aid. Among other things, we identified the problems that students encountered when starting, completing, and submitting the application, as well as the problems they encountered after submitting it. We also discussed how these issues affected the number of FAFSA submissions and students' ability to make decisions about where to attend college.

In its comments, FSA also stated that it believes our analysis teaches the wrong lessons and reinforces the exact practices that led to the FAFSA's initial challenges. However, FSA did not explain how our work reinforces the practices that led to FAFSA's initial challenges. As our report notes, FSA was not appropriately overseeing the work of its contractor and did not adequately ensure rigorous testing of the system. By not doing so, FSA put the FAFSA modernization effort at risk of failure, which their letter points out.

FSA further stated that it disagrees with several key parts of the draft report, especially where, in the agency's view, the report applies a more traditional and somewhat outdated project-based model that does not support modern technology development for scaled systems like FAFSA. The agency identified a product operating model by the Niskanen Center that it strongly supports because the model advocates for modern technology development within government. The agency stated that this more modern model is at odds with our focus on rigid compliance with specific outputs listed in contracts signed years before a feature is delivered to the public.

We disagree with these statements. The product operating model identified by the Niskanen Center, as the center points out, is a structure to operationalize Agile principles. This is also known as APOM. We have long supported effective application of Agile principles. In September 2020, we issued a guide for adoption and implementation of Agile and

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updated this guidance in November 2023.<sup>67</sup> We have also conducted many reviews of agencies' implementation of Agile.<sup>68</sup>

To guide this report, we used current federal and agency guidelines and requirements, as well as established best practices and the FPS contract. In addition, FSA could work with its contractor to modify the contract to update requirements and has, many times since the original 2022 contract was signed. The requirements in the contract, whether the agency agrees with them or not, lay out the agreed upon work and deliverables that the agency can use to hold its contractor accountable for delivering what was promised to the federal government. It is also a key tool in ensuring federal tax dollars are spent appropriately.

FSA's comments also provided information to clarify how the overall components of the FAFSA function. Specifically, the letter noted that the FAFSA system is comprised of key components that include, but are not limited to, the FPS system. FSA stated that our report overly focuses on a single contract and vendor, not the larger issue of coordination among many contracts and vendors and the gap in technical talent within the federal government. While we understand that the FAFSA modernization initiative is broader, we focused on the FPS system because it processes student aid applications and determines aid eligibility. We have included information on the other components in the background section of our report to provide the additional context requested by the agency.

FSA also commented that our report only references FPS and the FPS contract but misses key background and challenges with the December 2023 rollout of the FAFSA. We incorporated this information in the background of our report.

FSA's comments also included information on the operating changes introduced to the FAFSA team in the past year. According to the letter, the department brought in technical experts to support the 2025-2026 FAFSA form in the summer of 2024. The letter further stated that the department has modified its contracts with vendors around key changes.

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<sup>67</sup>GAO, *Agile Assessment Guide: Best Practices for Agile Adoption and Implementation*, GAO-20-590G (Washington, D.C.: September 2020) and [GAO-24-105506](#).

<sup>68</sup>For example, see GAO, *IT Systems Annual Assessment: DOD Needs to Improve Performance Reporting and Cybersecurity Planning*, [GAO-25-107649](#) (Washington, D.C.: June 12, 2025) and *Financial Management Systems: VA Should Improve Its Requirements Development, Cost Estimate, and Schedule*, [GAO-25-107256](#) (Washington, D.C.: Feb. 24, 2025).

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While these are positive steps, our report highlights the importance of other steps the agency should take to ensure taxpayer dollars are spent appropriately. It will also be important, as the agency moves toward more automated testing, that it takes the appropriate steps to plan testing and ensure that the testing aligns with leading practices. Implementing our recommendations should help the agency in these areas.

Regarding our first three recommendations, FSA did not agree or disagree and stated that they reflect an outdated project-operating model that does not support modern technology development. FSA also suggested alternative language for these recommendations. We disagree that our recommendations reflect an outdated model. As noted above, these recommendations are derived from current departmental guidance that calls for a clear record of accountability for contractor performance, as well as FSA's most recently revised contract oversight approach for the FPS system. Further, with respect to the suggested updates to the recommendations, we believe the original language provides FSA with enough flexibility to address them as it continues to refine its approach to contract oversight.

FSA generally agreed with the intent our fourth and fifth recommendations and stated that the agency understands the regulatory requirements for staff to have certifications. Officials added that the FAFSA staff are completing the relevant courses. However, the agency noted that the courses are primarily self-paced and recorded more than a decade ago. Nonetheless, the agency agreed with the goal of the recommendations and suggested new language for them that focus on higher-leverage staffing strategies. While we believe the suggestions to our recommendations could help the agency improve the challenges it faces with its contract oversight workforce, we continue to stand by our original recommendations. They are based on current federal guidance and requirements, as well as Education's own policy.

FSA agreed with our final two recommendations and suggested additional language that, according to the agency, could push the recommendations further. For example, the agency suggested revisions to recommendation 6 that would focus it on FSA's desire to move toward more automated, rather than manual, testing. While automated testing can be a very effective tool if implemented correctly, our recommendation that the agency develop test case criteria remains relevant regardless of the method of testing the agency chooses to implement. The FSA-suggested changes to recommendation 7 reflected its desire to develop beta test plans only for major releases of software. We believe our



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recommendation, as written, is broad enough to allow FSA flexibility in how it chooses to implement it.

Further, the agency also suggested that we include test plans for incremental rollouts for major releases of software in recommendation 7. However, we made a similar recommendation in September 2024.<sup>69</sup> Specifically, we recommended that FSA develop and implement a plan that tailors the agency's guidance on system testing to fit its incremental deployment approach. We believe that our previous recommendation encompasses the intent of FSA's suggested updates. As of August 2025, this recommendation has not been addressed.

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As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the Secretary of Education, the FPS development contractor, and other interested parties. In addition, the report will be available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at [cruzcaim@gao.gov](mailto:cruzcaim@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.

**//SIGNED//**

Marisol Cruz Cain  
Director, Information Technology and Cybersecurity

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<sup>69</sup>[GAO-24-107783](#).

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# Appendix I: Objectives, Scope, and Methodology

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Our objectives were to determine (1) the status of delivering the complete Free Application For Federal Student Aid (FAFSA) Processing System (FPS) and the causes of any delays, (2) the extent to which the Office of Federal Student Aid (FSA) provided contract oversight of the FPS effort, (3) the extent to which the qualifications of key FPS contract and project oversight staff aligned with federal requirements and Department of Education policy, and (4) the extent to which FSA applied disciplined systems testing practices in deploying FPS.

To address the first objective, we requested documentation that would show FSA's progress towards meeting specific contractual requirements to determine the status of the delivery of the complete FPS system. However, the department was not able to provide sufficient documentation for us to complete our analysis. The information that we previously reported in September 2024 regarding the status of delivering the complete FPS system is now outdated.<sup>1</sup> While the department verbally conveyed its plans and intentions to us for completing the FPS system, we have no way at present to verify whether those actions have gone forward as previously described. In the absence of this information, to address our first objective, we reviewed FSA documentation describing at a high-level the release schedule for FPS including planned features to deploy from February 2025 through August 2025. We also reviewed information about future functionality releases on FSA's website.

To address our second objective, we reviewed Education's standards and guidelines for the monitoring of contracts by program officials.<sup>2</sup> We also assessed the FPS contract and associated documentation, such as the Quality Assurance Surveillance Plan and Performance Work Statement from both the March 2022 contract and the September 2024 contract modification to identify FSA's established contract oversight processes. We then compared the actions taken by the agency to monitor the FPS contractor against Education's established standards and guidelines and contract requirements.

Specifically, to assess the initial contract oversight process in place from March 2022 to September 2024, we reviewed FSA contract deliverables,

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<sup>1</sup>GAO, *Department of Education: Preliminary Results Show Strong Leadership Needed to Address Serious Student Aid System Weaknesses*, [GAO-24-107783](#) (Washington, D.C.: Sept. 24, 2024).

<sup>2</sup>Department of Education, *Contract Monitoring for Program Officials*, Departmental Directive ACSD-OFO-001 (Feb. 15, 2022).

such as written feedback to the contractor and monthly progress reports from June 2023 to mid-March 2024. We also reviewed other relevant documentation, such as meeting minutes, reports on performance measures, customer satisfaction surveys, a contract issues tracker, and a risk register.

To assess the modified contract oversight process in place from September 2024 until the conclusion of our work, we reviewed FPS contractor-provided documentation showing the status of identified performance metrics. Specifically, we reviewed monthly progress reports from September 2024 to March 2025, sprint planning reports from November 2024 to April 2025, and project dashboard reports from November 2024 to April 2025. We then compared the information in the reports with the performance metrics identified in the contract to determine whether the contractor was providing information on each metric.

To address the third objective, we identified key oversight and program management personnel for FPS by reviewing project management documentation such as the base contract and documentation identifying key roles and responsibilities for the project. Our review mainly focused on key personnel serving as the Contracting Officer, the Contracting Officer's Representatives, and the Project Manager. We also identified other individuals performing project management-type roles, such as the Product Managers and Systems Integrator.

We then reviewed federal regulations and guidance that identified certification and training requirements for federal acquisition oversight and program management staff. Specifically, we reviewed the Federal Acquisition Regulation (FAR) and the Office of Management and Budget's (OMB) Office of Federal Procurement Policy guidance to determine the certifications (e.g., Federal Acquisition Certification in Contracting—Professional) that are required for acquisition-related work in civilian agencies.<sup>3</sup> We also reviewed information from the Federal Acquisition

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<sup>3</sup>FAR 1.602-2(d)(2). Office of Management and Budget, Office of Federal Procurement Policy, *Memorandum for Chief Acquisition Officers*, Senior Procurement Executives (Sept. 6, 2011). Office of Management and Budget, Office of Federal Procurement Policy, *Memorandum for Chief Acquisition Officers*, Senior Procurement Executives (Dec. 16, 2013). Office of Management and Budget, Office of Federal Procurement Policy, *Memorandum for Chief Acquisition Officers*, Senior Procurement Executives (Jan. 19, 2023).

Institute to identify other relevant federal workforce qualification requirements such as the Digital IT Acquisition Program.<sup>4</sup>

Further, we reviewed Education and FSA guidance to identify any established requirements to obtain and maintain federal certifications for key personnel serving as Contracting Officer, Contracting Officer's Representative, Project and Product Manager, and Systems Integrator. Specifically, we reviewed Education's standards and guidelines for the monitoring of contracts by program officials and acquisition certification program.<sup>5</sup>

We also reviewed FSA's Project Management Performance Plan Element for fiscal year 2025, which established requirements for Project Managers to obtain and maintain a federal project management certification. We then compared available agency documentation, such as certification completion certificates and training records, with the requirements and guidance we identified to determine if key oversight personnel for the FPS project obtained and maintained required acquisition certifications.

Finally, to address the fourth objective, we assessed FSA's test management standards and associated testing documentation to determine if they were consistent with leading system development practices from the Institute of Electrical and Electronics Engineers (IEEE). These practices describe, among other things, key elements to include in system test cases.<sup>6</sup> In doing so, we focused on seven practices that are considered baseline requirements.

To conduct the assessment, we analyzed system test cases for FPS user acceptance and end-to-end testing supporting the 2024-2025 and 2025-2026 FAFSA cycles.<sup>7</sup> We assessed all 229 related to user acceptance

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<sup>4</sup>Established in 1976 under the Office of Federal Procurement Policy Act, the Federal Acquisition Institute is charged with fostering and promoting the development of a federal acquisition workforce. Federal Acquisition Institute, "About FAI" (website), last accessed June 24, 2025, <https://www.fai.gov/about/about-fai>.

<sup>5</sup>Department of Education, *Contract Monitoring for Program Officials*, Departmental Directive ACSD-OFO-001 (Feb. 15, 2022).

<sup>6</sup>Adapted and reprinted with permission from © Institute of Electrical and Electronics Engineers, Inc., *Software and systems engineering—Software testing—Part 3: Test documentation*, IEEE/ISO/IEC std. 29119-3:2021 (New York, N.Y., 2021).

<sup>7</sup>According to FSA's documentation, the *Award Eligibility Determination Major Release Test Plan* provides guidance in the management of testing activities for FPS, from development through implementation.

testing and all 15 related to end-to-end testing for the 2024-2025 FAFSA cycle. In addition, we reviewed all 89 user acceptance and all 19 end-to-end test cases for the 2025-2026 FAFSA cycles. We also gathered written responses from relevant FSA officials to identify the cause of any leading practices or standards that had not been fully addressed.

To assess the reliability of the system test cases, we reviewed the documentation for obvious errors in accuracy and completeness. For any obvious errors we identified, we interviewed FSA officials to determine a cause and discuss those issues in this report. We determined that the system test cases were reliable for purposes of this report.

In February 2025, we requested to meet with the contractor through FSA staff to inquire about additional testing they performed related to FPS. However, we experienced significant delays in doing so. As a result, we could not obtain the contractor's perspectives.

We supplemented our analysis for each objective with interviews of relevant FSA and contractor officials, such as those responsible for Award Eligibility Determination project management, FPS contract oversight, system testing, and system integration. These interviews allowed us to corroborate evidence and provide additional context to the actions taken by FSA and its contractor prior to and after implementation of FPS.

We conducted this performance audit from February 2024 to September 2025 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.

# Appendix II: Comments from the Department of Education

## Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

August 6, 2025

Marisol Cruz Cain  
Director, Information Technology and Cybersecurity  
Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Ms. Cruz Cain:

I am pleased to write on behalf of the U.S. Department of Education (Department) in response to the statements and recommendations made in the Government Accountability Office's (GAO) report titled, "Gaps in Federal Student Aid Contract Oversight and System Testing Need Immediate Attention." In your report, it states that, "[i]n December 2023, Federal Student Aid (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 FAFSA Processing System (FPS) had availability issues, recurring errors, and long wait times that affected students' ability to receive aid." This is, if anything, an understatement. The December 31, 2023, launch of the 2024-25 Free Application for Federal Student Aid (FAFSA) form, itself three months delayed from the traditional October 1 availability, had significant and widely-reported challenges that affected almost every institution of higher education and a significant proportion of the students who rely on the FAFSA to access the financial aid they need to enroll in or continue their postsecondary education.

A delivery challenge of this scale is deserving of review, oversight, and analysis, so that both the Department, FSA, and other Federal agencies can learn appropriate lessons to better deliver high-quality technology products at scale. We believe Federal auditors can add value by serving as partners in continuous improvement – by observing demos, verifying metrics, and ensuring user feedback is acted upon. While we agree with parts of GAO's report, FSA disagrees with several key parts of the draft report, especially where it applies a more traditional, and somewhat outdated, project-based model that does not support modern technology development for scaled systems like the FAFSA. We believe that GAO's analysis teaches the wrong lessons and, as an unintended consequence, reinforces the exact practices that led to the FAFSA's initial challenges.

FSA's response is detailed because we believe this to be a critical moment for determining how the Federal government delivers scaled technology to citizens. In the same week that GAO's draft report was delivered to the Department, the Niskanen Center published<sup>1</sup> an important essay outlining an alternative development model for large-scale government technology. Their proposed product-based model is at odds with GAO's focus on rigid compliance with specific

<sup>1</sup> <https://www.niskanencenter.org/the-product-operating-model-how-government-should-deliver-digital-services/>

outputs listed in contracts signed years before a feature is delivered to the public. The Niskanen report, which joins a growing movement<sup>234</sup> advocating for modern technology development within government, offers a useful synopsis: “Today, government treats investments in digital systems as projects—with rigid scopes, time-limited work, and success metrics tied to on-time, on-budget delivery. This approach rewards output, not outcomes—and often leaves users with brittle, quickly-outdated systems.” Based on our experience remedying the FAFSA form’s functionality and delivering a much-improved product to students and their families, we strongly support the product-operating model outlined in the Niskanen report.

This response will focus on three key areas:

- 1) **Clarifying GAO’s understanding of how the FAFSA functions.** GAO overly focuses on a single contract and vendor, not the larger issue of coordination among many contracts and vendors and the gap in technical talent within the Federal government.
- 2) **The operating changes introduced to the FAFSA team in the past year.** These changes have shifted the team toward a more modern delivery structure, allowing it to deliver significantly improved outcomes to students and institutions of higher education.
- 3) **Updated recommendations from GAO to the Department.** We are suggesting revisions to the proposed recommendations to better align them with an improved operating model and greater confidence in the future success of the FAFSA.

#### Clarifying GAO’s Understanding of How the FAFSA Functions

GAO correctly notes that FSA’s Central Processing System (CPS) was responsible for processing electronic FAFSA forms before the passage of the FAFSA Simplification Act and the Fostering Undergraduate Talent by Unlocking Resources for Education (FUTURE) Act. But the report seems to imply that the new FAFSA Processing System (FPS) was a singular replacement to CPS. This is inaccurate, and correcting it is necessary to more fully understand the challenges of the December 2023 launch of the new FAFSA. As part of both complying with the new legislation and improving overall security and reliability, FSA chose to break up the FAFSA system into several component parts and contracts. There are five crucial components of the FAFSA, each with their own contract:

- **FPS** is the back-end processing of the FAFSA, where aid eligibility is determined, and records are generated for institutions and states. The contract was awarded to General Dynamics Information Technology (GDIT) under the Award Eligibility Determination (AED) contract.

<sup>2</sup> <https://napawash.org/articles-from-our-partners/the-promise-of-public-interest-technology>

<sup>3</sup> <https://fedtechmagazine.com/article/2021/04/devops-federal-government-what-it-means-and-how-it-can-help-perfcon>

<sup>4</sup> <https://federalnewsnetwork.com/federal-insights/2021/12/former-cio-schwartz-improving-citizen-services-takes-a-change-of-culture-as-much-as-technology/>

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- **Digital Customer Care (DCC)** is the front-end for FSA (studentaid.gov), including the FAFSA. This is the user interface to the FAFSA and contains the design and logic for filling out the form. This contract was awarded to Accenture Federal Services.
- **Federal Tax Information Module (FTIM)** ingests sensitive tax data from the Internal Revenue Service (IRS), makes certain calculations, and makes data available to the rest of the FAFSA suite, subject to relevant privacy regulations. This contract was awarded to PPS InfoTech LLC, which is a wholly owned subsidiary of Jazz Solutions Inc.
- **Hosting infrastructure** is provided by both Accenture Federal Services under the DCC contract (including elements beyond DCC's components) as well as Peraton Enterprise Solutions.
- **Person Authentication Service (PAS)** is the proprietary identity and access management system for FSA, which has crucial integrations with the FAFSA. This contract was awarded to PPS InfoTech LLC, which is a wholly owned subsidiary of Jazz Solutions Inc.

GAO's report only references FPS and the AED contract but misses key background and challenges with the December 2023 rollout of the FAFSA, including:

- 1) The bifurcation of the front-end (DCC/Accenture) and the back-end (FPS/GDIT) complicated the development of the overall system redesign. The two components rely on each other throughout the process and need to be developed and maintained in close collaboration. Utilizing different vendors makes this more challenging, especially in periods of heightened pressure. This was exacerbated by the additional need to integrate DCC and FPS with FTIM and PAS. Testing across these systems is a particular challenge.
- 2) Many of the high impact issues encountered by FAFSA users were the result of challenges within PAS and DCC. This caused a significant increase in call volume to the contact center, which led to 40 percent of calls being dropped by the call system during the worst periods before the system attempted to connect the calls with an agent. Calls that weren't dropped faced significant hold times. No amount of better FPS contract management was going to fix this increased volume of calls – it required understanding user pain points and prioritizing work based on those issues.
- 3) FSA, until the past year, had no internal engineering roles or expertise. This meant that the December 2023 launch, which required a large-scale rewrite and technology upgrade of major FAFSA systems and all integration points, was completed with technical architecture and oversight conducted by vendors. Such a structure is unlikely to succeed under any circumstance, and integrating multiple vendor systems into a single platform without internal technical expertise is almost certain to fail. The proper design and oversight of highly technical systems requires highly technical talent. The Department brought in a team of technical leaders in the summer of 2024, and began hiring engineers and technical product managers in the fall of 2024.



- 4) Each vendor created their own development environment and utilized their own separate tooling instances (JIRA, Gitlab, deployment tools, etc.) that did not integrate with each other. For instance, much of the front-end system is dependent on responses from the back-end to function. Accenture, as the front-end vendor, needed the back-end Application Programming Interface (APIs) available to develop its own work against, but GDIT was on the same timeline and in a separate environment. As such, it could not make the APIs available. Accenture built their own mock system to simulate the FPS APIs, but this predictably failed to integrate perfectly once all vendors pushed their code to production and tried to sync everything up. The team is still working to unwind these parallel environments and the technical debt created by these decisions today.

Compounding all these problems was the timeline pressure to develop the systems all at once, launch them in one single release to the public, and have no schedule built around remediating the inevitable issues present in any major software deployment. In retrospect, the entire process was a recipe for technical challenges, if not failure, and runs counter to best practices for modernizing systems.

We highlight these additional challenges (which do not appear in the GAO report) because of our interest in transparency and finding a better way forward for both the FAFSA and public-sector technology development. If one does not fully understand what led to the past challenged performance of the FAFSA, one will struggle to reach the right conclusions and recommendations for the future.

#### **The Operating Changes Introduced to the FAFSA Team in the Past Year**

In the summer of 2024, the Department brought in outside technical experts to support the release of the 2025-26 FAFSA form that fall and started the hiring process for permanent technical staff. After the release of the form in November 2024, the team gathered to prioritize the work ahead. This prioritization work provides a helpful model for agencies approaching technology development. There were still outstanding elements from the original contracts. For example, the team had not yet implemented a renewal capability, allowing users to import their prior year answers as a starting point for their form. This is undoubtedly a helpful feature and one that should be included in the FAFSA. Yet, rather than mechanically moving to implementing renewal capability, the team examined user data to determine where their next efforts would be maximally useful. Data showed that more than five percent of users (roughly one million students a year) were dropping out of the form (and not returning to complete it) at the point where they need to invite their parent or spouse to the form. The team decided to prioritize the redesign of the invite flow, instead of adding the contractually listed renewal capability, because it would deliver greater value to users and better fulfill the Department's mission.

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This example is one of many as the team moved to a product-operating model aligned with best practices for technology development. The Niskanen report describes this well: “Persistent, cross-functional teams measure success through delivery of outcomes, rather than merely project completion. This model enables continuous, user-centered delivery through iterative development, ongoing funding, empowered product teams, and supportive leadership. This is how most successful digital-native companies operate, like Google, Amazon, and Spotify.”

As part of this transition, the Department modified its contracts with vendors around key changes, such as:

- Procuring *capacity* from vendors (in the form of dedicated sprint teams), instead of needing to take new acquisition actions for each new feature or change. In this model, the Department works on a daily basis with vendor development teams to prioritize work aligned to an Agile<sup>5</sup> software development cycle. This allows for quicker responsiveness to bugs and new features, improving the experience for users.
- Using flexibility to avoid requirements that are no longer needed. For example, the original contract included a requirement for custom-built analytics software when superior commercial off-the-shelf offerings are available and more cost-effective. This frees up development capacity for other high-value initiatives and saves taxpayer money.
- Moving towards modern DevOps<sup>6</sup> by aligning teams around long-term ownership of systems instead of building a system and handing responsibility off to a separate team. This increases system reliability for users by keeping system experts assigned to maintain the systems they built.
- Increasing the frequency of releases by reducing the size of each release where possible. This reduces the risk of introducing new bugs into existing functionality and allows FSA to measure the outcome of improvements and fix bugs more easily as the surface area of a given release is greatly reduced.
- Prioritizing the development of automated testing. GDIT, implementing the initial contract, had a team of 67 manual testers, representing 55 percent of its entire team working on the FAFSA. The testing team is now down to 32, and the primary responsibility is operating automated software for both unit and end-to-end testing. That staffing number will drop further as we complete testing coverage. This increases reliability for users and reduces the number of “regressions,”<sup>7</sup> where new features introduce novel bugs through poor testing.
- Working with vendors to update their hiring standards for labor on the contract and working with them to bring on higher performing talent that is better suited to the project.

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<sup>5</sup> <https://agilemanifesto.org/>

<sup>6</sup> <https://www.atlassian.com/devops>

<sup>7</sup> <https://gratasoftware.com/what-is-regression-in-software-development/>

This focus on outcomes has produced results. Through July 26, 2025, more than 14 million students have successfully completed a 2025-26 FAFSA form. This represents 11.4 percent growth compared to the same time in the 2024-25 cycle and 6.2 percent growth compared to the same time in the 2023-24 cycle, before the updates from the FAFSA Simplification Act and FUTURE Act. Student satisfaction, expressed via a post-form survey, is at 93 percent, with 88 percent of students reporting that the FAFSA took a reasonable time for them to complete. In summarizing the data, the National College Attainment Network, an umbrella group for college access organizations, referred to the 2025-26 FAFSA cycle as a “tremendous achievement.”<sup>8</sup>

**Updated Recommendations from GAO to the Department**

As stated, GAO’s report points to real challenges in the development of the 2024-25 FAFSA. The significance of those challenges and the importance of the FAFSA, as one of our Nation’s greatest investments in the future, call for oversight. In this section we outline alternative recommendations that better suit both the FAFSA’s current status and software development best practices.

**GAO Recommendations 1-3**

The first three recommendations from GAO’s report:

- 1) The Secretary of Education should direct the Chief Operating Officer of FSA to take steps to improve its contract monitoring process to provide assurance that the contractor performs the work called for in the contract for FPS and develops a clear record of accountability for performance.
- 2) The Secretary of Education should direct the Chief Operating Officer of FSA to establish a process to validate the contractor performance reports it receives.
- 3) The Secretary of Education should direct the Chief Operating Officer of FSA to establish a process to ensure that assessments of contractor performance are documented in accordance with departmental guidance.

These recommendations reflect a project-operating model that assumes initial contracts can fully anticipate a system’s evolving needs. Government technology contracts are often up to nine years in duration (including option years), which makes spelling out specific feature requirements impossible. The modifications that the Department made to the FAFSA contracts to align them to an Agile product-operating model that pays for capacity allows for greater adaptation to user needs, Department priorities, and changes in the market.

In early July, as we prepared for the fall launch of the 2026-27 FAFSA form, one of the vendors provided a demo of the new form to showcase the full user experience. One of FSA’s new Expert

<sup>8</sup> <https://www.ncan.org/news/705304/FAFSA-Completions-Bounce-Back-with-Class-of-2025-Return-to-Pre-Pandemic-Rates.htm>

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Consultants noticed a pattern that would provide a confusing experience for approximately 10 percent of users, or almost two million applicants. The vendor responded that it had built this pattern according to the specifications that the FSA design team had supplied and that the FSA product team had signed off on. This was true. The lesson to draw from this, however, is not that someone had made a foreseeable mistake for which they should be held accountable, but that with complex software systems it is *impossible* to foresee how everything will work together until you are actively building the features. This is why it improves outcomes to design contracts and vendor accountability frameworks around iterative development and continuous improvement and delivery.

*Suggested Updates to GAO Recommendations 1-3*

- 1) The Secretary of Education should direct the Chief Operating Officer of FSA to create time-bound Objectives and Key Results for improvements to the FAFSA form and experience and assign each to specific FSA teams and vendors for accountability purposes.
- 2) The Secretary of Education should direct the Chief Operating Officer of FSA to establish a process for demonstrations of completed work after every development sprint. The demos should include a showcase of automated test results to ensure strong test coverage.
- 3) The Secretary of Education should direct the Chief Operating Officer of FSA to redesign FSA's software lifecycle management methodology to align with industry best practices, including the use of Agile development. This should include collaborative quarterly retrospectives<sup>9</sup>, with FSA staff and vendors, and documentation of learnings and changes to be made.

**GAO Recommendations 4-5**

The next two recommendations from GAO's report:

- 4) The Secretary of Education should direct the Chief Operating Officer of FSA to take steps to ensure that all personnel performing program and project management activities and functions for the FPS contract obtain the appropriate FAC certifications.
- 5) The Secretary of Education should direct the Chief Operating Officer of FSA to take steps to establish a process to ensure that all personnel performing contract oversight roles and responsibilities are provided with training related to the project management framework of the contract they are overseeing prior to contract execution.

FSA understands the regulatory requirements, under Federal procurement law, for staff to have required certifications. Consistent with these requirements, FAFSA staff are completing the relevant courses. The courses, primarily asynchronous and recorded more than a decade ago, feel significantly removed from the recommendation's apparent intent: to ensure that key staff are

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<sup>9</sup> <https://www.atlassian.com/agile/scrum/retrospectives>

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equipped with the level of expertise required to deliver value to the Department, FSA, and users. We agree with the goal and would suggest that compliance-based coursework be left to ongoing operations, leaving audit recommendations focused on higher-leverage staffing strategies.

*Suggested Updates to GAO Recommendations 4-5*

- 4) The Secretary of Education should direct the Chief Operating Officer of FSA to implement a human capital strategy comparable in size and scope to demonstrated private sector best practices for systems of similar size and complexity to ensure the FAFSA team has the appropriate amount of technical expertise to oversee a complex scaled platform.
- 5) The Secretary of Education should direct the Chief Operating Officer of FSA to establish a process that ensures all technical staff working on the FAFSA have appropriate access to the FAFSA codebase, deployment pipelines, and infrastructure so that they can provide proper oversight of FSA vendors. The process should ensure that FSA staff are the primary owners of core systems, including the software and infrastructure used for the codebase, infrastructure, data storage, monitoring, deployment pipelines, and other tools that are critical to the operations of the FAFSA.

**GAO Recommendations 6-7**

The final two recommendations from GAO's report:

- 6) The Secretary of Education should direct the Chief Operating Officer of FSA to develop a standard or update its existing standard to include test case criteria for testing the FPS system that align with leading practices.
- 7) The Secretary of Education should direct the Chief Operating Officer of FSA to develop a plan for its beta testing efforts for future iterations of the FPS.

FSA fully supports these recommendations and appreciates GAO including best practices such as requiring increased testing and implementing a beta testing period for a launch as complex as the FAFSA. Our suggested revisions serve to push the recommendations further.

*Suggested Updates to GAO Recommendations 6-7*

- 6) The Secretary of Education should direct the Chief Operating Officer of FSA to establish a continuous integration/continuous delivery pipeline that delivers comprehensive automated test coverage across the entire FAFSA codebase—spanning unit, integration, and end-to-end tests—and executes automatically within the deployment pipeline.
- 7) The Secretary of Education should direct the Chief Operating Officer of FSA to develop a plan for beta testing efforts and incremental rollouts for any major release of FSA software.

**Conclusion**

FSA thanks GAO for the important oversight function that it plays in the effective administration of federal student assistance programs. As part of our ongoing commitment to working together, we re-extend our invitation from May to have GAO embed within our development teams, observe our Agile ceremonies, and learn how today's FAFSA team operates. There is much work to be done, and this report and the relevant recommendations are an important step towards a FAFSA form that assists students and families to access postsecondary education while living up to the significant trust that Congress has placed in FSA.



Aaron Lemon-Strauss  
Executive Director, FAFSA Program  
Federal Student Aid

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# Appendix III: GAO Contact and Staff Acknowledgments

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## GAO Contact

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## Staff Acknowledgments

In addition to the contacts named above, Nicole Jarvis (Assistant Director), David Matcham (Analyst-In-Charge), Jillian Clouse, Rebecca Eyler, Catherine Fan, Smith Julmisse, Kaelin Kuhn, Ashley Mattson, Brandon Mitchell, Walter Vance, and Adam Vodraska made key contributions to this report. Additional staff that contributed to this report were Garret Chan, Will Colvin, Jennifer Dougherty, Melissa Emrey-Arras, Donna Epler, Corey Evans, Anthony Gray, Janet McKelvey, Sara Pelton, Scott Pettis, Jonathan Wall, and Alec Yohn.

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