



Accessible Version

April 3, 2019

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

Priority Open Recommendations: Department of Education

Dear Secretary DeVos:

The purpose of this letter is to provide an update on the overall status of the Department of Education's (Education) implementation of GAO's recommendations and to call your personal attention to areas where open recommendations should be given high priority.¹ In November 2018, we reported that on a government-wide basis, 77 percent of our recommendations made four years ago were implemented.² Education's recommendation implementation rate was 94 percent. As of February 2019, Education had 86 open recommendations. Fully implementing these open recommendations could significantly improve agency operations.

Since our February 2018 letter, Education has implemented one of five priority recommendations. The agency developed a contract monitoring plan for the defaulted loan information system, and demonstrated that it is providing ongoing oversight of the contractor. These efforts will strengthen the agency's oversight of the loan rehabilitation process and better ensure that borrowers who complete loan rehabilitation receive benefits, such as having defaults removed from their credit reports.

We ask your continued attention to the remaining four open recommendations identified in the 2018 letter. We are adding four new recommendations on lead testing in school drinking water, students with disabilities attending private schools, and federal student aid and loans, as a priority this year, bringing the total number of priority recommendations to eight. (See the enclosure for a list of these recommendations).

The eight priority recommendations fall into two major areas listed below.

Protecting the Investment in Higher Education

In this area, we draw your attention to five important recommendations. In September 2018, we recommended that Education provide additional information to the Public Service Loan

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

² GAO, *Performance and Accountability Report: Fiscal Year 2018*, [GAO-19-1SP](#) (Washington, D.C.: November 15, 2018).

Forgiveness (PSLF) servicer and borrowers to enhance their ability to determine which employers qualify for PSLF. The agency has released a new online tool to help borrowers better understand the PSLF eligibility requirements, which officials said could be expanded to incorporate qualifying employer information. To implement this recommendation, Education should ensure that it provides sufficient information about qualifying employers to the PSLF servicer and borrowers.

Our November 2017 report contains a priority recommendation that, if implemented, would improve information security for students receiving financial aid. To strengthen its oversight of postsecondary schools with respect to protecting student information, we recommended that Education incorporate into its program review process the review of postsecondary schools' information security program requirements. To implement this recommendation, the agency should finalize and fully implement into its program review process the review of postsecondary schools' information security program requirements.

Another priority recommendation stems from a November 2016 report where we recommended that Education obtain data needed to assess the impact of lapses in borrower income recertification on borrower payment amounts and adjust borrower repayment patterns as necessary. We found that Education's assumption that all borrowers in income-driven repayment plans will recertify their incomes every year as required could lead Education to overstate the costs of these plans because it does not take into account the fact that borrowers' payments are increased when they do not recertify. Education provided us with preliminary analysis results regarding this issue in 2018. To fully implement this recommendation, Education should also provide its conclusions about the need to adjust borrower repayment patterns and documentation confirming that any necessary adjustments were made.

In November 2015, we recommended that Education review its methods of providing instructions and guidance to student loan servicers. In this report, we found that Education's Office of Federal Student Aid faces challenges in the management of the Direct Loan program that affect its ability to function effectively as a performance-based organization. Further, we concluded that failing to strengthen its instructions and guidance to servicers would result in inconsistent implementation and could have financial consequences that hurt borrowers or risk the integrity of the program. Education is in the process of developing a new student loan servicing system. To fully implement this recommendation, Education needs to demonstrate that the new servicing system will provide clear and consistent instructions and guidance to any servicers to ensure program integrity and improve service to borrowers.

We are also highlighting a May 2012 recommendation that Education sponsor an evaluation of the effectiveness of Title IV programs and higher education tax expenditures in improving student outcomes. We made this recommendation after finding a lack of information on the effects of federal assistance for higher education, which makes it difficult for policymakers to make fact-based decisions on the merits and values of various federal assistance efforts. Education officials have begun exploring the technical, legal, and administrative factors associated with sharing information with the Department of the Treasury (Treasury) and the Internal Revenue Service (IRS), which could help facilitate evaluative research on the effects of Title IV programs and higher education tax expenditures. In addition, Education has proposed convening researchers from inside and outside the government to identify and prioritize key policy questions related to Title IV and higher education tax expenditures. Afterward, Education is planning to partner with researchers to investigate the issues identified as priorities. To fully implement this recommendation, Education should ensure that its data-sharing and future grant efforts result in actively sponsoring or conducting evaluative research specific to federal programs and assistance that can be used in future policymaking.

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

Education plays a critical role in helping to protect the safety of the approximately 50 million children attending the nation's K-12 public schools and in enforcing federal laws that protect students from racial discrimination. In this area, we draw your attention to three important recommendations.

In July 2018, we recommended that Education collaborate with the Environmental Protection Agency (EPA) to encourage testing for lead in school drinking water. This effort could include disseminating EPA guidance related to lead testing and remediation in schools or sending letters to states to encourage testing in all school districts that have not yet tested. Education reported that it will collaborate with the EPA to raise awareness of the threat of lead in school drinking water and provide guidance on how schools can protect students and staff. The agency plans to complete these activities, including working with state officials and sharing resources to support outreach to the state and local levels, by fall 2019. To address this recommendation, the agency should complete its efforts to disseminate EPA's guidance to school districts.

In addition, we recommended in November 2017 that Education review information provided by states related to changes in federal special education rights when a parent places a student with a disability in a private school and work with states to correct inaccurate information. The agency said it has begun work with relevant states to improve the information provided, and plans to review states' revised information to parents about the federal rights of these students. To fully implement this recommendation, Education should complete its work with states to correct any inaccurate information.

In April 2016, we recommended that Education more routinely analyze its Civil Rights Data Collection by different school groupings and types to further explore issues and understand patterns of disparities at K-12 schools, such as the disparities we found in our analysis of schools with high concentrations of poor and Black or Hispanic students. We found that while Education sometimes analyzes its data by different subpopulations of students, it potentially misses disparities because it does not routinely analyze its data by different groupings of schools. For example, when we grouped schools according to their level of poverty and racial composition, we found that schools with the highest concentrations of poor and Black or Hispanic students offered disproportionately fewer math, science, and college preparatory courses and had disproportionately higher rates of students who were held back in 9th grade, suspended, or expelled than schools with lower levels of poor and Black or Hispanic students. Education reported that it analyzed data by specific groups of students.

Implementing this recommendation would enhance Education's ability to target oversight of, and technical assistance to, schools that need it most. To fully implement it, Education should more routinely analyze data by school types (such as traditional neighborhood schools, charter schools, and magnet schools) and by school groupings (such as high and low Black and Latino student enrollment).

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In March, we issued our biennial update to our high risk program, which identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.³ Our high-risk

³ GAO, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, [GAO-19-157SP](#) (Washington, D.C.: March 6, 2019).

program has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical service to the public.

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

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

I appreciate Education's continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Barbara Bovbjerg, Managing Director, Education, Workforce, and Income Security Issues at bovbjergb@gao.gov or 202-512-7215. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. We will continue to coordinate with your staff on all of the 86 open recommendations. Thank you for your attention to these matters.

Sincerely yours,

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is written in a cursive style with a large, stylized initial "D".

Gene L. Dodaro
Comptroller General
of the United States
Enclosure

cc: The Honorable Mick Mulvaney, OMB

⁴ GAO-19-157SP, p. 3.

Enclosure - Department of Education (Education) Priority Open Recommendations

Protecting the Investment in Higher Education

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

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

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

Director: Melissa Emrey-Arras

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

Federal Student Aid: Better Program Management and Oversight of Postsecondary Schools Needed to Protect Student Information. GAO-18-121. Washington, D.C.: November 27, 2017.

Recommendation: The Secretary of Education should incorporate into its program review process the review of postsecondary schools' information security program requirements.

Action Needed: Education generally agreed with this recommendation. In January 2019, Education reported that it developed and will publish new audit standards to assess schools' compliance with information security program requirements. The standards will require schools to include an assessment of data security programs as part of an annual audit. The agency has not, however, fully implemented its cybersecurity compliance reviews in the annual compliance audit process, although it took interim steps to ensure that the agency is notified when reviewers see any indications of cybersecurity compliance violations during a school review. To fully implement this recommendation, Education should finalize and fully implement the review of postsecondary schools' information security program requirements into its program review process.

Director: Nick Marinos

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

Federal Student Loans: Education Needs to Improve Its Income-Driven Repayment Plan Budget Estimates. GAO-17-22. Washington, D.C.: November 15, 2016.

Recommendation: The Secretary of Education should obtain data needed to assess the impact of income recertification lapses on borrower payment amounts, and adjust estimated borrower repayment patterns as necessary.

Action Needed: Education agreed with this recommendation. To fully implement this recommendation, the agency should provide its conclusions about the need to adjust borrower repayment patterns and documentation confirming that any necessary adjustments were made.

Director: Melissa Emrey-Arras

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

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

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

Action Needed: Education agreed with this recommendation. Education has issued a few clarifications to the servicers to help with consistency and reported that it intends to incorporate this recommendation into its acquisition plan for a new loan servicing system. To fully implement this recommendation, the agency needs to demonstrate that the new Direct Loan servicing system will provide clear and consistent instructions and guidance to servicers to ensure program integrity and improve service to borrowers.

Director: Melissa Emrey-Arras

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

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

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

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

Director: Melissa Emrey-Arras

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

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

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

Action Needed: Education agreed with this recommendation. The agency plans to collaborate with the EPA to raise awareness of the threat of lead in school drinking water and provide guidance on how to protect students and staff. The agency anticipates disseminating relevant resources to its key stakeholder groups and exploring how best to coordinate with states to disseminate EPA's guidance to school districts by fall 2019. To fully implement this recommendation, the agency needs to complete these efforts.

Director: Jacqueline M. Nowicki

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

Recommendation: The Assistant Secretary for Special Education and Rehabilitative Services should review information provided by states related to changes in federal special education rights when a parent places a student with a disability in a private school and work with states to correct inaccurate information.

Action Needed: Education generally agreed with this recommendation. The agency reported it began working with relevant states to improve the information provided, and will review states' revised information to parents about federal rights of children with disabilities who are placed by parents in private schools. To fully implement this recommendation, Education needs to complete its work with relevant states to correct any inaccurate information.

Director: Jacqueline M. Nowicki

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K-12 Education: Better Use of Information Could Help Agencies Identify Disparities and Address Racial Discrimination. GAO-16-345. Washington, D.C.: April, 21, 2016.

Recommendation: The Secretary of Education should direct Education's Office for Civil Rights (OCR) to more routinely analyze its Civil Rights Data Collection by school groupings and types of schools across key elements to further explore and understand issues and patterns of disparities. For example, Education could use this more detailed information to help identify issues and patterns among school types and groups in conjunction with its analyses of student groups.

Action Needed: Education did not agree or disagree with this recommendation. To fully implement this recommendation, Education must provide documentation of its analyses by school groupings and types, as specified in our recommendation.

Director: Jacqueline M. Nowicki

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