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Comptroller General  
of the United States

Accessible Version

May 21, 2024

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

**Priority Open Recommendations: Department of Education**

Dear Secretary Cardona:

The purpose of this letter is to provide an update on the overall status of the Department of Education’s (Education) implementation of GAO’s recommendations and to call your continued personal attention to areas where open recommendations should be given high priority.<sup>1</sup> In November 2023, we reported that, on a government-wide basis, 75 percent of our recommendations made 4 years ago were implemented.<sup>2</sup> Education’s recommendation implementation rate was 57 percent. As of April 2024, Education had 90 open recommendations. Fully implementing these open recommendations could significantly improve agency operations.

Since our May 2023 letter, Education has implemented one of six open priority recommendations. Specifically, in February 2024, Education issued a study estimating the causal effects of federal student loan payment amounts under Income-Driven Repayment plans on a variety of outcomes for students with incomes around 150 percent of federal poverty guidelines.<sup>3</sup> The study covered outcomes related to loan repayment, such as the incidence of delinquency, default, and forbearance. The study also included broader outcomes like re-enrollment in higher education, and attainment of a degree. Through this research, Education

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<sup>1</sup>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 duplication issue.

<sup>2</sup>GAO, *Performance and Accountability Report: Fiscal Year 2023*, [GAO-24-900483](#) (Washington, D.C.: Nov. 15, 2023).

<sup>3</sup>Tom?s Monarrez and Lesley J. Turner, *The Effect of Student Loan Payment Burdens on Borrower Outcomes*, U.S. Department of Education, Office of the Chief Economist, [OCE2024-001](#) (Washington, D.C.: Feb. 2, 2024).

has implemented our May 2012 recommendation to study the effectiveness of Title IV programs and higher education tax expenditures to improve student outcomes.<sup>4</sup>

We ask for your continued attention to the remaining five priority recommendations identified in the 2023 letter. (See the Enclosure for a list of these recommendations.) While we are not adding any new priority recommendations at this time, we have identified one other issue area with significant recommendations that may need to be elevated to priority recommendation status. Specifically, we made recommendations related to preventing fraud and errors in Income-Driven Repayment plans. These recommendations included for Education to obtain data and implement data analytic practices and follow-up procedures to verify income for borrowers reporting zero income, as well as borrowers' family size information.

Furthermore, as the auditor of the consolidated financial statements of the U.S. government, I am concerned that the Department of Education was unable to receive an audit opinion on its fiscal years 2022 and 2023 financial statements. Education's auditor continued to report a material weakness related to the department's controls over the data used for estimating the costs of its loan programs as well as two significant deficiencies in internal control over financial reporting. These limitations on the audit opinion and internal control weaknesses, as well as related auditor recommendations, are important issues and need to be resolved.

The five current priority recommendations fall into the following two areas.

**Protecting the investment in higher education.** The Department of Education faces challenges increasing access to higher education and overseeing federal student aid and loan programs as student loan debt exceeds \$1.6 trillion. Our work in this area has identified multiple opportunities to better promote student access and affordability. For example, our analysis of college financial aid offers highlighted the lack of clear and standard information for comparing costs and available aid, prompting Congress to introduce legislation to address this issue. We also identified two priority recommendations in this area, which if implemented would help Education better serve the needs of students with disabilities and more effectively implement systems that students and parents use to apply for student aid.

First, we recommended that Education collect data on participants' disability status and use this information to report on the performance (e.g., meeting graduation goals) of a TRIO grant program that supports college students with disabilities. The population of college students with disabilities has grown substantially in recent years, and data show that one in five had a disability in 2020. Collecting this information from grantees and analyzing it would help Education better evaluate and report on the program's effectiveness at supporting students with disabilities to complete their degree.

Second, we recommended that the Office of Federal Student Aid (FSA) incorporate best practices into its cost estimation guidance for IT acquisition programs that are intended to modernize the office's legacy systems. Implementing this recommendation would demonstrate FSA's progress in improving the management of IT acquisitions and operations, which has been on [our High-Risk List](#) since 2015. Further, fully implementing this recommendation is especially

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<sup>4</sup>GAO, *Higher Education: Improved Tax Information Could Help Families Pay for College*, [GAO-12-560](#) (Washington, D.C.: May 18, 2012).

important considering challenges and delays FSA faced in deploying its modernized Free Application for Federal Student Aid (FAFSA) form and associated systems. Until FSA implements this recommendation, it risks being unable to effectively estimate future funding needs and may face additional delays as it implements future system modernization projects.

**Ensuring the well-being and education of the nation’s school-age children.** Education plays a critical role in helping support the approximately 55 million children who attend the nation’s K-12 schools. We identified three priority recommendations in this area. First, we recommended that Education identify the factors that cause underreporting and misreporting incidents of restraint (restricting a student’s movement) and seclusion (confining a student to a space alone), then use that information to help school districts improve their reporting. To fully implement this recommendation, Education needs to use this information to help districts improve the quality of data, which can be used to enforce various federal civil rights laws prohibiting discrimination.

Second, we recommended that Education identify the factors that cause underreporting and misreporting of information on management organizations that contract with charter schools, including virtual charter schools, and take steps to help states report accurate data on these contracts. Schools that enter into contracts with management organizations may face major programmatic risks if they relinquish too much control over the administration of federal grants, according to Education officials. In addition, Education’s Office of Inspector General found that charter schools contracting with management organizations may present elevated risks, including programmatic risks and a lack of accountability for federal funds, and program performance. According to Education officials, these risks are amplified when the management organizations are for-profit because their interest in profits may outweigh the school’s interest in complying with federal program requirements and providing high-quality educational services to students. Implementing this recommendation could provide more accurate information on these contracts, which could help Education better manage financial risks associated with charter school management organizations.

Third, we recommended that Education establish a time frame to update its privacy policies for system of records notices, which notify the public about changes to an agency’s collection, disclosure, and use of personal information, and make these updates. Updating this system could help the agency more effectively implement privacy protections for students.

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

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

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<sup>5</sup>GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas*, [GAO-23-106203](#) (Washington, D.C.: Apr. 20, 2023).

We urge your attention to these government-wide high-risk issues as they relate to Education. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress, the Office of Management and Budget (OMB), and the leadership and staff in agencies, including within Education. In March 2022, we issued a report on key practices to successfully address high-risk areas, which can be a helpful resource as your agency continues to make progress to address high-risk issues.<sup>6</sup>

We also recognize the key role Congress plays in providing oversight and maintaining focus on our recommendations to ensure they are implemented and produce their desired results. Legislation enacted in December 2022 includes a provision for GAO to identify any additional congressional oversight actions that can help agencies implement priority recommendations and address any underlying issues relating to such implementation.<sup>7</sup>

Congress can use various strategies to address our recommendations, such as incorporating them into legislation. Congress can also use its budget, appropriations, and oversight processes to incentivize executive branch agencies to act on our recommendations and monitor their progress. For example, Congress can hold hearings focused on Education's progress in implementing GAO's priority recommendations, withhold funds when appropriate, or take other actions to provide incentives to act. Moreover, Congress could follow up during the appropriations process and request periodic updates.

Congress also plays a key role in addressing any underlying issues related to the implementation of these recommendations. For example, Congress could pass legislation providing an agency authority to implement a recommendation or requiring an agency to take certain actions to implement a recommendation.

Copies of this report are being sent to the Director of OMB and the appropriate congressional committees. In addition, the report will be available on the GAO website at [Priority Open Recommendation Letters | U.S. GAO](#).

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<sup>6</sup>GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

<sup>7</sup>James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 7211(a)(2), 136 Stat. 2395, 3668 (2022); H.R. Rep. No. 117-389 (2022) (accompanying Legislative Branch Appropriations Act, H.R. 8237, 117th Cong. (2022)).

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 Cindy Brown Barnes, Managing Director, Education, Workforce, and Income Security Issues, at [brownbarnesc@gao.gov](mailto:brownbarnesc@gao.gov) or 202-512-7215. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Our teams will continue to coordinate with your staff on all of the 90 open recommendations. Thank you for your attention to these matters.

Sincerely,

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

Gene L. Dodaro  
Comptroller General  
of the United States

Enclosure

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

Tony Magro, Supervisor, Federal Student Aid, Department of Education

Philip Rosenfelt, Deputy General Counsel, Office of the General Counsel, Department of Education

Mark Washington, Deputy Assistant Secretary for Management and Planning, Office of Elementary and Secondary Education, Department of Education

## Enclosure

### Department of Education Priority Open Recommendations

#### Protecting the Investment in Higher Education

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

**Year Recommendation Made:** 2023

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

**Action Needed:** Education agreed with this recommendation. The agency plans to collect data from SSS grantees on participants’ disability status and use this information to report on the TRIO program’s performance for participants with disabilities. In March 2024, the agency reported that it is awaiting OMB’s approval to collect information on SSS participants’ disability status. To fully implement this recommendation, Education must collect information from SSS grantees on each participant’s disability status, analyze this information, and use it to report on program performance. Education expects to complete these efforts in March 2026. Doing so would better position Education to fully assess SSS’s performance for individuals with disabilities, and complete any eventual plan to evaluate and report on the performance of TRIO programs.

**Director:** Elizabeth Curda, Education, Workforce, and Income Security  
**Contact Information:** [CurdaE@gao.gov](mailto:CurdaE@gao.gov) or (202) 512-4040

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

**Year Recommendation Made:** 2023

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

**Action Needed:** FSA agreed with this recommendation. In April 2023, the office reported that the FSA Chief Operating Officer directed the senior leadership team to establish a working group to identify potential improvements to its project management guidance and practices. To fully implement this recommendation, FSA should update its cost estimate guidance to include all 12 steps of the cost estimating process identified in the *GAO Cost Estimating and Assessment Guide*. FSA reported that it aims to address this recommendation by August 2024. Establishing this revised cost estimating guidance would help FSA develop reliable cost estimates for its IT acquisition programs. Further, it could position FSA to effectively estimate funding needs for its investments and use more reliable data to make budgetary decisions.

**High-Risk area:** [Improving the Management of Information Technology \(IT\) Acquisitions and Operations](#)

**Director:** Marisol Cruz Cain, Information Technology and Cybersecurity

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

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

**Year Recommendation Made:** 2020

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

**Action Needed:** Education agreed with this recommendation. In 2023, Education reported that OCR is developing a plan to engage some districts in a series of listening sessions to help determine what is driving the underreporting and misreporting of federal restraint and seclusion data. As of March 2024, Education anticipates completing this project in December 2024. To fully implement this recommendation, Education needs to better understand why so many school districts are underreporting and misreporting data – for example, by holding listening sessions – and take steps to improve reporting. Helping districts improve the quality of data reported will better determine the frequency and prevalence of restraint and seclusion incidents. This information could help Education enforce various federal civil rights laws prohibiting discrimination.

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

**Contact Information:** [nowickij@gao.gov](mailto:nowickij@gao.gov) or (617) 788-0580

**K-12 Education: Department of Education Should Help States Address Student Testing Issues and Financial Risks Associated with Virtual Schools, Particularly Virtual Charter Schools.** [GAO-22-10444](#). Washington, D.C.: January 31, 2022.

**Year Recommendation Made:** 2022

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

**Action Needed:** Education agreed with this recommendation. As of March 2024, Education has taken action to identify factors that may cause misreporting of information on management organizations that contract with grantees of the Charter Schools Program (CSP). Education has also revised CSP regulations to strengthen safeguards against for-profit organizations applying for grants or subgrants under the CSP. It is not clear, however, that these steps will help states report accurate data on these contracts between for-profit management companies and virtual charter schools (and/or charter schools). This is because, according to Education officials, CSP does not award grants to these charter schools. To fully implement this recommendation, Education should take steps to help states report accurately on these contracts for all charter schools, not only CSP grantees. Taking these steps will position Education to improve the

quality of data that states submit to ED Facts, thereby helping it to measure and properly mitigate elevated financial and programmatic risks.<sup>8</sup>

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

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**Privacy: Dedicated Leadership Can Improve Programs and Address Challenges. GAO-22-105065. Washington, D.C.: September 22, 2022.**

**Year Recommendation Made:** 2022

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

**Action Needed:** Education agreed with this recommendation. The agency reported in July 2022 that it has begun updating existing privacy policies, including those establishing and administering the privacy program. As of March 2024, Education plans to complete this effort by the end of July 2026. To fully implement this recommendation, the agency needs to finish updating its policies and procedures regarding system of records notices. By fully establishing this element of its privacy program, Education will have greater assurance that it is consistently and effectively implementing privacy protections.

**High-Risk area:** [Ensuring the Cybersecurity of the Nation](#)

**Director:** Jennifer Franks, Information Technology and Cybersecurity

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<sup>8</sup>ED Facts is an Education initiative to centralize data provided by state educational agencies, including performance data on public schools (pre-K through grade 12), and financial grant information.