

# GAO Highlights

Highlights of [GAO-24-107783](#), a testimony before the Subcommittee on Higher Education and Workforce Development, Committee on Education and the Workforce, House of Representatives

## Why GAO Did This Study

For decades, FAFSA forms were processed electronically by the legacy Central Processing System. In 2021 FSA initiated a system development effort and in December 2023 deployed a new system to process forms for the 2024-2025 school year. However, student aid applicants reported that the new system had availability issues, recurring errors, and long wait times.

This GAO testimony (1) describes the delays in delivering on FPS requirements; (2) describes the defects that were identified before and after FPS deployment; (3) assesses the extent to which disciplined systems acquisition practices were used to manage FPS requirements, conduct systems testing, and carry out independent acquisition reviews; and (4) assesses the extent to which Education and FSA IT leadership provided oversight of FPS development. This statement is a companion to GAO's related statement on the simplified FAFSA rollout ([GAO-24-107407](#)).

In addressing the first two objectives, GAO summarized the preliminary results of its continuing ongoing work describing delays and defects. For the latter two objectives on requirements, testing, and independent reviews, GAO completed its audit work and is making recommendations to address weaknesses.

## What GAO Recommends

GAO is making six recommendations to Education, including adhering to agency policy in managing requirements and testing, developing policy for independent acquisition reviews, and hiring a permanent departmental CIO. Education provided technical comments, which GAO incorporated as appropriate.

View [GAO-24-107783](#). For more information, contact Marisol Cruz Cain at (202) 512-5017 or [cruzcainm@gao.gov](mailto:cruzcainm@gao.gov).

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## DEPARTMENT OF EDUCATION

### Preliminary Results Show Strong Leadership Needed to Address Serious Student Aid System Weaknesses

## What GAO Found

Students and parents can apply for financial aid by completing the Free Application for Federal Student Aid (FAFSA) form and submitting it to the Department of Education's Office of Federal Student Aid (FSA). In February 2021 FSA started an effort to replace the aging system that processes the forms.

The subsequent launch of the new system in December 2023 resulted in continuing delays and errors that had troubling impacts on students, parents, and schools, including their ability to plan for the upcoming school year. GAO's preliminary results show that, after awarding the contract for the new FAFSA Processing System (FPS), FSA encountered issues that led to several delays. Specifically, in early 2023, it moved the delivery of 25 key requirements to December 2023. FSA subsequently decided to not address 18 of the 25 key requirements in the launch of FPS. One of the requirements not included was the capability to determine final aid eligibility and distribute those results to schools.

GAO's preliminary results indicate that FSA identified and reportedly addressed significant defects prior to deploying FPS. However, the agency also identified numerous defects after deploying the system. Specifically, according to documentation compiled on March 6, 2024, the agency identified 55 defects—including seven that were unresolved and categorized as "critical." For example, one such critical defect resulted in FSA initially overestimating some students' aid eligibility by erroneously excluding their families' assets from the calculation.

The existence of unresolved defects after FPS deployment can be traced, in part, to FSA not ensuring disciplined systems acquisition practices were applied.

- **Define and manage requirements and carry out testing activities.** Although FSA established agency guidance to define and manage requirements and carry out testing activities, it did not always follow it. For example, although agency guidance states that a requirements oversight review is to be conducted before development begins, the agency did not conduct this review until more than a year after development had started. In addition, FSA authorized system acceptance testing to begin even though 26 of the 48 readiness indicators were not complete.
- **Carry out independent acquisition reviews.** One way to manage the risks in acquiring systems is through independent verification and validation. This is a process conducted by a party independent of the acquisition that provides an assessment of a project's processes, products, and risks throughout its life cycle. However, FSA did not establish or implement guidance to carry out independent verification and validation for FPS.

Education's lack of consistent leadership contributed to the difficulties encountered with the FPS acquisition. For example, although Education established processes that give its Chief Information Officer (CIO) a significant role in the governance and oversight processes for IT, it did not follow these processes for FPS. In addition, Education does not have a permanent CIO and has had six CIOs since the FPS project was initiated in February 2021. Until the department addresses these weaknesses, it will be hampered in its ability to make needed improvements to FPS. This could put the 2025-2026 FAFSA cycle at increased risk for experiencing further delays and technical errors.