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Comptroller General
of the United States

Accessible Version

May 6, 2025

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

Priority Open Recommendations: Department of Education

Dear Secretary McMahon:

Congratulations on your appointment. The purpose of this letter is to call your personal attention to two areas based on GAO’s past work and eight open priority recommendations, which are enclosed.¹ Additionally, there are 95 other GAO open recommendations that we will continue to work with your staff to address.

We are highlighting the following areas that warrant your timely and focused attention. Specifically:

Improving the federal student aid system. The Department of Education needs to take actions to enhance oversight of federal student aid and loan programs as student loan debt exceeds \$1.6 trillion. The needs of current students and those with student loan debt must continue to be addressed, regardless of which federal entity ultimately oversees these programs. For example, in the area of [improving Information Technology \(IT\) acquisitions and management](#) – an area on our [High Risk list](#) - we noted challenges in Education implementing new IT systems. For example, Education faced various challenges in deploying its modernized Free Application for Federal Student Aid (FAFSA) form, such as technical issues that blocked some students from completing the new form. In addition, the agency has not consistently provided students with timely and sufficient information needed to complete the form. Improving the process to complete and submit the form would make it easier for students and families to apply for financial aid.

Similarly, Education should take steps to improve testing activities in the operation of its FAFSA Processing System (FPS). While Education established policy to guide its testing activities that were consistent with selected leading practices, it did not fully implement those policies. Education also lacks a policy and sound implementation for independent verification and

¹GAO considers a recommendation to be a priority if when implemented, it 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.

validation reviews (IV&V). Specifically, we recommend that Education: (1) develop and implement a plan to tailor the agency's guidance on system testing to fit its current approach and implement that plan and (2) establish and implement a policy for IV&V reviews. Fully implementing these priority recommendations could help Education, among other things, identify and reduce risks; meet user needs; and better position the agency to ensure a more successful system modernization.

Managing financial risks associated with charter school management organizations.

Given Education's role in helping to ensure that the nation's K-12 students have access to a quality education, the agency should take additional steps to oversee charter schools that contract with management organizations. We reported in 2022 that schools entering into contracts with management organizations may face major programmatic risks if they relinquish too much control over the administration of federal grants. 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.

Education requires states to report information about their contracts with charter school management organizations. However, we found inaccuracies and undercounting of management organizations in these data. Education has not yet identified the factors that cause underreporting and misreporting of information on management organizations that contract with charter schools, including virtual charter schools. Nor has Education taken steps to help states report accurate data on these contracts. Reporting more accurate information on these contracts could help Education better manage financial risks associated with charter school management organizations.

Please see Enclosure 1 for additional details on the status and actions needed to fully implement all eight open priority recommendations out of the 103 total recommendations that remain open. This includes priority recommendations on protecting sensitive information.

We also provide in Enclosure 2 additional information on Education's recommendation implementation rate and on implemented and new priority recommendations since our May 2024 letter to Secretary Cardona; and Education-specific information relevant to our audit of the consolidated financial statements of the U.S. government. In response to legislation enacted in December 2022, this enclosure also includes information on any additional congressional oversight actions that can help agencies implement priority recommendations and address any underlying issues relating to such implementation.

Copies of this letter are being sent to the appropriate congressional committees. The letter will also be available on the GAO website at [Priority Open Recommendation Letters | U.S. GAO](#). We also plan to send separate letters specifically focused on open recommendations and key issues related to financial management and information technology to your Chief Financial Officer and Chief Information Officer, respectively.

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. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this letter. Our

teams will continue to coordinate with your staff on addressing these priority recommendations and the remaining 95 open recommendations. I appreciate Education's continued commitment and thank you for your personal attention to these important issues.

Sincerely,

//SIGNED//

Gene L. Dodaro
Comptroller General
of the United States

Enclosures – 2

cc: Thomas Flagg, Chief Information Officer, Department of Education
Richard Lucas, Deputy Chief Financial Officer, Department of Education
Mark Washington, Deputy Assistant Secretary for Management and Planning, Office of
Elementary and Secondary Education, Department of Education
Candice Jackson, Deputy General Counsel, Department of Education
William Kirk, Acting Chief of Staff/Office of General Counsel, Department of Education

Enclosure 1

Priority Open Recommendations to Department of Education

Improving the Federal Student Aid System

FAFSA: Education Needs to Improve Communications and Support around the Free Application for Federal Student Aid. [GAO-24-107407](#). Washington, D.C.: September 24, 2024.

Year Recommendation Made: 2024

Recommendation: The Chief Operating Officer of the Office of Federal Student Aid (FSA) should review the Free Application for Federal Student Aid (FAFSA) application process to identify ways to reduce the burden on students and families by addressing the remaining technical issues and streamlining the process for parent or spouse contributors to reduce the total time it takes to complete the FAFSA form.

Action Needed: Education neither agreed nor disagreed with the recommendation in this testimony. In January 2025, Education officials reported that FSA had implemented changes to improve the user experience and streamline the completion of the FAFSA. However, multiple technical issues remain that continue to affect some students and their families, making it harder for them to complete a FAFSA. This includes certain problems entering a spouse's financial information into the application, occasional roadblocks that prohibit students from proceeding to the next section of the form, and disappearing fields when students try to make a correction.

To fully implement this recommendation, Education should take action to address these remaining technical issues and review the FAFSA application process to identify additional ways to reduce the burden on students and families. Implementing this recommendation will make it easier for students to apply for and obtain the financial assistance they need to afford college.

Director: Melissa Emrey-Arras, Education, Workforce, and Income Security

Contact Information: emreyarrasm@gao.gov

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

Year Recommendation Made: 2024

Recommendations:

- The Secretary of Education should direct the Chief Operating Officer of FSA to (1) expeditiously develop a plan that tailors the agency's guidance on system testing to fit its current incremental deployment approach and (2) implement the plan thereafter.
- The Secretary of Education should direct the Chief Operating Officer of FSA to expeditiously (1) develop an FSA policy on standards for independent verification and validation (IV&V) and (2) ensure that FAFSA Processing System (FPS) IV&V agents meet those standards. In developing the policy, FSA should define the degree of

technical, managerial, and financial independence required of the personnel or agents performing IV&V.

- The Secretary of Education should expeditiously (1) assess the role of the department's and FSA's Chief Information Officers (CIO) in the continuing development of FPS, and (2) based on that assessment, develop and implement a plan for providing the department's CIO with a significant role in the governance and oversight of FPS while clarifying the responsibilities between the departmental and agency CIO.

Action Needed: Education neither agreed nor disagreed with these recommendations. While Education established policy to guide its testing activities that were consistent with selected leading practices, it did not fully implement them. In addition, Education lacks a policy and sound implementation for IV&V reviews. To fully address these two recommendations, Education should develop and implement a plan for tailoring the agency's guidance on system testing to fit its current approach and implement that plan. Education will also need to establish and implement a policy for IV&V reviews. Developing such a plan and implementing a policy for IV&V reviews is essential for reducing and identifying risks, meeting user needs, and being positioned to identify and address cost, schedule, and performance issues.

In October 2024, Education appointed a permanent department-level CIO. In September 2024, FSA announced that the agency had begun recruiting for a new Chief Technology Officer (CTO) to replace the CIO role, ensuring that there is only one CIO position in Education. As of February 2025, FSA had not permanently filled the CTO position. To fully implement this recommendation, Education should fill this position and clearly define each position's role in overseeing FPS, with a significant role defined for the department-level CIO. Consistent and effective leadership, including CIO involvement in the governance of FPS, increases assurance that the project aligns with disciplined acquisition practices, ensuring successful IT modernization.

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

Director: Marisol Cruz Cain, Information Technology and Cybersecurity

Contact Information: cruzcaim@gao.gov

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 SSS program's performance for participants with disabilities. As of February 2025, 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.

Director: Elizabeth Curda, Education, Workforce, and Income Security

Contact Information: CurdaE@gao.gov

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*.² In February 2025, FSA reported that it aims to address this recommendation by October 2025. 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 IT Acquisitions and Operations](#)

Director: Marisol Cruz Cain, Information Technology and Cybersecurity

Contact Information: cruzcaim@gao.gov

Managing Financial Risks Associated with Charter School Management Organizations

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-22-104444](#). 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 February 2025, 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

²GAO, *Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Program Costs*, [GAO-20-195G](#) (Washington, D.C.: Mar. 12, 2020).

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 EDFacts, thereby helping it to measure and properly mitigate elevated financial and programmatic risks.³

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

Contact Information: nowickij@gao.gov

Protecting Sensitive Information

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 February 2025, 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: Marisol Cruz Cain, Information Technology and Cybersecurity

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³EDFacts 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.

Enclosure 2

Key Information About the Status of GAO Recommendations and Improving Agency Operations

Education's Recommendation Implementation Rate

In November 2024, we reported that, on a government-wide basis, 70 percent of our recommendations made 4 years ago were implemented.⁴ As of February 2025, Education's implementation rate was 100 percent for recommendations made 4 years ago.⁵ Education had 103 open recommendations remaining, as of March 2025.

Implemented and New Priority Recommendations

Our May 2024 letter to Secretary Cardona identified five priority recommendations.⁶ Since then, one recommendation has been implemented and we added four new priority recommendations.

Implemented recommendation: As of August 2024, Education had collected feedback from school districts to identify factors that may contribute to misreporting and underreporting of restraint (restricting a student's movement) and seclusion (confining a student to a space alone) incidents. Education used this data to identify steps it can take to help districts overcome these issues, such as updating guidance, including definitions of key terms. This is consistent with our April 2020 recommendation to better understand why so many school districts are underreporting and misreporting data and take steps to help school districts overcome these issues. This information can provide decision makers with more accurate information on the frequency and prevalence of restraint and seclusion incidents, so that they can make informed policy decisions to protect students.⁷

New priority recommendations: The four new priority recommendations fall into the federal student aid system area. (See Enclosure 1.)

Financial Statement Audit

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 through 2024 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.

⁴GAO, *Performance and Accountability Report: Fiscal Year 2024*, [GAO-25-900570](#) (Washington, D.C.: Nov. 15, 2024).

⁵In the letters we issued in 2022, 2023, and 2024, we reported Education's implementation rates were 81 percent, 83 percent, and 57 percent, respectively. GAO, *Priority Open Recommendations: Department of Education*, [GAO-22-105622](#) (Washington, D.C.: June 28, 2022); GAO, *Priority Open Recommendations: Department of Education*, [GAO-23-106463](#) (Washington, D.C.: May 3, 2023); GAO, *Priority Open Recommendations: Department of Education*, [GAO-24-107296](#) (Washington, D.C.: May 21, 2024).

⁶GAO, *Priority Open Recommendations: Department of Education*, [GAO-24-107296](#) (Washington, D.C.: May 21, 2024).

⁷GAO, *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).

These limitations on the audit opinion and internal control weaknesses, as well as related auditor recommendations, are important issues and need to be resolved.

High-Risk List

In February 2025, we issued our biennial update to our High-Risk List. challenges.⁸ 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.

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

We urge your attention to the other 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, 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.⁹

Congress's Role on GAO Recommendations

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.¹⁰

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 for agencies to act. Moreover, Congress can 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 can pass legislation providing an agency explicit authority to implement a recommendation or requiring an agency to take certain actions to implement a recommendation.

⁸GAO, *High-Risk Series: Heightened Attention Could Yield Billions More and Improve Government Efficiency and Effectiveness*, [GAO-25-107743](#) (Washington, D.C.: Feb. 25, 2025).

⁹GAO, *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).

¹⁰James 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)).