

# GAO Highlights

Highlights of [GAO-23-106376](#), a report to congressional committees

## Why GAO Did This Study

FSA is the largest provider of student financial aid in the nation. In fiscal year 2022, the office processed approximately 17 million student aid applications and delivered over \$100 billion in aid to more than 10 million postsecondary students and their families. Most applications are submitted electronically through FSA's legacy Central Processing System. In 2019, GAO reported that this system was among the 10 most critical federal systems in need of modernization.

The House report accompanying the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill, 2021 includes a provision for GAO to examine FSA's efforts to replace the Central Processing System. GAO's report (1) describes the status of FSA's AED project and (2) examines the extent to which FSA implemented selected planning best practices to oversee the AED project.

GAO reviewed relevant agency documentation to describe completed and planned development activities. GAO also assessed AED planning documentation against selected Information Systems Audit and Control Association Capability Maturity Model Integration planning best practices and interviewed appropriate officials.

## What GAO Recommends

GAO is making two recommendations to Education to develop a life cycle cost estimate, and document schedule assumptions and constraints. FSA, on behalf of Education, concurred with both of the recommendations.

View [GAO-23-106376](#). For more information, contact Marisol Cruz Cain at (202) 512-5017 or [cruzcainm@gao.gov](mailto:cruzcainm@gao.gov).

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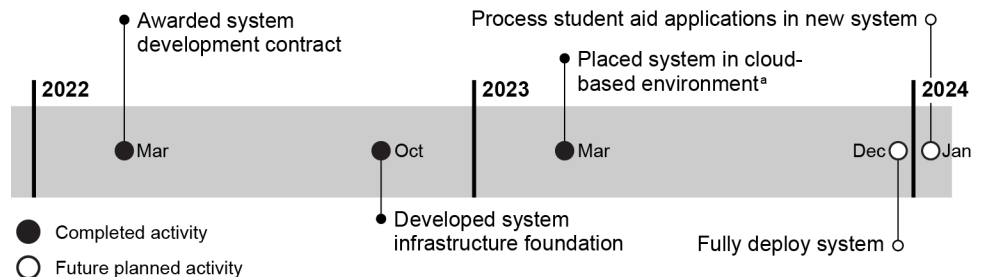
## DEPARTMENT OF EDUCATION

### Federal Student Aid System Modernization Project Should Better Estimate Cost and Schedule

## What GAO Found

In 2021, the Department of Education's Office of Federal Student Aid (FSA) initiated the Award Eligibility Determination (AED) project to, among other things, modernize and replace an over 30-year-old system used to process federal student aid applications. FSA has completed selected project planning and development activities. For example, in March 2022, FSA awarded a system development contract for approximately \$122 million. In October 2022, FSA completed development of the infrastructure foundation for the system. Future planned activities include conducting user acceptance and system integration testing. FSA plans to deploy the system by December 2023 (see figure).

#### Key Completed and Future Implementation Activities for the Award Eligibility Determination (AED) Project



Source: GAO analysis of AED project documentation. | GAO-23-106376

<sup>a</sup>The cloud refers to network access to a shared pool of configurable computing resources that can be rapidly provisioned with minimal management effort.

The AED project implemented four of five selected planning best practices that are intended to increase the likelihood that a project meets its objectives. For example, the project developed management plans and identified the skills needed to perform the work.

However, critical gaps exist in the fifth practice related to cost and schedule. Specifically, contrary to best practices, the project did not develop a life cycle cost estimate to inform the budget. Instead, officials roughly estimated that the office would need approximately \$336 million to develop, deploy, and support AED. However, this estimate was incomplete since it did not include government labor costs.

With regard to the schedule, GAO found that project officials developed a schedule for AED and kept it updated. However, the officials did not document the assumptions, such as resource availability, that informed the schedule. In addition, the schedule did not provide rationales for constraints that limit the movement of activities. For example, the AED schedule did not identify the rationales for why 43 activities could not start any earlier than a specific date. These gaps limit the reliability of the schedule.

Developing a life cycle cost estimate to inform the budget and establishing a reliable schedule are critical steps to ensuring the project does not overrun costs or delay the schedule. Until project officials take these steps, the project is at risk of cost increases and schedule delays.