Forward-Looking Information

This section summarizes information pertinent to the Department's future progress and success.

ENTERPRISE RISK MANAGEMENT

The Department's enterprise risk management (ERM) program supports agencywide efforts to maximize the Department's value to students and taxpayers through achievement of strategic goals and objectives. The Department's ERM program strategically focuses on the complete spectrum of the organization's significant risks and the combined impact of those risks as an interrelated portfolio rather than simply addressing risks within silos. This coordinated approach leverages data and analytical solutions to identify, measure, and assess challenges related to mission delivery and resource management. Through ERM, the Department seeks to embed a systematic and deliberate view of risk into key management practices, yielding more effective performance and operational outcomes. The Department's implementation of ERM includes three critical strategies that are more fully described under Strategic Objective 4.2, Identify, assess, monitor and manage enterprise risks:

- Creating a risk-aware culture that includes transparent discussions of risks.
- Implementing an ERM framework and capability that leverages existing risk management activities and governance bodies.
- Managing risks in a more coordinated and strategic manner.

The Office of Enterprise Data Analytics and Risk Management (OEDARM), within the Office of Finance and Operations (OFO), leads the agency's overall ERM strategy and formally aligns ERM and internal controls processes. OEDARM leadership established a formal ERM Working Group (ERMWG) in FY 2020 with senior representation across the agency to further solidify the Department's ERM governance structure. Since its formation, the ERMWG has been instrumental in conducting coordinated risk assessments and further incorporating the risks highlighted or exacerbated by the COVID-19 pandemic into short- and long-term risk planning. In addition to the representation of offices in the working group, OEDARM leverages partnerships with agency leaders (e.g., the Senior Management Council, the Senior Executive Cadre, political leadership) to identify, measure, and assess challenges related to mission delivery, policy development, and operations to develop coordinated, actionable response plans.

OEDARM leadership actively sought to enhance strategic partnerships with ERM colleagues across the government as well as with Department's own OIG. Initiatives in FY 2021 included: identifying metrics to inform the maturity of the Department's risk program; creation of a Knowledge Management Action Plan to develop a streamlined process of defining, structuring, retaining. and sharing the knowledge of Department employees; and the creation of digital tools for collecting, analyzing, and reporting risk data to promote transparency and accountability across the Department. OEDARM additionally established an informal, yet crucial, conversation series to bring awareness to various risk topics at the Department and to provide an open forum for discussion of risk in a safe, comfortable, setting. OEDARM's newly launched ERM internal-facing website contains useful tools, resources, and data to better educate and promote healthy risk culture for the entire Department.

OEDARM will continue the above and additional strategic efforts during FY 2022 to foster a culture of continuous improvement within the Department—where data and awareness of enterprise risk are used to objectively inform strategic and operational decisions and optimize agency performance. Throughout FY 2022, the Department plans to further integrate ERM with key management processes—leveraging objective data analytics, key performance indicators and key risk indicators and considerations inform budget formulation, strategic planning, and performance management. In light of the current COVID-19 pandemic, the Department has intentionally shifted to an even more comprehensive and collaborative approach to risk management—to embed consideration of externally driven risks related to national health emergencies, natural disasters, potential terrorist threats, and other significant crises that could adversely impact continuity of operations and mission delivery.

DIRECT LOAN PROGRAM

The Department's largest program, the William D. Ford Federal Direct Loan (Direct Loan) Program, provides students and their families with funds to help pay for their postsecondary education costs. The following describes (1) the steps the Department has taken to help make student debt more manageable and (2) the risks inherent in estimating the cost of the program.

Managing Student Loan Debt

Each year, federal student loans help millions of Americans obtain a college education—an investment that, on average, has high returns. While the average return to having a college degree remains high,[1] some students leave school poorly equipped to manage their debt.

Traditionally, federal student loans had fixed-payment 10-year repayment schedules, making it difficult for borrowers to begin repaying at the start of their career when their salaries are low. The recent expansion of income-driven repayment (IDR) plans allows students the opportunity for greater financial flexibility as it pertains to their monthly repayment. For more details on these plans, visit FSA's **How to Repay Your Loans Portal**.

Recent trends in student loan repayment data show that:

- More than 70 percent of the direct loan portfolio is in administrative forbearance—the suspended payment status provided to students through the extension of the student loan repayment deferrals.
- As of June 2021, nearly 8.3 million direct loan recipients were enrolled in IDR plans, representing a 1 percent increase from June 2020 and an 8 percent increase from June 2019. Overall, more than 47 percent of direct loan dollars and 32 percent of borrowers in repayment are enrolled in an IDR plan.

The Department continues to work relentlessly to make student loan debt more manageable. Looking to the future, the Department will:

- Continue conducting outreach efforts to inform student loan borrowers of their repayment options before the emergency loan relief measures expire on January 31, 2022.
- Work to improve customer service and student aid systems and processes by implementing FSA's Next Gen FSA, see page 39.
- Continue to support the development of additional tools, such as the College Scorecard and College Financing Plan, to increase transparency around higher education costs and outcomes that may help students and families make informed decisions before college enrollment.

[1] https://cew.georgetown.edu/cew-reports/collegepayoff2021/

Managing Risks and Uncertainty Facing the Direct Loan Program's Cost Estimates

Direct Loan Program costs are estimated consistent with the requirements of the *Federal Credit Reform Act of 1990*. Under the act, the future disbursements and collections associated with a cohort of loans are estimated for the entire life of the loan, up to 40 years in this case. The actual performance of a loan cohort tends to deviate from the estimated performance during that time, which is not unexpected given the inherent uncertainty involved in developing estimates. Estimation of Federal credit programs involves inherent risk. The Department utilizes the best data available with modeling techniques that have been examined over time by several outside entities. Management has confidence over the estimates by using several different tools to analyze cost estimates. Re-estimates on the loan portfolio are performed twice a year ensuring that the most up to date data and models are used. The four types of inherent risk, described below, that make estimating lifetime program costs a difficult task.

Legislative, Regulatory, and Policy Risk

There are inherent risks to estimating future lifetime disbursements and collections for a cohort stemming from legislative, regulatory, or administrative actions. For instance, the cost structure of the Direct Loan Program may be significantly altered if policies around loan forgiveness are expanded. In addition, the effects on financial modeling and estimation associated with recent legislative, regulatory, and policy action is difficult to interpret given the lack of actual trend data availability. Some examples of current risks include the following:

Extension of Student Loan Payment Relief During the COVID-19 Pandemic: The emergency relief measures in the Direct Loan Program, including suspending loan payments, halting collections on defaulted loans, and setting interest rates to 0 percent have been extended through January 31, 2022. These actions have insulated federal student loan performance from economic disruption caused by the COVID-19 pandemic, while at the same time reducing the amount of loan repayments being remitted to the Department. As the pandemic is ongoing, there is uncertainty regarding cost estimates as future actions to support borrowers during the return to repayment in 2022 could affect those received payments.

Income-Driven Repayment Plans: Without consideration of impacts from the pandemic, IDR plans tend to be more costly to the government than non-IDR plans. For the 2021 loan cohort, it is estimated that the government will recover 44 percent less for loans in IDR plans as compared to loans in standard plans. It is important to be careful in making such comparisons, however, as the underlying characteristics of borrowers (and the corresponding behavioral dynamics driving selection of plans) also impact the overall cost of loans under each plan. Also, having more repayment plan options complicates repayment plan selection, since the tradeoff decisions when selecting the plans vary by borrower and may not always be entirely clear. In general, however, the proliferation of IDR plans has made IDR terms more generous and made the plans available to a greater number of borrowers; these plans are traditionally more costly to the government. Selected comparisons between projected originations and borrower repayments under the different IDR plans are available on the **Department's website**. Future commitment to promote these programs, and potential increased participation in these plans, are areas of uncertainty. Future legislative and/or regulatory activity could also affect the underlying cost of IDR plans.

Public Service Loan Forgiveness: Enacted in 2007, the Public Service Loan Forgiveness (PSLF) program allows a direct loan borrower to have the balance of their direct loans forgiven after having made 120 qualifying monthly payments under a qualifying repayment plan, while working full time for a qualifying public service employer (such as government or certain types of nonprofit organizations). In general, forgiveness provided via PSLF raises the cost of the Direct Loan Program; however, there is still uncertainty as to how many borrowers will take advantage of the program. Much of this uncertainty arises because borrowers are not required to apply for the program or provide any supporting documentation on their employment until after having made the 120 qualifying monthly payments, and data on actual PSLF forgiveness remains limited, as borrowers first became eligible in FY 2018.

Data on approved PSLF applications first became available in FY 2018 since borrowers first became eligible for PSLF loan forgiveness starting October 1, 2017, after having made 120 qualifying payments. The *Consolidated Appropriations Act*, FY 2018, and the *Department of Education Appropriations Act*, FY 2019, each provided $350 million toward Temporary Expanded Public Service Loan Forgiveness (TEPSLF) for borrowers who met eligibility for public service employment but were not enrolled in a qualified repayment plan. The *Consolidated Appropriations Act*, FY 2020, and the *Consolidated Appropriations Act*, FY 2021 each provided $50 million for TEPSLF. As of September 30, 2021, the total number of borrowers who received forgiveness from PSLF and TEPSLF exceeded 16,000. The value of this forgiveness totaled nearly $1.26 billion. Despite the relatively modest numbers of approved applications to date, the number of borrowers who have certified their employment in a public service organization continues to increase steadily. As of September 30, 2021, the number of borrowers with certified employment totaled nearly 1.33 million. The low number of approved PSLF applications in relation to employment certifications may be partially due to the complicated nature of the program, in particular the determination of what constitutes a qualifying payment. In addition, many borrowers who file employment certification forms early in their careers may also move into private sector employment before completing the 10 years of qualifying payments and thus may (a) never apply for forgiveness or (b) apply for forgiveness much later after returning to public service work.

On October 5, 2021, the Department announced a temporary change to the PSLF program to allow previously ineligible loans to be immediately eligible for forgiveness, or additional progress toward forgiveness, with no further action on their part. The changes include a limited PSLF waiver that allows all payments by student borrowers to count toward PSLF, regardless of loan program or payment plan and review of denied PSLF applications for errors, giving borrowers the ability to have their PSLF determinations reconsidered. Borrowers who have not previously certified employment will also be able to apply for the waiver. Two permanent changes to military borrowers working toward PSLF were also implemented. Any future congressional or regulatory action that may affect eligibility for PSLF continues to be an area of uncertainty.

Estimation Risk

Actual student loan outcomes may deviate from estimated student loan outcomes, which is not unexpected given the long projection window of up to 40 years. The Direct Loan Program is subject to a significantly large number of borrower-level events and future economic factors that heavily impact the ultimate cost of student loans. For example, assumptions that need to be estimated for loans originating in FY 2021 include how long students will remain in school; what repayment plan will be chosen; whether the loan will be consolidated; whether the borrower will die prior to completing repayment, become disabled, bankrupt, or have another claim for discharge or forgiveness (closed school loan discharge, borrower defense to repayment, etc.); whether the loan will go into deferment or forbearance; whether the loan will go into default and, if so, what collections will be received on the defaulted loan; and, if the loan is in an IDR plan, what the borrower's employment (public sector or not) and income and family size will be over the next 25 years. These projections are generally made based on historical data about borrower characteristics and behavior, which are more difficult to estimate during times of unprecedented uncertainty facing students and borrowers in repayment plans today. Lastly, the direct loan portfolio has grown from approximately $356 billion in FY 2011 to nearly $1.3 trillion as of the end of FY 2021. This growth naturally results in larger re-estimates, since a re-estimate worth 1 percent of the portfolio today would be more than three times as large as a similar re-estimate in FY 2011.

Macroeconomic Risk

The ultimate amount, timing, and total value of future borrower repayments under the Direct Loan Program are heavily affected by certain economic factors, especially since the introduction of IDR plans.

In 2021, the COVID-19 pandemic continued to cause widespread disruption to the American economy. The emergency relief measures provided by Congress and the President resulted in flexibilities for federal student loan borrowers, continuing to prevent spikes in delinquency and default rates. Involuntary loan collections from wage garnishment, tax refund reductions, and reductions of federal benefits such as Social Security are also suspended. However, the ultimate impact of the pandemic on long-term Direct Loan Program costs is subject to significant uncertainty and will depend on, among other things, short- and long-term unemployment, economic growth trends, and potential structural changes in the overall economy and job markets. Some types of macroeconomic risk are inherent to student loan cost estimation, and the Department analyzes them regularly—though some of these risks have been exacerbated by the unprecedented worldwide pandemic. New risks have also developed due to the conditions surrounding the pandemic. Specific examples of macroeconomic risk include:

Interest Rates: Direct Loan Program cost estimates are very sensitive to changes in interest rates. Under the current program terms, the fixed borrower rates for direct loans are established in advance of the upcoming school year, while the Treasury fixed interest rate on the Department's borrowings to fund those loans is not set until after those awards are fully disbursed, which can be as much as 18 months later. Unexpected changes in interest rates during this time can significantly impact Direct Loan Program cost.

Unemployment: Unemployment rates have been shown to affect both student loan volume and student loan repayment decisions and behavior. During periods of economic downturn, displaced workers have tended to pursue higher education opportunities in high numbers to strengthen their credentials, change career paths, or improve future employment opportunities. While the COVID-19 pandemic has been accompanied by a spike in unemployment (at least in the short term), the impact on student loan volume has been more mixed, as higher education has struggled to provide students the level of instruction they were receiving prepandemic. The exact impact on the cost estimates from the current recession remains a significant area of uncertainty. For instance, higher short-term unemployment rates could have an impact on future collections of already defaulted loans by increasing the risk of fewer collections from wage garnishment and tax refund reductions. A sensitivity analysis examining the impact of a 5 percent reduction in default collections, limited to cohorts 2016–20, resulted in a projected increase in the re-estimate of $2.4 billion.

Wage Growth: The estimated costs of IDR plans are largely dependent on trends in observed wage growth. To the extent that future wage growth deviates significantly from prior wage growth, actual costs of IDR plans may deviate from estimated costs. The Department will closely monitor impacts to wage growth because of the pandemic. Data is not available for the FY 2021 financial statements, and the ultimate cost may not be known for some time. The estimates are sensitive to slight changes in model assumptions. The Department continues to manage risks in this area by building its knowledge about its borrower base and remaining informed of labor market statistics.

Operational Risk

Unforeseen issues in administering and servicing student loans may impact the cost estimates. For example, in December 2019, the President signed the *Fostering Undergraduate Talent by Unlocking Resources for Education Act* (FUTURE Act), which amends Section 6103 of the Internal Revenue Code to allow the IRS to share taxpayer data directly with the Department. Once implemented, this will make it easier for borrowers to stay enrolled in an IDR plan by allowing automated data sharing between federal agencies and eliminating the need for borrowers to annually recertify their income. A time line for implementation of the FUTURE Act is uncertain, which can make predicting the impact on student loan cost estimates a challenge. Similarly, the Department is working to implement the FAFSA Simplification Act, which makes significant changes to the need analysis formula that will also introduce operational challenges. The Department invests significant resources to ensure continuous improvements in cybersecurity defenses based on current and emerging threats. Despite this investment, security threats to operations are ongoing and incidents may happen without warning, potentially disrupting student loan administration and ultimately borrower cash flows, which can be impacted by the timing of when collections or disbursements are processed. Hence, there is an inherent risk that future, unpredictable disruptions in the administrative status quo may impact student loan cost estimates.

On September 30, 2021, the Department was awarded $20 million from the Technology Modernization Fund board. The Department will use the money to implement a Zero Trust architecture to improve the protections of student data it manages. By improving and modernizing cybersecurity technologies the Department will provide more secure and less burdensome user experiences both for employees and the public.

Another potentially unforeseen issue that may impact cost estimates is when federal loan servicers or private collection agencies exit the student loan servicing program, as several have over the last year. The Department remains committed to ensuring that borrowers receive high-quality service that helps them access the benefits granted by law.

NEXT GEN FSA

About FSA

As the nation's largest provider of financial aid for education beyond high school, FSA delivers more than $112 billion in aid each year to students and their families. Through programs authorized under the *Higher Education Act of 1965*, as amended, FSA provides grants, loans, and work-study funds for college or career school. FSA also oversees the approximately 5,600 postsecondary institutions that participate in the federal student aid programs. In every interaction with students and their families, FSA strives to be the most trusted and reliable source of student financial aid information and services in the nation.

The Vision

FSA manages one of the largest consumer loan portfolios in the country, valued at $1.6 trillion. It is critical that the Department provides an environment that provides customers with the services and experiences that they expect and the outcomes that they deserve. The Next Gen FSA initiative is enabling FSA to realize this vision by modernizing the way connections are made with customers and streamlining the student aid systems and processes. This broad effort will deliver an improved customer experience for millions of Americans across the entire student aid life cycle, from fostering greater awareness about the availability of financial aid, to applying for aid, to repaying loans, to improving the participation experiences and oversight of FSA partners at postsecondary institutions.

Legacy Environment

In the current federal financial aid process, students and families must navigate a complex and fragmented landscape, interacting with multiple systems, vendors, processes, and interfaces across a multitude of brands and user experiences. Too often, this poor customer experience creates confusion, resulting in borrowers failing to understand how to apply for and maintain their aid eligibility, which repayment options they qualify for, and the financial implications of their student debt. Additionally, operational complexities and out-of-date contracts result in higher administrative costs and hinder effective oversight of the Department's vendors.

Next Gen FSA Environment

Multiple websites, mobile applications, contact centers, and other customer interfaces have been combined into a simplified, consistent, and engaging customer experience, which will be enhanced by standardized training and tools. Since December 2019, FSA has launched a single front door on the web, **Studentaid.gov**, and has launched multiple modern self-service and consumer information tools that help customers understand the aid they have received, their remaining eligibility, and how they can manage loan repayment in a way that meets their goals. Some of these Digital and Customer Care (DCC) tools include the Federal Student Aid Estimator, *Loan Simulator*, and Public Service Loan Forgiveness Help Tool. In FY 2022 Next Gen DCC will continue to create and enhance tools and products for customers on StudentAid.gov and the myStudentAid mobile app. For example, in FY 2022, FSA plans to launch Medallia, a new customer feedback tool, while also making improvements to other tools, like the PSLF Help Tool and the Income-driven repayment plan application—which will allow for borrowers to move more quickly through the process when they cannot match with the IRS for providing income information. While not as eye-catching, FSA is working on technical integrations and cybersecurity updates that will be less visible to customers, but are significant improvements nonetheless. DCC's integration with the new NSLDS will allow the Department to be more flexible in what data is shown to customers, and multifactor authentication will keep bad actors from breaching the site.

While FSA's digital platform helps customers cut through the information clutter and access robust self-service, other components of Next Gen will bring onboard multiple contact centers that provide customers and partners with support across the entire student aid lifecycle, all under the FSA brand.

In early FY 2022, FSA will launch the Business Process Operations (BPO) initiative. BPO is the personnel component of the Next Gen FSA's vision. BPO vendors will provide customers and partners across all FSA programs and operations with support via contact centers and manual processing. Contact center work includes, but is not limited to, providing general assistance to students, parents, and borrowers as they navigate processes to learn about, apply for, receive, and repay federal student aid. BPO's will manage key back-office activities that encompass the full lifecycle of federal student financing in a manner consistent with leading financial services providers and other industry leaders recognized for high-quality customer service. While managing customer and partner relations, FSA's BPO's will:

- Deliver an efficient and effective customer and partner experience.
- Improve customer outcomes.
- Ensure compliance with consumer protections standards.
- Establish greater operational flexibility.
- Reduce operational complexity.

Next Gen remains deeply committed to improving the FSA experience for partners. In March 2021, FSA launched the FSA Partner Connect website, **fsapartners.ed.gov**. Before the launch, FSA's partners used several different systems to access tools and resources to support students during their educational journey. This new interface consolidates the tools that partners use regularly onto a single digital platform that streamlines operational information by award year, provides notifications related to a partner's specific school activities, tracks scheduled system outages, and more. FSA Partner Connect also reduces the administrative burden on financial aid professionals at more than 5,600 postsecondary schools around the globe, allowing them more time to serve students. In FY 2022, FSA will continue to develop and enhance the tools and systems used by partners and financial aid professionals.

The contracts that bring onboard these new tools, systems, and platforms include objective performance standards and accountability measures to ensure customers receive accurate, timely responses to their inquiries. These new technologies will also integrate modern cybersecurity protections, and a new enterprise wide data analytics platform will drive improved data and governance standards.

Solicitation and Procurement Process

FSA is strategically planning its future solicitation strategy, with the priority being to ensure that its customers and partners have stable, reliable, and accountable solutions that meet their needs.

As the Next Gen vision evolves, FSA will ensure that the appropriate contractual actions will be taken to maintain or improve servicing capabilities. FSA aims to modernize all back-end systems and infrastructure to pave the way for improved loan processing and management of customer accounts.

As FSA develops long-term plans for federal loan servicing, the goal will be to improve accountability, enhance service for at-risk borrowers, and establish performance benchmarks.

LEVERAGING DATA AS A STRATEGIC ASSET

The Department continues to focus on leveraging its data as a strategic asset by further implementing requirements in the *Foundations for Evidence-Based Policymaking Act* (Evidence Act; **P.L. 115-435**) and the **Federal Data Strategy**. Throughout the COVID-19 pandemic, the Department continued its efforts to strengthen data governance while overseeing the unprecedented investment in students and schools. This section highlights five areas guiding the Department towards realizing the power of data in daily operations and national policy: (1) the ED Data Strategy; (2) Open Data; (3) the Education Stabilization Fund Transparency Portal; (4) Data Quality; and (5) the ED Learning Agenda.

The Department's Data Strategy

The FY 2020 Action Plan for the Federal Data Strategy called for agencies to "put in place a data strategy or road map," and in December 2020, the Department subsequently completed and **published** its inaugural Data Strategy. The Department's Data Governance Board (DGB) guided the development of four goals—to strengthen agencywide data governance; build human capacity to leverage data; advance the strategic use of data; and to improve data access, transparency, and privacy. The Department's Data Strategy provides a road map for the agency to improve education outcomes and lead the nation through evidence-based policy and data-driven decisions. The Office of the Chief Data Officer led agencywide working groups composed of representatives of each principal office to develop objectives and action plans for implementation throughout FY 2021 and FY 2022. Key Data Strategy implementation efforts include integrating existing data governance initiatives into agencywide efforts, the implementation of agencywide data governance policies for program office data life cycle and data management functions, launching an agencywide data literacy program, and establishing data quality guidelines.

Open Data

The Evidence Act requires agencies to make data "open by default," and the Department is planning to develop, release, and execute the Act's required open data plan consistent with OMB guidance. The Department will balance privacy and security with the open data mandate while prioritizing a broader public use of data paid for by its citizens. The Department's Open Data Platform (ODP) (**https://data.ed.gov/**)was publicly launched December 2020, with an initial population of public data profiles. A central repository for data assets, ODP is a fully featured, robust, and highly scalable data repository that maintains all data assets in a fully searchable catalog. As required by the Evidence Act and guided by Data Strategy Goal 4, the Department will build towards a comprehensive data inventory by expanding on the ODP; increasing its catalogued data assets for both externally available open data and internal sources subject to open data priorities, reviewing all data assets for release, and expanding the number of Department open data assets listed in in the Federal Data Catalog. The ODP improves the Department's ability to grow and operationalize its comprehensive data inventory while progressing on open data requirements. The Department is at the forefront of federal agencies in realizing the requirements of the *Open, Public, Electronic and Necessary Government Data Act* (OPEN Government Data Act) (Title II of the Evidence Act) and the ODP is yet another way the Department is seeking to make data open by default.

Education Stabilization Fund Public Transparency Portal

The ESF Transparency Portal, located at **covid-relief-data.ed.gov**, is the Department's website dedicated to collecting and disseminating data and information about the ESF programs managed by the Department and authorized through the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), *Coronavirus Response and Relief Supplemental Appropriations Act* (CRRSAA), and the American Rescue Plan Act of 2021 (ARP). The ESF Portal empowers decision-makers, parents, students, teachers, education leaders, and taxpayers with information about ESF programs and discloses how states, districts, and institutions of higher education (IHE) spent COVID-19 relief funds. The funding data is from public data sources and reflects data collected by the Department and data released or shared by other federal agencies, including the General Services Administration, and the Department of the Treasury. The Portal enables state and IHE grantees to submit annual performance reports on funding authorized through the **HEERF, ESSER**, and **GEER** funds, providing the public and decision-makers fuller insight into the expenditures and usage of ESF program funds. The Portal currently displays the CARES Act Annual Performance Report 2020 data by grantee and includes downloadable data files for decision-makers and the public detailing how ESF funds were spent on allowable activities such as distance-learning, ensuring student health and safety, and emergency aid to college students. An exemplar of open, transparent data, the Portal is responsive to the mandate in the OPEN Government Data Act (Title II of the Evidence Act) to make public data open and accessible.

Data Quality

The Department's program offices have historically had varying levels of data quality control among its datasets. The Evidence Act calls for agencies to make greater use of administrative and program data, but there are limitations on enforcing remission of complete and accurate data from grantees. Current control processes address data quality only at the point when data are submitted, and, commencing initially in FY 2020, the Department identified a multipronged approach to address root causes and improve data quality. The ED Data Strategy Objective 1.5 calls for the Department to "Implement a cohesive data quality approach for the agency, leveraging best practices, technical assistance, and controls." Efforts include ensuring grantees are aware of their data responsibilities under the conditions of their grants and of the credible consequences for noncompliance, ranging from additional informal monitoring through termination of the grant. It also includes provisions to improve the varying capacity of grantees in reporting data and varying capacity among Department staff in reviewing grantee-reported data. When fully deployed, this is expected to take the form of technical assistance to grantees, additional resources for the Department for data quality review, and expanded use of technological solutions to automate and reduce for manual reporting and review.

In late FY 2020, exigent circumstances, volume of new grant funds, and other challenging environmental factors led the Department to immediately deploy a variation of this strategy for key data collections associated with the ESF—specifically, the HEERF, GEER, ESSER, and equivalent Outlying Area funds. The Department executed a contract to develop a data collection portal, implement a data management solution to support internal and external reporting, and launch a public transparency website. In addition to early communications to grantees about expectations for data quality, several components of the data collection process include explicit data quality components. This includes auto-population of known data values in the collection instrument; help desk services for grantees submitting performance data; a data management platform that imposes business rules to improve data quality; and established phases for opening, closing, and reopening the tool for grantees to submit data quality corrections.

Throughout FY 2021, the Department continued to work on developing data quality controls for each stage of the data lifecycle, including mechanisms for evaluating, preventing, and remediating data irregularities to assure higher quality data for the agency to use in meeting its mission and strategic objectives. Future efforts coordinated through the ED Data Strategy include the development of a data quality playbook to clarify data quality roles and responsibilities and build staff capacity to understand and address quality issues. The playbook will address how to help grantees assess and improve data quality before submission, propose meaningful incentives for data submitters, strengthen communication strategies, and propose ways to reduce the burden on both Department staff and grantees.

The Department's Learning Agenda

The Department's FY 2022–FY 2026 Learning Agenda will be published in February 2022, in conjunction with the release of the FY 2023 President's Budget. The Learning Agenda is aligned to the Department's *Strategic Plan*, reflecting the secretary's goals and objectives for the Department over the next four years. The Learning Agenda is complemented by an Annual Evaluation Plan. The Annual Evaluation Plan includes a listing of the Department's most significant evaluation activities in a given fiscal year. All Evidence Act deliverables are located at **https://www.ed.gov/data**.

The Learning Agenda was developed in consultation with the Department's Evidence Leadership Group (ELG). The ELG is co-chaired by the Department's evaluation officer (EO) and the director of the Department's Grants Policy Office (GPO) and includes members from the Department's primary grantmaking offices as well as mission-support units, such as the Department's Budget Service, and Office of General Counsel, and ex-officio representatives from the Office of the Chief Data Officer, the Statistical Official, and the Performance Improvement Officer. Feedback from OMB and consultation with stakeholders across government, education, and the public, was also used to inform the Department's Learning Agenda.

In addition to advising the EO on the development of the Learning Agenda, the ELG advises Department leaders on how to support the capacity of Department staff to make better use of data and evidence. GPO, led by the ELG co-chair, continues to spearhead a range of internal training opportunities for Department staff to bolster the use of the secretary's policy priorities, including the use of evidence in program design, and to consider how the Department's grantmaking activities can build evidence for improvement in the future.

CONTINUOUS IMPROVEMENT

Improving critical infrastructure, systems and overall capacity, and ensuring sound strategic decision-making regarding allocation of resources are essential to the Department's future progress and success. Implementing Technology Business Management Solutions (TMBS) is one of the Department's key initiatives.

Technology Business Management Solutions

The purpose of the TBMS project is to provide greater cost transparency into IT spending. The TBMS allows OCIO to communicate the cost drivers for, and the value of, IT to senior leadership, improve the efficiency and predictability of the formulation of the IT budget, and optimize IT costs.

Beginning in 2017, OMB required agencies to begin reporting IT spending in alignment with the TBMS framework, including using cost pools and IT towers to classify IT spending. The Department has started to leverage TBMS beyond the minimum OMB reporting requirements to encompass the full implementation of the TBMS cost accounting framework. The Department of Education is refining the TBMS effort to: 1) provide accurate cost analysis and accounting of operations and services to improve tracking cost variances, 2) provide ad hoc reports to stakeholders on IT spending, and 3) contextualize the Department's internal resource costs with real-world data to inform decisions. The goal is to provide a "bill of IT" to form the basis of a show-back model to drive more informed decision-making around IT.

The objective is to implement an integrated solution that will allow OCIO to:

- Accurately account for and categorize IT spending in cost pools and IT towers.
- Evaluate IT spending using a method that helps identify redundant IT assets (e.g. systems, applications, and licenses).
- Extract cost elements from disparate sources, analyze these elements, and report cost stressors and trends to stakeholders.
- Prepare accurate pricing through a show-back model to client offices for the services provided and consumed by each client office.