MESSAGE FROM THE SECRETARY



November 14, 2018

As we at the Department continue to focus on students and their success, I would like to note the Department's accomplishments this past fiscal year, and plans for the next year.

Our work is guided by four main priorities: supporting State and local efforts to improve learning outcomes for P–12 students; expanding postsecondary education options and improving outcomes; strengthening the quality, accessibility and use of education data; and reforming the effectiveness, efficiency and accountability of the Department.

Our priority of supporting State and local efforts to improve learning outcomes for P–12 is premised on the fact that every student is an individual, with different experiences, different needs, different learning styles and different goals. Students can benefit from more freedom. State and local communities are starting to embrace the flexibility that the *Every Student Succeeds Act* (ESSA) affords.

ESSA provides flexibilities for states to pilot different types of programs. One pilot is the Innovative Assessment Demonstration Authority (IADA) program,

which was designed to lower barriers to innovation and encourages local involvement in the development of the next generation of assessments. States can pilot innovative assessments on a small scale, develop strategies for implementing those assessments statewide and avoid replicative testing of students. States can make assessments more relevant and connected to the classroom while still providing valid, reliable and transparent data on student achievement and growth. Also authorized under ESSA, the Student-Centered Funding Pilot Program allows local educational agencies to create a funding system designed to equitably allocate local, State and Federal resources based on student needs. This flexibility will allow school districts to combine eligible Federal funds with State and local funds to allocate resources to schools based on the number of students and the corresponding level of need.

In pursuing our priority of expanding postsecondary options and improving outcomes, we will provide prospective students with actionable, accurate information for college enrollment and borrowing decisions. The Department plans to utilize a web-based tool to provide program-level outcomes, including median debt and median earnings for all higher education programs, at all Title IV participating institutions. This tool will improve transparency by providing comparable information for all programs, which can help students understand what earnings they might expect based on those of prior graduates. Providing accurate and relevant data will also increase the accountability of institutions by making it more difficult for institutions to misrepresent program outcomes of prior graduates.

The Department is also implementing a plan to transform Federal student aid and improve customer service by modernizing the technology and operational components supporting Federal student aid programs. On October 1, 2018, the office of Federal Student Aid (FSA) launched a redesigned, mobile-friendly Free Application for Federal Student Aid (FAFSA°) website. Students and parents can now complete and submit the FAFSA form on a mobile device in addition to a

computer. FSA also launched the myStudentAid mobile app featuring the myFAFSA functionality that allows students and parents to submit a FAFSA® form. The fafsa.gov homepage was also integrated into StudentAid. gov, making it easier to apply for financial aid directly from FSA's leading online portal. To continue customer service improvement, FSA future plans also include consolidation of all of its customer-facing websites into a single, user-friendly hub to complement the new mobile platform and give students, parents and borrowers a seamless experience from application through repayment.

To address future loan-servicing needs, FSA researched how world-class financial services organizations design and operationalize their customer service engagement practices, as well as web and mobile, middleware, data processing, analytics, storage and hosting capabilities. Through this market research, FSA is refining its strategy to implement the Next Generation Financial and Services Environment (Next Gen FSA).

Finally, the President's promise to make the Federal government more efficient and effective has been initiated with his Executive Order "Comprehensive Plan for Reorganizing the Executive Branch." The Department is enacting this order, with reform activities based on principles of: reducing redundancy and maximizing efficiency; maximizing transparency; leveraging staff expertise; and maximizing creative problem-solving and teamwork. As part of that reform, the Department is reorganizing itself by realigning functions and improving internal processes. The aim is that this reform will result in higher quality and more timely service to the public; improved policy and program coordination; greater focus on the Secretary's priorities; and reduction of internal transactional costs.

To meet the challenges of the 21st century economy, the proposed merger of the departments of Education and Labor would reduce the Federal footprint and make government more responsive to a wide range of needs faced by American students and workers.

Good stewardship of taxpayers' funds is a priority for our Department, and I have been assured that the financial data included in this AFR are complete and reliable in accordance with Federal requirements. The financial report includes information and assurances about the Department's financial management systems and controls as well as control and compliance challenges noted by the Department and its auditors. Similarly the Department's Annual Performance Report and the Annual Performance Plan provides information on the completeness and reliability of the performance data.

While the Department has made strides this past fiscal year, the needs of communities, families and students remain great. Each and every student needs learning environments that are agile, relevant and exciting for a challenging, lifelong learning journey. Because students represent 100 percent of our future, those of us at the Department continue to strive to give them 100 percent of our effort every day.

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