

Message From the Chief Financial Officer

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The Office of Finance and Operations is committed to supporting the Department of Education’s mission to “promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access,” while also ensuring effective financial stewardship of taxpayer dollars. This FY 2022 Agency Financial Report (AFR) is another valuable tool the public can use to better understand the Department of Education and its programs.

This year was again challenging and rewarding as the agency completed its transition to new normal operations following two years of pandemic impacts, published a new strategic plan, completed another major upgrade of its financial management systems and supported the administration’s debt relief program initiative.

This year, the Department received a disclaimer of opinion on our FY 2022 financial statements from our independent auditor. The Department will develop and implement a corrective action plan to begin addressing improvements identified in the audit report and remains committed to continually evaluating business processes for improvement opportunities in FY 2023 and beyond. More information regarding this disclaimer of opinion and our ongoing efforts may be found in *Management’s Response* in the *Independent Auditors’ Report* of this AFR.

On April 1, 2022, the agency successfully transitioned to its new hybrid work model after spending two years in a 100% telework posture due to COVID-19. Managers and employees have continually shown that they can perform at the highest levels no matter where they are working.

On July 8, 2022, the agency published its new FY 2022-2026 Strategic Plan which now serves as our roadmap for implementing key program and operational goals which support students, educational staff, and parents while also optimizing agency operations. The Strategic Plan Goals are:

- Strategic Goal 1: Promote equity in student access to educational resources, opportunities, and inclusive environments.
- Strategic Goal 2: Support a diverse and talented educator workforce and professional growth to strengthen student learning.

- Strategic Goal 3: Meet students’ social, emotional, and academic needs.
- Strategic Goal 4: Increase postsecondary value by focusing on equity-conscious strategies to address access to high-quality institutions, affordability, completion, post-enrollment success, and support for inclusive institutions.
- Strategic Goal 5: Enhance the Department’s internal capacity to optimize the delivery of its mission.

On August 24, 2022, the administration announced a one-time loan cancellation for more than 40 million Americans with federal student loans. This program provides eligible borrowers who make less than \$125,000 a year with a one-time loan cancellation of up to \$20,000. It is estimated that this program will result in total loan forgiveness for approximately 20 million Americans, and for many of those borrowers who still have a balance remaining, their monthly loan payments will be reduced.

In addition, the Department recently released details on its proposal regarding a new income-driven repayment plan to further assist borrowers in managing their student debt.

And finally, this year the Department again received external validation of our sustained efforts to produce user-friendly, transparent financial reporting by earning the Department’s 18th award of the AGA’s Certificate of Excellence in Accountability Reporting. Federal financial reports must pass a rigorous independent review against a comprehensive set of standards to earn this prestigious recognition, which is the highest award bestowed for federal financial reporting.

The Department’s achievements illustrate the remarkable effort and dedication of our employees and partners. We will continue to serve as accountable and committed stewards supporting the Department’s mission on behalf of the public while enhancing our financial management capabilities.

Denise L. Carter

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Delegated the authority to perform the functions and duties of the position of Chief Financial Officer

January 23, 2023