

United States Senate

WASHINGTON, DC 20510

April 10, 2024

Phebe Novakovic
Chairman and Chief Executive Officer
General Dynamics
11011 Sunset Hills Road
Reston, VA 20190

Dear Ms. Novakovic:

We write regarding General Dynamics Information Technology's (GDIT) role in the "bungled launch" of the new Free Application for Federal Student Aid (FAFSA).¹ The new and "Better FAFSA" was supposed to be implemented by October 2022,² and the Education Department (ED) promised it "would make applying for aid easier," and that "the new formulas [the Department] w[as] implementing would mean more federal money for low-income families."³ Instead, it was launched nearly a year later than promised and is currently "riddled with technical issues, many of which remain unresolved."⁴

These failures are hurting students. "Colleges and universities are beginning to receive financial aid information on students after months of delays."⁵ But millions of students are in limbo, and "[t]here are growing concerns that the FAFSA problems will disproportionately affect traditionally underserved communities, particularly Black, Latino, first-generation and low-income students."⁶

The ongoing problems with FAFSA are the result of numerous failures. Congress passed the *FAFSA Simplification Act* as part of the *2021 Consolidated Appropriations Act*,⁷ which modified

¹ Inside Higher Ed, "Untangling the Bungled FAFSA Launch," Katherine Knott and Liam Knox, March 4, 2024, <https://www.insidehighered.com/news/government/student-aid-policy/2024/03/04/how-ambitious-plans-new-fafsa-ended-fiasco>.

² Government Accountability Office, "Federal Student Aid System Modernization Project Should Better Estimate Cost and Schedule," June 2023, at 7, <https://www.gao.gov/assets/gao-23-106376.pdf>.

³ Inside Higher Ed, "Untangling the Bungled FAFSA Launch," Katherine Knott and Liam Knox, March 4, 2024, <https://www.insidehighered.com/news/government/student-aid-policy/2024/03/04/how-ambitious-plans-new-fafsa-ended-fiasco>.

⁴ *Id.*

⁵ The Hill, "Colleges begin receiving student FAFSA information after delays," Lexi Lonas, March 11, 2024, <https://thehill.com/homenews/education/4524879-college-applications-student-fafsa-data>.

⁶ New York Times, "Inside the Blunders That Plunged the College Admission Season Into Disarray," Erica L. Green and Zach Montague, March 13, 2024, <https://www.nytimes.com/2024/03/13/us/politics/fafsa-college-admissions.html>.

⁷ FSA; Title VII, Division FF of P.L. 116-260.

the requirements for completing the FAFSA and for obtaining financial aid.⁸ While Republican members of Congress have blamed ED, administration officials have indicated that “the department was given an unrealistic timeline for the overhaul and was denied additional resources to commit to the project” by Congress.⁹

However, little attention has been paid to the role of GDIT in this bungled process. Your company has had the contract to develop the FAFSA online portal since 2015,¹⁰ and in June 2022, GDIT received a \$121.8 million contract to modernize the FAFSA system following the changes made in the *FAFSA Simplification Act*.¹¹ According to a company press release – which now appears to have been removed from your website – this was a “10-year contract [with] an 18-month base period with eight one-year and one six-month option periods.”¹²

Your company promised that “[t]he new system will improve the overall customer experience, as well as deliver cost savings and operational flexibility to quickly scale in response to any future regulations or requirements” and that “this modernization contract enables GDIT to further advance FSA’s higher education mission... The new system will allow students to more efficiently receive federal aid to help pay for college or career school.”¹³

These promises were not kept; indeed, it now appears that your efforts to date have been a near-total failure and that the FAFSA problems caused by this failure are harming millions of students and hundreds of colleges. In order to understand how and why you failed to meet your expectations and requirements as the primary contractor for the updated FAFSA program, we ask that you provide answers to the following questions no later than April 23, 2024:

- 1) How much in federal funds has GDIT received to date under its June 2022 FAFSA contract with the Education Department?
- 2) Has the company received all expected payments to date? If any payments have been withheld, please provide a list of all such payments.

⁸ Congressional Research Service, “The FAFSA Simplification Act,” August 4, 2022, <https://crsreports.congress.gov/product/pdf/R/R46909>.

⁹ Inside Higher Ed, “Another ‘Devastating’ FAFSA Delay,” Liam Knox, January 31, 2024, <https://www.insidehighered.com/news/government/student-aid-policy/2024/01/31/colleges-wont-receive-student-fafsa-information-until>.

¹⁰ General Dynamics, “General Dynamics to Support the Department of Education Federal Student Aid Program,” press release, September 10, 2015, <https://www.gd.com/Articles/2015/09/10/general-dynamics-support-department-education-federal-student-aid>.

¹¹ Government Technology, “GDIT to Modernize Federal Student Aid Processing System,” June 22, 2022, <https://www.govtech.com/education/higher-ed/gdit-to-modernize-federal-student-aid-processing-system>.

¹² Internet Archive, General Dynamics Information Technology, “GDIT Awarded \$121.8 Million Contract to Modernize Federal Student Aid Processing System Supporting 10 Million Students,” press release, June 14, 2022, <https://web.archive.org/web/20230528024847/https://www.gdit.com/about-gdit/press-releases/gdit-awarded-usd121-8-million-contract-to-modernize-federal-student-aid/>.

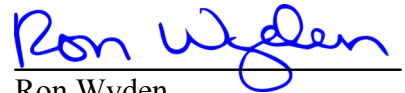
¹³ *Id.*

- 3) What specific deliverables were promised under this contract, and when were these deliverables due? Please provide a list of all such deliverables, including the due date, whether the deliverable has been completed, and if so, the date of delivery.
- 4) What were the specific performance standards under the contract? Which, if any, has GDIT failed to meet?
- 5) Have there been any significant modifications to the requirements asked of GDIT under the contract? If so, please provide a complete list of all such modifications, and the date that the modification was made.
- 6) Did GDIT at any time receive warnings from ED or other officials regarding concerns about the timing or functioning of the new FAFSA website? If so, please provide a complete list of all such warnings and the date they were received.
- 7) Did GDIT at any time warn federal officials regarding concerns about the timing or functioning of the new FAFSA website? If so, please provide a complete list of all such warnings and the date they were sent.
- 8) Has the Education Department renewed any of the option periods for your contract?
- 9) Has GDIT received any reduction in compensation or other penalties as a result of failing to meet contractual conditions?
- 10) Were any GDIT executives awarded any bonuses related to this contract? If so, please provide a list of all such bonuses. Have any of these bonuses been clawed back?

Sincerely,



Elizabeth Warren
United States Senator



Ron Wyden
United States Senator