



Highlights of [GAO-05-762](#), a report to congressional requesters

## Why GAO Did This Study

As federal workers retire in greater numbers, agencies will need to recruit and retain a new wave of talented individuals. Agencies need to determine if the federal student loan repayment (SLR) program is one of the best ways to make maximum use of available funds to attract and keep this key talent.

GAO was asked to identify (1) why agencies use or are not using the program; (2) how agencies are implementing the SLR program; and (3) what results and suggestions agency officials could provide about the program and how they view the Office of Personnel Management's (OPM) role in facilitating its use. Ten agencies were selected to provide illustrative examples of why and how agencies decided to use or chose not to use the program.

## What GAO Recommends

GAO recommends that OPM work with the Chief Human Capital Officers (CHCO) Council to determine more efficient ways to administer the SLR program and to measure its results. GAO also recommends that the selected agencies using the SLR program extensively build on current efforts to measure the impact of their SLR programs. OPM generally agreed with the recommendations. The selected agencies either generally supported the recommendations or did not express an overall opinion about them.

[www.gao.gov/cgi-bin/getrpt?GAO-05-762](http://www.gao.gov/cgi-bin/getrpt?GAO-05-762).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Eileen Larence, (202) 512-6806, [larencee@gao.gov](mailto:larencee@gao.gov).

# FEDERAL STUDENT LOAN REPAYMENT PROGRAM

## OPM Could Build on Its Efforts to Help Agencies Administer the Program and Measure Results

### What GAO Found

The largest users among GAO's 10 selected executive branch agencies primarily employed their SLR programs as broad-based retention tools aimed at keeping more recently hired employees with the knowledge and skills critical to their agencies. Officials at these agencies said the program also has an indirect positive effect on their recruitment efforts because job candidates are aware of the benefit and find the incentive attractive. Other agencies used the program as a recruitment and retention tool on a case-by-case basis, offering repayments to highly qualified individuals in occupations where the labor market is competitive. Agencies not using the program reported no real need to do so at this time because they are not facing significant recruitment and retention challenges.

Agencies have a large degree of discretion in structuring their SLR programs, and they were tailoring program aspects to meet their unique needs. Those using their programs as broad-based retention tools operated them centrally, while those making loan repayments on a case-by-case basis had decentralized programs operated by their component units. Agencies also varied in the size of their loan repayments depending on the results they were trying to achieve.

Although agencies believe it is a useful tool, officials described the program as time consuming and cumbersome to operate. They suggested that more automation and consolidation of program activities would make the program more efficient and easier to operate. Officials also suggested ways to make the program more effective. Since the SLR program is relatively new, agencies did not yet have comprehensive data to assess the program's impact, although they will need to establish a baseline of measures now for future assessments of the program. Currently, anecdotal evidence indicates that employees value the program, and agency officials believe the incentive will become more attractive to agencies once administrative problems are reduced.

OPM has taken a number of steps to provide agencies with information and guidance on implementing the program. Human capital officials recognized OPM's efforts, but felt they could use more assistance on the technical aspects of operating the program, more coordination in sharing lessons learned in implementing it, and help consolidating some of the program processes. OPM and the CHCO Council have an important role in assisting agencies with implementing their SLR programs. They may also be able to help agencies assess their own program results as well as develop a common set of metrics to provide information to Congress on the impact of the SLR program governmentwide.