Goal: Getting Payments Right

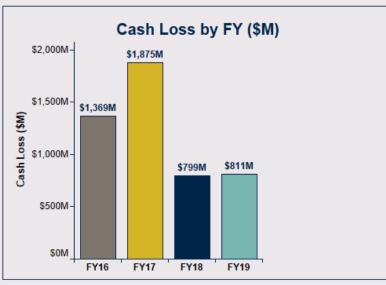| Program or Activity	Reporting Period
National School Lunch	Q1 2020

Change from Previous FY ($M)
$12M ⬆

USDA
USDA
National School Lunch

Brief Program Description:
The National School Lunch Program (NSLP) is a federally assisted meal program operating in public and nonprofit private schools and residential child care institutions. It provides nutritionally balanced, low-cost or free meals to children.

Cash Loss by FY ($M)

Bar chart — Cash Loss ($M): FY16 $1,369M; FY17 $1,875M; FY18 $799M; FY19 $811M

Key Milestones		Status	ECD
1	Develop mitigation strategies to get the payment right the first time	Completed	Oct-19
2	Evaluate the ROI of the mitigation strategy	On-Track	Sep-20
3	Determine which strategies have the best ROI to prevent cash loss	On-Track	Sep-20
4	Implement new mitigation strategies to prevent cash loss	On-Track	Sep-20
5	Analyze results of implementing new strategies	On-Track	Sep-20

Quarterly Progress Goals			Status	Notes	ECD
1	Q1 2020	Continue to work with state agencies that received USDA Administrative Review and Training (ART) grants to acquire/build or explore building statewide online household applications for school meal benefits.	On-Track	Encourage those states to adopt integrity features comparable to those in USDA's prototype online application.	Apr-20
2	Q1 2020	Conduct debriefing sessions with the 3 state agencies that connected their state data collection systems USDA's new data validation service. Hold a webinar to encourage states and their software vendors to take a..	On-Track		Jun-20

Recent Accomplishments		Date
1	FNS awarded Administrative Review and Training (ART) grants to 7 states for projects to reduce and prevent administrative error. Three of those states will build or explore building statewide applications for NSLP and SBP program benefits.	Sep-19
2	Released new cloud-based API to help state agencies improve the quality of NSLP and SBP eligibility verification data collected from their school districts.	Oct-19
3	Released a proposed rule, Simplifying Meal Service and Monitoring Requirements in the National School Lunch and School Breakfast Programs. The rule proposes changes to improve efficiency in school meal program monitoring.	Jan-20

Amt($)	Root Cause	Root Cause Description	Mitigation Strategy	Anticipated Impact of Mitigation
$437M	Program design or structural issues	Household errors on applications for school meal benefits place children in the wrong benefit category. Households do not submit income documentation at application time, and just 3% of approved applicants are selected for follow-up verification.	USDA developed and promotes the use of online applications that target household error. The agency is also focused on improving the effectiveness of the application and verification processes through research, new tools, and technical assistance.	USDA believes that widespread use of applications that target the type of household error identified by USDA's nationwide study of program error (conducted in satisfaction of IPIA requirements) will improve benefit certification accuracy.
$374M	Administrative or process errors made by: state or local agency	This includes administrative error by school district staff responsible for certifying applicants for program benefits, and by local and state agency staff in counting and reporting meals for federal reimbursement.	States monitor school district operation of the program. They provide technical assistance and take fiscal action when necessary. USDA provides extensive support through the design of a monitoring process, reporting tools, training, and research.	Monitoring, technical assistance, and training are ongoing responsibilities in this decentralized program. With typical rates of staff turnover at the state and local levels, these efforts help maintain relatively low administrative error rates.

Cash Loss - Cash loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.