Goal: Getting Payments Right
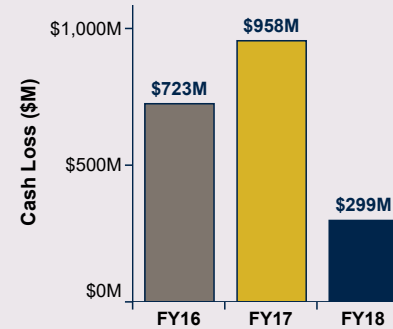
USDA
School Breakfast

Brief Program Description:
School Breakfast Program (SBP) 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.

Key Milestones		Status	ECD
1	Finalize cash loss estimation methodology	Completed	Oct-18
2	Identify cash loss amount for FY 2018	Completed	Oct-18
3	Identify true root causes of cash loss	Completed	Oct-18
4	Develop mitigation strategies to get the payment right the first time	Completed	Oct-18
5	Evaluate the ROI of the mitigation strategy	Completed	Oct-18
6	Determine which strategies have the best ROI to prevent cash loss	Completed	Oct-18

Change from Previous FY ($M)   -$660M

Cash Loss by FY ($M)

FY16	FY17	FY18
$723M	$958M	$299M

Quarterly Progress Goals			Status	Notes	ECD
1	Q4 2018	Analysis of first year's data reported by state agencies to FNS summarizing the results of their review of school district program operations.	On-Track	N/A	Jun-19
2	Q4 2018	Posting grant opportunities for State child nutrition agencies to fund technology projects as well as training, review, and monitoring of local agency operations. The grants will fund projects that identify integrity risk and reduce program error.	On-Track	N/A	Jan-19

Recent Accomplishments		Date
1	Finished data collection for the third in USDA's series of nationally representative studies to measure improper payments in the school meal programs.	Jun-18
2	Conducted the fourth national technology training for State agencies and technology vendors. The training is focused on developing State agency skills and knowledge in technology-related areas that can improve program integrity.	Sep-18
3	Release of updated guidance for state agency administrative review of local school meal program operations. The guidance provided clarifications on resource management and more accurately assessing fiscal action.	Sep-18

FY18 Amt($)	Root Cause	Root Cause Description	Mitigation Strategy	Anticipated Impact of Mitigation
$151M	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.
$148M	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.