Goal: Getting Payments Right

Program or Activity
National School Lunch

Reporting Period
Q3 2019
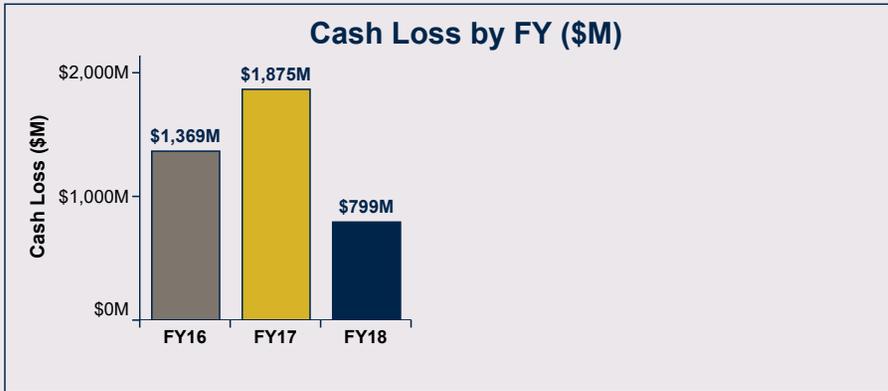
Change from Previous FY ($M)   **-$1076M** ⬇

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)

Key Milestones		Status	ECD
1	Finalize estimated cash loss estimation methodology	Completed	Oct-18
2	Identify estimated 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

Quarterly Progress Goals			Status	Notes	ECD
1	Q3 2019	Make available to State agencies USDA's recently completed "data validation service" to improve the quality of school meal verification data, The service is designed to work with existing State systems to limit burden while improving outcomes.	On-Track	N/A	Nov-19
2	Q3 2019	Analysis of preliminary results from the school year 2017-2018 school meal program improper payment study (Access, Participation, Eligibility, and Certification Study III).	On-Track	N/A	Jun-20

Recent Accomplishments		Date
1	Completed work (in cooperation with GSA's 18F) on a new service to improve the quality of administrative data collected from the States on the NSLP and SBP verification process.	Jun-19
2	FNS awarded $13 million in Technology Innovation Grants in July to 13 States for a variety of projects to improve program accountability and efficiency in the school meal programs and other child nutrition programs at the state and local levels.	Jul-19
3	FNS awarded Administrative Review and Training (ART) grants to seven state agencies in July 2019 for projects to reduce and prevent administrative errors. Including development of web-based meal applications and automating manual processes.	Jul-19

FY18 Amt($)	Root Cause	Root Cause Description	Mitigation Strategy	Anticipated Impact of Mitigation
$431M	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.
$369M	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.