

Payment Integrity Scorecard

Program or Activity
National School Lunch Program

Reporting Period
Q3 2026

FY 2025 Overpayment Amount (\$M)*

\$1,035

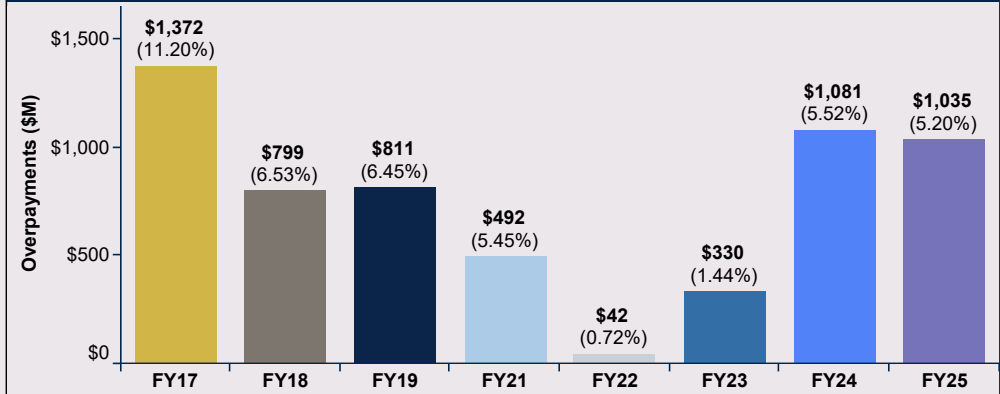
*Estimate based a sampling time frame starting 7/2017 and ending 6/2018



Brief Program Description & summary of overpayment causes and barriers to prevention:

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 reimburses participating schools and institutions for the cost of providing meals to eligible children. NSLP overpayments are primarily due to errors in determining children's eligibility for program benefits. Errors in counting and claiming meals for federal reimbursement is a secondary source of over payment. The most significant barrier to prevention is the decentralized nature of the program. Certifying children for benefits and counting meals for reimbursement are handled independently by tens of thousands of schools and school districts.

Historical Payment Rate and Amount (\$M) (Overpayment as Percentage of Total Outlays)



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

In the past quarter, FNA continued working with the contractor for the Fourth Access, Participation, Eligibility and Certification Study (APEC IV) which collected data in school year 2023-2024. The contractor met with FNA with first written drafts, which FNA reviewed and shared feedback during a stakeholder meeting. The study results are instrumental in informing our understanding of how NSLP and SBP have changed since APEC III (conducted in school year 2017-2018), and allow future improper payment estimates to more accurately reflect nuances of the program. After using pre-pandemic data from APEC III for IP estimates across multiple reporting cycles, FNA refined APEC IV's data collection protocol to gather new information to improve our understanding of program error. FNA expects that this additional data will allow for more robust estimates when incorporating data from APEC IV.

Accomplishments in Reducing Overpayment

		Date
1	FNA published the final rule Expanding Fluid Milk Options in Child Nutrition Programs, which allows operators to offer whole and reduced-fat milk to participants. The more flexible guidelines may reduce the procurement and claiming burdens on staff.	May-26
2	FNA announced the availability of \$20 million to provide Equipment Assistance Grants to State agencies. These grants support the establishment, maintenance, and expansion of school nutrition programs.	Apr-26
3	FNA is offering prospective statewide waivers for non-congregate meal service, allowing operators to quickly respond to closures by providing flexibilities for non-congregate service. This will streamline processes and reduce potential integrity risks.	Jun-26

Payment Integrity Scorecard

Program or Activity

National School Lunch Program

Reporting Period

Q3 2026

Goals towards Reducing Overpayments	Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1 The contractor for our ongoing Access, Participation, Eligibility and Certification Study delivered a final briefing and is preparing final written drafts, providing results of improper payments in NSLP/SBP, description of methodologies used to measure improper payments, and narratives for identifying root causes. FNA awaits publication of these results, as they will allow us to update our IP estimates to better capture error in the current landscape of our programs.	On-Track	Sep-26	1	FNA has been granted a waiver for recovery of overpayments due to the nature of the program (i.e., State level administration, where States distribute reimbursements to program operators who submit claims and for monitoring and oversight of the claims submission process).	FNA has been granted a waiver for recovery of overpayments due to the nature of the program (i.e., State level administration, where States distribute reimbursements to program operators who submit claims and for monitoring and oversight of the claims submission process).

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$1,035M	Overpayments that occurred because of a Failure to Access Data/Information Needed.	USDA uses cross-agency data sharing to certify children without application error, but not all eligible states, schools and districts participate in these methods. Data determining eligibility is not shared with FNA; NSLP is locally operated and state administered.	Automation - automatically controlled operation, process, or system.	USDA provides resources to help states improve integrity. FNA facilitates conversations with states to maximize direct certification, which reduces error by eliminating household applications. Household applications are our biggest source of error.