

Payment Integrity Scorecard

Program or Activity
National School Lunch Program

Reporting Period
Q4 2025

FY 2024 Overpayment Amount (\$M)*

\$1,081

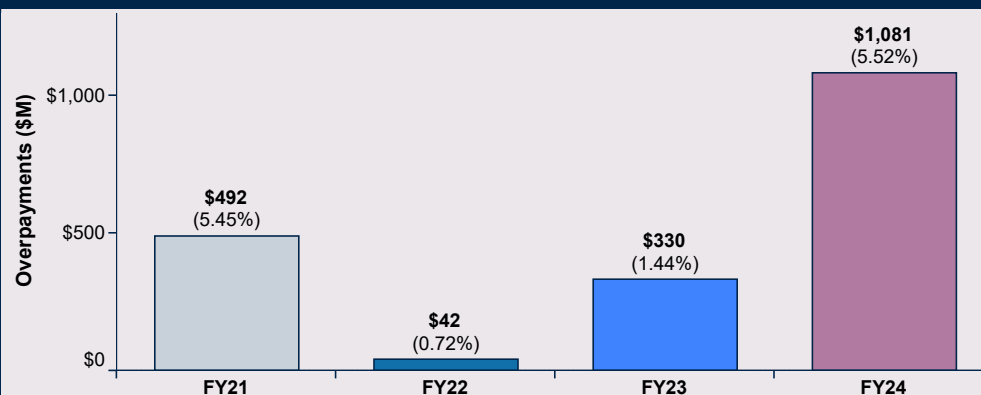
*Estimate based a sampling time frame starting 7/2017 and ending 6/2018



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, FNS 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 provided FNS with completed data tables, which gives a first view of the study's results. FNS has reviewed and provided multiple rounds of feedback on these data tables. These 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, FNS refined APEC IV's data collection protocol to gather new information to improve our understanding of program error. FNS expects that this additional data will allow for more robust estimates when incorporating data from APEC IV. In the next quarter, FNS will continue analyzing these results and working with the contractor as they prepare the final report.

Accomplishments in Reducing Overpayment

Date

		Date
1	FNS staff attended and presented at the 2025 School Nutrition Association's Annual National Conference. There were several integrity-related sessions with topics such as data reporting requirements, verification of eligibility, and compliance.	Jul-25
2	FNS released over \$36M to State agencies for FY25 Non-Competitive Technology Innovation Grants (nTIGs). The grants are for developing, implementing, and maintaining modernized IT systems for CN Programs. FNS also held a project planning webinar for States who received nTIGs.	Aug-25
3	FNS shared new and revised resources for school meals with program operators, State agencies, parents/caregivers, and advocacy groups. This included program integrity related materials on menu planning for meeting nutrition standards and meal pattern requirements.	Sep-25

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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 data tables providing initial results of IPs in NSLP. Receiving these results begins the process that will help us update our IP estimates and better identify root causes. Most recently, FNS gave feedback on tables. The upcoming draft will help characterize the methods used to conduct data collection and analysis, provide a narrative identifying root causes, and contextualize the results.	On-Track	Sep-26	1	FNS 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).	FNS 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
\$1,081M	Overpayments outside the agency control 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 FNS; NSLP is locally operated and state administered.	Automation - automatically controlled operation, process, or system.	USDA provides resources to help states improve integrity. FNS facilitates conversations with states to maximize direct certification, which reduces error by eliminating household applications. Household applications are our biggest source of error.