

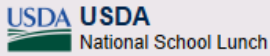
Goal: Getting Payments Right

Program or Activity
National School Lunch

Reporting Period
Q4 2020

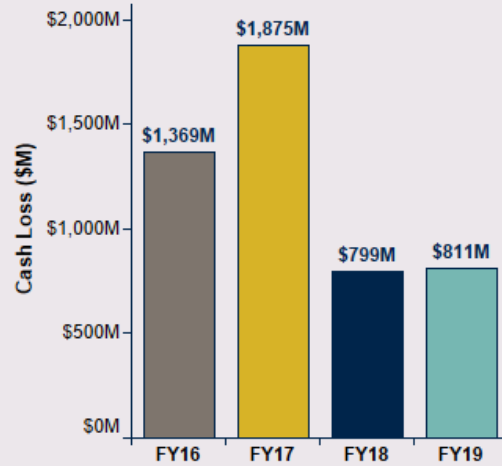
Change from Previous FY (\$M)

\$12M



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 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 Q4 2020 FNS is studying the efficacy of a policy that requires certification decisions on school meals applications in specified school districts to undergo second review. CN will use the results of that study to further improve the certification process.	On-Track	N/A	Dec-20
2 Q4 2020 The third Access, Participation, Eligibility, and Certification Study identifies sources of certification and aggregation error in school meals programs. CN is finalizing an action plan that will identify potential options to reduce those errors.	On-Track	N/A	Dec-20

Recent Accomplishments	Date
1 CN developed a fraud risk assessment for the school meals programs, differentiating between improper payments and fraud. Fraud risk assessments are required under the 2015 Fraud Reduction and Data Analytics Act.	Sep-20
2 CN worked collaboratively with the Institute for Child Nutrition to reach CN program operators in face-to-face or virtual, instructor-led trainings and webinars and providing thousands of CN program operators with job skills training opportunities.	Sep-20
3 Two new states completed the work to access USDA's voluntary Data Validation Service (DVS) edit checks system. DVS helps improve the quality of NSLP and SBP eligibility verification data and was piloted with two states last year.	Oct-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.	o 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.