

# Payment Integrity Scorecard

**Program or Activity**  
Food and Nutrition Service (FNS) School Breakfast Program (SBP)

**Reporting Period**  
Q1 2024

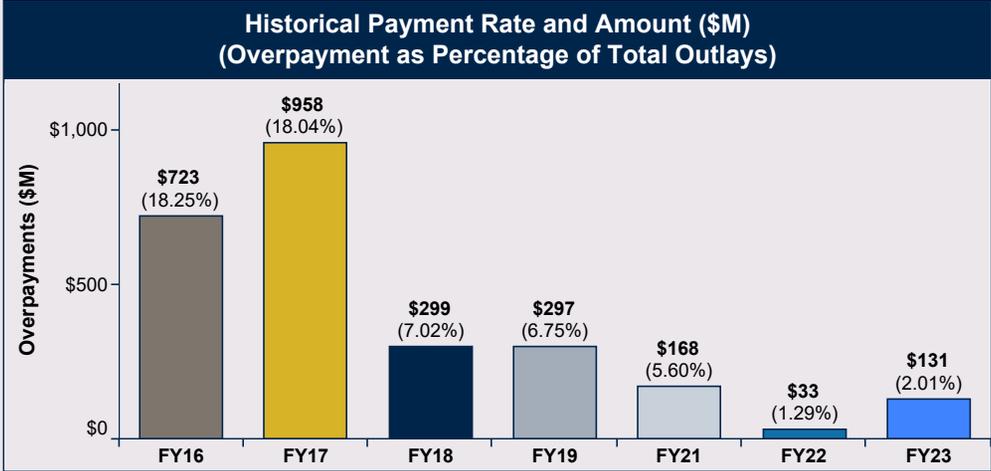
**FY 2023 Overpayment Amount (\$M)\*** **\$131**

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

 **U.S. Department of Agriculture**  
Food and Nutrition Service (FNS) School Breakfast Program (SBP)

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

The School Breakfast Program (SBP) is a federally assisted meal program operating in public and nonprofit private schools and residential childcare institutions. It provides nutritionally balanced, low-cost or free meals to children.



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

In September, 2023, USDA Food and Nutrition Service (FNS) published a final rule on program integrity to ensure that child nutrition programs are properly operated and managed to protect federal funds and taxpayer dollars. The final rule strengthens program integrity by modernizing how state agencies oversee child nutrition programs, including the National School Lunch and School Breakfast Programs. Between November and December, 2023, FNS conducted implementation webinars and offered in-person training sessions for state agencies and School Nutrition Industry partners, published implementation guidance memos. Additional webinars, training and guidance are planned throughout FY 2024 including a webinar in January and in-person training sessions at the School Nutrition Association conference in March. In support of the ongoing efforts to expand direct certification to automatically enroll more students for free school meals via additional demonstration projects and expand the evaluation of direct certification with Medicaid (DC-M), FNS released another Request for Applications to Participate in Demonstration Projects to Evaluate the Direct Certification with Medicaid. One of the key benefits of directly certifying students for school meal benefits is an increase in student certification accuracy, which helps to prevent overpayments. A webinar was held in November, 2023 and training sessions were offered to state agencies in December, 2023. Additional activities are planned.

Accomplishments in Reducing Overpayment		Date
1	FNS announced 12 new states approved to participate in the Direct Certification with Medicaid Demonstration (DC-M) Projects for school year (SY) 2023-24. The total number of states participating in DC-M is now 38. Participation in DC-M improves program integrity.	Jul-23
2	FNS published a final rule amending the Community Eligibility Provision (CEP) regulations by lowering the threshold for schools to qualify for the option to offer meals to all enrolled students at no cost, without need for households to apply for meal benefits.	Sep-23
3	Published a program integrity final rule to ensure that child nutrition programs are properly operated and managed to protect federal funds and taxpayer dollars. The final rule strengthens program integrity by modernizing state agency oversight of child nutrition programs.	Sep-23

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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 FNS, in cooperation with Office of Management and Budget (OMB), is updating the Child Nutrition Cluster of the A-133 Compliance Supplements (Assistance Listing 10.553 – School Breakfast Program and Assistance Listing 10.555). These documents provide program specific information and instructions for independent auditors conducting Single Audits of FNS Child Nutrition Programs. Updates include changes to eligibility as a result of DC-M and new instructions for auditing procurement, among others.	On-Track	Jul-24	1	SBP has been granted a waiver for recovery of overpayments due to the nature of the administration of the program.	SBP has been granted a waiver for recovery of overpayments due to the nature of the administration of the program.
2 In support of FNS's efforts to expand participation in Direct Certification with Medicaid (DC_x0002_M) Demonstration, state agencies that have applied for projects beginning in July, 2024 will begin working with FNS on implementation. Increased participation in DC-M increases the number of students eligible for school meal benefits based on an automated process and reduces the number of household applications. Errors from household applications contribute to improper payments in school meals programs.	On-Track	Jul-24			

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
<b>\$131M</b>	Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed.	State agencies administering school meals programs and SNAP state agencies are required to share data for Direct Certification for school meal benefits, however other potential data sources could expand Direct Certification, as the DC-M demonstration project shows.	Automation - automatically controlled operation, process, or system.	FNS continues to expand participation in the DC-M Demonstration. Increased participation in DC-M reduces the number of household applications. Errors from household applications contribute to improper payments in school meals programs. Currently 38 states are participating.