

# Improving Meal Counting and Claiming

**John Endahl, FNS - ORA**  
**Gary Vessels, FNS - CND**

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**Philadelphia, PA**



# Findings and Conclusions

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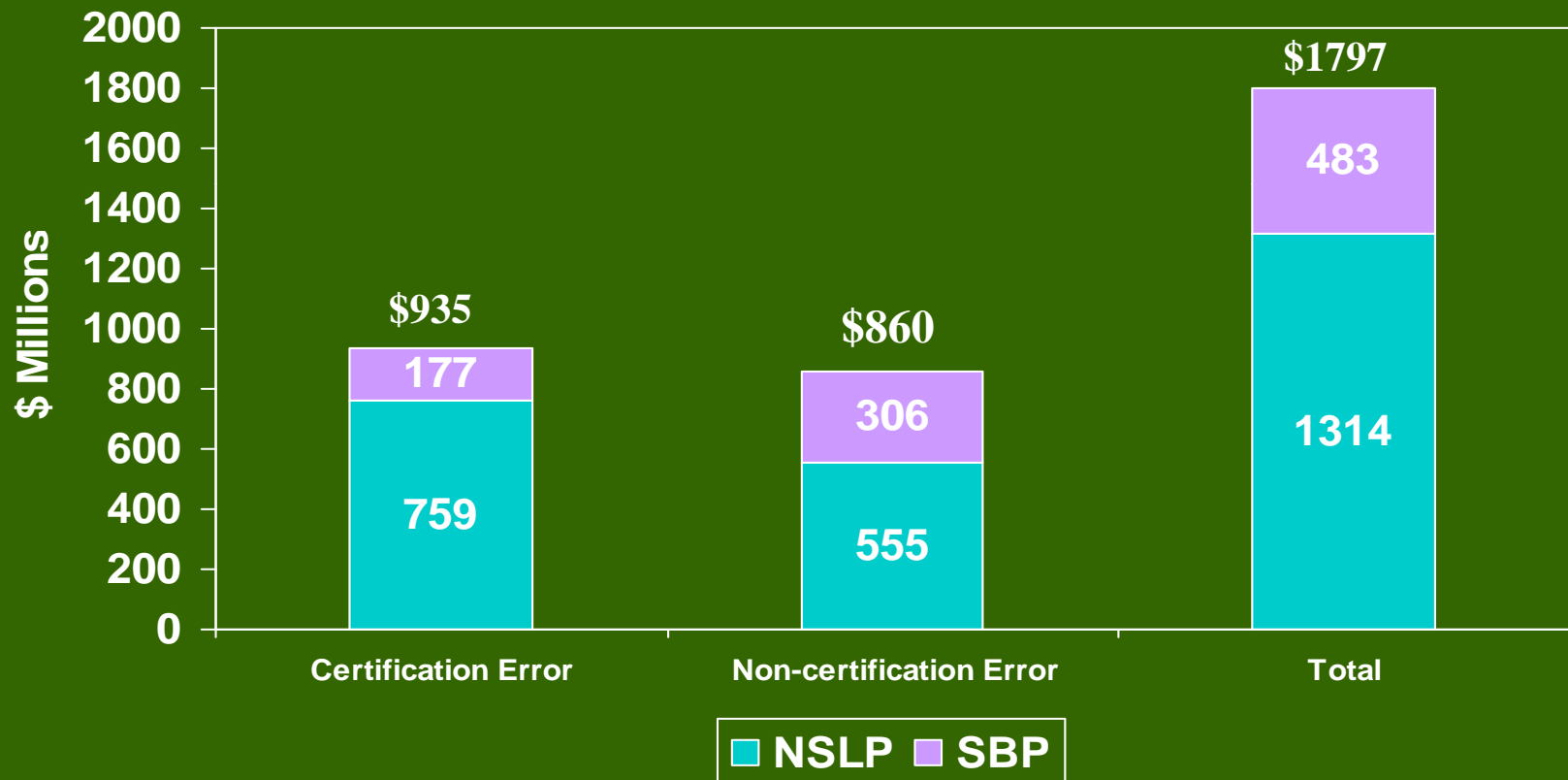
- Program errors and the risk of erroneous payments in NSLP and SBP continue to be a problem
- Estimates of the cost of erroneous payments in school meal programs in school year 2004-05 approach \$1.8 billion
- Most payment errors result from:
  - Household misreporting
  - Administrative errors
  - Cashier errors
- Given the nature of the errors, there is no simple solution

# Erroneous Payment Sources

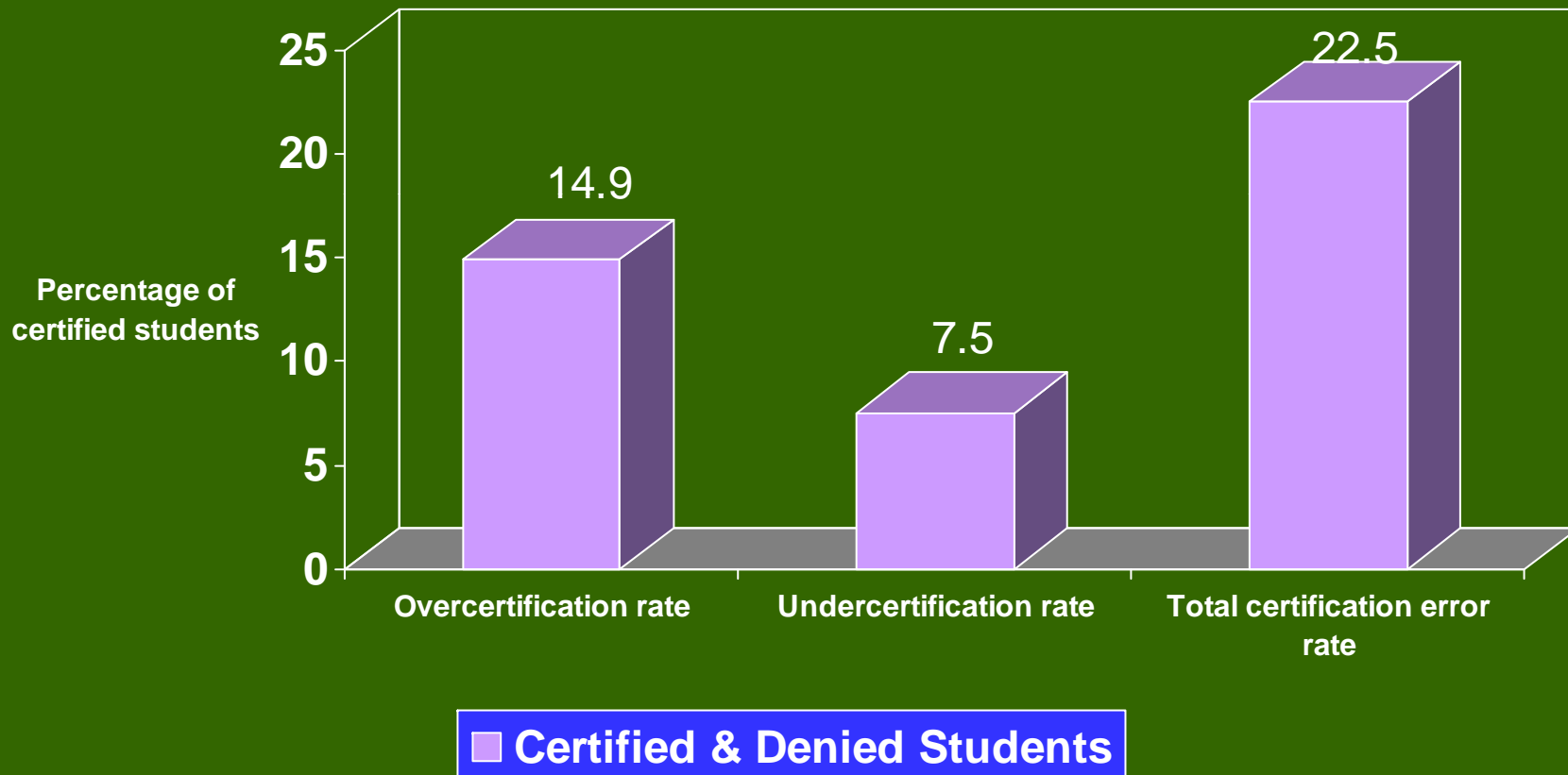
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- **Students' Certification Status Misclassified**
  - Administrative error
  - Misreporting by households
- **Errors Occurring After Student Certification**
  - Cashier errors
  - Meal counting and claiming errors

# Estimated Costs of Erroneous Payments in the NSLP and SBP



# Certification Error Rate Estimates

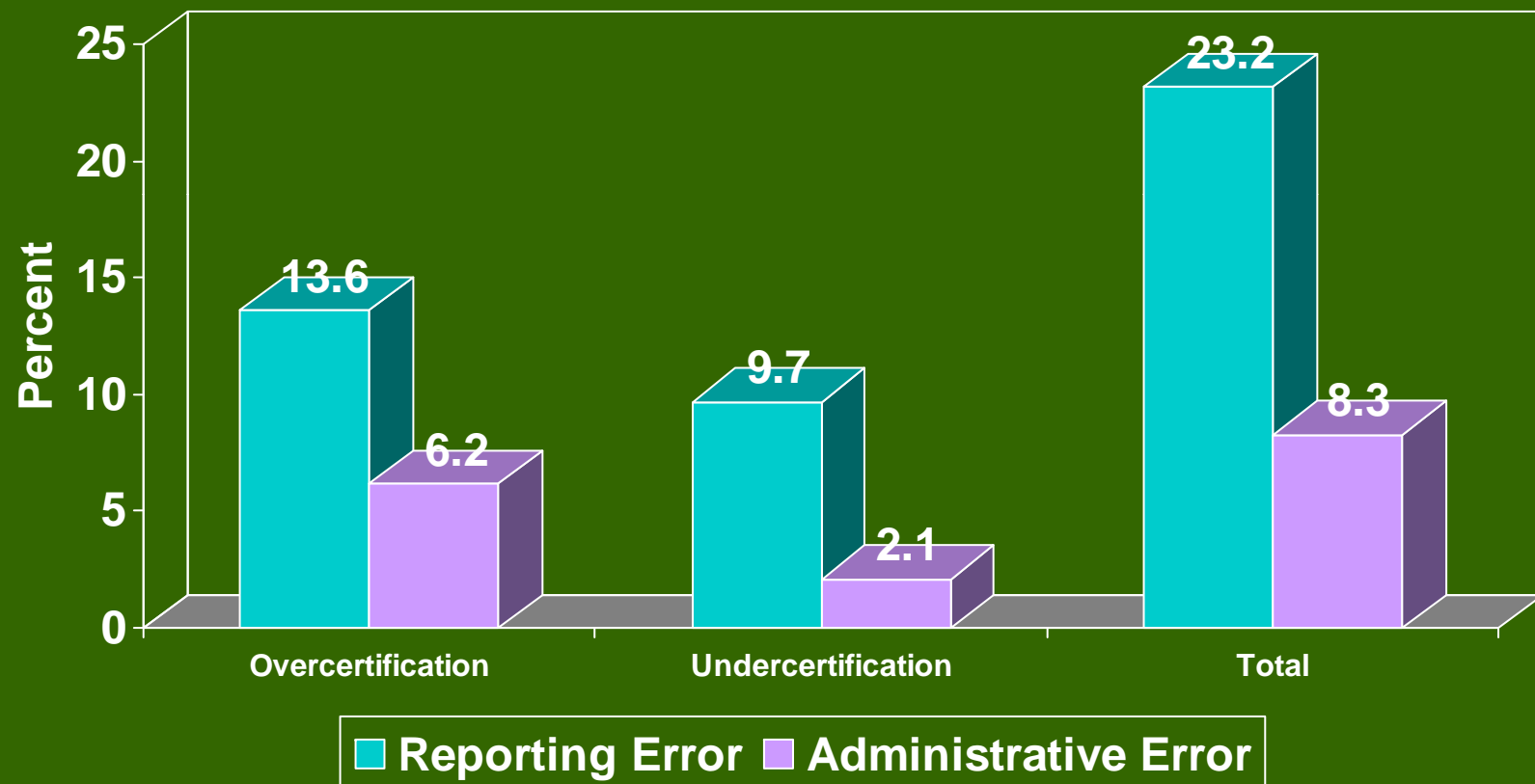


# Certification Error Rate Estimates

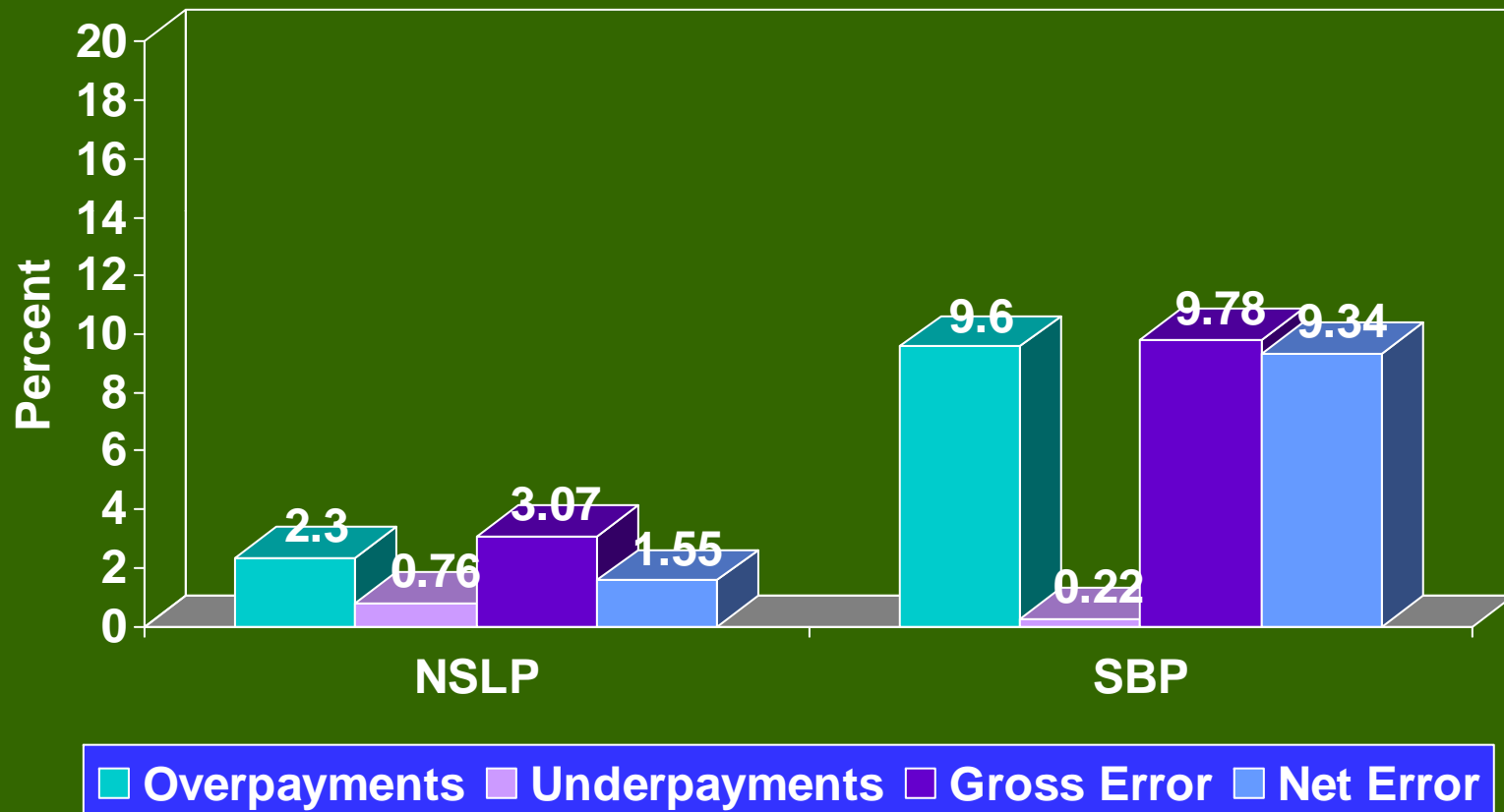
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Eligibility Status	Among students certified for free meals	Among students certified for RP meals	Among students denied F/RP meals
Free	86%	34%	19%
Reduced-Price	8	41	17
Paid	6	25	64

# Reporting and Administrative Error Rates



# Percent of Reimbursements with Cashier Error





# Characteristics of Schools with High Cashier Error Rates

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## School Breakfast Program.

- Food-based menu planning
- Elementary schools

## National School Lunch Program

- Higher percentage of F/RP students
- Food-based menu planning
- Larger schools

# Common Sources of Cashier Error in the SBP

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## OVS Schools

- Trays contained only 2 of 3 required meal component servings

## Non-OVS schools

- Trays missing milk or fruit/vegetable

Two Schools were not offering reimbursable breakfasts resulting in 100% cashier error rate

# Aggregation Error

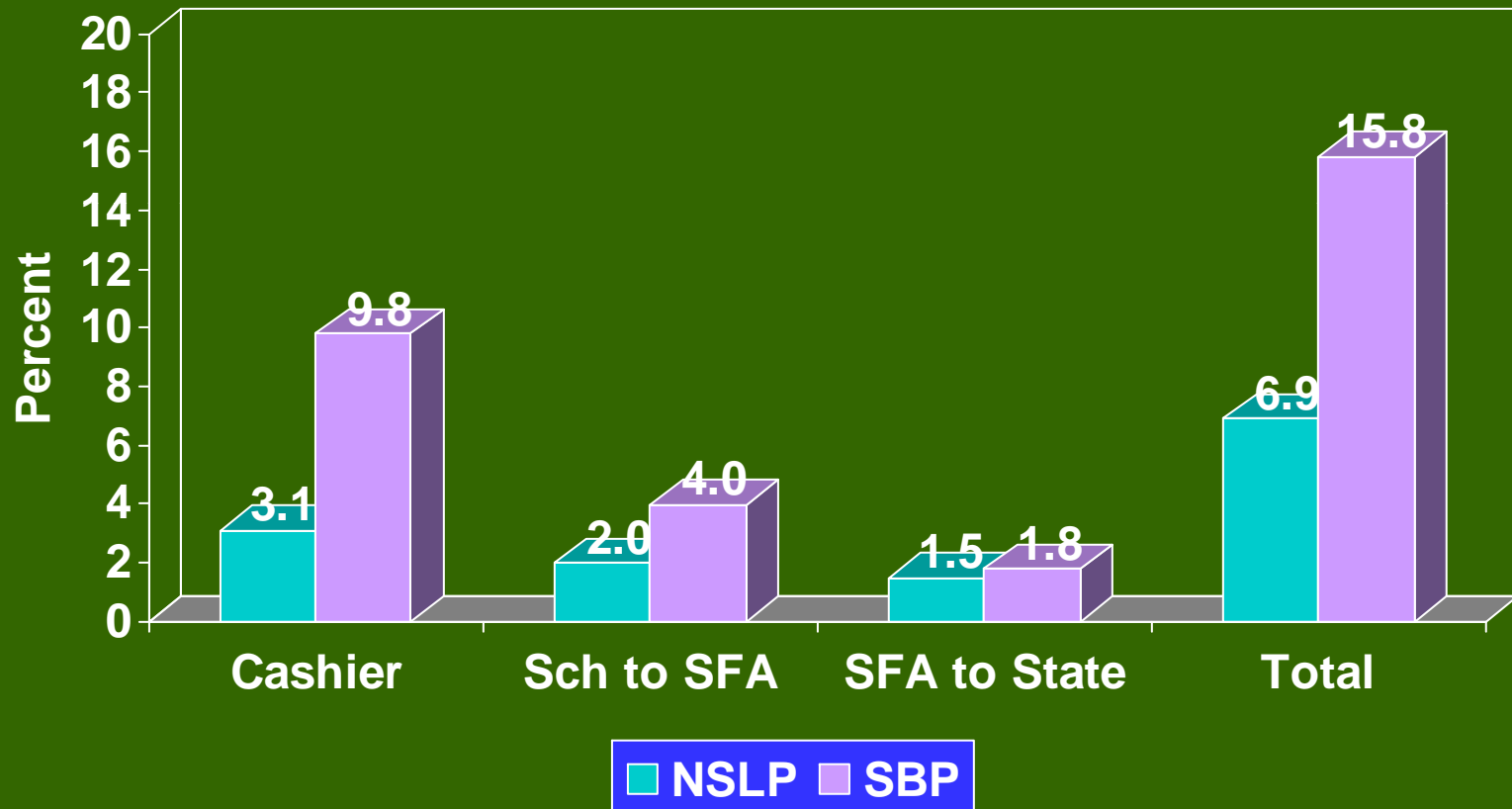
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Occurs between the time meal reimbursement status is recorded by cashier at the point of sale and the time the district claims reimbursement from the State Agency.

- Adding up meal counts from individual points of sale within school
- Communicating meal counts between school and SFA
- Consolidating meal counts and submitting appropriate meal reimbursement claims



# Gross NSLP/SBP Erroneous Payment Rates Due to Noncertification Error



# Addressing the Erroneous Payment Problem: Practical Steps

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**No Simple Solution.**

**A successful error reduction strategy must:**

- **Improve accuracy without compromising access for low-income families**
- **Be cost-effective**
- **Consider the needs of other users of school meal program eligibility data**

# Addressing the Erroneous Payment Problem: Efforts to Date

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- **National Data Collection and Analysis to Inform Policy**
- **Improved State and Federal Oversight and Technical Assistance**
- **Strengthened Certification Process Through 2004 Reauthorization**

# Addressing the Erroneous Payment Problem: Other Actions

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- Explore web-based training for States and schools on certification/accountability issues
- Secure funding for additional national studies
- Gather input for 2009 Reauthorization



# *Eligibility Manual For School Meals*

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- **New eligibility guidance, *Eligibility Manual For School Meals*, now available on-line**
- **Manual contains info on determining students' eligibility for free and reduced price meals for the NSLP, SBP, and SMP**



# Addressing Erroneous Payments CRE

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- Issue updated CRE Forms, Instructions and Guidance for use in SY 2008-09
- Provide nationwide training for States
- Support effective CREs
  - No “practice” CREs
- Use annual verification data to ensure corrective action is taken: FNS-640 Data



# CRE Task Force

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- Updated CRE forms and instructions.
- Developed forms for new programs:
  - Seamless Summer Option
  - Year Round Schools
  - Provisions 2 and 3
- Forms went into effect on July 1, 2008
- A revised *CRE Guidance* will result

# CRE Training

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- **First national CRE Training since 1993**
  - **Training covered: PS-1 and 2; Fiscal Action; General Areas; Provisions 2 and 3; Seamless Summer; Year-Round schools.**
  - **5 sessions in 4 cities trained almost 500 SA directors and staff**
  - **Possible additional training session in Fall**
  - **Materials will be available on PartnerWeb at [www.partnerweb.usda.gov](http://www.partnerweb.usda.gov)**
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# No “Practice” CREs

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- Memo issued on March 19, 2008
- Finding: “Practice CREs” are intended to reduce documented findings and subsequent corrective action
- Technical assistance efforts must be intended to improve program performance, not to target and prevent potential review findings
- Ensuring accuracy of meal claims is especially timely in light of (APEC) study

# Provisions 2 & 3: CRE

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- Recommended that SAs conduct a full CRE in the base year
- If impossible, consider:
  - 1) conducting CRE the year prior to the BY and providing TA during the CRE; and
  - 2) conducting an abbreviated review of applications and providing TA to the Provision 2/3 school and SFA during the BY.

# **FNS-640 Report Purpose**

## **At the National Level**

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- **Centralized data source providing information on the overall status of program integrity in the NSLP**
- **USDA uses information from the report to develop performance measures which are included in our reporting to the OMB for the Performance Assessment Rating Tool (PART)**

# FNS 640 Report Purpose

## At the State Level

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- Provides SA with a snapshot of program integrity in NSLP in the State
- Provides information on areas in which SFAs need more training/technical assistance in strengthening accountability and integrity in NSLP

# Data Collection

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- Reports data compiled from individual CREs
- States submit report annually
- Data must be as accurate as possible; Data Quality begins with review
- FNS performs edit checks on all 640 reports.
- Reports submitted incorrectly or incomplete create more work for SAs and FNS



# **New Optional Form: FNS-640 Data Summary**

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- **Data collection at time of review can lead to greater accuracy**
  - **Optional FNS-640 Data Summary can be used to help gather the data required for the FNS-640 at the time the review is conducted and when fiscal action is complete**
  - **Summary form indicates location of FNS-640 data on each of the CRE review forms**
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# Ensuring FNS-640 Accuracy

## Key Points

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- **Develop system to gather data from CRE reviews on an on-going basis.**
- **Refer to and use 640 Supplementary Instructions and Guidance to prepare reports**
- **Develop edit checks to quality control reports before submitting to FNS**

# Verification

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- **Maximum of 3% on verification**
- **“Barrier effect”**
- **Better approach is to increase use of Direct Certification**
- **New round of Direct Certification grants**

# Available Grants

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- **Administrative Reviews and Training (ART)**
- **Direct Certification/Direct Verification**

# ART Grants

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## Administrative Reviews and Training Grants

- **Goal: to decrease administrative errors in those LEAs**
- **\$4 million annually**
- **Since 2005, FNS has awarded \$3.2 million to 16 SAs**
- **FNS anticipates another round of proposals in FY 2009.**



# Direct Certification / Direct Verification Grants

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- **\$9 million appropriated in 2004 Reauthorization**
- **To date: 5.5 million awarded to 14 SAs**
- **FNS anticipates another round for FY 2009**

# Practical Steps

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- 1) **Eligibility Manual**
- 2) **CRE forms; CRE Training; no “Practice” CREs**
- 3) **Grants, either ART, or the Certification/  
Verification**
- 4) **Provision 2 or 3; review early**
- 5) **FNS-640 report, report immediately after school  
review**
- 6) **Reauthorization 2009; Listening sessions and  
comments**