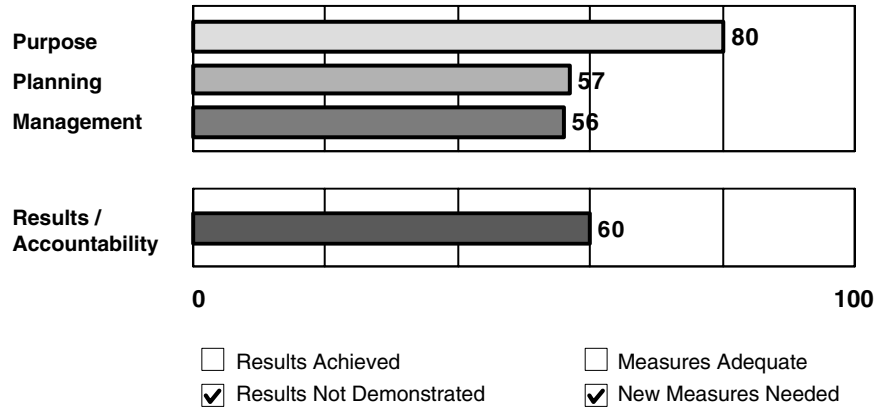


Program: National School Lunch

Agency: Department of Agriculture

Bureau: Food and Nutrition Service



Key Performance Measures

	Year	Target	Actual
Long-term Measure: Percentage of calories from fat and saturated fat	1993		38% 15%
	1999		32% 12%
	2003		
	2005	<=30% <=10%	
Annual Measure: Percentage of schools in compliance with meal claiming rules	2000		86.8
	2001	87	
	2002	87	
	2003	87	
Annual Measure: Other annual measures under development	2000		
	2001		
	2002		
	2003		

Rating: Results Not Demonstrated

Program Type: Block / Formula Grants

Program Summary:

The National School Lunch Program provides funds to states for lunches served to children in schools. Meals are reimbursed at rates that vary by household income. Children below 130% of poverty receive free meals. While the assessment was based largely on existing measures, these measures do not adequately demonstrate results. New measures will be developed as a result.

The assessment found:

1. The program is generally well designed and has a clear purpose, however, a large proportion of children certified for free and reduced price meal benefits are from households with incomes above the program's eligibility thresholds.
2. While the principal long term goal of the program, serving meals that meet the dietary guidelines, is ambitious, the annual performance measures are not well linked to the long term goal; participating schools do not report on progress towards goals and program funding does not reward schools that meet program goals.
3. There is a high rate of erroneous payments-- perhaps as high as 25%.
4. The program achieves long-term goals to a large extent and compares favorably with other programs with similar purposes and goals. However, annual goals do not directly support long-term goals.

Based on these findings, the Department will:

1. Create a system to improve the accuracy of income information submitted by households at the time of application to address the high rate of erroneous payments in the program.
2. Create a performance-based reimbursement system that provides for financial incentives for meals meeting the dietary guidelines.
3. Develop performance measures that meet the long-term goals.

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
9,857	10,915	11,647