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Report No. CN-02-AV

National School Lunch Program Application / Verification Pilot Project

Report on First Year Experience



United States
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NSLP Application / Verification Pilot Project:

Report on First Year Experience

EXECUTIVE SUMMARY

Twenty-two School Food Authorities (SFAs) across 16 States began testing pilot procedures in 2000-01 to determine and verify the eligibility of children for Free and Reduced Price (F/RP) school meals. Three pilot F/RP eligibility determination models are being tested over a three year period. The three models are:

- Up-Front Documentation
- Graduated Verification
- Verify Direct Certification

This project responds to a growing concern on the part of the Food and Nutrition Service (FNS) about program integrity issues associated with the current system by which SFAs determine eligibility for F/RP school meals. This report provides a description of these SFAs' experience during their first year under the pilot procedures (2000-01), drawing comparisons with the same SFAs' NSLP operations over a two year pre-pilot baseline. Results are presented for each pilot group.

First Year Highlights:

Up-Front Documentation (8 SFAs)

SFAs operating this pilot project require all non-directly certified households to provide documentation of household income upon submission of F/RP application materials.

- **Free and reduced-price approvals fell substantially.** There was an average decrease of 20.2 percent and 8.8 percent in the proportion of enrolled children approved for free and reduced-price meals on the basis of an application, respectively, across the eight SFAs.
- **All 8 SFAs experienced a drop in the number of children approved for free meals.** The largest drop was 51.7 percent and the smallest drop was 9.2 percent.
- **Free meals served fell at a rate similar to the drop in free approvals.** The average SFA had a decrease in the number of free lunches served of 21.0 percent. There was little change (decline of 1 percent) in the average number of reduced price lunches served. Meanwhile, the average SFA in this group had an increase in the number of paid meals served of 8 percent.

- **Total lunches served declined modestly.** On average, there was a 3 percent decrease in the number of lunches served in 2000-01 compared to the baseline across the 8 SFAs.

Graduated Verification (4 SFAs)

SFAs in this pilot project are required to conduct expanded verification if their initial verification sample results in more than one-quarter of all verified applications having a reduction or termination of free or reduced price meal benefits.

- **3 of 4 SFAs had initial verification results that triggered expanded verification samples.** Among the initial verification sample, 49 percent of children whose applications were verified had a reduction or termination of benefits. In the 2nd and 3rd rounds, the reduction / termination rates were 46 and 55 percent, respectively.
- **36 percent of children approved for free or reduced price meal benefits with an application had a reduction or termination in their benefits through the verification process.** 45 percent of children enrolled in these 4 school districts, on average, had been free or reduced price approved at the beginning of the school year (September 2000). An estimated 29 percent of enrolled children would have been approved for such benefits at the conclusion of all verification activities (April 2001).
- **Free meals served fell by 19.9 percent in the 3 SFAs that conducted expanded verification in April / May 2001.** Reduced price meals served dropped by 7.6 percent and paid meals increased by 29.0 percent over the same time period.
- **Total meals dropped modestly in April / May 2001.** Overall, across the 3 SFAs that conducted expanded verification, there was an average drop of 1.1 percent in the total number of meals served.

Verify Direct Certification (7 SFAs)

SFAs operating this pilot project were required to verify the eligibility of all children directly-certified for free meal benefits prior to the 2000-01 school year by December 15, 2000.

- **Almost nine-tenths of directly-certified children that were verified were receiving FS/TANF benefits at the time of verification.**
- **A majority of children who no longer received FS/TANF benefits were approved for free or reduced price meal benefits by submitting a new application.** On average, 59.9 percent of these children submitted a new application and 97.9 percent of these applications were approved for free or reduced price status. 27.3 percent of children who no longer received FS/TANF

benefits remained enrolled in the pilot school district but did not submit a new application while 12.8 percent of these children disenrolled.

- **Verification of directly-certified children resulted in the reduction or termination of free meal benefits for very few children.** In the average pilot SFA, only 6.6 percent of directly-certified children in the SFAs had a reduction or termination of benefits. *Initial results provide strong evidence that very few directly-certified children become income-ineligible later within the same school year in which they were directly-certified.*
- **The standard income verification process resulted in a much higher termination / reduction rate than the verification of direct certification.** On average, 52.6 percent of application-approved children had a reduction or termination in benefits.

National School Lunch Program Application / Verification Pilot Project

Report on First Year Experience August, 2002

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CHAPTER ONE

BACKGROUND ABOUT THE PILOT PROJECTS

School year 2000-01 was the first year of a three year project known as the National School Lunch Program Application & Verification Pilot Project. This project responds to a growing concern on the part of the Food and Nutrition Service (FNS) about program integrity issues associated with the current system by which School Food Authorities (SFAs) determine eligibility for Free and Reduced Price (F/RP) school meals. Twenty-two SFAs¹ across 16 States began testing pilot procedures in 2000-01 to determine and verify the eligibility of children for Free and Reduced Price (F/RP) school meals. This report provides a description of 19 SFAs' experience during their first year under the pilot procedures, drawing comparisons with the same SFAs' National School Lunch Program (NSLP) operations over a two year pre-pilot baseline.

RATIONALE FOR THE PILOT PROJECTS

In January 2000, the Food and Nutrition Service (FNS) published a Notice in the Federal Register, requesting that interested SFAs and State Child Nutrition Agencies across the country submit an application to operate a pilot project in which it would test one of a series of F/RP eligibility determination systems for school meals. In this Notice, FNS identified its concern about program integrity related to the current F/RP eligibility determination system:

“...Recent comparisons of NSLP data with data from the U.S. Bureau of the Census, Current Population Survey (CPS), suggest that the number of children determined eligible for free meals in the NSLP exceeds the number of children that the CPS data identifies as potentially eligible. In fact, in 1997, the number of children approved for free school meals, according to our data, was substantially higher than the number of school-aged children at or below 130 percent of the poverty guidelines (the free meal eligibility guideline), according to CPS data. This data comparison is consistent with audit survey work by the U.S. Department of Agriculture's (USDA) Office of Inspector General (OIG). The OIG determined that in one state nearly 20% of the households approved for free or reduced price meals were determined to be ineligible as a result of subsequent verification conducted by school food authorities (Food and Nutrition Service National School Lunch Program Verification of Applications in Illinois: Audit Report No. 27010-0011-Ch). In that survey work, OIG reviewed the verification process in 102 school food authorities. Forty one school food authorities reported no changes in household eligibility due to verification. However, in 61 of the 102 school food authorities, the verification process resulted in a termination/reduction rate of 19.05%. The CPS data, the audit survey findings, and other program oversight activity suggest that a substantial number of households misreport eligibility information in order to gain

¹ Subsequent tables in this report list 21 rather than 22 SFAs that operated the pilot project in SY 2000-01. This discrepancy is due to the fact that 1 Mississippi SFA agreed to operate a State-wide approved pilot project in 2000-01. Because only 1 SFA with 2 schools chose to operate this particular project, it is not examined in this report.

eligibility to free and reduced price meal benefits in the NSLP...” (Federal Register, January 21, 2000)

Approval of ineligible families for F/RP meal benefits represents a source of fiscal concern for FNS. FNS reimburses SFAs through State Child Nutrition Agencies for meals served under the NSLP and School Breakfast Program on the basis of a child’s F/RP eligibility status. In Fiscal Year 2002, for each lunch provided by SFAs to children approved for F/RP meal benefits, FNS provides \$2.24 and \$1.84 in cash and commodities, respectively. On the other hand, FNS reimburses SFAs \$0.35 in cash and commodities for lunches served to children that are approved for neither free or reduced price meal benefits. As such, the integrity concerns cited in the Federal Register Notice indicated that FNS may be providing excess Federal reimbursements to SFAs because of certification inaccuracy.²

In this context, the pilots represent an important opportunity for FNS to:

- Explore methods of detering misreporting of eligibility information before the application is approved;
- Explore methods of better detecting the misreporting of eligibility information after the application has been approved;
- Determine the extent to which pilot procedures found to enhance the deterring and detecting of misreporting of household income create additional barriers for income-eligible households; and
- Evaluate the cost effectiveness of several methods designed to deter and/or detect the misreporting of eligibility information.

THE CURRENT F/RP ELIGIBILITY DETERMINATION SYSTEM

Under current program rules, SFAs across the country are required to follow a set of procedures articulated in Federal regulations (7 CFR 245). These procedures provide that SFAs may:

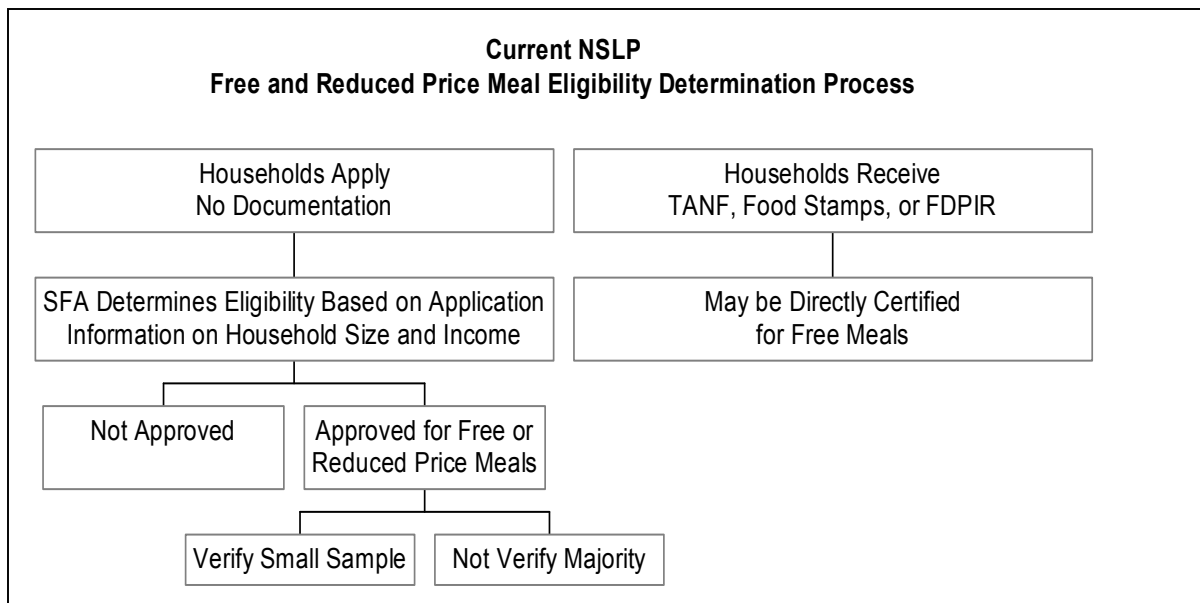
Certify children for free meals for the school year on the basis of documentation from State or local government agencies which establish that the student is a member of a household that is eligible for Food Stamps (FS), Temporary Assistance to Needy Families (TANF) or Food Distribution Program on Indian Reservations (FDPIR), (i.e., Direct Certification); or

Certify children for F/RP meal benefits for the school year on the basis of an application submitted by the children’s household on which current receipt of FS/TANF/FDPIR is documented or where monthly income and household size are self-reported.

² F/RP data is also used by a wide variety of Federal, State and local educational agencies to target benefits to low-income children. FNS estimates that the total amount of funding allocated based on F/RP data for non-NSLP purposes is greater than the total of meal reimbursements under the NSLP on an annual basis. These non-NSLP uses of F/RP data provide incentives for income-ineligible children to become approved for F/RP meal benefits.

SFAs are required to verify a small percentage of approved F/RP applications each school year. In this process, for each household selected for verification, SFAs are required to determine whether the household’s current FS / TANF / FDPIR status or household income and size are consistent with the household’s certification status and to take action with regard to a household’s eligibility, if warranted. The eligibility of directly-certified children is not subject to verification under standard program regulations. Figure 1.1 provides an overview of the current F/RP eligibility determination process.

Figure 1.1



WHAT DO THE PILOTS TEST?

Three models of F/RP eligibility determination are being tested under the NSLP Application / Verification Pilot Projects. The three models are:

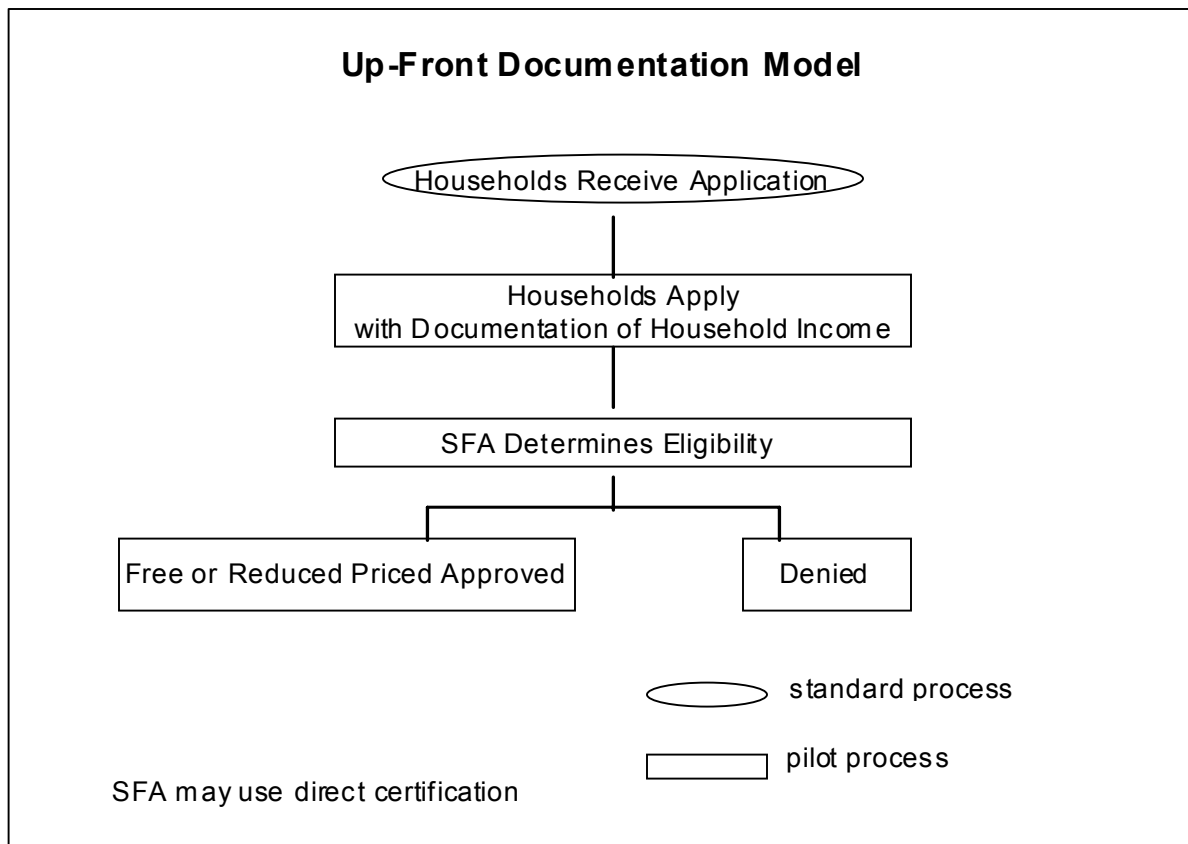
- Up-Front Documentation
- Graduated Verification
- Verify Direct Certification

UP-FRONT DOCUMENTATION MODEL

Up-Front Documentation SFAs notify households that they must provide documentation of their current income or FS/TANF/FDPIR eligibility along with the application for F/RP meal benefits. For example, households may provide documentation of pay stubs or their receipt of FS/TANF/FDPIR benefits. Applications submitted without documentation are incomplete; SFAs must notify households that their applications are

incomplete and may be re-submitted with documentation. Up-Front Documentation does not affect standard direct certification procedures. Figure 1.2 provides an overview of how Up-Front Documentation compares to the standard F/RP eligibility determination system.

Figure 1.2



GRADUATED VERIFICATION MODEL

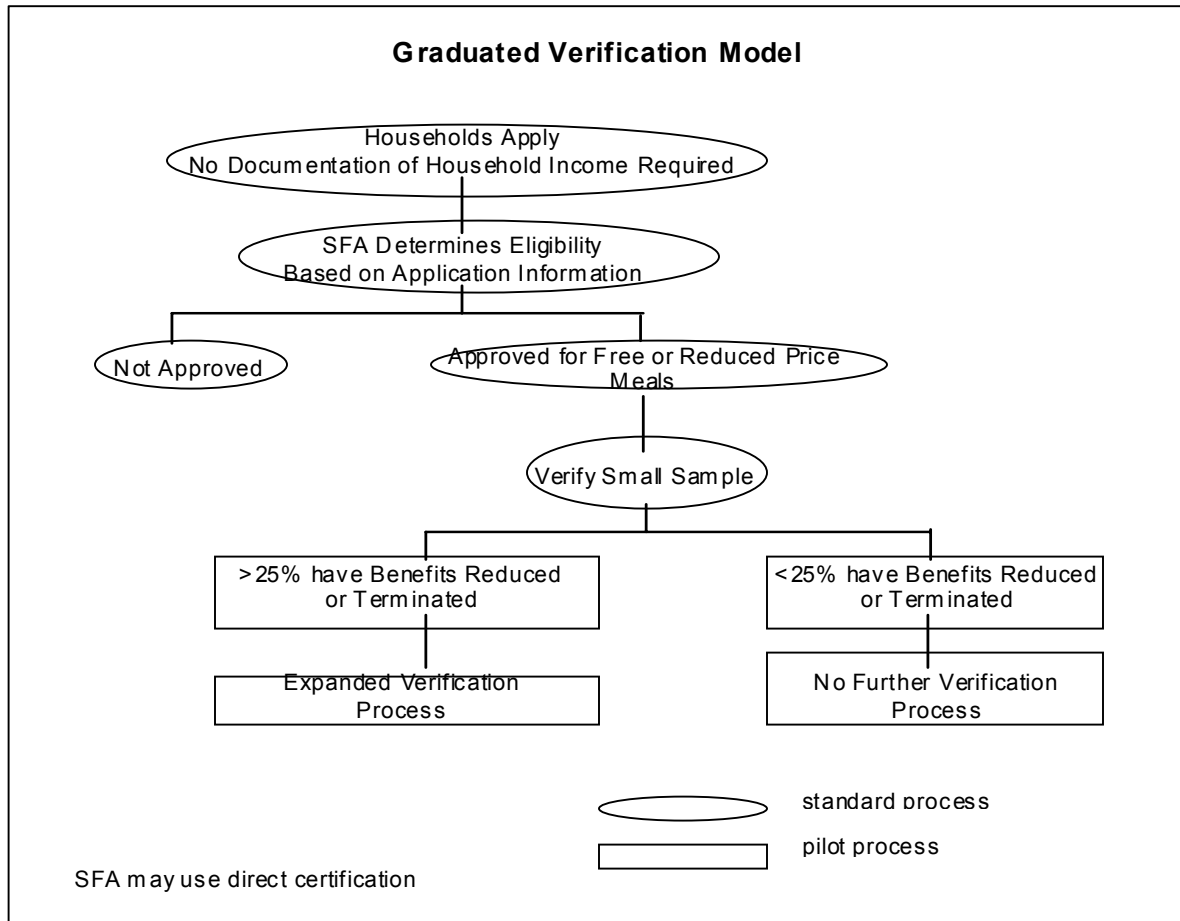
With the Graduated Verification Model, SFAs conduct the standard NSLP application and verification procedures at the beginning of each school year. SFAs typically verify the eligibility of 3 percent of applications approved for F/RP benefits. The three percent sample must be selected in a random manner. Typically, regardless of the outcome of the standard income verification process, SFAs take no further action with regard to the rest of their approved F/RP applications – even if they find a high percentage of verified households having their F/RP benefits reduced or terminated as a result of the verification process.

In the Graduated Verification Model, however, if verification causes benefits to be reduced or terminated for 25 percent or more of those in the initial three percent verification sample, pilot SFAs must verify 50 percent of the remaining applications. If

25 percent of that wider sample has their benefits reduced or terminated, the SFA must verify all remaining applications. Households that have their benefits reduced or terminated due to verification in these pilot SFAs in a given year must submit documentation of current income or FS/TANF/FDPIR receipt when applying for F/RP meal benefits for the remainder of that school year and the subsequent school year as well. The Graduated Verification Model does not change rules associated with direct certification.

Figure 1.3 provides an overview of how the Graduated Verification Model compares to the standard F/RP eligibility determination system.

Figure 1.3



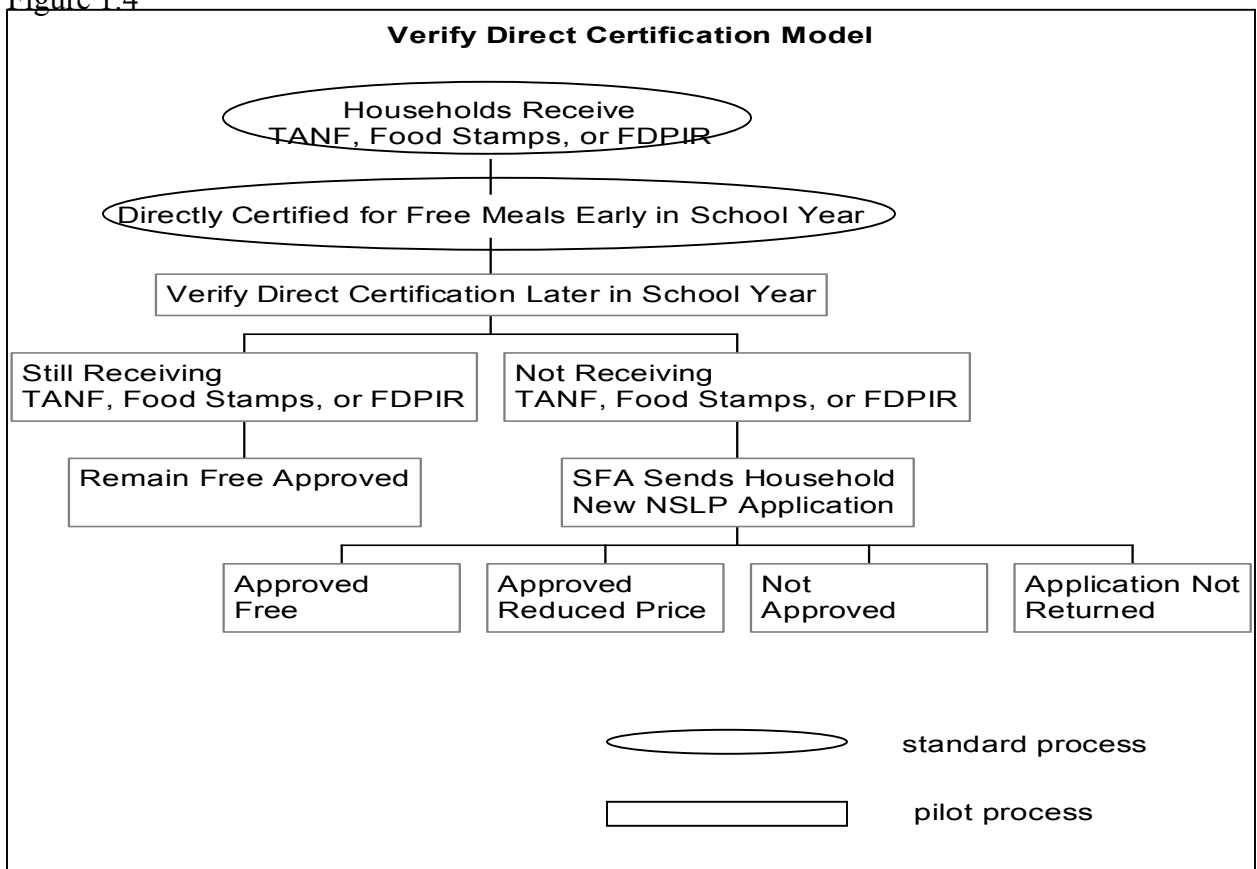
VERIFY DIRECT CERTIFICATION MODEL

SFAs operating the Verify Direct Certification Model are required to verify that children directly certified at the beginning of the school year continue to receive FS/TANF/FDPIR benefits. SFAs are authorized under the pilot to accomplish this by requesting the local FS/TANF/FDPIR agency to provide confirmation about whether each directly-certified

child is currently eligible for one or more of the program(s); or SFAs may request households to provide documentation of a child’s current FS/TANF/FDPIR eligibility. If, upon verification, a pilot SFA finds a child is no longer eligible for FS, TANF or FDPIR, the SFA provides the household with a F/RP application form and allows ten days for its submission before terminating free meal benefits. For households that submit a F/RP application, the SFA makes a determination of F/RP eligibility using standard program guidelines. However, the application must be accompanied with documentation of current income or FS/TANF/FDPIR eligibility. The Verify Direct Certification Model does not affect the SFA’s standard F/RP application and verification procedures.

Figure 1.4 provides an overview of how the Verify Direct Certification Model compares to the standard F/RP eligibility determination system.

Figure 1.4



WHAT DOES FNS SEEK TO LEARN?

With regard to each of the three models being tested, FNS is interested in learning about the how pilot procedures affect the following:

- Accuracy of F/RP approvals

- Deterrence of income-ineligible households from becoming approved for F/RP meal benefits
- Barrier to F/RP meal benefits posed to income-eligible households
- NSLP participation – total and by meal price category
- Administrative cost and burden associated with pilot procedure implementation

This interim report will address some of these issues, while FNS anticipates addressing these issues more fully through the award of a contract using funds provided in FNS Fiscal Year (FY) 2002 appropriations for activities to enhance integrity in the NSLP.³

ORGANIZATION OF THIS REPORT

Pilot SFAs completed their first year under pilot F/RP eligibility determination procedures in June 2001. This report describes their experience under pilot procedures, and contrasts this experience to two pre-pilot baseline years for the same group of SFAs. Chapter Two provides information about the SFAs that applied to operate pilot projects and the procedures FNS used to approve or deny SFA applications. Chapter Two also provides selected pre-pilot baseline information for pilot SFAs.

Chapter Three discusses the data on F/RP certifications, enrollment and NSLP participation submitted by pilot SFAs to FNS that form the basis of the results in this report. Because the report is based on administrative data, it is not possible to assess the extent to which changes observed in various indicators (e.g., number of children approved for F/RP meal benefits, number of F/RP meals served, etc.) are:

- Caused by pilot operation; or
- Caused by some other set of factors.

Chapter Three also describes FNS plans for more in-depth evaluation of the effects of the pilot projects. Chapter Four displays data submitted by Up-Front Documentation Model SFAs regarding F/RP certifications and NSLP participation in the first pilot year compared to the two-year baseline. Analogously, Chapters 5 and 6 provide first year results for Graduated Verification Model SFAs and Verify Direct Certification Model SFAs, respectively.

³ House of Representatives. *Conference Report – House Rpt. 107-275 – MAKING APPROPRIATIONS FOR AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES PROGRAMS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2002, AND FOR OTHER PURPOSES*. Washington, DC: House of Representatives 2001.

CHAPTER TWO – PILOT SFA CHARACTERISTICS

FNS designed the NSLP Application / Verification Pilot Projects to test several approaches to F/RP eligibility determination that may offer potential policy improvements. To test the extent to which any alternative policy models offer such an improvement, one would theoretically prefer to test these models among a nationally representative sample of SFAs. If this were possible, it would allow statistically-based predictions of the effects of such alternative F/RP eligibility determination systems if they were adopted on a wider scale or on a national basis.

However, FNS could not mandate pilot participation by any SFAs, making it impossible to test these approaches among a random sample of SFAs. Therefore, FNS encouraged any SFAs that were interested to participate. FNS received approximately 200 inquiries from SFAs about the pilot projects. Thirty-three of these SFAs voluntarily submitted an application to operate a pilot benefit eligibility determination system.

Therefore, results from this project are not statistically generalizable to SFAs across the country. The purpose of this chapter is to provide information showing which SFAs are participating in each pilot model and how the pilot SFAs examined in this report compare to the broader universe of SFAs in three key dimensions:

1. F/RP approval status
2. Demographic characteristics
3. Income verification results, which provide a proxy for the level of F/RP integrity concerns among SFAs.

PROJECT ANNOUNCEMENT, APPLICATIONS AND SELECTION PROCESS

FNS announced its intention to operate pilot application / verification projects at a meeting of State Child Nutrition Directors in December 1999 in San Antonio, TX. In early 2000 FNS conducted a number of outreach activities to inform SFAs and State Child Nutrition Agencies about the pilot projects and to encourage interested SFAs to apply. The agency published a Federal Register Notice announcing the pilot project on January 21, 2000 and sent a letter to all 22,000 SFA directors across the country in April 2000. In its outreach to SFAs, FNS explained the rationale for undertaking the projects (see Chapter 1) and the important contribution pilot SFAs would be making in helping FNS search for possible policy solutions.

While approximately 200 SFAs expressed some interest to FNS in learning about the pilot projects, 33 SFAs applied to operate a pilot project. Within their applications, SFAs were asked to specify which model they preferred to operate. SFAs could also specify a second choice. FNS sought as much diversity as possible among pilot sites. Therefore, FNS approved all SFAs that applied to operate a pilot project with a few exceptions.¹

¹ FNS approved all SFA applicants to operate a pilot with the following exceptions:

- a. SFAs with less than 10 percent F/RP in the current school year based on data reported in the SFA application

Where SFA applications listed a first and second choice, FNS made decisions which would provide as much balance as possible in terms of the number of SFAs operating specific models as possible. Table 2.1 provides a list of SFAs that operated each pilot model, their enrollment and pre-pilot level of F/RP approved children.

-
- b. SFAs that applied to operate the Up-Front Documentation pilot model with only 1 school and enrollment less than 500
 - c. One district with no experience in direct certification applying to operate the Verify Direct Certification Model

Table 2.1 Enrollment and F/RP approval rates among pilot SFAs and US average

	Baseline Averages for 1998-99 and 1999-2000				
	Enrollment [^]	Total Approved Free	Application Approved Free	Directly Certified Free	Application Approved Reduced Price
	-- children --		-- percentage of enrollment --		
United States (all SFAs, 2000) #	47.8 million	33.2	n.a.	n.a.	7.2
Up-Front Documentation					
Blue Ridge (PA) ♣	1,223	22.7	13.5	9.2	11.0
Creve Coeur (IL) ♦	755	29.4	29.4	##	12.6
East Stroudsburg (PA)	6,508	15.0	9.2	5.8	6.5
Maplewood (OH)	1,148	12.2	7.7	4.5	4.9
Morenci (AZ)	1,129	11.4	9.5	1.9	3.8
Oak Park & River Forest (IL)	2,716	8.9	8.9	##	2.8
Salem City Schools (OH)	2,606	22.1	13.0	9.0	4.8
Williamson County (TN) ♦♦♦	5,039	8.8	5.3	3.5	2.2
Glenview (IL) ♦♦	n.a.	n.a.	n.a.	n.a.	n.a.
Kismet, (KS) ♦♦	n.a.	n.a.	n.a.	n.a.	n.a.
--Average Up-Front Doc.	2,528	16.3	12.1	4.2	6.1
Graduated Verification					
Dilworth-Glyndon-Felton (MN)	1,250	20.4	11.7	8.7	10.5
Dunkirk (NY)	2,241	52.6	38.9	13.8	10.5
St. Mary (NJ)	305	65.6	65.6	##	15.9
Grandview (MO)	4,329	32.5	21.2	11.4	7.1
-- Average Graduated Verification	2,031	42.8	34.4	8.5	11.0
Verify Direct Certification					
Alma (MI)	2,634	25.5	25.5	##	9.1
Bessemer (AL)	4,860	67.6	67.6	##	6.6
Blount County (TN)	10,678	24.2	24.2	##	7.9
East Baton Rouge (LA)	52,605	54.7	47.1	7.6	8.0
Kenai Peninsula (AK) ♦	9,406	21.7	15.8	5.9	8.9
Middlebury (IN)	3,095	7.2	7.2	##	6.0
Perry County (AL)	2,307	88.6	32.8	55.8	5.6
-- Average Verify Direct Cert.	12,226	41.4	31.5	9.9	7.4

Notes:

The percentage of all children in NSLP schools approved for free meals and reduced price meals is based on data submitted annually by States to FNS. States do not provide information to FNS on the decomposition of free approval children between those approved on the basis of an application, those directly-certified and those in Provision II/III schools. An FNS report, School Meals Initiative Implementation Study: Second Year Report, 2001, estimated that, in SFAs using direct certification through State-operated systems, 34.5 percent of children approved for free meals were directly certified in the US in 1998-99.

##These SFAs did not directly certify children for free meals during the baseline period.

◆ These SFAs were approved to operate pilot projects that they designed and proposed. Creve Coeur, IL's pilot is grouped with Up-Front Documentation SFAs for analytical purposes herein because it is conceptually similar to the Up-Front Documentation pilot. For analogous reasons, Kenai Peninsula, AK's pilot is grouped with Verify Direct Certification SFAs.

◆◆ Kismet, KS and Glenview, IL operated Up-Front Documentation pilot projects during 2000-01. However, because these SFAs required up-front documentation for several years prior to 2000-01, their results are excluded from analysis in this report.

◆◆◆ Williamson County (TN) has 29 schools with a total enrollment of approximately 15,000 children. The SFA is implementing the pilot procedures in only 9 schools. All statistics presented herein focus exclusively on those 9 schools, unless otherwise stated.

^ All SFAs in these pilot projects enroll children in grades K thru 12 with the following exceptions: Creve Coeur has K thru 8 and Oak Park and River Forest has grades 9 thru 12.

♣ Due to a lack of complete data for 1998-1999, baseline computation for Blue Ridge, PA reflects 1999-2000 school year only.

CHARACTERISTICS OF PILOT SFAS

Up-Front Documentation

Ten SFAs operated the Up-Front Documentation pilot model in 2000-01. For eight of these 10 SFAs, 2000-01 was the first year in which up-front documentation was required for F/RP benefit applicants. FNS learned in meetings with pilot SFA representatives in September 2000 that two of these 10 SFAs – Glenview (IL) and Kismet (KS) - had verified all F/RP applications upon approval at the beginning of the preceding several school years. Because pre-pilot eligibility determination procedures in these two SFAs were so close to the pilot procedures under Up-Front Documentation, differences in pilot years in F/RP approval and participation are, in all probability, not associated with operation of the pilot. Results from these two SFAs are excluded from all analyses in this report.

The group of eight SFAs in the Up-Front Documentation pilot that are analyzed in this report have an average enrollment of 2,528 children.² This group includes SFAs from 5 States – Pennsylvania (2), Illinois (2), Ohio (2), Arizona (1) and Tennessee (1). The largest SFA in this pilot group is East Stroudsburg (PA), with a baseline enrollment of 6,508 children. The smallest SFA in this group is Creve Coeur (IL) with an enrollment of 755 children. Table 2.2 and Figure 2.1 compare the size of the pilot SFAs to SFAs across the country.

Table 2.2 shows that 94.5 percent of all public school districts in the US have less than 10,000 students; all Up-Front Documentation pilot SFAs have less than 10,000 students also. From that perspective, these pilot SFAs appear similar to the vast majority of school districts across the country. On the other hand, Figure 2.1 indicates that 50.5

² In school year 2001-02, FNS authorized two additional SFAs to operate the Up-Front Documentation Pilot Project for school years 2001-02 and 2002-03. These two SFAs are Stroudsburg Area School District (PA) and Pleasant Valley Area School District (PA). These two SFAs are not included in any analysis in this report. FNS anticipates their inclusion in reports regarding pilot project activities regarding school years 2001-02 and 2002-03.

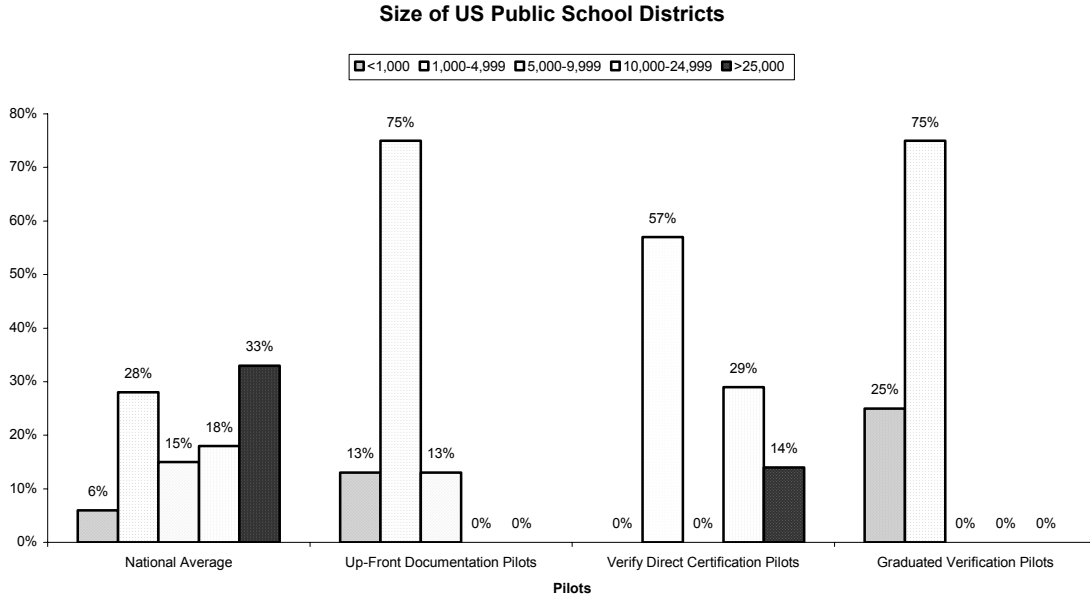
percent of all children in public schools in the US attend school districts with greater than 10,000 students. When compared to this indicator of school district size, pilot SFAs have relatively small enrollments.

Table 2.2 Public school districts and enrollment, by size of district in the US

Enrollment size of district	Number of districts	Percent of districts	Percent of students
Total	14,891	100.0	100.0
25,000 or more	236	1.6	31.9
10,000 to 24,999	574	3.9	18.6
5,000 to 9,999	1,026	6.9	15.3
2,500 to 4,999	2,062	13.8	15.7
1,000 to 2,499	3,496	23.5	12.4
600 to 999	1,790	12.0	3.1
300 to 599	2,066	13.9	2.0
1 to 299	3,245	21.8	1.0
Size not reported	396	2.7	

Source: 1998-99 data taken from Digest of Education Statistics 2000, National Center for Education Statistics, p.95.

Figure 2.1



Source: Common Core of Data, National Center for Education Statistics (national average) and NSLP Application / Verification Pilot Project Minimum Data Set (pilot SFA averages).

Baseline F/RP approval rates among children in the eight SFAs indicate that they are less likely to be approved for F/RP meal benefits than children in all schools operating the NSLP. For example, the average rate of approval for free meal benefits among the eight SFAs was 16.3 percent prior to pilot operation in comparison to a national free approval rate of 33.2 percent. The average reduced-price approval rate across the eight SFAs was 6.1 percent, 1.1 percentage points less than the national reduced-price approval rate of 7.2 percent. Among the eight SFAs, the highest F/RP approval rate was in Creve Coeur (IL) (42.0 percent) and the lowest was in Williamson County (TN) (11.0 percent).

Table 2.3 and Figure 2.2 provide information about the racial and ethnic makeup found in pilot SFAs and among all children in public schools in the US. The table shows that, on average, the eight SFAs in this group tend to have a greater proportion of white students (83 percent) among their enrollment than the average among US public schools (60 percent). On the other hand, in two of the eight pilot SFAs, the enrollment is more than one-third non-white. For example, 54 percent of children enrolled in Morenci (AZ) are Hispanic and a further three percent are from other non-white groups while 39 percent of Oak Park (IL) students are non-white, with over three-fourths of that total comprised of blacks.

Table 2.3 Racial / Ethnic characteristics of pilot SFAs and US average

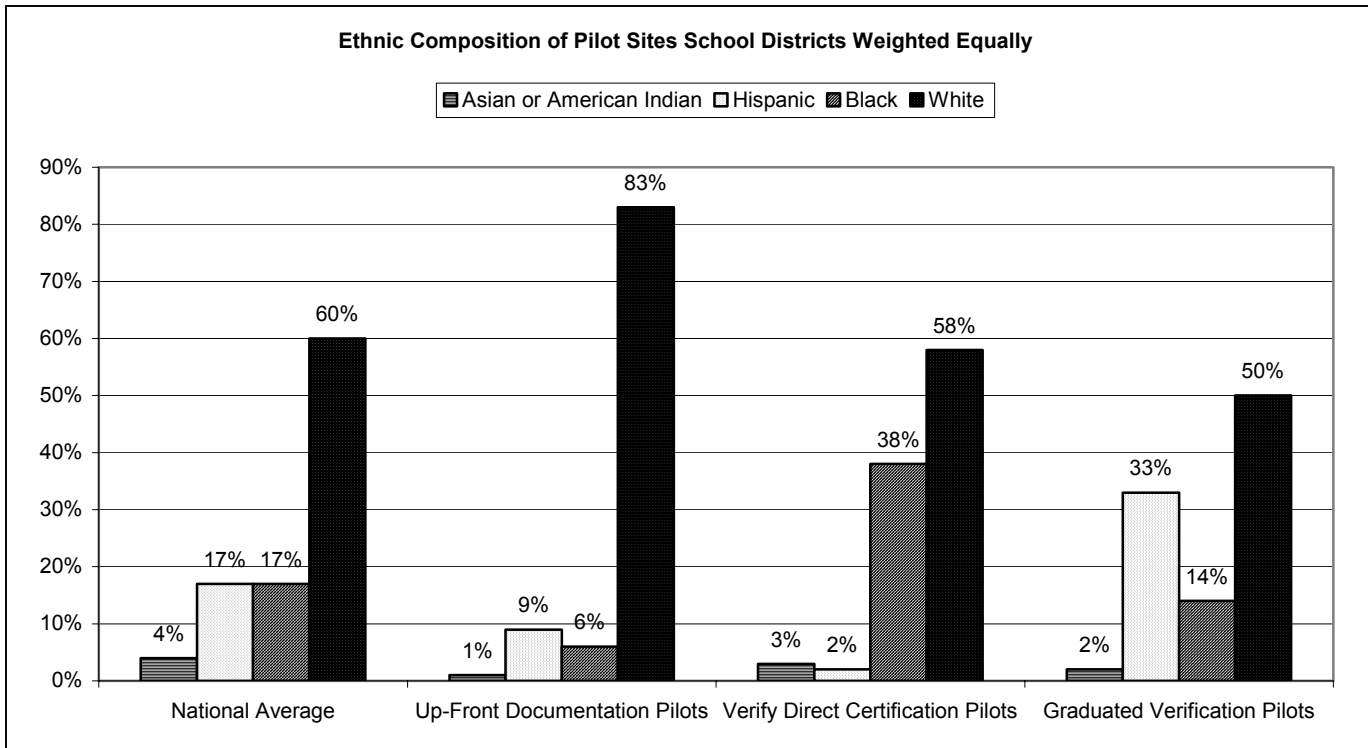
	1999 Racial / Ethnic Characteristics				
	American Indian	Asian	Hispanic	Black	White
	-- percentage of 1999 enrollment --				
United States – all schools¹	1	3	17	17	60
Up-Front Documentation					
Blue Ridge (PA)	0	0	0	1	99
Creve Coeur (IL)	0	0	2	1	97
East Stroudsburg (PA)	0	2	9	10	79
Maplewood (OH)	2	1	0	0	99
Morenci (AZ)	0	0	54	1	44
Oak Park & River Forest (IL)	0	3	5	31	61
Salem City Schools (OH)	0	0	0	0	99
Williamson County (TN) ²	0	2	3	5	90
--Average Up-Front Documentation	0	1	9	6	83
Graduated Verification					
Dilworth-Glyndon-Felton (MN)	3	0	7	1	89
Dunkirk (NY)	1	0	32	8	59
St. Mary (NJ)	2	1	90	3	3
Grandview (MO)	0	1	4	46	49
-- Average Graduated Verification	2	1	33	14	50
Verify Direct Certification					
Alma (MI)	1	0	7	1	91
Bessemer (AL)	0	0	0	94	5
Blount County (TN) ²	1	1	1	3	94
East Baton Rouge (LA)	0	2	1	67	30
Kenai Peninsula (AK)	12	2	2	0	85
Middlebury (IN)	1	1	0	1	98
Perry County (AL)	0	0	0	99	1
-- Average Verify Direct Cert.	2	1	2	38	58

Sources:

¹Data for US average taken from Common Core of Data published by National Center for Education Statistics and reflects all public schools.

²Because racial / ethnic data for school districts is not available in the CCD for SFAs in Tennessee, data in this table for Blount County (TN) and Williamson County (TN) are based on county-wide results from the 2000 Census for individuals between five and 17 years of age.

Figure 2.2 Ethnic composition of pilot SFAs and national average, 1999



Source: Common Core of Data, National Center for Education Statistics.

Table 2.4 presents results from the standard income verification process conducted among F/RP approved households in pilot SFAs during the two pre-pilot or baseline years. Pilot SFAs in the Up-Front Verification pilot group verified approximately 3 percent of F/RP application-based approved households in those years.

The table also presents the best available evidence on the percentage of applications verified in the US that had benefits reduced or terminated in the verification process from the 1999-2000 and 2000-01 school years. It shows that among the group of approximately 1,000 SFAs from 19 States that provided data to FNS, 46 percent of applications verified had benefits reduced or terminated. Based upon this indicator, the eight SFAs in this group would appear to have a termination / reduction rate though it is 10 percentage points (22 percent) below the national estimate.

Table 2.4. Baseline income verification results, pilot SFAs and national sample of SFAs

	Benefits Reduced or Terminated	Reduction / Termination Based on Response	Termination Based due to Non-Response
	-- as a percentage of applications verified --		
United States ♦	46	12	34
Up-Front Documentation			
Blue Ridge (PA)	18	13	5
Creve Coeur (IL)	13	13	0
East Stroudsburg (PA)	65	26	39
Maplewood (OH)	17	12	5
Morenci (AZ)	51	23	28
Oak Park & River Forest (IL)	48	29	23
Salem City Schools (OH)	13	13	0
Williamson County (TN)	59	32	27
--Average Up-Front Documentation	36	20	16
Graduated Verification			
Dilworth-Glyndon-Felton (MN)	71	39	32
Dunkirk (NY)	19	16	3
St. Mary (NJ)	35	24	11
Grandview (MO)	62	34	28
-- Average Graduated Verification	47	28	19
Verify Direct Certification			
Alma (MI)	71	45	26
Bessemer (AL)	53	29	24
Blount County (TN)	61	39	22
East Baton Rouge (LA)	72	20	52
Kenai Peninsula (AK)	51	24	27
Middlebury (IN)	8	5	3
Perry County (AL)	23	13	10
-- Average Verify Direct Cert.	48	25	23

♦ Total Reduction/Termination Estimate for 2000/2001 based on data from approximately 69,000 applications verified in SFAs in 19 States. Non-Response/Response estimate based on data for those SFAs for which the reason for termination/reduction was provided (approximately 52,000 applications selected for verification).

Households that do not respond to an SFA verification request within a prescribed number of days have their benefits terminated. Nearly one-half of all benefit reductions or terminations are associated with non-response in the eight Up-Front Documentation

pilot SFAs as well as in the national survey of SFAs. Because no independent assessment of the income level of non-respondent households is available, it is not possible to say definitively whether these pilot SFAs have a lower (or higher) percentage of children approved for F/RP meals that are income-ineligible than in schools operating the NSLP nationwide.

There was a great deal of variation among these eight SFAs in terms of their pre-pilot verification results. For example, four of this group of eight SFAs - East Stroudsburg (PA), Morenci (AZ), Oak Park (IL) and Williamson County (TN) – had rates of reduction / termination above 50 percent and above the 46 percent estimated national average. Meanwhile, the other four pilot SFAs in this group – Blue Ridge (PA), Creve Coeur (IL), Maplewood (OH) and Salem City (OH) - had much lower reduction / termination rates, ranging from 13 to 18 percent.

Graduated Verification

Four SFAs, each from a different State, are operating the Graduated Verification Pilot – Dilworth-Glyndon-Felton (MN), Dunkirk (NY), St. Mary Elementary School (NJ) and Grandview (MO). These four SFAs, like the eight Up-Front Documentation SFAs have an average enrollment of 2,031. The largest – Grandview (MO) - has 4,329 children enrolled while the smallest – St. Mary (NJ) -- is a private SFA with one elementary school and 305 children enrolled. Table 2.2 demonstrates that 74.8 percent of all public school districts in the US also have enrollments smaller than 5,000 students; all four Graduated Verification pilot SFAs have enrollments of less than 5,000 students also.

Table 2.1 shows that the average Graduated Verification SFA has a greater rate of free (42.8 percent) and reduced-price (11.0 percent) approval among enrolled children in the baseline period than the nationwide rate during the same time period in schools operating the NSLP (33.2 percent and 7.2 percent, respectively). The highest rate of F/RP approval among these four SFAs is in St. Mary (NJ) at 81.5 percent, while the lowest rate is in Dilworth-Glyndon-Felton at 30.9 percent.

Table 2.3 demonstrates that, on average, the four Graduated Verification SFAs have an enrollment that has a slightly greater percentage of children from non-white groups (50 percent) than children enrolled in public schools in the US (40 percent). There is much variation in the racial / ethnic makeup across these SFAs. For example, Hispanics account for 90 percent of the enrollment in St. Mary (NJ) and comprise 32 percent of Dunkirk (NY) students. On the other hand, 46 percent of children in Grandview (MO) are black while the other three Graduated Verification SFAs each have less than 10 percent black student populations. Among these four SFAs, Dilworth-Glyndon-Felton has the lowest percentage of non-whites (11 percent).

To the extent that pre-pilot income verification results represent a proxy for F/RP integrity concerns, the four Graduated Verification SFAs taken as a group appear very similar to the national average. Table 2.4 shows, for example, that the average rate of

benefit reduction / termination among these pilot SFAs was 47 percent, approximately the same as the 46 percent national estimate discussed above.

The Graduated Verification model design requires SFAs to verify an initial three-percent of applications. If this initial sample has a reduction / termination of 25 percent or higher, the SFA is required to expand its verification sample. Pre-pilot verification results in three of these four SFAs – Dilworth-Glyndon-Felton (MN) (71 percent), Grandview (MO) (61 percent) and St. Mary (NJ) (35 percent) – had reduction / termination rates that exceeded this threshold. Dunkirk (NY) had a verification reduction / termination rate of 19 percent in the baseline period which would have been below the pilot’s threshold of 25 percent.

Verify Direct Certification

Seven SFAs are operating the Verify Direct Certification pilot model. Two of these SFAs are from Alabama – Bessemer and Perry County – while five different States have one SFA in this pilot – Alma (MI), Blount County (TN), East Baton Rouge (LA), Kenai Peninsula (AK) and Middlebury (IN).

East Baton Rouge (LA) is the largest SFA operating this pilot. It has 52,605 children enrolled. Blount County (TN) is another pilot SFA in this group with more than 10,000 students. Meanwhile, Perry County (AL), Middlebury (IN) and Alma (MI), each with less than 3,000 children enrolled, are the smallest.

Because the Verify Direct Certification model does not affect F/RP application procedures, it is important to focus on the role of direct certification in these seven SFAs as we contrast them with SFAs across the country. Table 2.1 shows that, on average, 9.9 percent of children in these SFAs were approved for free meals through direct certification in the baseline years. Since 41.4 percent of enrollment in these SFAs is approved for free meals, direct certifications represents, on average, 23.9 percent of all free approvals.

The average of 10 percent direct certification among enrolled children across these seven SFAs masks a great deal of variation, however. For example, 56 percent of children enrolled in Perry County (AL) were directly-certified in the baseline years. Two other SFAs in this group – East Baton Rouge (LA) and Kenai Peninsula (AK) -- used direct certification in the baseline years. In these two SFAs, 8 percent and 6 percent, respectively, of their enrollment was directly certified. The remaining four SFAs – Alma (MI), Bessemer (AL), Blount County (TN) and Middlebury (IN) – did not use direct certification during the baseline years.

With respect to their racial / ethnic profile, compared to the national average among public schools, these seven SFAs have a greater percentage of children enrolled that are black (38 v. 17 percent) and a lower percentage of Hispanic children (2 v. 17 percent). Kenai Peninsula (AK), with 12 percent American Indian enrollment, is the only SFA in any of the pilot groups with more than 3 percent American Indian.

Table 2.4 shows that 48 percent of children selected under the standard verification procedures during the baseline years had their benefits reduced or terminated, similar to the national average of 46 percent.

Of central concern to FNS in this pilot project is examining the extent to which children who are directly-certified at the beginning of a school year become income-ineligible for free meal benefits within the next several months. There is no reasonable pre-pilot proxy regarding this issue among these pilot SFAs.

CONCLUSION

This chapter has provided an overview of some pilot SFA demographic and NSLP-related statistics and compared these pilot SFAs to national averages. Table 2.5 presents a summary for each of the three groups of pilot SFAs along the dimensions presented in this chapter.

Table 2.5 Summary of characteristics of 3 sets of pilot SFAs and national average

	SFAs	Enrollment	Average F/RP Approval Rates	Racial / Ethnic Profile	Baseline Verification Reduction/Termination Rate
National Average		50 percent in SFAs greater than 10,000	40 percent	60 percent white; 40 percent non-white	46 percent - sample based
Up-Front Documentation	8♦	Small, all below 10,000	22 percent	83 percent white; 17 percent non-white	36 percent
Graduated Verification	4	Small, all below 5,000	54 percent	50 percent white; 50 percent non-white	47 percent
Verify Direct Certification	7	2 above 10,000	48 percent overall -- However, 10 percent direct cert v. 12 percent nationally	58 percent white; 42 percent non-white	48 percent (but no measure of direct cert integrity problem)

♦2 SFAs -- Kismet (KS) and Glenview (IL) are not included in the total and are excluded from analysis in this report.

CHAPTER THREE

FNS EVALUATION PLANS & THE ROLE OF THIS REPORT

Evaluation of the pilot models being tested permit FNS to explore a variety of options to improve the targeting of F/RP meal benefits to income-eligible children. This report provides a descriptive statistical analysis of data FNS has collected from SFAs operating the pilot projects. FNS is collecting administrative data from pilot SFAs regarding several key program statistics. Data reported by SFAs to FNS for this purpose represent information pilot and non-pilot SFAs are required to maintain for reporting purposes.¹ These data allow comparison of how key program statistics in these SFAs changed between the first pilot school year and the two pre-pilot years.

For example, it is possible with these data to address the following types of questions:

- In Up-Front Documentation SFAs, did the number of children approved for F/RP meals on the basis of an application decline?
- In Graduated Verification SFAs, what were the results of multiple rounds of verification?
- In Verify Direct Certification SFAs, did the number of children approved for free meals through direct certification decrease following verification?
- Did F/RP meal participation rates change in SFAs with changes in F/RP approvals?
- Was there an increase in paid meals served in SFAs that experienced a decrease in the number of children approved for F/RP meal benefits?

FNS anticipates conducting a more rigorous evaluation of the Up-Front Documentation and Graduated Verification pilot projects and examining questions of pilot-related causality. Central to this activity is a comparison of the F/RP approval status and an independent collection of income information for households in the pilot SFAs.² The evaluation will also gather information from SFAs regarding their costs of implementing pilot procedures in comparison to their pre-pilot cost of administering the standard application and verification processes. Through this activity, FNS will be able to address

¹ Data submitted by SFAs to FNS is defined as the Minimum Data Set (MDS). The MDS includes information for the two years before pilot operation (1998-99 & 1999-2000) – the baseline – and 2000-01, the first year of pilot operation. Data reported within the MDS include:

- the number of children approved for free meals through an application and direct certification as of October 31
- the number of children approved for reduced-price meals as of October 31
- the number of meals served at free, reduced-price and paid rates by month
- the number of serving days within each month
- results of verification activities; and
- the number of children enrolled as of October 31

² FNS excluded the Verify Direct Certification pilot project SFAs from the more rigorous evaluation. This decision was made because analysis of first year pilot data (shown in Chapter 6) provided strong initial evidence that these pilot procedures identified a very small number of children approved for F/RP meal benefits who were income-ineligible.

a broader range of issues than is possible through exclusive reliance upon SFA administrative data.

For example, FNS anticipates the in-depth evaluation will answer the following types of questions:

- Were changes in the number of children approved for F/RP meals in the pilot districts caused by any or all of the following:
 - a) a decreased number of income-ineligible children becoming F/RP approved;
 - b) a decreased number of income-eligible children becoming F/RP approved;
 - c) changes in economic conditions and the poverty rate among households in pilot school districts; or
 - d) other factors?
- What were the effects of the pilot projects on the number of meals served in each meal price category and in total?
- What is the cost incurred by SFAs to operate the pilot procedures?

FNS anticipates results from this evaluation in FY 2003.

CHAPTER 4: UP-FRONT DOCUMENTATION RESULTS FROM YEAR ONE

This chapter provides results regarding the changes in F/RP approval rates and NSLP reimbursable meals served in the eight SFAs that operated the Up-Front Documentation Pilot in 2000-01. Appendix 1 provides analogous results from the FNS National Data Bank (NDB) that reflect changes in the same data elements for the same time period for all NSLP schools in the US and for the States with pilot SFAs.

CHANGES IN FREE AND REDUCED PRICE APPROVAL RATES

Households may be approved for free meals by SFAs through two methods: direct certification and through an application. Under current F/RP eligibility determination rules it is mandatory that SFAs provide applications to all households who are not directly certified. However, FNS regulations provide that SFAs each year have an option regarding whether to use direct certification. The Up-Front Documentation pilot model leaves to the discretion of the SFA the range of implementation methods available for direct certification, including the option of not using direct certification.¹

It would be expected, because of an increase in rigor in the application-submission and review process, that the number of children approved for free meals on the basis of an application would drop in SFAs operating this pilot in light of the enhanced documentation requirement, assuming little or no change in the poverty level of children attending pilot school districts or other relevant factors. On the other hand, it would be expected that the number of children directly certified would not be affected by the pilot, but would change only in relation to the change in the number of enrolled children receiving FS/TANF/FDPIR benefits over this time period or other relevant factors. Table 4.1 shows, for each baseline year and for the first pilot year whether each of the eight SFAs used direct certification. Table 4.2 shows the percentages of children enrolled and approved for F/RP meal benefits in the two-year baseline average and 2000-01 number of children.

Table 4.1. Use of Direct Certification by Pilot SFAs, 1998-2001

	Did SFA Use Direct Certification in:		
	1998-99	1999-2000	2000-01
Blue Ridge (PA)	No	Yes	Yes
Creve Coeur (IL)	No	No	No
East Stroudsburg (PA)	Yes	Yes	Yes
Maplewood (OH)	Yes	Yes	No
Morenci (AZ)	Yes	Yes	Yes
Oak Park (IL)	No	No	No
Salem City Schools (OH)	Yes	Yes	Yes
Williamson County (TN)	Yes	Yes	Yes

¹ A report published in 2000 by FNS titled: Study of Direct Certification in the National School Lunch Program finds there are three prototypical methods by which SFAs implement direct certification in any particular year. The report states that "...as of fall 1996, direct certification was used in 48 states and the District of Columbia and in 63 percent of all NSLP districts."

Table 4.2. Percentage of Enrolled Children Approved for Free and Reduced-Price Meals, Up-Front Documentation SFAs, Baseline and Pilot Year One

	Baseline				Pilot Year One			
	Free Total	Free (Application Based)	Free (Direct Certification)	Reduced-Price	Free Total	Free (Application Based)	Free (Direct Certification)	Reduced-Price
	-- percentage of enrollment --				-- percentage of enrollment --			
Average of 8 SFAs	16.3	12.1	4.3	6.1	13.0	9.8	3.2	5.3
Blue Ridge (PA)	22.7	13.5	9.2	11.0	18.5	10.8	7.7	8.0
Creve Coeur (IL)	29.4	29.4	0.0	12.6	26.7	26.7	0.0	10.2
East Stroudsburg (PA)	15.0	9.2	5.8	6.5	13.0	9.1	3.9	5.6
Maplewood (OH)	12.2	7.7	4.5	4.9	9.1	9.1	0.0	6.2
Morenci (AZ)	11.4	9.5	1.9	3.8	7.3	4.4	2.9	4.0
Oak Park (IL)	8.9	8.9	0.0	2.8	4.3	4.3	0.0	2.0
Salem City Schools (OH)	22.1	13.0	9.1	4.8	18.3	9.5	8.8	4.8
Williamson County (TN)	8.8	5.3	3.5	2.2	6.8	4.4	2.4	1.9

The expected direction of change in the rate of children approved for reduced-price meals is ambiguous in the Up-Front Documentation Pilot Project. Some households may choose not to submit an application for free or reduced price meals under pilot rules, though they would have submitted an application under standard rules. This would lower the reduced-price approval rate in pilot SFAs. On the other hand, some households that would have been approved for free meals under standard rules through an application may, under pilot rules, become approved for reduced-price meals as a result of a more thorough review of household income by the SFA.

RESULTS²

Table 4.2 shows the percentage of children approved for free and reduced-price meals among all children enrolled in each of the eight pilot SFAs in the baseline period and in pilot year one. Separate columns decompose the percentage of children approved for free meals between those approved on the basis of an application and those approved through direct certification. Table 4.3 displays the percentage point change for each pilot SFA and indicator while Table 4.4 provides the percentage change for each pilot SFA and indicator.

² All averages presented in this report are simple, unweighted averages across the number of SFAs specified.

Table 4.3. Percentage Point Change from Baseline to Year 1 in F/RP approval indicators, Up-Front Documentation Pilot SFAs

	F/RP Total	F/RP Application- Based	Free	Reduced Price		
			Total	Application- Based	Direct Certification	
	--percentage change from baseline--					
Average of 8 SFAs	--	--	-3.3	-2.3	-1.0	-0.7
Blue Ridge (PA) ♦♦♦	-7.2	-5.7	-4.2	-2.7	-1.5	-3.0
Creve Coeur (IL) ♦♦	-5.1	-5.1	-2.7	-2.7	0.0	-2.4
East Stroudsburg (PA)	-2.9	-1.0	-2.0	-0.2	-1.9	-0.9
Maplewood (OH) ♦	-1.7	2.8	-3.1	1.5	-4.5	1.4
Morenci (AZ)	-3.9	-4.9	-4.1	-5.1	1.0	0.2
Oak Park (IL) ♦♦	-5.4	-5.4	-4.6	-4.6	0.0	-0.8
Salem City Schools (OH)	-3.9	-3.6	-3.8	-3.6	-0.3	0.0
Williamson County (TN)	-2.2	-1.2	-1.9	-0.9	-1.1	-0.3

♦ Maplewood (OH) used Direct Certification in the two pre-pilot years but discontinued its use in 2000-01.

♦♦ Neither Creve Coeur (IL) nor Oak Park (IL) used Direct Certification from 1998-99 through 2000-01.

♦♦♦ Blue Ridge (PA) used Direct Certification in 1999-2000 & 2000-01, but did not use it in 1998-99.

Table 4.4. Percentage Change from Baseline to Year 1 in F/RP approval indicators, Up-Front Documentation Pilot SFAs

	F/RP Total	F/RP Application- Based	Total	Free	Application- Based	Direct Certification	Reduced Price
--percentage change from baseline--							
Average of 8 SFAs	-20.6	-17.4	-24.3	-20.2	--	--	-8.8
Blue Ridge (PA)	-21.4	-23.3	-18.5	-20.0	-16.3◆◆◆	--	-27.3
Creve Coeur (IL)	-12.1	-12.1	-9.2	-9.2	◆◆	--	-19.0
East Stroudsburg (PA)	-13.5	-6.4	-13.3	-1.1	-32.0	--	-13.8
Maplewood (OH)	-10.5	21.4	-25.4	18.2	◆	--	26.5
Morenci (AZ)	-25.7	-36.8	-36.0	-53.7	49.7	--	5.3
Oak Park (IL)	-46.2	-46.2	-51.7	-51.7	◆◆	--	-28.6
Salem City Schools (OH)	-14.1	-19.7	-17.2	-26.9	-3.0	--	0.0
Williamson County (TN)	-20.9	-16.0	-22.7	-17.0	-30.5	--	-13.6

- ◆ Maplewood (OH) used Direct Certification in the two pre-pilot years but discontinued its use in 2000-01.
- ◆◆ Neither Creve Coeur (IL) nor Oak Park (IL) used Direct Certification from 1998-99 through 2000-01.
- ◆◆◆ Blue Ridge (PA) used Direct Certification in 1999-2000 & 2000-01, but did not use it in 1998-99.

In pilot year one, an average of 13.0 percent of enrolled children across the eight SFAs were approved for free meals compared to 16.3 percent of enrolled children in the baseline period. In other words, in pilot year one there was a drop of 3.3 percentage points or 24.3 percent in children approved for free meals in the average Up-Front Documentation SFA.

Table 4.2 also shows that the percentage of enrolled children approved for free meals on the basis of an application dropped to 9.8 percent in pilot year one from 12.1 percent in the baseline period. This represents a decrease of 2.3 percentage points or 20.2 percent between the two periods.

There was also a drop in reduced-price approvals in these eight SFAs, on average. In pilot year one 5.3 percent of enrolled children were approved for reduced-price meals whereas 6.1 percent of enrolled children had been approved for reduced-price meals during the baseline period. This represents a decrease of 0.8 percentage points or 8.8 percent between the two periods.

Another useful manner to consider changes between the two periods is to compare the combined free and reduced price application-based approval rates. Table 4.2 shows that the combined F/RP application-based approval rate, on average, was 15.1 percent of enrollment in pilot year one compared to 18.1 percent in the baseline period. This represents a decrease of 3.0 percentage points or 17.4 percent between the two periods.

A final indicator of changes between pilot year one and the baseline period can be observed in the change in the total number of children approved for free and reduced-price meals, including children directly certified for free meals. Table 4.2 shows that 22.4 percent of enrolled children had been approved for F/RP meals in the baseline period, and 18.3 percent of enrolled children were approved for F/RP meals during pilot year one. This represents a drop of 4.1 percentage points or 20.6 percent in the number of children approved for F/RP meals in pilot year one compared to the baseline period, on average.

VARIATION ACROSS THE EIGHT UP-FRONT DOCUMENTATION SFAS

Table 4.3 shows that the percentage of children approved for free meals dropped in each of the SFAs operating the Up-Front Documentation pilot project. The largest drop was in Oak Park (IL) where the free approval rate dropped by 51.7 percent from 8.9 percent to 4.3 percent (a 4.6 percentage point drop) of enrolled children. The smallest decline (2.7 percentage points or 9.2 percent) was in Creve Coeur (IL), where the percentage of children approved for free meals fell from 29.4 to 26.7 percent. It is interesting to note that Creve Coeur is the only SFA in this group where enrollment is limited to children in elementary and middle schools while Oak Park is the only SFA in this group with enrollment limited to high school students.

There was a decline in the percentage of children approved for free meals on the basis of an application in seven of the eight pilot SFAs. Two SFAs experienced greater than a 50 percent decline in this indicator – Morenci (AZ) had a drop of 5.1 percentage points or 53.7 percent and Oak Park (IL) (described in the previous paragraph). In Maplewood (OH), the free application-based approval rate increased by 18.2 percent or 1.4 percentage points (from 7.7 to 9.1 percent of enrolled children). Overall, however, the free approval rate in Maplewood (OH) decreased by 3.1 percentage points or 25.4 percent as the SFA discontinued the use of direct certification in 2000-01; in the baseline years, 36.8 percent of its free approvals had been through direct certification.

All eight SFAs showed a drop in the rate of approval for F/RP meal benefits. The smallest drops – from between 10.5 and 14.1 percent – were experienced in Maplewood (OH), Creve Coeur (IL), East Stroudsburg (PA) and Salem (OH). Meanwhile, the largest drop in the F/RP approval rate – 46.2 percent -- occurred in Oak Park (IL), where the F/RP approval dropped from 11.7 percent to 6.3 percent of enrolled students, a drop of 5.4 percentage points.

CHANGES IN NSLP LUNCHES SERVED BY MEAL PRICE CATEGORY

FREE AND REDUCED PRICE

Table 4.5 provides a comparison of NSLP reimbursable lunches served in the eight Up-Front Documentation Pilot SFAs between 2000-01 and the two baseline years. For example, on the average serving day in the baseline period, Morenci (AZ) served a total of 406 reimbursable lunches. Of these, 65 were served to children approved for free meals, 21 to children approved for reduced-price meals and 319 to children not approved for F/RP meal benefits.³ In pilot year one, the table shows that 404 reimbursable lunches were served on the average serving day, a decrease of 2 meals per serving day. In pilot year one there were 53 free meals served (a drop of 12 meals per serving day from the baseline period), 30 reduced-price meals served (an increase of 9 meals per serving day from the baseline period) and 320 paid meals served (an increase of 1 meal per serving day from the baseline period).

³ Data analyzed for this table included all lunches claimed on monthly SFA reimbursement claims for the months September through May for each school year. Because several SFAs did not have serving days in June, July or August, data for these months is excluded from computations for all SFAs. Average daily participation displayed in Table 4.5 for the baseline years has been adjusted by an enrollment factor for each meal price category. For example, if an SFA experienced a 1 percent increase in enrollment in 2000-01 compared to the baseline average, the number of average daily meals served in the baseline period was increased by one percent in each meal price category.

Table 4.5. Comparison of NSLP Lunches Served in Up-Front Documentation SFAs, Pilot Year One v. Baseline

	Average Daily Participation							
	Baseline				Pilot Year One			
	Free	RP	Paid	Total	Free	RP	Paid	Total
	-- meals per serving day --				-- meals per serving day --			
Blue Ridge (PA)	235	86	469	789	200	71	499	771
Creve Coeur (IL)	186	76	296	558	169	57	321	547
East Stroudsburg (PA)	811	305	2,578	3,693	633	257	2,697	3,588
Maplewood (OH)	108	37	277	422	83	49	369	500
Morenci (AZ)	65	21	319	406	53	30	320	404
Oak Park (IL)	222	60	177	460	123	47	191	361
Salem City Schools (OH)	453	81	555	1,089	374	85	604	1,064
Williamson County (TN)	289	88	1,940	2,316	239	76	1,809	2,124

As stated above, it would be expected that in the Up-Front Documentation Pilot SFAs, the proportion of enrolled children approved for free meals would drop. It would logically follow that the number of free meals served in these SFAs would drop.⁴ The average Up-Front Documentation SFA had a drop of 3.3 percentage points or 24.3 percent in children approved for free meals, Table 4.6 shows an average drop of 21 percent in the number of free lunches served on a per serving day basis.⁵

Table 4.6 Changes in meals served per serving day, number of meals and percentage change in pilot year one from baseline period

	Free	RP	Paid	Total	Free	RP	Paid	Total
	-- change in meals served / serving day --				-- percentage change from baseline --			
Average of 8 SFAs					-21	-1	8	-3
Blue Ridge (PA)	-35	-15	30	-18	-15	-17	6	-2
Creve Coeur (IL)	-17	-19	25	-11	-9	-25	8	-2
East Stroudsburg (PA)	-178	-48	119	-105	-22	-15	5	-3
Maplewood (OH)	-25	12	92	78	-24	34	33	19
Morenci (AZ)	-12	9	1	-2	-19	43	0	-0
Oak Park (IL)	-99	-13	14	-99	-45	-22	8	-21
Salem City Schools (OH)	-79	4	49	-25	-17	5	9	-2
Williamson County (TN)	-50	-12	-131	-192	-17	-13	-7	-8

⁴ A potentially important factor that may affect the number of meals served in each meal price category is related to changes in food quality, appearance, nutritional standards, taste, price (for paid meals) and non-reimbursable foods available in the school. FNS has not collected data on these issues. In one pilot SFA – Williamson County – there was another potentially important issue. This SFA had 27 schools when it began pilot operation in school year 2000-01. Only 7 of its 27 schools were operating the pilot project while the remaining 20 schools were operating under standard program regulations. In January 2001, the school district opened 2 new schools and informed FNS that those schools would also operate the pilot project. Williamson County SFA officials informed FNS in January 2001 that the school attendance area for the seven schools operating the pilot project in the first half of the 2000-01 school year and the nine schools operating the pilot project in the second half of the same school year were the same.

⁵ It is not possible with available data to determine the extent to which changes observed in free participation is a result of changes in the number of free meals served to children approved through an application or direct certification.

Each of the eight pilot SFAs had a drop in the number of free meals served on a per serving day basis. The drop across the eight pilot SFAs ranged from a low of 9 percent in Creve Coeur (IL) to 45 percent in Oak Park (IL).

As discussed in the previous section, the expected direction of change in reduced-price approval rates is ambiguous in the Up-Front Documentation Pilot SFAs; likewise the expected direction of change in reduced-price reimbursable meals served is also ambiguous.

On average, the eight SFAs experienced a drop of 1 percent in the number of reduced-price reimbursable lunches served. Three SFAs had an increase ranging from 5 percent in Salem (OH) to 34 percent in Maplewood (OH) and 43 percent in Morenci (AZ). The remaining five SFAs had a drop in reduced-price meals served, ranging from 13 percent in Williamson County (TN) to 25 percent in Creve Coeur (IL). In seven of the eight SFAs, the direction of change in the reduced-price approval rate was the same as the direction of change in the number of reduced-price meals served. This relationship did not hold in Salem (OH). This SFA had no change in its reduced-price approval rate but had an increase of 5 percent in reduced-price meals served.

PAID MEALS AND TOTAL MEALS SERVED

If Up-Front Documentation SFAs have a reduction in their F/RP approval rates, the proportion of enrolled children that could plausibly eat an NSLP lunch at a paid rate increases. As such, it would be expected that the number of paid meals served in these SFAs would increase, absent other important changes. On the other hand, because the price for meals available to children that shift from F/RP to paid increases, it would be expected that such children would participate at a lower rate than in the pre-pilot period. In sum, one would expect total meals served under this pilot model to decrease in light of the expected decrease in F/RP approvals and the higher meal price for children in households not approved for F/RP meal benefits.

77.6 percent of children, on average, in these pilot SFAs, were “paid” – or not approved for F/RP meals in the baseline years. In 2000-01, approximately 81.7 percent were in the paid category, an increase of approximately 5.3 percent or 4.1 percentage points.

On average, there was an increase in paid meals served in the pilot SFAs of approximately 8 percent. The number of paid meals increased in seven of the eight SFAs. Increases ranged from 33 percent in Maplewood (OH) and to less than 1 percent in Morenci (AZ). In Williamson County, TN, the number of paid meals decreased by 7 percent.

On average, there was a decrease of 3 percent in the number of total lunches served in 2000-01 compared to the baseline. Seven of eight SFAs had a decrease in total meals ranging from less than one percent in Morenci (AZ) to 2 percent in Blue Ridge (PA),

Creve Coeur (IL) and Salem (OH). On the other hand, total meals increased in Maplewood (OH) by 19 percent.

SHIFT FROM FREE MEALS TO PAID MEALS

Consistent with logic explained earlier in this chapter, it would be expected that the requirement of Up-Front Documentation would result in a greater proportion of all meals served by pilot SFAs in the paid category compared to the baseline period. Likewise, it would be expected that the shift to paid meals would happen contemporaneous to a drop in free meals as a proportion of all meals served.

Table 4.7 displays the percentage of all NSLP reimbursable lunches by meal price category served in each Up-Front Documentation pilot SFA in the baseline period and in pilot year one. On average in the baseline period, Up-Front Documentation pilot SFAs served 28.6 percent of lunches to children approved for free meals, 8.9 percent of lunches to children approved for reduced-price meals and 62.5 percent of lunches to children not F/RP approved (or at the paid rate).

Pilot year one data indicates that the average percentage of meals served in the free category fell, as expected, by 5.5 percentage points to 23.1 percent of all meals. Also as expected, the average percentage of all meals served at SFA's paid rate increased from 62.5 percent to 68.3 percent while the average percentage of meals served to children approved for reduced-price meals fell slightly from 8.9 percent to 8.6 percent of all meals served.

Table 4.7 shows that in each of the eight Up-Front Documentation SFAs there was a similar result between the baseline period and pilot year one. There was a drop in the proportion of all meals served to children approved for free meals and the increase in the proportion of all meals served to children not approved for F/RP meal benefits in every Up-Front Documentation SFA. The largest shift in percentage point terms occurred in Oak Park (IL); in that SFA, the percentage of all meals served to children approved for free meals dropped from 48.3 percent to 34.1 percent from the baseline period to pilot year one. Likewise in Oak Park (IL), 52.9 percent of all meals were served in pilot year one at a paid rate, up from 38.5 percent of all meals served in the baseline period. The smallest drop in percentage point terms was in Williamson County (TN). In that SFA, during the baseline period 12.5 percent of all meals served were to children approved for free meals; in pilot year one 11.3 percent of all meals served were to children approved for free meals. The percentage of all meals served at the paid rate in Williamson County (TN) increased in pilot year one to 85.2 percent from 83.8 percent in the baseline period.

Table 4.7 Comparison of percentage of all lunches served by meal price category, baseline v. pilot year one

	Baseline			Pilot Year One		
	Free	RP	Paid	Free	RP	Paid
	-- percentage of all lunches served --			-- percentage of all lunches served --		
Average of 8 SFAs	28.6	8.9	62.5	23.1	8.6	68.3
Blue Ridge (PA)	29.8	10.9	59.4	25.9	9.2	64.7
Creve Coeur (IL)	33.3	13.6	53.0	30.9	10.4	58.7
East Stroudsburg (PA)	22.0	8.3	69.8	17.6	7.2	75.2
Maplewood (OH)	25.6	8.8	65.6	16.6	9.8	73.8
Morenci (AZ)	16.0	5.2	78.6	13.1	7.4	79.2
Oak Park (IL)	48.3	13.0	38.5	34.1	13.0	52.9
Salem City Schools (OH)	41.6	7.4	51.0	35.2	8.0	56.8
Williamson County (TN)	12.5	3.8	83.8	11.3	3.6	85.2

CHAPTER FIVE: GRADUATED VERIFICATION RESULTS FROM YEAR ONE

This chapter presents results from the four Graduated Verification Pilot SFAs for 2000-01. The chapter provides information about the income verification process conducted in these SFAs in 2000-01. The chapter also describes changes in the number of reimbursable lunches served by meal price category between the final two months of the 2000-01 school year and:

- a) the same months from the baseline period; and
- b) and the first five months of pilot year one.

Chapter Two provided some baseline information about the four SFAs operating the Graduated Verification pilot. On average in the baseline years, these pilot SFAs had a free approval rate of 43 percent of enrolled children. Approximately 79 percent of free approvals in these SFAs were, on average, on the basis of an application; the remainder – 21 percent – were approved for free meals through direct certification. These districts had an average reduced-price approval rate of 11 percent. In the baseline years, the average Graduated Verification SFA reduced or terminated the benefits of 47 percent of applications verified. Approximately 60 percent of these reductions and terminations, on average, were based upon a response from a household while the remainder were terminated due to non-response to the SFA's verification request.

PILOT VERIFICATION RESULTS AND THE 25 PERCENT THRESHOLD¹

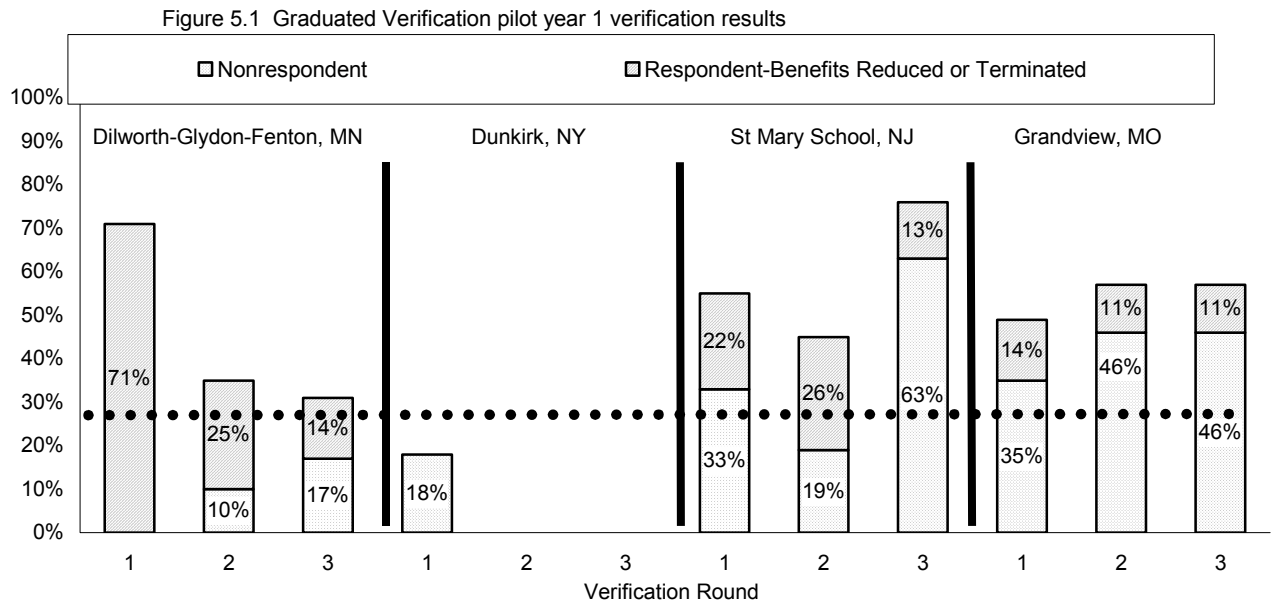
Under Graduated Verification, SFAs conduct both the F/RP application and direct certification processes in a manner unchanged from standard program rules. Also consistent with standard program rules, pilot SFAs are required to verify the eligibility of three percent of applications approved for F/RP meal benefits prior to December 15.²

Pilot procedures require SFAs to compute the proportion of the children whose applications were verified and whose benefits were reduced or terminated in the income verification process. If this proportion is greater than or equal to 25 percent, pilot SFAs must then verify one-half of remaining F/RP-approved applications on file by the following February 15. Based upon results of the second round of verification, the SFA must compute a reduction / termination rate analogous to that computed for the first round. If this proportion is less than 25 percent, no further verification is required. Again, if this rate is greater than or equal to 25 percent, pilot SFAs must verify all remaining non-verified F/RP-approved applications on file at that time by March 31.

¹ All averages presented in this chapter are simple, unweighted averages across the number of SFAs specified.

² Standard program rules permit SFAs to use random or focused sampling techniques; likewise SFAs are permitted to verify any additional applications for cause. Graduated Verification SFAs are limited to the random approach and must select three percent of their approved applications. Both standard and pilot rules permit verification of any questionable applications at the discretion of the SFA.

Figure 5.1 shows verification results for each of the four pilot SFAs by verification round. In three of the four pilot SFAs, second and third verification rounds were required based upon initial results that exceeded threshold reduction/termination rates. In Dunkirk (NY), 18 percent of children whose applications were verified in Round 1 had their benefits reduced or terminated and no further verifications were required. Overall verification results are split between respondents to the SFA’s verification request and non-respondents.³



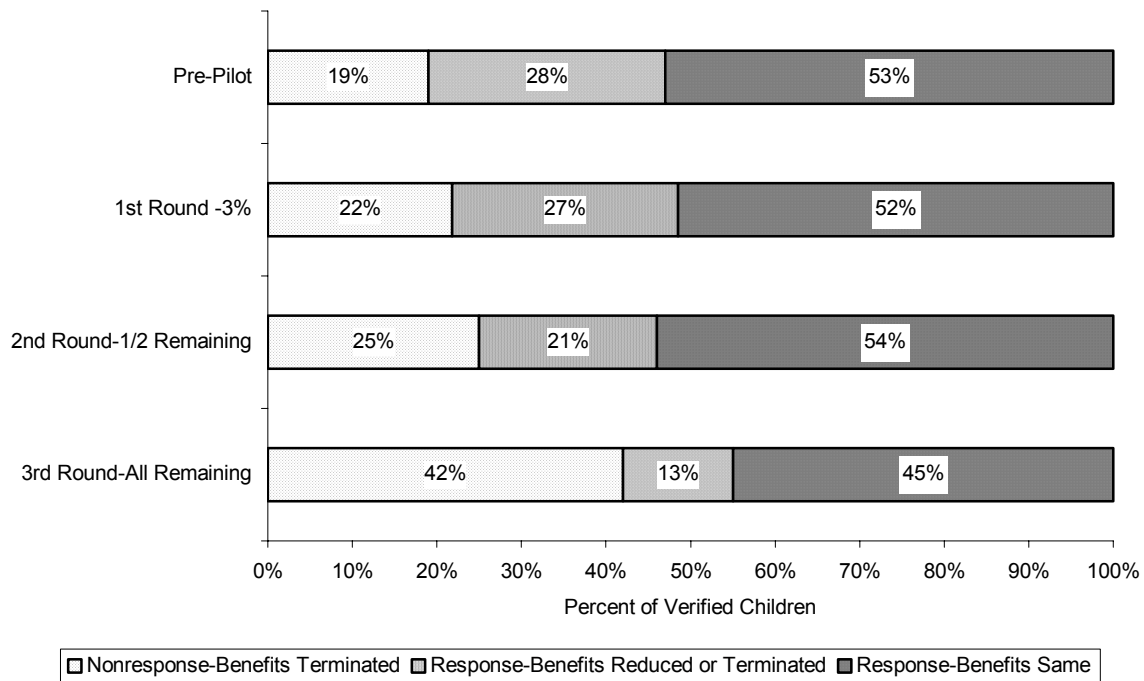
Note to Figure 5.1: In those instances where only one bar is shown for a particular SFA and verification round, this indicates that the omitted percentage is zero.

Figure 5.2 provides average results for the group of four Graduated Verification SFAs for each round of verification in 2000-01, comparing these results with those for the pre-pilot years for the same four SFAs in which approximately three percent of approved applications were verified. It shows that, among the initial verification sample, 49

³ To help understand Figure 5.1, consider the case of St. Mary’s (NJ). In the initial verification sample, the eligibility of nine children was verified. Among that sample, three (or 33 percent) of children on applications verified in the first round had their benefits terminated due to non-response; two (or 22 percent) of children on applications verified in the first round had their benefits reduced or terminated on the basis of the SFA’s review of the household’s response to verification. In this case the first round reduction / termination rate was 55 percent (33 percent + 22 percent) and exceeded the 25 percent threshold required to trigger a second verification round. Therefore, St. Mary’s conducted a second round of verification, verifying the eligibility of 79 F/RP approved children. In the second round, 45 percent of children whose applications were verified had their benefits reduced or terminated – 19 percent due to non-response and 26 percent based due to a response. Because the second round reduction / termination rate was greater than 25 percent, the SFA was required to verify all (76) remaining non-verified applications in a third round. Figure 5.1 shows that the third round reduction / termination rate equaled 76 percent – 63 percent due to non-response and 13 due to a response.

percent of children whose applications were verified had their benefits reduced or terminated, in comparison to 47 percent in the baseline years. In the second and third rounds, the average reduction / termination rates were 46 percent and 55 percent, respectively.⁴

Figure 5.2 Graduated verification SFA verification results, baseline and pilot year one by round



SIMULATING THE CUMULATIVE EFFECT ON F/RP APPROVAL RATES

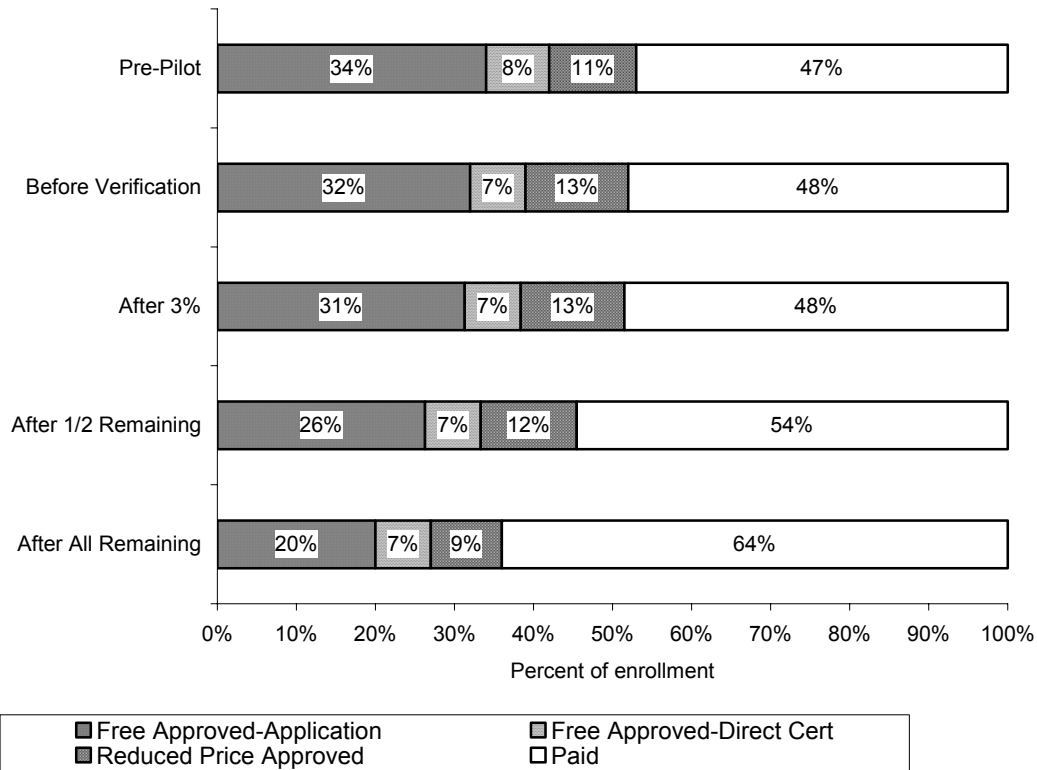
Figure 5.3 simulates⁵ the effect on the free and reduced-price approval rates across all enrolled children, on average, in these four SFAs. The bar labeled “Before Verification” indicates that:

- 32 percent were approved for free meals on the basis of an application
- 7 percent were approved for free meals on the basis of Direct Certification

⁴ Pre-pilot and first round results reflect verification activities in all four Graduated Verification SFAs. Results from the 2nd and 3rd rounds reflect verification activities in three SFAs and exclude Dunkirk (NY).
⁵ This simulation is based upon several simplifying assumptions due to the lack of intra-annual SFA-level data on enrollment changes and F/RP approval changes. It is assumed that the number of children enrolled in these school districts did not change from October 31 (the reference date for which data was reported by SFAs to FNS) through the end of the school year. Likewise, these computations assume that no children not approved for F/RP meal benefits as of October 31 became F/RP-approved in the remainder of the school year and that no children with benefits reduced or terminated as a result of verification became F/RP-approved later in the same school year.

- 13 percent were approved for reduced-price meals; and
- 48 percent were “paid” (i.e., not approved for F/RP meal benefits)

Figure 5.3 Simulation of change in meal price category of enrolled children in Graduated Verification SFAs, pilot one v. baseline



During the first round of verification in which three percent of approved applications were verified, there was a 49 percent benefit reduction / termination rate. The bar labeled “After 3 %” indicates the percentages of enrolled children, on average, that were in the four respective categories (free-application, free-Direct Certification, reduced-price and not approved) taking into account changes from the first verification round. For example, the average percentage of children approved for free meals on the basis of an application would have dropped from 32 percent to 31 percent of enrollment. The subsequent two bars labeled “After ½ remaining” and “After all remaining” illustrate the effect of F/RP certification changes associated with the second and third rounds of the verification process, respectively.

Based on year one round by round verification results, this simulation projects that the average percentage of children approved for free meals on the basis of an application would have dropped, on average, from 32 percent to 20 percent. The average percentage of children approved for reduced-price meals would have dropped to 9 percent from a pre-verification level of 13 percent.

In sum, whereas pre-verification 45 percent of children were approved for F/RP meals on the basis of an application, 29 percent of children would have been approved for F/RP meals based on an application subsequent to the completion of verification required under the pilot. This represents a drop of 16 percentage points or 36 percent of F/RP application-approved children. Likewise, whereas the average SFA in this group had 52 percent of children approved for F/RP meals on the basis of either an application or direct certification, the average F/RP approval rate among enrolled children would have dropped to 36 percent after three rounds of verification. This represents a drop of 16 percentage points or 31 percent.

VERIFICATION RESULTS AND CERTIFICATION ACCURACY

Actions taken by SFAs with regard to any child whose F/RP benefits are verified are prescribed by FNS regulation. Such actions do not necessarily indicate the income-eligibility of households for specific F/RP meal benefits, however. For example, SFAs are required to terminate the F/RP eligibility of children for whom no response to the verification request was received by a prescribed date. On the basis of non-response, the household's income level is not known; likewise, the household's current FS/TANF/FDPIR eligibility is not known.. For non-respondents to verification, it is therefore not possible to determine the extent to which their F/RP approvals were consistent with the F/RP IEGs.

The most recently available nationally representative estimate about the income-eligibility of non-respondents to verification is from the Study of Income Verification in the NSLP (1990) published by FNS. In this study, household interviews were conducted with a random sample of non-respondent households in the 1986-87 school year. This study estimated that, among non-respondents to verification:

- 58.8 percent had been accurately approved for F/RP meal benefits (prior to termination due to non-response)
- 33.0 percent had been approved for a greater level of F/RP meal benefits than was associated with their income and household size; and
- 8.2 percent had been approved for a lower level of F/RP meal benefits than was associated with their income and household size.

The same study also conducted in-home interviews with a random sample of households that had been subject to verification and that had no change in F/RP meal benefits. The study found that 9.7 percent of children whose benefits were left unchanged by SFAs in the verification process self-reported income levels indicating that they were approved for a greater level of F/RP meal benefits than that associated with the income reported during the interview. The study found that this occurred largely because households misreported household income in the verification process.

In the four Graduated Verification pilot SFAs, no independent income assessment was made among households selected for verification. As such, it is not possible to make any conclusive statement with available data about the extent to which SFA determinations

reflect the F/RP eligibility of households verified. That is, there may be some verified households whose benefits were unchanged in the verification process that may be income-ineligible. There may also be some verified households whose benefits were terminated due to non-response that may be income-eligible.

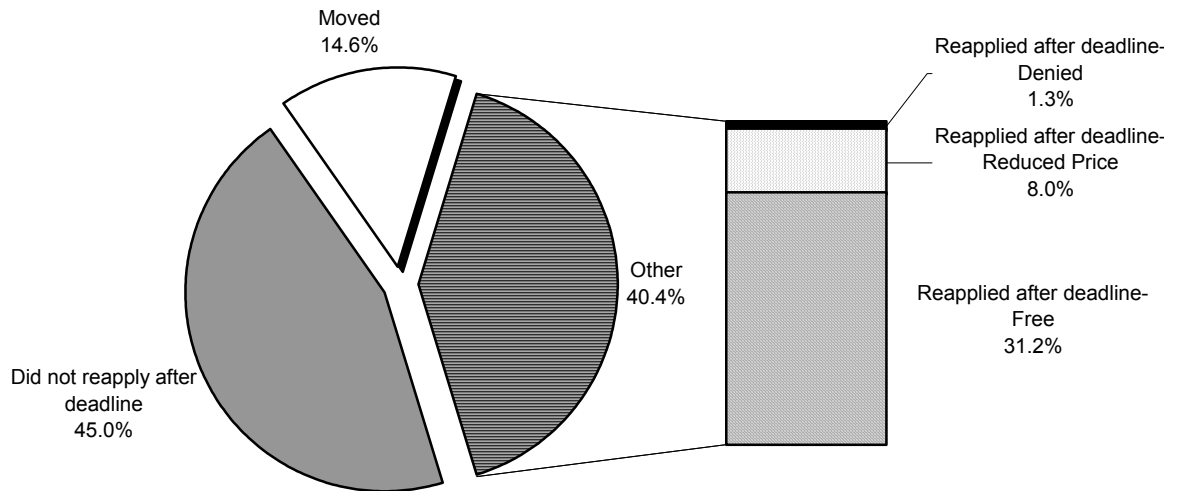
A CLOSER LOOK AT NON-RESPONDENTS IN ONE PILOT SFA

Though available data does not permit assessment of the income-eligibility of non-respondent households, FNS received data from the Grandview (MO) SFA that allows closer examination of the post-verification F/RP status of the group of non-respondent households in that district. Across the three rounds of verification in 2000-01, Grandview (MO) SFA verified the eligibility of 1,239 children. Of those verified, 513 (or 41 percent) had no change in their F/RP meal benefits, 31 (or 3 percent) had their benefits increased from reduced price to free, and 685 (or 56 percent) had their F/RP meal benefits reduced or terminated as a result of the verification process. Non-response to verification was the most common reason for benefit reduction / termination; 581 of 685 (or 85 percent) of reduction / terminations in Grandview (MO) were due to non-response.

Figure 5.4 shows the post-verification F/RP approval status of the 581 children for whom F/RP meal benefits were terminated due to non-response across the three rounds of verification in Grandview (MO) in 2000-01. Among this group, 235 (or 40.4 percent) submitted a new F/RP application later in the 2000-01 school year.⁶ The figure shows that 228 of 235 children (or 97 percent) of those that reapplied were approved for either free or reduced-price meal benefits on the basis of documentation provided with their application.

⁶ Note that FNS regulations require that households that have their F/RP benefits terminated in verification are required to submit documentation of current income and household size or current eligibility of FS/TANF/FDPIR for F/RP application submitted later in the same school year to be complete.

Figure 5.4 Year end certification status of children in Grandview (MO) whose households did not respond to verification request by SFA deadline



Among the 581 children terminated for non-response, 85 (or 14.6 percent) no longer attended school in the Grandview School District at the end of the 2000-01 school year. The remaining 261 children (or 45.0 percent) in the cohort of non-respondents did not reapply for F/RP meal benefits for the remainder of the school year, and were classified through the end of the school year as “paid”.

CHANGES IN MEALS SERVED BY MEAL PRICE CATEGORY⁷

The four SFAs operating the Graduated Verification Pilot would expect changes in the number of meals served due to pilot operations if they were required to conduct verification beyond the initial three percent sample common to both the standard and pilot approaches. Dunkirk (NY) had a benefit reduction rate of 18 percent among children whose applications were verified in the first verification round in the first pilot year; this did not trigger a second verification round. Any changes observed in the number of reimbursable lunches served in Dunkirk (NY) during the first pilot year are therefore unlikely related to the SFA’s operation of the pilot project.

Three Graduated Verification Pilot SFAs – Dilworth-Glyndon-Felton (MN), St. Mary (NJ) and Grandview (MO) -- were required to conduct both a second and third round of verification. It would be expected that these SFAs would experience changes in participation contemporaneous to changes in F/RP status associated with the second and third rounds of verification. These SFAs were required to complete the second round of verification (of one-half of all applications not verified in the first round, or 48.5 percent

⁷ Changes in meals served by month in the pre-pilot years have been adjusted by an enrollment factor in the same manner as shown in Chapter 4.

of all applications approved as of October 31, 2000) by February 15 and to make all necessary changes to F/RP certification status within the next ten days. These three SFAs were required to complete the third round of verification, verifying all remaining applications, by March 31. Table 5.1 provides selected information about sample size and key dates for each verification round.

Table 5.1 Timing of selected deadlines in Graduated Verification rounds

Round	Percentage Verified of F/RP Application-Approved Children as of Oct 31	Estimated Date SFANotifies Household about Verification	Latest Date SFA May Make Verification Determination	Date SFA Must Change F/RP Status, where necessary
1	3	November 5	December 15	10 days later
2	48.5	January 10	February 15	10 days later
3	48.5	February 20	March 31	10 days later

To the extent that the pilot project causes changes in participation, it would be expected that such changes would not occur for the serving months from the beginning of the school year through January. Rather, it would be expected that pilot-related participation changes would begin to be observed in February and March. Changes after the third round of verification would reflect the greatest magnitude of pilot effect, and would be observed in April, May and June.

In light of the timetable associated with the Graduated Verification scheme, this section analyzes pilot year one participation in the months of April and May, while June is excluded because some pilot SFAs had no serving days during June 2001.⁸ The average daily lunches served in April / May is compared to participation from two baseline periods:

1. the average of April / May participation in the two baseline years (1998-99 and 1999-2000); and
2. the average of September thru January participation in the pilot year one.

To the extent that there may be seasonal differences in the level of NSLP participation in these pilot SFAs, comparing April / May in pilot year one to April / May in the two previous periods offers the advantage of comparing the same period between the pre-pilot and pilot periods.

Comparing participation in April / May of pilot year one to September thru January participation in the same school years offers a different advantage. To the extent that pilot SFA participation may have changed for reasons not associated with the pilot project (e.g., economic changes, taste, price, etc.), comparison within the same school year minimizes such factors.

⁸ Some SFAs combine their claims for reimbursement to their State Agencies for the months of May and June because of a small number of serving days in the month of June. In cases where this occurred, such participation was reported as May participation though some meals were served in May and some in June.

For SFAs required to conduct second (or third) verification rounds operating this pilot project, it would be expected that:

- the number of free meals would decrease because children who had been approved for F/RP meals would have had their benefits decreased to reduced price or terminated due to pilot-related verification;
- the number of reduced-price meals would vary because, while some children that had been approved for free meals would become approved for reduced-price meals, others would move from the reduced-price to paid category;
- the number of paid meals would increase because of purchases by some of the formerly F/RP-approved children; and
- finally, the number of total meals would be expected to decrease because of the increase in the cost of school lunches for some children.

COMPARISON 1: PILOT YEAR ONE v. APRIL / MAY BASELINE YEARS

Table 5.2 displays the average number of meals served per serving day in April / May of the first pilot year and April / May of the baseline period. Table 5.3 shows the percentage change in meals served by meal price category from the baseline period to pilot year one for April / May. In the three SFAs required to conduct second and third verification rounds -- Dilworth-Glyndon-Felton (MN), Grandview (MO) and St. Mary (NJ) -- the number of free meals served decreased by 12.2, 16.0, and 31.3 percent, respectively. On average, across these three SFAs, the number of free meals served decreased by 19.9 percent; including the 9.6 percent drop in free meals served in Dunkirk (NY) between these two periods results in an average decrease of 17.3 percent across the four pilot SFAs.

Table 5.2 Number of meals served per serving day, three periods by meal price category, Graduated Verification SFAs

	Baseline April / May				Pilot Year One Sept – Jan				Pilot Year One April / May			
	Free	RP	Paid	Total	Free	RP	Paid	Total	Free	RP	Paid	Total
	-- meals per serving day --				-- meals per serving day --				-- meals per serving day --			
<u>SFAs required to complete 3 verification rounds</u>												
Dilworth-Glyndon-Felton (MN)	196	91	503	790	183	100	534	817	172	66	556	794
St. Mary (NJ)	163	37	41	241	142	60	48	250	112	62	69	243
Grandview (MO)	1,029	190	1,126	2,345	1,072	235	1,206	2,513	864	157	1,218	2,239
<u>SFA required to complete 1 verification round</u>												
Dunkirk (NY)	1,029	162	571	1,762	937	171	612	1,720	930	178	665	1,773

Table 5.3 Percentage change in meals served per serving day, April / May of pilot year one v. two comparative periods, Graduated Verification SFAs

	Pilot Year One April / May v. Baseline April / May				Pilot Year One April / May v. Pilot Year One Sept - Jan			
	Free	RP	Paid	Total	Free	RP	Paid	Total
	-- percentage change --				-- percentage change --			
Average of 4 SFAs	-17.3	8.2	25.9	-0.6	-11.8	-14.9	14.4	-3.4
<u>SFAs required to complete 3 verification rounds</u>								
Average of 3 SFAs	-19.8	7.6	29.0	-1.1	-15.5	-21.3	16.3	-5.5
Dilworth-Glyndon-Felton (MN)	-12.2	-27.5	10.5	0.5	-6.0	-34.0	4.1	-2.8
St. Mary (NJ)	-31.3	67.6	68.3	0.8	-21.1	3.3	43.8	-2.8
Grandview (MO)	-16.0	-17.4	8.2	-4.7	-19.4	-33.2	1.0	-10.9
<u>SFA required to complete 1 verification round</u>								
Dunkirk (NY)	-9.6	9.9	16.5	0.6	-0.7	4.1	8.7	3.1

There were mixed results in terms of the change in the number of reduced-price meals served. While there were drops of 17.4 and 27.5 percent in the number of reduced-price meals served in Grandview (MO) and Dilworth-Glyndon-Felton (MN), respectively, there was an increase of 67.6 percent in the number of reduced-price meals served in pilot year one in St. Mary (NJ). On average, across the three SFAs conducting second and third verification rounds, there was a drop in the number of RP meals served of 7.6 percent. Including the 9.9 percent increase in reduced-price meals served in Dunkirk (NY) yields a four-SFA average result of an increase of 8.2 percent in the number of reduced-price meals served across the two time periods.

As expected, the number of paid meals in April / May of pilot year one was higher than in the baseline period in each pilot SFA required to conduct second and third rounds of verification. St. Mary (NJ) witnessed an increase of 68.3 percent in the number of paid meals served across these two time periods, while Dilworth-Glyndon-Felton (10.5 percent) and Grandview (MO) (8.2 percent) had more modest increases.⁹ On average, across the three SFAs that conducted second and third rounds of verification, there was an increase of 29.0 percent in the number of paid meals served in April / May of pilot year one compared to the same period during the baseline years. Incorporating the 16.5 percent increase in the number of paid meals in Dunkirk (NY), there was an average increase of 25.9 percent in paid meals across the two periods.

There were mixed results with respect to the total number of NSLP lunches served in April / May of pilot year one compared to April / May of the baseline years. As expected, Grandview (MO) had a drop in the total number of meals served, from 2345 to 2239 per serving day (4.7 percent). This reflects an increase in paid meals of 92 meals per serving day -- from 1126 to 1218 or 8.2 percent -- and a drop in the number of free and reduced price meals of 188 meals per serving day from 1209 to 1021 or 15.5 percent.

Increases in the number of paid meals served in the other two SFAs that conducted second and third rounds of verification – Dilworth-Glyndon-Felton (MN) and St. Mary (NJ) – more than offset the drop in free and reduced-priced meals. Dilworth-Glyndon-Felton (MN) experienced an increase of 0.5 percent in total meals served across these two periods while St. Mary (NJ) saw an increase of 0.8 percent. While such net increases in total meals are unexpected and cannot be causally related to the pilot project, it is likely that other factors contributed to this phenomenon in these two SFAs and were more decisive in terms of the change in meals than the pilot project.

Overall, across the three SFAs that conducted three rounds of verification, there was an average drop of 1.1 percent in the total numbers of meals served. The drop in total meals served in April / May of pilot year one narrow to 0.7 percent when Dunkirk (NY) is included in computing a four SFA average.

⁹ Paid meals during the baseline period had been a much lower percentage of total meals in St. Mary's (NJ) than in the other Graduated Verification SFAs.

COMPARISON 2: PILOT YEAR ONE APRIL / MAY v. SEPT – JANUARY

As expected, the three SFAs required to conduct three rounds of verification in pilot year one experienced a decrease in the number of free meals per serving day in April / May 2001 v. the Sept 2000 to January 2001 time period. The decrease in free meals between these two time periods in Dilworth-Glyndon-Felton (MN) (6.0 percent), Grandview (MO) (19.4 percent) and St. Mary (NJ) (21.1 percent) results in an average drop of 15.5 percent across the three SFAs. When the drop of 0.7 percent in Dunkirk (NY) is included in a four SFA average, the drop in free meals served across these SFAs falls to 11.8 percent.

Again, the change in the number of reduced-price meals per serving day in the three SFAs required to conduct three verification rounds was mixed. Dilworth-Glyndon-Felton (MN) and Grandview (MO) had drops of 34.0 and 33.2 percent, respectively, while St. Mary (NJ) had an increase of 3.3 percent. The average change in reduced-price meals between the two time periods across the three SFAs was a drop of 21.3 percent; incorporating the increase of 4.1 percent in reduced-price meals served across the two time periods in Dunkirk (NY) yields an average drop of 14.9 percent across the group of four SFAs.

The number of paid meals increased in each of the four SFAs from the typical Sept-January serving day to the typical April / May serving day in each of the three SFAs required to conduct three verification rounds. The largest increase in paid meals occurred in St. Mary (NJ) (43.8 percent) while Dilworth-Glyndon-Felton (MN) (4.1 percent) and Grandview (MO) (1.0 percent) had more modest increases.¹⁰ On average, across the three SFAs required to conduct three verification rounds there was a 16.3 percent increase in paid meals; incorporating the increase of 8.7 percent in paid meals across these two time periods in Dunkirk (NY) results in an average 14.4 percent across the four SFAs in this group in paid meals served.

As expected, the total number of meals per serving day in each of the three SFAs that conducted three verification rounds decreased in April / May of pilot year one in comparison to the Sept – January period of the same school year. Decreases in meals per serving day of 2.8 percent, 2.8 percent and 10.9 percent were experienced in Dilworth-Glyndon-Felton (MN), St. Mary (NJ) and Grandview (MO), respectively. On average across these three SFAs, there was a decrease of 5.5 percent in the total number of meals served in April / May 2001 in comparison to September 2000 through January 2001; Dunkirk (NY) had an increase of 3.1 percent in total meals between these two time periods. Incorporating Dunkirk (NY) yields a four-SFA average decline of 3.4 percent in total meals served.

SHIFT FROM FREE TOWARD PAID MEALS

In April / May of pilot year one, each pilot SFA required to conduct three rounds of verification witnessed an increase in the proportion of total meals served in the paid

¹⁰ Paid meals during the baseline period had been a much lower percentage of total meals in St. Mary's (NJ) than in the other Graduated Verification SFAs.

category. In Dilworth-Glyndon-Felton (MN), whereas 63.6 percent of meals served in April / May in the two baseline years were served paid, and 65.4 percent of meals served in Sept – January of pilot year one were served paid, this proportion increased to 70.0 percent of all meals in April / May of pilot year one. Table 5.4 demonstrates similar patterns in St. Mary (NJ) and Grandview (MO). Across the three SFAs required to conduct second and third rounds of verification, there was an average increase from April / May of the baseline years (42.9 percent) and September through January of pilot year one (44.2 percent) to April / May of pilot year one (50.9 percent) in the proportion of all meals served paid.

Table 5.4 Percentage of all lunches served by meal price category, three periods

	Baseline April / May			Pilot Year One Sept - Jan			Pilot Year One April / May		
	Free	RP	Paid	Free	RP	Paid	Free	RP	Paid
	-- percentage of all lunches served --			-- percentage of all lunches served --			-- percentage of all lunches served --		
Average of 4 SFAs	48.7	11.0	40.3	44.1	13.9	42.0	39.7	12.7	47.6
<u>SFAs required to complete 3 verification rounds</u>									
Average of 3 SFAs	45.4	11.6	42.9	40.7	15.2	44.2	35.5	13.6	51.0
Dilworth-Glyndon-Felton (MN)	24.8	11.5	63.6	22.4	12.2	65.4	21.7	8.3	70.0
St. Mary (NJ)	67.6	15.3	17.1	56.9	24.0	19.1	46.1	25.4	28.5
Grandview (MO)	43.9	8.1	48.0	42.7	9.4	48.0	38.6	7.0	54.4
<u>SFA required to complete 1 verification round</u>									
Dunkirk (NY)	58.4	9.2	32.4	54.5	9.9	35.6	52.5	10.0	37.5

Across the same time periods, Table 5.4 demonstrates that the average percentage of meals served free in the three SFAs that conducted three rounds of verification decreased in April / May of pilot year one in comparison to both April / May of the baseline years and September through January of pilot year one. A drop in the proportion of free meals as a percentage of all meals served in Graduated Verification Pilot SFAs is consistent with expectations of the effect of this pilot project. On the other hand, with respect to the share of reduced-price meals as a proportion of all meals served, there was a decrease in two SFAs for both comparison periods – Dilworth-Glyndon-Felton (MN) and Grandview (MO) – whereas reduced-price meals comprised a greater proportion of all meals served in April / May of pilot year one in St. Mary (NJ) than in the two comparison periods.

CHAPTER SIX
VERIFY DIRECT CERTIFICATION RESULTS FROM PILOT YEAR ONE

Seven SFAs operated the Verify Direct Certification pilot project in Year One. Chapter Two provided baseline information about these seven SFAs. It showed that, on average, 41 percent of enrollment was approved for free meals and 7 percent of enrollment was approved for reduced-price meals in the two year pre-pilot baseline. It showed also that an average of approximately 10 percent of children enrolled (or slightly less than one-fourth of all children approved for free meals) were directly certified in the baseline period.

The average pre-pilot rate of direct certification across these seven SFAs, however, masks important variation among them regarding their recent experience with implementation of direct certification procedures. Three of these SFAs – East Baton Rouge (LA), Kenai Peninsula (AK) and Perry County (AL) - used direct certification in each of the two pre-pilot years. Of children enrolled, these SFAs approved 8 percent (East Baton Rouge (LA)), 6 percent (Kenai Peninsula (AK)) and 56 percent (Perry County (AL)) for free meals through direct certification in the baseline period. The other four SFAs – Alma (MI), Bessemer (AL), Blount County (TN) and Middlebury (IN) – did not approve children for free meals through direct certification in school years 1998-99 or 1999-2000.

DIRECT CERTIFICATION AND FREE APPROVAL RATES IN 2000-01¹

Table 6.1 shows the average rates of approval for free meal benefits (40.7 percent) and reduced price meal benefits (7.0 percent) in pilot year one for the Verify Direct Certification SFAs.

¹ All averages computed in this chapter are simple, unweighted averages.

Table 6.1 Enrollment, direct certification and F/RP approval data from Verify Direct Certification Pilot SFAs, pilot year one

							<u>Approval Rates Among Children Enrolled</u>			
	Enrollment	Free -	Free -	Free -	Free -	Reduced	Free	Reduced Price	Direct Certified	Direct Certified as percentage of All Free Approved
		Free Application/ HH Size	Income & Categorizedly Eligible	Direct Certified	Price Approved	Price Approved				
	- number -						- percent -			
Average of 7 SFAs	12,546	5,838	3,540	1,263	1,202	941	40.7	7.0	16.9	30.9
Alma (MI)	2,606	615	314	221	80	250	23.6	9.6	3.1	13.0
Bessemer (AL)	4,675	3,306	1,504	657	1,157	320	70.7	6.8	24.7	35.0
Blount County (TN)	10,984	2,663	1,425	346	892	822	24.2	7.5	8.1	33.5
East Baton Rouge (LA)	53,599	30,655	19,433	6,919	4,303	4,232	57.2	7.9	8.0	14.0
Middlebury (IN)	3,524	259	188	26	45	210	7.3	6.0	1.3	17.4
Perry County (AL)	2,303	2,052	1,154	449	1,603	117	89.1	5.1	69.6	78.1
Kenai Peninsula (AK)	10,131	1,315	761	222	332	639	13.0	6.3	3.3	25.2

On average², this group of seven SFAs directly certified 1,202 children or 16.9 percent of their enrollment in school year 2000-01. The greatest number of children directly certified among these pilot SFAs occurred in East Baton Rouge (LA) - 4,303 children – while both Middlebury (IN) and Alma (MI) directly certified less than 100 children each.

On average, 30.9 percent of all children approved for free meals in 2000-01 in these SFAs were directly certified in comparison to the baseline period in which slightly less than one-fourth of all free-approved children were directly certified. Figure 6.1 displays a graph of the percentage of children approved for free meals in each Verify Direct Certification SFA and the percentage of free approved children that were directly certified in 2000-01.

As Figure 6.1 shows, there was wide variation across the seven SFAs in both measures. Perry County (AL), for example, had the greatest percentage of enrolled students approved for free meals (89.1 percent) as well as the highest percentage of free approvals whose basis was direct certification (78.1 percent). Bessemer (AL) approved 70.7 percent of enrolled children for free meals and directly certified 35.0 percent of its free approved children. Blount County (TN) approved 24.2 percent of its enrollment for free meals; 33.5 percent of free approved children in this SFA were directly certified. In the other four Verify Direct Certification pilot SFAs, between 13.0 percent (Alma (MI)) and 25.2 percent (Kenai Peninsula (AK)) of free approved children were directly certified.

² All averages in this chapter are simple averages.

THE DIRECT CERTIFICATION VERIFICATION PROCESS

The Letter of Agreement signed by FNS and each Verify Direct Certification pilot SFA stipulated that pilot SFAs must institute a verification process as follows:

“...The verification process must require all households of directly certified children to provide documents confirming current eligibility for free meal benefits or collateral contact information that allows for confirmation. As a procedural alternative to collecting supporting documents or collateral contact information from households that were originally directly certified, pilot sites may run a second direct certification match or “verification match” of such households...by December 15...

...Households that do not supply documents or collateral contact information to confirm their eligibility must have their benefits for free meals terminated by the school district. For all households that have benefits terminated, the pilot site must provide a ten day advance notification of the benefit termination prior to the termination of benefits. The notice must advise households of the change in eligibility, the reason for the change, the right to appeal as listed in 7 CFR 245.6a(e) and the right to reapply at any time during the school year...

Households of children that had meal benefits terminated as a result of the direct certification verification must have the opportunity to submit an application for free and reduced price meals; however, documents confirming the information on the application must be submitted at the time of application. In the event a household submitting an application is unable to provide supporting documentation, the pilot site must notify the household that it should contact the school district and explain this situation...”

Table 6.2 provides results about the verification of directly certified children in these seven SFAs in pilot year one. All children that were directly certified were subject to the verification procedures outlined above.

Table 6.2 Verification results of 7 Verify Direct Certification SFAs, pilot year one

	Free - Direct	Verified to be Receiving		Verified and not Confirmed	
	Certified as of Oct 31	FS/TANF/FDPIR by SFA		to be Receiving FS/TANF/FDPIR by SFA	
	- number -	- number -	- percent -	- number -	- percent -
Average of 7 SFAs	1,202	1,066	88.1	136	11.9
Alma (MI)	80	70	87.5	10	12.5
Bessemer (AL)	1,157	1,142	98.7	15	1.3
Blount County (TN)	892	745	83.5	147	16.5
East Baton Rouge (LA)	4,303	3,604	83.8	699	16.2
Middlebury (IN)	45	36	80.0	9	20.0
Perry County (AL)	1,603	1,581	98.6	22	1.4
Kenai Peninsula (AK)	332	282	84.9	50	15.1

Across the seven SFAs, an average of 88.1 percent of directly certified children continued to be eligible for free meal benefits thru eligibility for Food Stamps, TANF or FDPIR as of the date of verification. This represents, on average, 1,066 of 1,202 directly-certified children in these SFAs. All seven SFAs found at least 80.0 percent of directly certified children continued their eligibility for free meals thru their FS/TANF/FDPIR participation. In two SFAs from Alabama operating this pilot project – Bessemer and Perry County – over 98 percent of verified children that had been directly certified continued their eligibility for free meals thru their FS/TANF/FDPIR participation.

On average, SFAs were unable to verify continued FS/TANF/FDPIR receipt for 136 or 11.9 percent of directly certified children. This ranged from a low of 1.3 percent in Bessemer (AL) to a high of 20.0 percent in Middlebury (IN).

As per pilot rules outlined above, households of these children were provided with F/RP application forms. Households were given a grace period of 10 days within which to respond and not suffer an interruption of free meal benefits if their new application documented eligibility for free meal benefits on the basis of either income and household size or current FS/TANF/FDPIR receipt.

Table 6.3 provides information about application patterns and approval rates for children whose FS/TANF/FDPIR eligibility was not confirmed by SFAs in the verification process. Across the seven SFAs, on average, 40.4 percent of this group submitted a new application with documentation within 30 days and an additional 18.0 percent did so at some point later in the school year. An additional 12.8 percent of children, on average, in

this group (excluding East Baton Rouge (LA))³ moved or were no longer enrolled in the pilot school district at some point between the date of the verification and the end of the 2000-01 school year. In sum, on average, 70.9 percent of children whose direct certification status was not confirmed submitted a F/RP application or were no longer still enrolled in the school district between the date of notification of verification and the end of the school year. In two SFAs – Middlebury (IN) and Perry County (AL) – 100 percent of children in this group either submitted a F/RP application or moved / disenrolled.

Table 6.3 Reapplication patterns and F/RP approvals, 7 Verify Direct Certification SFAs, pilot year one

	Reapplication Patterns				Reapplicant Approval Patterns		
	Reapplied 1st 30 days	Reapplied Later in School Year	Moved / Disenrolled	Remained Enrolled & Never Reapplied	Free	Reduced- Price	Paid
	- percent -				- percent of reapplicants -		
Average of 6 SFAs *	42.2	15.9	12.8	29.1			
Average of 7 SFAs	40.4	18.0			82.4	15.4	2.2
Alma (MI)	70.0	0.0	0.0	30.0	71.4	28.6	0.0
Bessemer (AL)	13.3	6.7	0.0	80.0	100.0	0.0	0.0
Blount County (TN)	27.9	11.6	10.2	50.3	77.6	17.2	5.2
East Baton Rouge (LA)	29.3	30.9		39.8♦	88.2	9.9	1.9
Middlebury (IN)	33.3	0.0	66.7	0.0	66.7	33.3	0.0
Perry County (AL)	90.9	9.1	0.0	0.0	91.7	0.0	8.3
Kenai Peninsula (AK)	18.0	68.0	0.0	14.0	81.4	18.6	0.0

♦Data is not available on whether children for whom no post-verification application was received moved or remained enrolled and never applied.

APPLICATION APPROVAL PATTERNS

On average, of those children whose benefits were terminated in the direct certification verification process, 97.9 percent that submitted a completed F/RP application were approved for free or reduced price meal benefits. In Bessemer (AL), 100 percent of children that had been directly certified for free meal benefits but terminated in

³ Data from East Baton Rouge (LA) disaggregating the number of children that a) moved or disenrolled and b) that remained enrolled and never reapplied is not available. As such, aggregate statistics for computations using this information excludes this SFA.

verification were subsequently approved for free meal benefits on the basis of their household's F/RP application. In three other SFAs – Alma (MI), Middlebury (IN) and Kenai Peninsula (AK) – 100 percent of children whose benefits had been terminated in direct certification verification and submitted a F/RP application were approved for free or reduced price meal benefits. Among all seven pilot SFAs, the lowest rate of approval for either free or reduced price meal benefits was in Perry County (AL) at 91.7 percent (or 20 of 22 children).

COMPARING DIRECT CERTIFICATION VERIFICATION AND STANDARD VERIFICATION

SFAs operating the Verify Direct Certification Pilot Project are required to conduct the standard verification process for application-based F/RP approved children. This section compares the extent to which each process – verification of direct certified children and verification of application-certified children – detected inaccurate certifications

Results in Table 6.4 show that for each pilot SFA, the standard income verification process resulted in a much higher level of F/RP benefit reduction and termination among F/RP-application approved children than the direct certification verification process. On average, 52.6 percent of children that had been approved for F/RP meal benefits through an application whose benefits were verified in these SFAs in pilot year one were reduced or terminated. This ranged from a low of 33.2 percent in Blount County (TN) to a high of 90.2 percent in Perry County (AL). On the other hand, on average 6.6 percent of directly certified children had their free meal benefits reduced or terminated. The direct certification benefit reduction / termination rate varied from a low of 0.1 percent in Perry County (AL) to a high of 11.4 percent in Blount County (TN) and 15.6 percent in Middlebury (IN).

Table 6.4 Comparison of results from Direct Certification and Standard Verification results, Verify Direct Certification SFAs, pilot year one

	Direct Certified Cohort			Application Certified Cohort	
	Verified	Benefits Reduced or Terminated Regardless of Enrollment Status	Remained Enrolled and Benefits Reduced or Terminated	Verified	Benefits Reduced or Terminated
	- number -	- percent -	- percent -	- number -	- percent -
Average of 7 SFAs	1,202	6.6	4.1	130	52.6
Alma (MI)	80	6.3	6.3	59	42.4
Bessemer (AL)	1,157	1.0	1.0	95	55.8
Blount County (TN)	892	11.4	9.9	208	33.2
East Baton Rouge ♦ (LA)	4,303	7.6	n.a.	392	48.5
Middlebury (IN)	45	15.6	2.6	38	55.3
Perry County (AL)	1,603	0.1	0.1	41	90.2
Kenai Peninsula (AK)	332	4.5	4.5	79	43.0

♦ Data is not available from East Baton Rouge regarding the number of children in this group that remained enrolled over the school year. A 6 SFA average is presented in this column.

It is striking that, on average across the seven Verify Direct Certification SFAs, 4.1 percent (or 49 of 1,202) of verified directly-certified children remained enrolled and had their benefits reduced or terminated. On the other hand, in the standard verification process, verification was conducted for only 130 F/RP application approved children. However, on average, these SFAs reduced or terminated the benefits of 52.6 percent (68 of 130) of children verified under standard NSLP guidelines. Data is not available from pilot SFAs regarding whether children for whom no post-verification application was received either a) moved or b) remained enrolled and did not reapply during the remainder of the 2000-01 school year.

Appendix 1: Selected tables from main body computed for US and States with pilot SFAs

Table 4.2a. Percentage of enrolled children approved for free and reduced-price meals, US total and states w/up-front documentation SFAs, baseline and pilot year one

	Baseline				Pilot Year One			
	Free Total	Free (Application Based)	Free (Direct Certification)	Reduced-Price	Free Total	Free (Application Based)	Free (Direct Certification)	Reduced-Price
	-- percentage of enrollment --				-- percentage of enrollment --			
US total ¹	32.9	n.a.	n.a.	7.2	32.4	n.a.	n.a.	7.6
States w/ Pilot SFAs								
Arizona	37.3	n.a.	n.a.	7.8	38.0	n.a.	n.a.	8.7
Illinois	36.2	n.a.	n.a.	5.8	36.1	n.a.	n.a.	6.3
Ohio	23.5	n.a.	n.a.	5.4	21.9	n.a.	n.a.	5.9
Pennsylvania	24.7	n.a.	n.a.	6.1	25.0	n.a.	n.a.	6.4
Tennessee	37.1	n.a.	n.a.	6.9	36.3	n.a.	n.a.	7.5

¹ US total computed for 50 States and District of Columbia.

Table 4.3a. Percentage point change from baseline to year 1 in F/RP approval indicators, US total and states w/Up-Front Documentation Pilot SFAs

	F/RP Total	F/RP Application- Based	Free Total	Free Application- Based	Free Direct Certification	Reduced Price
--percentage point change from baseline--						
US total ²	-0.1	n.a.	-0.5	n.a.	n.a.	0.4
States w/ Pilot SFAs						
Arizona	1.6	n.a.	0.7	n.a.	n.a.	0.9
Illinois	0.4	n.a.	-0.2	n.a.	n.a.	0.5
Ohio	-1.1	n.a.	-1.6	n.a.	n.a.	0.4
Pennsylvania	0.5	n.a.	0.3	n.a.	n.a.	0.3
Tennessee	-0.3	n.a.	-0.8	n.a.	n.a.	0.5

² US total computed for 50 States and District of Columbia.

Table 4.4a. Percentage change from baseline to year 1 in F/RP approval indicators, US total and states with Up-Front Documentation Pilot SFAs

	F/RP Total	F/RP Application- Based	Free Total	Free Application- Based	Free Direct Certification	Reduced Price
--percentage change from baseline--						
US total ³	-0.3	n.a.	-1.5	n.a.	n.a.	5.2
States w/ Pilot SFAs						
Arizona	3.6	n.a.	1.9	n.a.	n.a.	11.4
Illinois	0.8	n.a.	-0.5	n.a.	n.a.	9.0
Ohio	-3.9	n.a.	-6.7	n.a.	n.a.	8.1
Pennsylvania	1.7	n.a.	1.1	n.a.	n.a.	4.3
Tennessee	-0.7	n.a.	-2.2	n.a.	n.a.	7.6

³ US total computed for 50 States and District of Columbia.

Table 4.5a. Comparison of NSLP lunches served in US total and states with Up-Front Documentation SFAs, pilot year one v. baseline

	Average Daily Participation							
	Baseline				Pilot Year One			
	Free	RP	Paid	Total	Free	RP	Paid	Total
	-- meals per serving day (thousands) --				-- meals per serving day (thousands) --			
US total ⁴	12,743	2,390	11,742	26,874	12,580	2,521	11,948	27,049
States w/ Pilot SFAs								
Arizona	247	43	155	446	255	49	166	470
Illinois	568	71	412	1,050	572	78	422	1,072
Ohio	369	77	562	1,008	358	80	562	999
Pennsylvania	358	76	528	961	367	83	574	1,024
Tennessee	272	50	297	618	274	54	293	621

⁴ US total computed for 50 States and District of Columbia.

Table 4.6a Changes in meals served per serving day, number of meals and percentage change in pilot year one from baseline period, US total and states with Up-Front Documentation Pilot SFAs

	Free	RP	Paid	Total	Free	RP	Paid	Total
	-- change in meals served / serving day -- (thousands of meals)				-- percentage change from baseline --			
US total ⁵	-162	132	205	175	-1.3	5.5	1.7	0.7
States w/ Pilot SFAs								
Arizona	8	6	12	25	3.0	13.4	7.4	5.6
Illinois	4	7	10	22	0.7	10.3	2.5	2.0
Ohio	-11	2	0	-9	-3.0	3.2	-0.1	-0.9
Pennsylvania	9	8	46	63	2.6	10.2	8.8	6.6
Tennessee	3	4	-4	3	1.0	8.3	-1.3	0.5

⁵ US total computed for 50 States and District of Columbia.

Table 4.7a Comparison of percentage of all lunches served by meal price category, baseline v. pilot year one, US total and states with Up-Front Documentation Pilot SFAs

	Baseline			Pilot Year One		
	Free	RP	Paid	Free	RP	Paid
	-- percentage of all lunches served --			-- meals per serving day --		
US total ⁶	47.4	8.9	43.7	46.5	9.3	44.2
States w/ Pilot SFAs						
Arizona	55.5	9.7	34.8	54.2	10.5	35.4
Illinois	54.0	6.7	39.2	53.3	7.3	39.4
Ohio	36.6	7.7	55.7	35.8	8.0	56.2
Pennsylvania	37.2	7.9	54.9	35.8	8.1	56.0
Tennessee	43.9	8.1	48.0	44.1	8.7	47.2

⁶ US total computed for 50 States and District of Columbia.

Table 5.2a Number of meals served per serving day, three periods by meal price category, US total and states with Graduated Verification SFAs

	Baseline April / May				Pilot Year One Sept – Jan				Pilot Year One April / May			
	Free	RP	Paid	Total	Free	RP	Paid	Total	Free	RP	Paid	Total
	-- meals per serving day --				-- meals per serving day --				-- meals per serving day --			
US total ⁷	12,527	2,328	11,404	26,259	12,570	2,514	12,065	27,149	12,406	2,467	11,609	26,482
Minnesota	133	49	365	547	133	51	389	574	134	50	377	560
Missouri	232	49	314	596	219	53	317	589	223	51	301	575
New Jersey	280	50	265	595	261	51	274	586	265	52	275	592
New York	1,031	136	608	1,775	1,021	135	638	1,794	999	145	625	1,769

⁷ Total computed for 50 States and District of Columbia.

Table 5.3a Percentage change in meals served per serving day, US and states with Graduated Verification Pilot SFAs, April / May of pilot year one v. two comparative periods

	Pilot Year One April / May v. Baseline April / May				Pilot Year One April / May v. Pilot Year One Sept - Jan			
	Free	RP	Paid	Total	Free	RP	Paid	Total
	-- percentage change --				-- percentage change --			
US total ⁸	-1.0	6.0	1.8	0.8	-1.3	-1.9	-3.8	-2.5
Minnesota	0.3	2.1	3.4	2.5	0.8	-2.9	-3.2	-2.3
Missouri	-3.8	3.0	-4.2	-3.5	2.0	-3.7	-5.1	-2.3
New Jersey	-5.7	4.7	3.8	-0.6	1.2	3.2	0.3	1.0
New York	-3.0	6.5	2.7	-0.3	-2.1	7.4	-2.0	-1.4

⁸ Total computed for 50 States and District of Columbia.

Table 5.4a Percentage of all lunches served by meal price category, three periods, US and states with Graduated Verification Pilot SFAs

	Baseline April / May			Pilot Year One Sept - Jan			Pilot Year One April / May		
	Free	RP	Paid	Free	RP	Paid	Free	RP	Paid
	-- percentage of all lunches served --			-- percentage of all lunches served --			-- percentage of all lunches served --		
US total ⁹	47.7	8.9	43.4	46.3	9.3	44.4	46.8	9.3	43.8
Minnesota	24.4	8.9	66.7	23.2	8.9	67.9	23.9	8.9	67.2
Missouri	38.9	8.3	52.8	37.1	9.0	53.9	38.8	8.8	52.4
New Jersey	47.1	8.4	44.5	44.6	8.6	46.8	44.7	8.8	46.5
New York	58.1	7.7	34.3	56.9	7.5	35.5	56.5	8.2	35.3

⁹ Total computed for 50 States and District of Columbia.

Table 6.1a Enrollment, direct certification, F/RP approval data, US total and states with Verify Direct Certification Pilot SFAs, pilot year one

	Enrollment in NSLP Schools	Free Approved	Free - Application/ Income & HH Size	Free- Categorically Eligible	Free - Direct Certified	Reduced Price Approved	<u>Approval Rates Among Children Enrolled</u>		
							Free	Reduced Price	Direct Certified of Enrollment
							- number -	- percent -	- percent -
US Total	47,403,221	15,353,595	n.a.	n.a.	n.a.	3,589,114	32.4	7.6	n.a.
Alabama	739,949	300,614	n.a.	n.a.	n.a.	61,832	40.6	8.4	n.a.
Alaska	104,074	25,882	n.a.	n.a.	n.a.	9,276	24.9	8.9	n.a.
Indiana	1,039,887	228,992	n.a.	n.a.	n.a.	74,139	22.0	7.1	n.a.
Louisiana	790,136	405,707	n.a.	n.a.	n.a.	72,524	51.3	9.2	n.a.
Michigan	1,797,547	440,592	n.a.	n.a.	n.a.	98,830	24.5	5.5	n.a.
Tennessee	854,956	310,292	n.a.	n.a.	n.a.	63,904	36.3	7.5	n.a.