



United States
Department of
Agriculture

Food and
Nutrition
Service

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DATE: November 19, 2004

SUBJECT: Effect of Current Verification Activity on SY 2005-2006
Verification Requirements---Reauthorization 2004
Implementation Memo SP-9

TO: Special Nutrition Programs
All Regions

State Agencies
Child Nutrition Programs
All States

This memorandum provides information on the verification requirements of the Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265). It is important that State agencies inform their local educational agencies (LEA's) that the results of the verification activity they are conducting in the current school year (SY 2004-2005) may impact their required verification activities when the new provisions of the law become effective in SY 2005-2006.

Legal Requirements

Section 105 of the Reauthorization Act amends the verification provisions in section 9(b)(3) of the Richard B. Russell National School Lunch Act. Effective July 1, 2005, new procedures are added to the requirement that LEA's verify the eligibility of children in a sample of approved free and reduced-price school meal applications.

Under the new law, the basic sample size for verification continues to be the lesser of 3 percent of all approved applications or 3,000 applications. However, the basic sample must be drawn from error prone applications, as currently defined in the *Eligibility Guidance for School Meals Manual*.

In lieu of the basic sample size, LEA's may elect to use one of two alternate sample sizes if the following conditions are met:

- (1) Their non-response rate for the preceding school year is less than 20 percent; or
- (2) For LEA's with more than 20,000 children approved by application (excluding direct certification) for free or reduced-price school meals as of October 1:
 - a. Their non-response rate for the preceding school year is at least 10 percent below the verification non-response rate for the second preceding school year; or
 - b. For SY 2005-2006 only, they attempt to verify all approved applications selected for verification through the use of public agency records from at least two of the following programs: food stamps; the Food Distribution

Program on Indian Reservations (FDPIR); a State Temporary Assistance for Needy Families (TANF) program; the State Medicaid program; and a similar income-tested program or other source of information, as determined by USDA.

Non-response rate is defined in the law as the percentage of approved household applications selected for verification for which verification information has not been obtained by the LEA.

The alternate sample sizes set forth in the law for LEA's meeting the above criteria are the same options established in current regulations:

(1) The lesser of 3 percent of, or 3,000, approved applications selected at random;
or

(2) the lesser of 1 percent of all applications selected from error-prone applications or 1,000 error-prone applications, plus the lesser of ½ of 1 percent of, or 500, approved applications that provided a case number (in lieu of income information) showing participation in food stamps, a State TANF program, or FDPIR.

In cases in which there are not enough error-prone applications to comply with the required sample size options, LEA's must randomly select additional applications to fulfill the percentage or number requirement.

Please note that the law also changes the date for determining sample size from October 31 to October 1, and that the deadline for completion of verification has been moved from December 15 to November 15.

Impact of SY 2004-2005 Non-Response Rates on SY 2005-2006 Verification Requirements for LEA's

LEA's can significantly reduce their verification burden by qualifying for the alternate sample size. Therefore, it is important for LEA's to be aware that qualifying for the alternate sample size under the new verification procedures in SY 2005-2006 is dependent on the non-response rate they achieve this SY. Any LEA with a non-response

Effect of Current Verification Activity on SY 2005-2006 Verification Requirements--
Reauthorization 2004 Implementation Memo SP-9
Page 3

rate less than 20 percent in SY 2004-2005 qualifies for the alternate sample size in SY 2005-2006. Large LEA's can also qualify if they improve the SY 2003-2004 non-response rate by 10 percent this SY.

Please share this information with your LEAs immediately, as it is important that they are aware of the potential impact of current verification activity on future requirements.

A handwritten signature in dark ink, appearing to read "Stanley C. Garnett". The signature is written in a cursive, flowing style.

STANLEY C. GARNETT
Director
Child Nutrition Division