



United States
Department of
Agriculture

Food and
Nutrition
Service

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November 15, 2004

SUBJECT: Direct Certification and Direct Verification of Children in Food Stamp Households – Reauthorization 2004:
Implementation Memo – SP-8

TO: Special Nutrition Programs
All Regions

State Agencies
Child Nutrition Programs
All States

Reauthorization legislation (Public Law 108-265) amends section 9 of the Richard B. Russell National School Lunch Act to mandate direct certification and permit direct verification of children in food stamp households. To facilitate the implementation of these provisions, the legislation also amends section 11(u) of the Food Stamp Act to require State agencies that administer the Food Stamp Program to cooperate with school districts and State child nutrition agencies and to require each Child Nutrition State agency, effective July 1, 2005, to enter into an agreement with the State agency that administers the Food Stamp Program. The agreement must establish procedures to ensure that any child in a household receiving food stamp benefits is certified as eligible for free school meals without further application.

This memorandum provides information on the new direct certification and direct verification provisions so that State agencies, local education agencies and school food authorities can prepare for implementation. We have also enclosed guidance recently issued to Food Stamp regional offices. Open communication and cooperation between the food stamp and child nutrition agencies is critical in the implementation of these important provisions.

Direct Certification

Direct certification is the process under which local education agencies certify children who are members of households receiving assistance under the Food Stamp Program, as eligible for free school meals, without further application, based on information provided by the State/local agency administering the Food Stamp Program.

The mandated direct certification requirements are phased in. For school year 2006-2007, they apply to school districts with an enrollment of 25,000 students or more in the preceding year. For school year 2007-2008, they apply to school districts with an enrollment of 10,000 students or more in the preceding year. For subsequent school years, they apply nationwide. Until mandatory direct certification for children in food stamp households is fully implemented, the existing permissive authority is retained.

Direct Verification

Direct verification is the process under which local education agencies verifying household applications approved for free or reduced price school meals use data maintained by the Food Stamp Program and other means tested programs to verify the household's eligibility without contacting the household.

If a local education agency **chooses** direct verification, the State food stamp agency must cooperate by confirming that the household is participating in the Food Stamp Program using the most current data within 180 days, measured from the date of the household's free and reduced price application.

Please use this time before the respective implementation dates to have open dialogue with your State food stamp agency. Direct certification ensures access to free school meals to many needy children, and direct verification is an excellent means to address the non-response rate for households selected for verification.

We will be providing additional guidance, including the use of direct verification with other means tested programs, as well as publishing regulations on this issue in the future. If you have any questions, please contact Barbara Semper or Karen Smith at 703-305-2590.



STANLEY C. GARNETT
Director
Child Nutrition Division

Enclosure

8 October 2004

Subject: The Food Stamp Program's Role in Directly Certifying School-Age Food Stamp Recipients for the National School Lunch and School Breakfast Programs

To: All Regional Directors
Food Stamp Program

1 Introduction

This memorandum addresses two issues in the Food Stamp Program and the National School Lunch / School Breakfast Programs. These issues are:

- The Direct Certification of school-age Food Stamp recipients for free meals in public and private schools and
- The Direct Verification that public and private school children receive food stamps.

The recently enacted Child Nutrition and WIC Reauthorization Act of 2004, P.L. 108-265 (June 30, 2004) amended the Richard B. Russell National School Lunch Act and the Food Stamp Act to make it easier for food stamp households with school-age children in public and private schools to get certified for free school meals and to have their school meal eligibility verified.

The State agency that administers the school lunch and breakfast programs must obtain information regarding the household's participation in the Food Stamp Program from the State agency that administers the Food Stamp Program. The State agency administering the Food Stamp Program must enter into an agreement with the State agency administering the school lunch and breakfast programs. State and local food stamp agencies must cooperate with these certification and verification efforts.

2 Direct Certification

Direct Certification is the process under which local education agencies certify children who are members of households receiving assistance under the Food Stamp Program, as eligible for free school meals, without further application, based on information provided by the State/local agency administering the Food Stamp Program.

Congress intended Direct Certification to foster and facilitate participation in the Child Nutrition programs by simplifying access to free meals for children in households already certified to receive food stamps. This process reduces the burden for low-income families and for schools and builds on a proven certification process that is more accurate than a school-based application. Direct Certification has been shown to accurately bring more children into the program.

Basic Legal Requirement

The recently enacted “Child Nutrition and WIC Reauthorization Act of 2004” amended the Food Stamp Act by adding a new subsection (u) to Section 11. The text appears in Attachment 1. All state social services agencies will be required to participate in Direct Certification.

Phasing In

Direct certification is optional until local education agencies are required to directly certify children in food stamp households. Required Direct Certification is phased in as follows:

| The Provision Goes Into Effect In | For School Districts With Enrollments of | |
|--|---|---------------------------|
| | At Least | In the School Year |
| July, 2006 | 25,000 students | 2005-2006 |
| July, 2007 | 10,000 students | 2006-2007 |
| July 2008 | All school districts | |

The state social services agency must enter into an agreement with the state agency for school nutrition programs. The agreements will detail exactly how the state social services agency and the state agency for school nutrition programs will operate Direct Certification. Please note that some states have separate agencies that administer public and private schools. If so, an agreement must be taken with all agencies that administer the school nutrition programs.

Methods of Direct Certification

Three methods are the most common. Some state social services agencies and educational agencies use a mixture of methods.

- The letter or non-matching method – the state social services agency sends letters to households with school-age children. The letters state that the children are members of food stamp households. Each household then delivers the letter to the school if the household chooses to do so. In some instances duplicate letters are also sent to the school.
- District-level matching – the state social services agency and the local educational authority match a list of school-age food stamp recipients against a list of students.
- State-level matching – the state social services agency and the state educational authority match the lists of school-age food stamp recipients and students.

Current Situation

Direct Certification is very common across the United States. In the 2001-2002 school year:

- 61% of school districts that participated in the school meals programs used Direct Certification
- 68% of all students were enrolled in school districts that used Direct Certification
- Of school districts that did use Direct Certification
 - 20% used the letter or non-matching method
 - 41% used district-level matching
 - 27% used state-level matching
 - 12% mixed certification methods.

The type of Direct Certification that exists may be limited by the particular circumstances of the state social services agency and the state and local educational authorities. For example, in some states, individual counties or groups of counties have their own computer systems that record the names of food stamp clients. In such a state, state-level matching may be difficult or impossible.

3 Direct Verification

Direct Verification is the process under which local education agencies verifying household applications approved for free or reduced price school meals use data maintained by the Food Stamp Program to verify the household's eligibility without contacting the household.

National School Lunch Program regulations require local educational authorities to verify the eligibility of some children for free or reduced price meals. Traditionally, households selected for verification have been required to submit documents substantiating their income or their participation in the Food Stamp Program (proof of participation in the Food Distribution Program on Indian Reservations or in the State's Temporary Assistance for Needy Families Program (TANF) are also acceptable). For children who receive food stamps, the state school nutrition agency or local educational agency can request that the state / local social services agency verify that the household does, in fact, receive food stamps.

Direct Verification helps to reduce the number of terminations that occur when a household fails to comply with procedural requirements. A study from 2003 showed that half of the students that were selected for verification did not respond to the request for verification. Of those who did not respond, half were actually eligible. Direct Verification helps to minimize this problem.

Basic Legal Requirement

The same Reauthorization Act contains the text in Attachment Two, which provides for Direct Verification.

Basic Policy

A local educational authority **may choose** to verify a child's food stamp participation directly with the state / local social services agency.

If the local educational authority does choose Direct Verification, the state social services agency **must cooperate** by making available information from the child's food stamp participation record.

By law, the state social services agency may not verify food stamp participation using information that is more than 180 days old, measured from the child's date of application for meals in school.

When a state social services agency verifies that a child is a member of a food stamp household, verification of the child's eligibility for free meals is complete. However, the new law also provides that to verify eligibility for free and reduced price meals, the local educational agency may obtain and use income and program participation information from a public agency administering TANF and Medicaid. Some children who receive free or reduced-price meals may receive benefits from the TANF or Medicaid Programs, but not the Food Stamp Program. While this verification is not strictly a food stamp function, in many states there will be a common agreement to cover all three programs. The same 180-day limit on verification will apply to information from TANF and Medicaid

No Phasing In

This procedure goes into effect for all state social services agencies, on July 1, 2005.

Operational Requirements for State Social Services Agencies

State social services agencies and the state agencies for school nutrition programs will need to coordinate their planning in those jurisdictions where Direct Verification will occur.

When a local educational authority chooses to use Direct Verification, the educational authority and social services agency will need to agree, in advance, how to exchange information.

4 What We Would Like You to Do

- Let your state social services agencies know that this requirement exists, including the timetable for implementation.
- Ask your state social services agencies what methods work well, or not so well, for them when they conduct Direct Certification and Direct Verification.
- Ask for recommendations on what we can do to help them prepare for Direct Certification and Direct Verification.
- Identify a contact person in the Regional Office who will have responsibility for coordinating policy and implementation issues for Direct Certification and Direct Verification.

5 PDD's Next Steps

Over the next few months we shall:

- Address how frequently Direct Certification takes place, to account for:
 - Children who move into the area during the school year and
 - Children who were not members of food stamp households at the beginning of the school year, but whose households later began to receive food stamps.
- Combine the promising practices that you forward to PDD, send the compilation back to you, and post the information on the Food Stamp Program home page.
- Hold a televideo conference with your staff to encourage the sharing of information and to address whatever issues your offices and the state welfare agencies raise.
- Issue an implementation memo, in cooperation with the Child Nutrition Division.
- Draft an interim rule, to incorporate this new requirement into the Food Stamp Program's regulations.

- Coordinate all of our activities with our colleagues here who administer the National School Lunch and School Breakfast Programs.

/s/

Arthur T. Foley
Director
Program Development Division

Attachments

Attachment One

Direct Certification

Section 104(b)(2) of the Reauthorization Act added the following Paragraph (u) to Section 11 of the Food Stamp Act

(u) AGREEMENT FOR DIRECT CERTIFICATION AND COOPERATION.--

(1) **IN GENERAL.**--Each State agency shall enter into an agreement with the State agency administering the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.).

(2) **CONTENTS.**--The agreement shall establish procedures that ensure that--

(A) any child receiving benefits under this Act shall be certified as eligible for free lunches under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and free breakfasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), without further application; and

(B) each State agency shall cooperate in carrying out paragraphs (3)(F) and (4) of section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)).

Attachment Two

Direct Verification

The Reauthorization Act added the following paragraph to Section 105(a)(3)

(F) DIRECT VERIFICATION.—

(i) **IN GENERAL.**--Subject to clauses (ii) and (iii), to verify eligibility for free or reduced price meals for approved household applications selected for verification, the local educational agency may (in accordance with criteria established by the Secretary) first obtain and use income and program participation information from a public agency administering—

(I) the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

(II) the food distribution program on Indian reservations established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b));

(III) the temporary assistance for needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(IV) the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.); or

(V) a similar income-tested program or other source of information, as determined by the Secretary.

(ii) **FREE MEALS.**--Public agency records that may be obtained and used under clause (i) to verify eligibility for free meals for approved household applications selected for verification shall include the most recent available information (other than information reflecting program participation or income before the 180-day period ending on the date of application for free meals) that is relied on to administer--

(I) a program or source of information described in clause (i) (other than clause (i)(IV)); or

(II) the State plan for medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) in--

(aa) a State in which the income eligibility limit applied under section 1902(l)(2)(C) of that Act (42 U.S.C. 1396a(l)(2)(C)) is not more than 133 percent of the official poverty line described in section 1902(l)(2)(A) of that Act (42 U.S.C. 1396a(l)(2)(A)); or

(bb) a State that otherwise identifies households that have income that is not more than 133 percent of the official poverty line described in section 1902(l)(2)(A) of that Act (42 U.S.C. 1396a(l)(2)(A)).

(iii) **REDUCED PRICE MEALS.**--Public agency records that may be obtained and used under clause (i) to verify eligibility for reduced price meals for approved household applications selected for verification shall include the most recent available information (other than information reflecting program participation or income before the 180-day period ending on the date of application for reduced price meals) that is relied on to administer--

(I) a program or source of information described in clause (i) (other than clause (i)(IV)); or

(II) the State plan for medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) in--

(aa) a State in which the income eligibility limit applied under section 1902(l)(2)(C) of that Act (42 U.S.C. 1396a(l)(2)(C)) is not more than 185 percent of the official poverty line described in section 1902(l)(2)(A) of that Act (42 U.S.C. 1396a(l)(2)(A)); or

(bb) a State that otherwise identifies households that have income that is not more than 185 percent of the official poverty line described in section 1902(l)(2)(A) of that Act (42 U.S.C. 1396a(l)(2)(A)).