

## **Background**

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 four 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 three 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 Dec. 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.

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