

## **Background**

The National School Lunch Program (NSLP) and the School Breakfast Program (SBP) provide federal financial assistance and commodities to schools serving lunches and breakfasts that meet required nutrition standards. Under the NSLP and the SBP, millions of American students receive a free or reduced-price lunch and/or breakfast every school day.

Concern has grown recently that many students who participate in the program may in fact be ineligible for the benefits they receive. School Food Authorities (SFAs) that operate the NSLP must verify the eligibility of a small sample of approved applications by requiring documentation of income or receipt of food stamps or cash assistance. The verification process is designed to identify and deter errors in each district. However, the system does not provide data on the accuracy of benefit determination nationwide.

This report presents the results of a case study of verification in 21 large metropolitan SFAs around the country. The study examined outcomes of the verification process and made an independent assessment of income eligibility of households with specific verification outcomes using data from in-person interviews with families.

## **Methods**

The study had the following three objectives:  
Assess outcomes of the verification process.  
Determine the number and percentage of verified applications that fall into various categories defined by combinations of preverification status and postverification status.  
Verify incomes of nonresponding households. Independently determine the income level of households who were initially approved on the basis of income provided on an application

(were not categorically eligible), were selected for verification, and did not respond to SFA requests for documentation of their income.

Verify incomes of households with no change in benefits. Independently determine the income level of households who were initially approved on the basis of income, were selected for verification, and whose benefit levels were unchanged as a result of the verification process. Under the first objective, the study provides data on the proportions of verified households for whom verification results in no change in benefits, in reduction or termination of benefits due to information provided, in an increase of benefits due to information provided, or in no response to the verification request, in which circumstance the SFA is required to terminate benefits. Under the second objective, the study provides information on the proportion of nonresponding households with income that would make them eligible if they complied with the request for verification. Under the third objective, it provides a check on the accuracy of the benefit determination conducted in the verification process among households that responded to the verification request.

## **Case Study Design**

The Case Study of Verification Outcomes in Large Metropolitan School Districts used a purposively selected sample of 21 large districts in seven metropolitan areas. Food and Nutrition Service regional office staff recruited two to four SFAs in each of seven metropolitan areas (Boston, Massachusetts; Orlando, Florida; Virginia Beach-Norfolk-Newport News, Virginia; Los Angeles, California; Salt Lake City, Utah; Tulsa, Oklahoma; and Minneapolis-St. Paul, Minnesota). In each SFA, the study reviewed the verification outcomes of all cases selected for verification during fall 2002.

We conducted in-home interviews with 632 households who did not respond to the district's

verification request and with 532 households who had no change in benefits due to verification. The interview methodology was similar to that used in the Evaluation of the NSLP Application/Verification Pilot Projects. Interviews were conducted in February and March 2003. These interviews obtained data on household membership and income in the month before the interview (January or February 2003).

A limitation of comparing the results of the verification process and the household interviews is that the two measures of household circumstances are made at different times two to three months apart. As a result, changes in circumstances during the intervening two to three months may contribute to differences in household eligibility as assessed at verification and through the study survey.

The study also collected information on whether individuals who were nonresponders to verification had reapplied and been reapproved for benefits by March 1, 2003. For the nonresponders selected for in-home interviews, data were collected on household size and income as reported on the new application.

The analysis of nonresponders to verification and cases with no change in benefits due to verification included households who had initially been approved on the basis of income and household size. This analysis excluded cases initially approved as categorically eligible based on the household providing a Temporary Assistance for Needy Families, Food Stamp Program, or Food Distribution Program for Indian Reservations case number.

It is important to emphasize that the verification system and the information derived from it presented in this report are not designed to provide information on the accuracy of benefit determination in individual districts or nationwide. Instead, the system is designed to identify and deter certification errors in each district. To this end, federal regulations allow districts to target their verification efforts to specific groups of cases whose circumstances are such that the case has a higher likelihood of being ineligible for the benefit it receives.

Nearly half the districts included in this case study use such focused sampling to select cases for verification. This district decision very likely leads to a greater incidence of ineligibility in the verification sample than would be found if all approved cases had the same chance of being selected for verification.

Because of this feature of the verification process, caution must be used in drawing conclusions from the case study about underlying rates of certification inaccuracy in the participating districts.

## Findings

### Outcomes of Verification

On average across the districts, half of households selected for verification did not respond to the request for verification. The review of verification records indicated that: 50 percent responded to the request for verification by the December 15, 2002, deadline, and 50 percent did not.

Among the 50 percent who responded:

- 32 percent had no change in their benefit.
- 1 percent had their benefit increased from reduced-price to free.
- 9 percent had their benefit reduced from free to reduced-price.
- 8 percent had their benefit terminated (changed from free or reduced-price to paid status).

Approximately 13 percent of all households verified were categorically eligible, and 87 percent were approved on the basis of income. Categorically eligible households were less likely to have their benefits reduced or terminated and more likely to have had no change in benefits.

The percentage of households selected for verification who did not respond to the verification request was larger in districts using focused sampling, and the percentage with no change was smaller. Nonresponding cases were 56.0 percent of cases in focused-sampling

districts and 45.3 percent in random-sampling districts. No-change cases were 23.1 and 39.5 percent of the total in focused- and random-sampling districts, respectively.

About one-fourth of households approved on the basis of income who did not respond to verification had been reapproved for free or reduced-price meal benefits by March 1, 2003. Since households approved on the basis of income who did not respond made up 47 percent of cases verified, the nonresponders who were reapproved made up 12 percent of all verified cases.

### **Income Eligibility of Nonresponders**

Just over one-half of nonresponder households were eligible for at least the benefit they had been receiving prior to verification.

Among nonrespondents who had been approved for free meals:

- 51 percent were eligible for free meals.
- 26 percent were eligible for reduced-price meals.
- 23 percent were not eligible for either free or reduced-price meals.

Among nonrespondents who had been approved for reduced-price meals:

- 23 percent were eligible for reduced-price meals.
- 31 percent were eligible for free meals.
- 46 percent were not eligible for either free or reduced-price meals.

In random-sampling districts, 55.8 percent of nonresponders were eligible for at least the benefit they were initially approved to receive. In focused-sampling districts, 49.1 percent were eligible for this level of benefit.

More than three-fourths of the nonresponding households who were reapproved by March 1, 2003, were eligible for at least the benefit for which they had been reapproved. Among reapproved households who completed the study survey:

- 64 percent were eligible for exactly the level of benefits for which they had been reapproved.
- 14 percent were eligible for a higher benefit than they had been reapproved for.
- 22 percent were not eligible for the benefits they had been approved for.

### **Income Eligibility of Households with No Benefit Change**

About one-third of households whose benefits were unchanged as a result of verification were ineligible for their approved benefit level two to three months after completing the verification process.

Among free-approved students whose meal price status was unchanged, the study found that, as of February/March 2003:

- 64 percent were eligible for free meals.
- 27 percent were not eligible for free meals but were eligible for reduced-price meals.
- 9 percent were not eligible for either level of benefits.

Among reduced-price approved students whose meal price was unchanged, the study found that, as of February/March 2003:

- 42 percent were eligible for reduced-price meal benefits.
- 25 percent were eligible for free meal benefits.
- 33 percent were not eligible for either level of benefits.

In random-sampling districts, 30.1 percent of no-change cases were not eligible for the benefit they were receiving. In focused-sampling districts, 39.2 percent were not eligible.

A part of the difference in the percentage found eligible in the survey compared to the verification process may be due to changes in household circumstances. Based on the nearly

contemporaneous data from the new applications of reapproved cases and the study survey, we estimate that as much as 30 to 40 percent of the difference between the survey estimate of income eligibility and the SFA's determination at the point of verification may be due to changes in household circumstances between the period covered in documentation and the period

reported in the study's survey. Eliminating this part of the difference suggests that approximately 20 percent of those whose benefits were unchanged in verification were ineligible for the benefit they were receiving at the time of verification.

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