



Certifying Eligibility in the National School Lunch Program

Food Assistance Research Brief

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Issue: Each school day, millions of U.S. children receive free or reduced-price meals provided through the National School Lunch Program (NSLP). Recent studies have indicated that many students who are not eligible for free or reduced-price NSLP meals are receiving the meals. How large is this certification error problem? Would stricter certification procedures deter many eligible students from participating?

Background: Nutritionally balanced NSLP meals are available in almost all public and many private schools. Any child at a participating school may purchase a lunch through the NSLP. Children from families with incomes at or below 130 percent of the poverty level are eligible for free lunches. Children from families with incomes between 130 percent and 185 percent of the poverty level are eligible for reduced-price lunches, for which no more than 40 cents may be charged. Over half of the 25 million NSLP lunches served on an average school day in 2001 were given to children free or at a reduced price.

To properly target benefits, NSLP administrators must ascertain who is eligible. This entails identifying children from households within the two targeted income categories. The certification process requires a balance between minimizing the number of eligible students not receiving benefits (undercoverage) and minimizing the number of ineligible students receiving benefits (certification error).

Current regulations allow children to be certified for free or reduced-price meals in two ways. Direct certification, used in nearly two-thirds of school districts, allows school officials to certify children based on documentation from State or local welfare offices indicating that a child's household participates in the Food Stamp Program, the Temporary Assistance for Needy Families (TANF), or the Food Distribution Program on Indian Reservations. School

districts can also certify children based on an application submitted by the child's parent or guardian. Applicants can either document that they receive assistance from one of the three programs or report their current monthly income and household size.

School districts are required to verify a small percentage of the approved applications each school year and, if warranted, take action with regard to receipt of free or reduced-price lunches. School districts are not required to verify the eligibility of directly certified children.

Findings: Interim results from an Economic Research Service-funded study on the use of direct certification and its impact on error rates estimate that 61 percent of school districts used direct certification in 2001, about the same as in 1996. While the share of districts using direct certification is stable, the direct certification method has changed. In 1996, nearly half of school districts used a nonmatching method in which the State or district sent a letter to all families with children on the welfare rolls. The parent or child had to file the letter with the school to obtain free meals. The matching method, in which the State or school district matches children in the district schools with the welfare rolls, was used by slightly more than half of the districts. Matched families are either sent a letter that they must file with the children's school to obtain free meals (active consent) or the children are automatically made eligible for free meals (passive consent). Nearly all school districts that used matching in 1996 used passive consent. By 2001, "matching" and "active consent" were used by more school districts. Complaints from parents who did not want their children certified appear to have been one of the motivating factors for the increased use of active consent.

Reasons cited most often by the remaining districts for not using direct certification included: (1) satisfaction with

their current procedures; (2) too few eligible students to make direct certification cost-effective; and (3) lack of staff to perform the work required for direct certification.

The ERS study also collected information on the verification of application-approved students. Of the small samples subjected to verification, about 70 percent were found to be eligible. The remaining 30 percent were deemed ineligible. This error rate should be construed as an upper limit, however. Children were deemed ineligible for two primary reasons—their family incomes were found to be too high (40 percent) or their families did not respond to the verification request (56 percent). Families with high incomes are clearly ineligible at verification, even if they had been eligible at application. Nonresponders may or may not be ineligible. A study by USDA's Food and Nutrition Service (FNS) of income verification during the 1986-87 school year found that more than half of nonresponders would have remained eligible for the free or reduced-price meals their children had been receiving. Another 8 percent would have been eligible for increased benefits—having their children's meals reimbursed at the free rather than the reduced-price rate.

In related research, a pilot project conducted by FNS examined the eligibility of directly certified children in seven school districts. The project found that 88 percent of directly certified children were still receiving benefits from the qualifying programs at the time of verification, and, hence, remained eligible for free meals. Of the 12 percent no longer receiving benefits from the qualifying programs, over half completed an application form and qualified for free or reduced-price meals based on low family income.

At the other end of the spectrum are eligible children who are not certified or do not participate even after certification. This undercoverage issue was addressed by two FNS-funded studies in the early 1990s. *The School Nutrition Dietary Assessment Study* found that between 16 percent and 25 percent of income-eligible children were not certified for free or reduced-price meals in 1992. Among those certified, 80 percent of those certified for free meals and 70 percent of those certified for reduced-priced meals participated on a typical day. The *School Lunch Eligible Non-Participants Study* used case studies to assess the reasons for parents not applying and for children not participating. Half of parents who did not apply believed they were not income eligible, 20 percent cited stigma, 10 percent cited

their children's preferences not to eat school lunches, and 10 percent cited administrative problems with applying. Children who did not participate cited dislikes for some or all of the foods served. Along with disliking some of the foods, high school students also cited stigma as a reason not to participate.

Summary: These studies suggest that some children from higher income homes are certified for free or reduced-price lunches in error, and some children from low-income homes are not receiving the free or reduced-price lunches for which they qualify.

Direct certification appears to reduce certification error and respondent burden. But it is also a factor in determining the pool of children certified by application. With direct certification used by two-thirds of all school districts and most frequently by larger, poorer districts, the poorest children tend to qualify through that method, leaving children in families with incomes closer to the NSLP income thresholds to be certified by application. If stricter certification procedures were instituted, certification error would be reduced, but nonresponse by eligible households to income verification requests could increase undercoverage.

Information Sources:

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St. Pierre, Robert G. and Michael J. Puma, *Study of Income Verification in the National School Lunch Program: Executive Summary*, report by Abt Associates Inc., for USDA, FNS, Office of Analysis and Evaluation, 1990.

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