

### **Abstract**

This report summarizes the results of the school year (SY) 2008-2009 review of applications approved for free or reduced-price benefits under the National School Lunch Program and School Breakfast Program.

Local Educational Agencies (LEAs) selected nearly 279,000 applications for verification review from among 8.6 million applications approved for free or reduced-price school meals at the start of SY 2008-2009. LEAs confirmed the free or reduced-price status of 46 percent of applications selected for review. Nearly 22 percent of applicants selected were found to have been incorrectly certified. A small number of those applicants (10 percent) were undercertified (initially certified for reduced-price meals but found eligible for free meals); the rest (90 percent) were overcertified. The free or reduced-price status of the remaining 32 percent of applications selected for review was terminated for household failure to respond to LEA requests for documentation.

Over the past 5 years, LEAs have increasingly focused their verification efforts on error-prone applications. This is the result of program changes mandated by the Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265), and increased use of direct certification by LEAs and State education agencies. A relatively high certification error rate among applications selected for review reflects this focus. It also signifies the value of the verification process in USDA efforts to improve program integrity.

### **Background**

The National School Lunch Program (NSLP) is a federally assisted meal program operating in more than 101,000 public and private schools and residential child care institutions (RCCIs). Of the approximately 53 million school-age children in the U.S. in 2009, 50 million attended

schools that participate in the NSLP.<sup>1</sup> About 87 percent of NSLP schools also participate in the School Breakfast Program. Average daily participation in the lunch program exceeded 31 million in SY 2008-2009; in the breakfast program, average daily participation reached 11 million. More than 5 billion nutritionally balanced low cost or free lunches, and nearly 1.9 billion breakfasts, were served by participating schools in SY 2008-2009. More than 67 percent of those meals are served to low-income children who are certified for free or reduced-price benefits.

School districts participating in the NSLP receive cash subsidies and donated USDA Foods from the U.S. Department of Agriculture (USDA) Food and Nutrition Service for every reimbursable meal served. Higher cash subsidies are granted for meals provided to low-income students certified for free or reduced-price benefits.

Most children are certified for free or reduced-price meals by application. Applicants provide self-declared information about household size, income, and participation in certain means-tested public assistance programs. Children from households with incomes at or below 130 percent of the federal poverty level are eligible for free school meals. Children from households with incomes no greater than 185 percent of the poverty level are eligible for reduced-price meals.<sup>2</sup> Children from households participating in the Supplemental Nutrition Assistance Program (SNAP – formerly the Food Stamp Program), Temporary Assistance for Needy Families (TANF), or the Food Distribution

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<sup>1</sup>The number of school age children is from the U.S. Census Bureau, and includes those between the ages of 5 and 17 inclusive. Enrollment in NSLP schools is FNS administrative data and is an October 2009 count.

<sup>2</sup> See Appendix II for a table of SY 2008-2009 income eligibility thresholds.

Program on Indian Reservations (FDPIR) are categorically eligible for free meals.

Other students are directly certified for free meals. With direct certification, school districts and State educational agencies use information from State SNAP, TANF, or FDPIR databases to identify students in households that participate in one of those programs. State or local educational agencies then take steps to certify those students without the need for paper applications. Because SNAP, TANF, and FDPIR require up-front documentation of income, and because NSLP direct certification is based on these means-tested programs, the eligibility status of directly certified children is not subject to verification. Direct certification with SNAP is mandatory for all LEAs effective with the 2008-2009 school year.<sup>3</sup>

### Overview of Verification

NSLP applications include self-declaration of income or program participation, i.e., no documentation of household income or participation in a means-tested public assistance program is required of households at the time applications are submitted and applicants are certified for school meal benefits. However, all approved applicants are potential candidates for follow-up verification review. Each year, LEAs are required to verify the eligibility of a legislatively defined sample of applicants approved for free or reduced-price benefits. The size of the verification sample is based on the number of approved applications on file as of October 1.

Prior to contacting any household for verification information, LEAs conduct a “confirmation review” to check whether the original eligibility determination, based on information provided on the application, was correct. Applicants selected for verification must submit documentation of the source,

<sup>3</sup> LEAs are permitted, but are not required, to use TANF and FDPIR data in their direct certification systems. For more detail see U.S. Department of Agriculture, Food and Nutrition Service, Direct Certification in the National School Lunch Program: State Implementation Progress School Year 2009-2010 Report to Congress (USDA 2010).

frequency and amount of their current income, or proof of household receipt of SNAP, TANF, or FDPIR benefits. LEAs are required to make at least one follow-up attempt to contact every household that does not respond to an initial verification request.

The verification process must be completed by November 15. LEAs submit the results of their verification activities by March 1 to their State education agencies on Form FNS-742 (see appendix III), the School Food Authority Verification Summary Report. State agencies submit electronic files with information from these LEA reports to the Food and Nutrition Service (FNS) by April 15.

### Overview of Verification Sampling

NSLP rules provide for 3 verification sampling methods: 1 standard method and 2 alternate methods. LEAs must use the standard method unless they qualify to use one of the alternate methods.

#### Standard Sampling Method

The standard sampling method requires the selection of 3 percent or 3,000 approved applications, whichever is smaller. LEAs must select first from the pool of error-prone applications. Error-prone applications are those approved on the basis of reported household income levels that are within \$100 of the program’s monthly eligibility thresholds, or within \$1,200 of the annual income thresholds. If there are too few error-prone applications, other applications are randomly selected to complete the sample.

#### Two Alternate Sampling Methods

LEAs with low or improved verification nonresponse rates may use one of 2 alternate sampling methods.<sup>4</sup> Any LEA with a verification nonresponse rate under 20 percent for the previous school year may use one of the

<sup>4</sup> Nonresponse refers to the failure of an applicant selected for verification to provide income and household size documentation, or a case number from a qualifying means-tested public assistance program, to support information on his or her original application.

alternate sampling methods. In addition, LEAs that approved more than 20,000 children by application in the current school year qualify to use an alternate method if their nonresponse rates for the previous school year improved by at least 10 percent over the second preceding school year.

Under the “alternate random” method, LEAs select the lesser of 3 percent or 3,000 applications at random from all approved applications.

The “alternate focused” sampling method requires LEAs to select the lesser of 1 percent or 1,000 of all approved applications, but LEAs must choose these from the subset of error-prone applications. In addition, LEAs must select the lesser of 1/2 of 1 percent or 500 applications that were certified based on a case number from a qualified means-tested program.

### Overview of Verification Data

The following discussion is based on data submitted by LEAs on Form FNS 742. LEAs submit summary certification data for all approved household applications, not just those selected for verification.

For SY 2008-2009, more than 18,300 LEAs submitted verification information through 56 State Agencies that administer the NSLP.<sup>5</sup> The number of students enrolled in reporting LEAs totaled 49.8 million, or 99 percent of all students enrolled in schools participating in the NSLP and SBP.

### Student Characteristics

Nationwide, LEAs report that 36 percent of students were certified to receive free meals in

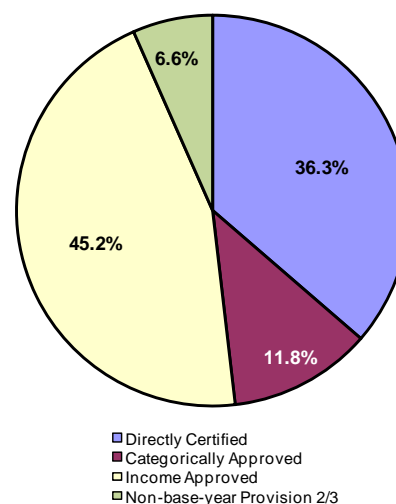
<sup>5</sup>The number of LEAs and students accounted for here is less than 100 percent of all NSLP institutions and students because some LEAs are not required to submit verification data. Verification exemptions include LEAs with all schools participating in Provision 2 or 3 not in the base year, LEAs consisting entirely of RCCIs without day students, LEAs which certify based on a population survey, and LEAs with no free or reduced-price approved students. LEAs in the Virgin Islands, the Commonwealth-wide public LEA in Puerto Rico, and 2/3 of the School District of Philadelphia provide free meals to all children in schools under their jurisdiction.

SY 2008-2009, and 8 percent were certified to receive reduced-price meals.<sup>6</sup>

In SY 2008-2009, approximately 45 percent of students certified for free meals were approved based on household income and size information submitted on NSLP applications (See Figure 1). Another 12 percent of students were approved by entering a SNAP, TANF, or FDPIR case number on their applications. Roughly 1/3 of students certified for free meals were either directly certified or otherwise exempt from verification.<sup>7</sup>

**Figure 1: Students Certified for Free Meals SY 2008-2009<sup>8</sup>**

n = 17.8 million students



Non-base-year Provision 2 or Provision 3 schools accounted for the remaining 7 percent of students certified for free meals.<sup>9</sup> Compared to

<sup>6</sup> These figures represent applications approved by the end of October 2008. They are certification counts prior to the start of the SY 2008-2009 verification process. They include children identified as free or reduced-price eligible in the most recent base year of Provision 2 and Provision 3 schools. They exclude children in LEAs that did not file form FNS-742.

<sup>7</sup> Includes students on homeless liaison lists, children enrolled in income eligible Head Start or pre-K Even Start, residential students in RCCIs, or approved by local officials based on observed need.

<sup>8</sup> Statistics from LEAs that submitted verification forms to FNS. The number of students includes only those certified by reporting LEAs at the time of the verification process. These figures do not include children certified for free meals later in the school year.

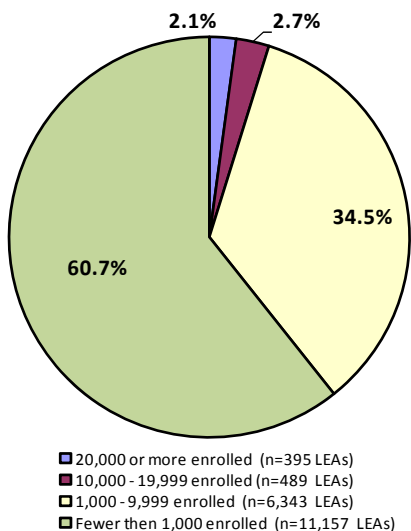
<sup>9</sup> Children are not certified annually in Provision 2 or Provision 3 schools. The number of children certified for free meals in the schools' most recent base years, adjusted for subsequent growth in

the previous school year, SY 2007-2008, the proportion of students certified for free meals in non-base-year Provision 2 or 3 schools remained unchanged while the share of directly certified students increased slightly less than 3 percentage points. Free meal certification by income and categorical approval decreased as a share of the total by 1.5 and 1.2 percentage points respectively.

**School District Characteristics**

More than 60 percent of reporting LEAs enrolled fewer than 1,000 students. However, these small LEAs accounted for only 8 percent of total student enrollment. LEAs with enrollments of 10,000 or more represented less than 5 percent of LEAs that submitted verification data but accounted for more than half (53 percent) of total student enrollment.

**Figure 2a: Number of Local Educational Agencies (LEAs) by LEA Enrollment Size SY 2008-2009**

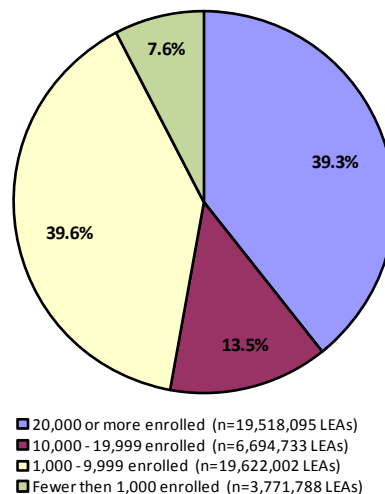


The smallest LEAs directly certified just 24 percent of all students certified for free or reduced-price meals (Figure 3), which is the

enrollment, is used in this report to represent the number who are counted as “free certified” in SY 2008-2009. Note that free and reduced-price certification in Provision 2 or 3 schools is used only to determine the dollar value of FNS meal reimbursements issued to the schools. In exchange for simplified certification and reimbursement claiming procedures, Provision 2 and 3 schools serve NSLP and/or SBP meals to all students for free.

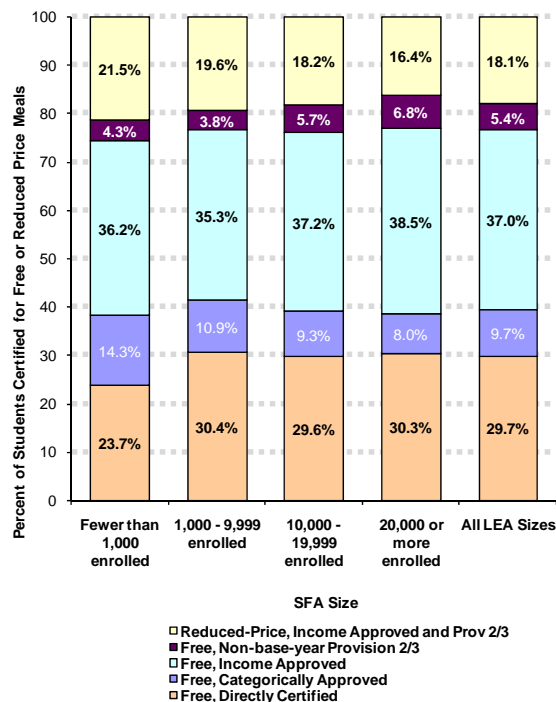
smallest proportion of any LEA group. Larger LEAs directly certify around 30 percent of free or reduced-price eligible students.

**Figure 2b: Number of Students Enrolled By LEA Enrollment Size - SY 2008-2009**



As shown in Figure 3, LEAs with enrollments under 1,000 certified relatively more students for reduced-price benefits (22 percent of all students certified for free or reduced-price meals) than LEAs with more than 20,000 enrolled students (just 16 percent).

**Figure 3: Free/Reduced-Price Approvals by LEA Size - SY 2008-2009**



Applications approved based on the submission of a SNAP, TANF, or FDPIR case number (categorically approved applications), were more common in LEAs with the lowest student enrollments (14 percent of all free and reduced-price certifications) than in LEAs with the highest enrollments (10 percent). LEAs with enrollments under 10,000 were not required to directly certify SNAP participant children until SY 2008-2009. Although most small LEAs established direct certification systems prior to that deadline, the data still show a sizeable increase in direct certifications by these LEAs between SY 2007-2008 and SY 2008-2009. The share of free and reduced price certified children in small LEAs who were directly certified jumped from 20.3 percent to 23.7 percent. Consistent with the wider use of direct certification, the share of free and reduced price certified children in small LEAs who were found categorically eligible by application fell to 14.3 percent from 15.5 percent over the same time period.

Regardless of LEA size, certification by traditional application was the most common method of certification for free and reduced-price meals in SY 2008-2009. More than half of all children approved for NSLP benefits in small, mid-sized, and large LEAs submitted income and household size information on traditional applications.

### Results of Verification in SY 2008-2009

Ninety-seven percent of reporting LEAs verified applications in SY 2008-2009. In all, these LEAs verified 279,000 applications, or 3.3<sup>10</sup> percent of applications initially approved for free or reduced-price meals.<sup>11</sup>

<sup>10</sup> (Total free categorical applications verified + total free income applications verified + total reduced price applications verified) / (total free categorical applications + total free income applications + total reduced price applications)

<sup>11</sup> Total application verification rates may be greater than 3% because LEAs are required to verify all questionable applications (verification for cause) even if that would increase the sample size above the 3% maximum. See USDA, FNS 2008b, p. 67.

### Sampling Methods Used for Verification

Among LEAs that selected applications for verification (and reported a verification method on their FNS-742) 43 percent used the basic method to choose their samples. The alternate random sampling method was used by 47 percent of LEAs. Just 7 percent of LEAs used the alternate error-prone sampling method.

Figure 4 highlights the relationship between LEA student enrollment and the verification sampling method used. Sixty-three percent of LEAs with 20,000 or more enrolled students used the basic verification sampling method. By contrast, just 39 percent of LEAs with fewer than 1,000 students used the basic method (Figure 4, dark blue bars on bottom).

One of the 2 criteria that entitle an LEA to use an alternate sampling method is a nonresponse rate lower than 20 percent for the preceding school year. The second criterion is a 10 percent improvement in the LEA's nonresponse rate from the second preceding school year to the preceding school year.

By the first of these measures, far fewer large LEAs than small LEAs qualify to use an alternate sampling method (Table 1). About 19 percent of LEAs with 20,000 or more students have preceding year nonresponse rates under 20 percent. For LEAs with fewer than 1,000 students, the comparable figure is 84 percent.<sup>12</sup>

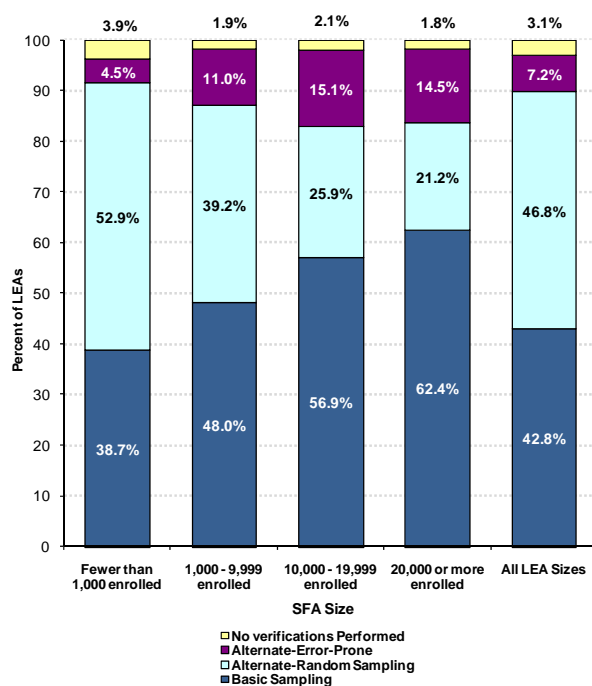
**Table 1. Verification Nonresponse Rate by LEA Enrollment:  
SY 2007-2008 and SY 2008-2009**

LEA Enrollment Size	SY 2007-2008 Nonresponse Rate Under 20%	SY 2008-2009 Nonresponse Rate Under 20%
< 1,000	83%	83%
1,000-9,999	53%	54%
10,000-20,000	28%	28%
> 20,000	18%	15%
All	70%	70%

<sup>12</sup> The difference in nonresponse improvement by LEA size is less dramatic, but favors the biggest LEAs over the smallest. An estimated 12 percent of LEAs with enrollments under 1,000 showed improvements in nonresponse rates from SY 2007-2008 to SY 2008-2009 of 10% or more. Seventeen percent of LEAs with at least 20,000 students recorded improvements of at least 10%.

The choice of alternate sampling methods, among LEAs that qualify to use them, is also strongly linked to LEA size. Forty-one percent of LEAs with 20,000 or more students that used an alternate sampling method chose error-prone sampling over random sampling.<sup>13</sup> Among LEAs with fewer than 1,000 students, just 8 percent of those that used an alternate method chose error-prone over random sampling.

**Figure 4: Verification Method by LEA Size SY 2008-2009**



LEAs are permitted to forgo the verification process if all students in the LEA are directly certified, all schools in the LEA are non-base-year Provision 2 or Provision 3 schools, the LEA certifies based on a population survey, the LEA has no free or reduced-price students, or all children in the LEA are non-day students in an RCCI. LEAs that did not perform any verifications typically had fewer enrolled students in SY 2008-2009 than LEAs that did verify applications. Four percent of LEAs with fewer than 1,000 students did not conduct verifications, while only about 2 percent of the LEAs with enrollments over 20,000 did not

<sup>13</sup> Fifty-six LEAs with more than 20,000 students used the alternate error-prone sampling methodology, and 82 used the alternate random sampling methodology,  $(56/(56+82)) = 41\%$ .

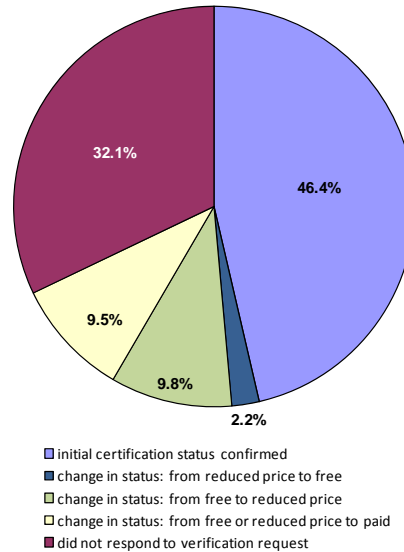
participate in the verification process (Figure 4, yellow bars on top).

**Verification Outcomes**

Upon completion of the verification process, an NSLP applicant’s free or reduced-price status may be confirmed or changed, based on supporting documentation submitted by the household. If a household fails to respond to the LEA’s request for documentation, the applicant loses free or reduced-price status and is notified of the opportunity to reapply with documentation. Appendix IV provides a summary flowchart of the verification process and results.

*The initial free or reduced-price status of 46 percent of applications selected for verification was confirmed in the SY 2008-2009 verification process (see Figure 5 and Appendix I Table 8).*

**Figure 5  
Verification Outcomes, SY 2008-2009  
278,978 applications selected for review**

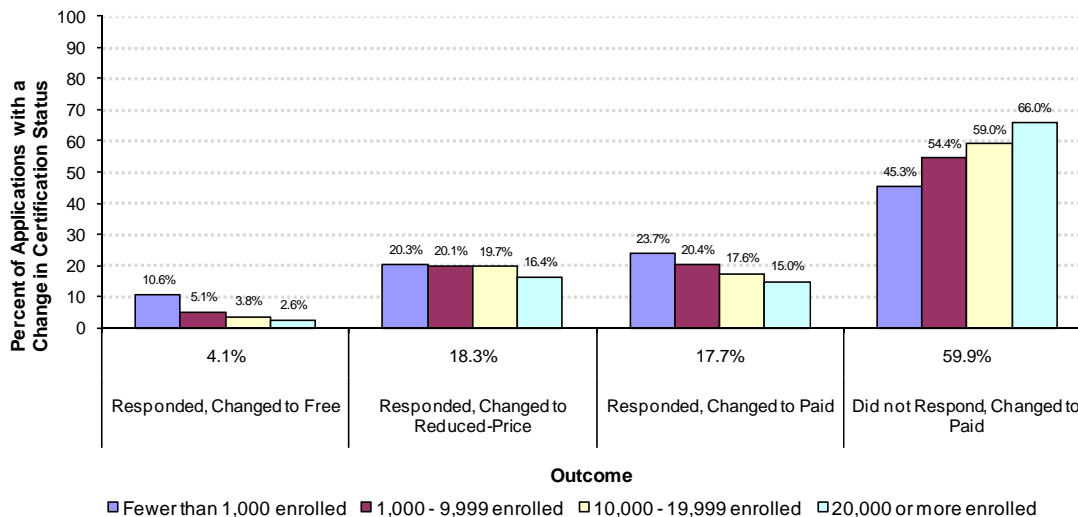


The confirmation rate was much higher among small LEAs than large LEAs. The initial certification status of 79 percent of applicants from LEAs with fewer than 1,000 students was confirmed during the verification process. The confirmation rate in LEAs with 20,000 or more students was just 30 percent. This is, in part, due to higher nonresponse rates at larger LEAs

(see figure 7). Overall, the free or reduced-price status of 54 percent of applications was changed as a result of verification.

*Of those with a change in status, 78 percent were reduced from free or reduced-price to paid, 18 percent changed from free to reduced-price, and 4 percent were changed from reduced-price to free (see Figure 6).*

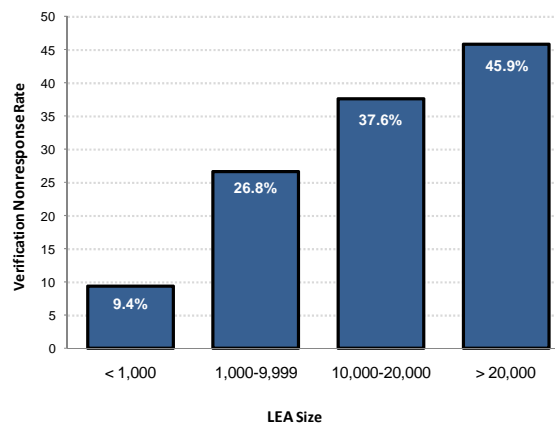
**Figure 6: Changes in Certification Status by LEA Size  
SY 2008-2009**



*More than 3/4 of applicants whose free or reduced-price status was changed to paid failed to respond to LEA requests for documentation.<sup>14</sup>*

As shown in Figure 7 and Appendix I Table 8, nonresponse rates tend to increase with LEA size. LEAs with 20,000 or more students had an average verification nonresponse rate of 46 percent, while LEAs with fewer than 1,000 students had an average nonresponse rate of only 9 percent. Trends in nonresponse are addressed in the following section.

**Figure 7. Verification Nonresponse Rates  
by LEA Enrollment Size  
SY 2008-2009**



**Trends in Reporting and Verification  
SY 2004-2005 to SY 2008-2009**

The States began submitting results of LEA verification efforts to FNS in SY 2004-2005. Figure 8 highlights what is one of the most

<sup>14</sup> Documentation submitted by 26,747 applicants in response to LEA verification requests did not support either a free or reduced-price status. An additional 89,563 applicants failed to respond to the LEAs' requests for documentation. 89,563 / (89,563 + 26,747) = 77%.

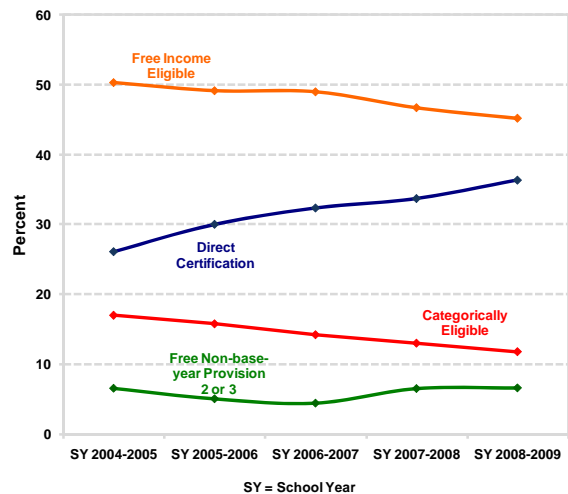
significant developments affecting the NSLP verification process over the past 5 years. Since SY 2004-2005, the share of all children approved for free school meals by direct certification has grown from 26 percent to 36 percent (+39%)<sup>15</sup>. From SY 2007-2008 to SY 2008-2009 alone, direct certification's share of the total increased by almost 3 percentage points (+8%). Over the past 5 years, the share of children approved for free meals through the traditional application process has dropped from 67 percent to 57 percent (-15%), with categorical eligible applications dropping from 17 percent to 12 percent (-30%).

By the terms of the Child Nutrition and WIC Reauthorization Act of 2004, all LEAs must establish procedures to directly certify SNAP participant children for free school meals. The direct certification mandate was phased in over 3 school years. LEAs with 25,000 or more students were required to begin directly certifying SNAP children in SY 2006-2007; LEAs with fewer than 10,000 students were required to adopt direct certification by SY 2008-2009. However, recognizing the benefits of direct certification, LEAs and State education agencies began establishing direct certification systems prior to these mandated implementation dates. In SY 2001-2002, about 61 percent of school districts used direct certification.<sup>16</sup>

Direct certification is designed to eliminate the application process for households with children whose eligibility for free meals may be confirmed instead by their receipt of SNAP benefits, and at States' option, TANF or FDPIR benefits. Eliminating the application barrier facilitates access to free school meals by eligible children. But it also promises to enhance the effectiveness of the annual verification process. Because applicants who are directly certified for free school meals are not subject to verification, LEAs are able to concentrate their verification

efforts on applicants whose eligibility for free or reduced-price meals is less certain. As LEAs and States expand and enhance their direct certification systems, the verification process is able to contribute more effectively to FNS efforts to improve program integrity.

**Figure 8: Students Certified for Free Meals by Certification Method SY 2004-2005 to SY 2008-2009**



The reduction over time in the percent of applicants whose initial certifications are confirmed in the verification process is additional evidence that verification efforts are increasingly focused on applicants with uncertain eligibility (see Figure 9). The contribution of direct certification to this trend is explained above. Increasing the number of categorically eligible children who are certified without paper applications increases the share of error-prone applicants in the remaining verification pool. A second contributing factor is a change in program rules, effected by the 2004 Child Nutrition and WIC Reauthorization Act, that requires most LEAs to concentrate their verification efforts on those error-prone applicants.

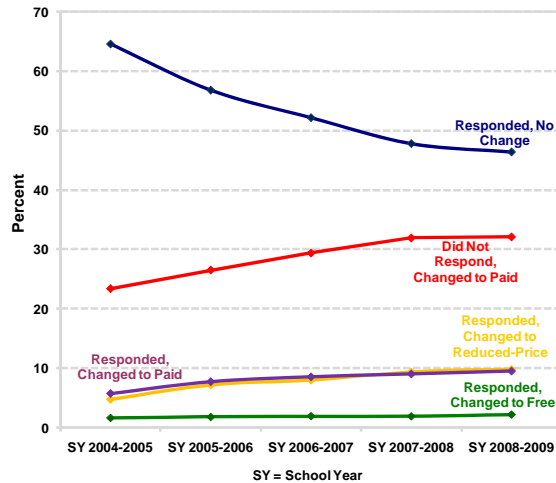
Through SY 2007-2008, the percent of applicants who failed to respond to LEA requests for verification had increased steadily. It is encouraging to note no additional increase in this figure for SY 2008-2009.

<sup>15</sup> For additional information about the implementation of direct certification over time see, *FNS Report, Direct Certification in the National School Lunch Program: State Implementation Progress School Year 2009-2010 Report to Congress*.

<sup>16</sup> Gleason, et al, 2003.



**Figure 9: Change in Verification Outcomes  
SY 2004-2005 to SY 2008-2009**



### Summary and Conclusions

LEAs selected 279,000 applications for verification review in SY 2008-2009. The verification process confirmed the free or reduced-price status of fewer than half (46 percent) of those applicants. About 22 percent of applicants subject to verification were improperly certified. The remaining 32 percent failed to respond to the LEAs' requests for supporting documentation.

In SY 2004-2005, 65 percent of applicants selected for review were found to have been correctly certified. The reduction in this confirmation rate since SY 2004-2005 reflects an increased focus on verification of error-prone applications.

One of the factors contributing to the reduction in the confirmation rate is the growing use of direct certification by LEAs and State education agencies. As these agencies further develop their direct certification systems, the pool of applicants subject to verification will get smaller. Those who remain will tend to have higher incomes than directly certified SNAP participants, or may be less able or less willing to provide documentation. Verification samples drawn from this pool will include relatively more ineligible applicants than a sample drawn at random from the wider population of students certified for free and reduced-price benefits. Viewed from this perspective, a declining

confirmation rate among those who respond is a sign of a more effective verification system. Although the nonresponse rate did not increase from SY 2007-2008 to SY 2008-2009, it remains high, at 32 percent of applicants contacted for verification review. Nonresponse rates in large LEAs (more than 20,000 students) are 5 times higher than nonresponse rates in smaller LEAs (fewer than 1,000 students).

### Acknowledgements

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### Suggested Citation

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**Appendix I – Summary Tables**

<b>Appendix Table 1: Verification Outcomes by Certification Status, SY 2008-2009</b>				
<b>Application Verification Outcome</b>	<b>Free Meals, Categorically Approved</b>	<b>Free Meals, Income Approved</b>	<b>Reduced Price, Income Approved</b>	<b>Total</b>
Responded, No Change	84.9%	44.6%	38.7%	46.4%
Responded, Changed to Free	n.a.	n.a.	6.7%	2.2%
Responded, Changed to Reduced Price	1.9%	16.7%	n.a.	9.8%
Responded, Changed to Paid	2.4%	6.1%	17.5%	9.5%
Did not Respond, Changed to Paid	10.8%	32.7%	37.1%	32.1%
n =	25,848	161,632	91,498	278,978

<b>Appendix Table 2: Verification Outcomes by Sampling Method, SY 2008-2009</b>				
<b>Application Verification Outcome</b>	<b>Basic</b>	<b>Alternate Random</b>	<b>Alternate Error Prone</b>	<b>Unspecified</b>
Responded, No Change	40.0%	57.3%	45.4%	33.0%
Responded, Changed to Free	2.3%	2.0%	2.4%	2.3%
Responded, Changed to Reduced Price	11.1%	7.2%	12.7%	11.6%
Responded, Changed to Paid	10.4%	7.3%	13.4%	8.4%
Did not Respond, Changed to Paid	36.2%	26.3%	26.1%	44.7%
n =	151,521	98,505	21,879	7,073

<b>Appendix Table 3: Basic Sampling Method Verification Outcomes, SY 2008-2009</b>			
<b>Application Verification Outcome</b>	<b>Free Meals, Categorically Approved</b>	<b>Free Meals, Income Approved</b>	<b>Reduced Price, Income Approved</b>
Responded, No Change	82.8%	39.3%	34.0%
Responded, Changed to Free	n.a.	n.a.	6.8%
Responded, Changed to Reduced Price	1.6%	18.3%	n.a.
Responded, Changed to Paid	2.5%	6.4%	18.7%
Did not Respond, Changed to Paid	13.1%	35.9%	40.5%
n =	8,731	90,617	52,173

<b>Appendix Table 4: Alternate Random Sampling Verification Outcomes, SY 2008-2009</b>			
<b>Application Verification Outcome</b>	<b>Free Meals, Categorically Approved</b>	<b>Free Meals, Income Approved</b>	<b>Reduced Price, Income Approved</b>
Responded, No Change	86.7%	54.6%	48.2%
Responded, Changed to Free	n.a.	n.a.	6.5%
Responded, Changed to Reduced Price	1.6%	12.6%	n.a.
Responded, Changed to Paid	2.4%	4.9%	13.8%
Did not Respond, Changed to Paid	9.3%	27.9%	31.5%
n =	14,286	54,160	30,059

<b>Application Verification Outcome</b>	<b>Free Meals, Categorically Approved</b>	<b>Free Meals, Income Approved</b>	<b>Reduced Price, Income Approved</b>
Responded, No Change	82.5%	42.6%	37.7%
Responded, Changed to Free	n.a.	n.a.	7.5%
Responded, Changed to Reduced Price	4.5%	21.5%	n.a.
Responded, Changed to Paid	2.5%	9.0%	24.8%
Did not Respond, Changed to Paid	10.5%	26.9%	29.9%
n =	2,402	12,457	7,020

<b>Student Certification</b>	<b>Fewer than 1,000 enrolled</b>	<b>1,000 - 9,999 enrolled</b>	<b>10,000 - 19,999 enrolled</b>	<b>20,000 or more enrolled</b>	<b>Total</b>
Reduced Price, Income Approved and Prov 2/3	21.5%	19.6%	18.2%	16.4%	18.1%
Free, Provision 2/3 Schools	4.3%	3.8%	5.7%	6.8%	5.4%
Free, Income Approved	36.2%	35.3%	37.2%	38.5%	37.0%
Free, Categorically Approved	14.3%	10.9%	9.3%	8.0%	9.7%
Free, Directly Certified	23.7%	30.4%	29.6%	30.3%	29.7%
n =	1,594,474	7,799,405	2,901,701	9,493,591	21,789,171

<b>SFA size</b>	<b>Basic</b>	<b>Alternate Random</b>	<b>Alternate Error Prone</b>	<b>No Verifications Performed</b>	<b>Unknown</b>
Fewer than 1,000 enrolled	54.9%	68.8%	38.1%	76.2%	36.1%
1,000 - 9,999 enrolled	38.5%	28.8%	52.2%	20.8%	47.5%
10,000 - 19,999 enrolled	3.5%	1.5%	5.5%	1.7%	9.0%
20,000 or more enrolled	3.1%	1.0%	4.2%	1.2%	7.4%
n =	7,825	8,545	1,320	572	122

<b>Application Verification Outcome</b>	<b>Fewer than 1,000 enrolled</b>	<b>1,000 - 9,999 enrolled</b>	<b>10,000 - 19,999 enrolled</b>	<b>20,000 or more enrolled</b>	<b>Total</b>
Responded, No Change	79.2%	50.8%	36.2%	30.5%	46.4%
Responded, Changed to Free	2.2%	2.5%	2.4%	1.8%	2.2%
Responded, Changed to Reduced Price	4.2%	9.9%	12.6%	11.4%	9.8%
Responded, Changed to Paid	4.9%	10.0%	11.2%	10.5%	9.5%
Did not Respond, Changed to Paid	9.4%	26.8%	37.6%	45.9%	32.1%
n =	45,322	100,000	33,524	100,132	278,978

<b>Appendix Table 9: Students Receiving Free Meals</b>					
<b>Certification Type</b>	<b>SY 2004-2005</b>	<b>SY 2005-2006</b>	<b>SY 2006-2007</b>	<b>SY 2007-2008</b>	<b>SY 2008-2009</b>
Direct Certification	26.1%	30.0%	32.3%	33.7%	36.3%
Categorically Eligible	17.0%	15.8%	14.2%	13.0%	11.8%
Free Income Eligible	50.3%	49.2%	49.0%	46.7%	45.2%
Free Non-base year Provision 2 or 3	6.6%	5.0%	4.4%	6.5%	6.6%
n=	15,705,566	15,411,441	16,599,813	17,104,833	17,834,453

<b>Appendix Table 10: Verification Outcomes of All Applications</b>					
<b>Verification Outcome</b>	<b>SY 2004-2005</b>	<b>SY 2005-2006</b>	<b>SY 2006-2007</b>	<b>SY 2007-2008</b>	<b>SY 2008-2009</b>
Responded, No Change	64.5%	56.8%	52.1%	47.8%	46.4%
Responded, Changed to Reduced Price	4.8%	7.2%	8.0%	9.4%	9.8%
Responded, Changed to Paid	5.7%	7.7%	8.5%	9.0%	9.5%
Responded, Changed to Free	1.6%	1.8%	1.9%	1.9%	2.2%
Did Not Respond, Changed to Paid	23.4%	26.5%	29.4%	31.9%	32.1%
n=	395,137	364,835	333,278	297,148	278,978

## Appendix II – Income Eligibility Guidelines, School Year 2008-2009

### INCOME ELIGIBILITY GUIDELINES [Effective from July 1, 2008 to June 30, 2009]

Household size	Federal poverty guidelines		Reduced price meals—185%				Free meals—130%				
	Annual	Annual	Monthly	Twice per month	Every two weeks	Weekly	Annual	Monthly	Twice per month	Every two weeks	Weekly
<b>48 Contiguous States, District of Columbia, Guam, and Territories</b>											
1	10,400	19,240	1,604	802	740	370	13,520	1,127	564	520	260
2	14,000	25,900	2,159	1,080	997	499	18,200	1,517	759	700	350
3	17,600	32,560	2,714	1,357	1,253	627	22,880	1,907	954	880	440
4	21,200	39,220	3,269	1,635	1,509	755	27,560	2,297	1,149	1,060	530
5	24,800	45,880	3,824	1,912	1,765	883	32,240	2,687	1,344	1,240	620
6	28,400	52,540	4,379	2,190	2,021	1,011	36,920	3,077	1,539	1,420	710
7	32,000	59,200	4,934	2,467	2,277	1,139	41,600	3,467	1,734	1,600	800
8	35,600	65,860	5,489	2,745	2,534	1,267	46,280	3,857	1,929	1,780	890
For each add'l family member, add	3,600	6,660	555	278	257	129	4,680	390	195	180	90
<b>Alaska</b>											
1	13,000	24,050	2,005	1,003	925	463	16,900	1,409	705	650	325
2	17,500	32,375	2,698	1,349	1,246	623	22,750	1,896	948	875	438
3	22,000	40,700	3,392	1,696	1,566	783	28,600	2,384	1,192	1,100	550
4	26,500	49,025	4,086	2,043	1,886	943	34,450	2,871	1,436	1,325	663
5	31,000	57,350	4,780	2,390	2,206	1,103	40,300	3,359	1,680	1,550	775
6	35,500	65,675	5,473	2,737	2,526	1,263	46,150	3,846	1,923	1,775	888
7	40,000	74,000	6,167	3,084	2,847	1,424	52,000	4,334	2,167	2,000	1,000
8	44,500	82,325	6,861	3,431	3,167	1,584	57,850	4,821	2,411	2,225	1,113
For each add'l family member, add	4,500	8,325	694	347	321	161	5,850	488	244	225	113
<b>Hawaii</b>											
1	11,960	22,126	1,844	922	851	426	15,548	1,296	648	598	299
2	16,100	29,785	2,483	1,242	1,146	573	20,930	1,745	873	805	403
3	20,240	37,444	3,121	1,561	1,441	721	26,312	2,193	1,097	1,012	506
4	24,380	45,103	3,759	1,880	1,735	868	31,694	2,642	1,321	1,219	610
5	28,520	52,762	4,397	2,199	2,030	1,015	37,076	3,090	1,545	1,426	713
6	32,660	60,421	5,036	2,518	2,324	1,162	42,458	3,539	1,770	1,633	817
7	36,800	68,080	5,674	2,837	2,619	1,310	47,840	3,987	1,994	1,840	920
8	40,940	75,739	6,312	3,156	2,914	1,457	53,222	4,436	2,218	2,047	1,024
For each add'l family member, add	4,140	7,659	639	320	295	148	5,382	449	225	207	104

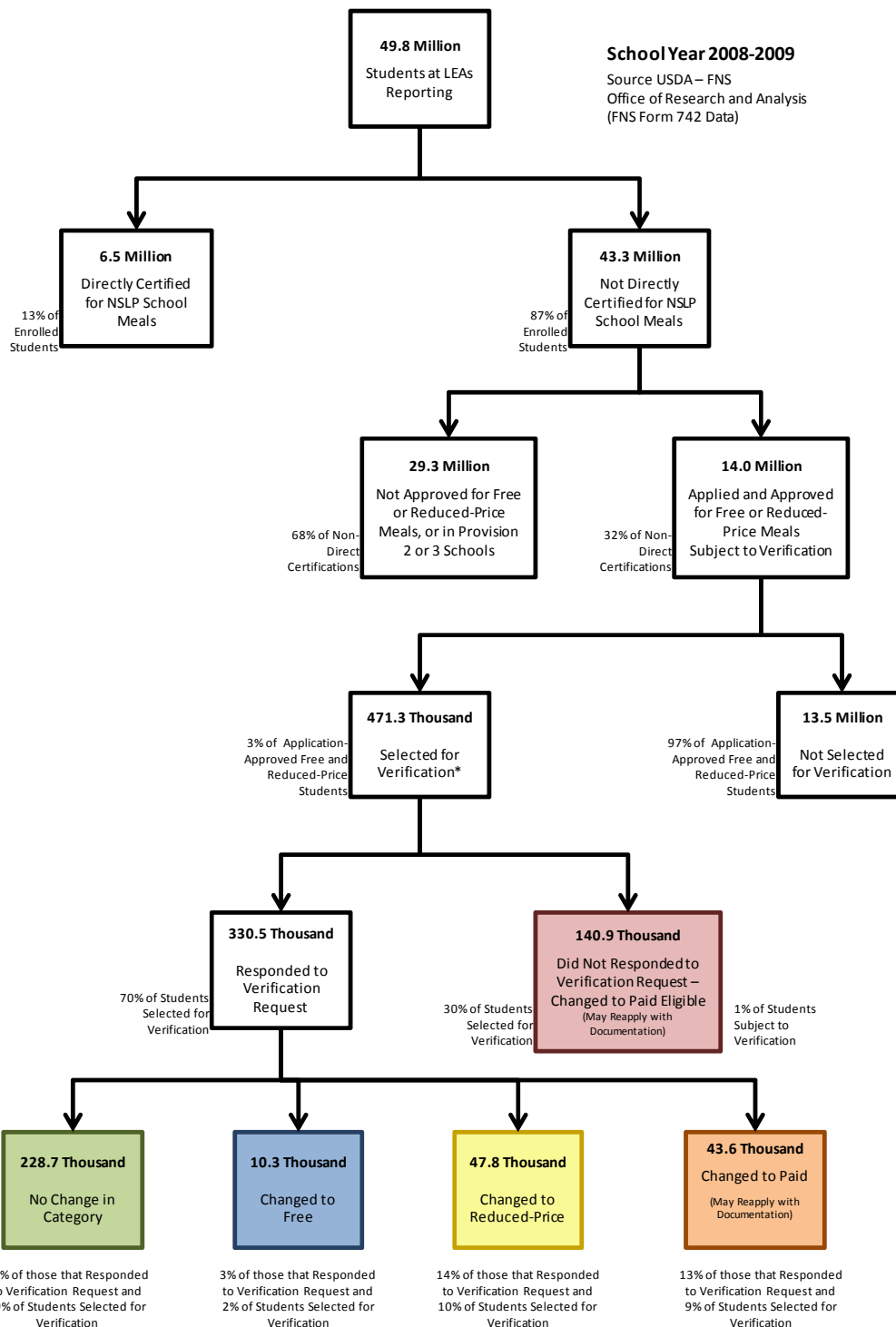
Source: Federal Register Vol. 73, No. 69, p. 19,187

**Appendix III – School Food Authority Verification Summary Report (Form FNS-742)**

FORM APPROVED OMB # 0584-0026

[INSERT STATE AGENCY NAME]		SFA ID #				
<b>SCHOOL FOOD AUTHORITY VERIFICATION SUMMARY REPORT</b>		SFA NAME				
		TYPE OF SFA	<input type="checkbox"/> Public <input type="checkbox"/> Private			
		SCHOOL YEAR	-			
According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it contains a valid OMB control number. The valid OMB control number for this collection is 0584-0026. The time required to complete this information collection is 6 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection.						
<b>I. Enrollment, Application, and Eligibility Information (Pre Verification)</b>			<b>II. Results of Verification, by Application Type</b>			
<b>1. Type of Free/Reduced Price Application Used</b> <input type="checkbox"/> Household			<b>6. Type of Verification Used</b> <input type="checkbox"/> Basic <input type="checkbox"/> Alternate-Random <input type="checkbox"/> Alternate-Focused <input type="checkbox"/> No Verifications Performed			
A. All Schools	B. Provision 2/3 Schools WHICH ARE NOT OPERATING A BASE YEAR	Items 7 through 11 are required and are reported as of the date of completion of the verification process (see instructions). Item 12 is optional and is reported as of February 15.		A. FREE ELIGIBLE based on FS/TANF/FDPIR Application (Categorically Eligible)	B. FREE ELIGIBLE based on Income/Household Size Application (Income Eligible)	C. REDUCED PRICE ELIGIBLE
<b>2. Number of schools and RCCIs operating the NSLP and/or SBP</b>						
<b>3. Number of enrolled students with access to the NSLP (or SBP for SBP only schools)</b>						
<b>4. Total FREE ELIGIBLE reported</b>		A. # of Students	B. # of Approved Applications	<b>7. No Change</b> # applications # students		
4-1. # approved as FREE ELIGIBLE who are not subject to verification (directly certified, homeless liaison list, income-eligible Head start, pre-K Even start, residential students in RCCIs, non-applicants approved by local officials)				<b>8. Responded, Changed to Free</b> # applications # students		
4-2. # approved as FREE ELIGIBLE based on FS/TANF/FDPIR case number submitted on an application (Categorically Eligible)				<b>9. Responded, Changed to Reduced Price</b> # applications # students		
4-3. # approved as FREE ELIGIBLE based on income/household size information submitted on an application				<b>10. Responded, Changed to Paid</b> # applications # students		
4-4. # FREE ELIGIBLES reported for Provision 2/3 Schools WHICH ARE NOT OPERATING A BASE YEAR				<b>11. Did Not Respond</b> # applications # students		
<b>5. Total REDUCED PRICE ELIGIBLE reported</b>				<b>12. Reapplied and Reapproved on or Before Feb. 15</b> # applications # students		
5-1. # reduced price eligibles reported for Provision 2/3 schools WHICH ARE NOT OPERATING A BASE YEAR						

**Appendix IV – Flow Chart of the Verification Process**



\*471 thousand students selected for verification from 279 thousand applications (listed in Appendix I Table 1)

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