

Abstract

This report summarizes the results of the school year (SY) 2007-08 review of applications approved for free or reduced-price benefits under the National School Lunch Program and School Breakfast Program.

Nearly 300,000 applications approved for free or reduced-price school meals at the start of SY 2007-08 were selected by Local Educational Agencies (LEAs) for verification review. The free or reduced-price status of 48 percent of applications selected for review was confirmed in the verification process. Just over 20 percent of applicants selected were found to have been incorrectly certified. A small number of those applicants (9 percent) were undercertified (initially certified for reduced-price meals but found eligible for free meals); the rest (91 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 4 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 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 2008, 50 million attended

schools that participate in the NSLP.¹ About 85 percent of NSLP schools also participate in the School Breakfast Program. Average daily participation in the lunch program reached 31 million in SY 2007-08; in the breakfast program, average daily participation was nearly 11 million. More than 5 billion nutritionally balanced low cost or free lunches, and 1.8 billion breakfasts, were served by participating schools in SY 2007-08. More than 65 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 commodities from the U.S. Department of Agriculture (USDA) 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.² 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 Program on Indian Reservations (FDPIR) are categorically eligible for free meals.

¹ 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 2008 count.

² See Appendix II for a table of SY 2007-08 income eligibility thresholds.

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.³ State or local educational agencies then take steps to certify those students without the need for paper applications. Because direct certification does not depend on applicant-reported income and household size information, the eligibility status of directly certified children is not subject to verification.

Overview of Verification

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 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 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

³ Direct certification with SNAP is mandatory for all LEAs effective with the 2008-09 school year. LEAs are permitted, but are not required, to use TANF and FDPIR data in their direct certification systems. For more detail see USDA 2008.

verification activities by March 1 to their State education agencies on form FNS-742, 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 threshold, or within \$1,200 of the annual income threshold. 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.⁴ Any LEA with a verification nonresponse rate under 20 percent for the previous school year may use one of the 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

⁴ 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.

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 FNS form 742. LEAs submit certification data for all household applications, not just those selected for verification.

For SY 2007-08, more than 18,200 LEAs submitted verification information through 56 State Agencies that administer the NSLP.⁵ The number of students enrolled in reporting LEAs totaled 49.2 million, or 99 percent of all students enrolled in schools participating in the NSLP and SBP.

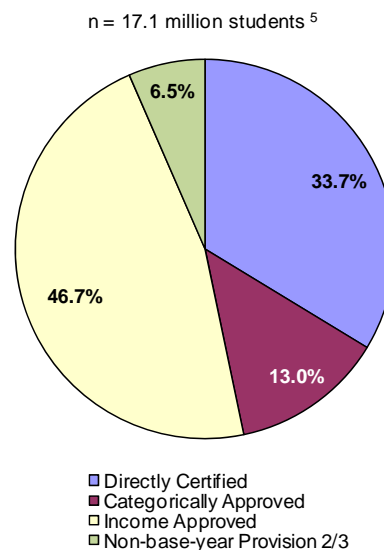
Student Characteristics

LEAs report that 35 percent of students were certified to receive free meals in SY 2007-08, and 8 percent were certified to receive reduced-price meals.⁶

In SY 2007-08, approximately 47 percent of students certified for free meals were approved based on household income and size information

submitted on NSLP applications (See Figure 1). Another 13 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.⁷

Figure 1: Students Certified for Free Meals SY 2007-2008



Non-base-year Provision 2 or Provision 3 schools accounted for the remaining 7 percent of students certified for free meals.⁸ Compared to the previous school year, SY 2006-07, the proportion of students certified for free meals in non-base-year Provision 2 or 3 schools increased about 2 percentage points while the share of directly certified students increased slightly more than 1 percentage point. Free meal certification by income and categorical approval

⁵The 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, 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.

⁶ These figures represent applications approved by the end of October 2007. They are certification counts prior to the start of the SY 2007-08 verification process.

⁷ 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.

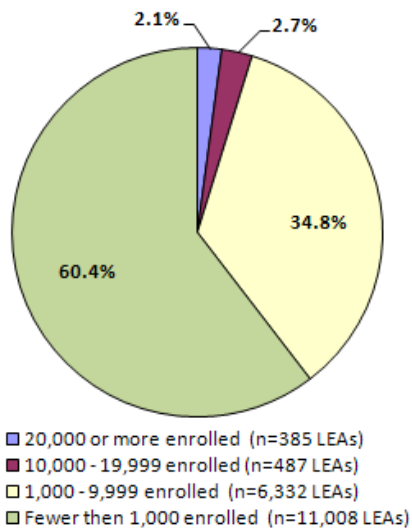
⁸ Children are not certified annually in Provision 2 or Provision 3 schools. The number of children certified for free meals in the schools' most recent base years, adjusted for subsequent growth in enrollment, is used in this report to represent the number who are counted as “free certified” in SY 2007-08. 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.

decreased as a share of the total by 2 and 1 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 7 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 Education Agencies (LEAs) By LEA Enrollment Size: SY 2007-2008

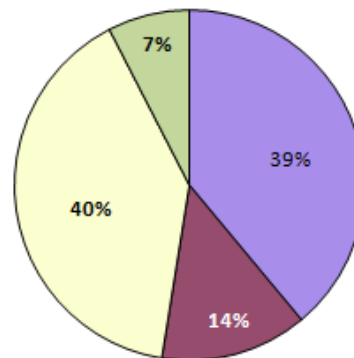


In the smallest LEAs, students directly certified for free meals accounted for about 20 percent of all students certified for free or reduced-price meals (Figure 3). In the largest LEAs, that number is 30 percent. This result is consistent with program rules: LEAs with fewer than 10,000 students were not required to begin use of direct certification until SY 2008-09, the year following the data analyzed in this report.

A recent study of direct certification in the NSLP estimated that more than 95 percent of LEAs with enrollments above 10,000 successfully implemented a direct certification system by SY 2007-08.⁹

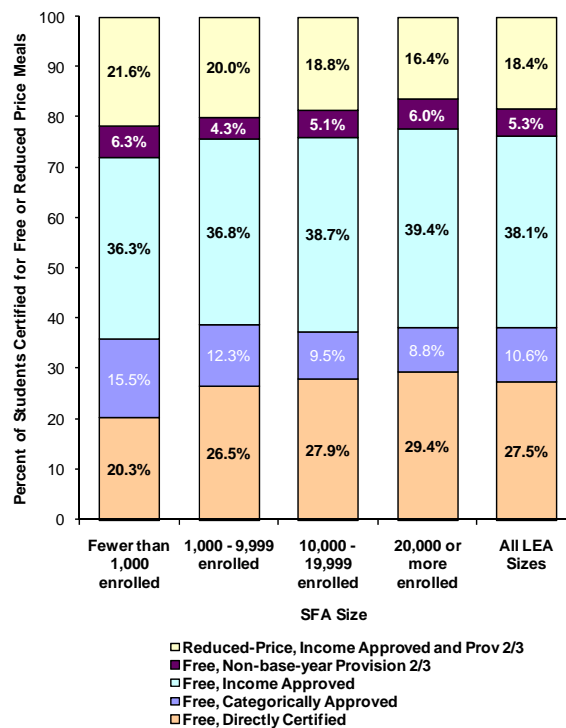
⁹ USDA, FNS 2008a.

Figure 2b: Number of Students Enrolled By LEA Enrollment Size - SY 2007-2008



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 2007-2008



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 (16 percent of all free and reduced-price certifications) than in LEAs with the highest enrollments (9 percent). This is, at least in part, a consequence of the fact that LEAs with enrollments under 10,000 were not required to directly certify students in SY 2007-08. This relationship between LEA size and the number of categorically approved applications may change in SY 2008-09 when all LEAs become subject to the direct certification mandate. At that time, small LEAs will begin to directly certify some SNAP participants who had previously submitted SNAP case numbers on paper applications.

Regardless of LEA size, certification by traditional application was the most common method of certification for free and reduced-price meals in SY 2007-08. 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 2007-2008

Ninety-five percent of reporting LEAs verified applications in SY 2007-08. In all, these LEAs verified more than 297,000 applications, or 3.5 percent of applications initially approved for free or reduced-price meals.¹⁰

Sampling Methods Used for Verification

Among LEAs that selected applications for verification (and reported a verification method on their FNS-742) 45 percent used the basic method to choose their samples. The alternate random sampling method was used by 44 percent of LEAs. Just 8 percent of LEAs used the alternate error-prone sampling method.

¹⁰ 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.

Figure 4 highlights the relationship between LEA student enrollment and the verification sampling method used. Sixty-one percent of LEAs with 20,000 or more enrolled students used the basic verification sampling method. By contrast, just 43 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.

Smaller LEAs have better verification response rates than very large LEAs.

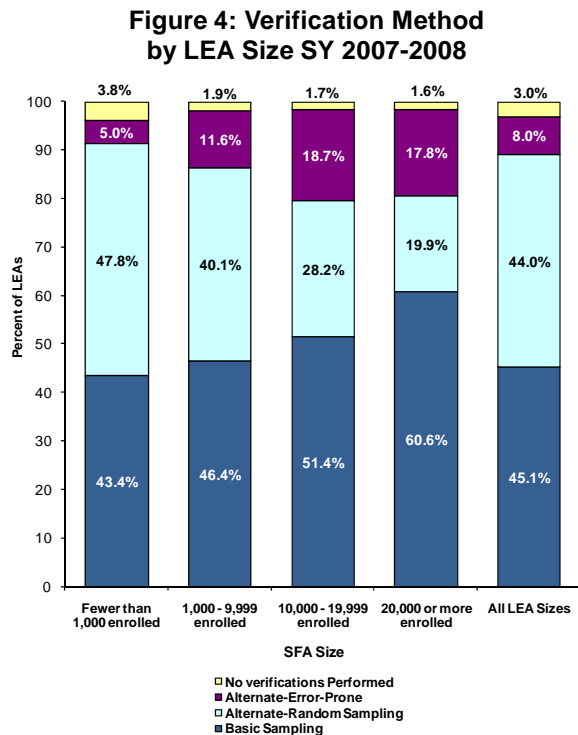
By the first of these measures, far fewer large LEAs than small LEAs qualify to use an alternate sampling method. About 14 percent of LEAs with 20,000 or more students have preceding year nonresponse rates under 20 percent. For LEAs with fewer than 1,000 students, the comparable figure is 83 percent.¹¹

Table 1. Verification Nonresponse Rates by LEA Enrollment: SY 2006-07 and SY 2007-08

LEA Enrollment Size	SY 2006-2007	SY 2007-2008
	Nonresponse Rate Under 20%	Nonresponse Rate Under 20%
< 1,000	83%	84%
1,000-9,999	50%	54%
10,000-20,000	23%	30%
> 20,000	14%	19%
All	68%	71%

¹¹ The difference in nonresponse improvement by LEA size is less dramatic, but favors the biggest LEAs over the smallest. An estimated 12% of LEAs with enrollments under 1,000 showed improvements in nonresponse rates from SY 2005-06 to SY 2006-07 of 10% or more. Twenty-one 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. Nearly half (47%) of LEAs with 20,000 or more students that used an alternate sampling method chose error-prone sampling over random sampling.¹² Among LEAs with fewer than 1,000 students, just 9 percent of those that used an alternate method chose error-prone over random sampling.



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, 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 2007-08 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

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 his 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 48 percent of applications selected for verification was confirmed in the SY 2007-08 verification process (see Appendix I Table 8). The confirmation rate was much higher among small LEAs than large LEAs. The initial certification status of nearly 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 29 percent.

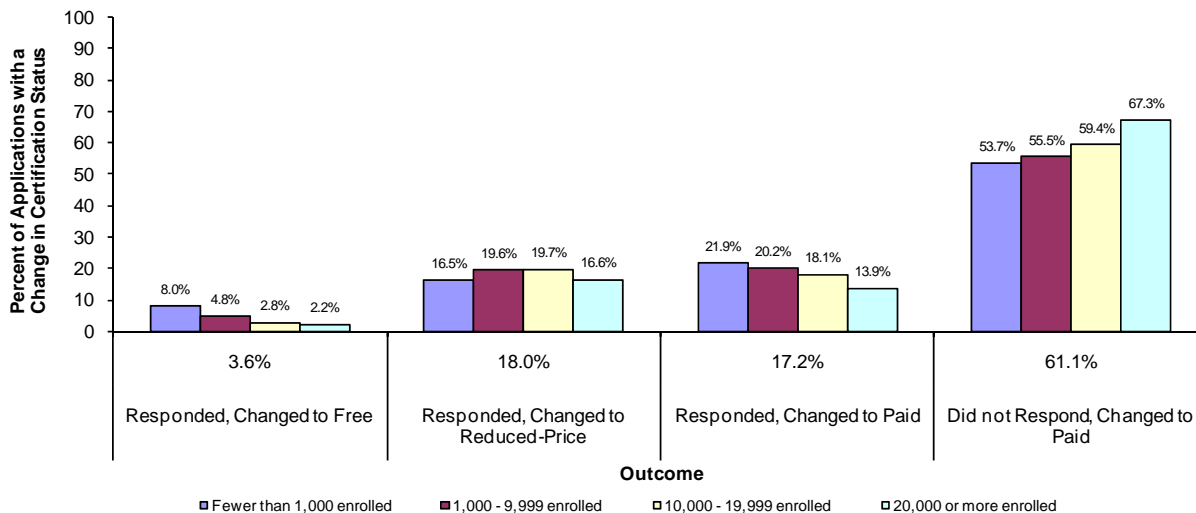
The free or reduced-price status of 52 percent of applications was changed as a result of verification. *Of those with a change in status, 78 percent were reduced from free or reduced-price to paid, 18 percent changed from free to reduced-price, and 4 percent were changed from reduced-price to free (see Figure 5).*

More than 3/4 of applicants whose free or reduced-price status was changed to paid failed to respond to LEA requests for documentation.¹³

¹² Sixty-eight LEAs with more than 20,000 students used the alternate error-prone sampling methodology, and 76 used the alternate random sampling methodology. $(68/(68+76)) = 47\%$.

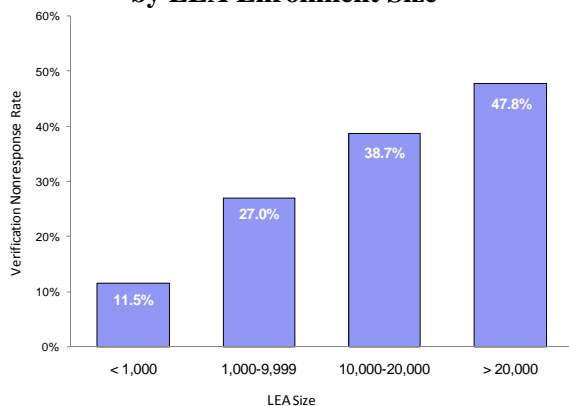
¹³ Documentation submitted by 26,757 applicants in response to LEA verification requests did not support either a free or reduced-price status. An additional 94,870 applicants failed to respond to the LEAs' requests for documentation. $94,870 / (94,870 + 26,757) = 78\%$.

Figure 5: Changes in Certification Status by LEA Size, SY 2007-2008



As shown in Figure 6 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 48%, while LEAs with fewer than 1,000 students had an average nonresponse rate of only 11%. Trends in nonresponse are addressed in the following section.

Figure 6. Verification Nonresponse Rates by LEA Enrollment Size



Trends in Reporting and Verification SY 2004-05 to SY 2007-08

The States began submitting results of LEA verification efforts to FNS in SY 2004-05. Figure 7 highlights what is one of the most

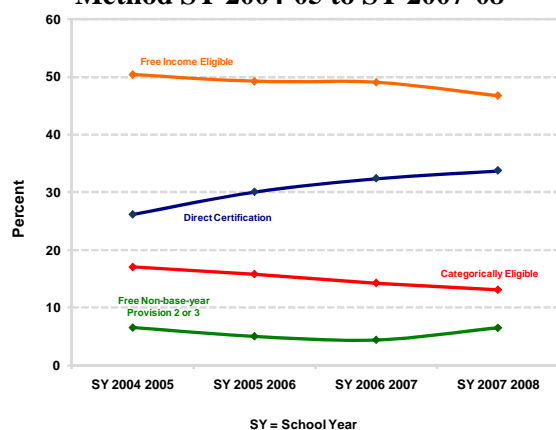
significant developments affecting the NSLP verification process over the past 4 years. Since SY 2004-05, the share of all children approved for free school meals by direct certification has grown from 26 percent to 34 percent (+29%). Over this same period, the share of children approved for free meals through the traditional application process has dropped from 67 percent to 60 percent (-11%).

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 is phased in over 3 school years. LEAs with 25,000 or more students were required to begin directly certifying SNAP children in SY 2006-07; LEAs with fewer than 10,000 students were not required to adopt direct certification until SY 2008-09. 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 2001-02, about 61 percent of school districts used direct certification.¹⁴

¹⁴ Gleason, et al, 2003.

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 7: Students Certified for Free Meals by Certification Method SY 2004-05 to SY 2007-08

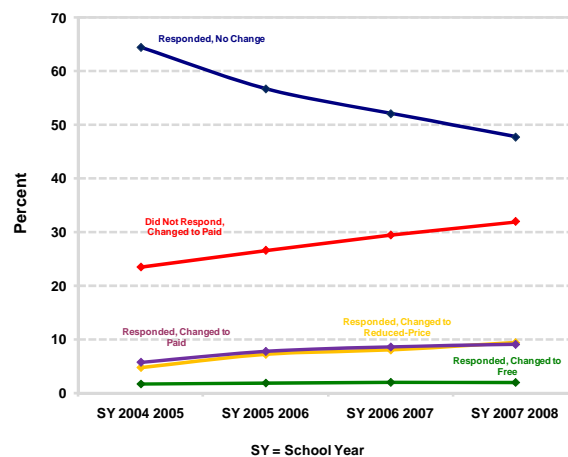


The reduction over time in the percent of applicants whose initial certification is confirmed in the verification process is additional evidence that verification efforts are increasingly focused on applicants with uncertain eligibility (see Figure 8). The contribution of direct certification to this trend is explained above. A second contributing factor is a change in program rules, effected by the 2004 Reauthorization Act, that requires most LEAs to select their verification samples from the subpopulation of error-prone applicants.

Another notable trend is the growth in the percent of applicants who fail to respond to LEA

requests for verification data, from 23 percent in SY 2004-05 to 32 percent in SY 2007-08. This might be explained, in part, by the increasing focus on applicants whose reported incomes approach the upper threshold for program eligibility. It is possible that more of these applicants are income ineligible.

Figure 8: Change in Verification Outcomes SY 2004-05 to SY 2007-08



Summary and Conclusions

LEAs selected 297,000 applications for verification review in SY 2007-08. The verification process confirmed the free or reduced-price status of fewer than half (48 percent) of those applicants. About 20 percent of applicants were improperly certified. The remaining 32 percent failed to respond to the LEAs' requests for supporting documentation.

In SY 2004-05, 65 percent of applicants selected for review were found to have been correctly certified. The reduction in this confirmation rate since SY 2004-05 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. The increasing rate of nonresponse is an ongoing cause for concern. Nonresponse rates in large LEAs (more than 20,000 students) are 4 times higher than nonresponse rates in smaller LEAs (fewer than 1,000 students).

Acknowledgements

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Appendix I – Summary Tables

Appendix Table 1: Verification Outcomes by Certification Status, SY 2007-2008

Application Verification Outcome	Free Meals, Categorically Approved	Free Meals, Income Approved	Reduced-Price, Income Approved	Total
Responded, No Change	84.3%	45.3%	39.7%	47.8%
Responded, Changed to Free	n.a.	n.a.	6.1%	1.9%
Responded, Changed to Reduced-Price	1.9%	15.8%	n.a.	9.4%
Responded, Changed to Paid	2.3%	6.1%	16.9%	9.0%
Did not Respond, Changed to Paid	11.4%	32.9%	37.3%	31.9%
n =	32,221	172,747	92,180	297,148

Appendix Table 2: Verification Outcomes by Sampling Method, SY 2007-2008

Application Verification Outcome	Basic	Alternate Random	Alternate Error-Prone	Unspecified
Responded, No Change	42.9%	57.4%	41.9%	64.0%
Responded, Changed to Free	1.9%	1.9%	1.7%	1.7%
Responded, Changed to Reduced-Price	10.4%	7.4%	10.2%	7.0%
Responded, Changed to Paid	9.4%	8.0%	10.2%	6.8%
Did not Respond, Changed to Paid	35.4%	25.2%	36.0%	20.5%
n =	159,891	85,579	39,717	11,961

Appendix Table 3: Basic Sampling Method Verification Outcomes

Application Verification Outcome	Free Meals, Categorically Approved	Free Meals, Income Approved	Reduced-Price, Income Approved
Responded, No Change	83.8%	41.2%	35.2%
Responded, Changed to Free	n.a.	n.a.	6.1%
Responded, Changed to Reduced-Price	2.0%	17.1%	n.a.
Responded, Changed to Paid	2.5%	6.3%	17.1%
Did not Respond, Changed to Paid	11.7%	35.4%	41.6%
n =	13,398	95,967	50,526

Appendix Table 4: Alternate Random Sampling Verification Outcomes

Application Verification Outcome	Free Meals, Categorically Approved	Free Meals, Income Approved	Reduced-Price, Income Approved
Responded, No Change	84.7%	54.0%	48.8%
Responded, Changed to Free	n.a.	n.a.	6.3%
Responded, Changed to Reduced-Price	2.1%	13.2%	n.a.
Responded, Changed to Paid	2.4%	5.4%	15.7%
Did not Respond, Changed to Paid	10.8%	27.4%	29.2%
n =	13,917	45,599	26,063

Appendix Table 5: Alternate Error-Prone Sampling Verification Outcomes

Application Verification Outcome	Free Meals, Categorically Approved	Free Meals, Income Approved	Reduced-Price, Income Approved
Responded, No Change	80.5%	40.4%	35.2%
Responded, Changed to Free	n.a.	n.a.	5.6%
Responded, Changed to Reduced-Price	1.5%	16.5%	n.a.
Responded, Changed to Paid	2.3%	6.5%	19.4%
Did not Respond, Changed to Paid	15.8%	36.6%	39.9%
n =	3,052	24,207	12,458

Appendix Table 6: Student Certification by LEA Size, SY 2007-2008

Student Certification	Fewer than 1,000 enrolled	1,000 - 9,999 enrolled	10,000 - 19,999 enrolled	20,000 or more enrolled	Total
Reduced-Price, Income Approved and Prov 2/3	21.6%	20.0%	18.8%	16.4%	18.4%
Free, Provision 2/3 Schools	6.3%	4.3%	5.1%	6.0%	5.3%
Free, Income Approved	36.3%	36.8%	38.7%	39.4%	38.1%
Free, Categorically Approved	15.5%	12.3%	9.5%	8.8%	10.6%
Free, Directly Certified	20.3%	26.5%	27.9%	29.4%	27.5%
n =	1,603,395	7,519,687	2,769,657	9,069,300	20,962,039

Appendix Table 7: Verification Sampling Method by LEA Size, SY 2007-2008

SFA size	Basic	Alternate Random	Alternate Error-Prone	No Verifications Performed	Unknown
Fewer than 1,000 enrolled	57.9%	65.3%	37.4%	75.2%	68.4%
1,000 - 9,999 enrolled	36.1%	31.9%	51.3%	22.1%	29.3%
10,000 - 19,999 enrolled	3.1%	1.7%	6.4%	1.5%	1.9%
20,000 or more enrolled	3.0%	1.0%	4.9%	1.1%	0.5%
n =	7,821	7,628	1,381	524	858

Appendix Table 8: Verification Outcomes by LEA Size, SY 2007-2008

Application Verification Outcome	Fewer than 1,000 enrolled	1,000 - 9,999 enrolled	10,000 - 19,999 enrolled	20,000 or more enrolled	Total
Responded, No Change	78.6%	51.4%	34.9%	29.0%	47.8%
Responded, Changed to Free	1.7%	2.3%	1.8%	1.6%	1.9%
Responded, Changed to Reduced-Price	3.5%	9.5%	12.8%	11.8%	9.4%
Responded, Changed to Paid	4.7%	9.8%	11.8%	9.9%	9.0%
Did not Respond, Changed to Paid	11.5%	27.0%	38.7%	47.8%	31.9%
n =	60,108	107,379	32,440	97,221	297,148

Appendix Table 9: Students Receiving Free Meals

Certification Type	SY 2004-2005	SY 2005-2006	SY 2006-2007	SY 2007-2008
Direct Certification	26.1%	30.0%	32.3%	33.7%
Categorically Eligible	17.0%	15.8%	14.2%	13.0%
Free Income Eligible	50.3%	49.2%	49.0%	46.7%
Free Non-base-year Provision 2 or 3	6.6%	5.0%	4.4%	6.5%
n=	15,705,566	15,411,441	16,599,813	17,104,833

Appendix Table 10: Verification Outcomes of All Applications

Verification Outcome	SY 2004-2005	SY 2005-2006	SY 2006-2007	SY 2007-2008
Responded, No Change	64.5%	56.8%	52.1%	47.8%
Responded, Changed to Reduced-Price	4.8%	7.2%	8.0%	9.4%
Responded, Changed to Paid	5.7%	7.7%	8.5%	9.0%
Responded, Changed to Free	1.6%	1.8%	1.9%	1.9%
Did Not Respond, Changed to Paid	23.4%	26.5%	29.4%	31.9%
n=	395,137	364,835	333,278	297,148

Appendix II – Income Eligibility Guidelines, School Year 2007-2008

INCOME ELIGIBILITY GUIDELINES												
Effective from July 1, 2007 to June 30, 2008												
HOUSEHOLD SIZE	FEDERAL POVERTY GUIDELINES			REDUCED PRICE MEALS - 185 %				FREE MEALS - 130 %				
	ANNUAL	MONTHLY	EVERY TWO WEEKS	ANNUAL	MONTHLY	EVERY TWO WEEKS	WEEKLY	ANNUAL	MONTHLY	EVERY TWO WEEKS	WEEKLY	
48 CONTIGUOUS STATES, DISTRICT OF COLUMBIA, GUAM, AND TERRITORIES												
1	18,889	1,575	788	13,273	1,107	554	364	13,273	1,107	554	511	256
2	25,327	2,111	1,056	17,977	1,484	742	488	17,977	1,484	742	685	343
3	31,765	2,648	1,324	22,321	1,861	931	611	22,321	1,861	931	859	430
4	38,203	3,184	1,592	26,845	2,238	1,119	735	26,845	2,238	1,119	1,033	517
5	44,641	3,721	1,861	31,369	2,615	1,308	859	31,369	2,615	1,308	1,207	604
6	51,079	4,257	2,129	35,893	2,992	1,496	983	35,893	2,992	1,496	1,381	691
7	57,517	4,794	2,397	40,417	3,369	1,685	1,107	40,417	3,369	1,685	1,555	778
8	63,955	5,330	2,665	44,941	3,746	1,873	1,230	44,941	3,746	1,873	1,729	865
For each add'l family member, add	6,438	537	269	4,524	377	189	124	4,524	377	189	174	87
ALASKA												
1	23,625	1,969	985	16,601	1,384	692	455	16,601	1,384	692	639	320
2	31,672	2,640	1,320	22,256	1,855	928	610	22,256	1,855	928	856	428
3	39,720	3,310	1,655	27,911	2,326	1,163	764	27,911	2,326	1,163	1,074	537
4	47,767	3,981	1,991	33,566	2,798	1,399	919	33,566	2,798	1,399	1,291	646
5	55,815	4,652	2,326	39,221	3,269	1,635	1,074	39,221	3,269	1,635	1,509	755
6	63,862	5,322	2,661	44,876	3,740	1,870	1,229	44,876	3,740	1,870	1,726	863
7	71,910	5,993	2,997	50,631	4,211	2,106	1,383	50,631	4,211	2,106	1,944	972
8	79,957	6,664	3,332	56,186	4,683	2,342	1,538	56,186	4,683	2,342	2,161	1,081
For each add'l family member, add	8,048	671	336	5,655	472	236	155	5,655	472	236	218	109
HAWAII												
1	21,738	1,812	906	15,275	1,273	637	419	15,275	1,273	637	588	294
2	29,138	2,429	1,215	20,475	1,707	864	561	20,475	1,707	864	788	394
3	36,538	3,045	1,523	25,875	2,140	1,070	703	25,875	2,140	1,070	988	494
4	43,938	3,662	1,831	30,875	2,573	1,287	845	30,875	2,573	1,287	1,188	594
5	51,338	4,279	2,140	36,075	3,007	1,504	988	36,075	3,007	1,504	1,388	694
6	58,738	4,895	2,448	41,275	3,440	1,720	1,130	41,275	3,440	1,720	1,588	794
7	66,138	5,512	2,756	46,475	3,873	1,937	1,272	46,475	3,873	1,937	1,788	894
8	73,538	6,129	3,065	51,675	4,307	2,154	1,415	51,675	4,307	2,154	1,988	994
For each add'l family member, add	7,400	617	309	5,200	434	217	143	5,200	434	217	200	100

Source: Federal Register, Vol. 72, No. 38, p. 8687

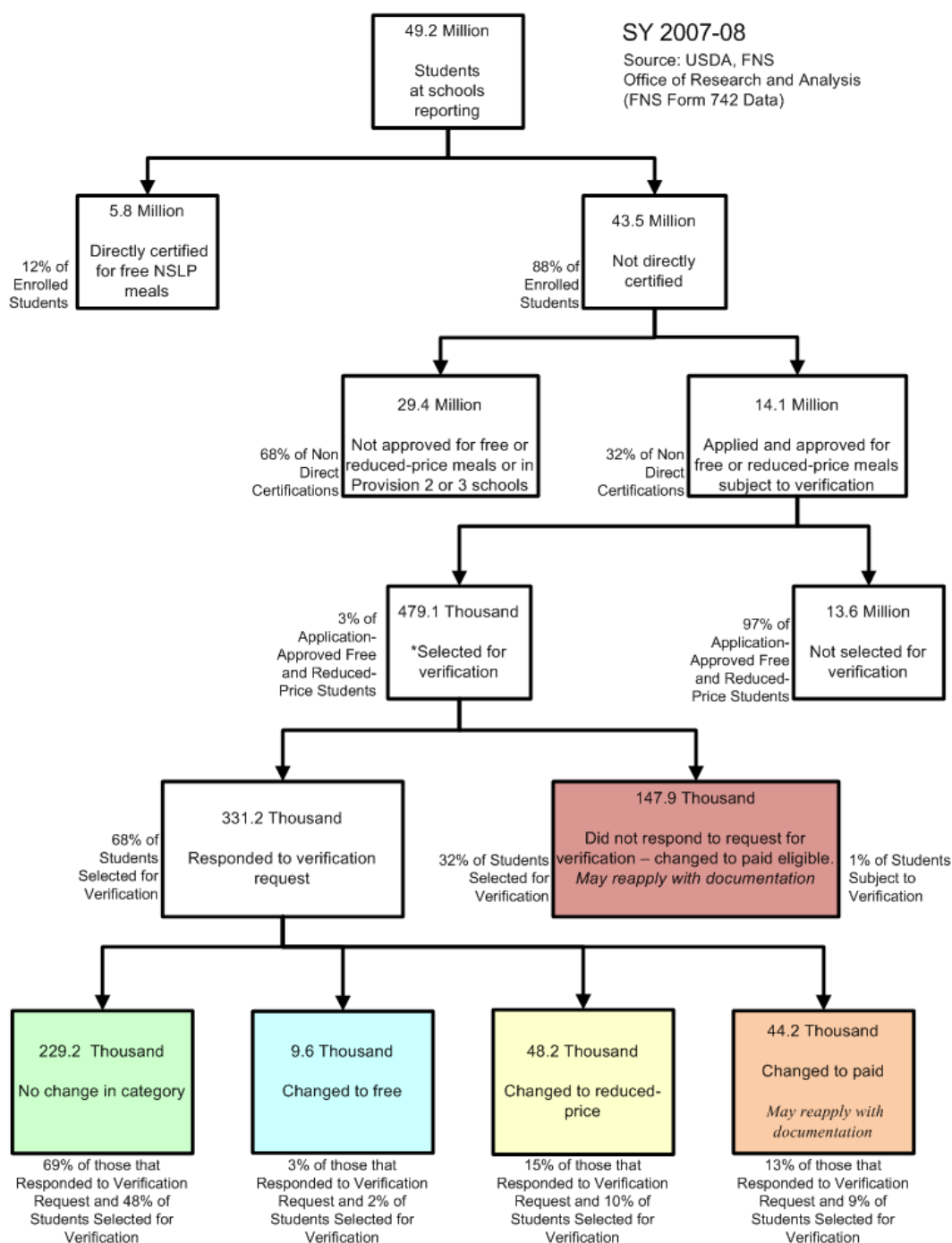
Appendix III – School Food Authority Verification Summary Report (form FNS-742)

FORM APPROVED OMB # 0584 -0026

[INSERT STATE AGENCY NAME]			SFA ID #			
SCHOOL FOOD AUTHORITY VERIFICATION SUMMARY REPORT			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.						
I. Enrollment, Application, and Eligibility Information (Pre Verification)			II. Results of Verification, by Application Type			
1. Type of Free/Reduced Price Application Used <input type="checkbox"/> Household			6. Type of Verification Used <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	<i>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.</i>	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
2. Number of schools and RCCIs operating the NSLP and/or SBP						
3. Number of enrolled students with access to the NSLP (or SBP for SBP only schools)						
	A. # of Students	B. # of Approved Applications	7. No Change	# applications		
				# students		
4. Total FREE ELIGIBLE reported			8. Responded, Changed to Free	# applications		
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)				# students		
4-2. # approved as FREE ELIGIBLE based on FS/TANF/FDPIR case number submitted on an application (Categorically Eligible)			9. Responded, Changed to Reduced Price	# applications		
4-3. # approved as FREE ELIGIBLE based on income/household size information submitted on an application				# students		
4-4. # FREE ELIGIBLES reported for Provision 2/3 Schools WHICH ARE NOT OPERATING A BASE YEAR			10. Responded, Changed to Paid	# applications		
				# students		
5. Total REDUCED PRICE ELIGIBLE reported			11. Did Not Respond	# applications		
5-1. # reduced price eligibles reported for Provision 2/3 schools WHICH ARE NOT OPERATING A BASE YEAR				# students		
			12. Reapplied and Reapproved on or Before Feb. 15	# applications		
				# students		

Form FNS - 742 (February 2004)

Appendix IV – Flow Chart of the Verification Process



*479.1 Thousand students selected for verification from 297.2 thousand applications (listed in Appendix I Table 1)

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