
There IS such a thing as a free lunch

**Effective direct certification and
direct verification to ensure adequate
nutrition for California's children**

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Glossary of Acronyms and Abbreviations

| | |
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| AFDC | Aid to Families with Dependent Children, which later became Temporary Assistance for Needy Families (TANF) |
| CALPADS | California Longitudinal Pupil Achievement Data System |
| CalWORKS | California Work Opportunities and Responsibility to Kids |
| CDE | California Department of Education |
| CDSS | California Department of Social Services |
| CSIS | California School Information Services |
| DHCS | California Department of Health Care Services |
| FDPIR | Food Distribution Program on Indian Reservations |
| FNS | Food and Nutrition Service |
| FPL | Federal Poverty Level |
| FS | Food Stamp Program |
| LEA | Local Education Agencies |
| SCHIP | State Children’s Health Insurance Program, known in California as Healthy Families |
| SSN | Social Security Number |
| TANF | Temporary Assistance for Needy Families, previously known as Aid to Families with Dependent Children (AFDC) |
| USDA | U.S. Department of Agriculture |
| WIC | Special Supplemental Nutrition Program for Women, Infants and Children |

Executive Summary

All children should have adequate nutrition in order to learn in the classroom – no matter what their family income. Children that can't afford to pay full price for school breakfast or lunch can apply for free and reduced price lunches, but paperwork hassles often make it difficult to get enrolled. Recently, Congress, the California state legislature, Governor Arnold Schwarzenegger and State Superintendent of Public Instruction Jack O'Connell have created exciting opportunities to decrease paperwork and get meals to the kids that need them. These opportunities involve direct certification and direct verification, processes that use information from other means-tested programs to confer and check eligibility for school meals. Improving direct certification, implementing direct verification and including Medi-Cal information are all steps that California can take to ensure healthier and smarter kids at school.

We hope that this paper may serve as an informative guide for administrators and advocates at the district, county, state and federal level looking to enroll more children in school meals with less paperwork. By understanding the process and barriers to fulfilling its full potential, we can all collaborate to ensure that children are not missing out on the important nutrition they need.

CFPA's recommendations for effective direct certification and direct verification:

Direct Certification

- LEAs should switch to the state match or use the state match in addition to the county match.
- Comprehensive testing of criteria options should be conducted to identify the match criteria that will match the most eligible children while not matching ineligible children.
- A benchmark of match coverage, such as the percent of eligible children matched to school enrollment, should be set and monitored. If match coverage does not reach the benchmark, action should be taken to identify and remedy the problem.
- The match criteria should be loosened by eliminating any identifiers, such as address, that limit the number of LEAs able to participate and result in eligible children not being matched.
- A multiple match process should be implemented to increase the number of eligible children matched.
- Additional action should be taken with unmatched children on the FS and CalWORKs list, such as making the list available to LEAs and creating a sibling match.
- CDE should continue with plans to increase the match frequency to monthly and CSIS should provide freedom to access the match list in a variety of ways.
- CDE should increase communications regarding the availability and continual improvements of the state match. Both CDE and CSIS should provide additional outreach and trainings.

Direct Verification

- Direct verification should be used when a system is in place to make use of Medi-Cal and Healthy Families data.
- Communications to LEA staff should clarify that direct verification can be used for both categorical and income application.

Adding Medi-Cal and Healthy Families

- CDE should pursue the inclusion of income information for Healthy Families children in the statewide database to facilitate direct certification and direct verification for those children.
- CDE should use the design and implementation efforts of the Medi-Cal and Healthy Families direct verification system to implement direct certification with Medi-Cal and Healthy Families in California as a pilot program or, if and when federal authority is clarified, as a permanent statewide effort.

Introduction

All children should have adequate nutrition in order to learn in the classroom – no matter what their family income. Children that can't afford to pay full price for school breakfast or lunch can apply for free and reduced price lunches, but paperwork hassles often make it difficult to get enrolled. Recently, Congress, the California state legislature, Governor Arnold Schwarzenegger and State Superintendent of Public Instruction Jack O'Connell have created exciting opportunities to decrease paperwork and get meals to the kids that need them. These opportunities involve direct certification and direct verification, processes that use information from other means-tested programs to confer and check eligibility for school meals. Improving direct certification, implementing direct verification and including Medi-Cal information are all steps that California can take to ensure healthier and smarter kids at school.

We hope that this paper may serve as an informative guide for administrators and advocates at the district, county, state and federal level looking to enroll more children in school meals with less paperwork. By understanding the process and barriers to fulfilling its full potential, we can all collaborate to ensure that children are not missing out on the important nutrition they need.

To get more meals to more kids:

- *Improve direct certification*
 - *Implement direct verification*
 - *Include Medi-Cal information*
-

School Meals: The Basics

The National School Lunch Program began in 1946 when the National School Lunch Act authorized it as a program to “safeguard the health and well being of the nation’s children.” Many years later, in 1975, the School Breakfast Program was added. While both programs provide meals to all children at a subsidized price, children from low-income households can apply for free or reduced price meals. The federal government provides reimbursement to schools for all meals served and provides a higher reimbursement for free and reduced price meals served. In addition, schools in California receive a supplemental reimbursement from the state for free and reduced price meals.

Table 1: California School Meals Eligibility and Reimbursement Rates¹

| | Income Limit for Eligibility (% FPL) | Lunch Reimbursement Federal* | Lunch Reimbursement State | Breakfast Reimbursement Federal ⁺ | Breakfast Reimbursement State |
|----------------------|--------------------------------------|------------------------------|---------------------------|--|-------------------------------|
| Free | 130% | \$2.57 | \$0.22 | \$1.40 | \$0.22 |
| Reduced Price | 185% | \$2.17 | \$0.22 | \$1.10 | \$0.22 |
| Paid | NA | \$0.24 | NA | \$0.25 | NA |

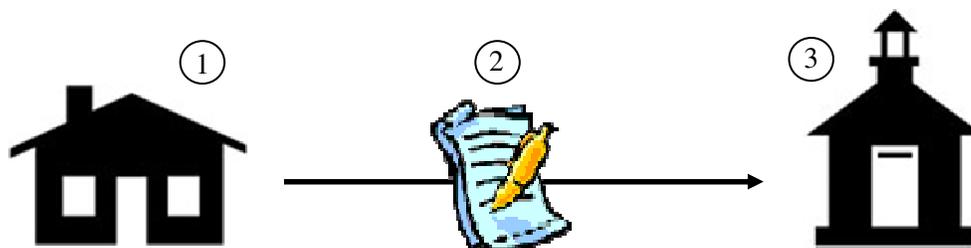
FPL – Federal Poverty Level

* If a school serves >60% free and reduced price lunch, rate increases \$0.02.

⁺ If a school serves >40% free and reduced price breakfast, rate increases \$0.28. (Not for paid meals)
Reimbursement rates do not include an additional \$0.2075 commodity value per lunch.

Local Education Agencies (LEAs), often synonymous with school districts, are responsible for the certification and verification of student eligibility for free and reduced price meals. Certification is the process in which an LEA deems a child eligible for free or reduced price meals based on information reported on his or her paper application. After students have been certified for free or reduced price meals, verification is the process in which LEAs check the eligibility of a selected sample of students.

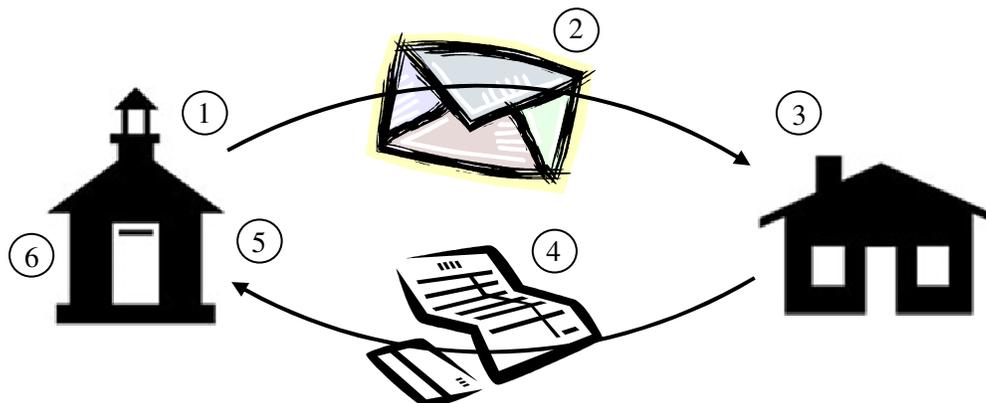
Figure 1: Traditional Paper-based Certification Process for Free or Reduced Price Meals



1. Member of household fills out paper application.
2. Household sends paper application to LEA.
3. LEA reviews information and if eligibility requirements met, certifies student.

¹ <http://www.cde.ca.gov/ls/nu/rs/rates0809.asp>

Figure 2: Traditional Paper-based Verification Process for Free or Reduced Price Meals



1. LEA selects sample of certified students for verification.
2. LEA sends a letter to households to request verifying information.
3. Household collects requested information.
4. Household sends copies of information to LEA
5. LEA reviews information and if information meets eligibility requirement, student remains certified.
6. If household does not respond, child's meal benefits are terminated.

Although this traditional paper-based approach has enrolled millions of children, there are faults that keep eligible children from the nutritional benefits of school meals. We estimate that in California one in four children eligible for free or reduced price meals are not enrolled. The result is that more than 700,000 low-income children pay full price or go without meals during the school day.² Two factors contribute to low enrollment: low rates of application submission from eligible populations and the loss of enrolled children during verification because documentation was not submitted to the school. In addition, the administrative burden and paperwork involved in the processing of all children applying for meal benefits can be significant. Both direct certification and direct verification address the above concerns by increasing eligible enrollment and reducing paperwork for school administrators.

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² Chandran, Kumar. *Recess from the Recession: How School Meals Can Do More to Help Struggling Families*. Oakland, CA: California Food Policy Advocates. 12 Jan 2009
http://www.cfpa.net/School_Food/backtoschool_2008.pdf.

Direct Certification

Direct certification enables LEAs to certify eligibility for free school meals, *without an application from the household*. LEAs can use information from another means-tested program to confirm that the family meets eligibility requirements. As an additional benefit to school administrators, any student directly certified for meal benefits is not subject to the verification process.

Legislative History

Direct certification was first authorized for use in The Child Nutrition and WIC Reauthorization Act of 1989 (P.L. 101-147), which allowed for direct certification with Food Stamps (FS), Aid to Families with Dependent Children (AFDC), and the Food Distribution Program on Indian Reservations (FDPIR). (AFDC later became Temporary Assistance for Needy Families (TANF), which is known in California as California Work Opportunities and Responsibility to Kids (CalWORKS).)

Initially, direct certification was an optional process and its use grew gradually. By 1996 more than 3 in 5 districts participating in NSLP nationwide conducted direct certification.³ The Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265) mandated the implementation of direct certification for all children in households receiving food stamp benefits by July 2008. In 2005, California passed legislation requiring the California Department of Education (CDE) to design and implement a computer match system using FS and CalWORKS to directly certify school meal eligibility.

Process

In paper certification, each household submits an application reporting a means-tested program case number (categorical application) or household income and size (income application). Categorical applications are certified when a valid CalWORKS or FS case number is provided. Income applications are certified by calculating percent of the federal poverty level (FPL) from reported household income and size. The limit for free meals is 130 percent FPL and for reduced price meals the limit is 185 percent. Traditional paper-based certification requires LEAs to process applications for *every* household applying for meal benefits.

Paper certification requires LEAs to process applications for every household applying for meal benefits.

*Direct certification uses means-tested program participation to enroll students for benefits **without an application from the household.***

³ Cole and Logan. *Data Matching in the National School Lunch Program: 2005 Volume 1: Final Report*. Alexandria, VA: USDA FNS Office of Analysis, Nutrition and Evaluation, 2007. 6 Dec 2008 <http://www.fns.usda.gov/oane/menu/published/cnp/FILES/DataMatching-V1.pdf>.

Direct certification uses information from another means-tested program to enroll students for benefits *without an application from the household*. If a child is in a household participating in FS, CalWORKS or FDPIR, which in California have income limits below 130% FPL, the child can be automatically enrolled for free meal benefits. Although FDPIR is authorized for direct certification, FS and CalWORKS are the programs most frequently used.

Benefits

Children, families and LEAs all benefit from direct certification. Any child whose household receives FS or CalWORKS does not need to have someone in the household fill out and send in a paper application. Families that previously did not apply because they didn't understand the application, were afraid of negative immigration action, were unaware of eligibility or unable to return the application to schools will now have their children enrolled for meal benefits. LEAs benefit by having reduced administrative paperwork, time and money spent on the processing of applications. Another benefit for LEAs is that because directly certified children are not subject to selection for the verification sample, there is much less work to do for verification. LEAs also benefit because they do not have to choose between turning away a needy child in the lunch line because his or her family did not submit an application and picking up the cost of feeding that child.

Current Use in California

As of July 2008, federal law required all LEAs to conduct direct certification using FS participation data and most LEAs are also including CalWORKS in their efforts. There are two methods of direct certification: state match and local match. At the beginning of the 2008 school year, about 18% of LEAs had chosen to use the state match method, which represents about 26% of the state's public K-12 schools.⁴ It is assumed that the rest of the schools are using local matches.

The State Match

The state computerized match that was required by 2005 California legislation became available free-of-charge to all LEAs in the summer of 2007. The match is coordinated between the California School Information Services (CSIS), who manages CDE's student database, and the California Department of Health Care Services (DHCS), who maintains the database containing FS and CalWORKS information. Two times a year, in July and September, LEAs submit student enrollment data to CSIS. CSIS then compiles all the data received from participating LEAs and submits it to be matched. The student addresses submitted by LEAs is validated by an external service and any student with an invalid address (one that is not recognized by the US Postal Service) will be excluded from the match. At the same time, DHCS

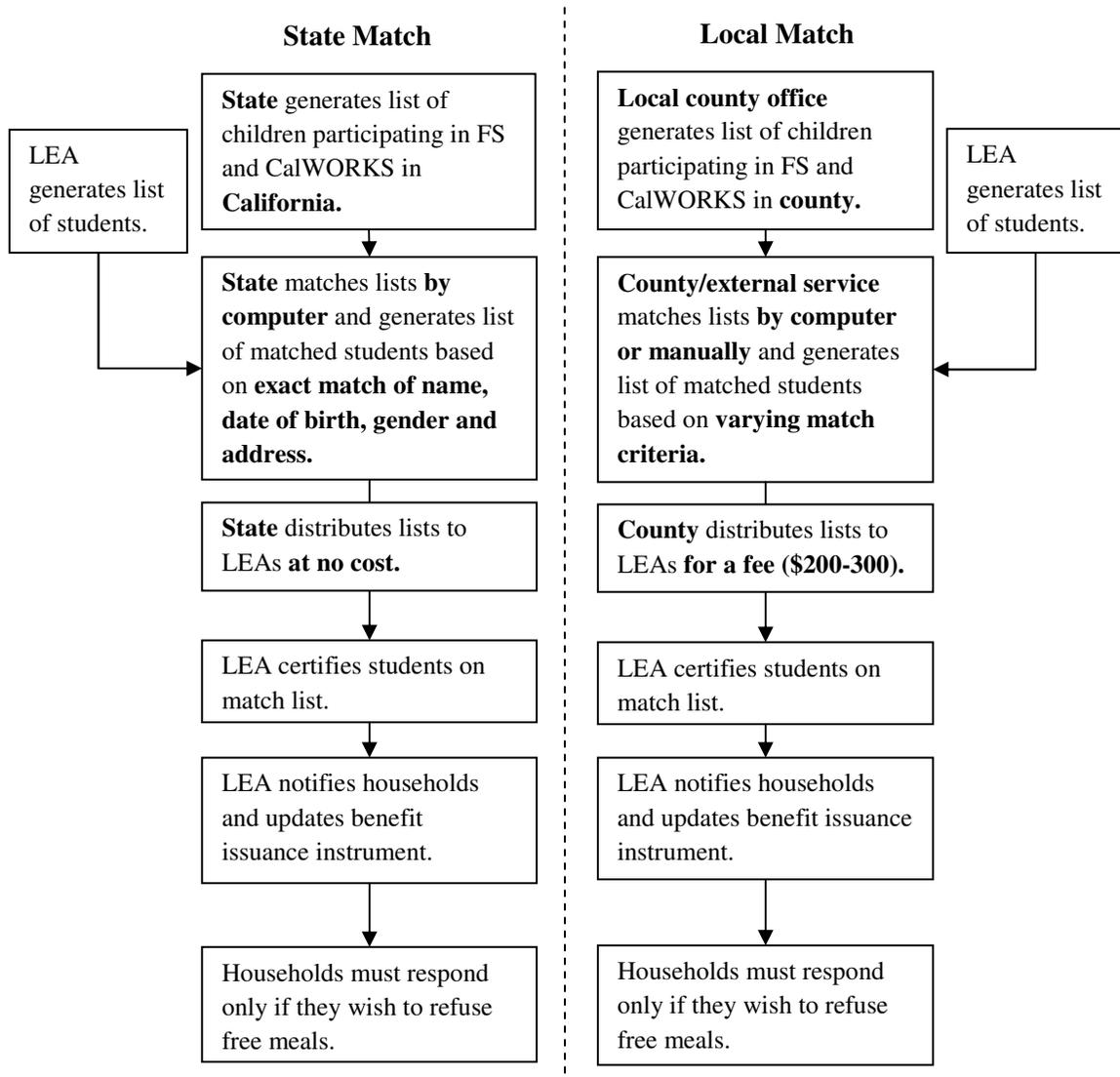
Any student with an invalid address will be excluded from the match. Only students that have exact matches for four criteria — phonetic name, date of birth, gender and address — are considered matched.

⁴ Correspondence with CSIS. 28 Aug 2008.

compiles a list of all school-age children in households participating in FS or CalWORKS from their database which is updated monthly. First and last names of children in both lists are processed to simple phonetics, to account for data entry and spelling errors. When the two lists are processed, only students that have *exact matches for four criteria* — phonetic name, date of birth, gender and address — are considered matched. The resulting list of matched students is sent to CSIS with an indication of eligibility, which is added to the students' CSIS information. CSIS then notifies LEAs that they can download a list of matched children to be directly certified for free meals. LEAs send letters to families of directly certified children to notify them of meal benefit enrollment and inform them that no further action is necessary unless they would like to opt out of meal benefits. Since its implementation in 2007, the number of LEAs participating in the state match has grown from 30 in 2007 to 227 in 2008.

It is important to note that CDE is planning important changes to the state match system in 2009. With CDE's implementation of the California Longitudinal Pupil Achievement Data System (CALPADS) in Fall 2009, CSIS will no longer manage the CDE student database. LEAs will submit their data through CALPADS rather than through CSIS. Also, CDE is planning to increase the frequency of the match to monthly starting June 1, 2009.

Figure 3. Comparison of State Match and Local Match



The Local Match

Many more LEAs are using the local match than the state match for direct certification, perhaps because the state match was only very recently made available. In 2006, large LEAs with student enrollments of greater than 25,000 were required to implement a method of direct certification and the only option available was the local match. Other LEAs that chose to implement before their mandatory deadline would have also used the local match.

The local match is similar to the state match in concept, but the details of the process are not standardized. Most often, the LEA submits a list of enrolled students to the county, who matches it to a list of children participating in FS and CalWORKS within the county. The resulting list of matched students is given to the LEA to conduct direct certification. Matches are generally conducted at the end of July and some counties will conduct additional matches if requested by the LEA. Counties charge the LEAs a fee for each match process conducted, usually about \$200

to \$300. Each county chooses different criteria to match by: phonetic name, gender and date of birth; name, date of birth, social security number (SSN) and address; or name, date of birth and SSN. Most LEAs report that the match is computerized, but a few smaller counties report that the match is done manually. In addition to being done by the county, some LEAs contract with an independent data processing service to conduct the match.

Achieving the Best Match

In theory, every child on the FS and CalWORKS list should be matched to his or her name on a school enrollment list and directly certified. In other words, once a household with school age children is approved for FS or CalWORKS benefits, the children should automatically begin receiving free school meals without the family having to take additional steps. Unfortunately, that is not the case. Often children are not matched, not because they are ineligible, but because of data entry errors or design flaws of the match. The question becomes: How can we make the California match the best match? The best match would be one in which the most eligible children are matched without incorrectly matching ineligible children. The best match would also be a match that is easy and accessible for LEA staff.

When we spoke to the food service technicians and directors in California that conduct direct certification, they wanted a system that would match the most children, provide timely results and allow flexible access to the match lists. The following are our recommendations to improve direct certification in California.

LEA staff wants a system to:

- *Match the most children,*
 - *Provide timely results, and*
 - *Allow flexible access to match lists.*
-

Recommendations for Improving the Match

Focus on the State Match

With improvements over time, we believe that the state match has the potential to be the best match method for LEAs. Because the state match uses a statewide list of FS and CalWORKS children, it can match more children than the local match. For example, if a student on a LEA's enrollment list has recently moved from another county, they could be matched in the state match but not in the local match. LEAs can request an updated list from CSIS at any time during the year, enabling them to check if newly enrolled students have been previously direct certified through the state match in a different LEA. In addition, the CDE plans to improve the state match by conducting matches on a monthly basis starting on June 1, 2009, which will more accurately reflect the eligibility of children participating in FS or Cal. Finally, the state match is provided free-of-charge, so LEAs that switch to the state match will save money or LEAs that choose to use both the county and state match will have no additional costs. Using both the state and the local match may lead to more

Recommendation: LEAs should switch to the state match or use the state match in addition to the county match.

children being directly certified in a LEA because the one match may identify eligible children that the other match may miss because of differing match criteria. With continued improvement, the state match can match more children than the local match at no cost to LEAs and LEAs will be able to access results quickly and more frequently throughout the year. We recommend that LEAs switch to the state match or use the state match in addition to the local match. For that reason, the proceeding discussion and recommendations will pertain to the state match.

Liberalize the Match Criteria

It is critical that the criteria for the California state match accurately identify eligible children. Little testing has been done to identify criteria that will result in the best match. Also, there is a lack of monitoring data of match results to inform match accuracy because state law precluded such test until January 1, 2009. Without comprehensive testing and regular monitoring, the match is running blind and will continue to cause eligible children to miss out on benefits. One purported rationale for not testing the match criteria are concerns about protecting student privacy. But tests can be done that honor California's important privacy protections. Other states have tested and fine-tuned match criteria within privacy regulations and Massachusetts has set benchmarks of match coverage for their state match. While there may always be a portion of students that will not be matched due to data entry errors, the match should be designed to capture as many eligible students as possible. We recommend that a comprehensive testing of criteria options be conducted to identify the match criteria that will match the most eligible children while not matching ineligible children. Also, a benchmark of match coverage, such as the percent of eligible children matched to school enrollment, should be set and monitored. If match coverage does not reach the benchmark, action should be taken to identify and remedy the problem.

***Recommendation:** A comprehensive testing of criteria options should be conducted to identify the match criteria that will match the most eligible children while not matching ineligible children. Also, a benchmark of match coverage... should be set and monitored. If match coverage does not reach the benchmark, action should be taken.*

In examining the California state match, we found that the match criteria may be too stringent, which is causing false negatives in the match — that is, eligible children not being matched. Of all four criteria for match, (name, date of birth, gender and address) the address identifier may be causing the most false negatives. If households submit an invalid address or LEAs enter the address incorrectly, the state match will exclude the child, eligible or not, from the match. Even if the address is valid, low-income children tend to move frequently and the address listed in FS or TANF records may not match the one listed in school district records. Finally, the address identifier limits the LEAs that can participate in the state match. Some LEAs may not have a system that stores addresses in the form requested by CSIS or they may not have the staffing or support to submit it to CSIS. Address or any geographic identifier is not required to be included

in criteria for a direct certification match. Only one out of the forty-four states using direct certification in 2005 required it for state or local match.⁵ We recommend that in testing for best match criteria, the match criteria be loosened by eliminating any identifiers, such as address, that limit the number of LEAs able to participate and result in eligible children not being matched.

Recommendation: *The match criteria should be loosened by eliminating any identifiers, such as address, that limit the number of LEAs able to participate and result in eligible children not being matched.*

Utilize Multiple Matches

Multiple matches is a strategy that is used by a number of states to improve the accuracy of a state match. Multiple matches involve a primary match that has stringent criteria and a second match that does not include previously matched children and has looser criteria. The primary match will accurately capture a portion of eligible children, while the second match will catch

Recommendation: *A multiple match process should be implemented to increase the number of eligible children matched.*

children that may have typos in the primary match criteria that are causing them to not be matched. Using this method ensures that children that are eligible do get directly certified in the second match. We recommend that in testing for best match criteria, a multiple match process be implemented to increase the number of eligible children matched.

Unmatched Kids and Sibling Matches

All possible effort should be made to ensure that eligible children are matched. It should not be assumed that the match is accurate. Instead, a list of unmatched kids should be created for two purposes: to provide LEAs with additional information and to identify eligible unmatched siblings.

Unmatched children are children that are on the list denoting participation in Food Stamps and CalWORKS, but did not match on all the criteria to the information submitted by school districts. If LEAs could access a list of unmatched children in their county or statewide, they could use that information to find and correct possible reasons the child did not match, such as a misspelled address, unintentional typo or old address. This sort of feedback from the match process will be very helpful for the school district and also for improving the state match process.

When talking to food service directors and technicians, they frequently mentioned being frustrated when a child in a household is matched, but a sibling of that child is not matched. Oregon is the only state that has implemented a sibling match to address the problem. After the primary match has occurred, the sibling match creates a list of unmatched FS and TANF children

⁵ Cole and Logan 2007.

that have the same head of household as matched FS and TANF children.⁶ Those children are eligible for direct certification under the 2004 Reauthorization legislation that requires direct certification for any “child who is a *member of a household* receiving assistance under the food stamp program.” The sibling match list can then be added to the match list and he or she can be directly certified. As the sibling issue is prevalent nationwide and in California, it makes sense to implement a sibling match to ensure that all children in FS and CalWORKS households are matched for direct certification. We recommend that additional action be taken with unmatched children on the FS and CalWORKS list, such as making the list available to LEAs and creating a sibling match, to ensure that more eligible children are matched.

Recommendation: *Additional action should be taken with unmatched children on the FS and CalWORKS list, such as making the list available to LEAs and creating a sibling match.*

Continue with Plans to Increase Match Frequency

The current frequency and timing of the match does not meet the needs of LEAs to match all eligible children. Many LEAs expect a significant number of new students to enroll in the first week of school and depending on what the start date of the school year, new students often are not captured in the July match and may or may not be captured in the September match. Also, there can be a significant time between the submission of school data and the return of the match list in which schools have received new enrollees.

Staff of LEAs commented that it would be helpful to them if they were able to quickly download updated lists of matched children. This would enable them to capture new enrollees and also students that enroll throughout the school year. This improvement would also work to directly certify children in households that enter FS or CalWORKS *after* the September match. Because FS and CalWORKS databases are updated monthly to include new recipients, an updated list of all eligible children could be matched to updated school enrollment lists each month. A monthly match would allow LEAs to use direct certification to capture all eligible students throughout the school year, whether they are new to the school or to the FS or CalWORKS program. CDE’s current plans to increase the match frequency to monthly starting June 1, 2009 will greatly improve LEAs ability to directly certify students that begin participating in FS or CalWORKS during the school year.

Recommendation: *CDE should continue with plans to increase the match frequency to monthly and CSIS should provide freedom to access the match list in a variety of ways.*

⁶ Cole and Logan. 2007.

It is important to note that because Reauthorization legislation states that certification status is eligible for one year, each month the list should not be replaced by the new list, but be merged with the new list, to avoid children losing benefits. As the updated match is maintained in the CSIS (or future CALPADS) database, LEAs could be given the ability to use multiple ways to access the match list; staff could download a school-year-to-date match list or a monthly match list or search for the match status of an individual student. We recommend that CDE continues with plans to increase the state match frequency to monthly and that CSIS (or CALPADS) provides freedom to access the match list in a variety of ways, to capture more eligible students and make it easier for LEA staff to conduct direct certification.

Improved Communications

Lastly, LEA staff requested that additional communication and technical support be provided to implement and improve direct certification activities. Some school staff were unaware that the state match was available at no charge and that CSIS was providing on-site and web trainings. Although communication is clear in written bulletins and notices, it may not be reaching the staff responsible for enrolling students in meal programs. Smaller or rural LEAs may not have as much administrative support as larger LEAs and need additional assistance in implementing the match. For example, in 2008, CSIS added a data field for addresses to its “extended client” option in order to facilitate the use of the state matching system for small LEAs that do not have automated student information systems. More actions like this could be taken to accommodate the needs of smaller LEAs. We recommend that the CDE increase communications regarding the availability and continual improvements of the state match. Both CDE and CSIS should provide additional outreach and trainings, particularly for small rural LEAs, to increase participation in the state match.

Recommendation: CDE should increase communications regarding the availability and continual improvements of the state match. Both CDE and CSIS should provide additional outreach and trainings.

Direct Verification

Direct verification avoids the hassles of paper verification by using means-tested program participation information to check eligibility. It also reduces the number of eligible children who lose free or reduced price meals. When children are directly verified for free or reduced price meals, no additional documentation needs to be requested from families and then processed by LEAs.

Legislative History

Before 2004, direct verification allowed LEAs to use the FS, TANF and FDPIR program information to verify categorical applications (reporting case numbers), but not income applications (reporting household income and size). With the passage of the Child Nutrition and WIC Reauthorization Act of 2004, Medicaid and State Children's Health Insurance Program (SCHIP) can also be used and both categorical and income applications can be directly verified. The process continues to be optional for LEAs, but becomes a much more powerful tool with the changes made by the most recent Reauthorization.

Process

In paper verification, a sample of all students certified for free and reduced price meals as of October 1st must be verified. Directly certified students are not included in the pool of students sampled to be verified. Some LEAs have options for choosing how to sample their pool of certified students. In most cases, the sample is three percent of the pool and composed of mostly income applications. For all students in the sample, the LEAs send a letter to the household requesting documentation of program participation or income, depending on whether the student was certified based on a categorical or income application. On average, one out of three students asked to respond with documentation for verification loses their meal benefit because the LEA does not receive verification paperwork.⁷ It may be that households do not want to share income documentation, do not have income documentation or have language barriers that make it difficult to understand the letter. As a result, many eligible children lose free or reduced price meal benefits.

Similar to direct certification, direct verification uses a match to create a list of students eligible for free or reduced price meals. If a student is on the match list and in the verification sample, the student is directly verified for meal benefits and no letter is sent to the household .

Benefits

Direct verification benefits children, families and LEAs. Children that are eligible for meal benefits are able to retain them and families do not need to return documentation to LEAs. The workload of LEA staff decreases as less time is spent trying to contact households and process documents. A study by the U. S. Department of Agriculture's Food and Nutrition Service (USDA FNS) shows that paper verification takes eighty-one minutes for each student, while

⁷ Cole and Logan. 2007.

direct verification only takes six minutes.⁸ Direct verification, like direct certification, has the potential to increase eligible enrollment and reduce administrative burden.

Best Uses

There are circumstances in which direct verification is best used. In essence, it is an interim step between the paper certification and verification world and a world in which there is complete and effective direct certification. To be relevant and effective, the means-tested programs used for direct verification must be different than those used for direct certification. If FS and CalWORKS are used for direct certification, theoretically all children in FS and CalWORKS will be directly certified and none will be in the verification sample to be directly verified. In reality, some children will not be matched in direct certification and may be in the sample to be directly verified, but the more effective the direct certification process, the smaller the number will be. However, if Medicaid and SCHIP are used in addition to FS and CalWORKS for direct verification, there will be a substantial list of children that can be directly verified and the process will actually be useful to LEA staff conducting verification.

Secondly, the higher the non-response rate to verification letters, the more valuable direct verification will be. In areas where many eligible households are unlikely to respond to the verification request for reasons such as language or literacy barriers, direct verification will help vulnerable families retain meal benefits and will reduce paperwork for school personnel. In areas with a high response rate to verification letters, the paperwork reduction will be more modest, but directly verified families will still be spared an additional step.

Current Use in California

Direct verification has never been mandatory, so although some LEAs have explored the option, very few LEAs actually use direct verification. One of the reasons is that direct verification has not included data from Medi-Cal, the Medicaid program in California, or Healthy Families, the SCHIP program in California. Of the LEAs that tried direct verification, all said that they used only FS and CalWORKS. As mentioned previously, if the same group of programs is used for direct certification and direct verification, LEAs will find little benefit because most children will be directly certified and not subject to verification. There was also confusion among staff regarding the ability to use direct verification on income applications. Most staff thought that direct verification could only be used for categorical applications (applications with FS or

Recommendation: Direct verification should be used when a system is in place to make use of Medi-Cal and Healthy Families data. In addition, communications to LEA staff should clarify that direct verification can be used for both categorical and income application.

⁸ Cole, Logan, and Hoaglin. *Direct Verification Pilot Study - First Year Report*. Alexandria, VA: USDA FNS, Office of Analysis, Nutrition and Evaluation, 2007. 4 Dec 2008
<<http://www.fns.usda.gov/OANE/MENU/Published/CNP/FILES/DirectVerificationYear1.pdf>>.

CalWORKS case numbers) and as income applications make up the majority of verification samples, direct verification did not prove useful. We recommend that direct verification be used when a system is in place to make use of Medi-Cal and Healthy Families data. In addition, communications to LEA staff should clarify that direct verification can be used for both categorical and income applications.

Addition of Medi-Cal to Direct Certification and Verification in California

Legislative Authority

The recent passage of Assembly Bill 2300 requires the CDE to develop and implement a computerized state match for direct certification and direct verification of free and reduced price meals using Medicaid data. The 2004 federal Reauthorization allowed for Medicaid and SCHIP to be used as programs for direct verification, but *not* direct certification. It could be interpreted to allow for pilot programs that examine the potential of using Medicaid and SCHIP in direct certification. The act states that Medicaid participation confirms eligibility for free meals in state with Medicaid income limits at or below 133% FPL. For Medicaid or SCHIP programs that have income limits above 133% FPL, an indicator of income eligibility verifies free or reduced price meal status.

Potential of Medi-Cal

In California, the potential for Medi-Cal and Healthy Families inclusion in direct certification and direct verification is staggering. Because of income eligibility guidelines, all two million children in Medi-Cal and an estimated four hundred thousand children in Healthy Family are eligible for free and reduced price meals. That is 3.5 times the number of children in FS and 5.5 times the number of children in CalWORKS.⁹ By including Medi-Cal and SCHIP data in the verification process, the children in these programs that submitted a paper application will not have to return documentation of participation or income for verification. Inclusion in direct certification is far more powerful: all of the 2.4 million children can be matched and automatically enrolled for free

*Direct certification with
Medi-Cal could yield 1.6
million more children being
enrolled for free meals.*

meals without application. Current direct certification does capture children that are participating in FS or CalWORKS, but 70% of children in Medi-Cal and Healthy Families do *not* participate in other programs and therefore cannot benefit from current direct certification efforts.¹⁰ We estimate that direct certification with Medi-Cal could yield 1.6 million more children being automatically enrolled for free meals.

Process

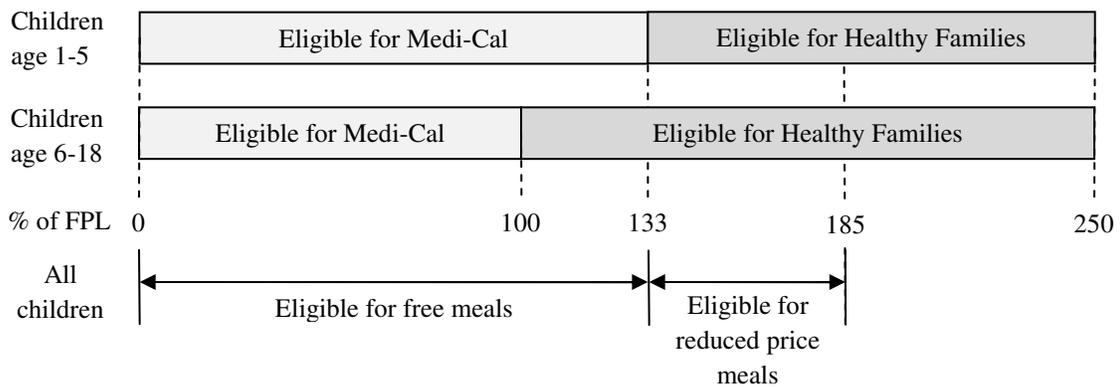
For California, the inclusion of Medi-Cal in direct certification or direct verification will be relatively simple as an addition to the existing computerized state match. All Medi-Cal children may be certified for free meals because the income limit is 133% FPL for very young children and 100% FPL for most school age children (See Figure 4). Therefore Medi-Cal participation data will be added to FS and CalWORKS data to create a list of either children to be matched for direct certification or direct verification. The list is then matched and made available for use by LEAs. By using the same process used for FS and CalWORKS, the inclusion of Medi-Cal should not be difficult.

⁹ California Health Information Survey. AskCHIS. 12 Jan 2009.
<<http://www.askchis.com/main/default.asp>>

¹⁰ California Health Information Survey. AskCHIS.

The addition of Healthy Families data might be more complicated. In Healthy Families, most school-age children in Healthy Families have incomes between 100% and 250% the FPL. Without income and household size or percent FPL data, it is impossible to know whether they are eligible for free meals, reduced price meals or neither. If the information is available, it is only a matter of calculating and categorizing children to the appropriate eligibility status, but if the information is not available, it will pose a major barrier to the Healthy Families being useful for the purposes of direct certification or direct verification.

Figure 4. Difficulty Matching Medi-Cal, Healthy Families and School Meal Income Eligibility



Recommendations

In California, the income limits of Healthy Families and the lack of income data for Healthy Families children poses a challenge for inclusion of Healthy Families in direct certification and direct verification. Without income information for participants in Healthy Families, the children in the program with incomes between 133% and 185% FPL cannot be directly certified or verified for reduced price meals and the portion of children between 100% and 133% FPL will miss out on free meal benefits. The options are then to 1) use only Medi-Cal data for free meal eligibility, 2) use young siblings in Medi-Cal to identify older children eligible for free meals or 3) include income information at the state level in order to use Healthy Families data to identify children eligible for free and reduced price meals.

In the first option, where only Medi-Cal data is used, young children ages 1-5 that are attending school will be identified as eligible for free meals because the income limit for that age range is 133% FPL. But for most children of school age (6-18), the income limit is 100% FPL. All Medi-Cal children age 6-18 will be identified as eligible for free lunch, but children that are in Healthy Families and have incomes between 100% and 133% FPL will not be identified for free meals.

The second option is to use young siblings age 1-5 to identify households that have incomes at or below 133% and then include older siblings in Healthy Families to be matched for free meals. Unfortunately, it would not capture students in Healthy Families with incomes from 100% to 133% FPL that do not have younger siblings. Both the first and second options will not capture any students in Healthy Families that are eligible for free or reduced price meals.

The final and most ideal option is to explore the possibility of including income information in the state level database for Healthy Families children. Washington State also faced the same issue and was able to get income data included at the state level.¹¹ If it is possible in California to change the state level data to include income information, all children in Medi-Cal and Healthy Families will be able to be identified for free or reduced price meals. We recommend that CDE pursues the inclusion of income information for Healthy Families children in the statewide database to facilitate direct certification and direct verification for those children.

Recommendation: *CDE should pursue the inclusion of income information for Healthy Families children in the statewide database to facilitate direct certification and direct verification for those children.*

Another barrier to full inclusion of the Medi-Cal and Healthy Families data into direct certification and direct verification is confusion regarding the federal authority for implementation. The federal authority is clear in authorizing the inclusion of the programs for direct verification; however, authority for using the programs in direct certification is only for pilot programs. If the inclusion of the two programs in direct certification is designed as a pilot project, then it can be implemented. Luckily, the design and work needed to include the programs in direct certification is the same work that would be done to use program data for in direct verification alone.

Recently, CDE has acquired USDA funding to design and implement a direct verification match that uses FS, CalWORKS, Medi-Cal and Healthy Families. When federal authority is available for direct certification, the same matching process can be used for direct certification with little or no additional work. We recommend that the CDE use the design and implementation efforts of the Medi-Cal and Healthy Families direct verification system to implement direct certification in California as a pilot program or, if and when federal authority is clarified, as a permanent statewide effort. When Medi-Cal and Healthy Families is used for direct certification, direct verification will be a somewhat redundant process and could be phased out when it is determined that direct certification is reaching all children eligible for it.

Recommendation: *We recommend that the CDE use the design and implementation efforts of the Medi-Cal and Healthy Families direct verification system to implement direct certification in California as a pilot program or, if and when federal authority is clarified, as a permanent statewide effort.*

¹¹ Cole, Logan and Hoaglin. 2007.

Conclusions

California is beginning its journey towards fully realizing the potential of direct certification and direct verification for enrolling children for free and reduced price meals. There are three actions we can take to achieve the most effective processes: improve the direct certification system, implement direct verification and include Medi-Cal and Healthy Families in the system. With all LEAs conducting direct certification, the CDE can make important improvements to the state match to ensure that it is accurate and serves the needs of LEAs. Implementing direct verification is an important interim step between the current direct certification system and one that should eventually include Medi-Cal and Healthy Families. When we have a system that allows low-income children and families to easily access nutrition at school without the hassles of paper, we will have achieved a great thing for the health and future of California.

CFPA's recommendations for effective direct certification and direct verification:

Direct Certification

- LEAs should switch to the state match or use the state match in addition to the county match.
- Comprehensive testing of criteria options should be conducted to identify the match criteria that will match the most eligible children while not matching ineligible children.
- A benchmark of match coverage, such as the percent of eligible children matched to school enrollment, should be set and monitored. If match coverage does not reach the benchmark, action should be taken to identify and remedy the problem.
- The match criteria should be loosened by eliminating any identifiers, such as address, that limit the number of LEAs able to participate and result in eligible children not being matched.
- A multiple match process should be implemented to increase the number of eligible children matched.
- Additional action should be taken with unmatched children on the FS and CalWORKs list, such as making the list available to LEAs and creating a sibling match.
- State match frequency should be increased to monthly and CSIS should provide freedom to access the match list in a variety of ways.
- CDE should increase communications regarding the availability and continual improvements of the state match. Both CDE and CSIS should provide additional outreach and trainings.

Direct Verification

- Direct verification should be used when a system is in place to make use of Medi-Cal and Healthy Families data.
- Communications to LEA staff should clarify that direct verification can be used for both categorical and income application.

Adding Medi-Cal and Healthy Families

- CDE should pursue the inclusion of income information for Healthy Families children in the statewide database to facilitate direct certification and direct verification for those children.
- CDE should use the design and implementation efforts of the Medi-Cal and Healthy Families direct verification system to implement direct certification with Medi-Cal and Healthy Families in California as a pilot program or, if and when federal authority is clarified, as a permanent statewide effort.

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Appendix A: Application for Free and Reduced Price Meals

California Department of Education
Nutrition Services Division

March 2008

(Place School District or Agency Name Here)

APPLICATION FOR FREE AND REDUCED-PRICE MEALS OR FREE MILK FOR SCHOOL YEAR _____

COMPLETE AND RETURN THIS APPLICATION
TO THE SCHOOL

| FOR SCHOOL USE ONLY – ELIGIBILITY DETERMINATION | | |
|--|--|-------------------------|
| HSGLD SIZE: | HSGLD INCOME: \$ | |
| FREE: | REDUCED: | DENIED: |
| YEAR RND TRACK: | FREE with: FS / CalWORKs / Kin-GAP / FDIPIR | |
| TEMPORARY FREE UNTIL: (45 calendar days from date of determination) | Direct Certified as: H M R EP <input type="checkbox"/> | |
| DETERMINING OFFICIAL: | DATE: | 2 nd Review: |
| VERIFICATION OFFICIAL: | DATE: | Follow-up: |

SECTION A. ALL HOUSEHOLDS COMPLETE THIS SECTION

| STUDENT / CHILD INFORMATION | | | FOOD STAMP (FS), CALWORKS, KIN-GAP, OR FDIPIR BENEFITS | | FOSTER CHILD | | FOR SCHOOL USE ONLY |
|-----------------------------|------------|-------------|--|----------------------------------|--------------|--|---------------------|
| LAST NAME | FIRST NAME | SCHOOL NAME | YES/NO | IF YES, ENTER CASE NUMBER BELOW: | YES/NO | IF YES, COMPLETE ONE APPLICATION PER FOSTER CHILD. ENTER CHILD'S MONTHLY PERSONAL-USE INCOME | STUDENT ID |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |

If you entered a Food Stamp, CalWORKs, Kin-GAP, or FDIPIR case number for **each** child in Section A, or if this application is for a Foster Child and you entered his/her monthly personal-use income, skip Section B and complete Section C.

SECTION B. HOUSEHOLD MEMBERS AND THEIR MONTHLY INCOME (IF ANY)

(1) List all **adult household members**, regardless of income. (2) Indicate amount(s) and source(s) of income for those adult household members with income last month. (3) Enter any income received last month **by/for a child** from full-time or regular part-time employment, SSI, or Adoption Assistance payments; and (4) If amount last month was more/less than usual, enter the usual amount.

| FULL NAME | GROSS EARNINGS FROM WORK BEFORE DEDUCTIONS, INCLUDE ALL JOBS | PENSION, RETIREMENT, SOCIAL SECURITY | WELFARE BENEFITS, CHILD SUPPORT, ALIMONY PAYMENTS | ANY OTHER MONTHLY INCOME | FOR SCHOOL USE ONLY: TOTAL MONTHLY INCOME |
|-----------|--|--------------------------------------|---|--------------------------|---|
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| 4. | | | | | |
| 5. | | | | | |

California Education Code Section 49557(a): Applications for free and reduced-price meals may be submitted at any time during a school day. Children participating in the National School Lunch Program will not be overtly identified by the use of special tokens, special tickets, special serving lines, separate entrances, separate dining areas, or by any other means.

Privacy Act Statement: National School Lunch Act (Section 9) requires that, unless your child's Food Stamp, CalWORKs, Kin-GAP, or FDIPIR case number is provided, you must include the social security number of the adult household member signing the application or indicate that the household member signing the application does not have a social security number. Provision of a social security number is not mandatory, but the application cannot be approved if a social security number is not provided or an indication is not made that the signer does not have such a number. The social security number may be used to identify the household member in carrying out efforts to verify correct information provided on the application. These verification efforts may be carried out through program reviews, audits, and investigations; and may include contacting employers to determine income, contacting the State's Employment Development Department or local welfare offices to determine the amount of benefits received, and checking the documentation produced by household members to prove the amount of income received. Reporting incorrect information may result in loss or reduction of the household's program benefits, or in administrative claims and/or legal actions against household members.

SECTION C. ALL HOUSEHOLDS READ AND COMPLETE THIS SECTION

I certify that all of the above information is true and correct and that all income is reported. I understand that this information is given for the receipt of Federal funds, that school officials may verify the information on the application, and that deliberate misrepresentation of the information may subject me to prosecution under applicable State and Federal laws.

| | | |
|---|--|----------|
| SIGNATURE OF ADULT HOUSEHOLD MEMBER COMPLETING THIS FORM | TELEPHONE NUMBER | DATE |
| PRINTED NAME OF ADULT HOUSEHOLD MEMBER SIGNING THIS APPLICATION | SOCIAL SECURITY NUMBER (WRITE "NONE" IF N/A) | |
| ADDRESS | | |
| CITY | STATE | ZIP CODE |

SECTION D. CHILDREN'S RACIAL AND ETHNIC IDENTITIES (Optional)

1. Mark one or more racial identities: American Indian or Alaska Native Asian Black or African-American Native Hawaiian or Other Pacific Islander White
2. Mark one ethnic identity: Of Hispanic or Latino Origin Not of Hispanic or Latino Origin

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