

March 3, 2009

USDA STUDY SHOWS STATES FAILING TO CONNECT MANY NEEDY CHILDREN TO FREE SCHOOL MEALS

by Zoë Neuberger

Over the past three years, school districts and the state agencies that run the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program) have been implementing a federal requirement designed to provide food assistance to needy children who are eligible for it and eliminate unnecessary paperwork for families and schools. Under the requirement, known as “direct certification,” states and school districts now work together to ensure that the 9 million school-age children in households receiving SNAP benefits are automatically enrolled for free school meals.¹ School districts rely on detailed information on households’ income collected by the SNAP agency so families can bypass the standard school meals application process. Children in households receiving SNAP benefits were already *eligible* for free meals; the new requirement ensures that they are *enrolled* for free meals.

The U.S. Department of Agriculture (USDA) recently released a study of states’ direct certification performance.² Although USDA’s figures are estimates and states may wish to develop their own more refined measures, USDA’s analysis provides a useful baseline against which states can measure progress and offers information

KEY FINDINGS

- Federal law requires school districts to automatically enroll children for free school meals if their families receive SNAP benefits. This automatic enrollment, known as direct certification, is highly accurate and reduces paperwork for school districts and poor families.
- A new USDA study finds that states vary widely in the performance of their direct certification systems. Sixteen states miss more than two in five children who could be automatically enrolled for free school meals.
- Many children overlooked by direct certification fail to receive free school meals because their parents do not complete a paper application.
- States can take steps to improve direct certification, such as automatically connecting children who begin receiving SNAP benefits in the middle of the school year to free school meals.

¹ Direct certification had been optional for more than a decade for children in households receiving SNAP benefits. On an optional basis, children may also be directly certified based on receipt of cash assistance under the Temporary Assistance for Needy Families (TANF) block grant, or benefits under the Food Distribution Program on Indian Reservations (FDPIR). Homeless, runaway, and migrant children may also be directly certified using different procedures. But the vast majority of children eligible for direct certification are eligible because of SNAP benefits receipt.

² *Direct Certification in the National School Lunch Program: State Implementation Progress*, U.S. Department of Agriculture, Food and Nutrition Service, December 2008, <http://www.fns.usda.gov/ora/MENU/Published/CNP/FILES/DirectCert08.pdf>.

about choices states can make to improve the reach of direct certification. This paper explains three key findings that emerge from the study:

- States vary widely in the share of children eligible for direct certification who are actually enrolled that way; in 16 states, at least two in five children who could have benefited from direct certification missed out.
- Contrary to common belief, many of the poor children missed by direct certification are *not* enrolled for free meals based on a paper application but instead end up not receiving the free meals they need.
- There are several steps states can take to make their direct certification systems more effective.

In Some States, Many Eligible Children Miss Out on Direct Certification

Congress imposed the direct certification requirement because direct certification has considerable benefits over the paper application process.³ It is extremely accurate. It targets a highly needy group of children, all of whom are already eligible for free school meals. It allows families receiving SNAP benefits to avoid a second, duplicative application process and reaches children even if their parents would not have applied for free meals.⁴ It also reduces paperwork for school districts by lowering the number of applications they must process and verify.

USDA's recent study includes state-by-state estimates of the share of children eligible for direct certification in school year 2007-2008 (based on receipt of SNAP benefits) who actually were directly certified. These estimates show that states vary widely in their performance. While five states (Alaska, Delaware, New York, Rhode Island, and Tennessee) directly certified more than 90 percent of eligible children, 16 other states directly certified 60 percent or fewer of eligible children, meaning that at least two in five children who could have benefited from direct certification missed out. Appendix A, taken from the USDA report, provides the results for each state.

In school year 2007-2008, districts with fewer than 10,000 students were permitted, but not required, to implement direct certification. Nearly two-thirds of these districts, containing roughly 90 percent of the students in districts with fewer than 10,000 students, chose to conduct direct certification. Beginning with the 2008-2009 school year, every school district is required to implement direct certification.

The fact that some districts had not yet implemented direct certification certainly plays a role in explaining the variation in state performance, but previous research makes clear that even in districts conducting direct certification, some children who could be directly certified are missed.⁵ USDA

³ These benefits, as well as the operational details of how direct certification works, are discussed in detail in "Implementing Direct Certification — States and School Districts Can Help Low-Income Children Get the Free School Meals for Which They Are Eligible," Center on Budget and Policy Priorities, August 2006, <http://www.cbpp.org/8-11-06fa.htm>.

⁴ Under federal regulations, families must be notified that their children have been directly certified and must be given the option to decline the direct certification. See 7 C.F.R. § 245.6(c)(1).

⁵ In the 2004-2005 school year, considering only districts that were conducting direct certification, approximately one in three children (30 percent) who could have benefited from direct certification missed out even though there was a direct

concludes, “Although differences in the relative number of small LEAs [school districts] may help explain the variation in certification percentages among the States, it cannot provide a complete explanation. Some States’ direct certification systems are simply less effective than other States’ systems.” USDA’s next report, due in June 2009, will compare states’ performance under universal implementation of direct certification.

Many Eligible Children Missed by Direct Certification Fail to Receive Free Meals

Previously, analysts believed that poor children missed by the direct certification process would still be enrolled for free meals based on a paper application from their parents. The USDA study shows this is not the case: many of the eligible children missed by direct certification fail to receive free meals. Thus, improving direct certification not only reduces paperwork, but also ensures that poor children get the meals they need.

USDA examined state performance with regard to the broader universe of children who could be directly certified for free school meals. In addition to the SNAP recipients discussed above, this larger group includes children whom school districts have the option of directly certifying based on their family’s receipt of Temporary Assistance for Needy Families (TANF) cash assistance or Food Distribution Program on Indian Reservation (FDPIR) benefits. USDA estimated the portion of these children who were directly certified and the portion who were certified based on a paper application. It found that while the paper application process picked up substantial numbers of children whom direct certification did not reach, *many eligible low-income children missed out on free meals altogether.*

Appendix B, taken from USDA’s report, estimates the portion of children eligible for direct certification who were actually enrolled for free school meals, through either direct certification or a paper application. It shows that in 12 states — Colorado, Hawaii, Idaho, Illinois, Massachusetts, Missouri, Montana, New Hampshire, New Jersey, North Dakota, Oregon, and Wyoming — and the District of Columbia, more than 25 percent of children who could have been directly certified for free school meals did not receive those meals.

USDA also found that these 12 states directly certified fewer than 60 percent of the children eligible for direct certification. Conversely, nearly three-fourths of the states where a relatively large portion of children eligible for direct certification were actually enrolled for free school meals directly certified *more* than 60 percent of the children eligible for direct certification. In other words, eligible children were more likely to receive free school meals if their state’s direct certification system performed well.

These findings suggest that paper applications do not fully compensate for a weak direct certification system — and that very poor children who qualify for free meals are more likely to receive those meals if they are directly certified.

certification process in place. See “Data Matching in the National School Lunch Program: 2005,” prepared by Abt Associates Inc. under a research contract with the Food and Nutrition Service, USDA, December 2006, <http://www.fns.usda.gov/oane/MENU/Published/CNP/CNP.HTM>.

States Can Take Steps to Directly Certify More Eligible Children

Consistent with prior research on direct certification, USDA's report highlighted a few key steps states can take to improve the reach of their direct certification systems.⁶

- *Use a system that automatically enrolls children in households receiving SNAP benefits for free school meals through computer data matches.* In lieu of data matches, some states mail letters to SNAP households about their eligibility for free school meals, which the household then has to return to the school district. Research has consistently shown that many of the letters are never returned.⁷ In one state that relies solely on letters, for example, only 37 percent of the children in families that received the letter were directly certified.⁸ By using a computerized data matching system, states can reach a much greater share of the children eligible for direct certification and can make improvements in the system over time.
- *Build a system that automatically enrolls children for free school meals throughout the school year.* For example, the system might allow school districts to routinely match their list of students to an updated list of SNAP households and look up the SNAP status of a child who changes to a new school district during the school year. Instead, many states and districts directly certify students once or twice each year, an approach that misses children who enroll in SNAP during the school year as well as SNAP recipients who move from one school district to another. For example, between August 2007 and June 2008, more than half a million school-age children joined SNAP, thus becoming eligible for free school meals. By directly certifying children throughout the school year, states and school districts can make sure that children whose families are struggling with food insecurity receive the free school meals for which they are eligible as soon as they begin receiving SNAP benefits.
- *Allow for variations in names and spelling when conducting matches.* State SNAP computer systems and school data bases may record children's names slightly differently. Some states report that using software that checks for variations in names and spelling increased the number of successful matches. Other states run additional matches using identifiers other than names. Such steps help ensure that more eligible poor children are connected to free school meals.

⁶ For more detailed discussions of specific steps states and districts can take to reach more children eligible for direct certification, see "Data Matching in the National School Lunch Program — Approaches to Direct Certification and Direct Verification: Guide for State and Local Agencies," prepared by Abt Associates Inc. under a research contract with the Food and Nutrition Service, USDA, March 2007, <http://www.fns.usda.gov/ora/MENU/Published/CNP/FILES/DataMatchingGuide.pdf> and "Implementing Direct Certification — States and School Districts Can Help Low-Income Children Get the Free School Meals for Which They Are Eligible," Center on Budget and Policy Priorities, August 2006, <http://www.cbpp.org/8-11-06fa.htm>.

⁷ A nationwide study found that 71 percent of eligible children were directly certified in districts using data matching systems, while only 55 percent of eligible children were directly certified in districts with letter systems only. See "Data Matching in the National School Lunch Program: 2005," prepared by Abt Associates Inc. under a research contract with the Food and Nutrition Service, USDA, December 2006, <http://www.fns.usda.gov/oane/MENU/Published/CNP/CNP.HTM>. Similarly, when the state of Illinois switched from a data matching system to a letter system, a rigorous evaluation found that fewer than half of the letters the state mailed out were returned. (The evaluation excludes Chicago, for which data were not available.) See *Phase I Evaluation Report: The New Direct Certification Process for Approving Eligible Students for Free School Meal Benefits in the State of Illinois*, Beverly S. Bunch, Ernest L. Cowles, and Richard Schuldt, University of Illinois at Springfield, December 2003.

⁸ *Direct Certification in the National School Lunch Program: State Implementation Progress*, U.S. Department of Agriculture, Food and Nutrition Service, December 2008, p. 25, <http://www.fns.usda.gov/ora/MENU/Published/CNP/FILES/DirectCert08.pdf>.

- *Provide training and technical assistance on the direct certification process.* Many smaller school districts are conducting direct certification for the first time as a result of the new requirement. These districts can benefit from help making the transition. States report that investments in training district staff on how to utilize the state's system can make direct certification efforts more effective and strengthen cooperation between the state and school districts.

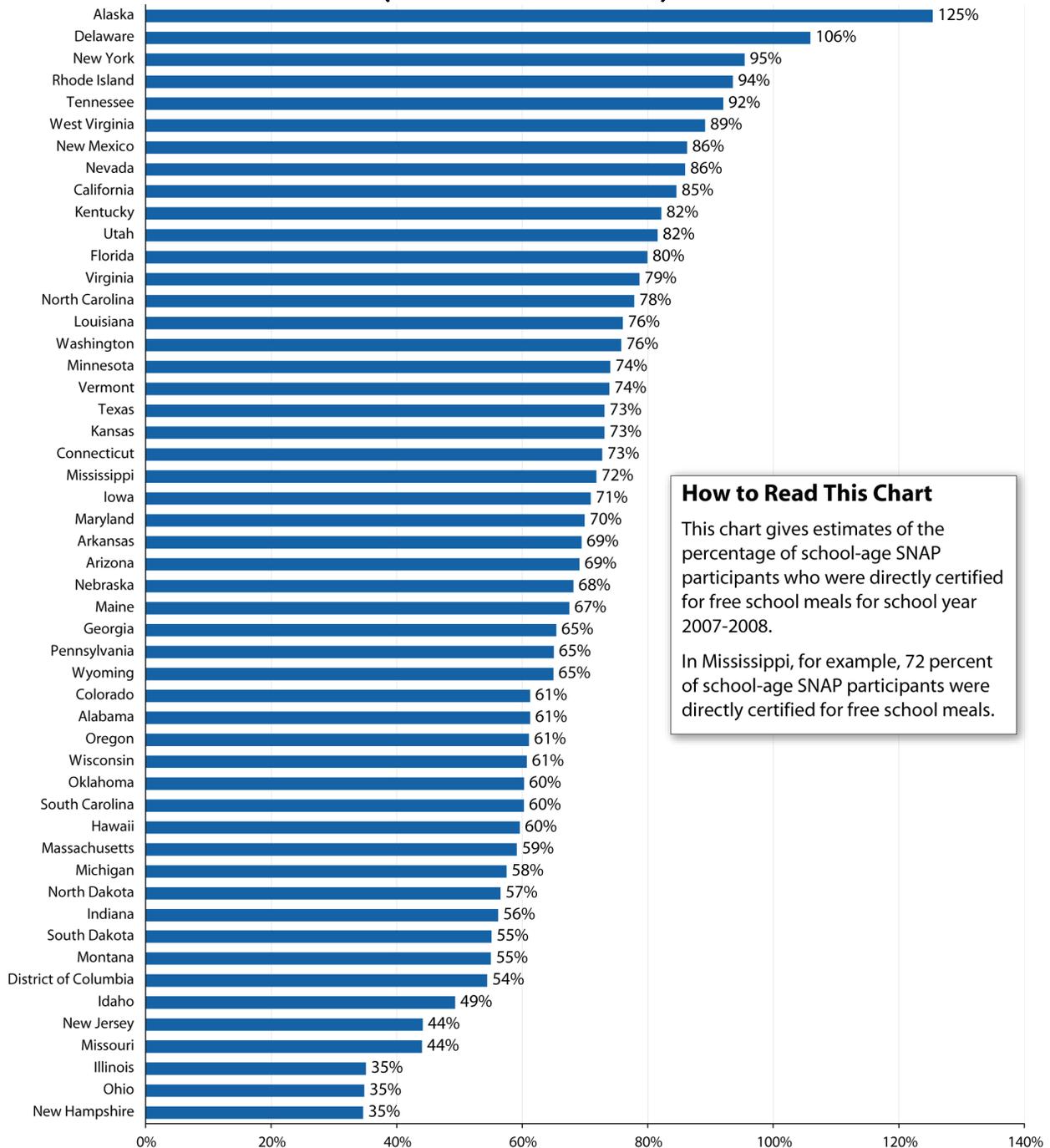
Conclusion

Direct certification is an extremely reliable method of enrolling low-income children for free school meals. It can ease administrative burdens on school districts by reducing the number of applications they must process and verify. If effectively implemented, direct certification also makes it significantly easier for very poor children to receive free school meals. Thus, improving direct certification should be an important element of addressing food insecurity amongst children.

There are, however, states whose direct certification systems are not working well. USDA will now assess states' performance in this area each year, and program administrators and anti-hunger advocates may wish to use these reports to guide their efforts to evaluate how to reach eligible children most effectively and how to strengthen their direct certification procedures over time.

Federal policymakers can also strengthen direct certification when Congress reauthorizes the school meals programs later this year. One simple way to enable more poor children to benefit from automatic enrollment would be to expand the list of programs that school districts may use as a basis for direct certification. For example, Congress could allow states to use family income information from the Medicaid program to determine eligibility for school meals. In addition, Congress could consider incentives to states that conduct exceptionally effective direct certification or show significant improvement.

Appendix A: Percentage Of Children Eligible For Direct Certification Based On Receipt Of SNAP Benefits Who Are Directly Certified (2007-2008 School Year)



How to Read This Chart

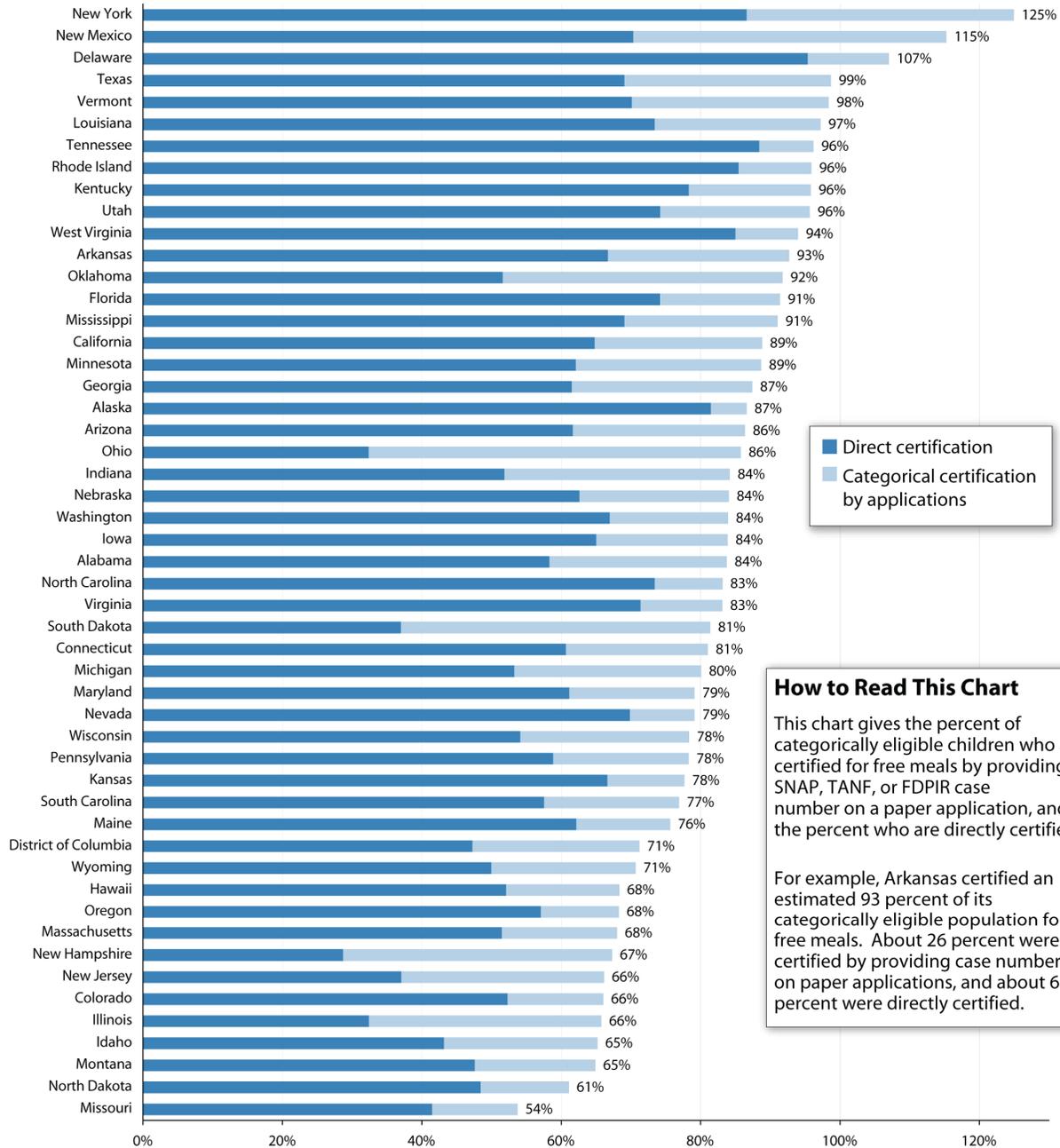
This chart gives estimates of the percentage of school-age SNAP participants who were directly certified for free school meals for school year 2007-2008.

In Mississippi, for example, 72 percent of school-age SNAP participants were directly certified for free school meals.

Note: It is possible for states to directly certify more than 100 percent of school-age children eligible for direct certification based on SNAP receipt because some children were directly certified based on receipt of TANF cash assistance or FDPIR benefits. These children were counted in the numerator of this measure, but the denominator included only children eligible for direct certification based on receipt of SNAP benefits.

Source: "Direct Certification in the National School Lunch Program: State Implementation Progress," U.S. Department of Agriculture, Food and Nutrition Service, December 2008, Figure 4, <http://www.fns.usda.gov/ora/MENU/Published/CNP/FILES/DirectCert08.pdf>.

**Appendix B:
Percentage Of All Children Eligible For Direct Certification Who Are Enrolled For Free Meals
(2007-2008 School Year)
(Includes Children Who Are Directly Certified And Children Who Are Certified Based On A Paper Application)**



How to Read This Chart

This chart gives the percent of categorically eligible children who are certified for free meals by providing a SNAP, TANF, or FDIPIR case number on a paper application, and the percent who are directly certified.

For example, Arkansas certified an estimated 93 percent of its categorically eligible population for free meals. About 26 percent were certified by providing case numbers on paper applications, and about 67 percent were directly certified.

Note: Limitations of the data and methodologies used to develop these estimates result in a few states appearing to enroll more than 100 percent of school-age children eligible for direct certification. This issue is discussed in detail in Appendix C of USDA's report.

Source: "Direct Certification in the National School Lunch Program: State Implementation Progress," U.S. Department of Agriculture, Food and Nutrition Service, December 2008, Figure 6, <http://www.fns.usda.gov/ora/MENU/Published/CNP/FILES/DirectCert08.pdf>.