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August 11, 2006

## **IMPLEMENTING DIRECT CERTIFICATION:**

**STATES AND SCHOOL DISTRICTS CAN HELP LOW-INCOME  
CHILDREN GET THE FREE SCHOOL MEALS FOR WHICH  
THEY ARE ELIGIBLE**

**BY ZOË NEUBERGER**

The **Center on Budget and Policy Priorities**, located in Washington, D.C., is a non-profit research and policy institute that conducts research and analysis of government policies and the programs and public policy issues that affect low- and middle-income households. The Center is supported by foundations, individual contributions, and publications sales.

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## SUMMARY

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All children who participate in the Food Stamp Program are eligible for free meals at school. School districts and state agencies have long had the option of automatically enrolling such children for free meals through a process called “direct certification,” under which they bypass the standard application process. Direct certification ensures that children most in need of food assistance — those whose parents have sought help from the Food Stamp Program — get the benefit of free school meals. In addition, direct certification eliminates redundant paperwork for families and schools.

This fall, a new federal requirement will start to take effect under which school districts must directly certify for free school meals all children in households that receive food stamp benefits. The requirement applies first to large school districts but will phase in to cover all districts over the next two years.

For districts that have never undertaken direct certification, the new requirement may seem daunting. Fortunately, many states and districts have been doing direct certification for years and have a wealth of experience to offer. But even in areas already conducting direct certification, many children who could be directly certified are missing out. As state and local program administrators implement the direct certification requirement, they have an opportunity to assess the effectiveness of their direct certification procedures and take steps to reach more eligible children.

### KEY FINDINGS

**By adopting the following practices, states and school districts can help directly certify as many eligible children as possible:**

- **Keep it simple:** use data matching to automatically enroll eligible children for free school meals.
- **Help kids when they need it most:** automatically enroll eligible children throughout the year when their families fall on hard times.
- **Make the most of data matches:** school districts can directly certify all children in the household based on a data match of any child in the household.
- **Track your progress:** regularly assess how the process is going by measuring the share of children in households receiving food stamp benefits who are being directly certified for free school meals.



This paper is written for school meals program administrators and advocates grappling with how best to implement direct certification. It discusses some of the challenges that states and school districts have confronted when implementing direct certification and identifies specific practices that could enable them to reach more eligible children. It also describes four states' direct certification systems and how they were developed; these experiences may be helpful to program administrators implementing statewide direct certification for the first time or revamping their direct certification procedures.

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## Direct Certification Is Widespread, But Is Not Always Effective

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Children in households receiving food stamp benefits, cash assistance under the Temporary Assistance for Needy Families (TANF) block grant, or benefits through the Food Distribution Program on Indian Reservations (FDPIR) can be directly certified for free school meals based on their receipt of these public benefits. Among these programs, the Food Stamp Program serves the greatest number of children. Most children in households receiving TANF cash assistance also receive food stamps.

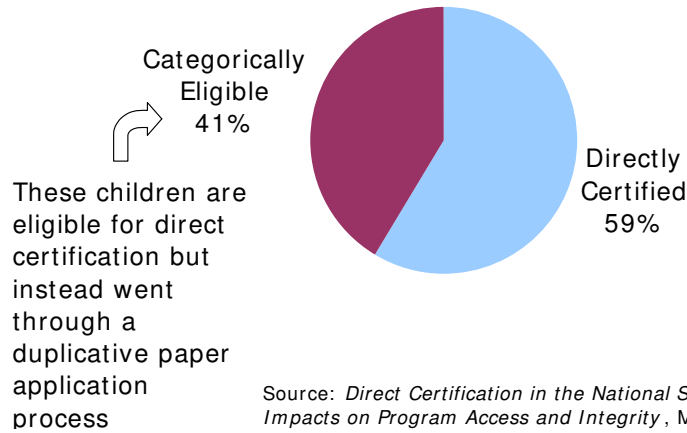
Approximately 8 million school-age children are members of households that receive food stamp benefits.<sup>1</sup> All of these children are entitled to free school lunches and breakfasts. For over a decade, school districts have had the option to automatically enroll such children for free school meals without requiring them to complete a school meals application. The automatic-enrollment process — known as direct certification — is used by about two out of every three school districts in the United States and has considerable benefits over the paper application process.<sup>2</sup> Most notably, direct certification reduces paperwork for families and school districts and is more accurate than the paper application process.<sup>3</sup>

Although direct certification is widespread, few states or school districts have evaluated how effectively they are reaching all the children who could be directly certified. Research suggests that many children who could be directly certified are missing out. A nationally representative study found that in the districts that already conduct direct certification, *at least two in five children who could be directly certified were missed.*<sup>4</sup> These children may miss out on school meals altogether or, at best, go through a duplicative application process, which means unnecessary paperwork for the school and the family. (See Figure 1.)

A recent change in federal law will soon require every school district to conduct direct certification for children in households receiving food stamp benefits. Congress' goals in establishing this requirement were twofold. First, it wanted to improve the integrity of the school meals programs by drawing more heavily on the rigorous Food Stamp Program application process. Second, Congress wanted to make the school meals programs more accessible to children who are especially vulnerable to food insecurity.

**FIGURE 1**

**In Districts that Conduct Direct Certification  
at Least 41 Percent of Children  
Who Could be Directly Certified Are Missed**



As a result of the new requirement (which will phase in over the next two years), approximately one-third of school districts will implement direct certification for the first time.<sup>5</sup> Other districts will be required to implement it more comprehensively in order to reach all eligible children. Some states are likely to adopt new statewide direct certification systems to ensure consistency and to facilitate the direct certification process for local districts. Implementation of the new requirement will give program administrators a chance to improve their direct certification system.

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## Effective Direct Certification Benefits Both Families and Schools

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Because not all districts use direct certification and those that use it do not yet reach all eligible children, there is significant opportunity to expand the number of children who are directly certified. States and school districts can benefit from examining their current systems to identify steps they can take to reach a greater share of children eligible for direct certification.

Expanding the number of children directly certified would yield two critical benefits. First, more needy children would get free meals for the full school year with no additional effort on their part. Children in households receiving food stamp benefits are especially vulnerable to food insecurity (i.e., difficulty meeting basic food needs because of a lack of resources). Nearly half of all food stamp households have been found to be food insecure, and food stamp households are nearly twice as likely to experience hunger as households of similar size and income that do not receive food stamp benefits.<sup>6</sup> In addition, families with school-age children are more likely to seek out food assistance than other eligible individuals. Of those school-age children who are eligible for food stamp benefits, 80 percent receive benefits, whereas only 56 percent of eligible adults participate in the Food Stamp Program. One reason for this higher participation rate may be that low-income parents are particularly concerned about providing adequate nutrition for their children and seek out available help. It is important to note that to receive food stamp benefits, families must complete a rigorous application process approximately every six months that one study found entailed 2.4 visits to an office and six hours of their time.<sup>7</sup> These families should get the additional benefit of the free school meals for which they qualify without having to complete duplicative paperwork.

Second, a school district that directly certifies a greater portion of the children eligible for direct certification will face less paperwork. USDA recently began collecting information from each district about the number of children certified for free and reduced-price meals and the method by which they were certified. Across all districts that reported data to USDA for the 2004-2005 school year, 13.9 million children were approved for free or reduced-price meals based on a paper application; 2.8 million of those children were approved based on an application that listed a case number.<sup>8</sup> If school districts directly certified the latter group of children, they could reduce the number of applications they have to process by as much as 20 percent on average.<sup>9</sup>

School districts would benefit in another way as well. Each year they are generally required to verify the eligibility of a sample of 3 percent of the applications they approved for free or reduced-price meals. Since children who have been directly certified have already gone through the rigorous eligibility determination process for food stamp benefits, TANF cash assistance, or FDPIR benefits, the school meals programs can be certain that the family is eligible for free meals; these children thus are not part of the pool from which the verification sample is drawn. This means that if a school district directly certifies more children, the verification sample size will be smaller and fewer applications will have to be verified. Some school districts find the verification process burdensome. A smaller verification sample reduces the district's workload and may make it easier for staff to assist families who have troubling providing the documentation required for verification.

As administrators of state and local school meals programs implement the direct certification requirement for food stamp households, they will need to make a number of decisions about specific procedures to adopt. This section identifies five challenges that have emerged and concrete steps that program administrators can take to implement this requirement effectively, thereby enrolling more food-insecure children for free school meals.

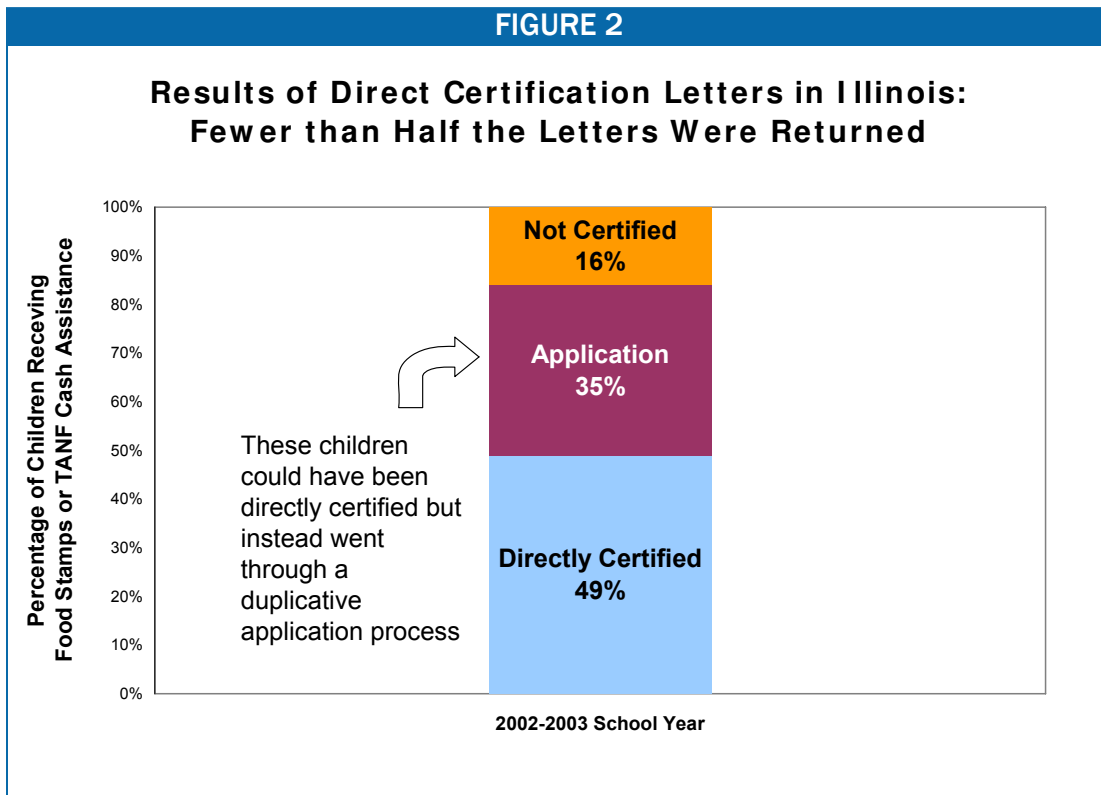
### **Statewide Data Matching Offers the Potential to Reach More Eligible Children**

Over the past decade, state agencies and school districts have used two main methods of direct certification: data matching and letters to households. Under the data-matching method, a list of students is compared (either electronically or manually) to a list of children in households receiving food stamp benefits and/or TANF cash assistance benefits. This comparison is sometimes conducted at the state level by the welfare agency or the agency that administers the school meals programs; alternatively, the school district conducts the match.<sup>10</sup> Once a district knows that a child has been identified as a member of a household that receives food stamp benefits or TANF cash assistance, it directly certifies the child for free meals, notifies the household about the program, and gives the household a chance to decline certification. Approximately 68 percent of districts that conducted direct certification during the 2001-2002 school year used the data-matching method.<sup>11</sup>

Under the letter method, the state or local welfare agency sends a letter to households receiving food stamp benefits or TANF cash assistance that have school-age children. The household can bring this letter to the school district to enroll the children for free meals without further paperwork. Otherwise, the family must complete a school meals application for the eligible child to receive free meals.

While little research has been conducted comparing the two methods, there is reason to believe that data-matching has greater potential to increase the portion of eligible children who are directly certified. Illinois, which recently switched from optional data-matching to sending out letters statewide, conducted a rigorous evaluation of the results and found that the number of children directly certified increased significantly.<sup>12</sup> This increase, however, partly reflected the fact that only about 6 percent of districts had been participating in the optional match process. The evaluation also highlights some serious problems with the letter method.

Illinois found that fewer than half of the letters the state mailed out were ultimately submitted to school districts for certification. (Four percent of the letters never reached the intended recipient and were returned to the welfare agency.<sup>13</sup>) More than two-thirds of the households that did not



submit the letter completed a school meals application, which indicates they did in fact want to be certified for free meals.<sup>14</sup> (See Figure 2.) These findings raise serious questions about the effectiveness of the letter approach.

Moreover, it is not clear that the letter approach complies with the new direct certification requirement, which states that school districts “shall certify a child who is a member of a household receiving assistance under the food stamp program as eligible for free lunches . . . and free breakfasts . . . *without further application*” (emphasis added).<sup>15</sup> USDA has not yet issued regulations explaining what state agencies and school districts must do to comply with the new requirement. As state agencies and school districts make plans to implement these provisions, however, they will undoubtedly keep the statutory language in mind and consider how it might be interpreted through the regulatory process.

A data-matching system would likely be easier to refine and improve over time than a letter system. For example, school districts in Washington, which uses a data-matching system, realized that some children receiving food stamp benefits or TANF cash assistance were being missed in the matching process because they used their legal name when applying for those programs and a less formal name when enrolling in school. Match rates improved after school districts started to ask for the child’s legal name in the school enrollment process. Not all data-matching improvements will be so straightforward, but over time, weaknesses in a data-matching system can be identified and addressed. In contrast, it would be very difficult for school districts to change the behavior of parents who do not submit the letter they are sent.

States that are considering implementing a statewide direct certification data-matching system can benefit from the models that have already been developed. A few implementation challenges that have emerged over the past decade are described below, along with examples of how they have been successfully overcome.

### *State-Level vs. District-Level Matches*

One challenge that has emerged in statewide direct certification systems is providing school districts with the names of the children in households in their area that receive food stamp benefits or TANF cash assistance. This can be challenging because the welfare agency does not have information on where children attend school. But many states have successfully overcome this obstacle.

Some states conduct a data match at the state level. This approach is most feasible when there is a statewide student database that includes information on the child's school district. A statewide match can be conducted and information on each child's school district can be used to generate district-specific lists of matched children. For example, in Massachusetts, the state agency that oversees the school meals programs conducts a statewide electronic data match. Students in a statewide student database are compared to food stamp caseload data tapes. When a match is identified, the child's name is transferred to a direct certification list that is made available to the relevant school district through a secure Internet connection.

Some states are already developing statewide student databases to facilitate compliance with the No Child Left Behind Act.<sup>16</sup> These states can design the databases so they work well for direct certification as well as other educational tracking purposes.

Other states have developed very effective statewide direct certification systems that rely on districts to conduct the data match.<sup>17</sup> In the absence of a statewide student database, this model is most effective. Generally, a statewide list of children in households receiving food stamp benefits and/or TANF cash assistance is provided to all school districts, which then conduct their own matches.

Tennessee offers a good example of this model. The state agencies that administer the Food Stamp Program and school meals programs provide each school district with a statewide list of children in households receiving food stamp benefits or TANF cash assistance. The list can be downloaded by county, and each district is responsible for identifying the counties that are likely to have students attending its schools. Each district then independently conducts a data match to identify children who can be directly certified. States or counties may also be able to provide this information in a format that is downloadable by zip code, which may help districts conduct data matches.<sup>18</sup>

### *Which Data Elements to Match*

Data matches appear to work most effectively when there is a student database with a unique student identifier, such as a Social Security number (SSN), that appears in each of the databases being compared.<sup>19</sup> But many states do not have such an element in their databases.

Children's SSNs are not collected for school lunch applications. While schools are permitted to request a child's SSN for other reasons, they cannot require it as a condition of school enrollment, and schools that collect SSNs are not required to provide them to the state. Thus, SSNs may not be an element of statewide student databases. Some states or districts assign a unique identifier (other than an SSN) to each student, but this identifier is unlikely to appear in databases maintained by the welfare agency.

When there is no SSN or other unique identifier that is common to both databases, a combination of other identifiers is generally used. For example, Washington's data match system requires that the first name, last name, and date of birth all match, with no conflict in the middle name. To find the right set of identifiers so that direct certification is neither overinclusive nor underinclusive, states and districts may need to try various alternatives and change their matching criteria over time.

#### *Private Schools*

An additional potential challenge is how to include private schools in a data-matching process. Private schools are permitted to participate in the National School Lunch Program, and their students are eligible for direct certification on the same basis as public school students. If private schools are included in a statewide student database, including them in a statewide direct certification process should be straightforward. But in states that do not have such a database (or do not include private schools in it), an alternate process for directly certifying private school students may be needed.

Both Tennessee and Washington applied for USDA grants that will be used, in part, to help private schools comply with the direct certification requirement.<sup>20</sup> Tennessee will establish a computer lab that will be used to train representatives of private schools in direct certification data matches; the lab also will be available to such schools to conduct the actual matches if their facility lacks the needed computer equipment. Washington plans to develop an entirely new database for private school students, who are not included in the state's existing statewide student database.

#### *Active vs. Passive Consent*

In recent years, some school districts that conduct data matches have required families to consent to direct certification before the district enrolls a child for free school meals. In 2001, about one-quarter of the districts that conducted data matching combined the data-matching process with letters to households and directly certified only those children whose family returned the letter.

It is unclear why districts have taken this approach, given that the children are eligible for free meals, the food stamp and TANF cash assistance programs are permitted to share eligibility information for school meal certification, and parents can always decline the certification.<sup>21</sup> Moreover, as noted above, requiring consent does not appear to comply with the statutory language implementing the direct certification requirement. Districts that conduct data matches for all children can reach a greater portion of children eligible for direct certification by directly certifying all children who have been identified through the matching process *without* requiring families to consent to the certification in advance.



## Frequent Direct Certification Reaches Children Who Become Poor or Move

The school meals application and certification process takes place at the start of the school year. Many children, however, become eligible for free or reduced-price meals during the course of the school year when their families' economic circumstances deteriorate. In recent years, roughly 3 million families with children enrolled in the Food Stamp Program at some point between October and July;<sup>22</sup> these families may not have been identified as eligible for free meals even though they could have been directly certified. Although some school districts conduct direct certification more than once during each school year, many do not.

The new direct certification requirement makes no distinction between children in households that are receiving food stamp benefits when the school year starts and those whose households do not begin receiving food stamps until later in the school year.<sup>23</sup> Nor does it distinguish between children in households receiving food stamp benefits who enter school at the beginning of the school year and those who transfer to the school later in the year. Directly certifying children promptly for free school meals if they move or become eligible during the school year would help to ensure that a particularly vulnerable group of children — one especially prone to food insecurity — receives needed food assistance quickly rather than waiting up to 11 months for the start of the following school year.

Washington offers a model of how to identify children for direct certification throughout the school year. When a new student enrolls in a school district, the district enters the child's name in a database maintained by the state education department. Each night, all students in the database are matched against a list of children in households receiving food stamp benefits or TANF cash assistance, which is provided monthly by the state's welfare agency. The next day, the district checks the database to determine whether the child may be enrolled for free meals on the basis of the household's food stamp or TANF participation.

As a result, in Washington, when a child in a household that is receiving food stamp benefits or TANF cash assistance changes school districts, the child can be directly certified the *very next day*. When a household begins receiving food stamp benefits or TANF cash assistance during the school year, the child is directly certified within one month. In addition, at any point during the school year, a district can use the database to identify all students in the district — not just new students — who have been identified as members of households receiving food stamp benefits or TANF cash assistance.

USDA has not yet clarified how frequently direct certification will be required, but its policy guidance has encouraged school districts to “conduct direct certification as frequently as possible.”<sup>24</sup> Low-income children would clearly benefit from being certified for free meals as soon as they are eligible. Prompt direct certification would provide a valuable service to families in need, who often do not know or remember that their children may qualify for free school meals, by eliminating the need to complete another application at a time of transition due to a household move or loss of income.

School districts also benefit from rapid direct certification of children eligible for free meals. They do not have to process as many applications throughout the school year and do not have to face the choice of turning away a poor child who cannot pay for a meal or absorbing the cost of feeding that child.

### **Directly Certifying All Children in a Household Based on the Match of Any One Child Will Help Overcome Data Glitches**

School districts have sometimes found it challenging to identify all of the children in a household using a data-matching process. Under the new legislation, direct certification is required for any “child who is a member of a household receiving assistance under the food stamp program.” There is no statutory requirement that the child *individually* be eligible for food stamp benefits or be identified through a match. Thus, there are two kinds of children who could be identified and directly certified more effectively: those who are receiving food stamp benefits but are not identified through the match process, and those who are not receiving food stamp recipients but are members of a household in which some members do receive food stamp benefits.

#### *Children Who Are Food Stamp Recipients But Are Not Identified Through a Data Match*

Some children who are receiving food stamp benefits may not be identified through a matching process. Such problems could arise, for example, if the parameters require a perfect match on a data element (such as the middle name) where discrepancies between school records and food stamp records are likely. Under the new requirement, these children must be directly certified.

For example, if a district matches one child who is a food stamp recipient and the food stamp record shows two additional siblings in the food stamp household, it is reasonable for the district to assume that the second and third children live in a “household receiving assistance under the food stamp program” as well and that all three children may be directly certified. This approach requires that the matching process identify all children in the food stamp household once a single child has been matched.

In general, food stamp agencies have the capacity to identify all children in a food stamp household. By directly certifying all children in a food stamp household based on the match of one such child, state child nutrition agencies and school districts could greatly simplify the matching process while extending its effectiveness.

#### *Children Who Are Not Food Stamp Recipients But Live in Households That Receive Food Stamp Benefits*

There are three primary groups of children who are not food stamp recipients but are members of households in which some members receive food stamp benefits: immigrants who are ineligible for food stamp benefits;<sup>25</sup> non-citizens who have citizen siblings and are eligible for food stamp benefits but whose parents decline benefits for them (typically because they fear participation will negatively affect their immigration status); and, in California, children receiving Supplemental Security Income benefits, who are not eligible for food stamp benefits but instead receive an amount equivalent to their food stamp benefits as part of their SSI cash payment.<sup>26</sup>

While USDA has not issued guidance or regulations on this point, the statutory language establishing the new requirement states that if a child's *household* is receiving food stamp benefits, the child must be directly certified. The statute does not specify that the child must individually be participating in the Food Stamp Program.

In many instances, the food stamp agency will have information about such children and could provide their names to the state child nutrition agency or to school districts. In other instances, food stamp agencies may not have information about household members who do not receive food stamp benefits. In such cases, a school district could expand the reach of direct certification by developing a process for identifying other children in the household of a child who has been identified through a data match — in school records, for example — and directly certifying those additional children even if they are not known to the food stamp agency.

### **Disregarding Duplicative Paper Applications Can Reduce Paperwork**

Sometimes a paper application is submitted for a child who could be directly certified. This may occur when parents submit a paper application before or after their child has been directly certified. If the district processes a paper application rather than treating the child as directly certified, it does not receive the benefits derived from processing fewer applications.

State child nutrition agencies and school districts need to ensure that all children who can be directly certified are certified through the direct certification process rather than on the basis of a paper application. For example, districts can provide applications only to households that have *not* been directly certified. In addition, if a district receives an application from a household that has already been directly certified, the district can disregard the application.<sup>27</sup> Further, if a child is identified as eligible for direct certification after having been approved for free meals based on a paper application, the application may be overridden and the child directly certified. If a state's direct certification system includes a "look-up" function for an individual child based on a case number or another data element, districts can be encouraged to attempt to directly certify any child on an application that lists a case number. Washington takes this approach.

Although some program administrators have felt obligated not to disregard any paper applications, they need have no further hesitation. USDA recently offered the following clarification in policy guidance: "In situations where the school/LEA receives both documentation for direct certification and an application submitted on behalf of the child, school officials should disregard the application. Direct certification takes precedence over the application submitted by the household."<sup>28</sup>

### **Regularly Evaluating the Effectiveness of Direct Certification Is Essential**

At the start of the 2004-2005 school year, 2.8 million children nationally were approved for free or reduced-price meals based on a paper application that listed a case number.<sup>29</sup> (See Table 1.) Each of these children could have been directly certified. Effective implementation of the direct certification requirement would expand the reach of the food assistance programs to needy children and eliminate duplicative paperwork processes. Unfortunately, few states or school districts that conduct direct certification have systematically evaluated the effectiveness of their procedures, such

**TABLE 1: USDA DATA  
2004-2005 SCHOOL YEAR**

<b>Status</b>	<b>Number of Children</b>
Directly Certified*	4,123,905
Certified Based on an Application with a Case Number	2,803,577
Certified Based on an Application with Household Income	11,110,559
Claimed Free or Reduced-Price in Provision 2 or Provision 3 Schools	1,203,060
<b>Certified for Free or Reduced-Price Meals</b>	<b>19,241,1011</b>
* Includes all children exempt from verification	
Source: Center on Budget and Policy Priorities estimates based on USDA data (described in note 8).	

as by finding out how many school-age children in households receiving food stamp benefits are actually directly certified for free school meals.

Massachusetts offers a noteworthy exception. As an interdepartmental task force developed the direct certification data-matching process, it also created benchmarks to assess the system’s effectiveness in reaching children who formerly completed a paper application or were not certified at all. The task force then used the benchmarks to identify implementation gaps and track progress over time. (See the case study of Massachusetts’ direct certification system in the next section.)

The most accurate measure of direct certification’s effectiveness is the portion of children receiving food stamp benefits, TANF cash assistance, or FDPIR benefits that are directly certified. The data on certification and verification that USDA began collecting for the 2004–2005 school year allow for a state-specific estimate of the portion of children eligible for direct certification who are being reached. These data include the number of children who are directly certified.<sup>30</sup>

To measure the reach of direct certification based on receipt of food stamp benefits, the number of children directly certified can be compared to the number of children in households receiving food stamp benefits. State food stamp agencies should be able to provide — or at least estimate — the number of school-age children in households receiving food stamp benefits in the month in which direct certification is conducted.<sup>31</sup> (Alternatively, the state child nutrition agency might be able to develop such an estimate based on the list it receives for purposes of direct certification.) The comparison will yield a direct certification “coverage ratio” — that is, a measure of the portion of children eligible for direct certification based on food stamp receipt who are being directly certified.

As a model, consider how a nationwide direct certification coverage ratio can be estimated. Nationwide, 8.1 million school-age children were in households receiving food stamp benefits in July 2004.<sup>32</sup> Of that group, an estimated 6.9 million attended schools for which USDA has data on the school’s application process for free or reduced-price meals.<sup>33</sup> USDA’s data show that approximately 4.1 million children in these schools had been directly certified for free meals as of October 31, 2004. (See Table 1.) By comparing the 4.1 million directly certified children to the 6.9 million children in households receiving food stamp benefits, it becomes apparent that only three

out of five (60 percent) of the children who could have been directly certified were directly certified. This ratio confirms that many more children could benefit from direct certification.

Moreover, this estimate likely overstates the direct certification coverage ratio for several reasons. First, it does not count as eligible for direct certification those children in households that enrolled in the Food Stamp Program between July and October. USDA data show that approximately 200,000 additional children were enrolled in the Food Stamp Program in August, September, and October of 2004 in the states for which verification data are available.<sup>34</sup> If these children are included, the direct certification ratio decreases to 58 percent. Second, this estimate counts all children who are exempt from verification as though they were directly certified based on receipt of food stamp benefits. Some of these children were directly certified based on other factors, such as homelessness or receipt of TANF cash assistance. Thus, the estimate overstates the direct certification coverage ratio for children in households receiving food stamp benefits.<sup>35</sup>

Each state can calculate its own direct certification coverage ratio. For example, if the state had directly certified 60,000 children by the end of October and 100,000 school-age children were in households receiving food stamp benefits the previous July, the state's direct certification coverage ratio is 60 percent. This is not a perfect measure: it does not include children whose households began receiving food stamp benefits in August, September, or October, for example; nor does it include the limited number of children in households that receive TANF cash assistance or FDPIR benefits but not food stamp benefits. And it could be refined by adjusting for children who attend schools that claim meals under Provision 2 or Provision 3 (under these provisions schools that offer all meals free may receive federal reimbursements based on applications taken periodically during a "base year"). Nevertheless, this ratio is a critical first step to assess how well the state's direct certification system works.

Some of the children missing out on direct certification attend schools that are not yet conducting direct certification; others are being missed by their school's direct certification process. States can separate those two factors to determine the effectiveness of the process in districts that are already doing direct certification. USDA's data do not indicate which districts are conducting direct certification based on food stamp receipt. If a state has such data or collects it in the future, it can count how many applications are approved based on a case number in districts conducting direct certification and take steps to directly certify children whose families completed an unnecessary application.

By assessing the state's direct certification coverage ratio, states can determine whether their efforts are effective and can measure progress over time.

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## Case Studies

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Direct certification is already in use in the majority of school districts. Some states have statewide direct certification processes in place, but the majority of school districts that conduct direct certification still conduct the match themselves. Over the next few years, as the requirement that children in households receiving food stamp benefits be directly certified is phased in, and all remaining districts are required to adopt direct certification processes, more states are likely to adopt statewide approaches to direct certification.

The following case studies illustrate four different effective statewide approaches to direct certification and provide examples of how some of the implementation practices described in this paper could be adopted within the parameters of different types of statewide systems. Data matching can also now be used to confirm eligibility of applications selected for verification, through a process known as “direct verification.”<sup>36</sup> Some states profiled have extended their direct certification data matching system to allow direct verification data matching as well.

Each of the states profiled has worked hard to make continual improvements in its direct certification system by assessing its effectiveness, identifying challenges, and taking steps to reach more eligible children. Typically such improvements called for an up-front investment of resources — to make technological changes or train staff, for example — but soon made the process easier and smoother. Their challenges and successes may be useful to other states and school districts as they implement the direct certification requirement.

## Indiana

Indiana has been directly certifying children for free school meals since 1990. For the first 13 years, the Indiana Department of Education used a basic computerized data matching model. School districts that chose to participate in the program mailed files to the Department of Education, which conducted the match and mailed the “results” match files back to the districts.

In the project’s early years, the Department of Education distributed result files in paper form as well as on diskette. As more schools began to participate, the department eliminated the paper listing and simply mailed the diskettes to the school districts. This system, which remained basically the same for 13 years, worked smoothly but was very time consuming for state staff. The state staff member who developed the initial process and still oversees direct certification and verification development recalls spending summers sitting on the floor in a back corner of the office amidst stacks of diskettes and oversized envelopes.

In 2003 the Department of Education developed a web-based interface for the matching process. Now, very little state-level staff time is required for direct certification (except for maintenance), and school districts have responded enthusiastically. The system provides essentially instant results for districts, utilizing a state Internet portal that provides secure two-way transmission of sensitive and confidential student information. The portal also hosts all other processes involving districts’ submission of data to the state.

Direct certification has remained optional for school districts but will become mandatory as the federal requirement takes effect. The state’s larger districts have all made use of direct certification for many years.

### *How the Process Works*

The first step in the direct certification process is for the Department of Education to obtain a data file from Indiana’s Family and Social Services Administration, which has responsibility for many programs, including the Food Stamp Program and TANF cash assistance. The file lists all children aged 1-20 receiving food stamp benefits and/or TANF cash assistance.

To access these data, a school district logs onto a secure Department of Education web portal, which is protected using secure SHTTP encryption protocols. Since individual student and family data are being transmitted in both directions, the department considers it important to provide this level of security.

The first choice a school district makes when conducting a direct certification match is the source of student enrollment information. For many years, the Department of Education kept little information on individual students, so the district had to provide a specially formatted file of student information (including household address and parents’ names) in order to begin the direct certification process. Now, however, the department maintains more student-level information in its databases because of changes in the areas of student testing, achievement reporting, and accountability. Thus, it can essentially generate a student enrollment list from internal sources rather than using information uploaded by the district.

The Department of Education allows schools to match food stamp and TANF cash assistance records against a student enrollment list that is either generated by the department or uploaded by the school district. The state-generated student enrollment information provides essentially the same results and is easier to use because the district can download results without first uploading a data file. This option has enabled smaller districts, which found the older system difficult to use, to participate in direct certification. Districts that have no difficulty generating the data file, in contrast, are encouraged to take the extra step of uploading their own data, since these data include additional information (such as any local student identification number, the mailing address from school records, and a parent or guardian's name) that makes processing the results of direct certification easier, particularly for very large districts.

The Department of Education requires individuals to be matched on the basis of first name, last name, date of birth, and county of residence. Social Security numbers, while available in the food stamp and TANF cash assistance records, are rarely collected by Indiana school districts, and thus cannot be used in the matching process. To handle the wide variations in the spelling of children's first names, the department added a "sound alike" match on first names using the "soundex" function available with the ORACLE database system. (Similar options are available in other database systems.) Soundex reduces the name to a phonetic string and finds other names with slight spelling variations, such as in vowels, apostrophes, and spaces.

A supplemental match is made using last name, date of birth, county of residence, and first names that sound alike. This second list usually has approximately 10 percent to 15 percent as many names as appear on the list of exact matches. School districts are expected to compare other data elements, such as address or parents' names, to make sure that sound-alike matches are valid.

Before downloading a list of directly certified children, the district must comply with provisions regulating the use of the data and indicate that it will treat the information with the same confidentiality protections that apply to data on paper applications.

Districts can download the results in a variety of formats, including comma delimited, fixed length/positional, or XML. (Districts that upload data can use these same formats.) Using the standard match and the supplemental match, school districts can directly certify approximately half of the students who will ultimately be approved for free meals. This rate has remained roughly the same over the years.

Once the matching process has been completed, the district sends letters notifying parents that their child has been directly certified and giving them an opportunity to decline to receive free meals. The Department of Education encourages districts not to distribute paper applications to children who have been directly certified. It also makes sure that districts are aware of the federal policy that any applications submitted by children who have been directly certified should be disregarded.

### *Improvements*

The data matching system has been working smoothly, but the Department of Education continues to seek ways to make it easier for districts to directly certify more children. To this end, several new tools will be added for the 2006-2007 school year.



- To determine whether an *individual* child may be directly certified, districts will be able to conduct a “lookup” search using the child’s name (exact or sound-alike), a case number, a parent’s name (exact or sound-alike), or other identifying data elements. This feature will help districts directly certify a child who is missed in the initial data-matching process, such as a child who enrolls after the start of the school year, or a child for whom data entry errors made a match impossible during the batch process.
- Until recently, the Family and Social Services Administration provided only one list each year of school-age children in households receiving food stamp benefits or TANF cash assistance. For the coming school year, the agency will provide a new list each month, and school districts will have the option of conducting direct certification matches throughout the school year, always matching against current information. This will facilitate enrollment of children whose families either fall on hard times or move during the school year. (Districts covered by the new federal direct certification mandate will be considered in compliance even if they conduct direct certification only once each school year.)
- Districts that conduct direct certification more than once a year will be able to choose whether to download a cumulative list of all children who may be directly certified based on the latest monthly welfare data or just a list of new matches. In its training, the Department of Education emphasizes that as a result of full-year eligibility, a child who is directly certified will remain eligible for free meals for the remainder of the school year even if he or she does not appear on a subsequent list of matched children.

The Department of Education is also encouraging districts to make direct certification more portable when a child changes school districts. Currently, when a new child enrolls during the school year, the school searches department’s database to see whether the student has attended school in Indiana and has already been assigned a unique “student test number.” Since the direct certification process is conducted using the same Department of Education portal, it would be easy to check simultaneously to see if the child can be directly certified. The department is encouraging expanded uses of direct certification techniques throughout the year.

#### *Using Data Matching for Direct Verification*

This past year (2005-2006), for the first time, the Department of Education modified its data matching system so that it could be used for direct *verification* as well as direct certification. School districts conduct direct verification by entering the name of a child and checking whether that child’s household received food stamp benefits or TANF cash assistance at any time between completion of the school meal application and when the search is conducted. Because direct verification became available only shortly before verification efforts started in the fall of 2005, it was not widely used last year, but the initial feedback from districts that tried it was favorable. The department is conducting extensive training to inform districts of this new option and is encouraging them to use it where appropriate.

The Department of Education plans two improvements to direct verification. First, it is working with the Family and Social Services Administration to incorporate Medicaid data into the database that is searched for purposes of direct verification. Since Indiana’s Medicaid eligibility limit for school-age children is 150 percent of the poverty line, Medicaid data will be used to verify eligibility

for free meals and reduced-price meals when possible. The Department of Education is figuring out how to identify which Medicaid recipients have income under 133 percent of the poverty line, the income level that verifies eligibility for free meals. The department also plans to participate in USDA's pilot study of direct verification using Medicaid data.

Second, the Department of Education intends to make it possible for districts to enter batches of data for direct verification matches rather than a single name at a time. Since most districts verify only 10 to 15 applications, entering individual names has not been overly burdensome. But if searches can be done using batches of names, some districts will be able to reprogram their free and reduced-price application database software to select the verification sample and conduct a direct verification match on the whole sample automatically.

As the Department of Education has made continual improvements to its direct certification and direct verification systems, it has worked closely with the Family and Social Services Administration. The Family and Social Services Administration has welcomed the partnership, in part because conducting data matches at the state level relieves strained staff in county welfare offices of responding to requests from school districts.

## Massachusetts

In 2000, the non-profit anti-hunger group Project Bread received a USDA grant to organize a collaborative project involving federal, state, and local agencies to improve access in Massachusetts to federal nutrition programs, including the National School Lunch Program. This effort is now known as the Child Nutrition Access Project (CNAP). A manual on CNAP's development and results is available from Project Bread ([www.projectbread.org](http://www.projectbread.org)).

Project Bread established a task force consisting of representatives of USDA, state agencies, school administrators, and advocacy organizations. Both senior administrators and staff with expertise in information technology were included in the task force, which met on a regular basis for four years. Its main goals were to enhance state agencies' capacity to share data across federal nutrition programs, streamline the application processes, and educate families about these programs. To this end, the task force spent a year planning a new direct certification data matching system, piloted the system in two phases, and then implemented it statewide.

Prior to CNAP, families that wanted their children directly certified had to bring their "goldenrod card" (a form of identification issued to food stamp recipients by Massachusetts' welfare agency specifically for the purpose of direct certification) to each child's school. Many children ended up completing a paper application or missed out on free meals altogether.

The CNAP task force decided to develop a three-way statewide data transfer system among the state's Department of Education (which operates the school meals programs), the Department of Transitional Assistance (which administers the Food Stamp Program), and the Department of Public Health (which oversees the Special Supplemental Nutrition Program for Women, Infants, and Children, or WIC). The Food Stamp Program and WIC use the transferred data to identify potentially eligible families for targeted outreach, while the Department of Education uses these data to directly certify children for free school meals. This description focuses on the data transfer from DTA to DOE for the purposes of direct certification.

### *How the Process Works*

In CNAP's first year (the 2002-2003 school year), a direct certification data matching system was implemented in the state's two largest school districts, Boston and Springfield. During that first year, the Department of Transitional Assistance transferred files for all households receiving food stamp benefits with school-age children in certain zip codes to both districts, which then conducted the match.

During the project's second year, it was expanded to 12 additional school districts. The Department of Transitional Assistance provided a data file with all children aged 4-19 to the Department of Education, which conducted the match. A child's first name, last name, and address had to be identical for the child to be considered matched. The Department of Education also attached a unique student identification number to each matched file; this allowed the list of matched children to be sorted by school district, so districts could then download the district-specific list of matched children over a secure Internet site. This process worked smoothly enough that the task force decided to expand it to all school districts the following year, 2004-2005.

To measure the success of the direct certification process, the task force developed benchmarks and tracked direct certification resulting from the data match. For example, it not only tracked how many children were directly certified based on the match, but also whether they had been certified for free meals *before* the match — and, if so, whether they had been certified based on a paper application or had instead submitted a "goldenrod card" from the Department of Transitional Assistance. At each step of implementation, the task force evaluated the success of each data match using its benchmarks and modified the direct certification procedures in an effort to reach more children.

For 2004-2005, direct certification based on the centralized Department of Education data match was available to every school district, though participation was optional. Beginning in 2005-2006, all districts were directed to use the data for direct certification.

In 2004-2005, the Department of Education was able to match 74 percent of the children whose records were transferred from the Department of Transitional Assistance. The following year, 82 percent of school-age children in households receiving food stamp benefits were matched using the electronic data match. Names that are *not* matched are sent back to the Department of Transitional Assistance, and those households are sent a letter informing them that they could receive free meals if they bring their goldenrod card to the school district.

Many of the children that are not matched attend private schools and thus are not included in the Department of Education's student database. The state has no plans to include private school students in the database. Instead, when the direct certification requirement takes effect, children attending private schools will not be able to be matched in the centralized process. Any child who is not matched during the centralized data matching process will be sent a goldenrod card as part of a mailing that explains that the household may return the card to the child's school to receive free school meals.

In addition to measuring the impact of statewide data matching on children's certification status, CNAP measured its impact on costs. Before statewide electronic data matching was implemented, Massachusetts spent \$52,000 each year to mail letters to each household receiving food stamp benefits to inform them that their children could be certified for free meals. When statewide electronic data matching was conducted in 2004-2005, the cost was just \$13,000 — one quarter of the original cost.

### *Improvements*

One of the task force's key concerns has been confidentiality and privacy, and the legal department at each state agency has been involved in addressing this concern. Although federal law allows the sharing of Food Stamp Program for purposes of school meals certification or verification, the agencies wanted to be sure that families understood how the information would be used. Ultimately, each nutrition program added a new consent clause to its application. By signing the application, parents give permission to share their identifying information (and that of their children) with each of the other nutrition programs for enrollment purposes.

The task force has also devoted attention to the question of how frequently to conduct data transfers. During the first year of the pilot, transfers were conducted monthly. The task force

switched to quarterly transfers before expanding to a statewide system because the number of children identified in each month's match did not seem worth the time it took to conduct the match. As a result of the switch, some students may have to wait up to three months from the time they begin receiving food stamp benefits until they are directly certified for free school meals.

Data matches are now conducted in July, October, December, and April; school districts receive lists of matched students in the month following each match. The largest number of children are directly certified based on the July match, but CNAP has found that the October and December matches pick up many children whose families moved or enrolled in the Food Stamp Program after the start of the school year. The April match results in the fewest additional direct certifications; nevertheless, school districts find it worthwhile because children that are directly certified can be provided with free meals at the start of the next school year before a new certification has been conducted. The increased school meals enrollment counts at the end of the school year also enable some schools to receive additional state education funds.

## Tennessee

Tennessee has been helping districts conduct direct certification data matches since 1992. As the available technology has improved, the Department of Education has continually simplified and enhanced its direct certification system.

In the early years, state staff spent many hours each summer sorting through stacks of computer printouts to send to each district. When the lists arrived at the districts, their staff sometimes played direct match “bingo” to make the onerous matching process more bearable. For example, one school system with five schools brought all of the managers into the central office. Each manager had to bring a copy of the enrollment list for her school. A supervisor then read the names of the children from the list of children receiving benefits, and the school that could locate the child highlighted the name of that child. For every 10 names a school manager highlighted, she could put her name in a "Bingo Bucket". Every few hours there was a drawing for silly door prizes. When they were through with the entire list, the supervisor then color-coded the master direct certification list with a different highlighter color (pink, blue, green, yellow, etc.) for each school. If no school had a particular child on the list on its roster, the staff checked to see if there was a discrepancy in the name by comparing addresses or other identifying information to spare families the chore of completing duplicative applications.

Now, in contrast, the system is fully automated. All public schools and approximately 80 percent of private schools conduct direct certification. Thus far it has been optional, but the Department of Education has achieved universal participation by public school districts by demonstrating that direct certification is easier for everyone involved — the child, the manager, and the supervisor.

The department has also trained local staff so they understand the direct certification system and gain experience using it. In some regions, the Department of Education’s technology specialist attends the training and participants go to a computer lab where they log on to the direct certification system, download to a CD, and take the CD back to use with their own systems. Each Department of Education staff member who conducts training knows how to teach this process and is available to provide technical assistance to local supervisors, bookkeepers, or other staff.

### *How the Process Works*

The direct certification process begins each year when the Department of Human Services provides a data file that includes all children aged 3-21 who are receiving food stamp benefits or TANF cash assistance. The Department of Education makes the file available over the Internet to each school district using a secure, password-protected site; districts then download data for the counties of their choice (as a text file that can be converted to an Excel file) and electronically match it against their attendance database.

There are no state costs associated with direct certification other than the hour it takes the Department of Human Services to prepare the file and the hour it takes the Department of Education to upload the file. Although a formal estimate of costs to school districts has not been conducted, the Department of Education believes that the reduction in administrative burden associated with processing and verifying applications more than offsets the time that districts devote to direct certification.

Each school district may download data for as many counties as it wishes, though any data it retrieves must be treated with the same confidentiality protections that apply to data collected on school meal applications. There have been no reported breaches of confidentiality resulting from use of the direct certification system.

When conducting a match, school districts focus on four data elements: last name, Social Security number, birthday, and parent name (or the name of the head of the food stamp benefits or TANF cash assistance case). Many districts generate two lists from their attendance database, sorted by school and grade: a list of children whose Social Security number matched and a list of children who matched using other criteria (last name and birthday, last name and parent name, or birthday and parent name). The latter list is not considered a basis for direct certification unless the district follows up with the student or school to confirm that this is the correct student. (For example, in some instances a student's last name in the Department of Human Services' data file may not match the last name the child uses in school, such as a step-parent's last name.) If a child is matched based on receipt of food stamp benefits, all other siblings in the household receiving food stamp benefits are directly certified even if individual matches for them were not made.

### *Improvements*

As the system was being developed, improvements were made to reduce the administrative burden on school districts and reach more eligible children. For example, the Department of Human Services' list initially included only children aged 5-18. But after the first year of conducting computerized data matches, the Department of Education realized that some special education students and students in adult education high school diploma programs might be overlooked, so the list was expanded to include children through age 21. Then, after the state added several pre-school programs, the list was further expanded to include children as young as age 3.

Even though the system runs smoothly, the state continues to make improvements. Until recently, for example, schools received a single file each year, in July, which provided food stamp and TANF data through June. But for the 2005-2006 school year, districts received a new file each month listing children receiving food stamp benefits and TANF cash assistance who were not on the previous files. The June file is still the largest, but the monthly updates enabled districts to conduct additional matches throughout the year, an option that all of the school districts currently using direct certification took advantage of. As a result, the Department of Education believes, more food-insecure children were enrolled for free school meals. (The department is concerned that there may have been a lag of up to five weeks between when the child's household began receiving food stamp benefits and when the child was directly certified. Most often, the child received free meals during that period, but the district could not claim federal reimbursements. The department is exploring ways of further reducing any gap between food stamp enrollment and direct certification.)

Tennessee recently received a \$60,000 USDA grant to further expand its direct certification capacity. The state plans to use the funds for several activities. First, it will establish a computer lab to facilitate direct certification data matches by private schools and residential child care institutions (RCCIs), which generally have limited computer capacity and expertise. The lab will be used to train representatives of private schools and RCCIs in conducting direct certification data matches and will be available to such schools to conduct the actual matches if their facility lacks the computer equipment to do data matching on site. It will also be used to provide additional training to public school staff on conducting direct certification matches.

Second, the state will improve communications between the computer system used to provide the list of children in households receiving food stamp benefits or TANF cash assistance and a student records database that the Department of Education encourages school districts to use. Currently, communications between the systems require a multi-step process, which the department hopes to simplify.

*Using Data Matching for Direct Verification*

Tennessee plans to use its USDA grant to explore the use of data matching for direct verification. The Department of Education is working with the Department of Human Services to explore the possibility of implementing direct verification using a centralized system akin to the direct certification system. If a centralized system does not prove feasible, the Department of Education will convene a meeting in each region with representatives of the Department of Education, the Department of Human Services, and local school meals administrators to encourage the region to implement direct verification and to identify steps the state can take to make its implementation feasible and effective. Tennessee has volunteered to participate in USDA's upcoming study of the feasibility of direct verification.



## Washington

In the mid-1990s the Washington State Department of Social and Health Services began sending annual letters to each family with school-age children that received food stamp benefits or TANF cash assistance notifying the family that if it returned the letter to the child's school, the child would be certified for free meals. At first, the state education department (known as the Office of Superintendent of Public Instruction) and the Department of Social and Health Services split the mailing's \$30,000 cost equally. But as the cost of the mailing increased, the education department did not raise its contribution above \$15,000, so the Department of Social and Health Services contributed more each year.

Worried about costs and low return rates for the letters, the two agencies spent a year developing a computerized direct certification data matching system that was implemented in 2003. The entire process now costs only \$10,000 annually, and school districts found that the number of children being directly certified increased significantly when the data match was introduced.

### *How the Process Works*

The direct certification data matching system is a small component of a complex student database developed to complying with the federal No Child Left Behind education law. Building the database cost approximately \$1 million and required two full-time employees over a two-year period.

School districts now use the database routinely for many functions, including direct certification. Each school district designates a "core student record-keeper" to enter each student into the database using a distinct student identifier. The database includes the school district and school name for each enrolled student, as well as the student's first name, last name, middle initial, birth date, address, gender, and several items pertaining to the student's educational status. The state education department matches the students in the student database to a data file provided by the Department of Social and Health Services of all school-age children in households receiving food stamp benefits or TANF cash assistance.

For a match to be considered complete, the first name, last name, and date of birth must match. (There can be no conflict in the middle name, though a match is not required because many households do not provide their child's middle name.) When a student's name is matched with the Department of Social and Health Services database, the resulting file indicates the proper district and school. Each district has access to a secure Internet site that allows it to see a district-specific list of children who have been directly certified. The list includes each child's address.

To identify children as quickly as possible who can be directly certified, the education department has built features into the data matching system to facilitate rapid enrollment. In fact, every night, the education department matches new student names in the student database with the Department of Social and Health Services list of children in households receiving food stamp benefits or TANF cash assistance (which is updated each month). Thus, when a new student enrolls, a school district can check the *very next day* to see if the student has matched for direct certification. Though districts could check for matches on a daily basis, they are not required to. Instead they are encouraged to check for all new matches at least monthly.

During the first year of implementation, the 2003-2004 school year, spelling discrepancies stymied the matching process. Parents often provided a more formal name to the welfare agency than to the school. Since then, school districts have required families to provide the child's "legal name," which has increased the portion of eligible children who are successfully matched electronically.

To facilitate matches in instances where data has been incorrectly entered, the Department of Social and Health Services list can be searched using an individual student's address or other identifying information. This function helps directly certify children who have not been matched because of a minor data discrepancy. If a child has not matched, the district can identify in the direct certification database whether the child has a food stamp or TANF cash assistance case number. If the child does have a case number, the district can use other items, such as gender and/or date of birth, to ensure that the student has been correctly identified.

The state education department also encourages school districts to use this search function to directly certify any child who submits an application with a case number. If the child can be found on the Department of Social and Health Services list, the paper application is disregarded and the child is directly certified. By directly certifying these children, the district can reduce the number of applications it must verify, while also sparing low-income families the burden of verification.

The state agencies that coordinate direct certification have found another way to reduce the paperwork burden on school districts. Whenever a household is approved for food stamp benefits or TANF cash assistance, the approval notice sent out by the Department of Social and Health Services notifies the household that it is eligible for free school meals (if it includes a child who attends a school that participates in the USDA school meals programs) and provides an opportunity for the household to decline free school meals. As a result, the school district does not need to send a separate letter to the household after learning that a child has been matched and can be directly certified for free meals.

### *Improvements*

In spite of its smoothly functioning direct certification system, the state education department faces a significant challenge when the new federal direct certification requirement takes effect: private school students are not included in the statewide student database. To address this gap, the education department was awarded a \$181,348 USDA grant to develop an entirely new database for private school students. The database will have the same direct certification functionality as the student database for public schools and will be able to interact with that database, but it will be much simpler: the data entered will be limited to the data needed for direct certification and direct verification. (In contrast, roughly 100 data elements for each child are entered into the public school database for purposes unrelated to administering the school meals programs.)

The education department is confident that private schools will have the capacity to use the new system. Meal claims are already collected electronically, and almost all private schools have developed the technological capacity to enter, upload, and download information for claiming purposes. The education department aims to have the system developed by the start of the 2007-2008 school year so it can be fully operational before the universal direct certification requirement takes effect the following year.

The state education department has not tracked the portion of children in households receiving food stamp benefits or TANF cash assistance benefits who have been directly certified, but it will soon be able to assess the reach of direct certification. The education department has added new data fields to the software used for verification reporting purposes that will identify the basis for a child's certification (that is, whether the child was directly certified based on food stamp receipt, directly certified based on homeless status, approved based on an application with household income, etc.). Once these new data are collected, the state will be able to measure precisely how effective the direct certification system is and identify school districts that could be reaching more children.

### *Using Data Matching for Direct Verification*

The data provided by the Department of Social and Health Services can also be used to conduct direct verification once the verification sample has been selected. A school district may enter the name of each child on an application selected for verification and check that name against the department's list. School districts are encouraged to attempt direct verification of all applications selected for verification before they contact the households. Because direct verification is conducted independently by school districts and requires no assistance from the state agencies, the state education department does not know what portion of districts are taking advantage of the option.

To make the school meals enrollment process as simple as possible for families, the education department and the Department of Social and Health Services are exploring the possibility of incorporating Medicaid data into the matching process. At a minimum, the agencies hope to be able to utilize Medicaid data in the direct verification process. (The education department is considering requesting a waiver from USDA to use Medicaid data for purposes of direct certification as well, but in the meantime, the education department is testing the feasibility of using the Medicaid data in direct verification.)

Since Washington's Medicaid eligibility limit for school-age children is 200 percent of the poverty line, children must be sorted by income. The Medicaid database includes information on household income as well as the number of members in the "medical assistance unit" but does not calculate income as a percentage of the poverty line. The education department is determining whether this calculation can be made as part of the matching process. If so, the education department will conduct trial matches to identify any other matching obstacles that need to be addressed before Medicaid data could be used by school districts.

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## Conclusion

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The new requirement that all children in households receiving food stamp benefits be directly certified offers the opportunity to expand an extremely reliable enrollment method for low-income children that, if effectively implemented, will make it significantly easier for very poor children at risk of food insecurity to be certified for free meals and remain connected to the program throughout the school year. Moreover, this enrollment method can ease administrative burdens on school districts by reducing the number of applications they must process and verify.

By adopting several specific practices, state and local school meals program administrators can directly certify more food-insecure children for free school meals:

- Use data matching rather than sending a letter to households that the family must return;
- Conduct data matches as frequently as possible throughout the school year;
- Directly certify all children in the household based on a data match of any child in the household;
- Disregard paper applications that are submitted by households that could be directly certified; and
- Regularly assess the portion of children in households receiving food stamp benefits who are being directly certified and take steps to reach a greater share.

State child nutrition and food stamp agencies, as well as school districts, can play an important role in facilitating the adoption of such practices. Although about three in five school districts already conduct direct certification, research indicates that even in these districts children who could be directly certified are missed. When all school districts are considered, at least two in five children who could be directly certified are not yet getting this benefit.

School districts that are already conducting direct certification have an opportunity to strengthen their procedures to identify more of the children eligible for direct certification. Districts that will implement direct certification for the first time can adopt practices that are especially effective at identifying children eligible for direct certification. If state administrators evaluate how effectively children eligible for direct certification are reached, they will be well-positioned to make changes to their procedures to strengthen direct certification over time.

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## Notes

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<sup>1</sup> In an average month in fiscal year 2004, 7.8 million school-age children lived in households receiving food stamp benefits. Many more school-age children received food stamp benefits throughout the year, though, as families cycled on and off the program. See *Characteristics of Food Stamp Households*, prepared by Mathematica Policy Research, Inc. under a research contract with the Food and Nutrition Service, USDA, Report Number FSP-05-CHAR, September 2005, Table B-11, <http://www.fns.usda.gov/oane/MENU/Published/FSP/FILES/Participation/2004Characteristics.pdf>.

<sup>2</sup> A nationwide study conducted by Mathematica Policy Research for USDA found that 61 percent of school districts used direct certification in the 2001-2002 school year. See *Direct Certification in the National School Lunch Program—Impacts on Program Access and Integrity*, prepared by Mathematica Policy Research, Inc. under a research contract with the Economic Research Service, USDA, Report Number E-FAN-03-009, October 2003, Table II.1, <http://www.ers.usda.gov/publications/efan03009/efan03009.pdf>.

<sup>3</sup> For discussions of the accuracy of direct certification, see *Direct Certification in the National School Lunch Program—Impacts on Program Access and Integrity*, Chapter IV.A and *National School Lunch Program Application/Verification Pilot Project — Report on First Year Experience*, Food and Nutrition Service, USDA, Report Number CN-02-AV, August 2002, Chapter 6, <http://www.fns.usda.gov/oane/MENU/Published/CNP/FILES/NSLPAppYear1.pdf>.

<sup>4</sup> On average, these districts directly certified 24.9 percent of children approved for free meals, but another 17.5 percent of children approved for free meals were enrolled using applications that listed a food stamp, TANF cash assistance, or FDPIR case number as a basis for eligibility. All of these children, who represented 42.4 percent of children approved for free meals (24.9 percent + 17.5 percent = 42.4 percent), could have been directly certified. This means that in districts conducting direct certification, at least 41 percent of the children who could have been directly certified were missed (17.5 percent ÷ 42.4 percent = 41 percent). Additional children in households receiving food stamp benefits, TANF cash assistance, or FDPIR benefits may have been approved for free meals based on an application that listed household income or may not have been certified for free meals at all. See *Direct Certification in the National School Lunch Program—Impacts on Program Access and Integrity*, Table II.7.

<sup>5</sup> The requirement takes effect in three stages: beginning in the 2006-2007 school year it will apply to school districts with more than 25,000 students enrolled the prior year; beginning in the 2007-2008 school year it will apply to districts with more than 10,000 students enrolled the prior year; and beginning in the 2008-2009 school year it will apply to all districts. See Section 9(b)(4) of the Richard B. Russell National School Lunch Act (42 U.S.C. § 1758(b)(4)) as amended by Section 104(a)(2)(C) of the Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265).

<sup>6</sup> See *Household Food Security in the United States, 2004*, Economic Research Service, USDA, Report Number 11, October 2005, Table 11, <http://www.ers.usda.gov/publications/err11/err11.pdf>

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<sup>7</sup> See *Food Stamp Program Access Study: Final Report*, prepared by Abt Associates Inc. under a research contract with the Economic Research Service, USDA, Report Number E-FAN-03-013-3, November, 2004, p. 4-9, <http://www.ers.usda.gov/Publications/efan03013/efan03013-3/>.

<sup>8</sup> Center on Budget and Policy Priorities estimate based on data collected by USDA for the 2004-2005 school year under 7 C.F.R. §§ 245.6a(c) and 245.11(i). Data for Massachusetts, North Carolina, and Rhode Island are not available. Data for private schools in Arkansas and Oklahoma are not available. Data for Alaska, Colorado, Connecticut, Florida, Georgia, Hawaii, Illinois, Montana, New Hampshire, New Mexico, North Dakota, Oregon, Texas, Vermont, and Washington are incomplete. Data were reported as of October 31, 2004.

<sup>9</sup> Center on Budget and Policy Priorities estimate based on data collected by USDA for the 2004-2005 school year. Across all districts included in USDA's data, 11.1 million children were certified for free or reduced-price meals based on an application that provided household income information, and 2.8 million were certified based on an application that listed a case number (2.8 million/(11.1 million + 2.8 million) = 20 percent).

<sup>10</sup> For a more detailed discussion of how states and school districts have structured their data-matching processes, see *Certification in the National School Lunch Program—Impacts on Program Access and Integrity*, Chapter II.B.

<sup>11</sup> *Ibid.*, Table II.5.

<sup>12</sup> 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. The evaluation excludes Chicago, for which data were not available; about half of all food stamp and TANF cash assistance recipients in Illinois reside in Chicago.

<sup>13</sup> *Ibid.*, page 10.

<sup>14</sup> *Ibid.*

<sup>15</sup> Section 9(b)(4)(C) of the Richard B. Russell National School Lunch Act (42 U.S.C. § 1758(b)(4)(C)) as amended by Section 104 (a)(2)(C) of the Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265).

<sup>16</sup> For a more detailed discussion of statewide student databases, see *Preliminary Report on the Feasibility of Computer Matching in the National School Lunch Program*, prepared by Abt Associates Inc. under a research contract with the Food and Nutrition Service, USDA, January 2005, pp. 20-21, <http://www.fns.usda.gov/oane/MENU/Published/CNP/FILES/NSLPDataMatch.pdf>.

<sup>17</sup> Of the 22 states with direct certification information posted on the internet, the majority distribute data to districts so they can conduct a match. See *Ibid.*, pp. 8-9.

<sup>18</sup> In a number of states the Food Stamp Program is operated by counties. While the state-level food stamp agency has primarily responsibility for administering the program, it may be easier to undertake data matches with counties.

<sup>19</sup> See *Preliminary Report on the Feasibility of Computer Matching in the National School Lunch Program*, pp. 8-9 and 22-23.

<sup>20</sup> The Child Nutrition and WIC Reauthorization Act of 2004 provided \$9 million to USDA to assist states in implementing the legislative changes to the certification and verification processes. See P.L. 108-265 § 104(c) and USDA's competitive grant announcement, which is available at [http://www.fns.usda.gov/cnd/Governance/Policy-Memos/Direct\\_Cert\\_Verification\\_Grants\\_Memo.pdf](http://www.fns.usda.gov/cnd/Governance/Policy-Memos/Direct_Cert_Verification_Grants_Memo.pdf). Approximately \$4 million has been awarded to nine states; the remaining funds will be made available on a similar competitive basis.

<sup>21</sup> 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).

<sup>22</sup> Center on Budget and Policy Priorities estimate based on Food Stamp Program administrative data and tabulations of the Food Stamp Quality Control Data for fiscal year 2002.

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<sup>23</sup> Historically, August and September are two of the months with the lowest food stamp participation of the year. Many low-income households that do not receive food stamp benefits in these months come onto the program later as seasonal jobs in agriculture, construction, tourism, and some parts of the retail economy end. Food stamp participation peaks in March or April.

<sup>24</sup> See *Questions and Answers from Kansas City State Directors Reauthorization Briefing*, November 30, 2004, [http://72.14.203.104/search?q=cache:Nb-kN1ePs90J:209.48.219.52/cnd/Governance/policy/Reauthorization\\_04/QAs.pdf+FNS+Questions+and+Answers+from+Kansas+City+state+Directors+Reauthorization+Briefing&hl=en](http://72.14.203.104/search?q=cache:Nb-kN1ePs90J:209.48.219.52/cnd/Governance/policy/Reauthorization_04/QAs.pdf+FNS+Questions+and+Answers+from+Kansas+City+state+Directors+Reauthorization+Briefing&hl=en).

<sup>25</sup> Undocumented immigrants and certain legally residing immigrant children are not eligible for food stamps because of their immigration status.

<sup>26</sup> In California, siblings of children receiving SSI are still eligible for food stamp benefits.

<sup>27</sup> If a child who has not been directly certified is noted on the application, procedures for directly certifying additional children in the household could be followed.

<sup>28</sup> See Implementation Memo SP-21, *General Follow-up of Provisions*, September 26, 2005, [http://www.fns.usda.gov/cnd/Governance/Reauthorization\\_Policy\\_04/Reauthorization\\_04/2005-09-26.pdf](http://www.fns.usda.gov/cnd/Governance/Reauthorization_Policy_04/Reauthorization_04/2005-09-26.pdf).

<sup>29</sup> Center on Budget and Policy Priorities estimate based on data collected by USDA for the 2004-2005 school year.

<sup>30</sup> School districts are required to report the total number of children who are exempt from verification, the vast majority of whom were directly certified because they are members of households receiving food stamp benefits. Virtually all of the remaining children exempt from verification will be children who were directly certified based on other grounds.

<sup>31</sup> States must report to USDA the number of individuals participating in the Food Stamp Program. If a state is not able to determine how many school-age children are participating, one can estimate this figure by calculating the share of school-age children the state reported in the most recent Food Stamp Characteristics report and applying that share to the current food stamp caseload. (See *Characteristics of Food Stamp Households*, Table B-11.)

<sup>32</sup> This estimate includes children aged 5 through 17. Center on Budget and Policy Priorities calculations based on fiscal year 2004 Food Stamp Program Quality Control Data and administrative data.

<sup>33</sup> Of the children in households receiving food stamp benefits, 7.7 million live in states for which USDA has data. In addition, some children attended schools operating under special meal claiming procedures, known as Provision 2 or Provision 3, that were not in a base year and thus did not conduct a certification process for free or reduced-price school meals. USDA data show that 80 percent of eligible school-age children participate in the Food Stamp Program. (See *Food Stamp Program Participation Rates: 2004*, prepared by Mathematica Policy Research, Inc. under a research contract with the Food and Nutrition Service, USDA, June 2006, Table A.3, <http://www.fns.usda.gov/oane/MENU/Published/FSP/FILES/Participation/FSPPart2004.pdf>) The estimate that 6.9 million children attended schools for which USDA has data on the school's application process assumes that all 1.0 million children for whom free meals can be claimed under Provision 2 or Provision 3 are eligible for food stamp benefits and that 80 percent of them — or 0.8 million children — are in households that are actually receiving food stamp benefits. Since these children are not eligible for direct certification, the estimate of children eligible for direct certification based on food stamp benefits receipt is adjusted downward by 0.8 million, from 7.7 million to 6.9 million.

<sup>34</sup> Center on Budget and Policy Priorities calculations based on fiscal year 2004 Food Stamp Program Quality Control Data and administrative data. For Alabama and Florida, instead of using the October Food Stamp Program caseload, which was unusually high as a result of hurricanes, the average of the September and November caseloads was used.

<sup>35</sup> This estimate overstates the direct certification coverage ratio for children in households receiving food stamp benefits for another reason as well. It assumes that all children for whom free meals can be claimed by schools operating under the special Provision 2 or Provision 3 meal claiming procedures are eligible for food stamp benefits. Because food



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stamp eligibility depends not only on household income but also on household resources and other factors, this estimate likely overstates the number of children in Provision 2 or Provision 3 schools who are eligible for food stamp benefits — and thus *understates* the number of children who are eligible for direct certification.

<sup>36</sup> See Section 9(b)(3)(F) of the Richard B. Russell National School Lunch Act (42 U.S.C. § 1758(b)(4)) as amended by section 105(a) of the Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265). See also *Direct Verification — Reauthorization 2004: Implementation Memo — SP19*, September 21, 2005, [http://www.fns.usda.gov/cnd/Governance/Reauthorization\\_Policy\\_04/Reauthorization\\_04/2005-09-21.pdf](http://www.fns.usda.gov/cnd/Governance/Reauthorization_Policy_04/Reauthorization_04/2005-09-21.pdf).