

Effect of Current Verification Activity on SY 2005-2006 Verification Requirements
Reauthorization 2004

PURPOSE:

To provide information on the verification requirements of the Child Nutrition and WIC Reauthorization Act of 2004 (P.L 108-265) and how the results of the verification activity that Local Educational Agencies (LEAs) are conducting in the school year 2004-2005 may impact their required verification activities when the new provisions of the law become effective in school year 2005-2006.

SCOPE:

Participants in the School Breakfast Program and the National School Lunch Program

DESCRIPTION:

Legal Requirements

Section 105 of the Reauthorization Act amends the verification provisions in section 9(b)(3) of the Richard B. Russell National School Lunch Act. Effective July 1, 2005, new procedures are added to the requirement that LEAs verify the eligibility of children in a sample of approved free and reduced-price school meal applications.

Under the new law, the basic sample size for verification continues to be the lesser of 3 percent of all approved applications or 3,000 applications. However, the basic sample must be drawn from error prone applications, as currently defined in the *Eligibility Guidance for School Meals Manual*.

In lieu of the basic sample size, LEAs may elect to use one of two alternate sample sizes if the following conditions are met:

- (1) Their non-response rate for the preceding school year is less than 20 percent; or
- (2) For LEAs with more than 20,000 children approved by application (excluding direct certification) for free or reduced-price meals as of October 1:
 - a. Their non-response rate for the preceding school year is at least 10 percent below the verification non-response rate for the second preceding school year; or

- b. For SY 2005-2006 only, they attempt to verify all approved applications selected for verification through the use of public agency records from at least two of the following programs: food stamps; the Food Distribution Program on Indian Reservations (FDPIR); a State Temporary Assistance for Needy Families (TANF) program; the State Medicaid program; and a similar income-tested program or other source of information, as determined by USDA.

Non-response rate is defined in the law as the percentage of approved household applications selected for verification for which verification information has not been obtained by the LEA.

The alternate sample sizes set forth in the law for LEAs meeting the above criteria are the same options established in current regulations:

- (1) The lesser of 3 percent of, or 3,000, approved applications selected at random; or
- (2) The lesser of 1 percent of all applications selected from error-prone applications or 1,000 error-prone applications, plus the lesser of ½ of 1 percent of, or 500, approved applications that provided a case number (in lieu of income information) showing participation in food stamps, a State TANF program, or FDPIR.

In cases in which there are not enough error-prone applications to comply with the required sample size options, LEAs must randomly select additional applications to fulfill the percentage or number requirement.

Please note that the law also changes the date for determining sample size from October 31 to October 1, and that the deadline for completion of verification has been moved from December 15 to November 15.

Impact of SY 2004-2005 Non-Response Rates on SY 2005-2006 Verification Requirements for LEAs

LEAs can significantly reduce their verification burden by qualifying for the alternate sample size. Therefore, it is important for LEAs to be aware that qualifying for the alternate sample size under the new verification procedures in SY 2005-2006 is dependent on the non-response rate they achieve this SY. Any LEA with a non-response rate less than 20 percent in SY 2004-2005 qualifies for the alternate sample size in SY 2005-2006. Large LEAs can also qualify if they improve the SY 2003-2004 non-response rate by 10 percent this SY.