

FNS Research Corner

Summary of Research

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Please note that this study was published before the SY2014-15 implementation of the Smart Snacks Nutrition Standards for Competitive Food in Schools, as required by the Healthy, Hunger-Free Kids Acts of 2010. As such, certain research relating to food in schools may not be relevant today.

The FNS Research Corner provides a continuing series of summaries of recently completed and current research conducted by the U.S. Department of Agriculture's Food and Nutrition Service (FNS) in the area of child nutrition. For further information, contact the Office of Policy Support (OPS), formerly the Office of Research and Analysis (ORA) at (703) 305-2117. Links to published studies and reports as well as descriptions of ongoing studies conducted by OPS are available from the FNS Internet web site at <http://www.fns.usda.gov/research-and-analysis>.

RECENTLY COMPLETED RESEARCH

Community Eligibility Provision Evaluation

The Healthy, Hunger-Free Kids Act (HHFKA) provided schools and local educational agencies (LEAs) that predominately serve low-income children with a new option for meal certification. Under the Community Eligibility Provision (CEP), schools do not collect or process meal applications for free and reduced-price meals served under the National School Lunch Program (NSLP) and School Breakfast Program (SBP). Instead, schools serve all meals at no cost and are reimbursed using a formula based on the percentage of students identified as eligible for free meals using direct certification and other lists of eligible students. Any costs for serving these meals in excess of the Federal reimbursement must be paid from non-Federal sources. CEP is intended to increase low income students' access to nutritious meals while reducing administrative burden.

The CEP is being phased in over a 4-year period that began in school year (SY) 2011-12. It will be available nationwide to those that meet the criteria in SY 2014-15. Three States participated in the 1st year (Illinois, Kentucky, and Michigan) with four more States added in each of the following 2 school years (the District of Columbia, New York, Ohio, and West Virginia in SY 2012-13, and Florida, Georgia, Maryland, and Massachusetts in SY 2013-14).

The evaluation included an implementation study component and an impact study component in the seven States that implemented CEP in SY 2012-13. The implementation study used administrative and extant data to examine LEA and school characteristics, and Web-based surveys from a sample of eligible participating LEAs, eligible nonparticipating LEAs, and near-eligible LEAs. State Child Nutrition Directors and staff were interviewed to obtain their perspectives on implementation successes and challenges. In addition, Title I directors in all 51 State education agencies were interviewed to gather data on programs using school meals data and how these programs might be affected by the elimination of free and reduced-price meal applications under the CEP.

The impact study collected and analyzed data on outcomes for matched samples of treatment (participating) and comparison (nonparticipating) LEAs. Program participation and revenue data were collected through a Web-based survey and State administrative data. Data on administrative costs and certification errors were collected through in-person interviews and record abstraction. Onsite observations were used to collect data on meal quality and meal

counting/claiming errors.

Findings of this study include the following:

- **A large proportion of eligible LEAs opted to use the CEP in States where it was available, despite uncertainties about its impacts on finances and operations.** Across the 7 States, a total of 420 LEAs and 2,312 schools participated in the CEP in SY 2012-13. This represents 32 percent of eligible LEAs and 29 percent of eligible schools.
- **Participating LEAs reported that they were both well satisfied and likely to continue using the CEP.**
- **There were several key challenges at the State level:** (1) the limited time to gain a full understanding of the CEP, make decisions about participation, and implement it; and (2) understanding and addressing the implications of the CEP for education programs that use individual student meals certification data such as Title I and E-Rate.
- **At the LEA level, the biggest reported barriers were financial concerns:** uncertainty about the impacts of the CEP on NSLP and SBP participation and the impacts on LEA finances, both within the school foodservice arena and the educational environment as a whole.
- **The CEP correlated with significantly higher student participation in both the NSLP and SBP.** The average NSLP daily participation rate in CEP LEAs was 5.2 percent higher than comparison LEAs (3.5 percentage points). Similarly, the impact on SBP average daily participation represents a 9.4-percent increase in participation (3.6 percentage points).
- **The CEP reduced the overall rate of certification errors and had little or no impact on errors in counting meals (at the cashier level) and claiming meals for reimbursement.** The CEP eliminated application processing errors that, in the comparison schools, resulted in certification errors in 6.6 percent of applications.
- **For a broad range of meal quality measures, there was no evidence that the CEP had a significant impact.**
- **Because a higher proportion of meals were reimbursed as free meals, CEP increased average Federal reimbursements per meal significantly—about 6 percent for NSLP meals and 2 percent for SBP meals.**

School Foodservice Indirect Cost Study

The Healthy, Hunger-Free Kids Act (HHFKA) directed USDA to study the extent to which school food authorities (SFAs) participating in the National School Lunch Program (NSLP) and School Breakfast Program (SBP) pay indirect costs to local education agencies (LEAs). It specifically requested an assessment of the methodologies used to establish indirect costs, the types and amounts of indirect costs that are charged and not charged to the school foodservice account, and the types and amounts of indirect costs recovered by LEAs.

Information was collected from four perspectives: (1) the State education agency finance officer, (2) the State child nutrition director, (3) the LEA business manager, and (4) the SFA director. State-level data were collected through telephone surveys conducted from August to November 2012. Two Web surveys collected data from a nationally representative sample of SFAs and their LEAs conducted from November 2012 to February 2013. A total of 1,640 LEA business managers (73 percent) and 1,227 SFA directors (66 percent) completed the surveys. Data collection focused on school year 2011-12. Results from the study are based on self-reported information from survey respondents and are not associated with an audit of State, LEA, or SFA operations. Key results include:

- **Just over half (55.3 percent) of all LEAs had a method for calculating an indirect cost rate.** The vast majority of these LEAs used a rate calculated directly by their State education agency (SEA) or another method of allocating indirect costs provided by their SEA. The mean restricted indirect cost rate for foodservice in SY 2011-12 was 6.2 percent, while the mean unrestricted indirect cost rate was 13.7 percent.
- **Just 21.1 percent of all LEAs calculated and charged indirect costs specifically to school foodservice.**

- **Nearly twice as many LEAs calculated indirect costs for grants and programs other than school foodservice.** For other programs receiving Federal funds, 43.2 percent of all LEAs calculated indirect costs attributable to the other programs.
- **Larger LEAs are more likely than others to charge and recover some indirect costs.** Of the large LEAs (5,000 or more students), 45 percent calculated indirect costs for foodservice. One-fourth of medium LEAs (1,000-4,999 students) and 12 percent of small LEAs (fewer than 1,000 students) calculated indirect costs for foodservice.
- **Most charges of indirect costs to the school foodservice do not result in actual recovery of funds.** Only about 13 percent of all LEAs had any funds transferred to the LEA's general fund to pay indirect costs charged to the school foodservice account.
 - Almost three times as many LEAs (36.4 percent) recovered indirect costs from other grants and programs than from school foodservice.
 - The primary reasons that LEAs did not recover all of the indirect costs charged to the foodservice were that LEAs made the decisions to bear these costs and/or the SFAs did not have the funds with which to pay these costs.

Special Nutrition Program Operations Study: State and School Food Authority Policies and Practices for School Meals Programs School Year 2011-12

The Special Nutrition Program Operations Study is a multi-year study designed to provide FNS with key information about the characteristics, ongoing efficiency, and effectiveness of the school meal programs so that FNS has a better understanding of what is happening at the State and local levels and can then address policy needs, develop informed regulations and guidance, and provide needed technical assistance. The design of the study combines elements of cross-sectional and longitudinal research with the goal of maximizing the utility of the data while conserving resources and reducing burden on States and SFAs.

This report is based on data collected during SY 2011-12 from a survey of all State Child Nutrition Directors and a nationally representative sample of about 1,400 public SFAs. Topics addressed in the State survey include operational issues such as the number of SFAs in the State operating under special provisions or using Food Service Management Companies; State policies or standard practices regarding nutrition standards for foods and beverages offered in school meals and the provision of alternative meals; budgetary and resource issues including State subsidies to SFAs; topic areas and frequency of training and technical assistance; and State Child Nutrition Director background information. The SFA Director Survey included sections on SFA and foodservice characteristics, school and student participation, meal pricing, revenues and expenditures, meal counting and claiming, alternative meals, food safety issues, communication issues, and SFA director background information.

Key findings include:

- **SFAs participate in a variety of other FNS-administered programs or initiatives to complement the NSLP and SBP.** In SY 2011-12, about one-third of the SFAs had at least one school participating in the Fresh Fruit and Vegetable Program, the Afterschool Snack Program, and the Summer Food Service Program.
- **Over half of the SFA directors indicated that they gave geographic preference to locally grown food.** Twenty percent of SFAs indicated they engaged in other Farm to School activities.
- **In general, SFA directors have a considerable amount of food service experience, and education level and certifications meet or exceed the district requirements.** Eighty-nine percent of SFA directors had more than 5 years of food service experience, and 77 percent had at least some college, while only 6 percent were licensed dietitians.
- **A majority of SFAs raised their school lunch prices in SY 2011-12 to accommodate the Paid Meal Equity Provision.** The average price increase ranged from \$0.14 to \$0.17 across grade levels indicating that some SFAs chose to raise prices more than the required amount.

Direct Certification in the National School Lunch Program -- State Progress in Implementation, School Year 2012-13

This report responds to a legislative requirement of Public Law 110-246 to assess the effectiveness

of State and local efforts to conduct direct certification of children for free school meals. Under direct certification, children are determined eligible for free meals without the need for household applications by using data from other means-tested programs. The 2004 Child Nutrition and WIC Reauthorization Act required local educational agencies (LEAs) to establish a system of direct certification of children from households that receive Supplemental Nutrition Assistance Program (SNAP) benefits. For SY 2012-13, States that fail to achieve a direct certification rate of at least 90 percent are required to develop and implement continuous improvement plans (CIPs). The performance target increases to 95 percent for SY 2013-14 and beyond. This report presents information on the outcomes of direct certification for SY 2012-13.

In SY 2012-13, 91 percent of LEAs that participate in the NSLP directly certified some SNAP participants. These LEAs enroll 99 percent of all students in schools that participate in the NSLP. This is an increase from SY 2004-05, when 56 percent of LEAs, enrolling 77 percent of all students in NSLP schools, directly certified some SNAP-participant students. The number of school-age SNAP participants directly certified for free school meals was 12.3 million for SY 2012-13, an increase of 6 percent from SY 2011-12. Analysis in this report estimates that 89 percent of children in SNAP households were directly certified for free school meals, which is 3 percentage points higher than last year's rate of 86 percent. Twenty-four States achieved direct certification rates at or above the performance target of 90 percent established in the Healthy, Hunger-Free Kids Act (HHFKA) of 2010, and 16 States achieved direct certification rates of at least 95 percent. Only one State had a direct certification rate lower than 60 percent.

Motivated in part by the performance benchmarks set forth in HHFKA, interviewed States have recently increased match frequency, enhanced matching algorithms to include probabilistic matching, and begun performing matches with additional program data sources such as foster care data.

Regional Office Review of Applications (RORA) for School Meals 2012

This is the eighth in a series of annual reports that examines administrative error incurred during the local educational agencies' (LEAs) approval process of applications for free and reduced-price school meals. It does not examine the accuracy of household reporting of information on the applications or errors made in counting and claiming. Key results include:

- LEA eligibility determinations were correct for 97 percent of students submitting applications for meal benefits in School Year (SY) 2011-12, comparable to certification error rates found in previous school years (2004-2011).
- About three-quarters (72 percent) of those students incorrectly certified were certified for more benefits than they were entitled.
- Income-based applications are more prone to administrative errors than categorically eligible applications, with many of these errors associated with the determination of a household's gross income.

FNS has continued to be proactive in efforts to improve program integrity without compromising access to low-income families. Technical assistance and training materials have been provided to State and local partners to reduce administrative errors and improve program integrity.

Evaluation of the Summer Electronic Benefit Transfer for Children Demonstration - Summer 2012 Results

As part of its efforts to end child hunger, FNS is studying alternative approaches to providing food assistance to children in the summer months. The 2010 Agriculture Appropriations Act (P.L. 111-80) authorized and provided funding for USDA to implement and rigorously evaluate the Summer Food for Children Demonstrations, one component of which is the Summer Electronic Benefits Transfer for Children (SEBTC). The SEBTC benefit is provided to households with children from pre-kindergarten through 12th grade that are certified for Free or Reduced Price school meals in the demonstration school food authorities (SFAs). The amount of the benefit (an approximately \$60 value per month per child in the household) is comparable to the cost of free lunches plus breakfasts under the NSLP and SBP. Benefits, provided monthly on an EBT card, are administered by

grantees in the summer for the period when schools are not in session. The benefit is administered using either the State's existing EBT system for WIC or the EBT system for SNAP.

FNS started SEBTC with a proof-of-concept test in 2011, serving about 12,500 children in five sites. The demonstration was then expanded to a total of 14 sites in 10 States in 2012, reaching over 66,000 children and providing an average of approximately \$150 per child and \$250 per household over the course of the summer. The evaluation shows that:

- **SEBTC can reach a significant proportion of children eligible for free and reduced-price school meals.** Potential coverage rates ranged from about 30 percent in sites with active consent to about 75 percent in sites with passive consent.
- **SEBTC can reduce food insecurity among children substantially.** SEBTC reduced the prevalence of food insecurity among children by 19 percent, and the prevalence of very low food security among children, the most severe category, by 33 percent.
- **SEBTC can improve the diets of young, low-income Americans during the summer.** Participating children in households with SEBTC ate more fruits and vegetables, whole grains, and dairy foods while consuming fewer sugar-sweetened beverages. These impacts were present in sites using the SNAP EBT model, but much larger in sites using the WIC EBT model.

RESEARCH IN PROGRESS

The following section provides a brief description of some on-going FNS research and the current status of these studies:

School Nutrition and Meal Cost Study: With the implementation of the new meal standards for the NSLP and SBP, FNS needs to determine the success of school meals in meeting the program goals set by the standards, the cost of serving healthful meals that are acceptable to children, and the relationship of school menus and competitive foods to children's participation and diets. The School Nutrition and Meal Cost Study (SNMCS) will generate a nationally representative data set on about 500 school food authorities, 1,200 schools, 2,400 students, and a large sample of school meals (over 5,000 lunches and 3,000 breakfasts) for SY 2014-15. The data collection includes the administration of several different types of instruments and modes, including self-administered web-based SFA director and school principal surveys, a food service manager survey, an electronic menu survey, competitive foods checklists, cafeteria environment observation, plate waste observation, Automated Multiple Pass Method 24-hour dietary recalls, measurement of student's height and weight, student/parent surveys, meal cost interviews, and collection of administrative cost data.

Implementation of the SNMCS at this historic juncture will provide FNS with crucial information about the nutritional quality and cost of school meals after implementation of the new regulations. The resulting data will allow USDA to describe the characteristics of school environments, policies, and practices; the levels of students' participation, satisfaction, and their dietary intake; plate waste; and the relationships between these variables and the nutritional quality and cost of school meals. Comparisons of SNMCS findings with the findings from relatively recent prior national studies will provide information on the effects of the new regulations on food service operations, nutrition quality of meals, meal costs, and student dietary intakes. The study will produce five separate reports summarizing study findings (SFA/school characteristics and food service operations; nutrition quality of meals; meal costs; student participation, dietary intake, and other outcomes; and plate waste) and a stand-alone summary of findings.

The Access, Participation, Eligibility and Certification (APEC) series -- The Improper Payments Elimination and Recovery Act (IPERA) requires Federal agencies to report annually on the extent of erroneous payments in their programs, including *overpayments* (payments that were made improperly or exceeded the proper level) and *underpayments* (payments that were denied improperly or were lower than the proper level). This series is conducted at approximately five-year intervals to provide a baseline of calculated error in the School Meals programs. Data were collected in school

year 2012-13 to examine certification and non-certification error in the National School Lunch Program and School Breakfast Program. A report on the findings will be published in early 2015.

National School Lunch Program Direct Certification Improvement Study: Efficient and accurate direct certification is central to the Food and Nutrition Service's (FNS) efforts to provide nutritious meals to students. Direct certification increases access to school meals for eligible children. It also decreases burden on families and district staff in preparing and processing applications for school meal benefits. The purpose of this study is to describe current methods of direct certification used by State and local agencies, and identify challenges States and Local Education Agencies (LEAs) face in trying to attain high matching rates. This study includes analysis of data drawn from the National Survey of Direct Certification Practices and case studies of seven States. Results will be published in late 2014.

Summer Food for Children Demonstrations: As described above, FNS implemented the Summer Electronic Benefits Transfer for Children (SEBTC) demonstrations in the summers of 2011 and 2012, providing a rigorous evaluation of the impact on food security of a \$60 per month benefit per eligible child. The study found that the 2012 demonstration reduced very low food security among children (VLFS-C), the most severe form of food insecurity, by one-third. Based on the strong results from the 2011 and 2012 demonstrations, in 2013, FNS examined whether a \$30 benefit per child would have the same impact as the \$60 benefit. The final report on the 2013 implementation will be released in late 2014.

Summer Food Service Program (SFSP): FNS is currently conducting a study on the Characteristics of Providers and Participants in the Summer Food Service Program (SFSP). The descriptive study will collect data in Summer 2015 and publish results in 2016.

Child and Adult Care Food Program (CACFP): FNS is beginning a study on the Characteristics of CACFP Providers. The study will collect data in late 2015 and publish a descriptive report in 2016.

CACFP Tiering Series: The Improper Payments Information Act of 2002 (IPIA) (Public Law 107-300) requires all Federal agencies to calculate the amount of erroneous payments in Federal programs and to periodically conduct detailed assessments of vulnerable program components. This 2012 assessment of the family daycare homes (FDCHs) component of CACFP provides a national estimate of the share of the roughly 125,000 participating FDCHs that are approved for an incorrect level of per meal reimbursement, or reimbursement "tier" for their circumstances. FDCHs can earn Tier I (higher) or Tier II (lower) reimbursements depending on the location and circumstances of the child care provider or the participating children. Tiering errors result in improper payments because misclassified family daycare homes do not receive the appropriate level of reimbursement for the meals and snacks provided to the children. The assessment also estimates the dollar amount of improper payments attributable to these tiering errors.

Study of Direct Certification for Children Receiving Medicaid Benefits: Section 103 requires demonstrations of direct certification for households receiving medical assistance under the Medicaid program beginning in SY 2012-13 in selected LEAs nationwide. The evaluation will look at the effectiveness of direct certification with Medicaid to identify children eligible for free meals that are not currently being certified for free meals through direct certification through SNAP or through the current application process. Demonstrations will be conducted in a select number of LEAs in Florida, Illinois, and New York and state-wide in Kentucky and Pennsylvania. Demonstrations in a select number of LEAs in New York and Massachusetts will begin in SY 2013-14. An interim report is due to Congress by October 1, 2014.

BIOGRAPHY

Both John Endahl and Melissa Abelev are associated with the Office of Policy Support, Food and Nutrition Service, U.S. Department of Agriculture. Endahl is Senior Programs Analyst, and Abelev serves as Special Nutrition Evaluation Branch Chief.