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***Study of Direct Certification in the
National School Lunch Program***



United State
Department of
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Food and
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Study of Direct Certification in the National School Lunch Program

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EXECUTIVE SUMMARY

In September 1995, the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA) contracted with Decision Information Resources, Inc. (DIR) and its subcontractor, Mathematica Policy Research (MPR), to conduct a study of the direct certification process of the National School Lunch Program (NSLP).

A. Direct Certification

The NSLP offers free and reduced-price school meals to students from eligible households. Households with incomes at or below 130 percent of poverty are eligible for free meals, and households with incomes between 131 percent and 185 percent of poverty are eligible for reduced-price meals. Traditionally, to receive these benefits, households had to complete and submit application forms to schools or be directly certified.

Schools review applications and determine whether applying households are eligible for free or reduced-price meals. If a household is determined to be eligible for free meals, the school certifies the household's children for free school meals. Schools also certify eligible children for reduced-price meals.

Direct certification, on the other hand, is a method of eligibility determination that does not require families to complete school meal applications. Instead, school officials use documentation from the local or state welfare agency that indicates that a household participates in AFDC or food stamps as the basis for certifying students for free school meals.

Direct certification offers several potential benefits, including increasing the proportion of eligible students certified for free meals and the number of certified students participating in the NSLP and reducing burdens associated with distributing and processing free and reduced-price meal applications. Potential impediments to direct certification include a lack of cooperation and collaboration between NSLP and food stamp/AFDC agencies and problems with maintaining the confidentiality of food stamp/AFDC data.

B. Study of Direct Certification

The study was conducted to:

1. Provide descriptive information on the use of direct certification nationwide from a statewide and local perspective.
2. Estimate the costs and administrative savings of using direct certification.
3. Assess changes in free eligible certification and participation rates after implementation of direct certification, nationwide and within specific jurisdictions.

4. Identify factors, specifically implementation processes and systems and characteristics of jurisdictions (including populations) implementing direct certification, that contribute to successful direct certification efforts.

Information for the study was collected from seven data sources. They were: (1) a survey of all 51 NSLP state administrators; (2) a screening survey of 1,014 School Food Authorities (SFAs); (3) a survey of 148 SFAs that use direct certification; (4) a survey of 157 schools in directly certifying SFAs; (5) a survey of 30 AFDC/food stamp agencies involved in the direct certification process; (6) administrative data from FNS; and (7) demographic educational data from the National Center for Educational Statistics. Survey data represent the fall of 1996. Data collection activities began in November of 1996 and concluded in August of 1997.

C. Impact of Welfare Reform

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193 (the welfare reform law) eliminated the federal AFDC program and replaced it with the state-run Temporary Assistance to Needy Families (TANF) program. This has changed the direct certification processes in states where TANF eligibility standards are less restrictive than the old AFDC standards, because these states cannot directly certify TANF children. On the other hand, in states where the TANF standards are more restrictive than old AFDC standards, fewer children will be eligible for TANF than were eligible for AFDC. Thus, fewer children will be directly certified through TANF than were directly certified through AFDC.

D. Prevalence of Direct Certification

As of fall 1996, direct certification was used in 48 states and the District of Columbia and in 63 percent of all NSLP districts. These districts enrolled approximately 31 million students, which represented 72 percent of all students nationwide. These districts certified just over 10 million students for free meals through direct certification and conventional application-based certification during the fall of 1996. This represented 72 percent of all students certified for free meals nationwide.

E. Direct Certification Types

The in-depth survey of districts identified the three most common methods of direct certification in use during the fall of 1996. Two of these methods involved matching, which is the comparison of AFDC/food stamp lists or databases against student enrollment lists or databases to identify enrolled students who are AFDC/food stamp recipients. The three methods of direct certification that were identified are:

- non-matching method (Type I)
- district matching method (Type II)
- state matching method (Type III)

In the Type I model, matching did not occur. In this model, a state agency, typically the AFDC/food stamp agency, mailed documentation of AFDC/food stamp participation to AFDC and food stamp households with school-age children. These households could submit the documentation in lieu of applications to have their children directly certified for free meals. In Type I districts, districts and schools typically did not know which households received direct certification notices and it was up to the households to take steps to become directly certified. In contrast, in Type II and Type III models, schools did know which households were eligible and households did not need to take any steps to become certified. School districts performed the match for Type II districts and states performed the match for Type III districts. Then schools or school districts directly certified for free meals the food stamp/AFDC students identified through the matching process. Once the matching occurred, households were given the opportunity to reject certification.

F. Characteristics of Districts Using Direct Certification

As of 1996, approximately one-third of the direct certification districts used the Type I model, one-third used the Type II model, 19 percent used Type III, and about 16 percent used some other model. Most students in direct certification districts were enrolled in Type II districts, 41 percent, compared with 25 percent in Type I districts and 26 percent in Type III districts. Type II districts also certified more students for free meals than either Type I or Type III. Forty percent of students in direct certification districts who were certified for free meals were certified by Type II districts. Type I and Type III districts certified 28 percent and 25 percent respectively.

G. Direct Certification Processes and Systems

As of 1996, most states had used direct certification for four or more years. Districts tended to be relatively new (two years or less experience) to the direct certification process or to have been involved with it for four years or more.

Except in California, all states using direct certification had their welfare agencies generate lists of AFDC/food stamp households with school-age children. In the Type I method, these lists/databases were used to send AFDC/food stamp participation documentation to households. The Type II and Type III methods matched these lists/databases against student enrollment lists/databases to identify students receiving AFDC/food stamp benefits so they could be directly certified. More than 72 percent of states using direct certification used both AFDC and food stamp caseloads to generate these lists. Ninety-four percent of states using direct certification generated these lists/databases through a purely automated process.

Generating the AFDC/FS lists/databases at the state level usually took one to two months, beginning in early to mid-summer (May through July) and ending in late summer to early fall (late August to early September). States containing districts that conducted

matching (Type II) took longest to generate these lists/databases, an average of five months or more.

Most states conducting the matching process took four or more months to complete the process, beginning in May and ending in August. Districts, on the other hand, did not begin the process until mid-summer (July) and only took approximately one to two months to complete, ending in August or September. Matching usually occurred only once per year regardless of whether it was conducted at the state or district level.

Matching at the state level was primarily an automated process. Seventy-seven percent of the states containing districts where matching was conducted at the state level indicated that the process was automated. Districts that conducted matching, on the other hand, were less likely to indicate that the matching process was automated. Only 9 percent indicated that the process at the district level was exclusively automated. This compares with 51 percent that indicated that the matching process was exclusively manual and 40 percent that indicated it was a combination of an automated and a manual process.

Notifications to families concerning their children's pre-approval to receive free school lunches were usually completed within a two-month timeframe. The process usually began in August and was usually complete by September. In most cases, the notification was a letter sent to the appropriate household.

H. Assessing the Impact of Direct Certification on Free Certification and Participation Rates

The impact of direct certification on free certification and participation rates was analyzed by estimating a district-level model and a state-level model. The district-level model compared certification and participation levels in districts using direct certification with those not using direct certification during the fall of 1996. The state-level model compared certification and participation levels of states using direct certification with states not using direct certification from the fall of 1988 through the fall of 1996.

The district and state level models yielded disparate results. The district-level model found that direct certification had an insignificant effect on certification and participation levels. By analyzing direct certification over time, the state-level model was able to control for non-time varying differences (i.e., fixed effects) between states and certain time-varying characteristics. The state-level model was judged to be more accurate because of its increased ability to explain variance in the data. Additionally, the state-level model yielded results that were very intuitively reasonable, and its findings were robust across different specifications of the model.

Estimates from the fixed effects model show that experience using direct certification has a positive and significant effect on free certification in the average state. According to the model, for every year that a state uses direct certification, the percentage of students certified for free meals within that state will rise by 0.56 percentage points.

Thus, after four years of using direct certification, one can expect the percentage of students certified for free meals within that state to be more than 2 percentage points higher than it would have been if the state had never used direct certification.

The analysis also assessed participation rates and found that each additional year of direct certification leads to a statistically significant increase of 0.27 percentage points in the percentage of enrollment that participates in the lunch program and receives free meals.

The effect of direct certification on the percentage of enrolled students served free meals on a given day (0.27 percentage points) is smaller than the effect on the percentage certified for free meals (0.56 percentage points). This relationship suggests that many of the students certified for free meals because of direct certification did not actually eat free lunches on a given day. In particular, these students appeared less likely to participate than those who were certified for free meals either with or without direct certification -- suggesting that direct certification actually has a negative effect on free participation *among students who are certified*. The analysis of the free participation model confirmed this hypothesis. For each year that a state uses direct certification, the free participation rate among certified students is predicted to decrease by a statistically significant 0.74 percentage points.

The scenario underlying these estimates is that direct certification leads to increased certification for free meals among a group of students not particularly likely to eat school lunches. When these students become certified, many do not eat free lunches, so, as a group, students certified for free meals are less likely to participate than they were previously.

I. Influence of Direct Certification on Non-Direct Certification Activities

Survey respondents indicated direct certification generally had only a slight effect on nondirect certification NSLP activities. No effect was noted at the state, district, or school level for the public notice process or for the development and dissemination of parental letters and applications. However, the free and reduced-price meal application process was affected at the school level and school district level. Direct certification reportedly reduced workloads and increased efficiency in receiving applications, in reviewing applications for completeness, in making application eligibility determinations, and in verifying the eligibility of a sample of applications.

J. Issues and Challenges Associated with Direct Certification Implementation

The greatest challenges to states in implementing direct certification were procedural issues such as how to conduct matches, how to notify directly certified households, and/or how to coordinate the various direct certification steps. Approximately 29 percent of the states provided such a response. Other noted concerns were confidentiality (25 percent), computer programming/formatting type issues (33 percent), and cooperation among the relevant direct certification actors (22 percent).

Challenges were not as significant at the district or school level; however, such issues as procedural concerns (15 percent) and inadequate and/or incomplete information (10 percent) were noted.

I. INTRODUCTION

A. General Overview of Study

In September 1995, the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA) contracted with Decision Information Resources, Inc. (DIR) and its subcontractor, Mathematica Policy Research, Inc. (MPR), to conduct a study of the direct certification process of the National School Lunch Program (NSLP). The study was conducted to provide information on how direct certification is being implemented nationally, what procedures work best, whether cost savings are being realized, and whether direct certification increases the percentage of needy children certified for and receiving free lunches. To meet the study's objectives, DIR conducted in-depth telephone interviews with NSLP administrators at state agencies, school food authorities (SFAs), schools, and Aid to Families with Dependent Children (AFDC) and food stamp agencies. Administrative data from the FNS and data from the National Center for Educational Statistics (NCES) were also used to estimate the effect of direct certification on the certification and participation of children in the NSLP. This report presents the findings from the study.

B. National School Lunch Program

The NSLP was first authorized in 1946 by the National School Lunch Act (NSLA), Public Law 79-396, as a grant program. Its purpose was to "safeguard the health and well-being of the nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other foods." Through a series of legislative changes, the NSLP is no longer a grant program but rather is performance-based, providing cash reimbursements and commodity assistance for meals served.

The reimbursement system is designed to ensure that all eligible children receive meals and to encourage program expansion. Any public or private nonprofit elementary school, secondary school, or residential child-care institution is eligible to participate in the NSLP.

All schools participating in the NSLP must serve lunches that meet NSLP nutritional requirements. These schools are reimbursed for each lunch they serve. As Table I.1 indicates, the amount of reimbursement depends on whether a meal is served to a child approved to receive free meals, to a child approved to receive meals at a reduced price, or to a child not approved for either free or reduced-price meals (i.e., a "paid" student). Schools are allowed to charge any price to paid students, however, schools cannot make a profit on the NSLP. Schools cannot charge reduced-price students more than 40 cents per meal.

Table I.1

**Per Meal Reimbursement Rates in NSLP¹
School Year 1996-1997**

Payment Status	Cash	Value of Commodities	Total
Paid	\$0.18	\$0.15	\$0.33
Reduced Price	\$1.49	\$0.15	\$1.64
Free	\$1.89	\$0.15	\$2.04

¹ Alaska, Hawaii, and certain low-income school districts receive somewhat higher reimbursements.

Students are certified for free and reduced-price meals based on family income relative to household size. Under the NSLP, children from families whose incomes are at or below 130 percent of poverty are eligible to receive free meals. Additionally, children from families receiving food stamps or AFDC are automatically eligible to receive free

meals. Children from families with incomes between 130 and 185 percent of poverty are eligible for reduced-price lunches.

Under the standard method of certifying students for free or reduced-price meals, families submit an application to their school. Schools apply eligibility rules to determine which students qualify for free or reduced-price meals and certify students who qualify to receive school meals for free or at a reduced price.

Annual expenditures for the NSLP have risen from less than \$100 million in 1946 to approximately \$5.8 billion in 1998 (FNS Program Information Report, June 1999). About 96 percent of all public schools and 22 percent of all private schools participate in the NSLP, and roughly 90 percent of all school children have access to the program during the school year (FNS Program Information Report, September 1996; NCES Digest of Educational Statistics, 1996).

The NSLP is administered through seven regional FNS offices, which provide technical assistance to the states. State agencies -- generally state education agencies -- administer the fiscal elements of the program and provide technical assistance to local school food authorities (SFAs). At the school district level, the school board administers the program, and the district SFA supervises local participating schools. In many districts, the SFA also plans menus and purchases the food.

C. Direct Certification

Direct certification is a method of eligibility determination that does not require the completion of a free and reduced-price school meal application. Instead, school officials use documentation from the local or state welfare agency that indicates that a household participates in a welfare benefits program to certify students for free school meals.

1. Expected benefits of direct certification

Direct certification is expected to benefit the NSLP in a number of ways, including:

- ***Increasing the proportion of students from low-income families certified for free meals.*** Because direct certification removes the requirement that families complete an application, a higher proportion of families is expected to be certified. It is assumed that some eligible families fail to complete the application process because it is embarrassing, burdensome, or for some other reason.
- ***Increasing the level of participation in the NSLP (i.e., students actually receiving the school lunch).*** Higher levels of certification are expected to increase participation.
- ***Improving the efficiency of NSLP administration.*** Because households no longer must submit an application, direct certification should reduce the number of applications that a SFA receives and therefore should reduce the number of eligibility determinations an SFA has to make. Second, because directly certified children are not subject to verification requirements,¹ the number of verifications that an SFA has to perform should decrease. All this should translate into fewer staff hours to determine and verify eligibility.

2. Potential problems of direct certification

Direct certification can be implemented in a variety of ways. Some ways have involved “matching” a list or database of students against a list or database of AFDC/food stamp recipients to identify the students who receive AFDC or food stamps. When a direct certification process uses matching, there must be at least one common identifier between the AFDC/food stamp list/database and the student list/database. In addition, the common identifier(s) must be formatted in a similar manner in both lists/databases and be present for every individual. If one of these conditions is not met,

¹ NSLP regulations require SFAs to verify the accuracy of information that households report for a sample of applications. SFAs select a sample of applications for verification and then contact the households that submitted the applications. The SFAs ask the households to provide documentation to corroborate the information provided on the applications. Households that do not respond lose their free or reduced price

then matching some individuals in the lists/databases cannot be automated and must be done manually. Manual matching is less efficient and limits the burden reduction realized through direct certification.

Additional staff time may also be required when households submit applications for eligibility even though they have previously been directly certified. When this occurs, staff must compare application lists with direct certification lists in order to identify and remove duplicate applications.

In addition to these concerns, there are several other issues associated with the implementation of direct certification that should be noted. The first is how the school district and the welfare agency maintain confidentiality and avoid the overt identification of a child as eligible for free or reduced-price meals. As the automated matching process becomes less efficient and greater demands are placed on the direct certification process, the likelihood of violating confidentiality may be increased.

There is also concern over cooperation and collaboration between the school districts and the welfare agencies. To effectively gather the amount of data needed in the necessary time requires a good working relationship between the two. If a good relationship does not exist, the benefits of direct certification may be compromised.

3. Impact of welfare reform

Changes made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193 (the welfare reform law), began affecting direct certification in the 1997-1998 school year. The welfare reform law eliminated the federal AFDC program and replaced it with the state-run Temporary

benefits. A SFA may change a student's certification status based on the documentation supplied by the student's household. The NSLP regulations specify sample size requirements.

Assistance to Needy Families (TANF) program. During the 1996-1997 school year, when data were collected for this study, AFDC was still in effect and used for direct certification. However, that was the last school year AFDC data could be used to directly certify children for free meals.

TANF allows each state more flexibility to define the eligibility criteria for its cash assistance program, and the welfare reform law made TANF participants conditionally eligible for direct certification for free meals. The law specifies that participants in TANF programs that have eligibility criteria at least as restrictive as the AFDC eligibility criteria in effect as of June 1, 1995 are categorically eligible to receive free meals, but participants in all other TANF programs are not. Thus, states that have less restrictive eligibility requirements in their TANF programs than in the prior AFDC program are no longer permitted to use direct certification. But in states where the TANF standards are more restrictive than old AFDC standards, fewer children will be eligible for direct certification because fewer children are eligible for TANF.

D. Study Objectives

The direct certification study had four primary objectives:

1. Provide descriptive information on the use of direct certification nationwide from a statewide and local perspective.
2. Estimate the costs and administrative savings of using direct certification.
3. Assess changes in free eligible certification and participation rates after implementation of direct certification, nationwide and within specific jurisdictions.
4. Identify factors, specifically implementation processes and systems and characteristics of jurisdictions (including populations) implementing direct certification, that contribute to successful direct certification efforts.

Chapter II provides a more detailed description of these objectives, including the research questions for each objective.

Information for the study was collected from seven data sources: (1) a survey of NSLP state administrators; (2) a screening survey of school food authorities (SFAs) to identify SFAs using direct certification; (3) a survey of SFAs that use direct certification; (4) a survey of schools within directly certifying SFAs; (5) a survey of AFDC/food stamp agencies involved in the direct certification process; (6) administrative data from FNS; and (7) demographic educational data from the National Center for Educational Statistics. Details on these data sources are provided in Chapter II.

E. Report Organization

Findings from this study are presented in six chapters and two appendices. The first chapter provides an overview of the study. Chapter II presents the study's methodology. Chapter III discusses the different processes and systems that different states use to conduct direct certification. Chapter IV addresses the influence of direct certification on other nondirect certification NSLP processes. Chapter V discusses participation and certification rate changes that are due to the implementation of direct certification. And finally, Chapter VI examines implementation issues critical to entities that are conducting direct certification.

The report also includes two appendices. The first appendix provides a state-by-state listing of state responses to key direct certification activities. Appendix II provides more detailed documentation regarding data collection procedures. The five surveys used for this study are also included in this appendix.

II. METHODOLOGY

This chapter describes the study objectives and data sources used to examine the prevalence and use of direct certification. It begins by discussing the study objectives, along with the associated research questions that guided the analysis. It follows with a discussion of the data sources used to address these study objectives.

A. Study Objectives

This study has four research objectives. Two objectives focus on the process of conducting direct certification, attempting to determine how the direct certification process is implemented and what specific factors contribute to successful implementation. The other two objectives focus on the effect of the direct certification process.

Objective 1: Provide descriptive information on the use of direct certification nationwide from a statewide and local perspective.

B. This objective sought to provide information on the prevalence of direct certification usage throughout the United States and to describe the variety of processes and procedures states and local districts use to conduct direct certification. A primary task was to gather information in sufficient detail to effectively identify and categorize distinct direct certification processes, approaches, and settings. The objective was separated into 11 research questions:

1. Which states conduct direct certification at the state level?
2. How many districts use direct certification?
3. What direct certification processes and systems are being used?
4. How long have states, districts or schools been using direct certification?
5. What are the characteristics, including populations of jurisdictions, that use direct certification?
6. When is direct certification performed?

7. What level of support is provided from the welfare agency supplying food stamp or AFDC information?
8. What led jurisdictions (at the state, district, and school level) to implement direct certification?
9. What proportion of direct certifications must be matched manually to a student roster?
10. What proportion of directly certified students return duplicate applications?
11. Has the proportion returning duplicate applications diminished over time?

Objective 2: Estimate the costs and administrative savings of using direct certification.

The intent of this objective was to measure the influence of direct certification on administrative costs and savings. Four specific research questions were posed:

1. What are the costs associated with direct certification?
2. Which organizations bear the costs of direct certification?
3. What are the administrative cost savings associated with direct certification?
4. Which organizations benefit from savings?

C.

D. Data collection activities that attempted to answer these questions were unable to yield sufficient information to provide reliable estimates of administrative costs and savings. Although some agencies were able to do so, many states (45 percent), SFAs (34 percent), and schools (52 percent) were unable to provide detailed cost data on their NSLP activities. Accordingly, this report cannot provide reliable estimates of the actual administrative costs and savings due to direct certification. However, the report does provide information on program staff's perceptions of administrative savings.

Objective 3: Assess changes in free eligible certification and participation rates after implementation of direct certification, nationwide and within specific jurisdictions.

Because direct certification eliminates the need to complete an application to be certified for free meals, the number of children certified to receive free meals should increase because a perceived certification barrier has been removed. In turn, participation

in the school lunch program is likely to increase as a result of increased levels of certification. The following three research questions were posed to address this objective:

1. How many eligible children are certified through direct certification?
2. Has the implementation of direct certification increased the certification rates of free eligible children?
3. Has free participation increased as a result of direct certification?

Objective 4: Identify factors, specifically implementation processes and systems and characteristics of jurisdictions (including populations) implementing direct certification, that contribute to successful direct certification efforts

This objective focused on direct certification strategies that contribute to successful implementation. Five research questions addressed this objective:

1. What are the impediments to direct certification?
2. Are there circumstances more suited to use of direct certification?
3. What technical assistance has been provided to states or districts to help with implementation of direct certification?
4. What is the most useful student identifier?
5. What changes could be made to direct certification to make it more useful?

E. Data Sources

Addressing the four study objectives required obtaining nationally representative survey data at the state, SFA, and school level. The FNS does not require reports on the use of direct certification and therefore does not have data on which states and districts use direct certification. The FNS required that the SFA survey be split into a screener survey to identify direct certification districts and a follow-up in-depth survey of a sample of districts that were identified as using direct certification.

In addition to surveying all levels of organizations operating the NSLP, study objectives also required surveying a sample of agencies that administer the AFDC and/or

the food stamp program, because these agencies provide the data used to directly certify students. All survey data were collected for the fall of 1996, and some data were collected for the period preceding the fall of 1996. Finally, survey data were supplemented by data from FNS and the National Center for Educational Statistics (NCES). A brief description of each of these data elements follows.²

1. State survey

Telephone interviews were conducted with state NSLP directors in the 50 states and the District of Columbia. This survey attempted to gather information on:

- State-level involvement with direct certification
- The cost and administrative savings of using direct certification to state entities involved with the NSLP
- The impact of direct certification on statewide NSLP certification and participation rates
- Factors that contribute to the success of direct certification from a state-level perspective
- Descriptive information on direct certification activities in the state

2. SFA screening survey

Telephone interviews were conducted with a nationally representative sample of SFAs between January and February of 1997. The sample was designed to achieve FNS' objective that the percentage of SFAs using direct certification nationally be estimated with a 95 percent confidence interval of +/- 5 percent. A sample frame was constructed from the NCES Common Core of Data, Public Education Agency Universe, 1993-1994. To improve precision, the sample was stratified according to estimates of the percentage of SFAs using direct certification in each state. The survey:

² A separate Technical Appendix to this report describes the data collection procedures and response rates in more detail.

- Provided nationally representative estimates of the number of direct certification districts and the number of students enrolled
- Obtained information on characteristics of direct certification and nondirect certification SFAs for comparison purposes
- Asked nondirect certification SFAs why they were not using direct certification
- Served as the sampling frame for selecting a nationally representative sample of districts using direct certification

3. SFA in-depth survey

The survey of SFAs using direct certification was designed to provide detailed information on how direct certification is being implemented at the district level. Data was collected between March and May of 1997. More specifically, this nationally representative survey attempted to obtain information on:

- Different processes used to implement direct certification at the district level
- Costs and administrative savings associated with direct certification at the district level
- Impact of direct certification on NSLP certification and participation rates in the district
- Factors that contribute to the success of direct certification from a local perspective

4. School survey

Most often, schools determine children's eligibility for free and reduced-price meals. This includes processing direct certification documentation and establishing procedures for charging students for school meals based on certification status. The school survey was thus conducted to further examine the interactions between direct certification and nondirect certification processes and to examine other effects of the

direct certification process. This survey was administered between May and July of 1997.

5. AFDC/food stamp survey

The survey of AFDC/food stamp agencies involved with direct certification was conducted to collect information on the different approaches these agencies use to assist local and state-level staff in identifying directly certified students. The survey was not a nationally representative survey, but rather a purposive sample of 30 agencies involved with direct certification. Data was collected between July and August of 1997. Because the data collected from this survey did not provide information not collected through the state, SFA, or school surveys, and because the AFDC/food stamp survey had limited generalizability, the AFDC/food stamp survey information is not included in this report.

6. FNS administrative data

FNS provided administrative data on the number of certified students and the number of meals served nationally and by state over several years. These data were used to estimate the effect of direct certification on certification and participation rates.

7. National Center for Educational Statistics

DIR used data from NCES on student enrollment and number of schools and districts. These data were used for sample selection and for the analysis of characteristics that distinguish districts using direct certification from districts not using direct certification.

III. DESCRIPTION OF DIRECT CERTIFICATION PROCESSES AND SYSTEMS

This chapter presents the characteristics associated with the various direct certification processes and systems. It begins by summarizing information on the scope of direct certification usage nationally. Next, the report classifies the various forms that direct certification has taken. That is followed by a discussion of the detailed characteristics of the prevailing modes of direct certification.

A. Prevalence of Direct Certification

Direct certification is used in nearly all states and in the District of Columbia (49 of 51 jurisdictions). Sixty-three percent of public school districts participating in the NSLP use direct certification (Table III.1). These districts enrolled approximately 31 million students, representing 72 percent of all students nationwide. They also certified just over 10 million students for free meals during the fall of 1996. This total represented 72 percent of all students certified for free meals nationwide.

Thus, not only are most public school districts across the nation using direct certification, almost three-fourths of all enrolled students are found in districts that use direct certification. Similarly, almost three-fourths of all students certified for free meals were certified by districts that use direct certification.

B. Direct Certification Typology

To better understand the influence of direct certification on the NSLP, DIR developed a typology to classify the different forms of direct certification. This classification was needed to assess the relative efficacy of different forms of direct certification, as the study objectives require.

TABLE III.1**NUMBER AND CHARACTERISTICS OF DISTRICTS USING AND NOT USING DIRECT CERTIFICATION**

	Public School Districts		Total
	Using Direct Certification	Not Using Direct Certification	
Number of Public School Districts Participating in NSLP ¹	8,924	5,241	14,165
Percentage of Districts Participating in NSLP	63.0%	37.0%	100%
Number of Students Enrolled in Districts Participating in NSLP ²	31,079,657	12,146,570	43,226,227
Percentage of Students Enrolled in Districts Participating in NSLP ²	71.9%	28.1%	100%
Number of Students Certified for Free Meals in Districts Participating in NSLP ³	10,052,827	4,007,071	14,059,898
Percentage of Students Certified for Free Meals	71.5%	28.5%	100%

Sources: Direct Certification Study SFA Screener Survey; NCES Common Core of Data, Public School Agency Universe

Footnotes for Table III.1:

1. The number of public school districts using direct certification and the number not using direct certification were estimated by multiplying the estimated percentage of districts in each group by the estimated total number of public school districts.
2. 1,176 SFAs were selected for the sample for the screening survey. Of these, 996 provided complete data on district enrollment and 984 also provided data on direct certification status. The weighted sum of students in the 984 districts for which direct certification status is known is 42,775,751. Of these, an estimated 30,735,648 are in 559 districts using direct certification, giving the estimate of the percentage of students in districts using direct certification of 71.9%.

Total student enrollment in districts participating in the NSLP is estimated as follows: total weighted student enrollment in the 996 districts providing data on district enrollment was 43,098,001. The sum of weights in the 996 districts providing data is 14,123.29. The estimated total number of districts participating in the NSLP is 14,165.31. Total students enrollment in district participating in the NSLP = $43,226,227 = 43,098,001 * (14,165.31 / 14,123.29)$.

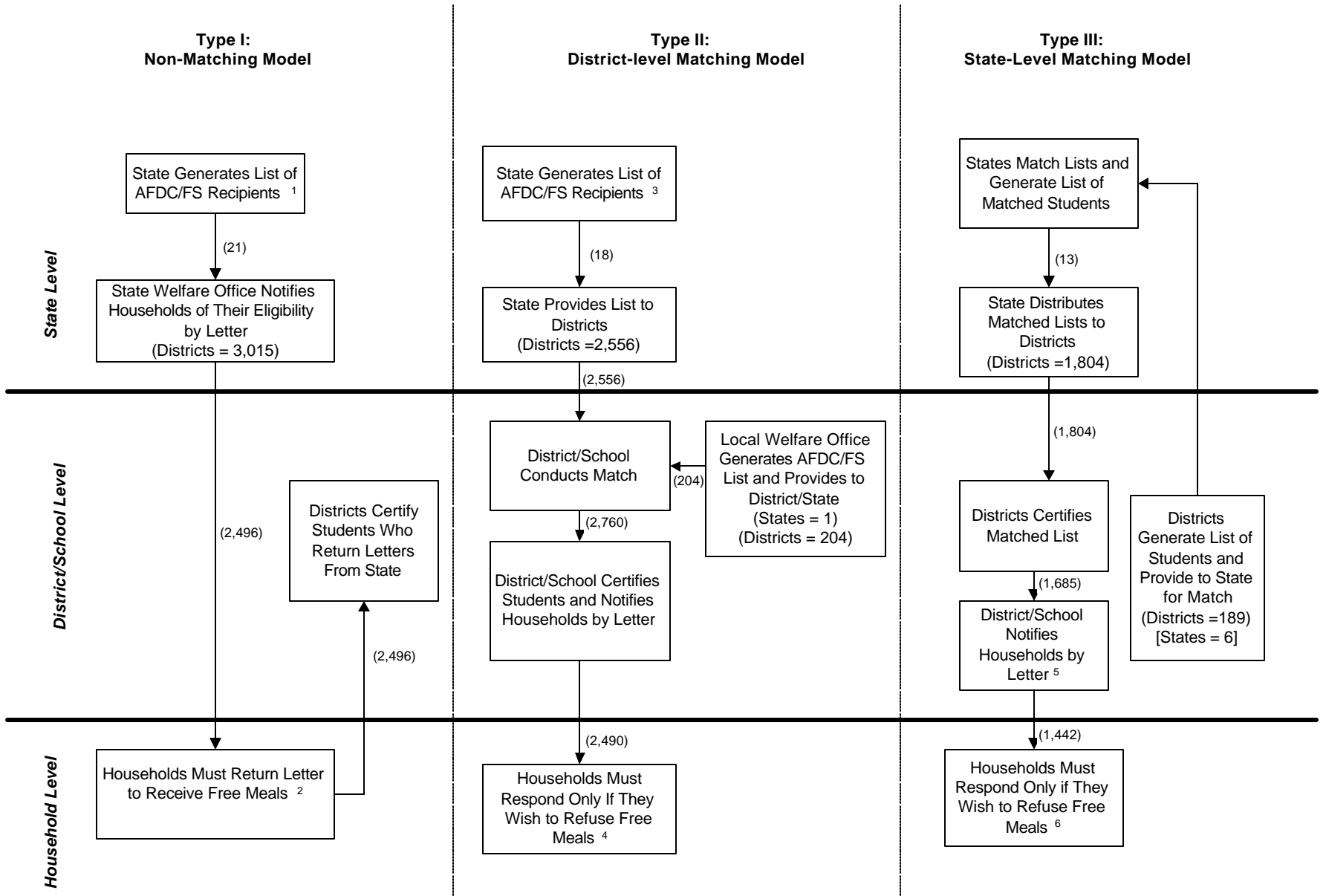
3. Estimated total number of students certified for free meals uses the same methodology described in footnote 2. The estimated sum of students from survey respondents providing data on this item was 13,763,213; the ratio of the sum of weights for all responders to the sum of weights for responders providing data on number of students certified free is $14,165 / 13,866$; and $14,059,898 = 13,763,213 * (14,165 / 13,866)$.

Empirical survey data collected from the in-depth survey of districts revealed that direct certification can take a variety of forms, but three types predominated. The three types encompassed all but a few arrangements encountered in the surveys. These three types constitute the typology shown in Figure 1. The variants not included in the typology are similar in their features to the typology's three distinct types. Data presented in Figure 1 represent empirical data generated through the in-depth survey of districts. Estimates that take into consideration sampling error and nonresponse are given in Table III.2.

The typology is based on two elements of the process used to implement direct certification. The first is how the work in conducting direct certification was shared among SFAs, schools, state NSLP agencies, and AFDC/food stamp agencies. The second is whether an AFDC/food stamp household had to make an “active response” for “preapproved” children to become certified to receive free meals. In the context of direct certification processes and systems, “preapproved” refers to a child who was identified as a member of an AFDC/food stamp household, and therefore was eligible for free meals. “Certified” refers to a “preapproved” child who was placed on a school/SFA lunch eligibility roster to receive free meals on the basis of direct certification documentation. “Active response” refers to the act in which a household with “preapproved” children submitted the letter (documentation) of preapproval to a school³. Identification refers to

³ The FNS prohibits schools from certifying preapproved children without giving their parents/guardians an opportunity to turn down the certification. This is not an issue when active response is required, because households receive the preapproval documentation and only forward it to schools if they want to become certified. Schools that receive preapproval documentation from AFDC/food stamp agencies and certify the preapproved children without first going through their households must notify households that their children have been certified based on preapproval documentation and inform them that they may discontinue the certification by contacting the school.

Dominant Direct Certification Patterns
Figure 1



Footnotes for Figure 1:

1. Four of the 21 states identified for Type I (Arizona, Kansas, Maine, and Georgia) not only use the state-generated AFDC list to notify households of their eligibility, they also provide the list to local districts as indicated in Type II. These four states are therefore included in the state count for both Type I and Type II models. They were, however, excluded from both the Type I and Type II models during the analysis and examined as a special combination of both types.
2. Data from the survey of state directors indicates households in 3,015 districts were notified of their eligibility by a letter from the state. Data from the in-depth survey indicates households in 2,496 districts were notified of their eligibility by a letter from the state. Districts in the in-depth survey that provided responses inconsistent with the state directors' survey, representing 519 (?) districts, were excluded from the model. The excluded districts did not indicate how households in their districts could use the AFDC/FS participation documentation received from the state to have their children certified for free school meals.
2. As indicated in footnote 1, four states (Arizona, Kansas, Maine, and Georgia) included as Type II states were also included as Type I states. Although reflected in the Typology as both Type I and Type II, the four states were analyzed separately.
3. For Type II models, households only need to respond to the district or school if they wish to refuse free meals. Of the 2,760 districts included in this Type, 270 provided responses that were inconsistent with the pattern. These 270 districts all indicated that students were not automatically approved by the matching process. The household was still required to respond in order for their children to receive free meals. Because the requirement was inconsistent with the general pattern for Type II states and districts, these 270 districts were excluded from the model.
4. Of the 1,804 districts that received and approved a matched list of students from the State, 119 districts did not provide evidence to indicate that the district or the school notified the household of their eligibility. Accordingly, the 119 districts are not reflected here nor included in the analysis of Type III districts.
5. In addition to the 119 districts that provided inconsistent responses to the household notification process, an additional 243 districts were unable to provide evidence that would confirm the appropriate household response given the household notification by the district or school. These additional 243 districts were also excluded from the typology and the analysis of Type III districts.

TABLE III.2
NUMBER AND CHARACTERISTICS OF DISTRICTS
USING EACH DIRECT CERTIFICATION MODEL¹

	Type I: Non- Matching	Type II: District-Level Matching	Type III: State-Level Matching	Non-Pure Types ²	Total
Direct Certification					
Districts Using Model:					
Estimated Number	2,868	3,002	1,663	1,389	8,924
Percentage	32.1	33.6	18.6	15.6	100.0
Number of Students Enrolled in Direct Certification Districts:					
Estimated Number	7,779,238	12,671,176	8,083,818	2,545,424	31,079,657
Percentage	25.0	40.8	26.0	8.2	100.0
Number of Students Certified for Free Meals in Direct Certification Districts:					
Estimated Number	2,843,945	4,049,781	2,506,170	651,926	10,052,827
Percentage	28.3	40.3	24.9	6.5	100.0

¹ Estimates presented by type use the same methodology described in Table III.1. Specifically, the number of districts, number of students enrolled, and number of students verified for free meals were provided in Table III.1 by multiplying the corresponding estimated percentage in each type by the estimated total for direct certification districts.

² Data for Type I, Type II, and Type III models only include those districts that conform completely to the pattern identified for each type. Data for nonpure types include Type I and Type II districts for which data are available and that generally conform to the types identified in Figure 1 for those types. However, they vary in some significant manner from the specific procedures identified for Type I and II given in Figure 1.

TABLE III.2
(Continued)

	Type I: Non- Matching	Type II: District-Level Matching	Type III: State-Level Matching	Non-Pure Types ²	Total
Percentage of Districts that Actively Chose to Implement Direct Certification:	9.7	60.5	50.2	20.9	35.8
Total N	2,496	2,490	1,441	1,151	7,758
Average Percentage of Schools in District Using Direct Certification:	100.0	99.0	99.8	99.6	99.6
Total N	2,377	2,454	1,442	1,151	7,424
Average Percentage of Non-White Students:	10.2	18.4	33.5	9.6	17.8
Total N	2,100	2,355	1,338	748	6,542
Percentage of Districts Located in Urban Area with Populations of 100,000 or More:	0.2	5.1	9.2	0.5	3.6
Total N	2,496	2,490	1,442	1,152	7,580

G.

Source: Direct Certification Study SFA In-Depth Survey

H.

the process by which a list of school-aged children in AFDC/food stamp households or a list of enrolled students was generated. And finally, “matching” refers to the comparison of an enrolled student list and a list of children who were members of AFDC/food stamp households in an effort to identify students whose names appear on both lists.

Figure 1 shows the three types that make up the typology. Note that Types II and III differ only in how the work associated with direct certification was distributed among the agencies involved. Both types employed matching and both certified preapproved children for free meals without requiring an active response from AFDC/food stamp households. Type I, on the other hand, did not employ matching and did require an active response from the AFDC/food stamp households with preapproved children. A more detailed examination of each type follows.

1. Type I

In the Type I direct certification process no matching took place. The state welfare agency notified all AFDC/food stamp households with school-age children by letter that their children were eligible for free school meals. Some states covered both AFDC and food stamp populations, while others addressed only one. State AFDC and food stamp confidentiality regulations and computer capabilities usually affected whether AFDC, food stamp, or both populations were covered.

The Type I process required an active response from the household. The notice mailed to AFDC/food stamp households documented that the children in the household were AFDC/food stamp participants and could be approved for free meals without further documentation. The notice also informed the household that it had to deliver the notice to the children's school for the children to be certified.

In the Type I direct certification process, households played a critical role in getting preapproved children certified. Since a state agency sent the preapproval notice directly to AFDC and food stamp households, schools and SFAs typically did not know which households received them. Consequently, school and SFA officials had to rely on the households to submit the notices in order to certify children for free meals.

2. Type II

In the Type II process, a school district obtained a list of children in AFDC/food stamp households and compared the list with a list of enrolled students. Most Type II districts obtained an AFDC/food stamp list from their state NSLP agencies, which obtained the lists from state AFDC/food stamp agencies. Some Type II districts obtained lists from local AFDC/food stamp agencies. After the list of AFDC/food stamp children and the list of enrolled students were compared, the children who appeared on both lists were certified as eligible to receive free meals and recorded as such on the districts' and/or schools' roster.

Most districts using the Type II model notified the children's household that the children were certified to receive free meals. Households were told that they must respond only if they wished to decline the free meal benefits. Thus, a Type II direct certification process required no action from a student's household in order for a child to move from preapproved status to certified status.

3. Type III

The Type III process is similar to Type II in that matching occurs and preapproved households were not required to act to move from preapproved status to certified status. The difference is who conducts the matching. In Type II models, districts

conducted the matching, while in Type III models, the state NSLP agency or the state AFDC/food stamp agency did the matching. The matching process at the state level typically took one of two forms: an automated comparison of a statewide enrollment database against a statewide AFDC/food stamp database or an automated match between a statewide AFDC/food stamp database and enrollment lists provided to the state by individual districts. Both forms resulted in a matched database of students who were preapproved for free meals.

The district certified all students on this preapproved list for free meals. As in Type II, the districts then sent notices to households certified in this manner. The notices were conceptually identical to those in Type II, and the households were required to return the notices only if they wished to decline benefits. In contrast to Type I, Type II and Type III models did not require households to play an active role in the process of getting preapproved children certified for free meals.

4. Type I and Type II Combination

In most states, all districts in the study sample fell within one of the three main direct certification patterns. However, four states--Arizona, Georgia, Kansas, and Maine -- included some districts in which no matching was performed (Type I) and some districts in which the matching was performed at the district level (Type II). For the purpose of the state-level analyses that follow, the four states that have districts with different direct certification patterns were analyzed as a separate category. The category that includes these four states is identified in the tables that follow as “Type I and Type II Combination.”

C. Characteristics of Districts Using the Different Direct Certification Models

This section compares the characteristics of districts in the study sample using each model. Table III.2 provides information on the number of districts using each model, the number of students enrolled in districts using each model, and the number of students certified for free meals for each model.

Approximately one-third of the districts used the Type I model, and an additional one-third used the Type II models. However, most students, 41 percent, were enrolled in Type II districts compared with only 25 percent in Type I districts and 26 percent in Type III districts. Similarly, 40 percent of students certified for free meals were certified by Type II districts. This compares with 28 percent in Type I districts and 25 percent in Type III districts.

D. Experience in Conducting Direct Certification

States and districts began using direct certification in 1991. Most states have used this process for four or more years (Table III.3). Districts tended to be either relatively new to direct certification (two years or less) or were involved with the direct certification process for quite some time (four years or more).

At the district level, 46 percent of Type I districts had four or more years of experience and 40 percent had only one year of experience. Other types tended to have fewer "newer" sites -- 48 percent of Type II districts had four or more years of experience and 19 percent had only one year or less. The numbers for Type III districts are 61 percent (four or more years) and 23 percent (one year or less). This implies that districts in which the state did the match (Type III) were more likely to have implemented direct certification earlier than either Type I or Type II districts.

TABLE III.3

EXPERIENCE WITH DIRECT CERTIFICATION BY TYPE OF MODEL

	One Year or Less	Two to Three Years	Four or More Years	Weighted N	Unweighted N
Number of States by District Certification Type⁴:					
Type I: Non-Matching	1	0	15	NA	16
Type II: District-Level Matching	1	0	14	NA	15
Type I & II: Combination	0	0	4	NA	4
Type III: State-Level Matching	0	1	12	NA	13
Total	2	1	45	NA	48¹
Percent of Districts by Direct Certification Types⁵:					
Type I: Non-Matching	39.6	14.3	45.7	2,495	25
Type II: District-Level Matching	18.9	32.9	48.2	2,488	66
Type III: State-Level Matching	22.7	16.3	61.0	1,441	39
Total	31.9	20.7	47.3	7,574	148

Sources: Direct Certification Study SFA In-Depth Survey; Direct Certification Study State Survey

⁴ Note California does not conduct direct certification at state level

⁵ Note that Ns differ slightly from Figure 1 due to item nonresponse by some districts

E. The Identification Process

Identifying students in families receiving AFDC or food stamps was the first step in the direct certification process. It usually involved generating a list or database of school-age children in AFDC/food stamp households and, in the case of Type II and Type III, also generating a list or database of enrolled students. This section provides a description of the more critical factors associated with these activities.

Figure 1 shows that the state welfare agency had the responsibility of generating a list or database of AFDC/food stamp recipients. The only exception to this was in California, where local welfare agencies were responsible for producing the list or database.

Table III.4 shows that 72 percent of the states generating an AFDC/food stamp list/database used both an AFDC caseload and a food stamp caseload to generate this list or database. Another 21 percent (10 states) used only a food stamp list, and 4 percent (two states) used both an AFDC caseload and food stamp caseload plus some other source.

Direct certification systems that used matching were more likely to rely exclusively on food stamp caseloads than were states that did not use matching. Specifically, 29 percent of the states containing Type II districts and 31 percent of the states containing Type III districts indicated that they used food stamp caseloads to identify children who could potentially be certified through direct certification, compared with 12 percent of states containing Type I districts.

TABLE III.4

GENERATION OF AFDC/FOOD STAMP LIST AT STATE LEVEL

	Type I: Non- Matching	Type II: District- Level Matching	Type I & II: Combination	Type III: State- Level Matching	Total
Percentage of States Indicating Data Source:					
AFDC and Food Stamp Caseloads	76.5	64.3	75.0	69.2	72.3
Food Stamps Caseload Only	11.7	28.6	0.0	30.8	21.3
AFDC, Food Stamp, and Some Other Source	5.9	7.1	0.0	0.0	4.3
Source Unknown	5.9	0.0	25.0	0.0	2.1
Unweighted N	17	14	4	13	
Percentage of States Indicating Process (N = 47):					
Automated Process	94.1	100	100	76.9	93.6
Manual	0.0	0.0	0.0	0.0	0.0
Combination of Automated and Manual	0.0	0.0	0.0	23.1	6.4
Process Unknown	5.9	0.0	0.0	0.0	0.0
Unweighted N	17	14	4	13	

Source: Direct Certification Study State Survey

The process of generating these lists or databases at the state level was almost exclusively automated. Approximately 94 percent of the 47 states generating such a list or database indicated that this was the case. The remaining 6 percent indicated that the identification process was both automated and manual. No state used a manual process exclusively.

Table III.5 shows the time spent on the AFDC/food stamp identification process for direct certification states that conduct the process at the state level. The table shows that about 63 percent of these states start the identification process between the months of May and August, while 21 percent start the identification process early, before May. Only a few of these states, 8 percent, have not finished the identification process by September. States with Type I districts were among the slowest, with 12 percent of these states not completing the identification process until September. Because Type I districts did not perform a matching process after the identification process, the late finish for these states with Type I districts was not necessarily a problem. Forty-six percent of states identifying AFDC/food stamp children at the state level completed the identification process in two months or less, and another 17 percent completed it in three months. Fifty-two percent completed the identification process in August. States with Type II districts (district level matching) took the longest to complete the identification process, with 50 percent of them taking five months or more.

F. Matching Process

As indicated earlier, whether matching is performed and what entity performs matching are key variations in the direct certification process. This section describes how matching was conducted at the district level (Type II) and at the state level (Type III).

TABLE III.5

**TIME NEEDED TO CONDUCT AFDC/FOOD STAMP IDENTIFICATION
AT STATE LEVEL**

	Type I: Non- Matching	Type II: District-Level Matching	Type I & II: Combination	Type III: State-Level Matching	Total
Percentage Indicating Starting Month for Identification:					
February	0.0	0.0	0.0	7.7	2.1
March	5.9	35.7	0.0	7.7	14.6
April	0.0	7.1	0.0	7.7	4.2
May	11.8	7.1	25.0	7.7	10.4
June	11.8	21.4	25.0	7.7	14.6
July	29.4	21.4	0.0	23.1	22.9
August	29.4	0.0	25.0	7.7	14.6
Don't Know	11.8	7.1	25.0	30.8	16.7
Total	17	14	4	13	48
Percentage Indicating Ending Month for Identification:					
June	0.0	0.0	0.0	7.7	2.1
July	5.9	57.1	25.0	23.1	27.1
August	76.5	28.6	75.0	38.5	52.1
September	11.8	7.1	0.0	7.7	8.3
Don't Know	5.9	7.1	0.0	23.1	10.4
Total	17	14	4	13	48

TABLE III.5 (continued)

**TIME NEEDED TO CONDUCT AFDC/FOOD STAMP IDENTIFICATION
AT STATE LEVEL**

	Type I: Non- Matching	Type II: District-Level Matching	Type I & II: Combination	Type III: State-Level Matching	Total
Percentage Indicating Time Necessary to Complete Identification:					
One Month	17.6	7.1	25.0	23.1	16.7
Two Months	47.1	28.6	0.0	15.4	29.2
Three to Four Months	17.7	7.1	50.0	15.4	16.7
Five or More Months	5.9	50.0	0.0	15.4	20.9
Don't Know	11.8	7.1	25.0	30.8	16.7
Total	17	14	4	13	48

Source: Direct Certification State Survey

More specifically, this section focuses on how frequently matching occurred, the data items used to establish that a person on an AFDC/food stamp list was the same person appearing on a student list, whether AFDC or food stamp caseloads were used to conduct the match, whether the matching process was automated, manual, or both, and the timeframes in which matching took place. Because districts perform this function in some places and states perform it in others, the tables show data on districts and states.

Findings from the study indicate that the matching process is usually conducted once a year regardless of whether matching occurs at the district or the state level (Table III.6). Seventy-five percent of Type II districts indicated that matching was performed only once a year, while 85 percent of the states with Type III districts indicated the same. Approximately one-fifth of the districts indicated that matching was performed two or more times per year.

A student's name, Social Security number, and birth date were the items most often used to match individuals on the student list with individuals on the AFDC/food stamp list, especially for Type III districts where matching occurred at the state level (Table III.7). Type II districts were also likely to use a family's address and parent's name

Both AFDC and food stamp caseloads were the primary source of data used to conduct the match for both districts (Type II) and states (Type III) that do matching (Table III.8). The matching process was primarily automated for states (Table III.9). However, for districts (Type II), matching was significantly a manual process.

Table III.10 shows that states (Type III) began the matching process as early as February and as late as August, with most of these states beginning between May and

TABLE III.6
FREQUENCY OF MATCHING PROCESS

	Type II: District-Level Matching	Type III: State-Level Matching
Number Times Matching Per Year:		
One Time	75.3	84.6
Two Times	7.0	7.7
Three or More Times	13.8	0.0
Don't Know	3.9	7.7
Weighted N	1,463	---
Unweighted N	42	13

Sources: Direct Certification Study SFA In-Depth Survey; Direct Certification Study State Survey

TABLE III.7

**PERCENTAGE OF MATCHING JURISDICTIONS INDICATING
DATA ITEMS USED TO CONDUCT MATCH**

	Type II: District-Level Matching	Type III: State-Level Matching
Data Items:		
Student's Name	100.0	100.0
Student's SSN	62.0	69.2
Parent's Name	64.7	23.1
Parent SSN	20.2	15.4
Address	68.4	46.2
Birth Date	66.0	100.0
Other Item	37.0	15.4
Weighted N	1,464	----
Unweighted N	42	13

Source: Direct Certification Study SFA In-Depth Survey; Direct Certification Study State Survey

TABLE III.8

**PERCENTAGE OF MATCHING JURISDICTIONS INDICATING
CASELOADS USED TO CONDUCT MATCH**

	Type II: District-Level Matching	Type III: State-Level Matching
Caseloads:		
Combination of AFDC and Food Stamp	67.3	69.2
Food Stamp Only	5.3	30.8
AFDC Only	5.2	0.0
Other Caseload Only	6.5	0.0
Don't Know	15.6	0.0
Weighted N	1,463	----
Unweighted N	42	13

Sources: Direct Certification Study SFA In-Depth Survey; Direct Certification Study State Survey

TABLE III.9

AUTOMATION OF MATCHING PROCESS

Percentage Indicating Type of Process Used	Type II: District-Level Matching	Type III: State-Level Matching
Automated Process	8.6	76.9
Manual Process	51.6	0.0
Combination	39.9	15.4
Don't Know	0.0	7.7
Weighted N	1,464	----
Unweighted N	42	13

Sources: Direct Certification Study SFA In-Depth Survey; Direct Certification Study State Survey

TABLE III.10

TIME NEEDED TO COMPLETE MATCHING

	Type II: District-Level Matching	Type III: State-Level Matching
Percentage Indicating Starting Month for Matching:		
January	0	7.7
February	0	7.7
March	0	15.4
April	0	15.4
May	0	15.4
June	0	7.7
July	24.0	7.7
August	57.3	23.1
September	16.3	0.0
I. November	2.5	0.0
Percentage Indicating Ending Month for Matching:		
J. June	0.0	7.7
July	10.5	23.1
August	37.2	53.8
September	36.3	7.7
October	5.0	0.0
November	11.0	0.0
December	0.0	7.7
Percentage Indicating Total Time to Complete Matching::		
One Month	42.4	38.5
Two Months	46.4	0.0
Three Months	11.2	0.0
Four Months	0.0	30.8
Five or More Months	0.0	30.8
Weighted N	1,407	----
Unweighted N	41	13

Sources: Direct Certification Study SFA In-Depth Survey; Direct Certification Study State Survey

August.⁶ Most districts (Type II) began their matching process in July and August. Because these districts and states were using matching, both had to wait until the AFDC/food stamp identification process was complete in order to begin the matching process. Most states (Type III) completed the matching process by August, with 77 percent completing the process in July and August. Districts (Type II) completed the matching process slightly later, with 74 percent finishing it in August and September.

Thus, on average, the matching process is a much longer process at the state level (Type III) compared with the district level (Type II). More than 61 percent of the states (Type III) took four months or longer to complete the matching process, while more than 88 percent of the districts (Type II) took two months or less. This may be due to the fact that districts were only concerned with matching students in their district, while states may have been doing matching for a number of districts using enrollment data the districts provide. Accordingly, the states would conduct the matches in the order and within the timeframes in which they received enrollment data, which could increase the length of time necessary to complete all statewide matching.

G. The Process of Notifying AFDC or Food Stamp Families

After students in families who receive AFDC or food stamps were identified and/or matched against a list of enrolled students, households were notified that their children have been preapproved to receive free school lunches. This section examines several aspects of this process. In some districts, notified families were not required to take any action if they wanted their children to receive free meals (Type II and III). In

⁶ It should be noted that the identification process must occur prior to the matching process. However, one state involved with matching indicated that the matching process actually began prior to the identification process. This state indicated that matching began in January and identification began in February. It is

other districts, families had to notify the school or district if they wanted their preapproved children to be certified (Types I). As was the case for the matching process, in some cases, states notified households, and in other cases, districts notified households. Accordingly, the tables in this section show data for states and districts.

Table III.11 displays the timeframes during which state agencies and districts completed the notification process. For the most part, notification activities within states and districts were completed within a two-month timeframe, beginning mostly in August and ending in September. For the Type I model, 12 of the 17 states (roughly 71 percent) indicated notifications were sent to households within two months. In models in which districts sent the notices, most districts also completed the notification process within two months--82 percent in Type II and 87 percent in Type III districts.

H. Summary

This chapter reported findings that direct certification is conducted in almost every state and more than 63 percent of the districts. These direct certification districts enrolled 73 percent of all students nationally and also enrolled 72 percent of all students eligible for free meals.

This chapter categorized the processes and procedures normally used by states and districts to conduct direct certification into three types. One type does not involve matching (Type I), while the other two types involve matching at either the district (Type II) or state level (Type III).

reasonable to assume that this particular respondent either did not appropriately understand the question or provided inaccurate information.

TABLE III.11

**WHEN STATE AGENCIES AND
DISTRICTS NOTIFY PREAPPROVED HOUSEHOLDS**

	Type I: Non-Matching	Type II: District-Level Matching	Type III: State-Level Matching
Percentage Indicating Starting Month for Notification:			
January	5.9	0.0	0.0
February	0.0	0.0	0.0
March	5.9	0.0	0.0
April	5.9	0.0	0.0
May	0.0	0.0	0.0
June	5.9	1.4	7.2
July	17.6	8.3	16.3
August	47.1	57.5	63.7
September	5.9	21.5	8.5
October	0.0	1.4	0.0
November	0.0	1.4	0.0
December	0.0	0.0	4.3
Don't Know	5.9	8.5	0.0
Total Weighted	----	2,496	1,442
Total Unweighted	17	66	39
Percentage Indicating Ending Month for Notification:			
June	5.9	0.0	2.4
July	5.9	2.9	16.3
August	52.9	40.8	33.5
September	29.4	30.9	32.5
October	0.0	9.3	10.9
November	0.0	7.6	0.0
December	0.0	0.0	4.3
Don't Know	5.9	8.5	0.0
Total Weighted	----	2,446	1,442
Total Unweighted	17	66	39

TABLE III.11 (continued)

**WHEN STATE AGENCIES AND
DISTRICTS NOTIFY PREAPPROVED HOUSEHOLDS**

	Type I: Non-Matching	Type II: District-Level Matching	Type III: State-Level Matching
Time to Complete Notification:			
One Month	47.1	51.2	59.6
Two Months	23.5	31.2	27.4
Three Months	5.9	2.9	11.1
Four Months	0.0	0.0	1.9
Five Months or More	17.7	0.0	0.0
Don't Know	5.9	8.5	0.0
Weighted N	----	2,490	1,442
Unweighted N	17	66	39

Sources: Direct Certification Study State Survey; Direct Certification Study SFA In-Depth Survey

Most students were enrolled in districts that use Type II direct certification procedures. Similarly, these Type II districts also enrolled more students who were certified for free meals than Type I or Type III districts. Students were certified through a combination of direct certification and conventional application methods. With the exception of California, every state that uses direct certification generated a list of AFDC/food stamp recipients and conducted one of the following three activities: (1) notified households of preapproval for free school meals (Type I), (2) used the list to match with enrollment lists at the state level (Type III) or, (3) passed this list on to local districts that determined eligibility and notified households (Type II). Most states using direct certification, about 72 percent, identified both AFDC and food stamp students and produced a list/database of these students. Generating the list was exclusively an automated process in about 94 percent of states using direct certification. More than 60 percent of states using direct certification finished identifying AFDC/food stamp students in four months or less. States that matched at the local level (Type II) usually took longer to complete the identification process.

The level of automation in the matching process was different at the state and local levels. At the state level, about 77 percent of states conducting matching did so through an entirely automated process. In contrast, among districts that conducted matching, about 9 percent used an entirely automated process and more than 50 percent used a manual process. For states and districts that conducted matching, this activity usually was done once a year during the summer. The period of time during which matching was performed was longer at the state level than at the district level. Most states took four or more months to complete the matching process (usually from May

through August) compared with approximately two months for districts (usually between July and September). The next chapter will examine ways direct certification has affected other aspects of the NSLP, particularly those relating to certification of students through the application process.

IV. THE IMPACT OF DIRECT CERTIFICATION ON OTHER NSLP PROCESSES

A major goal of direct certification was to reduce the administrative burden of certifying families receiving AFDC and/or food stamps for free school meals. However, even with direct certification, other children can become certified by completing an application for free or reduced-price meals. Direct certification potentially could affect five activities that relate to certification for free and reduced-price meals through applications. They are:

1. The public notice process
2. The development and dissemination of parental letters of notification and applications
3. Receiving and reviewing applications
4. The eligibility determination process
5. The verification process

This chapter examines how respondents at the state, district, and school level perceived the effect, if any, of direct certification on each of these five activities.

A. The Public Notice Process

The public notice is a document distributed to news media, employment offices, and elsewhere, telling people about free and reduced-price meals and listing the income eligibility criteria. Nearly all jurisdictional levels (i.e., state, district, and school) indicated that the public notice process was virtually unaffected by direct certification. Only at the state level was there any noteworthy response, where four states (representing 9 percent of the direct certification states) said that the public notice had been modified to mention that certain children could be certified without having to submit an application.

B. Parental Notification and Distribution of Applications

The second activity relating to certification by application is the development and distribution of notification letters for parents and/or the distribution of applications for free and reduced-price meals. Notification letters tell families free and reduced-price meals are available. NSLP regulations require that households be informed, either through the letter or the application of the income limits for free and reduced-price meals.

State-level respondents said the parental notification and application dissemination process was considerably more affected by direct certification (Table IV.1) than the public notice process. Just under 43 percent of states indicated that direct certification affected this process. States containing Type III districts (54 percent) were most likely to indicate that direct certification affected this activity, while states containing Type I districts (35 percent) were least likely to identify any effect. Very few states indicated how direct certification affected parental notification and the distribution of applications. However, for the few that did respond, the most common responses were reduced workloads for staff and/or decreased resources needed to complete the activities associated with the parental notification and distribution of application process. Also noted was a change in the content of the information provided, due, in large part, to the inclusion of information related to direct certification.

To examine the influence of direct certification at the local level, district responses and school responses were compared to determine if any local-level official felt that the parental notification and application dissemination process had been affected. Local-level staff were not as likely as state staff to indicate that parental notification and

TABLE IV.1

EFFECT OF DIRECT CERTIFICATION ON THE PROCESS OF NOTIFYING PARENTS ABOUT FREE AND REDUCED-PRICE MEALS AND DISTRIBUTING APPLICATIONS

	Type I: Non- Matching	Type II: District-Level Matching	Type I & II: Combination	Type III: State-Level Matching	All Types
Percentage Indicating Direct Certification Affected Parental Notification and Application Distribution:					
State Level	35.3	40.0	50.0	53.8	42.9
District Level ¹	9.5	13.5	----	13.2	10.6
Weighted N:					
State	----	----	----	----	----
District	2,496	2,490	----	1,441	7,578
Unweighted N:					
State	17	15	4	13	49
District	25	66	----	39	148

Sources: Direct Certification Study State Survey; Direct Certification Study SFA In-depth Survey; Direct Certification Study School Survey

¹ District-level responses and school-level responses within a given district were merged to yield a single response for the district. Specifically, a district was given an affirmative response for a given activity if either the district response indicated that the activity occurred or a school within that district indicated that the activity occurred.

application dissemination were affected (Table IV.1). No more than 14 percent of the sample for any type perceived that this process was affected by direct certification. Even fewer respondents indicated how this process was influenced. However the most common responses were: (1) different notification and dissemination activities for direct certification and nondirect certification households, (2) reduced workloads, and (3) increased efficiency. The first response refers to the fact that something different must now be done for the directly certified population. This may include sending separate letters to this group, identifying the group so that letters and applications are not distributed to them, or some other activity.

The second response, reduced workloads, referred to such factors as decreases in the number of applications distributed, reduced paperwork, fewer applications to mail, etc. Regarding increased efficiency, respondents indicated that it took less time to notify parents and distribute applications, that this process was easier, and that families could be certified and notified of their eligibility earlier than before direct certification.

Given that most of the work of notification and application distribution occurs at the district and school level, it is significant that these respondents do not appear to believe that these processes are dramatically affected by direct certification. State-level respondents may have been speculating about the effect of direct certification at the local level.

C. Receiving and Reviewing Applications

The next process examined was the various jurisdictions' procedures for receiving and reviewing applications for free and reduced-price meals. This effort involves getting applications from students, reviewing them for completeness, and obtaining the

information needed to complete the application. Most of the activity is conducted at the local level; states were generally not involved in receiving and reviewing applications. District and school responses were merged for this activity as well.

As Table IV.2 shows, both districts and schools indicated that direct certification had a substantial effect on receiving and reviewing applications. However, the effect varies by certification type. Seventy-one percent of Type II districts indicated that direct certification affected the application receiving and review process, compared with roughly 56 percent of Type I districts and 37 percent of Type III districts.

Again very few respondents either at the district or the school level indicated how direct certification affected the receiving and reviewing of applications. However, for those that did respond, reduced workloads and increased efficiency were most often cited. Reduced workload tended to be more characteristic at the district level, while increased efficiency was most frequently reported at the school level. Some districts and schools also reported that direct certification made receiving and reviewing applications less burdensome, although others actually felt that direct certification increased their burden. The most notable reason for increased burden was duplicate applications (that is, some households submitted an application even though the children had already been directly certified). Duplicate applications may result partly from the immaturity of the process used to receive and review applications. Households may not be familiar with direct certification, and so they use old methods (submitting an application). As parents and households become more familiar with the direct certification process, the number of duplicate applications should decrease and efficiency should increase.

TABLE IV.2
INFLUENCE OF DIRECT CERTIFICATION ON RECEIVING AND REVIEWING
APPLICATIONS¹

	Type I: Non-Matching	Type II: District-Level Matching	Type III: State-Level Matching	All Types
Percent Indicating Direct Certification Affected Receiving and Reviewing:				
District	55.5	70.8	36.8	53.9
Weighted N	2496	2490	1442	7580
Unweighted N	25	66	39	148

Sources: Direct Certification Study SFA In-Depth Survey; Direct Certification Study School Survey

¹ District-level responses and school-level responses within a given district were merged to yield a single response for the district. Specifically, a district was given an affirmative response for a given activity if either the district response indicated that the activity occurred or a school within that district indicated that the activity occurred.

To test this assumption, respondents were asked to indicate the number of duplicate applications they received in 1995 and in 1996. Because applications are received and reviewed at the district level in some cases and at the school level in others, responses from districts were compared with responses from schools to yield a single response from the district. As Table IV.3 indicates, 59 percent of either districts or schools for all direct certification types indicated that the number of duplicate applications decreased. The decrease was noted most for Type II districts where 81 percent said duplicate applications had decreased. Given these findings, it appears likely that duplicate applications will decrease as the direct certification process matures.

Overall, it appears that direct certification is having the desired effect on the application receiving and reviewing process. Respondents indicate that their workload has been reduced and that the process used to receive and review applications tends to be more efficient. Among the few districts that expressed concern about decreased efficiency, there is evidence that as the application receiving and reviewing process matures, the inefficiency from duplicate applications may begin to subside.

D. Eligibility Determination

Eligibility determination refers to the process by which a school or district official, using application information, determines whether students who aren't directly certified are eligible for free and reduced-price meals, certifies them and takes the necessary steps to ensure that they receive free or reduced-price meals. Eligibility determination activities occur solely at the local level; there is no state-level involvement.

Both districts and schools indicated that direct certification influences the eligibility determination process. Approximately 59 percent of both Type I and Type II

TABLE IV.3
CHANGE IN DUPLICATE APPLICATIONS¹

	Type I: Non-Matching Districts	Type II: District-Level Matching Districts	Type III: State-Level Matching Districts	All Types
Percentage of Districts and Schools in Districts Indicating Decrease in Duplicates for Fall '95 vs. Fall '96	48.6	81.4	60.2	59.2
Weighted N	1,227	1,170	914	3,558
Unweighted N	11	30	25	71

Sources: Direct Certification Study SFA In-Depth Survey; Direct Certification Study School In-Depth Survey

¹ District-level responses and school-level responses were merged to yield a single response for the district. Specifically, a district was given an affirmative response for a given activity if either the district response indicated that the activity occurred or a school within that district indicated that the activity occurred.

districts indicated that direct certification affected eligibility determination (Table IV.4). Similarly, one-third of Type III districts also indicated direct certification influenced eligibility determination.

The ways in which the eligibility determination process was affected are similar to those described for receiving and reviewing applications. Specifically, reduced workload and increased efficiency were the major results cited. Some districts and/or schools within these districts indicated that increased participation was a consequence of direct certification.

It appears, then, that direct certification has positively influenced the way eligibility determination is conducted. Both districts and schools indicate such effects and, unlike receiving and reviewing applications, respondents were not as likely to indicate any negative effects due to direct certification.

E. Verification of Eligible Students

The final step in the NSLP process is the verification of eligible students. This involves confirming the eligibility of a sample of non-directly certified applicants. This area seems the mostly likely to be affected by direct certification. Because the eligibility of students in AFDC/food stamp households has been verified through the direct certification process, they are not subject to verification under the NSLP. This implies that fewer verifications would need to be conducted.

Table IV.5 indicates that just over one-fourth of districts and schools within these districts believe that the verification process has been affected by direct certification. This finding varies only slightly by direct certification type, going from a high of 34 percent in Type II districts to a low of 24 percent in Type I districts. Similar results were

TABLE IV.4

INFLUENCE OF DIRECT CERTIFICATION ON ELIGIBILITY DETERMINATION AT LOCAL LEVEL¹

	Type I: Non-Matching Districts	Type II: District-Level Matching Districts	Type III: State-Level Matching Districts	All Types
Percentage Indicating Direct Certification Affected Eligibility Determination	58.7	58.7	32.8	48.1
Weighted N	2,496	2,490	1,441	7,578
Unweighted N	25	66	39	148
How has Direct Certification Affected Eligibility Determination				
Reduced Workload	65.1	57.5	80.1	63.0
Increased Efficiency	51.2	37.0	49.8	45.2
Increased Participation	0.0	11.8	5.9	5.6

Sources: Direct Certification Study SFA In-Depth Survey; Direct Certification Study School Survey

¹ District-level responses and school-level responses within a given district were merged to yield a single response for the district. Specifically, a district was given an affirmative response for a given activity if either the district response indicated that the activity occurred or a school within that district indicated that the activity occurred.

TABLE IV.5

IMPACT OF DIRECT CERTIFICATION ON VERIFICATION PROCESSES AT LOCAL LEVEL¹

	Type I: Non-Matching	Type II: District-Level Matching	Type III: State-Level Matching	All Types
Percentage of Districts and Schools in Districts Indicating Direct Certification affected Verification Process	23.9	33.6	27.7	26.4
Percentage of Districts and Schools in Districts Indicating Decrease in Verifications	22.5	33.1	17.5	25.5
Weighted N	2,138	2,245	1,441	6,629
Unweighted N	22	58	39	131

Sources: Direct Certification Study SFA In-Depth Survey; Direct Certification Study School Survey

¹ District-level responses and school-level responses within a given district were merged in order to yield a single response for the district. Specifically, a district was given an affirmative response for a given activity if either the district response indicated that the activity occurred or a school within that district indicated that the activity occurred.

noted for decreases in the number of verifications as a result of direct certification. Only about one-fourth of districts or schools indicated that the number of verifications decreased. There were, however, noticeable differences by type. More than one-third of the Type II districts indicated that the number of verifications decreased, compared with 23 percent of the Type I districts and 18 percent of the Type III districts

F. Summary

An examination of the activities related to certification by application indicates that respondents believe that direct certification has had at least some effect on all the activities except the public notice process. This was the case at the state, district, and school levels. States were not affected by two of the activities -- receiving and reviewing applications and eligibility determination -- because states are not involved with these activities.

The effects of direct certification on district and school-level NSLP activities were positive and appeared to have the desired outcome. Most districts and schools indicated that direct certification had either reduced their workload or increased efficiency. These findings were consistent across jurisdictions and direct certification types.

V. IMPACT OF DIRECT CERTIFICATION ON CERTIFICATION AND PARTICIPATION RATES

One of the goals of the direct certification legislation was to increase the rate of certification among students eligible for free meals. Higher rates of certification, in turn, were expected to increase free-lunch participation levels. If successful, the legislation will help the School Nutrition Programs more successfully reach their target populations.

This chapter estimates the impact of direct certification on the percentage of students certified for free and reduced-price meals and the percentage of meals served free, reduced price, and full price (or paid). Two empirical approaches were used to estimate the impact of direct certification -- a district-level analysis and a state-level analysis. The district-level analysis involves comparing measures of certification and participation (the proportion of enrollment certified free and the proportion served free meals, respectively) in districts with direct certification versus districts without direct certification at a given point in time. In the state-level analysis, these measures of certification and participation are compared in states that began using direct certification over a given period with states that did not do so over the same period.

The state-level analysis shows that direct certification leads to a significant increase in the percentage of enrolled students certified for free meals and a corresponding (although smaller) increase in the percentage of enrolled students served free meals on a given day. The district-level analysis shows that direct certification has an insignificant effect on certification and participation levels. However, the state-level analysis should be more accurate than the district-level analysis because the state model controls for location-specific fixed effects while the district model does not. In other

words, the state model controls for conditions specific to that state in estimating how direct certification affects certification and participation levels.

A. District-Level Analysis

The district-level analysis compares rates of free meal certification and participation in school districts that were using direct certification in October 1996 with those in districts that were not using direct certification at that time. The analysis also compares the certification and participation rates of districts that have used direct certification for different lengths of time. These comparisons are made after controlling for a broad range of observable district characteristics, to distinguish between a causal effect of direct certification on these rates and a spurious correlation.

1. Data

The key pieces of information for the district-level analysis were obtained from the SFA screening survey, which was administered to a nationally representative sample of 1,014 school districts. The screening survey provides information as of October 1996 on a district's enrollment, the number of certified students in the district, and the number of free meals served during the month to district students. This information was used to calculate the percentage of students in the district who are certified for free meals and the percentage who eat free lunches on an average day during the month.⁷ The survey also provides information on whether the district used direct certification as of October 1996, when such certification was first used, and whether some or all of the district's schools use it.

⁷The screening survey also provides information on reduced-price certification and participation and full-price and total participation.

The primary source of information on district characteristics used as control variables in the analysis is the NCES Common Core of Data Public Education Agency Universe, 1993-1994, which consists, in part, of data drawn from the 1990 census.

Specific characteristics drawn from this data source include:

- Whether the district consists only of high schools
- Whether the district consists only of elementary schools
- District enrollment
- Whether the district covers an urban, suburban, or rural area
- Region
- Characteristics of the residents of the district's neighborhoods
 - Educational attainment
 - Poverty rate
 - Median income
 - Race/ethnicity
 - Percentage of non-native English speakers

Table V.1 provides information on the key characteristics of the districts in the sample, weighted to represent all public school districts participating in the National School Lunch Program. Overall, 30 percent of students in the average participating district are certified for free meals. On the average day (as of October 1996), 23 percent eat a free lunch at school, implying a participation rate among students certified for free meals of 79 percent. More than half (61 percent) of the districts in the sample were using direct certification as of October 1996. Seventy-two percent of districts with some direct certification experience had been using direct certification for at least three years. Moreover, 97 percent of districts using direct certification used it in all of their schools.

TABLE V.1**CHARACTERISTICS OF PUBLIC SCHOOL DISTRICTS PARTICIPATING IN
THE NATIONAL SCHOOL LUNCH PROGRAM**

Characteristic	Mean	Standard Deviation
Free Certification Rate (Percent)	29.63	20.63
Free Participation Rate Among All Students (Percent)	23.29	17.28
District Uses Direct Certification	0.61	0.49
1 year	0.09	0.28
2 years	0.08	0.26
3 years	0.11	0.32
4 years	0.13	0.34
5 or more years	0.20	0.40
Some but Not All Schools in District Use Direct Certification	0.02	0.14
District Includes High Schools Only	0.04	0.20
District Includes Elementary Schools Only	0.18	0.38
District Enrollment	3,054.69	10,482.10
Urban Area	0.05	0.22
Suburban Area	0.37	0.48
Region		
Middle Atlantic	0.13	0.34
East North Central	0.19	0.39
Mountain	0.08	0.27
Pacific	0.11	0.31
South Atlantic	0.05	0.22
West North Central	0.17	0.38
West South Central	0.14	0.35
East South Central	0.03	0.17
Neighborhood Characteristics		
High School Dropouts (Percentage)	28.54	11.45
Some College (Percent)	22.70	6.96

TABLE V.1**CHARACTERISTICS OF PUBLIC SCHOOL DISTRICTS PARTICIPATING IN
THE NATIONAL SCHOOL LUNCH PROGRAM (CONTINUED)**

Characteristic	Mean	Standard Deviation
College Graduates (Percent)	14.98	9.81
Poverty Rate	17.43	12.43
Non-white (Percentage)	12.53	19.40
Hispanic (Percentage)	7.07	16.23
Non-native English Speakers (Percentage)	1.12	2.92
Median Income (Dollars)	32,879.92	10,507.37
Sample Size	1,014	

SOURCE: Weighted tabulations based on the School Food Authority screening survey and the National Center for Education Statistics Common Core of Data, 1993-1994.

NOTE: The sample size of 1,014 applies to the full sample. Specific characteristics may be missing in a few cases, leading to smaller samples for some of the characteristics. With respect to the key outcome variables, the free certification rate variable is missing for 56 cases and the free participation rate is missing for 166 cases. Information on whether a district uses direct certification is missing for only 12 cases. The number of years that a district has used direct certification is missing for 180 cases, but we found that the characteristics of districts for which this variable is missing are similar to the characteristics of districts with valid information on the number of years of direct certification use.

2. Estimation

To examine the relationship between a district's use of direct certification and its certification and participation rates, the following regression model was estimated. In the model, each observation represents information on the characteristics of a given school district as of October 1996.

$$(1) Y_i = a_1 + a_2 DCYRS_i + a_3 DCSOME_i + b X_i + e_i,$$

where: Y_i = outcome of interest for district i (certification or participation rate)

$DCYRS_i$ = number of years that district i has been using direct certification as of October 1996

$DCSOME_i$ = binary variable indicating whether some but not all of district i 's schools use direct certification as of October 1996

X_i = vector of district i 's characteristics

In addition, a_1 , a_2 , a_3 , and b are regression coefficients to be estimated. The key coefficient is a_2 , which can be interpreted as the effect that a year of direct certification experience has on the certification or participation rate.

This specification assumes a linear relationship between direct certification and the free certification or participation rate. In other words, it assumes that an increase of one year in the number of years that a district has used direct certification has the same effect on the certification or participation rate regardless of whether the increase is from year 0 to 1 or from years 4 to 5. A nonlinear version of this model was also estimated, which included five binary variables (in place of DCYRS) indicating whether the district had used direct certification for one year, two years, three years, four years, or five or more years. Finally, a district-level model, where direct certification is measured as a

binary variable indicating whether the district used direct certification in October 1996, was estimated.

3. Results

The results of the district-level analysis suggest that the number of years that a district has used direct certification is not related to certification and participation rates in the district. In both the model with the certification rate and the model with the participation rate as the dependent variable, the coefficient on the number of years of direct certification experience (*DCYRS*) is small and statistically insignificant (Table V.2).

Two alternative specifications of the model also provide no evidence of a significant effect of direct certification on free certification or participation. The first alternative specification, which measured direct certification as a binary variable indicating districts' use of direct certification in October 1996, shows an insignificant relationship between direct certification and the models' measures of free certification or participation.⁸ The second specification (the nonlinear version of the model) in which the number of years of direct certification experience is measured using five binary variables, also shows no systematic effect of direct certification. Finally, no evidence suggests that use of direct certification is related to other measures of certification or participation -- the reduced-price certification or participation rate, paid participation rate, or total

⁸The coefficient on this binary variable is -0.06 and its standard error is 0.77.

participation rate. Given that the district-level model yields no evidence that direct certification affects free certification or participation, it is not surprising that the model

TABLE V.2

FREE CERTIFICATION AND PARTICIPATION MODELS, DISTRICT-LEVEL DATA

Variable	(1) Free Certification Rate Model^a	(2) Free Participation Rate Model^a
Intercept	23.55*** (5.82)	23.64*** (5.39)
Number of Years of Direct Certification Experience	-0.15 (0.21)	-0.23 (0.20)
Only Some Schools in District Use Direct Certification	1.16 (3.21)	2.85 (3.12)
District Enrollment (\$000)	0.01 (0.01)	-0.11*** (0.03)
District Includes High Schools Only	-8.27*** (2.74)	-7.86*** (2.61)
District Includes Elementary Schools Only	4.70*** (1.25)	4.71*** (1.17)
District in Urban Area	3.44* (1.90)	5.01** (1.94)
District in Suburban Area	-0.78 (1.10)	0.20 (1.03)
Region (New England Excluded)		
Middle Atlantic	2.64 (2.71)	2.28 (2.55)
East north central	-0.65 (2.59)	-2.07 (2.44)
Mountain	-0.16 (3.08)	0.27 (2.87)
Pacific	8.02*** (2.83)	4.71* (2.66)
South Atlantic	3.10 (2.92)	7.29** (2.84)
West north central	1.28 (2.74)	1.41 (2.57)
West south central	3.78 (2.65)	3.08 (2.48)
East south central	8.19** (3.24)	10.73** (3.08)
Neighborhood Characteristics		
Percentage who are high school dropouts	0.35*** (0.09)	0.17** (0.08)
Percentage with some college	0.09 (0.10)	0.04 (0.09)
Percentage with college degree	0.12 (0.09)	0.05 (0.08)

TABLE V.2

FREE CERTIFICATION AND PARTICIPATION MODELS, DISTRICT-LEVEL DATA (CONTINUED)

Variable	(1) Free Certification Rate Model ^a	(2) Free Participation Rate Model ^a
Poverty rate	0.32*** (0.06)	0.26*** (0.06)
Percentage non-white	0.29*** (0.03)	0.24*** (0.03)
Percentage Hispanic	0.11*** (0.04)	0.10*** (0.04)
Percentage Non-Native English speakers	-0.17 (0.20)	-0.08 (0.19)
Median income (\$000)	-0.60*** (0.09)	-0.51*** (0.09)
<i>R</i> ²	0.68	0.64

SOURCE: Direct Certification Study SFA Screener Survey and the National Center for Education Statistics, Common Core of Data, Public Education Agency Universe, 1993-1994.

NOTE: The free certification rate regression is based on 810 district-level observations. The mean free certification rate is 31.8 percent. The free participation rate regression is based on 754 observations. The mean free participation rate is 24.5 percent. Observations from 11 large districts have been deleted because information on the monthly number of participants in these districts was top coded, making it impossible to calculate participation rates.

^aStandard errors are in parentheses.

- * Significantly different from zero at the .10 level, two-tailed [or one-tailed] test.
- ** Significantly different from zero at the .05 level, two-tailed [or one-tailed] test.
- *** Significantly different from zero at the .01 level, two-tailed [or one-tailed] test.

also fails to yield evidence that direct certification affects any of these other certification or participation measures.

The district-level model explains variation in free certification and participation across districts reasonably well. In particular, the variables in the model explain about two-thirds of the variation in the free certification rate (with an R^2 of 0.68), and only slightly less of the variation in the free participation rate ($R^2=0.64$). In addition, the estimated relationships between these independent variables and free certification and participation make intuitive sense. Characteristics indicating that a district is economically disadvantaged are associated with higher rates of free certification and participation. The model also indicates that certification and participation rates are higher in districts with only elementary schools and lower in those with only high schools.

The major weakness of the district-level model is that it does not control for unobserved differences across districts that influence rates of free certification and participation in the districts. If these unobserved differences are also related to whether a district implements direct certification, then the model's estimate of the effect of direct certification on free certification and participation rates will be biased. For example, districts that have particularly low free certification rates relative to their proportion of poor students may make extra efforts to promote certification. This effort may include implementation of direct certification. Thus, districts that initially have the lowest levels of free certification may in fact be the ones using direct certification. Even if direct certification raises the free certification rates of the districts, these rates may be raised only to the point of being on a par with free certification rates in districts that do not use

direct certification. As a result, estimation of the relationship between direct certification and the free certification rate will show an insignificant relationship.⁹

To address this weakness of the model, it would be ideal to control for all relevant differences between districts, both measured and unmeasured. A fixed effects model offers one way to control for unmeasured but fixed differences between districts. In a district-level fixed effects model, a district essentially would serve as its own control. This model would examine the change in free certification and participation rates over time within a district to determine whether the change was correlated with whether the district had or had not implemented direct certification during that period. If, for example, the level of certification had increased substantially over a given period in districts that had implemented direct certification over that period, but had remained constant in districts that had not done so, it could be concluded that direct certification positively influences the level of free certification. However, this model cannot be estimated at the district-level because it requires data on districts' free certification and participation (and direct certification status) for at least two points in time -- and these data are not available. Fortunately, state-level data on the variation of these rates over time were available; thus, a fixed effects model using state-level data can be estimated. This model is described in the following section.

⁹If this scenario were true, one would expect district personnel to report that the primary reason they implemented direct certification was to increase rates of free certification and participation in their districts. However, only 17 percent of districts reported this primary reason (this figure is based on Table V.2). On the other hand, even if only one in five districts that implement direct certification do so because certification rates are considered too low, the presence of these districts could still lead to bias in the estimate of the effect of direct certification on the certification rate.

B. State-Level Analysis

In the state-level analysis, the levels of certification and participation over time are compared in states that use direct certification with states that do not use direct certification, while controlling for all fixed differences between states and selected time-varying differences. As in the district-level analysis, distinctions are not only made between states that use direct certification and those that do not, but also among states that use direct certification according to how long they have been using it.

1. Data

FNS administrative data provide the information necessary to construct the dependent variables for the state-level analysis -- state-by-state rates of certification for free and reduced-price meals and participation rates for free, reduced-price, and full-price meals. This information was collected from all 50 states and the District of Columbia from 1988 through 1996 (1990 and 1996 for certification). Most of the information was collected in October of the school year, although information on participation levels over the full school year for these years was also used.

The key independent variable on state use of direct certification comes from the state survey. This survey includes a question on whether any district within a state uses direct certification and, if so, when the state first implemented direct certification. This information was used to construct a variable indicating the number of years that a state has used direct certification (measured as of October of each year from 1988 through 1996). For each state using direct certification as of October 1996, the state survey also provides information on the percentage of schools within the state using direct certification.

The other independent variables in the state-level fixed effects model measure characteristics within these states that change over time. These time-varying state characteristics were obtained from a variety of federal government sources. The characteristics, which were measured for each year from 1988 through 1996, include:

- The percentage of the state’s residents receiving AFDC
- The percentage of the state’s residents receiving food stamps
- Median income
- Poverty rate
- Unemployment rate
- Mean wage in the manufacturing industry

In the fixed effects model, it is not possible to measure the effect of any state characteristic that does not vary over time, or that is measured only at a single point in time. However, for comparative purposes, a state-level model was estimated that does not include state fixed effects, but instead controls for state characteristics in much the same way that the district-level model controls for district-level characteristics. For this model, variables were used that indicated state characteristics that were measured at a single point in time. This information was obtained from the NCES Common Core of Data, 1993-1994. The state characteristics obtained from this source include the distribution of schools across rural/urban/suburban areas, the proportion of “regular” schools, the racial distribution of students, and the total number of students in the state.

Table V.3 describes the mean values of the key variables used in the state-level model, across the 50 states and the District of Columbia over nine years. The mean values of the key dependent and independent variables in the state-level data are

TABLE V.3
STATE CHARACTERISTICS, 1988-1996

Characteristic	Comments	Mean	Standard Deviation
Free Certification Rate	Percentage of all students certified for free meals as of October, 1990-96	28.8	9.7
Reduced-Price (RP) Certification Rate	Percentage of all students certified for reduced-price meals as of October, 1990-96	6.4	1.5
Free Participation Rate	Average percentage of all students eating a free lunch on a given day during October, 1988-96	21.3	8.2
Free Participation Rate Among Certified Students	Average percentage of (free) certified students eating a free lunch on a given day during October, 1990-96	75.6	6.1
RP Participation Rate	Average percentage of all students eating a reduced-price lunch on a given day during October, 1988-96	4.1	1.2
RP Participation Rate Among Certified Students	Average percentage of (RP) certified students eating a reduced-price lunch on a given day during October, 1990-96	65.1	8.0
Paid Participation Rate	Average percentage of all students eating a full-price lunch on a given day during October, 1988-96	27.8	8.7
Paid Participation Rate Among Noncertified Students	Average percentage of noncertified students eating a full-price lunch on a given day during October, 1990-96	41.6	12.9
Total Participation Rate	Average percentage of all students eating any school lunch on a given day during October, 1988-96	53.1	10.2
Yearly Free Participation Rate	Average number of days during the school year that all students ate a free lunch, 1989-96	39.5	14.5
Yearly Free Participation Rate Among Certified Students	Average number of days during the school year that (free) certified students eat a free lunch, 1990-96	138.8	9.1
Yearly RP Participation Rate	Average number of days during the school year that all students eat a reduced-price lunch, 1989-96	7.4	2.1
Yearly RP Participation Rate Among Certified Students	Average number of days during the school year that (RP) certified students eat a reduced-price lunch, 1990-96	115.9	12.9
Yearly Paid Participation Rate	Average number of days during the school year that all students eat a full-price lunch, 1989-96	51.5	15.8
Yearly Paid Participation Rate Among Noncertified Students	Average number of days during the school year that non certified students eat a full-price lunch, 1990-96	78.3	23.4
Yearly Total Participation Rate	Average number of days during the school year that all students eat any school lunch, 1989-1996	98.3	17.7
Direct Certification (DC) Use	Binary variable indicating whether the state was using direct certification in the year, 1988-1996	0.59	0.49
Number of Years of DC Use	The number of years of experience state has had with DC as of a given year, 1988-1996	2.0	2.2
District DC Penetration Rate	Percentage of districts in the state that use direct certification, as of October 1996	75.3	35.7
School DC Penetration Rate	Percentage of schools in the state who use direct certification, as of October 1996	85.8	26.1
AFDC Caseload	Percentage of state's residents who receive AFDC, 1988-96	4.3	1.7
Food Stamp Caseload	Percentage of state's residents that receive food stamps, 1988-96	8.9	3.4
Median Income	Median household income in the state (\$), 1988-96	34,844	5,685
Poverty Rate	Percentage of state's residents living in poverty households, 1988-96	13.4	4.2
Unemployment Rate	Percentage of state's labor force unemployed, 1988-96	5.3	1.5
Manufacturing Wage	Mean wage in state's manufacturing industry (\$), 1988-96	11.34	1.49
Percentage Urban Schools	Percentage of state's schools located in urban areas, 1993-94	22.3	15.1

TABLE V.3**STATE CHARACTERISTICS, 1988-1996 (CONTINUED)**

Characteristic	Comments	Mean	Standard Deviation
Percentage Rural Schools	Percentage of state's schools located in rural areas, 1993-94	54.1	21.7
Percentage Regular Schools	Percentage of state's schools that are "regular" schools, 1993-94	93.9	4.9
Number of Students	Total number of students in the state, 1993-94	862,617	952,624
Percentage Black	Percentage of state's residents who are black, 1990	15.1	16.6
Percentage White	Percentage of state's residents who are white, 1990	72.4	19.1
Percentage Hispanic	Percentage of state's residents who are Hispanic, 1990	6.9	9.9
Sample Size	459		

Sources: Free certification rate and the percentage receiving food stamps are drawn from the U.S. Department of Agriculture Food and Nutrition Service Data Bank, 1990 through 1996. The number of years of direct certification is drawn from the Direct Certification Study State Survey. The percentage receiving AFDC is drawn from *Quarterly Public Assistance Statistics*, U.S. Administration for Children and Families, 1990 through 1996. The median income and poverty rate were drawn from the Bureau of Census' Current Population Survey, 1990 through 1996. The unemployment rate and mean wage in the manufacturing industry were drawn from the Bureau of Labor Statistics Selective Access Data, 1990 through 1996. The remaining state characteristics were measured at a single point in time and were drawn from the National Center for Education Statistics Common Core of Data Public Education Agency Universe, 1993-1994.

Note: AFDC = Aid to Families with Dependent Children

consistent with their values in the district-level data. During this period, 29 percent of students in the average state were certified for free meals, and 21 percent eat a free lunch on the average day. On average, 76 percent of certified students eat a free lunch on a given day. Moreover, over the 1988-1996 period, 59 percent of states used direct certification in the average year. However, this percentage masks a great deal of variation over time, as no states used direct certification in 1988, whereas 49 of the 51 states did so in 1996.¹⁰

2. Estimation

The following fixed effects regression model was used to estimate the impact of the number of years that a state has used direct certification on the state's free certification and participation rates. In the regression, each observation represents conditions in a given state in a given year. Each state contributes as many as nine state-year observations to the model, covering the period 1988 to 1996 (seven years for the regressions requiring data on state certification rates).

$$(2) Y_{it} = c_1 + c_2 DCYRS_{it} + d_1 Z_{it} + d_2 YEAR_t + d_3 STATE_i + u_{it},$$

where: Y_{it} = outcome of interest in state i in year t (certification or participation rate)

$DCYRS_{it}$ = number of years that state i has used direct certification as of year t

Z_{it} = vector of time-varying characteristics of state i in time t

¹⁰Because information on the percentage of districts within each state that were using direct certification as of October 1996 is available, it is possible to compare the state-level estimate with the district-level estimate of the prevalence of direct certification in districts nationally. With the district-level data, this is merely the weighted mean value of the binary direct certification variable reported in Table V.1, or 0.61, where the weight used is the sampling weight. With state-level data, the prevalence of direct certification in districts nationally can be estimated by calculating a weighted mean of the district-level direct certification penetration rate (the percentage of districts in the state using direct certification), where the weight used is the number of districts in the state. This state-level estimate is 0.65.

$YEAR_t$ = vector of binary variables representing the year
 $STATE_i$ = vector of binary variables representing the state

The outcome variable of primary interest is free certification. However, other models were estimated using different certification and participation measures as dependent variables. Estimation of the model will produce estimates of the regression coefficients c_1 , c_2 , d_1 , d_2 , and d_3 . The key coefficient, c_2 , can be interpreted as the effect that a year of direct certification has on the percentage of enrolled students certified for free meals (or on some other outcome).

In the fixed effects model, the binary variables ($state_i$) represent the state control for all fixed effects within the state, both measurable characteristics and immeasurable characteristics. Thus, this model better controls for cross-location differences affecting free certification rates than does the district-level model. However, to assess how much of a difference controlling for immeasurable characteristics makes, a model was estimated using state-level data that does not include the binary state variables, or fixed effects. Instead, this model includes the time-varying measurable state characteristics (Z_{it}) as well as measurable state characteristics that do not vary over time (described previously). This model is analogous to the district-level model that was estimated in Section A. A comparison of the results of the state-level fixed effects model and the model using state-level data that does not include fixed effects should shed light on differences in the results of the district-level model versus the state-level model.

3. Results

Table V.4 shows the estimation results from the state-level model. Estimates from the main state-level fixed effects model are shown in column 1, and estimates from the model that does not control for fixed effects are shown in column 2.

Estimates from the fixed effects model show that experience using direct certification has a positive and significant effect on free certification within the average state. According to the model, for every year that a state has used direct certification, the percentage of students certified for free meals within that state rises by 0.56 percentage points (Table V.4). Thus, after four years of using direct certification, one can expect the percentage of students certified for free meals within that state to be more than two percentage points higher than it would have been if the state had never used direct certification.

The fixed effects model does a very good job of explaining variation in state free certification rates over the period for which data were available (1990 to 1996). The R^2 for this model is 0.98, suggesting that variables within the model (including the binary state variables) explain nearly all cross-state and cross-year variation in certification for free meals.

In the version of the state-level model that does not control for fixed effects, direct certification is estimated to have a small and statistically insignificant effect on free certification. The coefficient on the number of years of direct certification use in this model is 0.08 (which is statistically insignificant). This is the case even though this

TABLE V.4

FREE CERTIFICATION RATE MODEL, STATE-LEVEL DATA

Variable	(1) Fixed Effects Model ^a	(2) Model that Excludes Binary State Variables ^a
Intercept	40.37*** (6.22)	38.95*** (4.98)
Number Years of Direct Certification Experience	0.56*** (0.15)	0.08 (0.13)
Percentage Receiving Aid to Families with Dependent Children (AFDC)	0.43* (0.24)	-0.18 (0.14)
Percentage Receiving Food Stamps	0.79*** (0.18)	1.02*** (0.09)
Median Income (\$000)	-0.07 (0.07)	-0.19*** (0.06)
Percentage in Poverty	0.02 (0.07)	0.46*** (0.09)
Unemployment Rate	0.00 (0.14)	0.53*** (0.14)
Mean Wage, Manufacturing	-0.12 (0.32)	-0.86*** (0.14)
Percentage Schools in Urban Areas	-	-0.02 (0.02)
Percentage Schools in Rural Areas		0.00 (0.01)
Number of Students (\$000,000)	-	0.03* (0.02)
Percentage Black	-	0.16*** (0.02)
Percentage White	-	-0.08*** (0.02)
Percentage Hispanic	-	0.16*** (0.03)
Percentage "Regular" Schools	-	-0.06** (0.03)
Year (1996 is Excluded)		
1990	-2.63*** (0.99)	-6.11*** (0.87)
1991	-2.14** (0.89)	-5.77*** (0.82)
1992	-1.55** (0.78)	-5.04*** (0.74)
1993	-1.57** (0.63)	-4.34*** (0.65)

TABLE V.4

FREE CERTIFICATION RATE MODEL, STATE-LEVEL DATA (CONTINUED)

Variable	(1) Fixed Effects Model ^a	(2) Model that Excludes Binary State Variables ^a
1994	-1.07** (0.49)	-2.35*** (0.58)
1995	-0.66* (0.37)	-1.22** (0.53)
R²	0.98	0.93

Sources: Free certification rate and the percentage receiving food stamps are drawn from the U.S. Department of Agriculture Food and Nutrition Service Data Bank, 1990 through 1996. The number of years of direct certification is drawn from the Direct Certification Study State Survey. The percentage receiving AFDC is drawn from *Quarterly Public Assistance Statistics*, U.S. Administration for Children and Families, 1990 through 1996. The median income and poverty rate were drawn from the Bureau of Census' Current Population Survey, 1990 through 1996. The unemployment rate and mean wage in the manufacturing industry were drawn from the Bureau of Labor Statistics' Selective Access Data, 1990 through 1996. The remaining state characteristics we measured at a single point in time and were drawn from the National Center for Education Statistics Common Core of Data Public Education Agency Universe, 1993-1994.

Note: The regressions are based on 357 observations (seven years of data from 51 states). The mean of the dependent variable is 28.8 percent.

^aStandard errors are in parentheses.

- * Significantly different from zero at the .10 level, two-tailed test.
- ** Significantly different from zero at the .05 level, two-tailed test.
- *** Significantly different from zero at the .01 level, two-tailed test.

model, like the fixed effects model, explains a large proportion of variation in free certification across states and over time with an (R^2 of 0.93).¹¹

Given that the fixed effects model and the alternative specification of the model yield different estimates of the effect of direct certification, one must question why the results differ and must determine which results to believe. This analysis suggests that the fixed effects model provides the best estimate of the effect of direct certification on states' levels of free certification. This model more thoroughly controls for state characteristics that influence free certification; therefore, the models' coefficient estimates are less likely to suffer from omitted variable bias. Although the specification without the binary state variables explains 93 percent of the variation in free certification within the sample, the fixed effects model explains even more of this variation (98 percent). It appears that controlling for factors leading to that additional five percentage points of variation is critically important in accurately measuring the impact of direct certification.

The finding of a positive effect of direct certification on the level of free certification is robust across different specifications of the fixed effects model. For example, a nonlinear specification of the fixed effects model was estimated, in which states' direct certification experience is measured using five binary variables indicating one year, two years, three years, four years, and five or more years of direct certification experience. The effect of years of direct certification experience appears to be linear, at least after the first year. The first year that a state uses direct certification has little

¹¹In addition, the explanatory variables in this model have estimated effects on the free certification rate that are intuitively reasonable. In particular, states with large food stamp caseloads, low median income, average manufacturing wages, and high poverty and unemployment rates tend to have higher free certification rates.

impact on free certification, but after that, the level increases for each additional year that direct certification is used (Table V.5).

There are two possible explanations for the impact of direct certification to increase for at least five years after it is first implemented in a state. First, it may take some time for a state and districts within a state to run direct certification smoothly and efficiently. Over time, as a state works the kinks out of the system, additional students may become certified. Second, direct certification may spread to additional school districts within a state over time. When a state first uses direct certification, it may be implemented only as a pilot program in a few districts, possibly spreading to others in subsequent years. If this effect is common, more students would have access to direct certification with each passing year.

Because direct certification is not necessarily uniformly available in all states that use it, the analysis tested whether the effect of direct certification was different in states with high penetration rates as of October 1996 compared with states with low penetration rates. It would be reasonable to expect direct certification to have a larger effect in states in which it is more widely available than in states in which it is less widely available. Including two variables indicating the state's number of years of direct certification experience tested this expectation. The first term reflects the number of years of direct certification experience in states with direct certification available in at least half the schools (as of October 1996) and is equal to zero for other states. The second term

TABLE V.5

**FREE CERTIFICATION MODEL, ALTERNATIVE SPECIFICATIONS
OF DIRECT CERTIFICATION EXPERIENCE**

Model	Independent Variables Representing Direct Certification Experience	Coefficient Estimate (Standard Error)
1	Linear, all states treated equally	0.56*** (0.15)
2	Five dummy variables representing 1 through 5+ years of direct certification experience; no direct certification experience is the excluded group	1 year: 0.10 (0.37) 2 years: 0.49 (0.46) 3 years: 1.01* (0.56) 4 years: 1.40** (0.65) 5+ years: 2.01** (0.80)
3	Separate linear terms for states in which more than half their schools used direct certification as of 1996 and states in which less than half their schools used direct certification	States with high penetration 0.60*** (0.15) States with low penetration 0.29 (0.20)

Source: See Table V.4.

Note: These models were estimated using 357 observations. The mean of the dependent variable (the free certification rate) is 28.8 percent. Among the 51 states, 45 had 1996 penetration rates of greater than 50 percent and 6 had penetration rates of less than 50 percent. The regressions on which these results are based also include binary state variables and the same set of control variables as the model reported in column (1), Table V.4.

- * Significantly different from zero at the .10 level, two-tailed test.
- ** Significantly different from zero at the .05 level, two-tailed test.
- *** Significantly different from zero at the .01 level, two-tailed test.

reflects the number of years of direct certification experience in states with direct certification available in less than half the schools (as of October 1996).¹²

As expected, the effect of direct certification is greater in states in which it is more prevalent. In states with high penetration rates, each additional year of direct certification leads to an increase in the percentage of enrolled students certified for free meals of 0.60 percentage points, a statistically significant effect (Table V.5). By contrast, the effect of a year of direct certification in states with low penetration rates is only 0.29 percentage points; this effect is statistically insignificant.

The analysis also tested whether direct certification influences outcomes other than free certification. In particular, it estimated additional versions of the fixed effects model with dependent variables indicating free participation, reduced-price certification and participation, paid participation, and total participation. The model we estimated included the linear term indicating the number of years that a state has used direct certification. The estimated effects of direct certification on these outcomes are presented in Table V.6.

Given that direct certification leads to an increase in the number of students becoming certified for free meals, we expected that it also would have a positive effect on the number of students eating free meals on a given day. This turns out to be the case. Each additional year of direct certification leads to a statistically significant increase of 0.27 percentage points in the level of free participation among all students (Table V.6, Model 2).

¹²In October 1996, most states had high penetration rates. In 45 of the 51 states, more than half the schools operated in districts using direct certification.

The effect of direct certification on the percentage of enrolled students served free meals on a given day (0.27) is smaller than the effect on the percentage certified for free meals (0.56). This relationship suggests that many of the students who become certified for free meals because of direct certification are not actually eating free lunches on a given day. In particular, these students appear less likely to participate than do those who would be certified for free meals either with or without direct certification -- suggesting, in turn, that direct certification actually has a negative effect on free participation *among students who are certified*. Model 3 in Table V.6 confirms this hypothesis. For each year that a state uses direct certification, the free participation rate among certified students decreased by a statistically significant 0.74 percentage points.

The scenario underlying the Model 2 and Model 3 estimates is that direct certification leads to increased certification for free meals among a group of students not particularly likely to eat school lunches. When these students become certified, some participate and eat free lunches, leading to an increase in overall free participation. However, many do not eat free lunches, so students certified for free meals, as a group, are less likely to participate than they were previously.

It was not expected that direct certification would influence reduced-price certification or participation significantly. The direct certification legislation had no explicit provisions affecting students with family incomes that make them eligible for reduced-price meals. However, Models 4 and 5 indicate that direct certification use in states is positively related to reduced-price certification and participation. These effects are relatively small, with one year of direct certification associated with a statistically significant increase of 0.17 percentage points in the level of reduced-price certification,

TABLE V.6

ESTIMATED EFFECTS OF DIRECT CERTIFICATION ON STATE CERTIFICATION AND PARTICIPATION RATES

Model	Dependent Variable	Mean (Percentage)	Coefficient on Direct Certification Experience Term^a	R²
1	Free certification rate	28.8	0.56* (0.15)	0.98
2	Free participation as a percentage of all students ^b	21.3	0.27*** (0.07)	0.99
3	Free participation as a percentage of certified students	75.6	-0.74** (0.33)	0.77
4	Reduced-price certification rate	6.4	0.17*** (0.06)	0.89
5	Reduced-price participation as a percentage of all students ^b	4.1	0.04* (0.02)	0.96
6	Reduced-price participation as a percentage of certified students	65.1	-0.46 (0.37)	0.82
7	Paid participation as a percentage of all students ^b	27.8	-0.11 (0.09)	0.98
8	Paid participation as a percentage of non-certified students	41.6	0.47** (0.24)	0.97
9	Overall participation rate ^b	53.1	0.21 (0.14)	0.97

Source: See Table V.4.

Note: The specification of these regression models is the same as the state fixed effects model reported in column (1), Table V.4. Direct certification experience is included in the model as a linear variable.

a Standard errors are shown in parentheses.

b These regressions are based on 459 observations--nine years of data from 50 states plus the District of Columbia. The remaining regressions are based on 357 observations.

- * Significantly different from zero at the .10 level, two-tailed test.
- ** Significantly different from zero at the .05 level, two-tailed test.
- *** Significantly different from zero at the .01 level, two-tailed test.

and a significant increase of 0.04 percentage points in the level of reduced-price participation among all students. (The effect on the reduced-price participation rate among certified students is negative but statistically insignificant.) These effects follow the same general patterns of the effects of direct certification on free certification and participation.

The fixed effects model indicates that direct certification has a small positive effect on the overall school lunch participation rate (0.21 percentage points per year), but this effect is statistically insignificant (Table V.6). The positive effects of direct certification on free and reduced-price participation are offset partially by a small negative effect on paid participation among all students.

The state-level fixed effects model has its weaknesses. The state-level data measure implementation of direct certification less precisely than do the district-level data. Whereas nearly all districts (98 percent) have either fully implemented direct certification or not implemented it all (Table V.1), direct certification may be implemented in parts but not all of a state. This imprecision can be accounted for to some extent with the measure used for the penetration rate, but this penetration rate is measured in 1996 and may not accurately reflect differences across states in earlier years. In addition, although the fixed effects model controls for measured and unmeasured fixed characteristics and measured time-varying characteristics of states, it does not control for unmeasured time-varying state characteristics. If these unmeasured time-varying characteristics are correlated with states' direct certification use, then the estimate of the effect of direct certification may be biased.

Despite these limitations, estimation results from the state fixed effects model are, for the most part, intuitively reasonable. The size of the estimated effect of direct certification on the level of free certification is relatively small. However, one would be suspicious if the effect were larger, as most students potentially eligible for free certification become certified, even without direct certification. Thus, the scope for increasing free certification is limited. It also seems reasonable that direct certification has a positive effect on the free participation rate, but that this effect is smaller than the effect on the free certification rate.

However, the estimates suggesting that direct certification has positive and significant effects on the reduced-price certification and participation rates are counterintuitive. It was expected that direct certification would not have any significant influence on reduced-price certification or participation. Two possible explanations for these estimates are offered, although neither is thoroughly convincing. The first explanation, referred to as the *spillover explanation*, is based on the notion that direct certification has a real, although unforeseen, influence on reduced-price certification. The second is the *selection explanation*, and it is based on the notion that the estimated effect of direct certification on reduced-price certification reflects unobserved time-varying state characteristics.

The spillover explanation maintains that direct certification leads to an increase in free certification, and that this increase in free certification “spills over” into an increase in reduced-price certification. The spillover mechanism may be that as direct certification leads to more students becoming certified for free meals in a school, the stigma of being certified may decrease or the flow of information about the certification

process may increase. As a result, students may find it easier and more acceptable to apply for reduced-price certification. Alternatively, spillover may occur at the school level, with a school responding to the increase in free certification (caused by direct certification) by also promoting certification in reduced-price meals. Under either scenario, direct certification would lead indirectly to an increase in reduced-price certification.

According to the selection explanation, states differ in the extent to which they took actions to promote certification during the early 1990s and/or the extent to which these actions yielded results (higher certification rates) over time. Some states may have been content with their existing efforts to promote certification, but others may have felt the need to take actions that would raise certification levels. One such action may have been implementation of direct certification, but other certification-promotion actions might have been directed toward reduced-price certification. The net result of these actions may have been an increase in both free and reduced-price certification, and this increase may have occurred gradually. On the other hand, states that did nothing new during this period would not have seen an increase in their levels of certification. Similarly, some states may have taken some actions (other than direct certification) that raised certification rates only once, rather than continually. The only variable in the fixed effects model that possibly could have captured this difference between states is the direct certification variable, as direct information on other state- or district-level certification promotion activities is not available. Thus, the model will imply that direct certification is responsible for both the rise in free certification and the rise in reduced-price certification over time.

If the selection explanation is true, then the estimates of the effect of direct certification on the free certification and participation rates are likely to be overstated. The degree to which these estimates are overstated depends upon the degree to which states or districts promote free certification through means other than direct certification.

VI. ISSUES CRITICAL TO IMPLEMENTING DIRECT CERTIFICATION

This chapter examines issues related to the implementation of direct certification, including factors that led state- and district-level decision makers to use direct certification, activities undertaken to prepare for implementing direct certification, and the barriers and problems that arose when the various entities began direct certification. Finally, this chapter looks at why some jurisdictions have chosen not to implement direct certification.

A. Issues Important to Decision to Implement Direct Certification

State respondents identified two dominant factors as most important in influencing their decision to implement direct certification (Table VI.1). The first factor was the ease of certifying the eligibility of students. Just over 94 percent of states containing Type I districts, more than 86 percent of states containing Type II districts, and 69 percent of states containing Type III districts indicated that the ease of certifying student eligibility made direct certification valuable. The other dominant factor cited was the potential impact on eligibility determination and/or participation.

Different factors tended to be important at the local level (Table VI.2). Districts were likely to list reduced workloads and increased participation as important factors. However, a rather high percentage of Type I districts also indicated that the state mandated that they implement direct certification.

Different factors were important to different types of direct certification districts. For example, more than 51 percent of Type II districts indicated reduced workloads were a major factor in the implementation decision and increased participation was also important. By contrast, a much smaller percentage (29 percent) of Type I districts

TABLE VI.1

**ISSUES IMPORTANT TO DECISION TO IMPLEMENT
DIRECT CERTIFICATION AT STATE LEVEL¹**

	Type I: Non- Matching	Type II: District- Level Matching	Type I & II: Combination	Type III State- Level Matching	All Types
Issues:					
Ease of Certifying the Eligibility of Students	94.1	86.7	100.0	69.2	85.7
Impact of Direct Certification on Student Eligibility Determination and Participation	29.4	60.0	75.0	46.2	46.9
Convenience for Families	58.8	26.7	25.0	15.4	34.7
Federal Government Allowed States to Implement At State and Local Level	0.0	6.7	0.0	23.1	8.2
Willingness of Agencies to Cooperate in Direct Certification Process	11.8	0.0	50.0	15.4	12.2
Valid N	17	15	4	13	49

Source: Direct Certification Study State Survey

¹ Responses do not add to 100% because respondents could provide more than one response.

TABLE VI.2

**ISSUES IMPORTANT TO DECISION TO IMPLEMENT
DIRECT CERTIFICATION AT DISTRICT LEVEL¹**

	Type I: Non-Matching	Type II: District-Level Matching	Type III: State-Level Matching	All Types
Issues:				
Reduced Paperwork and Workload	28.8	51.2	47.9	40.2
District Was Mandated To Do So By State	46.0	11.4	13.2	28.0
Increased Participation of Students in NSLP	0.0	26.6	15.6	12.5
Cost Effectiveness of Direct Certification	0.0	6.4	0.2	2.2
Don't Know	30.1	25.2	31.9	25.9
Weighted N	2,496	2,490	1,442	7,578
Unweighted N	25	66	39	148

Source: Direct Certification Study SFA In-Depth Survey.

¹ Responses do not add to 100% because respondents could provide more than one response.

indicated that reduced workloads were important, while a substantially larger percentage (46 percent) indicated that they were mandated to use direct certification. Only 11 percent of Type II districts said they adopted direct certification because it was mandated.

Type III districts also indicated that reduced workloads were the primary factor in their decision to implement direct certification. However, increased participation of students in NSLP and state mandates were also cited.

States also listed the most challenging issues they faced in implementing direct certification (Table VI.3). Forty-one percent of states containing Type I districts indicated that procedural issues, such as how to conduct matches, how to notify directly certified households, or how to coordinate the various direct certification steps, were major challenges. These states also cited confidentiality issues (29 percent), computer programming, formatting, and/or data compatibility issues (24 percent), and cooperation issues (18 percent) as major challenges.

States containing Type II and Type III districts mentioned some of the same challenges as states containing Type I districts but with different frequency. What appeared more significant for these states were computer programming, formatting, and/or data compatibility issues. Most districts indicated that they either did not have any significant challenges or they did not know of any (Table VI.4). However, among those that said they had challenges, the most significant ones were inadequate and/or incomplete information and procedural issues. This was true regardless of the type of district considered.

TABLE VI.3

MOST CHALLENGING ISSUES ASSOCIATED WITH IMPLEMENTATION AT STATE LEVEL¹

	Type I: Non- Matching	Type II District- Level Matching	Type I & II Combination	Type III State-Level Matching	All Types
Issues:					
Procedures for Conducting Direct Certification	41.2	26.7	75.0	38.5	38.8
Confidentiality of Direct Certification Information Issues	29.4	26.7	25.0	15.4	24.5
Computer Programming Data Compatability and Hardware Availabilty	23.5	33.3	0.0	53.8	32.7
Cooperation Among State at Local Agencies	17.6	26.7	0.0	30.8	22.4
Increased Workload	5.9	13.3	0.0	30.8	14.3
Resistance to Change	5.9	6.7	25.0	7.7	8.2
No Issues	0.0	6.7	0.0	0.0	2.0
Valid N	17	15	4	13	49

Source: Direct Certification Study State Survey

¹ Responses do not add to 100% because respondents could provide more than one response.

TABLE VI.4

MOST CHALLENGING ISSUES ASSOCIATED WITH IMPLEMENTATION AT DISTRICT LEVEL^{1,2}

	Type I: Non- Matching	Type II: District- Level Matching	Type III: State-Level Matching	All Types
Issues:				
Inadequate and/or Inaccurate Information	6.3	21.7	2.9	9.8
Procedures For Conducting Direct Certification	14.3	18.9	9.9	14.8
Increased Programming Data Compatibility and Hardware Availability	0.0	7.6	0.0	2.5
Computer Technology	0.0	2.8	4.8	17.1
None/Don't Know	79.4	48.2	69.2	67.3
Weighted N	2,496	2,490	1,442	7,580
Unweighted N	32	66	43	148

Source: Direct Certification Study SFA In-Depth Survey

¹ For schools, 72% said they did not know and 19.1% said none.

² Responses do not add to 100% because respondents could provide more than one response.

B. Preparation Issues

1. Time to Prepare

One of the areas addressed was the length of time necessary to prepare for the implementation of direct certification. As Table VI.5 indicates, most states took four months or longer to prepare. Overall, states took from less than one month to more than a year to prepare. Most districts took less than one month to prepare. This was true regardless of direct certification type.

2. Cooperation Among Agencies

To understand how planning occurred across levels, we asked whether meetings were held to prepare for the implementation of direct certification and who attended. Table VI.6 presents the findings.

According to the states responding to this question, meetings at the state level were almost always attended by State Education Agency (SEA) staff and staff from the state AFDC/food stamp agency. Roughly 30 percent of direct certification states indicated that FNS regional staff attended. There were slight differences by type for this group. Forty-three percent of states containing Type II districts indicated that FNS regional staff attended, compared with only 25 percent of states containing Type I districts. At the district level, the major attendees at meetings were SEA staff and local school district staff. In Type I districts, staff from schools also attended. Approximately three-fourths of the Type I districts indicated that staff from schools were present. Although the percentage of districts providing this response was not as high for the other direct certification types, the percentages were substantial enough to indicate that school staff were significant actors in some districts.

TABLE VI.5

**TIME NECESSARY TO PREPARE FOR DIRECT CERTIFICATION IMPLEMENTATION
(PERCENTAGE)**

	State Level					District				School			
	Type I: Non- Matching	Type II: District- Level Matching	Type I & II: Combination	Type III: State- Level Matching	All Types	Type I: Non- Matching	Type II: District- Level Matching	Type III: State- Level Matching	All Types	Non- Matching Districts	District- Level Matching Districts	State- Level Matching Districts	All Types
Time:													
Less Than One Month	5.9	0.0	0.0	0.0	2.0	74.5	56.6	61.0	68.5	57.2	42.4	31.1	42.8
One to Two Months	0.0	13.31	50.0	15.4	12.2	0.1	9.8	16.0	6.3	0.0	4.2	5.4	3.5
Two to Four Months	17.6	26.7	0.0	15.4	18.4	0.0	3.7	3.9	2.8	0.0	1.0	1.6	0.9
Four to Six Months	29.4	46.7	0.0	15.4	28.6	0.0	0.3	2.8	0.6	0.0	0.9	0.0	0.4
Six Months to One Year	23.5	13.3	50.0	38.5	26.5	0.0	1.5	2.2	0.9	0.0	2.2	0.0	1.0
Over One Year	23.5	0.0	0.0	7.7	10.2	0.1	0.0	0.2	0.1	0.0	1.1	1.0	0.8
Don't Know	0.0	0.0	0.0	7.7	2.0	25.3	28.0	13.9	20.7	42.8	48.3	60.9	50.5
Weighted N						2,495	2,490	1,441	7,576	13,583	26,340	15,791	5,571
Unweighted N	17	15	4	13	49	25	66	39	148	29	80	43	152

Sources: Direct Certification Study State Survey; Direct Certification Study SFA In-Depth Survey; Direct Certification Study School Survey

TABLE VI.6

**STAFF ATTENDING DIRECT CERTIFICATION PREPARATION MEETINGS
(PERCENTAGE)**

	State-Level					District				School			
Staff Attending	Type I: Non- Matching	Type II: District- Level Matching	Type I & II: Combination	Type III: State- Level Matching	All Types	Type I: Non- Matching Districts	Type II: District- Level Matching Districts	Type III: State- Level Matching Districts	All Types	Type I: Non- Matching	Type II: District- Level Matching	State- Level Matching	All Types
State Education Agency Staff	100.0	100.0	100.0	100.0	100.0	100.0	78.5	88.0	87.4	0.0	2.9	19.8	20
Local School District Staff	25.0	35.7	25.0	23.1	27.7	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100
Staff From Schools	0.0	0.0	0.0	7.7	2.1	74.5	30.0	23.7	47.6	100.0	91.2	100.0	84
FNS Regional Office Staff	25.0	42.9	0.0	30.8	29.8	0.0	0.5	0.9	0.4	0.0	16.9	0.0	9.5
State AFDC/FS Staff	100.0	100.0	100.0	92.3	97.9	18.8	13.9	2.2	12.6	0.0	17.2	0.0	9.5
Local/County AFDC/FS Staff	6.3	7.1	25.0	0.0	6.4	0.0	28.8	0.9	10.8	0.0	31.7	0.0	17
Weighted N	----	----	----	----	----	634	628	324	1696	257	2,934	1,445	520
Unweighted N	16	14	4	13	47	7	20	11	43	1	10	5	17

Sources: Direct Certification Study State Survey; Direct Certification Study SFA In-Depth Survey; Direct Certification Study School Survey.

Less than 29 percent of Type II districts indicated that local and/or county AFDC/food stamp staff attended these implementation meetings. No other district-level type indicated any significant involvement with this group. Schools were very similar to districts. Not surprisingly, SEA staff was considerably less involved at the school level, and school staff was considerably more involved.

3. Computer Modifications

Also of interest was whether any major computer modifications were necessary. This was primarily the case at the state level (Table VI.7); very little modification was necessary at either the district or school level. Approximately one-third of all direct certification states indicated that their computers had to be modified -- more than 53 percent of states containing Type II districts did modifications, compared with only 39 percent of states containing Type III districts and 18 percent of states containing Type I districts. Less than one-fifth of any district or school type indicated that computer modifications were necessary (Table VI.7). The primary type of computer modification needed was a general programming or formatting change.

4. Training

Most state-level training was informal (Table VI.8). More than two-thirds of all direct certification states indicated that they had some form of informal training. However, more than 41 percent of states containing Type I districts indicated that they had some type of formal training.

Although approximately one-quarter of the districts used formal training, there was less informal training than at the state level. School staff received even less formal and informal training than districts.

TABLE VI.7
COMPUTER MODIFICATIONS

	State Level					District				School			
	Type I: Non- Matching	Type II: District Level Matching	Type I & II: Combination	Type III: State Level Matching	All Types	Type I: Non- Matching Districts	Type II: District- Level Matching Districts	Type III: State- Level Matching Districts	All Types	Type I: Non- Matching	Type II: District- Level Matching Districts	Type III: State- Level Matching Districts	All Types
Any Computer Modifications:													
Percentage Indicating Yes	17.6	53.3	0.0	38.5	32.7	9.5	17.7	11.8	12.5	0.0	16.0	12.5	10.0
Weighted N	----	----	----	----	----	2,496	2,490	1,442	7,578	10,218	24,512	15,216	559
Unweighted N	17	15	4	13	49	25	66	39	148	20	76	42	150

Sources: Direct Certification Study State Survey; Direct Certification Study SFA In-Depth Survey; Direct Certification Study School Survey.

TABLE VI.8

PERCENTAGE INDICATING WHETHER TRAINING WAS USED TO FACILITATE DIRECT CERTIFICATION IMPLEMENTATION

	State Level					District				School			
	Type I: Non-Matching	Type II: District-Level Matching	Type I & II: Combination	Type III: State-Level Matching	All Types	Type I: Non-Matching Districts	Type II: District-Level Matching	Type III: State-Level Matching Districts	All Types	Type I: Non-Matching Districts	Type II: District-Level Matching	Type III: State-Level Matching Districts	All Types
Receiving Training:													
Formal	41.2	13.3	25.0	7.7	22.4	20.6	27.8	24.9	27.3	8.1	21.4	16.5	15.9
Informal	70.6	60.0	100.0	69.2	69.4	16.0	35.9	39.8	30.7	19.3	27.0	28.2	23.8
Weighted N	----	----	----	----	----	2,496	2,490	1,442	578	10,218	24,513	15,216	55,714
Unweighted N	17	15	4	13	49	25	66	39	148	20	76	42	152

Sources: Direct Certification Study State Survey; Direct Certification Study SFA In-Depth Survey; Direct Certification Study School Survey.

5. Technical Assistance

More than 50 percent of the states indicated that they received technical assistance to implement direct certification (Table VI.9). States containing Type II districts and states containing Type III districts were considerably more likely to receive technical assistance (60 percent and 62 percent, respectively) than states containing Type I districts (35 percent).

Districts and schools were much less likely than states to receive technical assistance. Nine percent of districts and 3 percent of the schools indicated that they received technical assistance, with one exception. Just over 18 percent of Type II districts received technical assistance.

Technical assistance consisted primarily of telephone conversations on various issues -- districts called the state and states called the FNS regional office. States also indicated that they received written information such as protocols and policies from the regional office. Districts and states also received written documentation and had telephone conversations with other states and districts to help them address their technical assistance needs.

C. Barriers Associated with Implementation

This report also considers barriers and other problems states, districts and schools faced in implementing direct certification.

1. Barriers

To assess implementation barriers, jurisdictions were asked if they had to make any organizational or administrative changes, whether they encountered any legal or

TABLE VI.9

PERCENTAGE INDICATING THAT TECHNICAL ASSISTANCE WAS RECEIVED TO FACILITATE DIRECT CERTIFICATION IMPLEMENTATION

	State					District				School			
	Type I: Non- Matching	Type II: District- Level Matching	Type I & II: Combination	Type III: State- Level Matching	All Types	Type I: Non- Matching	Type II: District- Level Matching	Type III: State- Level Matching	All Types	Type I: Non- Matching	Type II: District- Level Matching	Type III: State- Level Matching	All Types
Technical Assistance Received:	35.3	60.0	50.0	61.5	51.0	4.9	17.8	5.5	8.5	0.0	5.0	3.7	3.0
Weighted N	--	--	--	--	--	2,496	2,490	1,442	7578	10,218	24,513	15,216	557
Unweighted N	17	15	4	13	49	25	66	39	148	20	76	42	15

Sources: Direct Certification Study State Survey; Direct Certification Study In-Depth SFA Survey; Direct Certification Study School Survey

regulatory problems, or whether any other types of barriers had to be overcome. Table VI.10 presents responses.

States were most likely to indicate encountering significant barriers, and these barriers tended to be most prevalent in states with Type III districts. Just under 20 percent of states containing Type II districts and 31 percent of states containing Type III districts indicated that they had make organizational and/or administrative changes before implementing direct certification. These changes included redefining workloads and responsibilities and clearly defining lines of communication. Twelve percent of states containing Type I districts and 31 percent of states containing Type III districts indicated that they encountered legal and regulatory problems. The specific issues identified were problems associated with confidentiality and cooperation among the various agencies.

2. Problems Associated with Direct Certification Activities

Respondents were also asked to identify specific problems they had with the direct certification process. Specifically highlighted are concerns associated with identification, matching, and notification.

Identification. Table VI.11 displays the problems state-level respondents faced in identifying AFDC/food stamp recipients. Forty-three percent of states containing Type II districts and 39 percent of the states containing Type III districts indicated that they had problems identifying recipients. This compares with only 12 percent of states containing Type I districts.

For the states containing Type II districts, the most significant concerns centered around inaccurate and/or incomplete information, lack of clarity on procedures for

TABLE VI.10

BARRIERS ASSOCIATED WITH DIRECT CERTIFICATION IMPLEMENTATION

	State					District				School			
	Type I: Non- Matching	Type II: District- Level Matching	Type I & II: Combination	Type III: State- Level Matching	All Types	Type I: Non- Matching	Type II: District- Level Matching	Type III: State- Level Matching	All Types	Type I: Non- Matching	Type II: District- Level Matching	Type III: State- Level Matching	All Types
Barriers:													
% Indicating Need for Organizational or Administrative Change	17.6	20.0	25.0	30.8	22.4	0.0	11.0	0.2	3.7	0.0	0.0	0.0	0.0
% Indicating Legal or Regulatory Problems	11.8	20.0	25.0	30.8	20.4	0.0	0.0	0.0		0.0	0.0	0.0	0.0
% Indicating Other Barriers	11.8	26.7	0.0	53.8	26.5	0.0	13.8	35.0	5.8	0.0	1.6	1.7	1.6
Weighted N	17	15	4	13	49	2,496	2,490	14,421	7,579	10,218	24,513	15,216	55,711
Unweighted N						25	73	39		20	76	42	152

Sources: Direct Certification Study State Survey; Direct Certification Study SFA In-Depth Survey; Direct Certification Study School Survey

TABLE VI.11
PROBLEMS IN THE IDENTIFICATION PROCESS AT STATE LEVEL

	Type I: Non-Matching	Type II: District-Level Matching	Type I & II: Combination	Type III: State-Level Matching	All States
Percentage Indicating Problems Identifying AFDC/FS Recipients	11.8	42.9	50.0	38.5	31.3
Valid N	17	14	4	13	48
Types of Problems:					
Inaccurate and/or Incomplete Information	0.0	50.0	50.0	40.0	40.0
Computer Programming, Data Compatibility, and Hardware Availability	0.0	0.0	0.0	40.0	13.3
Procedures for Conducting the Identification Process Not Clearly Specified	50.0	33.3	50.0	20.0	33.3
Lack of Cooperation from State Agency	50.0	33.3	0.0	40.0	33.3
Lack of Household Participation Once Identified	50.0	0.0	0.0	0.0	6.7

Source: Direct Certification Study State Survey

identifying recipients, and a lack of cooperation among state agencies. States containing Type III districts noted inaccurate and/or incomplete information, a lack of cooperation, and inadequate computer capabilities and/or resources as major issues.

At the district level (Table VI.12), Type II districts were most likely to experience problems with the identification process (25 percent identified problems compared with 7 percent or less of other districts). Eighty-five percent of these Type II districts indicated that they had problems with inaccurate or incomplete information.

Matching. Table VI.13 examines problems associated with the matching process at the state-level for the Type III model. Just over 61 percent of the 13 states containing Type III districts indicated that they had problems with this activity. The major problems centered around inadequate data and unclear procedures for completing the matching process.

Table VI.14, examines problems associated with the matching process at the district level for the Type II model. Thirty-one percent of the Type II districts said they had problems with the matching process. Just under 45 percent of these districts cited inaccurate and/or incomplete information as the source of their problem. Also, approximately 27 percent of districts with problems cited computer programming and hardware problems as significant.

Notification. Very few states, districts, or schools that conduct notifications said they had problems with the notification process (Table VI.15). Only 12 percent of states containing Type I districts, 11 percent of Type II districts, 7 percent of Type III districts,

TABLE VI.12

PROBLEMS IN THE IDENTIFICATION PROCESS AT THE LOCAL LEVEL

	Type I: Non-Matching	Type II: District-Level Matching	Type III: State-Level Matching	All Districts
Percentage Indicating Problems				
Identifying Students:	4.9	25.1	7.2	11.3
Weighted N	2,496	2,760	1,804	7,508
Unweighted N	25	73	43	148
Types of Problems:				
Inaccurate and/or Incomplete Information	100.0	85.2	70.9	85.4
Lack of Cooperation Among State and Local Agencies	97.2	0.0	0.0	13.9
Students and/or Households Moving	0.0	0.0	30.1	3.9
Directly Certified Households Submit Applications	0.0	0.0	26.9	3.3
Directly Certified List Provided to Districts Not In Manner That Allows for Easy Identification	0.0	21.1	1.9	15.6

Source: Direct Certification Study SFA In-Depth Survey

TABLE VI.13
PROBLEMS IN MATCHING PROCESS AT STATE LEVEL

	Type III: State-Level Matching
Percentage Indicating Problems in Matching	61.5
Valid N	13
Types of Problems:	
Inadequate and/or Incomplete Data	75.0
Procedure for Completing Matching Process Not Clearly Specified	37.5
Lack of Cooperation Among State and Local Agencies to Conduct Matches	12.5
Additional Cost and/or Resources	25.0
Consequences of Incorrectly Certifying and/or Not Certifying Student	25.0

Source: Direct Certification Study State Survey

TABLE VI.14

PROBLEMS IN MATCHING PROCESS AT LOCAL LEVEL¹

	Type II: District-Level Matching
Percentage Indicating Problems With Matching	30.8
Weighted N	1,464
Unweighted N	42
Types of Problems:	
Inaccurate and/or Incomplete Information	44.8
Computer Programming, Data Compatibility, and Hardware Availability	26.6
Additional Cost and/or Resources	0.0
Information Necessary for Direct Certification Provided in Manner That Does Not Allow for Efficient Matching	15.7
Parents Not Wanting to be Identified by the Matching Process	12.6

Source: Direct Certification SFA In-Depth Survey

¹ Only one school (unweighted) indicated problems with matching process.
Therefore, data is not presented for schools.

TABLE VI.15

PROBLEMS IN NOTIFICATION PROCESS

	State Level	Local Level		Type III: State-Level Matching	
	Type I: Non-Matching	Type II: District-Level Matching District	School	District	School
Percentage Indicating Problems Notifying	11.8	11.0	0.0	6.7	5.7
Weighted N	----	2,490	8,491	1,442	6,837
Unweighted N	17	66	30	39	21

Sources: Direct Certification Study State Survey; Direct Certification Study SFA In-Depth Survey; Direct Certification Study School Survey

and 6 percent of schools in Type III districts gave such a response. Those that did indicate a problem most frequently cited returned mail, language barrier problems, and inaccurate household information.

D. Reasons for Not Using Direct Certification

This analysis has focused on states and districts that use direct certification. This section examines the reasons that some states and districts have decided not to use direct certification.

Only two states do not use direct certification. One of the states listed several reasons for not using direct certification:

- Funds were not available to train state staff.
- Computer resources were not available at the state-level to assist in identifying AFDC/food stamp recipients or students.
- Computer resources were not available to assist in matching.
- The AFDC/food stamp agency did not keep records in a way that would allow direct certification to be conducted in a cost-effective manner.

Staff in the other state that doesn't use direct certification said computer capabilities kept the state from using direct certification. Specifically, they said computer resources were not available at the state level to assist in identifying AFDC/food stamp recipients or students, and computer resources were not available to assist in matching.

Each respondent in a non-direct certification district was asked to rate a series of factors on their importance to the jurisdiction's decision not to use direct certification. The rating scale was from a high of "very important" (a score of 4) to a low of "not at all important" (a score of 1). The most important factor identified was the perception that AFDC/food stamp agencies did not keep records in a manner that would make direct

certification cost effective (Table VI.16). The second most significant factor was difficulty in obtaining cooperation from the AFDC/food stamp agency. Also, of importance was the issue of confidentiality. Other factors considered important included such concerns as staffing, computer resource availability, and funding.

When asked what could be done to make direct certification a better option, the two states both indicated that it is possible to conduct direct certification. One indicated that an improved database from its Department of Human Resources would make direct certification a better option, while the other indicated that improved computer technology would increase the likelihood of its use.

Districts, on the other hand, did not find many of the options suggested helpful in persuading them to use direct certification in the future (Table VI.17). The districts were asked if such factors as availability of funds, training for staff, matching, identification, and notification conducted at state-level, availability of computer resources and more cooperation with the AFDC/food stamp agency would be useful. Less than one-fourth indicated that any of these factors would make direct certification a more viable option. Clearly, these districts are not convinced that direct certification is a meaningful improvement on the present procedures.

E. Summary

Some of the most important reasons states and districts decided to implement direct certification are the beliefs that it would make certification simpler and more efficient, it would reduce workloads, and it would increase participation.

The greatest challenges to states in implementing direct certification were procedural issues such as how to conduct matches, how to notify directly certified

TABLE VI.16
MEAN LEVEL OF IMPORTANCE OF FACTOR IN DECISION NOT
TO USE DIRECT CERTIFICATION

Factor:	Mean
AFDC/FS Do Not Keep Records in Manner to Make Direct Certification Cost Effective	3.68
Difficulty Getting Cooperation	3.43
Confidentiality	3.36
Computer Resources Not Available to Assist Identification Process	3.17
Funds Not Available to Pay For Training Staff	3.16
Computer Resources Not Available to Assist Matching	3.14
Staff Not Available	3.00
Number of Students Eligible For Free Meals too Small to Make Worthwhile	2.92
Director and Staff Unfamiliar with Requirements	2.89
Current Procedures are Satisfactory	2.19
Weighted N	5,172
Unweighted N	412

Source: Direct Certification Study SFA Screener Survey

TABLE VI.17
FACTORS THAT WOULD MAKE DIRECT CERTIFICATION A MORE
VIALE OPTION

	Percentage
Factor:	
Availability of Computer Resources	24.2
Staff Provided Training	24.0
Matching Conducted at State Level	23.7
Identification Conducted at State Level	23.6
Availability of Funds for DC	23.0
Notification Conducted at State Level	22.5
Closer Relationship with AFDC/FS Agency	20.7
Weighted N	5,172
Unweighted N	412

Source: Direct Certification Study SFA Screener Survey

households, and/or how to coordinate the various direct certification steps. Other noted concerns were confidentiality, computer programming/formatting issues, and cooperation among the relevant staffs. Challenges were not as significant at the district or school level. However, such issues as procedural concerns and inadequate and/or incomplete information were noted.

Generally, states took much longer to prepare for the implementation of direct certification than did local-level entities. Most states took about four months whereas districts and schools took less than one month. Collaboration did not appear to be a serious problem in that the most important parties at the various jurisdictional levels tended to be involved in meetings designed to address implementation issues. Similarly, very few entities, except at the state-level, required computer modifications or received training or technical assistance. Similarly, states were the only entities to identify significant barriers to implementation. These barriers included redefining responsibility, identifying appropriate lines of communication, and confidentiality issues.

Appendix I

Selected Standard Errors and Confidence Intervals

TABLE A.I.1**ESTIMATED STANDARD ERRORS AND CONFIDENCE INTERVALS FOR THE PERCENTAGE AND NUMBER OF DISTRICTS USING DIRECT CERTIFICATION AND STUDENTS ENROLLED IN THESE DISTRICTS**

	Percentage	Number
Number of Districts Using Direct Certification		
Estimate	63.0	8,924
Standard Error	1.81	256
95% Confidence Interval	[59.45, 66.55]	[8,668; 9,180]
Of Students Enrolled in Public Schools, Percentage in Districts Using Direct Certification		
Estimate	71.9	31,058,044
Standard Error	2.94	1,274,697
95% Confidence Interval	[66.97, 76.78]	[28,559,637; 33,556,450]
Of Students Certified for Free Meals in Public Schools, Percentage in Districts Using Direct Certification		
Estimate	71.5	10,057,045
Standard Error	4.33	610,028
95% Confidence Interval	[63.05, 80.01]	[8,861,389; 11,252,700]
Number of Sample Districts	-	1,008

Sources: Direct Certification Study SFA Screener Survey; NCES Common Core of Data, Public School Agency Universe

TABLE A.I.2

**ESTIMATED STANDARD ERRORS AND CONFIDENCE INTERVALS FOR THE
PERCENTAGE AND NUMBER OF DISTRICTS USING TYPE I DIRECT
CERTIFICATION AND OF STUDENTS IN THESE DISTRICTS**

	Percentage	Number
Of Districts Using Direct Certification, Percentage and Number Using Type I		
Estimate	32.1	2,868
Standard Error	5.0	444
95% Confidence Interval	[22.3, 41.9]	[1,998; 3,738]
Of Students in Districts Using Direct Certification, Percentage and Number in Districts Using Type I		
Estimate	25.0	7,779,238
Standard Error	6.3	1,964,832
95% Confidence Interval	[12.7, 37.3]	[3,928,167; 11,630,309]
Of Students Certified for Free Meals in Districts Using Direct Certification, Percentage and Number in Districts Using Type I		
Estimate	28.3	2,843,945
Standard Error	10.3	946,706
95% Confidence Interval	[8.1, 48.5]	[988,401; 4,699,489]
Number of Sample Districts	-	148

Sources: Direct Certification Study SFA In-Depth Survey

TABLE A.I.3**ESTIMATED STANDARD ERRORS AND CONFIDENCE INTERVALS FOR THE
PERCENTAGE AND NUMBER OF DISTRICTS USING TYPE II DIRECT
CERTIFICATION AND OF STUDENTS IN THESE DISTRICTS**

	Percentage	Number
Of Districts Using Direct Certification, Percentage and Number Using Type II		
Estimate	33.6%	3,002
Standard Error	5.03	449
95% Confidence Interval	[23.7, 43.4]	[2,122; 3,882]
Of Students in Districts Using Direct Certification, Percentage and Number in Districts Using Type II		
Estimate	40.8	12,671,176
Standard Error	7.2	2,228,884
95% Confidence Interval	[26.7, 54.9]	[8,302,563; 17,039,789]
Of Students Certified for Free Meals in Districts Using Direct Certification, Percentage and Number in Districts Using Type II		
Estimate	40.3	4,049,781
Standard Error	10.3	1,030,886
95% Confidence Interval	[20.1, 60.4]	[2,029,244; 6,070,318]
Number of Sample Districts	-	148

Sources: Direct Certification Study SFA In-Depth Survey

TABLE A.I.4

**ESTIMATED STANDARD ERRORS AND CONFIDENCE INTERVALS FOR THE
PERCENTAGE AND NUMBER OF DISTRICTS USING TYPE III DIRECT
CERTIFICATION AND OF STUDENTS IN THESE DISTRICTS**

	Percentage	Number
Of Districts Using Direct Certification, Percentage and Number Using Type III		
Estimate	18.6	1,663
Standard Error	4.2	370
95% Confidence Interval	[10.4, 26.8]	[938; 2,388]
Of Students in Districts Using Direct Certification, Percentage and Number in Districts Using Type III		
Estimate	26.0	8,083,818
Standard Error	6.4	1,989,666
95% Confidence Interval	[13.5, 38.5]	[4,184,073; 11,983,563]
Of Students Certified for Free Meals in Districts Using Direct Certification, Percentage and Number in Districts Using Type III		
Estimate	24.9	2,506,170
Standard Error	9.0	909,339
95% Confidence Interval	[7.3, 42.5]	[723,865; 4,288,474]
Number of Sample Districts	-	148

Sources: Direct Certification Study SFA In-Depth Survey

TABLE A.I.5

ESTIMATED STANDARD ERRORS AND CONFIDENCE INTERVALS FOR THE PERCENTAGE AND NUMBER OF DISTRICTS USING NON-PURE TYPES OF DIRECT CERTIFICATION AND OF STUDENTS IN THESE DISTRICTS

	Percentage	Number
Of Districts Using Direct Certification, Percentage and Number Using Non-Pure Type of Direct Certification		
Estimate	15.6	1,389
Standard Error	3.9	345
95% Confidence Interval	[8.0, 23.3]	[713; 2,065]
Of Students in Districts Using Direct Certification, Percentage and Number in Districts Using Non-Pure Type of Direct Certification		
Estimate	8.2	2,545,424
Standard Error	4.0	1,243,772
95% Confidence Interval	[0.4, 16.0]	[107,631; 4,983,217]
Of Students Certified for Free Meals in Districts Using Direct Certification, Percentage and Number in Districts Using Non-Pure Type of Direct Certification		
Estimate	6.5	651,926
Standard Error	5.1	517,602
95% Confidence Interval	[less than 16.5]	[less than 1,666,426]
Number of Sample Districts	-	148

Sources: Direct Certification Study SFA In-Depth Survey

Appendix II

Sample Selection Procedures, Interviewing
Procedures, and Response Rates

This appendix is divided into three sections. The first section discusses procedures used to select the samples for each of these surveys. The second section describes the interviewing procedures and response rates for the five surveys conducted. Section C contains the five survey instruments used for this study.

A. Sample Selection Procedures

This section presents the procedures used to select the samples and compute the analysis weights for data from the samples of the surveys of School Food Authorities (SFAs), schools, and the AFDC/food stamp agencies.

1. SFA and school surveys

Three samples for the surveys were selected and sample weights for analysis were prepared for each. Two of the samples comprised SFAs, while the third included schools located in SFAs that use direct certification. The three samples were:

- **The SFA screener sample.** This sample was used to estimate the number of SFAs using direct certification (and number of students in such SFAs) and to identify SFAs eligible for the in-depth survey.
- **The in-depth survey sample.** This was a subsample of the SFAs responding to the screener survey that reported using direct certification. The in-depth survey was used to describe practices of the SFAs that employ direct certification.
- **The school sample.** This sample, selected from SFAs that employ direct certification, was used to describe practices at the school level.

Sample selection

The samples were selected in three stages. The first stage, the screener sample, comprised a stratified random sample of 1,176 SFAs (out of a population of approximately 16,000) serving public school districts. Of these 1,014 responded to the survey, 597 of which reported using direct

certification. At the second stage, 206 of the 597 SFAs that reported using direct certification were selected for the in-depth survey. Finally, a sample of 243 schools was selected for the school survey.

In the first stage, the frame representing the population of public school SFAs was a machine-readable list of 16,360 school districts from the NCES Common Core of Data Public Education Agency Universe, 1993-1994.

The screening sample had three objectives:

- To estimate the number of public school SFAs using direct certification
- To estimate the number of schools and students in public school districts in which the SFA uses direct certification
- To provide a pool of public school SFAs using direct certification of sufficient size to select the sample for the in-depth survey of SFAs.

Stratification was used to balance these objectives and to make the sample more efficient. Two criteria were used for stratification: size of SFA (number of students) and estimates provided by the FNS of the percentage of SFAs in each state that use direct certification. Stratifying by estimated percentage of districts using direct certification makes estimating the number of SFAs using direct certification more efficient, because the variance of such an estimate is highest in strata where the percentage is in the range of 30 to 70, and lowest at the extremes (close to 0 or 100).

Thus, a higher proportion of the SFA sample was selected from states in which the percentage of districts using direct certification was in the 30 to 70 percent range and a smaller proportion from the groups at each extreme. Stratifying on the estimated prevalence of direct certification also assured that the sample would include an adequate number of SFAs for the in-depth sample.

Stratifying by size allowed oversampling the largest SFAs, making estimates regarding students or schools more efficient.

Ten strata were formed based on the estimated percentage of SFAs in each state using direct certification (provided by the FNS) and the number of students:

- Stratum 1: Less than 3 percent of SFAs in the state use direct certification and the number of students is less than 49,999.
- Stratum 2: More than 97 percent of SFAs in the state use direct certification and the number of students is less than 49,999.
- Stratum 3: 3 to 14 percent of SFAs in the state use direct certification and the number of students is less than 49,999.
- Stratum 4: 86 to 97 percent of SFAs in the state use direct certification and the number of students is less than 49,999.
- Stratum 5: 15 to 29 percent of SFAs in the state use direct certification and the number of students is less than 49,999.
- Stratum 6: 71 to 85 percent of SFAs in the state use direct certification and the number of students is less than 49,999.
- Stratum 7: 30-70 percent or an unknown percentage of SFAs in the state use direct certification and the number of students is less than 5,000.
- Stratum 8: 30-70 percent or unknown percentage of SFAs in the state use direct certification and the number of students is 5,000 to 49,999.
- Stratum 9: The number of students is 50,000 to 99,999.
- Stratum 10: The number of students is more than 100,000.

Table A.II.1 shows the distribution of the SFAs on the frame and the sample selected. All SFAs were sampled in Stratum 10 (the largest SFAs) and more than half in Stratum 9 were sampled. Other strata were sampled more heavily where the estimate of the prevalence

of direct certification was expected to have higher variance. To select the sample in each stratum, a systematic selection was used after a random start, with each SFA having an equal chance of selection within its stratum.

The pool for the second, or in-depth study stage comprised the 597 SFAs that completed the screening survey and identified themselves as using direct certification in their school lunch programs. The sample for the in-depth survey was also a stratified sample, and included 206 SFAs, of which 148 completed the survey. The distribution of the sample is shown in Table A.II.2. Large districts, those in Stratum 9 and Stratum 10, were oversampled. Districts in the remaining eight strata were selected with equal probability.

For the third stage or school survey stage, the frame included the 5,747 schools identified in the NCES Common Core of Data Public Education Agency Universe, 1994-1995 that were part of the 148 districts responding to the in-depth survey. The targeted number of completed interviews for the school survey was 150. Given uncertainties about response rates, we selected an initial sample of 490 schools. This relatively large initial sample was sorted randomly to allow the sample to be released based on initial field results. As Table A.II.3 indicates, 243 of the 490 were released for interviewing, of which 157 completed the survey.

TABLE A.II.1
SCREENING SAMPLE FOR DIRECT CERTIFICATION SURVEY

Stratum	Total Number of SFAs	Estimated Total Number of Students	— <u>Sample of SFAs</u>	SFAs Responding
1	217	1,153,670	7	7
2	6,281	8,855,953	195	148
3	2,541	4,792,519	173	157
4	316	1,517,168	21	21
5	1,867	5,866,539	183	155
6	931	2,922,314	91	76
7	3,684	4,676,395	404	353
8	453	5,404,159	52	49
9	48	3,276,878	28	27
10	22	4,904,548	22	21
	16,360	43,370,143	1,176	1,014

Sources: Direct Certification Study SFA Screener Survey; NCES Common Core of Data, Public School Agency Universe

TABLE A.II.2**SAMPLE FOR IN-DEPTH SFA SURVEY: DIRECT CERTIFICATION STUDY**

Stratum	Total Number of Eligible SFAs from Screener Sample	Sample of SFAs	SFAs Responding
1 and 2 ^a	134	44	34
3	43	15	6
4	19	6	5
5	55	18	6
6	52	18	13
7	215	71	51
8	33	11	11
9	25	13	13
10	21	10	9
	597	206	148

Sources: Direct Certification Study SFA Screener Survey; NCES Common Core of Data, Public School Agency Universe

^aStrata 1 and 2 were combined for the purpose of selecting the sample for the school survey.

TABLE A.II.3

SCHOOL SURVEY SAMPLE

Stratum	SFAs Completing In-Depth Survey	Schools in SFAs	Number of Schools in Initial Sample	Number Actually Released	Schools Responding
1 and 2	38	179	103	62	31
3	6	63	18	5	2
4	6	69	22	17	15
5	7	100	22	11	8
6	13	126	45	22	17
7	41	288	144	35	24
8	11	300	44	32	19
9	13	1,247	52	32	22
10	10	3,375	40	27	19
	145	5,747	490	243	157

Sources: Direct Certification Study SFA Screener Survey; NCES Common Core of Data, Public School Agency Universe

^aStrata 1 and 2 were combined for the purpose of selecting the sample for the school survey.

Weighting Procedures

As discussed above, the sample was selected in three stages: screening stage, in-depth study stage, and the school survey stage. Weights corresponding to each stage were computed for use in analyzing the data. Because the sample employed oversampling and because nonresponse was not uniform across strata, using unweighted survey data could result in severely biased estimates.

At each stage, the initial weighting factor for a unit (SFA or school) is the inverse of the units' probability of selection. To compensate for nonresponse, the initial weight is then adjusted so that the weights of those elements that do not respond are distributed among other sampled units. After the three sets of weights were completed, a final post-stratification adjustment was made so that the weights would produce estimates of schools that are consistent among themselves and correspond to the most recent NCES estimates available.

Initial Weight for the Screening Survey. In each stratum, the initial weight for the screener sample is the inverse of the SFAs' probability of selection. The probability of selection of an SFA, in stratum h , is:

$$(1) P(\text{selection of screening SFA in stratum } h) = \frac{n_h}{N_h}$$

where:

n_h is the number of selected districts in stratum h

N_h is the total number of districts in stratum h

The sampling weight for a screening district, in stratum h , is:

$$(2) IW(\text{screening SFA in stratum } h) = \frac{1}{P(\text{selection of screening SFA in stratum } h)}$$

Adjustment to the Screener Initial Weight. This stage of weighting adjusts for ineligibility for and non-response to the screener survey. Only one stage of adjustment was needed, as all SFAs known to be eligible for the study responded to the screener survey and classified themselves as using or not using direct certification. Some units sampled were ineligible (were not SFAs or did not participate in the NSLP). The eligibility of non-responding units was unknown. The adjustment factor is computed for each stratum h :

$$(3) A_e(\text{screening SFA in stratum } h) = \frac{\sum_{\text{sampled SFAs in } h} IW(\text{screening SFA in stratum } h)}{\sum_{\text{determined SFAs in } h} IW(\text{screening SFA in stratum } h)}$$

The adjusted screener sample weight is calculated as:

$$(4) W_h(\text{screening SFA}) = IW(\text{screening SFA in stratum } h) \cdot A_e(\text{screening SFA in stratum } h)$$

if eligibility of the SFA was determined (completes plus ineligible SFAs);

or:

$$W_h(\text{screening SFA}) = 0$$

if the sampled unit did not respond at all to the screener and its eligibility of the SFA was thus

unknown.¹

¹Study eligibility was not determined for 39 sampled units.

SFAs not eligible for the study maintained a weight at this stage. The weighted sum of SFAs using direct certification provides an estimate of the number of SFAs in the population that employ direct certification, and the weighted sum of students reported by these SFAs provides an estimate of students affected by direct certification.

Initial Weight for In-Depth Survey. The initial weight of an SFA selected for the in-depth survey is the inverse of the probability of selection at this stage. For a stratum h , the probability of selection of a district for the in-depth study corresponds to the selection of n'_h districts in stratum h ($h=1,2,\dots,10$) from the total number of N'_h districts in stratum h , where the probability of selection of a district in a stratum h is:

$$(5) P(\text{in - depth SFA in stratum } h) = \frac{n'_h}{N'_h}$$

$$(6) \sum_h n'_h = 206 \text{ SFAs } h = 1, 2, \dots, 10 \text{ stratum}$$

$$(7) \sum_h N'_h = 595 \text{ SFAs } h = 1, 2, \dots, 10 \text{ stratum}$$

where:

- n'_h is the number of selected SFAs for the in-depth study in stratum h
- N'_h is the number of SFAs in stratum h , with direct certification that completed the screener survey.

The initial weight for the in-depth sampled district in stratum h is thus:

$$(8) IW(\text{in-depth SFA in stratum } H) = \frac{1}{P(\text{in-depth SFA in stratum } h)}$$

Adjustments to the In-Depth Survey Weight. Three adjustments were made in two steps. First, the weights were adjusted for the unintentional omission of two SFAs from the in-depth frame, and for the screening weight. Then an adjustment was made to account for eligibility determination.

After the screening survey was completed, two SFAs, that have direct certification, were mistakenly recorded as unknown and consequently not included in the selection of the SFAs for the in-depth study. This resulted in a frame of 595 complete districts with direct certification, where 597 were actually eligible. To account for these two eligible districts, an adjustment factor was incorporated to weight the 595 used for the sample up to the correct frame of 597. This factor is calculated as:

$$(9) A_{misrecordal\ status} = \frac{\sum_i W_h(\text{screening SFA})}{\sum_j W_h(\text{screening SFA})}$$

where $i = 1,2,3,\dots,597$ SFAs

$j = 1,2,3,\dots,595$ SFAs

The in-depth survey weights were also adjusted to incorporate the screening survey weighting factors. Thus,

$$(10) W_{2h}(\text{in-depth SFA}) = W_h(\text{screening SFA}) \times IW(\text{in-depth SFA}) \times A_{mis-recorded\ status}$$

The final adjustment factor for the in-depth survey is computed for each stratum in the same way as the analogous adjustment for the screener sample.

$$(11) A_e(\text{in - depth SFA in stratum } h) = \frac{\sum_{\text{releasedSFAs in } h} W_{2h}(\text{in - depth district in stratum } h)}{\sum_{\text{determinedSFAs in } h} W_{2h}(\text{in - depth district in stratum } h)}$$

The eligibility-adjusted in-depth sample weight is calculated as:

$$(12) W_{3h}(\text{in-depth SFA in stratum } h) = W_{2h}(\text{in-depth SFA in stratum } h) \times A_e(\text{in-depth SFA in stratum } h)$$

if final eligibility of the district was determined in the in-depth survey;

or:

$$(13) W_{3h}(\text{in-depth SFA in stratum } h) = 0$$

if final eligibility of the SFA was unknown (did not respond) in the in-depth survey.

The sum of W_{3h} at this point equals the number of SFAs estimated to use direct certification.

School Initial Weight. All SFAs that were ineligible or of unknown eligibility in the in-depth study were excluded in the process of computing weights for the school sample. The initial school weight is the inverse of the probability of selection of the school. The probability of selection of a school in a stratum h is the ratio of the number of schools selected (m) in stratum h to the total number of schools (M), in the districts included in the in-depth study, of stratum h . Thus:

$$(14) \sum_h M_h = \text{all schools} = 5,747 \quad h = 1, 2, \dots, 10$$

$$(15) \sum_h m_h = \text{selected schools} = 490 \quad h = 1, 2, \dots, 10$$

And the probability of selection of a school, in stratum h , is:

$$(16) \quad P1(\text{school in stratum } h) = \frac{m_h}{M_h}$$

where:

m_h is the number of selected schools for the school survey in stratum h

M_h is the number of all schools in the districts selected for the in-depth study in stratum h

Since only 243 schools of the 490 sampled schools were released, an adjustment factor was incorporated to the subsequent probability of selection of the school. This factor is 1 for stratum 10 and is computed for all the schools in strata 1 through 9 as follows:

$$(17) \quad A_p = \frac{243 - (\text{number released in stratum 10})}{490 - (\text{number released in stratum 10})}$$

and the adjusted probability of selection of a school:

$$(18) \quad P1A(\text{school in stratum } h) = P1(\text{school in stratum } h) \bullet A_p$$

The initial weight for a school in stratum h is:

$$(19) \quad IW_s(\text{school in stratum } h) = \frac{1}{P1A(\text{school in stratum } h)}$$

Adjustment to the School Sampling Weight. The school weight for each stratum

is then adjusted to incorporate the weight of the in-depth sample:

$$(20) \quad W_s(\text{school in stratum } h) = W_{3h}(\text{in-depth SFA in stratum } h) \times IW_s(\text{school in stratum } h)$$

The next adjustment factor is similar to that used at the previous stages.

$$(21) \quad A_e(\text{school in stratum } h) = \frac{\sum_{\text{released schools in } h} W_s(\text{school in stratum } h)}{\sum_{\text{determined schools in } h} W_s(\text{school in stratum } h)}$$

The eligibility-adjusted school sample weight is calculated as:

$$(22) \quad W_{2s}(\text{school in stratum } h) = W_s(\text{school in stratum } h) \bullet A_e(\text{school in stratum } h)$$

if eligibility of the school was determined.²

or:

$$(23) \quad W_{2s}(\text{school in stratum } h) = 0$$

if eligibility of the school was unknown..

A second adjustment was made to account for nonresponse:

$$(24) \quad A_{es}(\text{school in stratum } h) = \frac{\sum_{\text{eligible schools in } h} W_{2s}(\text{school in stratum } h)}{\sum_{\text{responding schools in } h} W_{2s}(\text{school in stratum } h)}$$

$W_{3s} = W_{2s} * A_{es}$ for responding schools

$W_{3s} = 0$ for all others

²Schools that did not use direct certification, did not exist at the time of the survey, did not participate in NSLP, used an outside food service or were part of single school SFAs were not eligible for the

Post-Stratification Weights. The adjusted weights of the three survey stages were compared in their estimates of the number of schools having direct certification. A benchmark estimate was obtained by applying our best estimate of the prevalence of direct certification to data from the most recent NCES files. The survey weights were then adjusted by a ratio of the benchmark estimated number of schools to the weighted estimate from that survey. Thus, the three weights will provide consistent estimates.

The post-stratified weights are included in the three data sets: (1) the screener data set has 597 complete districts with direct certification of the school lunch program; (2) the in-depth data set has 149 complete districts with direct certification of the school lunch program; and (3) the school data set has 157 schools that completed the survey. The final weights, in these data sets, are:

- SCR_WGT = screener final weight
- DIST_WGT = in-depth final weight
- SCH_WGT = school final weight

These weights will sum to estimates of numbers of SFAs or schools in the study population.

Estimates of numbers of students can be made by using the weight or by constructing a temporary weight that is the product of the survey weight and the number of students reported in the survey.

survey.

2. AFDC/food stamp survey

Study requirements called for identifying 25 AFDC/food stamp agencies. Because the results from this survey were to be used for exploratory and qualitative analysis, a small purposive sample was selected. The goal of the sample design was to select AFDC/food stamp agencies that represent the range and variety of relationships that they might have with SEAs and SFAs.

A sample of 32 state and county AFDC agencies were identified in order to obtain at least 25 completed interviews, assuming an 80 percent completion rate. The relationship between the states and SFAs and the AFDC/food stamp agencies was categorized using information from the state and SFA in-depth surveys.

Sample Distribution: State vs. County-Level Agency Selection. The first step in the selection process was to identify states and districts in which the SEA or SFAs were involved with direct certification activities. Potential AFDC/food stamp respondents were categorized by whether a relationship exists at the state level or the local level. Tables A.II.4 and A.II.5 provide this information. Forty-six states listed in A.II.4 indicated that they had some type of relationship with a state-level AFDC agency to conduct direct certification activities. Twelve SFAs had some type of relationship with a local level AFDC agency for direct certification purposes. This resulted in a total of 58 agencies that reported some involvement with direct certification processes, approximately 79 percent at the state level and 21 percent at the local level.

Given this potential pool, it was decided that the AFDC sample would be selected proportional to the distribution along these jurisdictional levels. This strategy resulted in 25 state-level agencies and 7 local agencies being selected to obtain 32 total agencies for the sample.

Selection of agencies at the state level. Several questions were used from the state and SFA surveys to categorize the nature of the relationship between the SEA/SFA and the AFDC agency. The most useful information was how the SEA used information provided by the AFDC/food stamp agency. Thus, the following questions from the state survey were used:

- Question 79 A-G. What is done with the list or database of AFDC recipients produced by state welfare agencies (and passed on to SEAs)?
- Question 92B-E. What is done with the list or database of students enrolled in the state (that is passed on to the AFDC agency)?

Table A.II.4 indicates, for each of the 46 states that have any direct certification interaction with an AFDC/food stamp agency, each response and whether a given state AFDC agency was involved in this activity (indicated by Yes). For question 92, only item B produced any affirmative responses. Given the results reported in Table A.II.4 and how the direct certification process operates, the following categories of use of AFDC/food stamp agency information in the direct certification process was used to help determine which AFDC/food stamp agencies to select:

**State Use of AFDC Lists/Databases
(For States with Relationships with AFDC/FS Agencies)**

<u>A Use of Lists/Databases</u>									
State Name	Q79A Matching	Q79B Other Purpose	Q79C Direct Mail	Q79D Distribute to Districts	Q79E Distribute to Schools	Q79F AFDC Internal Use	Q79G Other Use	Q92B AFDC Match	State AFDC/FS Agency Selected
Texas	x								x
Louisiana	x								x
Georgia	x								
Hawaii	x								
Indiana	x								
S. Carolina	x			x					
Colorado	x					x			x
Nebraska	x	x	x						x
Ohio		x		x					x
Missouri		x		x					
Arkansas		x		x				x	x
Maryland		x		x					
Pennsylvania		x		x					x
Virginia		x		x					
DC		x		x					
Florida		x		x					x
New Jersey		x		x					x
West Virginia		x		x					

<u>A Use of Lists/Databases</u>									
State Name	Q79A Matching	Q79B Other Purpose	Q79C Direct Mail	Q79D Distribute to Districts	Q79E Distribute to Schools	Q79F AFDC Internal Use	Q79G Other Use	Q92B AFDC Match	State AFDC/FS Agency Selected
Utah		x	x	x					x
Montana		x	x			x			x
Maine		x	x	x		x			x
Mississippi		x		x		x			x
N. Carolina		x		x		x			
N. Dakota			x						
Idaho			x						x

State Use of AFDC Lists/Databases
(For States with Relationships with AFDC/FS Agencies)

A Use of Lists/Databases									
State Name	Q79A Matching	Q79B Other Purpose	Q79C Direct Mail	Q79D Distribute to Districts	Q79E Distribute to Schools	Q79F AFDC Internal Use	Q79G Other Use	Q92B AFDC Match	State AFDC/FS Agency Selected
Minnesota			x						x
Arizona			x						x
Iowa			x						
Connecticut			x			x			x
Vermont			x			x			
Washington			x			x			x
Alaska			x			x			x
Oregon			x			x			
New Hampshire			x			x			
Rhode Island			x			x			
New York			x			x			x
Kansas			x	x					x
Nevada			x	x					x
Kentucky				x					
Tennessee				x					x
Oklahoma				x					
Wisconsin				x		x	x		x

<u>A Use of Lists/Databases</u>									
State Name	Q79A Matching	Q79B Other Purpose	Q79C Direct Mail	Q79D Distribute to Districts	Q79E Distribute to Schools	Q79F AFDC Internal Use	Q79G Other Use	Q92B AFDC Match	State AFDC/FS Agency Selected
Michigan				x			x		x
Illinois							x		
Georgia							x		
Massachusetts							x		

Source: Direct Certification Study State Survey

- AFDC list provided to the State Education Agency for matching with enrollment list (from 79A);
- AFDC list used as a mailing list for sending direct certification notification letters (from 79C); and
- AFDC list distributed to the districts (from 79D).

All other uses of AFDC information were related to these three uses. For example, question 79B (list provided to SEA for other purposes) appeared to be highly correlated with question 79D (lists were distributed to districts). Thus, the 25 state-level AFDC agencies were selected roughly proportional to the distribution of the three major uses of AFDC information. This resulted in four agencies where the SEA does a match (question 79A), 10 agencies where the list is used as a mailing list (question 79C), and 11 agencies that distribute the list to districts (question 79D). From these strata, decisions were then made to ensure that the sample included a reasonable mix of respondents that have multiple activity categories, i.e., that used the AFDC/food stamp list for more than one purpose. Included in the sample were nine of the 14 AFDC/food stamp agencies that reportedly use the list for some internal purpose (from question 79F). Table A.II.4 shows the state AFDC/food stamp agencies that were selected.

Selection of agencies at the county level. The same strategy was used to select the seven local-level AFDC agencies. Similar activity categories were used from the SFA in-depth questionnaire, specifically questions 72A-G and question 66E, to determine how SFAs used information provided by the local AFDC/food stamp agency. However, given that we were only selecting seven local agencies, a proportional selection based on how the SFA used the AFDC-

provided list was not feasible. Thus, an agency was selected to represent each of the different uses that an SFA made of the county AFDC/food stamp list.

In addition to considering the use that SFAs made of AFDC information in selecting the sample, the geographic location and size of the community served by the SFA was also considered in the selection process. As Table A.II.5 indicates, most of the local level agencies were rural and were located in California. Thus, agencies were selected such that California was not overly represented and urban representation was included. The AFDC selections at the local level are also provided in Table A.II.5.

TABLE A.II.5

**SFA Use of AFDC Lists/Databases
(For SFAs with Relationships with AFDC/FS Agencies)**

				A Use of Lists/Databases							
SFA Name	State	Q148 Community Size	Q66E SEA List Given to County	Q72A Matchin g	Q72B Other Purpose	Q72C Distributed to Schools	Q72D For SEA Matchin g	Q72E As Mailing List	Q72F AFDC For Notice Decision	Q72 G Othe r Use	Local- Level AFDC/FS Agencies Selected
New Glarus School District	Wisconsin	Rural	x								x
San Diego City Unified	California	Urban 100+	x	x		x		x		x	x
Azusa Unified	California	Urban 100+		x				x			
Lake Fenton Community Schools	Michigan	Rural		x				x			x
Keystone Central School District	Pennsylvania	Rural		x	x						x
San Francisco Unified	California	Urban 100+		x				x	x	x	x
Pretty Prarie	Kansas	Rural		x							x
Henry County Public Schools	Kentucky	Rural		x				x			x
Winters Joint	California	Rural		x							

				A Use of Lists/Databases							
SFA Name	State	Q148 Community Size	Q66E SEA List Given to County	Q72A Matchin g	Q72B Other Purpose	Q72C Distributed to Schools	Q72D For SEA Matchin g	Q72E As Mailing List	Q72F AFDC For Notice Decision	Q72 G Othe r Use	Local- Level AFDC/FS Agencies Selected
Unified											
Red Bluff Union Elementary	California	Rural			x	x					
Fall River Joint Unified School District	California	Rural				x					x
Maine School District #27	Maine	Rural								x	

Source: Direct Certification Study SFA In-Depth Survey

B. Interviewing Procedures and Response Rates

This section describes the procedures used to conduct interviews with each sample selected. Additionally, response rates obtained for each survey are discussed. In all cases except the SFA screener survey, respondents were asked to provide information on all direct certification activities that occurred in their respective jurisdictions. They were also asked to provide cost and resource data that could be used to estimate the costs and administrative savings associated with using direct certification. Respondents were unable, in most cases, to provide the cost and resource information. Accordingly, response rates are presented separately for direct certification and nondirect certification activities and cost and resource data (Table A.II.6).

1. State Survey

For this survey, a census of the states was used. U.S. territories and possessions were not part of the sample frame. DIR staff completed in-depth telephone interviews with the state NSLP directors in all 50 states and the District of Columbia, yielding a response rate of 100 percent (Table A.II.6).

Contact information needed to conduct the state telephone interviews was obtained from the FNS regional offices. After this information was obtained, state-level contacts were sent a letter from the FNS requesting they participate in a telephone interview. Within a few weeks of sending these letters, DIR called each contact to set up an interview date and time. These phone calls were followed with a letter confirming the scheduled interview as well

TABLE A.II.6**SURVEY RESPONSE RATES FOR DIRECT CERTIFICATION AND NON-DIRECT CERTIFICATION INFORMATION AND COST AND RESOURCE INFORMATION**

	Sample Size	# Ineligible	# Responded	Response Rate
State Survey				
DC and Non-DC Information	51	0	51	100%
Cost and Resource Data	49	0	27	55%
SFA Screener Survey	1176	125	1014	96%
SFA In-Depth				
DC and Non-DC Information	206	25	148	82%
Cost and Resource Data	206	25	97	54%
School In-Depth				
DC and Non-DC Information	242	39	157	77%
Cost and Resource Data	242	39	76	37%
AFDC/FS Survey				
DC and Non-DC Information	32	2	30	100%
Cost and Resource Data	32	2	23	77%

Sources: Direct Certification Study State Survey; Direct Certification Study SFA Screener Survey; Direct Certification Study SFA In-Depth Survey; Direct Certification Study School Survey

as advance materials to help prepare the respondents for their interviews and expedite the interview process. These materials consisted of two tables. The cost and resource table, which was only to be completed by states using direct certification, sought data on labor and other costs incurred in certifying students for free or reduced-price school meals under the NSLP. Only 27 of 49 states using direct certification completed this table. The other table sought quantitative data on activities associated with notification, application, certification, and verification processes for the NSLP.

2. SFA Screening Survey

Using the NCES Common Core database, a nationally representative sample of 1,176 SFAs were selected to produce a sample of 1,000 SFAs for which direct certification could be determined. To help identify appropriate contact information for this survey, DIR provided state-level respondents with a list of SFAs in their respective states that were selected in the sample and asked them to make any necessary corrections to the business addresses and phone numbers for the individuals on this list. The FNS sent a letter, before these lists were distributed, requesting the states assist DIR with this process. All states supplied updated contact information. Once all the updated contact information was received, each sample member was sent a letter with FNS' signature requesting they participate in the screening interview and possibly the in-depth interview process. The letter also identified the quantitative information that would be requested during the screening survey.

Of the 1,176 SFAs selected from the database for the sample, 125 were identified as ineligible. The vast majority of these ineligibles (110) did not participate in the NSLP, while 10 of

the ineligible SFAs were nonexistent and five were duplicates. Interviews for the screening survey were completed with 1,014 SFAs, yielding a response rate of 96 percent (Table A.II.6).

3. SFA In-depth Survey

A subsample of 206 SFAs, which reported using direct certification in the screening survey, was selected to participate in the SFA in-depth telephone survey. As with the state survey, all sample members for this survey were contacted by DIR staff to schedule an interview time. A letter confirming the date and interview time preceded these phone calls. Also included with the letters were three blank tables. The cost and resource table sought data on labor and other costs incurred in certifying students for free or reduced-price school meals under the NSLP. The second table requested quantitative data on the notification, application, certification, and verification processes that were conducted in the fall of 1996 for the NSLP. The third table requested longitudinal data on the number of students certified for free and reduced-price meals, the number of students enrolled, and the number of meals served in each meal category (free, reduced-price, and paid) starting with the year preceding the use of direct certification through the fall of 1996.

The third table in the advance materials appeared to give respondents the most difficulty. Many respondents indicated that the participation and certification data requested on this table, particularly those dating back more than several years, was in their archives. Often, these archives were located in a separate building and respondents indicated that they did not have the time to retrieve the information and were not willing to complete the table. Several respondents indicated that they would not participate in the survey if they had to complete this table.

Another problem during this survey is that some SFAs were not completely knowledgeable about what was meant by direct certification. Conflicting information about the use of direct certification was received from respondents within the same SFA. For example, during the SFA screening survey, 619 SFAs indicated that they use direct certification. However, of the 206 SFAs selected from these 619 for the in-depth survey, 10 percent indicated that they did not use direct certification when they were contacted to participate in the SFA in-depth survey. It appears that this discrepancy most likely resulted from a lack of understanding of the direct certification process. Respondents were given the definition during the screening survey. Despite this, it was not clear to them that their SFAs did not implement this process until they became involved with the in-depth survey (i.e., either when they were contacted to schedule the SFA in-depth interview, when they received and reviewed the advance materials for this interview, or when their direct certification procedures were discussed during the interview).

A total of 25 SFAs from this sample were considered ineligible: 21 of these ineligibles indicated they did not use direct certification in contrast to the information provided in the screening survey; three SFAs were ineligible because they are Provision 2 districts and consequently use direct certification in a way that is not comparable to the way other districts use it; and one SFA was found to be a duplicate.

In-depth interviews were completed with 148 SFAs, yielding a response rate of 82 percent for this survey (Table A.II.6). Thirty-three SFAs refused to participate in the survey, primarily due to the time required to complete both the advance materials and the telephone interview.

4. School Survey

From the directly certifying SFAs participating in the in-depth survey, 242 schools were selected for the school survey. Similar to the measures used in the other surveys, all school sample members were sent a letter with FNS' signature requesting they participate in the data collection process. The letters were directed to the principals at each school. Within a few weeks of sending the letters, DIR contacted the principals to schedule the interview. Often, these calls were referred to other school personnel, (i.e., cafeteria manager or principal's secretary) who were more involved with the NSLP process. Once the interviews were scheduled, letters were sent to each respondent confirming their interview date and time. Two tables of advance materials were also included with these letters. The cost and resource table sought data on labor and other costs incurred in certifying students for free or reduced price school meals under the NSLP. The second table requested quantitative data on notification, application, certification, and verification processes that were conducted in the fall of 1996 for the NSLP.

The response rate with the quantitative data requested in the advance materials was significantly low with the schools. Only one-third of school-level respondents provided the cost and resource table to DIR. Limited success was achieved through repeated follow-up calls and correspondence. In most cases, respondents indicated that they did not have the information readily available and it would take too much time to research and obtain these data. Another barrier in getting these data was the time scheduling of the school interviews. Most of the interviews were conducted in May and June, near the end of the school year when respondents had a number of other activities to complete.

Thirty-nine of these schools were identified as ineligible: 15 were in a district that has only one school and therefore had already participated in the SFA in-depth survey; 8 did not participate in the NSLP; six no longer existed; 5 out-sourced their NSLP activities to a food service company; and 5 did not use direct certification.

Interviews for this in-depth survey were completed with 157 school-level personnel, yielding a response rate of 77 percent. Forty-six schools refused to participate in the survey. As with the SFA in-depth survey, reasons cited for refusal were the time required to complete the advance materials and conduct the interview. In addition, this survey was conducted the last few months of school, when school personnel had a number of activities to complete prior to the end of the school year.

5. AFDC/food stamp survey

Based on the information provided in the state, SFA in-depth and school surveys, 25 state agencies and seven county agencies that were reported to be involved with direct certification were selected for the AFDC/food stamp survey sample. As with the four surveys, all sample members for this survey were sent a letter under the FNS' signature requesting their participation in the interview process. The letters were followed with phone calls from DIR staff to schedule the interviews. Each respondent was then sent a letter that confirmed the interview date and time scheduled during the follow-up phone call. Two tables of advance materials were also included with these confirmation letters. One table was a cost and resource table that requested data on labor and other costs incurred in certifying students for free or reduced-price meals under the NSLP. The second table requested quantitative data on notification, application, certification, and verification

processes during the fall of 1996 for the NSLP.

Two county agencies were identified as ineligible because they reported no involvement with direct certification, although SFAs in the screening interview had identified the agencies as being involved. Interviews for this survey were completed with 30 AFDC/food stamp agencies, yielding a response rate of 100 percent.