



EXAMINING THE POTENTIAL TO EXPAND DATA MATCHING IN THE NATIONAL SCHOOL LUNCH AND BREAKFAST PROGRAMS' ELIGIBILITY AND VERIFICATION PROCESSES

WHITE PAPER

Food and Nutrition Service · Office of Policy Support · United States Department of Agriculture

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October 2016

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This study was conducted under contract number AG-3198-C-15-0021 with the Food and Nutrition Service. This report is available on the Food and Nutrition Service web site: <http://www.fns.usda.gov/research-and-analysis>.

Suggested Citation:

U.S. Department of Agriculture, Food and Nutrition Service, Examining the Potential to Expand Data Matching in the National School Lunch and Breakfast Programs' Eligibility and Verification Processes, by Steven Garasky, Roderick Harrison, Angela Campbell, Molly Matthews-Ewald, Paul Ruggiere. Project Officer, John Endahl, Alexandria, VA: October 2016.

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Glossary of Acronyms

ACA	Patient Protection and Affordable Care Act (2010)
ACF	Administration for Children and Families
AFDC	Aid to Families with Dependent Children
AGI	Adjusted Gross Income
APTC	Advanced Premium Tax Credit
CEP	Community Eligibility Provision
CHIP	Children's Health Insurance Program
CMA	Computer Matching Agreements
CMS	Centers for Medicare and Medicaid Services
CN	Child Nutrition
CSR	Cost Sharing Reductions
DC	Direct Certification
DC-M	Direct Certification-Medicaid
DEFRA	Deficit Reduction Act of 1984
DHFS	Department of Healthcare and Family Services (Illinois)
DOB	Date of Birth
DOE	Department of Energy
DOL	Department of Labor
EITC	Earned Income Tax Credit
eREP	Electronic Resource and Eligibility Product
FDPIR	Food Distribution Program on Indian Reservations
FNS	Food and Nutrition Service
FPL	Federal Poverty Level
F/RP	Free or Reduced Price
HHFKA	Healthy, Hunger-Free Kids Act of 2010
HHS	Department of Health and Human Services
HUD	Housing and Urban Development
IEA	Information Exchange Agreements
IEVS	Income Eligibility Verification System
IHS	Indian Health Service
IRS	Internal Revenue Service
KDOE	Kentucky Department of Education
LEA	Local Education Agency
LIHEAP	Low Income Home Energy Assistance Program
MAGI	Modified Adjusted Gross Income
MOU	Memorandum of Understanding
NDHHS	Nebraska Department of Health and Human Services
NHSIA	National Human Services Interoperability Architecture
NSLP	National School Lunch Program

OMB	Office of Management and Budget
PHA	Public Housing Authority
PII	Personally Identifiable Information
QHP	Qualified Health Insurance Plan
SA	State Agency
SBP	School Breakfast Program
SFA	School Food Authority
SIPP	Survey of Income and Program Participation
SNAP	Supplemental Nutrition Assistance Program
SSI	Supplemental Security Income
SSIS	Statewide Student Information System
SSN	Social Security Number
SWICA	State Wage Information Collection Agency
SY	School Year
TANF	Temporary Assistance for Needy Families
UI	Unemployment Insurance
USDA	United States Department of Agriculture
WAP	Weatherization Assistance Program
WAPTAC	Weatherization Assistance Program Technical Assistance Center
WIC	Special Supplemental Nutrition Program for Women, Infants, and Children

Chapter 1: Introduction

The U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) contracted with 2M Research Services (2M) to (1) examine participant data maintained for means-tested programs, and (2) to assess the data's potential for directly certifying children for free or reduced price (F/RP) school meals in the National School Lunch Program (NSLP) and for directly verifying household income for families that submit applications for school meal benefits.¹ This study builds on U.S. Government Accountability Office (GAO) recommendations derived from its 2-year study of NSLP certification and verification processes released in 2014.²

GAO assessed steps taken by the NSLP to prevent ineligible households from receiving benefits, and to strengthen program oversight. GAO reviewed NSLP policies, interviewed program officials, and performed limited eligibility testing of a randomly drawn, non-generalizable sample of 25 approved household applications. Among these 25 NSLP applications, 19 had been approved based on self-reported household size and income. Of these 19, GAO determined that 9 were not eligible for benefits because their income exceeded eligibility guidelines for their household size. The other six approved applications in the sample indicated categorical eligibility (i.e., they were eligible for the NSLP based on participating in another means-tested program such as the Supplemental Nutrition Assistance Program (SNAP), or through meeting an approved designation such as being homeless or a foster child). GAO found that two of these six households were also ineligible for benefits, and an additional household was not eligible for free meals, but may have been eligible for reduced price meals.

GAO concluded that USDA had taken steps to strengthen controls and to increase access to program benefits for eligible individuals. However, GAO also highlighted deficiencies with current controls, and the need for additional corrective actions. To better identify ineligible NSLP applicants, GAO recommended that USDA “explore the feasibility of computer matching school meal participants with other sources of household income, such as State income databases, to identify potentially ineligible households—those with income exceeding program eligibility thresholds—for verification.”³

GAO's recommendation drew from experiences in other Federal programs. The origins of computer matching information on public assistance recipients against other income and program files are firmly rooted in concerns with identifying ineligible participants and reducing improper payments. The Tax Reform Act of 1976 (P.L. 94-455), the Social Security Amendments of 1977 (P.L. 95-216 and 96-580), the Food Stamp Act Amendments of 1980 (P.L. 96-249), and the Food Stamp and Commodity Distribution Amendments of 1981 (P.L. 97-98) all require data matching between two or more agencies for the purpose of computer matching records on participants to evaluate eligibility. Section 2651 of the Deficit Reduction Act (DEFRA) of 1984 (P.L. 98-369) requires State agencies (SAs) administering SNAP (formerly the Food Stamp Program), Temporary Assistance to Needy Families (TANF, which replaced Aid to Families with Dependent Children [AFDC]), Medicaid, and Unemployment Compensation to contribute participant and income data to a State Income Eligibility Verification System (IEVS), and to use the system to verify eligibility. Each of these efforts preceded NSLP data matching.

¹ The School Meals Program includes several programs, such as National School Lunch Program (NSLP), School Breakfast Program (SBP), and Special Milk Program. Because eligibility determinations established for NSLP also result in eligibility for other School Meal Programs, NSLP as used throughout this White Paper is synonymous to all School Meals Programs.

² Government Accountability Office. (2014, May). *School-meals programs: USDA has enhanced controls, but additional verification could help ensure legitimate program access*. Report to Congressional Requesters (GAO-14-262). Retrieved from: <http://www.gao.gov/assets/670/663258.pdf>

³ Ibid.

Computer matching to certify (rather than verify) eligibility was introduced to the NSLP in the Child Nutrition and WIC Reauthorization Act of 1989 (P.L. 101-147), which authorized direct certification of children in households receiving either Food Stamps or AFDC. The concept of using participation in one assistance program to confer categorical eligibility for another program grew even more important with the Patient Protection and Affordable Care Act (ACA) in 2010. Section 1561 of the ACA requires the Department of Health and Human Services (HHS) to “develop interoperable and secure standards and protocols that facilitate enrollment of individuals in Federal and State health and human services programs.”⁴

A key part of HHS’s response to the ACA mandate to facilitate program enrollment through data sharing was to have its Administration for Children and Families (ACF) form a Tri-Agency Committee along with the Center for Medicare and Medicaid Services (CMS) and USDA FNS to create opportunities to improve information sharing, system integration, and program coordination. A goal of the Tri-Agency Committee is to expand access and improve outcomes for government and the populations served. In particular, ACF is funding the development of a National Human Services Interoperability Architecture (NHSIA), which would support the sharing of information and eligibility determinations across programs, agencies, and departments. The NHSIA hopes to improve the efficiency and effectiveness with which human services are delivered, reduce fraud, and improve outcomes for children and families.⁵

For this study, 2M explored whether there are additional files, such as the wage records collected by State Unemployment Insurance (UI) agencies, or data on household income and size collected through applications for other means-tested programs, which might enhance computer matching for NSLP direct certification and direct verification. 2M placed the effort to improve NSLP computer matching in the broader context of initiatives such as computer matching by other Federal agencies and the HHS-USDA Tri-Agency Committee. These initiatives will be discussed in greater detail in the concluding chapter.

NSLP and SBP Overview

In 2014, the NSLP served nutritionally balanced meals each school day to more than 28 million children in almost 100,000 participating public schools, nonprofit private schools, and residential child-care institutions.⁶ The School Breakfast Program (SBP) operates in more than 89,000 schools and institutions, serving school breakfasts to more than 12 million children each day.⁷

All children enrolled in a school participating in the NSLP and SBP have access to free, reduced price, or paid meals. Children whose family income falls at or below 130 percent of the Federal poverty level (FPL) (\$31,005 for a family of four in school year [SY] 2014–15) qualify for free meals; children with family incomes between 130 percent and 185 percent of the FPL (\$44,123 for a family of four in SY 2014–15)

⁴ Patient Protection and Affordable Care Act. P.L. 111-148, 124 STAT 119 (2010).

⁵ Administration for Children and Families, 2012. *Your essential interoperability toolkit: An ACF/HHH resource guide*. ACF interoperability overview, p.10. Retrieved from: http://www.acf.hhs.gov/sites/default/files/assets/acf_toolkit_july_2012_final.pdf

⁶ Moore, Q., Conway, K., Kyler, B., & Gothro, A. (2015, May). *Direct certification in the National School Lunch Program: State implementation progress, school year 2013–2014*. (Report No. CN-14-DC). Alexandria, VA: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support. Retrieved from: <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertification2014.pdf>

⁷ U.S. Department of Agriculture, Food and Nutrition Service. (2013, September). *The School Breakfast Program*. Retrieved from: <http://www.fns.usda.gov/sites/default/files/sbp/SBPfactsheet.pdf>

are sold meals at a reduced price. Children whose family income exceeds 185 percent of the FPL pay the full price established by their local school food authority (SFA).⁸

Recurring payments from any source are considered as income to determine eligibility for the NSLP and SBP.⁹ This includes, but is not limited to, gross earnings from work, public assistance, child support, alimony, and retirement and disability benefits. Income excluded from eligibility determination includes any cash income or value of benefits excluded by statute, such as the value of benefits under SNAP or Food Distribution on Indian Reservations (FDPIR), and some Federal educational benefits; payments received from a foster care agency or court for the care of foster children; student financial assistance; loans; and infrequent earnings received on an irregular basis.

Students may also qualify for free meals on the basis of categorical eligibility (i.e., automatically eligible based on receipt/participation in certain assistance programs). Students in households that receive benefits from participation in SNAP, TANF, or FDPIR; those participating in a Federal Head Start program; and certain homeless, runaway, migrant, and foster care children, are automatically eligible for NSLP and SBP benefits.¹⁰

This White Paper reports on whether computer matching in the NSLP and SBP may be expanded to include additional data sources. Results will inform FNS objectives to increase participation in the NSLP and SBP among eligible students, reduce burden placed on families and administrative staff in processing applications and other documentation, and to mitigate program error.

Certification

There are three ways in which households can be certified for free or reduced price meals:

1. Households submit applications with information on family composition and income; this can confer **income eligibility**;
2. Households submit applications with a case number demonstrating their participation in SNAP, TANF, or FDPIR; this confers **categorical eligibility** for free meals to all children in the household; and
3. Households are directly certified through data matching due to participation in a program or due to special status; this confers **categorical eligibility** (with the exception of direct certification with Medicaid, as described later in this section).

In the NSLP, computer matching has provided an effective alternative to household applications and manual checking of case numbers against program participation lists to certify a student's eligibility. In direct certification, student enrollment records are electronically matched against eligibility records of children in households participating in other programs to certify applicants as categorically eligible for free meals. States must directly certify children in households enrolled in SNAP, and have the discretion to directly certify children participating in TANF, FDPIR, Federally funded Head Start programs, and certain migrant, homeless, runaway, and foster child programs.^{11,12}

⁸ U.S. Department of Agriculture, Food and Nutrition Service. (2015, July). *Eligibility manual for school meals: Determining and verifying eligibility*. Retrieved from: http://www.fns.usda.gov/sites/default/files/cn/SP40_CACFP18_SFSP20-2015a.pdf

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² State-funded pre-kindergarten programs with eligibility requirements identical or more stringent than Federally-funded Head Start also confer other source categorical eligibility.

Households with students directly certified as categorically eligible for free meals in the NSLP and SBP do not need to submit an application. This decreases the administrative burden that households and local educational agencies (LEAs) bear in completing and processing paper applications. Directly certifying children also increases the likelihood that students in households participating in programs that confer categorical eligibility for free meals will receive these benefits.¹³ FNS is currently examining the use of Medicaid data to directly certify students for F/RP meals.¹⁴ Students certified on the basis of Medicaid data are not considered categorically eligible for free school meals since they must meet an income standard to be eligible.

Verification

All information submitted on household applications is subject to subsequent verification to assure that determinations of eligibility and benefit levels are correct.¹⁵ Each year, LEAs must review a sample of household applications approved for F/RP meal benefits to verify that the household was certified to receive the correct level of benefits. In this “standard verification” process, school districts must verify a random 3 percent sample of “error-prone” applications, or 3,000 error-prone applications, whichever is smaller.¹⁶ Error-prone is defined as applications indicating income within \$100 per month (\$1,200 per year) of the applicable income eligibility limit. If LEAs qualify to use one of the alternate sample sizes, applications with case numbers are also verified. LEAs can also verify applications for cause. That is, they can verify an application if there is reason to question the information that was provided. In contrast, eligibility determinations established through direct certification are not subject to subsequent verification of income or household composition.

Standard or for-cause verification requires that households submit documentation supporting income or case numbers that were reported on the application. Depending on the household’s sources of income, supporting documents might include pay stubs, Social Security or Supplemental Security Income (SSI) benefit award letters, and court support payment decrees or documentation from a homeless shelter. Section 105(a) of the Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265) requires LEAs to make at least one follow-up attempt to contact households that fail to provide the supporting documents after the initial request. Based on the documentation, the LEA can verify that the household is eligible for F/RP meals, or can take any corrective actions that are needed.

States are authorized to use SNAP, TANF, FDPIR, Medicaid, and State Children’s Health Insurance Program (CHIP) for direct verification.¹⁷ Other means-tested programs with income criteria similar to the thresholds for F/RP meals are also permitted for use in direct verification.¹⁸ Similar to direct certification, direct verification enables LEAs to verify household income or program participation using records from other agencies.¹⁹

¹³ U.S. Department of Agriculture, Food and Nutrition Service. (2014, August). *The National School Lunch Program direct certification improvement study: Main report*. Retrieved April 29, 2016 from <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationImprovement.pdf>

¹⁴ U.S. Department of Agriculture, Food and Nutrition Service. (2016, January 27). *Request for Applications to Participate in Demonstration Projects to Evaluate Direct Certification with Medicaid*. Retrieved May 4, 2016 from:

¹⁵ U.S. Department of Agriculture, Food and Nutrition Service. (2014, August). *The National School Lunch Program direct certification improvement study: Main report*. Retrieved April 29, 2016 from <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationImprovement.pdf>

¹⁶ National School Lunch Program; Determining Eligibility for Free and Reduced Price Meals and Free Milk in Schools, 7 C.F.R. §§ 210 and 245 (December 2008).

¹⁷ The Child Nutrition and WIC Reauthorization Act of 2004, P.L. 108-265, 118 STAT 729 (2004).

¹⁸ Section 9(a)(3)(F) of the Richard B. Russell National School Lunch Act.

¹⁹ U.S. Department of Agriculture, Food and Nutrition Service. (2015, July). *Eligibility manual for school meals determining and verifying eligibility*. Retrieved April 21, 2016 from: http://www.fns.usda.gov/sites/default/files/cn/SP40_CACFP18_SFSP20-2015a.pdf

Direct verification can:

- decrease the burden placed on households to document their income;
- prevent the loss of benefits for students in non-responsive households;
- decrease the administrative burden placed on LEAs processing household income documentation; and
- increase overall program integrity.

Current statutes give LEAs the discretionary authority to initiate the direct verification process. State agencies administering the school meals programs are charged with assisting LEAs in developing and conducting direct verification and with facilitating data sharing arrangements between LEAs and State agencies administering SNAP, TANF, FDPIR, Medicaid, and other means-tested programs.²⁰

Research Design

USDA FNS commissioned 2M to produce this White Paper to determine whether any additional means-tested programs might prove feasible for use in the direct certification of school-age children participating in the NSLP. The White Paper also discusses whether additional data sources may be used to directly verify the income disclosed on NSLP applications. Given GAO's recommendation to explore expanding the use of computer matching for verification of household applications,²¹ as well as the continued desire of FNS to improve tools provided to States for direct certification, and well-known advances in computer-based data exchanges and matching, FNS sought to extend its previous research on data matching to determine if additional datasets can be added for direct certification and direct verification efforts in cost-effective ways.

This White Paper was informed by results from three research activities:

1. A literature review;
2. Interviews conducted with experts familiar with the data files from candidate means-tested programs, and State earnings and employment files; and
3. Semi-structured interviews with eight SA officials who are responsible for data matching operations

The study's objectives and 2M's analytic approaches are outlined in the section below. Study activities were designed to provide FNS with recommendations on the potential utility of each of the candidate means-tested program files examined. Appendix A details the domains of inquiry by method.

²⁰ Verification of Eligibility for Free and Reduced Price Meals in the National School Lunch and School Breakfast Programs, F.R. Vol. 73, No. 244 Thursday, December 18, 2008, page 76847. Retrieved from: <https://www.gpo.gov/fdsys/pkg/FR-2008-12-18/pdf/FR-2008-12-18.pdf>

²¹ U.S. Government Accountability Office. (2014, May 25). *School meals programs: USDA has enhanced controls, but additional verification could help ensure legitimate program access*. (Report No. GAO-14-262). Retrieved from: <http://www.gao.gov/products/GAO-14-262>

Approach to Study Objectives

Objective 1: Summarize Current Data Matching Practices

Summarize the experiences, benefits, challenges, and barriers of current data matching practices in State agencies and Local Education Agencies.

State and LEA data matching practices were summarized using information available in recent publications, including several FNS reports and studies on data matching in school meals programs, direct certification technical assistance site visit reports, annual reports to Congress, and consultations with FNS experts. 2M reviewed the legislative and regulatory progression of data matching in the NSLP, the data sources most widely used for direct certification and direct verification, and trends in the processes used to match student enrollment records to external program data.

Objective 2: Identify Additional Data Sources

Identify additional data sources that have potential for improving future matching processes in the school meals programs.

2M evaluated the eligibility requirements for 70 means-tested assistance programs. Programs that award funds directly to families or households were of primary interest. Programs that award funds to localities or organizations were not relevant to the study's objectives, and were thus eliminated. 2M also excluded programs that:

- primarily serve populations other than households with school-age children (e.g., people with disabilities, the elderly, and students attending college);
- do not collect data needed to calculate income as a percent of the FPL; or
- utilize income sources and eligibility thresholds that are not compatible with those used in the NSLP.

A list of all programs that were reviewed but not selected is provided in Appendix B.

Based on these criteria, six programs were selected as having potential utility in direct certification or direct verification in the NSLP:

- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- Affordable Care Act (ACA) Health Insurance Marketplace (Marketplace)²²
- Public Housing Program and Housing Choice Voucher Program (HUD Programs)
- Low Income Home Energy Assistance Program (LIHEAP)
- Weatherization Assistance Program (WAP)
- Earned Income Tax Credit (EITC)

²² Affordable Care Act Health Insurance Marketplace is not a program. It is organizations set up to facilitate the purchase of health insurance in accordance with the Patient Protection and Affordable Care Act (P.L. 111-148). Nevertheless, to enhance readability of the paper, the Marketplace is referred to as a "program" and the data potentially available from the Marketplace are referred to as "program data."

2M also identified State Income and IEVS as potential data sources for use in NSLP direct verification. The IEVS includes UI and wage records and that could reduce household and administrative burden resulting from providing and processing income documentation.

Interviews were conducted with experts in the Federal agencies that administer these programs. Information collected on each program from published material and the expert interviews was used to determine which, if any, of these programs collect and maintain the data needed to potentially add to direct certification and direct verification processes in the NSLP.

Objective 3: Obtain insights on candidate data sources from interviews with State agencies

Obtain insights from a sample of State agencies or Local Education Agencies to evaluate the practicality of implementing findings from Objective 2.

Using the information gained from the literature review and expert interviews, 2M interviewed eight State agencies to assess whether the candidate programs offered some potential for data matching.²³ These interviews were designed to solicit SA insights on the potential utility of the data files from the candidate programs to improve direct certification rates, and to assess any barriers and challenges that might impede their use, or render their use cost-ineffective.

Organization of the White Paper

This White Paper continues with Chapter 2, which presents the results from the literature review on data matching across Federal agencies. Chapter 3 presents research on the means-tested programs that were reviewed and the characteristics of the program files that suggested which programs' data files merited further investigation for potential use in data matching. This third chapter concludes by identifying the specific files that were advanced for review by expert consultants. Chapter 4 presents findings from the expert interviews, which indicated that data files from the HUD programs and LIHEAP were worth considering for NSLP data matching in an effort to increase direct certification, simplify direct verification, and/or reduce program errors.

Chapter 5 reports the results from interviews with eight State agencies on their perceptions of the potential value or cost-effectiveness of adding the HUD and LIHEAP program data files to those with which they currently conduct data matching. The final chapter (Chapter 6) integrates study findings into recommendations on whether the HUD and LIHEAP program files might merit further consideration for being added to the data files that SAs and LEAs currently use for NSLP data matching.

Several appendices are included to supplement the content of the main text. The appendices present:

- domains of inquiry by research method (Appendix A);
- a list of the means-tested assistance programs reviewed for this study (Appendix B);
- summary descriptions of the candidate programs (Appendix C);
- expert interviews: semi-structured interview guide (Appendix D);
- State agency selection methodology (Appendix E); and
- State agency interviews: semi-structured interview guide (Appendix F).

²³ Nine interviews were planned. However, due to scheduling conflicts with one interviewee, only eight interviews were conducted.

Chapter 2: Literature Review

Introduction

This chapter summarizes USDA’s recent research on data matching in the NSLP, recent annual reports to Congress on NSLP direct certification, FNS reports on direct certification technical assistance site visits conducted in 2015, and best practices summarized in the FNS Match to Meal newsletter. Special attention is devoted to the findings reported in the *NSLP Direct Certification Improvement Study* on program data used by SAs in SY 2012–13, as this is the most comprehensive report on direct certification practices published to date. The report provided SY 2012–13 profiles for each State and detailed matching practices, processes, and systems, as well as the barriers and challenges that States and LEAs encountered in data matching.

This chapter identifies the datasets that States and LEAs most frequently used for matching in SY 2012–13, the identifiers used in matching these datasets, and how frequently the datasets were updated. Requisite characteristics of candidate data sets that may facilitate NSLP data matching, and that might raise challenges similar to those that many SAs and LEAs have encountered in the past, are also identified.

The chapter begins with a brief historical look at data matching, followed by a review of data matching efforts undertaken by FNS and a discussion of the perceived benefits and challenges of data matching. Data sharing among agencies, privacy protections, and characteristics of State data matching systems in the NSLP are also discussed. The review outlines the trajectory of data matching in the NSLP certification and verification processes and concludes with a discussion of the feasibility of using additional programs for data matching in the NSLP.

An evolving technological environment has generated substantial improvements in data exchanges among Federal, State, and local agencies. Many practices presented in this chapter, while based on the most recently available publications, have changed. Findings from the literature review will nevertheless help to establish how data matching has been used for NSLP direct certification and verification.

Historical Perspective on Data Matching

Federal computer matching of public assistance program databases began in the 1970s. At this time, a few States began to computer match recipients of benefits from AFDC²⁴ against wage data in State Employment Security files to reduce overpayments and payments to ineligible families.²⁵ The Privacy Act of 1974 (P.L. 93-579) introduced protective measures for the exchange of records maintained on individuals: “No agency shall disclose any record which is contained in a system of records by any means of communication to any person, or to another agency, except pursuant to a written request by, or with the prior written consent of, the individual to whom the record pertains.”²⁶ However, the Act permitted disclosures for specific purposes, including routine administrative uses within a Federal agency.

These “matching programs” were defined as:

²⁴ AFDC was ended by the Personal Responsibility and Work Reconciliation Act of 1996 (PRWORA) and replaced with the Temporary Assistance for Needy Families (TANF) program.

²⁵ Office of Management and Budget, “Privacy Act of 1974; Revised Supplemental Guidance for Conducting Matching Programs,” 47 Fed. Reg. 97 (May 19, 1982), p. 21657. Cited in: *Office of Technology Assessment: Computer matching to detect fraud, waste, and abuse*, p. 47.

²⁶ The Privacy Act of 1974 (5 U.S.C. § 552a). Retrieved May 14, 2016 from: <http://www.archives.gov/about/laws/privacy-act-1974.html>

. . . any computerized comparison of two or more automated systems of records or a system of records with non-Federal records for the purpose of (a) establishing or verifying the eligibility of, or continuing compliance with statutory and regulatory requirements by, applicants for, recipients or beneficiaries of, participants in, or providers of services with respect to, cash or in-kind assistance or payments under Federal benefit programs; or (b) recouping payments or delinquent debts under such Federal benefit programs.²⁷

In 1977, the Department of Health, Education, and Welfare launched the first major Federal computer matching program, Project Match, to match AFDC rolls with Federal payroll files in several States and localities in order to identify government workers who were also receiving AFDC, despite earnings that should have disqualified them from the program.²⁸

Along with these specific efforts, a series of legislative acts allowed or required Federal and State agencies to build data matching programs:²⁹

- The Tax Reform Act of 1976 (P.L. 94-455) allowed the Department of Health, Education, and Welfare HEW to search the databases of other Federal agencies to locate parents who failed to pay child support.
- The Social Security Amendments of 1977 (P.L. 95-216 and 96-580) required States to access and use wage data maintained by the Social Security Administration (SSA) and State Employment Security agencies in determining eligibility for AFDC and SSI benefits.
- The Food Stamp Act Amendments of 1980 (P.L. 96-249) amended the Internal Revenue Code and the Social Security Act to allow State Food Stamp agencies to obtain and use wage, benefit, and other information in files of the SSA and State unemployment compensation agencies.
- The Food Stamp and Commodity Distribution Amendments of 1981 (P.L. 97-98) required States to obtain and use earnings information acquired from employers to verify income.
- The Deficit Reduction Act of 1984 (P.L. 98-369) required the Internal Revenue Service (IRS) to disclose data on an individual's unearned income to State welfare agencies and the SSA to verify the income of an applicant or beneficiary of the AFDC, SSI, and Food Stamp Program.

The Computer Matching and Privacy Protection Act of 1988 (P.L. 100-503) sought to address ambiguities in interpreting and implementing the Privacy Act of 1974. The Act prohibits agencies from sharing records for computer matching without written agreements establishing the purpose and legal authority for the data exchange. These written agreements describe the records and data elements used, and specify how individuals will be notified at the time of application that their data might be used in matching. The agreements also establish procedures for verifying the results of the match and for record administration and maintenance.³⁰ This Act also prohibits the suspension, termination, reduction, or denial of benefits based on data matches without independent verification of the information and mandates that individuals be informed about their right to contest data matching results.³¹

Several subsequent legislative acts authorized or mandated data matching for direct certification in the NSLP:

²⁷ The Privacy Act of 1974 (5 U.S.C. § 552a). Retrieved May 14, 2016 from: <http://www.archives.gov/about/laws/privacy-act-1974.html>

²⁸ Office of Technology Assessment. (1986, June). *Electronic records systems and individual privacy: 1986 Computer matching to detect fraud, waste, and abuse*, p. 41-42. (NTIS order #PB87-100355). Retrieved from: <http://ota.fas.org/reports/8606.pdf>

²⁹ Office of Management and Budget, "Privacy Act of 1974; Revised Supplemental Guidance for Conducting Matching Programs," 47 Fed. Reg. 97 (May 19, 1982), p. 21657. Cited in: *Office of Technology Assessment: Computer matching to detect fraud, waste, and abuse*, p. 47.

³⁰ The Privacy Act of 1974, as amended. Matching Agreements, 5 U.S.C. § 552a(o) (2010).

³¹ The Privacy Act of 1974, as amended. Verifying and Opportunity to Contest Findings, 5 U.S.C. § 552a(p) (2010).

- The Child Nutrition and WIC Reauthorization Act of 1989 (P.L. 101-147) authorized direct certification of children in households that received either SNAP or TANF.
- The Child Nutrition and WIC Reauthorization Act of 2004 mandated that all States and districts directly certify children in SNAP households in SY 2008–2009 and subsequent years.³²
- The Healthy, Hunger-Free Kids Act of 2010 (HHFKA) introduced the Direct Certification Performance Rate (DC rate), and required that States directly certify at least 80 percent of children in SNAP households in SY 2011–12, 90 percent in SY 2012–13, and 95 percent in subsequent school years. States with DC rates that fall below these thresholds must adopt a Continuous Improvement Plan.³³

Data Matching by FNS

In 2007, FNS released a report that evaluated the feasibility of expanding NSLP computer matching, using identifiers such as a student’s first and last name to determine whether that student’s household participated in means-tested benefits, including the Food Stamp Program, TANF, Medicaid/CHIP and FDPIR.³⁴ These programs were found to have household income eligibility requirements similar to the NSLP. Before computer matching was introduced to provide direct certification to establish a student’s eligibility for free meals in the NSLP and SBP, certification for these programs relied entirely upon households submitting applications providing information on family size and income or providing case numbers demonstrating their participation in the food stamp or other qualifying programs.

Since the 2007 study, FNS has built an extensive body of research and evaluations chronicling the progressive use of data matching to expand student access to meal benefits in the NSLP and SBP. Since SY 2008–09, FNS has reported annually to Congress on the progress States have made in implementing direct certification, including the use of computer matching to compare student enrollment data against program participant data.

In 2014, the *National School Lunch Program Direct Certification Improvement Study: Main Report* provided a comprehensive review of the different computer matching processes that States and districts employed in SY 2012–13 to conduct direct certification.³⁵ The study also identified several practices that may be beneficial to direct certification performance, and challenges commonly encountered in these efforts.³⁶ For example, States that reported they used other programs in addition to SNAP had higher average DC rates than States that only used SNAP (required by regulation).³⁷ States that used TANF and foster care data also reported higher DC rates, on average, than States that did not use these programs. Central matching States that performed direct certification more frequently than monthly had DC rates higher than States that matched less than monthly. The use of probabilistic matching, where matched records are scored for similarity, was also associated with higher average DC rates. States with individual

³² U.S. Department of Agriculture. (2015, May). *Direct certification in the National School Lunch Program: State implementation progress, school year 2013–14, Report to Congress*.

³³ States submit Continuous Improvement Plans to FNS, detailing the following: specific measures the State will use to identify more children eligible for SNAP direct certification, a multiyear timeline for the State to implement these measures, and goals for the State to improve direct certification results.

³⁴ U.S. Department of Agriculture, Food and Nutrition Service. (2007, February). *Data matching in the National School Lunch Program: 2005*. Retrieved May 19, 2016 from <http://www.fns.usda.gov/sites/default/files/DataMatching-V1.pdf>

³⁵ U.S. Department of Agriculture. (2014, August). *The National School Lunch Program direct certification improvement study: Main report*. Retrieved May 19, 2016 from: <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationImprovement.pdf>

³⁶ U.S. Department of Agriculture. (2015, January). *The National School Lunch Program direct certification improvement study: Practices and performance report*. Retrieved June 30, 2016 from: <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationStatePractices.pdfTeh>

³⁷ Analysis on direct certification performance rates was limited to States using central matching processes because in local matching States, practices can vary by district.

lookup systems had higher DC rates as well, as did States using secondary matching processes relative to other States.

FNS also publishes guidance to aid States in their direct certification efforts. The quarterly Match to Meal newsletter highlights best practices for attaining and/or maintaining high DC rates. Many best practices from the newsletter are summarized in the following sections, along with evidence from recent research and Federal reports.

In a continued effort to enhance the use of data matching in the NSLP, FNS is examining the use of additional program data for direct certification and is evaluating the use of Medicaid for direct certification as part of demonstration projects conducted over the last 4 school years.^{38,39} In SY 2012–13, FNS conducted initial Direct Certification-Medicaid (DC-M) demonstrations in five states—Florida, Illinois, Kentucky, New York (New York City), and Pennsylvania.⁴⁰ Participant States were authorized to data match to Medicaid files containing income and household size information to directly certify for free meals those students who were both enrolled in Medicaid and resided in households with gross household income below 133 percent of the FPL. The DC-M demonstrations also extended free meal benefits to all children within such households.

The evaluation of the initial demonstrations indicated that only districts in New York City experienced significant increases in the number of students directly certified and in the total number of students certified for free meals as a result of the demonstration. New York City districts increased the number of students directly certified by 7.1 percentage points in the first year of the demonstration, and by 6.9 percentage points in the second. They also increased the total number of students certified for free meals by 5.6 percentage points in the first year, and by 5.9 percentage points in the second. Other demonstration sites either did not experience statistically significant outcome differences or did not implement DC-M in time to assess certification outcomes (October of the first year of the demonstration for evaluation of first year impacts).

In SY 2013–14, Massachusetts and New York State were added as Cohort 2 of the DC-M demonstrations, but were not included in the certification outcome analysis because implementation occurred after impact measures were assessed. DC-M impacts for Year 3 (SY 2014–15) and Year 4 (SY 2015–16) have not yet been published. Most recently, several additional States have applied to participate in the DC-M demonstrations, which have been expanded to include direct certification for both free and reduced price meals.⁴¹

Benefits of Data Matching

Improves Participation Rates

Direct certification can increase participation rates in the NSLP during times of increased economic hardship. A 2015 study noted that during recessions, many households move from income eligibility

³⁸ U.S. Department of Agriculture, Food and Nutrition Service. (2015, January). *Evaluation of demonstrations of National School Lunch Program and School Breakfast Program direct certification of children receiving Medicaid benefits: Year 1 report*. Retrieved May 19, 2016 from: <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationMedicaidYr1.pdf>

³⁹ U.S. Department of Agriculture, Food and Nutrition Service. (2016, June). *Year 2 demonstration impacts of using Medicaid data to directly certify students for free school meals*. Retrieved June 28, 2016 from: <http://www.fns.usda.gov/sites/default/files/ops/DirectCertwithMedicaidYear2.pdf>

⁴⁰ Kentucky and Pennsylvania implemented DC-M statewide, while districts were randomly assigned to either a treatment or control group in Florida, Illinois, and New York City.

⁴¹ U.S. Department of Agriculture, Food and Nutrition Service. (2016, January 27). *Request for applications to participate in demonstration projects to evaluate direct certification with Medicaid*. Retrieved May 4, 2016 from: <http://www.fns.usda.gov/sites/default/files/cn/SP23-2016a.pdf>

levels for paid meals to income levels within F/RP eligibility guidelines. Often these families seek benefits from assistance programs that also confer categorical eligibility for free meals in the NSLP (e.g., SNAP, TANF).⁴² Direct certification can identify eligible children in these households and provide free meals to them when their families need assistance the most.

The Community Eligibility Provision (CEP) has also increased participation in the NSLP.⁴³ The provision allows districts and schools that can directly certify 40 percent or more of their students as eligible for free meals to provide free meals to all their students.⁴⁴ From October 2010 to October 2012, for the 10 States and the District of Columbia where CEP was available, average daily NSLP participation increased by 13 percent in schools that implemented CEP.⁴⁵

Reduces Certification Error Rates

Using data matching to directly certify students as eligible for meal benefits has the potential to reduce improper certifications in the NSLP. Recent evidence suggests that NSLP direct certification provides more accurate determinations of eligibility for free meals than household applications.⁴⁶ In FNS' most recent study of improper payments, 96 percent of students who were directly certified for free meals were correctly identified as eligible. In contrast, only 79 percent of students were correctly certified based on household applications.

Reduces Burden on School Districts and Households

Direct certification also reduces the administrative burden for LEAs and households.⁴⁷ Directly certified households no longer need to complete and submit applications. In addition, processing of these applications by LEAs is eliminated.

Challenges in Data Matching

Although computer matching has enhanced direct certification and direct verification efforts in the NSLP, States encounter several common challenges. For example, many States report that enrollment data were not updated for matching in time for direct certification in the fall. States also report delays in obtaining enrollment data from all of their LEAs. These problems make it less likely that newly enrolled students will appear in the enrollment files used for data matching, or that matched records of students who recently transferred will be allocated to the LEA of the student's new school. States also cited difficulty in identifying eligible children enrolled in non-public schools, as well as migrants and homeless children. Some States also expressed concerns that matching processes might compromise student confidentiality.⁴⁸

⁴² Food Research and Action Center. (2015, January). *National School Lunch Program: Trends and factors affecting student participation*. Retrieved July 1, 2016 from: http://frac.org/pdf/national_school_lunch_report_2015.pdf

⁴³ The Community Eligibility Provision allows LEAs to provide free school meals to all students, regardless of individual eligibility. To participate, LEAs must establish through direct certification that at least 40 percent of the students enrolled in their district are eligible for free meals. For more information about the CEP, see <http://www.fns.usda.gov/school-meals/community-eligibility-provision>

⁴⁴ Ibid.

⁴⁵ These States could operate CEP prior to nationwide availability in SY 2013–14.

⁴⁶ U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support. (2015). *Program error in the National School Lunch Program and School Breakfast Program: Findings from the second access, participation, eligibility and certification study (APEC) II, Volume I: Findings*. Retrieved May 19, 2016 from: <http://www.fns.usda.gov/sites/default/files/ops/APECII-Vol1.pdf>

⁴⁷ Food Research and Action Center, Center on Budget and Policy Priorities. (2014, July 25). *Improving direct certification will help more low-income children receive school meals*. Retrieved July 1, 2016 from: <http://www.cbpp.org/research/improving-direct-certification-will-help-more-low-income-children-receive-school-meals>

⁴⁸ U.S. Department of Agriculture. (2014). *The National School Lunch Program direct certification improvement study: Main report*. Retrieved May 19, 2016 from: <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationImprovement.pdf>

States also identified challenges in directly certifying 95 percent of students participating in SNAP as mandated by HRFKA. Their enrollment records do not include SNAP participants who are homeschooled (and not attending classes at a school around the time of meal service), who are virtually schooled, or dropouts. Also, there are some public schools that do not participate in the NSLP, so even though the children appear in the State's school enrollment records, they cannot be directly certified for school meals at the local level. As a result, these circumstances artificially reduce DC rates for SNAP participants. State DC rates, which are currently determined using all children who receive SNAP as the base population (the denominator in the rate calculation), reflect not only how effective the State is in directly certifying SNAP participants, but also the size of student populations that do not appear in student enrollment records.

States also noted difficulties in matching data between different sources. File layout and data entry protocols can vary between program participation and school enrollment files, and the agency responsible for performing the match does not always control the format in which the matching data is received.⁴⁹ In interviews with State agencies, Kentucky indicated that they can address this challenge to some extent by requesting program files to include specified fields and information. They noted, however, that they could not validate the business rules used to provide the information. For instance, a request for all participants under 20 years of age could be interpreted to include those aged 20 years and under or individuals age 19 years and under.

Data Sharing Among Agencies and Privacy

Data matching requires cooperation between different SAs that administer the NSLP and SBP, and those that administer SNAP or other assistance programs. Memoranda of Understanding (MOUs) must be developed between the SA administering the NSLP (e.g., Department of Education or Agriculture), and the SAs (e.g., the Department of Social Services) administering other programs such as SNAP and TANF. MOUs establish a data sharing agreement between the agencies, and define the roles that each agency will fulfill in the data matching process, including how data from each agency are transferred or accessed and which agency is responsible for conducting the match.

The agencies involved in NSLP-related data matching vary by State. For example, the California Department of Education sends the student enrollment data maintained in its statewide student information system (SSIS) to the California Department of Social Services, which then matches this enrollment data against a SNAP eligibility data file that is extracted from the mainframe of the California Department of Health Care Services Medicaid Eligibility Data System (MEDS).⁵⁰ In other States, the agency administering SNAP or other assistance programs may simply provide an electronic file to the education agency listing program participants.

Establishing MOUs and data matching processes between SAs can present challenges. Differences in the privacy and confidentiality policies of each SA can make the process time-consuming. For example, the MOU process for Medicaid took more than 1 year in Nebraska. In West Virginia, the sensitive nature of foster care data made it difficult to establish a data sharing agreement.⁵¹

However, leveraging existing relationships with other agencies and stakeholders can potentially help mitigate the MOU process for direct certification. One State that has leveraged its existing relationships is Nevada. The Nevada Department of Agriculture (NDA) used its existing relationships with Tribes and

⁴⁹ Ibid.

⁵⁰ U.S. Department of Agriculture, Food and Nutrition Service, Training and Technical Assistance Team. (2015). *California direct certification process information questionnaire*.

⁵¹ U.S. Department of Agriculture. (2014). *The National School Lunch Program direct certification improvement study: Main report*. Retrieved May 19, 2016 from: <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationImprovement.pdf>

Bureau of Indian Education partners to add FDPIR participant data to the State's direct certification efforts. The NDA both administers the FDPIR program and performs direct certification in Nevada.⁵²

Another challenge that States face with data sharing is maintaining confidentiality. Nearly one-third of the States that completed 2015 FNS Direct Certification Training and Technical Assistance Team site visits indicated they faced challenges involving the confidentiality and security of program and student enrollment data as they were developing their direct certification data matching processes.⁵³ However, other States have successfully developed strong and innovative data sharing relationships that may reduce the likelihood of a confidentiality breach. For example, Delaware consolidated student data and built interoperability between systems used by the State's Department of Education and Department of Health and Social Services. As a result, SNAP agency records that have been matched with student enrollment records are permanently linked. Whenever any record having this link established is updated by one agency, the other agency's records are automatically updated to reflect this change. This decreases the need to transfer student information using multiple systems or external methods, potentially decreasing the instances where student confidentiality may be breached. In 2013, over 90 percent of students in Delaware were linked using this method.⁵⁴

Although some States may have ongoing relationships between NSLP SAs and other program administering agencies, others may have yet to establish relationships needed to ease the process of developing direct certification partnerships.

Characteristics of Data Matching in the NSLP

State computer matching processes for the NSLP are heavily influenced by whether matching is conducted centrally or locally.⁵⁵ Central matching occurs at the State level, where the NSLP SA matches State student enrollment records, usually maintained in an SSIS, with a State list of children from households participating in SNAP and other assistance programs. The NSLP SA then sends a list of the "matched" students to the districts (or other local level recipient), which are responsible for processing the match records and directly certifying students in their point-of-service system.

Districts receive lists of exact and, in many instances, potential matches. In some States these lists are separate, whereas in others they are combined. Districts may conduct further review on potential matches based on additional information they obtain or may conduct additional types of secondary matching. In other States, districts initiate the process via an upload of enrollment data into a State computer or web-based system for matching against the most recently available list of school-aged SNAP (or other benefit program) recipients.

⁵² U.S. Department of Agriculture, Food and Nutrition Service. (2015, Summer). *Match to meal newsletter, issue 7*. State Systems Support Branch, Child Nutrition Division. (Document provided by FNS).

⁵³ During TTA site visits each year, a group of States complete questionnaires detailing the processes used in direct certification. The site visits focus on States not meeting the 95 percent standard for direct certification rates with SNAP. The States are also asked about any challenges and barriers faced to achieving higher direct certification rates. In 2015, site visits were conducted in 17 States.

⁵⁴ U.S. Department of Agriculture, Food and Nutrition Service. (2013, July). *Match to meal newsletter, issue 1, vol. 1*. State Systems Support Branch, Child Nutrition Division. (Document provided by FNS).

⁵⁵ U.S. Department of Agriculture. (2015). *The National School Lunch Program direct certification improvement study: State practices and performance report*. Retrieved May 19, 2016 from: <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationStatePractices.pdf>

In local matching States, SAs forward or place on web portals lists of children in households participating in SNAP or other means-tested programs to districts. The districts then match these students to their enrollment data using their own computer systems.⁵⁶

Identifiers collected in both student enrollment and program records are used to perform computer matches. All States match on a student's first name, last name, and date of birth (DOB). In some States, matching elements include middle names; student Social Security Number (SSN); gender; address elements such as street address, city, and zip code; school name; SNAP or other program IDs; and parent/guardian data elements such as first, middle, and last names. In addition, phonetic matching of first and last names is a tool used in some States. The elements used for matching in a State typically reflect specific features in their matching processes and systems. That is, the rationale for the elements used lies in the role each plays in improving the matching process and system specific to each State, rather than "best practices" that could be recommended for adaptation across States. Consistent with this, a recent study found that the data elements used for matching were not significant factors in improving direct certification performance.⁵⁷ Rather, the seemingly universal use of first name, last name, and DOB suggest that these are the essential building blocks for matching processes.

SAs and LEAs are required to match with SNAP at least three times per school year—at or near the beginning of the school year, then 3 and 6 months later.⁵⁸ Frequent updating of enrollment records improves the data matching process by ensuring that new and transfer students are included in the SSIS.⁵⁹ Program data also need to be frequently updated and matched with enrollment data for States to accurately identify students in households that begin receiving benefits from assistance programs that confer categorical eligibility later in the school year.⁶⁰

Feasibility of Using Additional Programs for Data Matching in the NSLP

Although the use of computer matching in the NSLP has improved since its inception, efforts could perhaps be expanded to include additional programs. Currently, SNAP, TANF, and Foster Care are among the program data files that States match against for direct certification. Moreover, some States have taken advantage of current regulations that permit matching against FDPIR, Head Start, and data on migrant, homeless, or runaway children.

An additional source of data for the NSLP matching comes from IEVS. IEVS was established by Section 2651 of DEFRA to link data files for direct verification of household income. State agencies administering SNAP, TANF, Medicaid, and Unemployment Compensation are required to contribute participation and income data to IEVS, and to use the system for verification. However, over time the potential of IEVS has been reduced. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) made verification using IEVS optional for State SNAP agencies; the Family Educational Records Privacy Act (P.L. 93-380) prevents schools from *requiring* the collection of student SSNs. Even when

⁵⁶ U.S. Department of Agriculture. (2015). *The National School Lunch Program direct certification improvement study: State practices and performance report*. Retrieved May 19, 2016 from:

<http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationStatePractices.pdf>

⁵⁷ Ibid.

⁵⁸ Determining Eligibility for Free and Reduced Price Meals and Free Milk in Schools. 7 C.F.R. § 245.6.

⁵⁹ Statewide Student Information Systems (SSIS) maintain enrollment data and are most commonly used in the direct certification processes of central matching States. SSIS was used as the source of enrollment data by 80 percent of central matching and 29 percent of local matching States in SY 2012–13.

⁶⁰ U.S. Department of Agriculture. (2015, May). *Direct certification in the National School Lunch Program: State implementation progress, school year 2013–14, report to Congress*. Retrieved May 19, 2016 from:

<http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertification2014.pdf>

student SSNs are available in enrollment records, districts are not required to share this information. These limitations make it difficult to link data on a household's income back to the student. Use of IEVS for direct verification is also complicated by variation in the timeliness of IEVS data source updates.⁶¹

Other programs with income eligibility criteria similar to the NSLP might capture unduplicated, school-age children in participant households and prove feasible for data matching and increasing NSLP direct certification rates. A review of recent State practices in NSLP computer matching for direct certification indicates that data from other means-tested programs must possess the following information to be feasible for NSLP data matching:

1. Income or poverty thresholds, and/or the household income and composition data needed to calculate FPL thresholds for comparison against NSLP guidelines;
2. Identifiers for matching to student enrollment records;
3. Recertification periods and participant data updates that can provide reasonably current data to the NSLP at the beginning and during the school year; and
4. Participant data privacy protections and data sharing policies that are compatible with NSLP policies and regulations, and that would permit data exchanges.

Income Eligibility Thresholds

Data matching would be most feasible and straightforward using data from means-tested programs that have income guidelines and eligibility thresholds identical or similar to those used in the NSLP. These programs could be used to confer categorical eligibility, allowing students to be directly certified based solely on participation in the program.

Some means-tested programs, such as State Medicaid programs, may have income guidelines and eligibility thresholds that differ from the NSLP. Data matching would remain feasible, however, if the income and household composition data needed to calculate household income as a percent of FPL were available.⁶² These programs could not provide categorical eligibility, but could be used to directly certify students based on income eligibility determinations calculated from income data available from the program.

Identifiers Used for Matching

SAs and LEAs in all States currently match on at least a student's first name, last name, and DOB. These data elements are available in SNAP data for all States, and would also be needed in data files from any means-tested program that would be used for data matching. A range of other data elements, with considerable variability across States, are used for matching, such as gender, SSN, and home address. Many States also use phonetic name matching, while others do not. This variability across States reflects differences in State data matching systems and processes.

For direct verification and for direct certification based on income eligibility, candidate data files would also need to include some combination of the child's and the parent/guardian's street address, city, zip code, and county, and the SSN of all household members. These identifiers will allow States to match program files for participants residing in the student's household. In particular, SSNs would facilitate matching with several sources of income data for all household earners.

⁶¹ Social Security Administration. (2014, June 12). *Model CMPPA (Computer Matching and Privacy Protection Act) agreement*. Retrieved from: <https://www.ssa.gov/dataexchange/documents/2013%20CMPPA%20State%20Model.pdf>

⁶² U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. (2015, September 3). *U.S. Federal poverty guidelines used to determine financial eligibility for certain Federal programs*. Retrieved from: <https://aspe.hhs.gov/2015-poverty-guidelines#guidelines>

Program Eligibility Period and Frequency of Updating

States are required to conduct matches for SNAP direct certification three times each year, but most States perform direct certification matches more frequently.^{63,64} The eligibility periods for other means-tested programs can affect the feasibility of using program data for direct certification. Eligibility periods that exceed 6 months or 1 year may not capture changes in household income or composition that would place a household above or below NSLP thresholds, resulting in incorrect certifications, or failure to certify children now eligible for NSLP benefits.

Privacy Protection and Data Sharing Policies

Many States have privacy protection and data sharing policies that may preclude data sharing between SAs administering means-tested programs and the NSLP SA. State policies governing the use of student information and participant data from other means-tested programs must be reviewed to determine whether data matching would be feasible. The time and resources required to establish an MOU might exceed the expected benefits from matching to any additional program data files.

Lessons Learned from Other Federal Agencies

NSLP data matching may be improved by incorporating lessons learned across other Federal agencies. For example, in an effort to decrease improper payments, the IRS conducted a case study in Florida, matching tax return data with SNAP administrative data to verify eligibility for the EITC.⁶⁵ This study found that SNAP data could help the IRS identify tax returns for audit because of discrepancies in the residency of qualifying children. In addition, data matching with SNAP could also help the IRS increase the number of EITC recipients through outreach to eligible households who fail to file a tax return.

HHS evaluated the overlap between health programs and human services programs in a 2013 study, and estimated that with the expansions of health coverage implemented through the ACA, between 85 and 95 percent of SNAP, WIC, TANF, and LIHEAP recipients would also be eligible for healthcare benefits through either the ACA Marketplace or Medicaid.⁶⁶ Conversely, the study estimated that among people who would qualify for Medicaid if all States expand eligibility, 49 percent receive SNAP, 18 percent receive LIHEAP, and 9 percent receive housing subsidies. The much lower overlap in expected eligibility between recipients of LIHEAP and of housing subsidies, relative to SNAP recipients, with Medicaid suggests that LIHEAP and the housing programs may be better positioned than Medicaid to identify SNAP recipients eligible for free meals in the NSLP that are not already matched to the NSLP. The report also proposed innovative methods by which applicant information might be directly transferred to agencies administering other benefit programs.

CMS exchanges data with several State programs, insurers, employers, and other payers of prescription drug benefits through its maintenance of Computer Matching Agreements (CMA) and Information Exchange Agreements (IEA).^{67,68} These data sharing agreements support CMS efforts to facilitate and

⁶³ Application, Eligibility and Certification of Children for Free and Reduced Price Meals and Free Milk. 7 C.F.R. 245.6(b)(3)

⁶⁴ Food Research and Action Center. (n.d.) *Roadmap for ending hunger: Increase data-match frequency to improve NSLP direct certification rates*. Retrieved May 20, 2016 from: http://www.frac.org/pdf/roadmap_nslp_direct_certification.pdf

⁶⁵ Urban Institute. (2015, September). *Using Supplemental Nutrition Assistance Program data in earned income tax credit administration: A case study of Florida SNAP data linked to IRS tax return data*. Retrieved May 24, 2016 from: <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000438-using-snap-data-in-eitc-administration.pdf>

⁶⁶ Urban Institute. (2013, December 23). *Overlapping eligibility and enrollment: Human services and health programs under the Affordable Care Act*. Prepared for Office for the Assistant Secretary of Planning and Evaluation, Department of Health and Human Services (Under Task Order HHSP23337026T). Retrieved May 24, 2016 from: https://aspe.hhs.gov/sites/default/files/pdf/76961/rpt_integrationproject.pdf

⁶⁷ Including State Pharmaceutical Assistance Programs (SPAPs), AIDS Drug Assistance Programs (ADAPs), and Patient Assistance Programs (PAPs).

coordinate individuals' coverage under Medicare Part D and other prescription drug programs. Records on beneficiaries receiving coverage under these programs are provided to CMS, and in return CMS provides Medicare Part D coverage information.⁶⁹ Additionally, CMS and SSA share data regarding enrollment in Medicare Savings Programs that help beneficiaries with their Medicare expenses and the Part D Low-Income Subsidy administered by SSA.⁷⁰ Enrollment in a Medicare Savings Program triggers auto-enrollment in the SSA-administered subsidy program. Low-Income Subsidy enrollment data, however, is only shared through data leads to State Medicaid agencies, who use it as they deem appropriate. Additionally, SSA provides similar leads for SSI to state Medicaid agencies.

In 2009, the Departments of Energy (DOE) and Housing and Urban Development (HUD) partnered together to lower existing barriers to the use of weatherization funds in public and assisted multi-family housing.⁷¹ Under DOE regulations implemented in 2010, HUD Qualified Assisted Housing units are automatically eligible for weatherization assistance based on income eligibility and verification determinations made by HUD.^{72,73} HUD publishes a list of all eligible properties on the DOE website, and DOE may provide weatherization assistance to residents living in these properties having income below 200 percent of the FPL, without further evaluation.

In summary, NSLP data matching for eligibility and verification determinations may be improved by incorporating lessons learned across other Federal agencies. States continue to take measures to improve NSLP-related data matching, for example, by adding more data elements and sending data more frequently. Other States are implementing advanced matching processes to resolve unmatched records, increase the frequency of data matching, and incorporate new data sources.⁷⁴ These advances, and recent FNS research, provide a strong case for the continued expansion of NSLP data matching. Adopting additional sources for and approaches to data matching that support direct certification and direct verification can increase access to benefits and decrease administrative burden on both families and administrative resources. These considerations are discussed in more detail in the concluding section.

Chapter 3: Expert Interviews

This chapter presents information compiled on several means-tested assistance programs in an effort to identify additional data sources that have potential for improving future matching processes in the school meals programs (Objective 2). To accomplish this, 2M reviewed the eligibility requirements for 70 means-

⁶⁸ Centers for Medicare and Medicaid Services. (2014, March). *Prescription drug assistance programs*. Retrieved May 25, 2016 from: <https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Prescription-Drug-Assistance-Programs/Overview.html>

⁶⁹ Centers for Medicare and Medicaid Services. (2016, April). *Coordinating prescription drug benefits*. Retrieved May 25, 2016 from: <https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Prescription-Drug-Assistance-Programs/Coordinating-Prescription-Drug-Benefits/Coordinating-Prescription-Drug-Benefits-Page.html>

⁷⁰ Social Security Administration. (2016). *Program operations manual system (POMS): H100815-025 SSA outreach to low-income Medicare beneficiaries – extra help and Medicare savings programs*. Retrieved from: <https://secure.ssa.gov/poms.nsf/lnx/0600815025>

⁷¹ U.S. Department of Housing and Urban Development. (2010, March). *Fact sheet: HUD-DOE weatherization memorandum of understanding: Streamlining weatherization assistance in affordable housing*. Retrieved May 25, 2016 from: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_4269.pdf

⁷² HUD Qualified Assisted Housing includes the following properties; Public Housing, Project-Based Section 8 Assisted Housing, Section 202 Supportive Housing for the Elderly, Section 811 Supportive Housing for Persons with Disabilities, and Certain Low Income Housing Tax Credit (LIHTC) properties.

⁷³ U.S. Department of Housing and Urban Development. (n.d.) *HUD-DOE partnership: Multifamily weatherization of public and assisted housing*. Retrieved May 25, 2016 from: http://portal.hud.gov/hudportal/HUD?src=/recovery/partnerships/HUD_DOE

⁷⁴ U.S. Department of Agriculture. (2014). *The National School Lunch Program direct certification improvement study: Main report*. Retrieved May 19, 2016 from: <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationImprovement.pdf>

tested programs. Programs that award funds directly to families or households were of primary interest. Conversely, programs that award funds directly to localities or organizations were not relevant to the study's objectives, and were removed from further consideration. 2M also excluded programs that:

1. primarily serve populations other than households with school-age children (e.g., people with disabilities, the elderly, and students attending college);
2. do not collect data necessary for calculating income as a percent of the FPL, which is needed to determine NSLP eligibility; or
3. include income sources and eligibility thresholds that are incompatible with those used for the NSLP.

Six programs were chosen for further evaluation, because they had income eligibility criteria and certification periods similar to those for the NSLP, and also included school-age children in participant households. (Complete profiles of the six chosen programs are provided in Appendix C). While not a means-tested program, IEVS databases were also considered for use. IEVS includes employer reports of earnings data that may be useful in data matching to directly verify income eligibility determinations made from self-reported income on household applications.

2M conducted interviews between February and May of 2016 with knowledgeable experts from the Federal agencies administering each selected program. The selected programs were:

- **Special Supplemental Nutrition Program for Women, Infants, and Children**

FNS administers WIC through grants provided to the States. The program provides low-income women, infants, and children in households who are at nutritional risk with supplemental nutritious foods, nutrition education and counseling, and referrals to healthcare services. States have discretion to set income eligibility thresholds for WIC between 100 percent and 185 percent of the FPL.^{75,76}

- **Affordable Care Act Health Insurance Marketplace⁷⁷**

CMS manages HealthCare.gov, the Federal Marketplace developed under the ACA, while some States have elected to manage their own health insurance Marketplaces. The Marketplace utilizes household income and composition information provided by consumers, to determine eligibility for Qualified Health Insurance Plans (QHPs), Medicaid, and CHIP.^{78,79} Applicant information provided in the Marketplaces are matched and verified against data provided by the IRS, SSA, and several other Federal agencies.^{80,81}

⁷⁵ U.S. Department of Agriculture, Food and Nutrition Service. (n.d.) *Women, Infants, and Children (WIC): About WIC-WIC's mission*. Retrieved on April 29, 2016 from: <http://www.fns.usda.gov/wic/about-wic-wics-mission>

⁷⁶ Applicants eligible for WIC include pregnant women (from pregnancy and up to 6 weeks after birth, or after pregnancy ends); breastfeeding women (up to the infant's 1st birthday); non-breastfeeding postpartum women (up to 6 months after the birth of an infant or after pregnancy ends); infants (up to 1st birthday); and children up to their 5th birthday.

⁷⁷ Affordable Care Act Health Insurance Marketplace is not a program. It is organizations set up to facilitate the purchase of health insurance in accordance with the Patient Protection and Affordable Care Act (P.L. 111-148). Nevertheless, to enhance readability of the paper, the Marketplace is referred to as a "program" and the data potentially available from the Marketplace are referred to as "program data."

⁷⁸ Qualified Health Plans (QHPs) provide essential health benefits, follow established limits on cost-sharing (deductibles, copayments, and out-of-pocket maximum amounts), and meet other requirements. QHPs are certified by each Marketplace in which they are sold.

⁷⁹ U.S. Centers for Medicare and Medicaid Services. (n.d.). *Medicaid and CHIP coverage*. Retrieved April 21, 2016 from Healthcare.gov website: <https://www.healthcare.gov/medicaid-chip/getting-medicaid-chip/>

⁸⁰ Privacy Act of 1974, Supplementary Information: Health Insurance Exchanges Program; Notice to establish a new system of records, 78 Fed. Reg. 25 (February 6, 2013), pp. 8539–8542.

- **Public Housing and Housing Choice Voucher Programs**

HUD administers the Public Housing program to provide rental housing for eligible, low-income families, the elderly, and persons with disabilities.⁸² The Housing Choice Voucher program, also administered by HUD, provides rental subsidies for housing chosen by eligible tenants.⁸³

- **Low Income Home Energy Assistance Program**

HHS administers LIHEAP through block grants made to State and local agencies for the provision of home energy assistance to low-income families at or below 150 percent of the poverty level except where 60 percent of the State median income is higher.^{84,85}

- **Weatherization Assistance Program**

WAP is administered by DOE and provides weatherization assistance to low-income households at or below 200 percent of the FPL through State agencies.^{86,87}

⁸¹ The Department of Homeland Security (DHS), Department of Veteran Affairs (VA), Department of Defense (DoD), Peace Corps, and Office of Personnel Management (OPM) provide data that is maintained in the Federally facilitated Exchange (FFE).

⁸² U.S. Department of Housing and Urban Development. (n.d.). *HUD's Public Housing Program*. Retrieved April 26, 2016 from: http://portal.hud.gov/hudportal/HUD?src=/topics/rental_assistance/phprog

⁸³ U.S. Department of Housing and Urban Development. (n.d.). *Housing choice vouchers fact sheet*. Retrieved April 30, 2016 from: http://portal.hud.gov/hudportal/HUD?src=/topics/housing_choice_voucher_program_section_8

⁸⁴ U.S. Department of Health and Human Services. (n.d.). *LIHEAP and WAP funding*. Retrieved April 21, 2016 from: <https://liheapch.acf.hhs.gov/Funding/funding.htm>

⁸⁵ U.S. Department of Health and Human Services, Administration for Children and Families. (2016, February). *About LIHEAP*. Retrieved on April 21, 2016 from: <http://www.acf.hhs.gov/programs/ocs/programs/liheap/about>

⁸⁶ D.C. Department of Energy and Environment. (n.d.). *Weatherization Assistance Program*. Retrieved April 29, 2016 from: <http://doee.dc.gov/service/weatherization-assistance-program>

⁸⁷ The Energy Conservation and Production Act of 1976, 42 U.S.C. 6865(c)1 § 415(c).

- **Earned Income Tax Credit**

The EITC reduces the amount of taxes for, or provides refunds to, working people with low to moderate income.⁸⁸ Income eligibility requirements are based on tax filing status and the presence or absence of qualifying children.⁸⁹

- **Income Eligibility Verification Systems**

IEVS was established under DEFRA to reduce errors in eligibility and benefit-level determinations.⁹⁰ States are required to implement an IEVS, and verify income and other applicant data for certain assistance programs.⁹¹

A general discussion guide was developed for the expert interviews and approved by FNS. The discussion topics were designed to obtain information about the data elements available in each program data file, how the program data is exchanged with external agencies, and policy and regulatory provisions that govern administration of program data (see Appendix D).

Findings from the expert interviews and published information about the selected programs are provided in Appendix C. Each program profile includes

- an overview of the purpose of the program,
- a description of personally identifiable information (PII) collected on participants and applicants,
- a description of income and poverty data collected,
- a description of recertification periods,
- a summary of relevant data sharing and privacy protection policies, and
- a discussion of the compatibility of key data elements needed for data matching with the NSLP.

Findings on Candidate Data Sources

The expert interviews assisted 2M in assessing the feasibility of expanding data matching in the NSLP to include the use of each of the selected programs. Specific barriers and challenges associated with each program were identified, including:

1. the data elements available for matching;
2. the accuracy of matching those elements to school enrollment data;
3. legislative and regulatory issues with the transmission of student, parent, and/or household data between agencies; and
4. additional burdens upon staff and IT resources.

Findings from this analysis are summarized in Table 1 (below).

⁸⁸ Internal Revenue Service. (2016, March). *Earned income tax credit (EITC)*. Retrieved May 24, 2016 from: <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit>

⁸⁹ Internal Revenue Service. (2016, March). *Do I qualify for EITC?* Retrieved May 24, 2016 from: <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/do-i-qualify-for-earned-income-tax-credit-eitc>

⁹⁰ U.S. Department of Health and Human Services, Office of Inspector General. (1994, October). *State income and eligibility verification systems (IEVS): State profiles, part I, Alabama through Montana*. Retrieved May 4, 2016 from: <http://oig.hhs.gov/oei/reports/oei-06-92-00081.pdf>

⁹¹ This includes Medicaid, unemployment compensation, SNAP, TANF, and child welfare services, and in such State programs as elderly assistance, SSI, and other assistance programs for the blind and disabled. See Income and Eligibility Verification system, Applicable Programs, 42 U.S.C. 1320b–7(b). Use of the IEVS for SNAP was made optional by the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA) ((PL 104-193). See http://www.fns.usda.gov/sites/default/files/ComputerMatching_summary.pdf

Table 1: Key Findings for Each Program

Program	Description	Key Findings	Income Eligibility Thresholds	Include in SA Interviews
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	WIC provides Federal grants to States for supplemental foods, healthcare referrals, and nutrition education to low-income women who are pregnant, breastfeeding, or non-breastfeeding postpartum, and to infants and children who are at nutritional risk.	PII—not collected on children ≥ 5 years old in the household, or on other household members. Few school-age children in the household (e.g., pregnant, breastfeeding, or postpartum women under 18 years old) would be identified in WIC records.	<185% FPL	NO
Affordable Care Act (ACA) Health Insurance Marketplace	The ACA raised the eligibility limit for Medicaid from 100 percent to 133 percent of the FPL in 32 participating States, and provides tax units between 100 percent and 400 percent of the FPL with Advanced Premium Tax Credit (APTC) to subsidize the purchase of qualified health plans, and Cost Sharing Reductions (CSRs) to reduce deductibles.	Previous year’s Modified Adjusted Gross Income (MAGI), used to determine Medicaid eligibility, could be used for direct certification and verification in the NSLP. APTC and CSR eligibility determinations utilize projected income and would not be feasible for data matching in the NSLP.	$\leq 133\%$ FPL (Medicaid) 100-400% FPL (APTC)	NO
Public Housing and Housing Choice Voucher Programs	These HUD programs provide public housing or help very low-income families, the elderly, and the disabled afford housing in the private market. Public housing authorities (PHAs) receive Federal funds from HUD to administer the housing choice vouchers.	Income eligibility is based on annual income from income sources similar to the NSLP’s. Since matching to Medicaid’s past-year income data seems viable, it may also be possible to conduct data matching with Form-50058 for income determination and verification.	<80% Median Income of Locale (Low limit) <50% Median Income of Locale (Very-low limit)	YES
Low Income Home Energy Program (LIHEAP)	LIHEAP assists low-income households with home energy costs, energy crises, weatherization assistance, and	LIHEAP has the PII, the FPL information, and the sources of income needed to make data matching with NSLP feasible.	$\leq 150\%$ FPL or $\leq 60\%$ State Median Income (whichever is higher)	YES

Program	Description	Key Findings	Income Eligibility Thresholds	Include in SA Interviews
	minor energy-related home repairs. ⁹²			
Weatherization Assistance Program (WAP)	DOE provides grants to States, territories, and some Indian Tribes to improve the energy efficiency of the homes of low-income families. The States contract with local governments and nonprofit agencies to provide weatherization services to those in need, using the latest technologies for home energy upgrades.	Many WAP participants are directly certified based on LIHEAP. It seems unlikely that WAP would capture additional households beyond those identified through LIHEAP.	≤200% FPL	NO
Earned Income Tax Credit (EITC)	The credit is a benefit for working people with low to moderate income. Eligibility is determined by tax filing status, earned income and adjusted gross income (AGI), and the number of qualifying children claimed.	EITC income calculations are based on tax units rather than the economic units used in the NSLP, and may include children residing in a separate household. EITC data could not be shared for data matching under current IRS regulations.	\$14,820 - \$47,747 (single) \$20,330 - \$53,267 (married) for annual earned income and adjusted gross income	NO
Income and Employment Verification System (IEVS) and Unemployment Insurance (UI)	IEVS systems are established to permit data sharing of UI earnings data, and other income sources with means-tested assistance programs to establish eligibility and benefit levels, and to verify income.	Matching to IEVS requires the full SSN of all members of the household. FNS now collects only the last four digits of the SSN of one household member.	N/A	NO

⁹² Administration for Children and Families, Office of Community Services. (2016, February 4). *About LIHEAP*. Retrieved April 21, 2016 from: <http://www.acf.hhs.gov/programs/ocs/programs/liheap/about>

Findings from the interviews and published information on the selected programs indicated that several of these programs have little potential for NSLP data matching. The evaluated programs are organized into those that do not appear feasible and those that appear feasible for NSLP data matching.

Not Feasible for NSLP Data Matching

WIC is currently inadequate for use in data matching because PII is collected only for the women, infants, and children under 5 years of age who receive benefits. Because WIC does not collect or maintain information on nonparticipant household members, WIC files include very few school-age children (excepting qualifying women under 18 years of age), and would not be useful for matching to student enrollment records.

Similarly, WAP does not seem to be a useful data source to consider further because most participants in WAP have categorical eligibility conferred by LIHEAP. The WAP data expert indicated that the “vast majority” of recipients also receive benefits in the LIHEAP program.⁹³ This finding makes it unlikely that WAP would identify additional students eligible for benefits in the NSLP who were not already identified by LIHEAP. Data collection and verification processes are also more robust in LIHEAP than WAP, and provide a higher quality source of information. Data matching with LIHEAP instead of WAP records is likely to provide a more cost-effective means of directly certifying school-age students in households receiving WAP benefits.

EITC is also likely to be unsuitable for NSLP data matching. Eligibility for the credit is assessed for tax units rather than for the economic units used in the NSLP. Children claimed for EITC may reside in a separate household, and spouses residing in the same household might file separate returns. Further research would be needed to assess the differences in estimated income based on tax units and economic units before EITC could be used for NSLP direct certification or direct verification.

The Marketplace uses a single application to determine eligibility for Medicaid and CHIP, and for the APTC and other Cost Sharing Reductions (CSRs) for QHPs.^{94,95} Consumers estimate their expected AGI for the current tax year, including their spouse’s income and tax dependents, to determine eligibility for the APTC and CSR.⁹⁶ Medicaid, on the other hand, uses the income reported on the previous year’s tax return to determine eligibility.

It does not seem feasible to use projected income data collected in the Marketplace for direct certification or direct verification of income in the NSLP. The APTC is calculated based on expected income, and is adjusted if the income projected on the application differs from the income reported on the tax return at the end of the year.⁹⁷ For the NSLP, the household is defined to include individuals within the same residence; in the Marketplace, the household includes the applicant, the spouse, and any tax dependents, whether or not they reside together. Income eligibility determinations would vary

⁹³ Expert Interview, March 4, 2016, DOE Weatherization and Intergovernmental Programs Office.

⁹⁴ Qualified health plans (QHPs) provide essential health benefits, follow established limits on cost-sharing (deductibles, copayments, and out-of-pocket maximum amounts), and meet other requirements. QHPs are certified by each Marketplace in which they are sold.

⁹⁵ The APTC provides an advanced subsidy on monthly QHP premiums. Internal Revenue Service. (n.d.). *Eligibility for the premium tax credit*. Retrieved April 30, 2016 from: <https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Eligibility-for-the-Premium-Tax-Credit>

⁹⁶ U.S. Centers for Medicaid and Medicaid Services. (n.d.) *How to count income and household members*. Retrieved May 21, 2016 from: <https://www.healthcare.gov/income-and-household-information/>

⁹⁷ Insureds must pay back any portion of the APTC that exceeds the actual APTC calculated on income reported on tax returns at the end of the year. Insureds may also receive a refund if they received a lower APTC than they were entitled to, based on their actual income for the year.

between the NSLP and the Marketplace. In addition, several income sources considered in the NSLP are not used in the Marketplace.⁹⁸

Feasible for NSLP Data Matching

HUD collects data on the annual income of each family member through Form-50058.⁹⁹ The income sources included on the form align well with those collected on NSLP household applications. However, income eligibility for HUD programs is based on the median income of the county or metropolitan area in which a participant household chooses to live. Income qualifications therefore vary for each local housing agency and PHA, making it infeasible to add HUD program data to the existing list of programs that confer categorical eligibility in the NSLP (e.g., SNAP, TANF, and FDPIR).¹⁰⁰ Nevertheless, data from Form-50058 on a household's annual income and size could be used for direct certification based on income eligibility determinations.

LIHEAP appears to be feasible for use in direct certification based on income eligibility and direct verification of income. LIHEAP's income eligibility limits (110 percent to 150 percent of FPL) fall within those of the NSLP (130 percent of FPL for free meals, and 185 percent of FPL for reduced price meals). It should be noted, however, that most LIHEAP funds are block grant funds. As a result, being eligible for LIHEAP does not assure receipt of LIHEAP benefits. While participation rates vary by State, the Congressional Research Service report found that only 21 and 22 percent of households eligible for the program in fiscal years 2009 and 2010, respectively, participated even though most of the awarded funds were utilized.¹⁰¹

LIHEAP income sources closely align with those used to determine NSLP income eligibility. Similar to the HUD programs, LIHEAP could be used for direct certification based on income eligibility determinations, but not for categorical eligibility. The applicant's FPL would have to be calculated, however, to use LIHEAP to determine whether a student should receive free meals or reduced price meals.

FNS currently permits the use of State Medicaid and CHIP data for NSLP direct verification. Because the use of State Medicaid data for the direct certification of students for F/RP meal benefits is already being explored in ongoing demonstrations, 2M did not examine Medicaid program data in further detail.^{102, 103, 104}

⁹⁸ Military pay, veteran's disability, worker's compensation, Supplemental Security Income (SSI), and State or local cash assistance are not included in the Marketplace, but can be included in the NSLP.

⁹⁹ U.S. Department of Housing and Urban Development. (n.d.). Form 50058. Retrieved from:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/systems/pic/50058

¹⁰⁰ TANF is not used to confer categorical eligibility in States where income eligibility guidelines exceed those used in the NSLP. In these States, the program may be used for direct certification based on income eligibility determinations.

¹⁰¹ Perl, L., Congressional Research Service. (2015, July). *LIHEAP: Program and funding*. CRS Report for Congress (7-5700 RL31865). Retrieved from National Energy Assistant Director's Association website at:

<http://neada.org/wp-content/uploads/2013/08/CRSLIHEAPProgramRL318651.pdf>

¹⁰² U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support. (2015, January). *Evaluation of demonstrations of National School Lunch Program and School Breakfast Program direct certification of children receiving Medicaid benefits: Year 1 report*. Retrieved December 11, 2015, from:

<http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationMedicaidYr1.pdf>

¹⁰³ U.S. Department of Agriculture, Food and Nutrition Service. (2016, January). *Request for application to participate in new demonstrations to evaluate direct certification with Medicaid*. Retrieved June 5, 2016 from:

<http://www.fns.usda.gov/sites/default/files/cn/SP23-2016os.pdf>

¹⁰⁴ U.S. Department of Agriculture, Food and Nutrition Service (2015, June). *Year 2 demonstration impacts of using Medicaid data to directly certify students for free school meals*. Retrieved from:

<http://www.fns.usda.gov/year-2-demonstration-impacts-using-medicaid-data-directly-certify-students-free-school-meals>

Recommendations on Candidate Data Sources

After exploring the six identified means-tested programs in more detail, 2M concluded that only two programs have potential for use in NSLP data matching:

1. HUD's Public Housing and Housing Choice Voucher Programs
2. LIHEAP

These programs could potentially be used for both **direct certification of income eligibility** and **direct verification of income**. However, because income eligibility thresholds differ from those used in the NSLP, 2M does not recommend that LIHEAP and HUD program data be used to confer categorical eligibility at this time, as this would also require a statutory change.

Chapter 4: State Agency Interviews

This chapter presents findings from the semi-structured interviews conducted with eight State agencies and the officials responsible for their NSLP data matching operations.¹⁰⁵ As discussed in detail in the Methodology appendix (Appendix E), 2M selected States for interview based on several State NSLP characteristics drawn from the most recent published information available. These characteristics included the programs used for data matching and State data matching processes.

Interview questions were designed to obtain insights on the potential utility of, and foreseeable barriers and challenges to, adding the candidate data sets to the interviewed States' data matching programs. 2M also asked about the steps that States or districts would have to take to incorporate any of the candidate data sets, whether adding these data sets seemed cost-effective, and strategies that might mitigate anticipated barriers and challenges. A copy of the State agency interview guide can be found in Appendix F.

Findings

Programs Used for Data Matching

Most States that were interviewed used a similar combination of program files that are currently permitted for NSLP data matching for direct certification (see Table 2). California, Illinois, Kentucky, Louisiana, and Nebraska match against SNAP, TANF, and Foster Care files for direct certification. Florida matches on SNAP and TANF. Colorado's SNAP file includes TANF data, but the SA cannot identify which of the two programs produced the match. To overcome this, Colorado is attempting to add identifiers that would distinguish matches from each program, but indicated that the process is costly. Colorado is currently exploring adding Foster Care to the programs it matches for the NSLP. Wyoming data matches with both SNAP and Foster Care for NSLP direct certification.

California, Florida, Illinois, and Kentucky were among the five States that participated in the initial Medicaid demonstration that evaluated using Medicaid records for direct certification.^{106,107} In California,

¹⁰⁵ 2M originally planned interviews with nine State agencies, but was unable to schedule one of the interviews.

¹⁰⁶ U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support. (2015, January). *Evaluation of demonstrations of National School Lunch Program and School Breakfast Program direct certification of children receiving Medicaid benefits: Year 1 report*. Prepared by Mathematica Policy Research, Contract No. AG -3198-B-12-0006. Alexandria, VA: U.S. Retrieved December 11, 2015, from: <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationMedicaidYr1.pdf>

¹⁰⁷ FNS has issued a request for application to participate in new demonstrations to evaluate the use of Medicaid for direct certification for both free and reduced price meals.

14 districts data matched with Medicaid records as part of the initial FNS demonstration project; the State has applied to participate in new demonstrations to expand this effort.¹⁰⁸ Kentucky continues to match against Medicaid. Florida continues to match against Medicaid as well, and has been selected to participate in the new Medicaid demonstrations. In the 3 school years prior to July 2015, Illinois matched against an income-eligible Medicaid file received from the State Department of Healthcare and Family Services (DHFS). Data matching with Medicaid was suspended as of July 2015 in Illinois, as DHFS develops a new data system which will incorporate SNAP and TANF records received from the Illinois Department of Human Services and Medicaid records from DHFS into one file cleaned for duplicates.

Nebraska has used Medicaid for direct verification, but the Nebraska Department of Health and Human Services (NDHHS) recently suspended providing these data for NSLP data matching while changing their administrative processes. MOUs remain in effect and planning is underway to restore the use of Medicaid records for direct verification. Nebraska has been selected to participate in a Medicaid direct certification demonstration during SY 2016–17. Louisiana indicated that it plans to apply in September 2016 for the Medicaid demonstration project. Colorado and Wyoming also plan to apply for a future Medicaid direct certification demonstration.

Several States indicated that it is difficult to identify which agency in their State maintains data on homeless, runaway, and migrant children that would support statewide NSLP data matching. In States that were interviewed, if direct certification with these programs occurs, it is at the local level, with program coordinators or liaisons working directly with district food service directors.

LEAs in California, Colorado, Florida, and Wyoming are currently matching against data from homeless, runaway, and migrant children programs, while LEAs in Louisiana match to program files on only homeless and migrant children. Nebraska has an indicator to identify homeless and runaway children in their SSIS; however, it is only updated at the end of the school year, and is therefore not usable for direct certification matching. Nebraska plans to update its student and staff record system to allow districts to provide real-time information to the State. Migrant data in Nebraska are collected in its MIS2000 system and is only received twice a year. Talks are in progress between the Nebraska Migrant Education Program coordinator and the State's vendor that maintains the system to establish real-time data matching procedures.¹⁰⁹ Florida is the only State among the eight interviewed to use Head Start program files for data matching.

¹⁰⁸ U.S. Department of Agriculture, Food and Nutrition Service. (2016, January). *Request for applications to participate in new demonstrations to evaluate direct certification with Medicaid*. Retrieved June 3, 2016 from: <http://www.fns.usda.gov/sites/default/files/cn/SP23-2016os.pdf>

¹⁰⁹ The MIS200 Database Management System is a solution for States serving migrant children and is used to store, retrieve and report student information electronically without dependency on a national database. The Nebraska Migrant Education Program uses MIS2000 for the inter-and-intrastate transfer of information when children move from one school to another. Nebraska Department of Education. (n.d.). *Data collection and reporting: MIS2000 database management system*. Retrieved June 5, 2016 from: <https://www.education.ne.gov/migrant/data%20collection%20and%20reporting.html>

Table 2: Programs Used for NSLP Direct Certification Data Matching: Regulation-Mandated and Discretionary Authority

	SNAP	TANF	FDPIR	Medicaid	Head Start	Foster Care	Homeless	Migrant	Runaway
California	✓	✓	Locally	14 districts are currently participating; applying for the new demonstrations	--	✓	Via local liaison		
Colorado	✓	SNAP file includes two forms of TANF; working on adding an identifier to distinguish programs	May add if awarded Direct Certification grant	--	--	Working on MOU with CDHS to establish use	Via local liaison		
Florida	✓	✓	--	✓	✓	--	Via local liaison		
Illinois	✓	✓	--	Matched prior to SY 2015-16, working to reestablish use--	--	✓	--	--	--
Kentucky	✓	✓	--	✓	--	✓	--	--	--
Louisiana	✓	✓	--	Plans to apply in September for participation in 2 nd demonstration	--	✓	✓	✓	--
Nebraska	✓	✓	Plans to explore in the future at the State level	Applied to participate in the new demonstrations	--	✓	--	--	--
Wyoming	✓	✓	Currently reaching out to tribal contacts	--	--	✓	Via local liaison		

Source: 2M interviews with State agencies conducted May 2016.

With the exception of California, where some local schools use FDPIR for matching, none of the States interviewed currently match against this program for direct certification. California is trying to implement statewide matching with FDPIR, and is attempting to promote relationships with tribal organizations in the State to navigate concerns regarding confidentiality. Colorado plans to incorporate the program into their data matching if they received a direct certification grant. Other States indicated that they did not use FDPIR because they either did not have a large tribal population or reservations did not operate the program. Florida and Louisiana stated that they do not have FDPIR in their States.¹¹⁰ Tribal populations in Florida and Louisiana receive benefits from assistance programs available to the general population, rather than from FDPIR. Wyoming has been in contact with tribal officials in efforts to incorporate the Tribal Foster Care program and FDPIR, but have found that tribal offices are often hesitant to share data. Nebraska has not pursued FDPIR data in the past due to the perceived overlap between FDPIR and SNAP; however, in recent consultations with FDPIR coordinators and FNS staff, Nebraska has plans to explore using the data in the future at the State level to identify additional children to support LEA participation in CEP.

Updating Program Files

The frequency with which program files are updated varied among the States that were interviewed (Table 3). The agencies administering the NSLP in Florida and Nebraska receive updated program files on a nightly basis. Program files in Colorado, Illinois, Kentucky, and Wyoming are updated monthly; however, Colorado is planning to change to a weekly schedule. Louisiana program files are updated only five times per year, but plans are underway to transition to monthly updates.

Updating Enrollment Files

Florida, Illinois, and Louisiana update public school student enrollment files either daily or in real time. Colorado advises its LEAs to update daily, but only requires districts to update enrollment files at least monthly. Therefore, the frequency with which districts update enrollment files in Colorado varies. Kentucky also updates its student enrollment files monthly. Nebraska requires updates to the entire student enrollment file only at the beginning and end of the school year. Non-public schools in Nebraska are only required to upload new files once a year, at the beginning of the school year. A secondary system is in place in Nebraska where both public and non-public schools can upload current enrollment data, including new and transfer students, for a nightly match.

¹¹⁰ U.S. Department of Agriculture, Food and Nutrition Service. (2015, August). *Food Distribution on Indian Reservations (FDPIR) FDPIR contacts*. Retrieved June 3, 2016 from: <http://www.fns.usda.gov/fdpir/fdpir-contacts>

Table 3: Frequency with which Program and Enrollment Files are Updated

	Program Files	Enrollment Files
California	Varies by program	Monthly or when a student transfers, but advised to update daily
Colorado	Monthly; changing to weekly	Advised to be daily
Florida	Nightly	Real time
Illinois	Monthly	Monthly
Kentucky	Monthly	Real time, but closes after April 30
Louisiana	Five times per year; in discussion to change to monthly	Major updates three times per year, but can be updated throughout the school year
Nebraska	Nightly	Two major updates, but can be updated throughout the school year
Wyoming	Monthly	Monthly

Source: 2M interviews with State agencies conducted May 2016.

Identifiers Used for Data Matching

Most States that were interviewed use a similar set of core identifiers for data matching (see Table 4). With the exception of Wyoming, they matched on the student’s first name, last name, and date of birth. Colorado also matched on gender; Louisiana and Florida also matched on self-identified race and ethnicity. Colorado and Kentucky use street addresses for matching. Louisiana uses zip codes. Florida, Kentucky, and Louisiana match on the student’s SSN; Colorado does so if it is available.

Wyoming was unique among the States that were interviewed. It places lists of SNAP and Foster Care participants on a direct certification website, organized by zip code and township. LEAs login to a secure, online portal and retrieve a link to access the direct certification records for students in their county. Most LEAs in Wyoming download the list and perform direct certification using a variety of different software packages, including Horizon, Nutrikids, RocketSCAN, and Infinite Campus. The identifiers used to match enrollment data also vary by LEA. While this system is unconventional in many respects, it is conducive to the geographical character of the State and was designed to accommodate a sparse population.

Table 4: Student Identifiers Used for Matching

	First Name	Last Name	Phonetic First, Last Name	Date of Birth	Middle Name or Initial	Gender	Race, Ethnicity	Address	Phone Number	Zip Code	SSN	Student ID
California	✓	✓	--	✓	--	✓	--	✓ ¹	--	--	--	--
Colorado	✓	✓	--	✓	--	✓	--	--	--	✓	✓ ²	--
Florida	✓	✓	--	✓	--	✓	✓	--	--	--	✓	--
Illinois ³	✓	✓	✓ ⁴	✓	--	✓	--	--	--	--	--	✓
Kentucky ⁵	✓	✓	--	✓	✓	--	--	✓	✓	--	✓	--
Louisiana	✓	✓	--	✓	--	✓	✓	--	--	--	✓	--
Nebraska ⁶	✓	✓	--	✓	--	✓	--	--	--	--	--	✓
Wyoming ⁷												

¹ Discard if no match

² If available

³ Illinois also uses city.

⁴ Soundex uses a four-character code to compare the similarity of two names (i.e. strings) based on how the words sound when spoken. Microsoft. (n.d.) *SOUNDEX (Transact-SQL)*. Retrieved June 5, 2016 from: <https://msdn.microsoft.com/en-us/library/ms187384.aspx>

⁵ Kentucky also uses guardian name and SSN. The State is working on adding address history, phone number.

⁶ Nebraska also uses alias, address, address, and zip code to increase the probability percentage. These are only used in addition to first name, last name, gender, and date of birth.

⁷ Identifiers used vary by LEA.

Source: 2M interviews with State agencies conducted May 2016.

Kentucky is the only State among those interviewed that collects parent identifiers (first and last name, middle initial, last four digits of the SSN, and address). Louisiana noted that the collection of parental identifiers is prohibited by State law.¹¹¹ Kentucky and Wyoming collect data on other household members, but for the sole purpose of extending benefits to other eligible children in the household.

Data Transfer and Matching Processes for Direct Certification

Data transfer and matching processes varied by State. In California, LEAs can use one of two methods to data match for direct certification. LEAs, county offices of education, and private schools have direct access for matching purposes to the SSIS where SNAP, TANF, Foster Care, and Medicaid (in the 14 participating districts) records are maintained. Districts can also contact their local county welfare departments to obtain lists of children participating in SNAP, TANF, and homeless, migrant, and runaway programs. The first method matches at the State level, with district administrators accessing the SSIS and requesting a downloadable report.

In Wyoming, program files are sent to the Department of Education and placed on a secure website, where LEAs log in and access a matched list of students organized by zip code and township.

Kentucky's Department of Education (KDOE) receives two files from the Cabinet for Health Family Services: a combined SNAP and TANF file and a separate Foster Care file. These files are cleaned and uploaded by KDOE, along with student enrollment data, to the State Commonwealth Office of Technology, which performs a probabilistic match.¹¹² The matched file is sent back to KDOE, with a yes/no indication of whether the matching threshold was met. KDOE then uploads it into a custom web application where LEAs can download data for their county via a secured login.

The Illinois Department of Education (IDOE) also receives two separate files: one for Foster Care from the Department of Children and Family Services, and another for SNAP and TANF from the Department of Human Services. IDOE then performs a probabilistic match with student enrollment records, and provides the list of exact and potential matches to districts. Illinois uses an intricate matching system where SNAP records are checked first. If the match fails on SNAP records, TANF is checked, and then Medicaid.

Illinois is currently building a new system that will merge SNAP and TANF, and eventually Medicaid, into one file. The new system will eliminate duplicate records that the current system generates when a child's household participates in two or more programs.¹¹³

Nebraska maintains three systems for direct certification data matching:

1. Public and non-public LEAs upload student enrollment data to receive a Nebraska Department of Education Student ID for matching with NDHHS data. This system can also be used for direct

¹¹¹ Louisiana Department of Education. (n.d.). *Protecting student privacy*. Retrieved June 3, 2016 from: <https://www.louisianabelieves.com/resources/library/data-center/protecting-student-privacy>

¹¹² Probabilistic matching is performed using a scoring threshold where probabilities/weights are assigned to identifiers, indicating how likely records match.

¹¹³ Illinois indicated that it currently receives a file with both SNAP and TANF participants; however, the file does not have an identifier delineating each program's participants.

verification.¹¹⁴ Public schools upload to the Nebraska Student and Staff Record System, and non-public schools upload enrollment data to the Student Unique Identifier system.¹¹⁵

2. The Child Nutrition Program Electronic Application and Reimbursement System is used by both public and non-public schools to enter individual student records or upload a CSV file to the Child Nutrition Program website.^{116,117}
3. The Nebraska Department of Education receives a file each night from NDHHS into a secure FTP folder. The dataset is cleaned before conducting a probabilistic match with student enrollment records.

In Louisiana, the data matching process for direct certification is carried out by a third-party vendor due to State confidentiality laws surrounding student data.¹¹⁸ As of SY 2015–16, the Louisiana Department of Education is no longer permitted to collect PII on students and currently only receives a student’s unique ID, zip code, initials, and DOB. Student enrollment and program data are instead submitted directly to a vendor for matching. The vendor then provides the matched data to the LEAs.

Florida LEAs upload enrollment files to the SSIS at the beginning of the school year. The Department of Children and Families uploads a cumulative file containing information on children participating in SNAP and TANF, and children participating in Medicaid in households with incomes at or below 133 of FPL, to the SSIS each day throughout the school year. In the new DC-M demonstration beginning in SY 2016–17, income thresholds of 130 percent and 185 percent will be used to determine F/RP meal eligibility. The file also contains information on children participating in Medicaid in households with incomes between 133 and 138 percent of FPL for direct verification. Matches are performed nightly, and districts are alerted if any new records are matched through June 30th. Additional students can be uploaded by districts in real time for inclusion in a nightly match.

In Colorado, the Department of Human Services provides a monthly file of all Colorado SNAP recipients between the ages of 0 and 22 years. The file is uploaded to an online system that districts can access and to upload their student enrollment data for monthly or real-time matching.

Direct Verification Processes

Some interviewed States use data from one or more programs for NSLP direct verification. LEAs in Illinois and Nebraska use SNAP, TANF, and Foster Care program files. Illinois plans to match against Medicaid data to directly verify applications in the future.

Nebraska LEAs use two methods of data matching for direct verification of applications. LEAs can look up students in the State direct verification system using first name, last name, gender, and DOB; this method requires an exact match. Alternatively, they can upload a file to identify students on applications for other

¹¹⁴ Nebraska Department of Education. (2015, October 26). *Nutrition services direct certification and direct verification*. Retrieved June 29, 2016 from:

https://www.education.ne.gov/NS/forms/nslpforms/DC/DirectCertificationDirectVerification_2015-10-26.pdf

¹¹⁵ The Nebraska Student and Staff Record System (NSSRS) is used by the Nebraska Department of Education to collect data from its public schools. Non-public schools use the Student Unique Identifier system to obtain Student IDs for new students and to update information for existing students (e.g. grade level, location, and school year). Nebraska Department of Education. (n.d.). *Nebraska student and staff record system*. Retrieved June 5, 2016 from: <https://www.education.ne.gov/nssrs/>

¹¹⁶ Nebraska Department of Education. (2015, October 26). *Nutrition services direct certification and direct verification*. Retrieved June 29, 2016 from:

https://www.education.ne.gov/NS/forms/nslpforms/DC/DirectCertificationDirectVerification_2015-10-26.pdf

¹¹⁷ The Child Nutrition Program Electronic Application and Reimbursement System is a web application that provides application, claim, and reporting management for Nebraska LEAs. Nebraska Department of Education, Nutrition Services. (n.d.) *Training registration user manual*. Retrieved June 5, 2016 from:

<https://www.education.ne.gov/ns/documents/Training%20Registration%20User%20Manual.pdf>

¹¹⁸ Act No. 837 of 2014, LA Rev Stat § 17:3914. <https://www.legis.la.gov/legis/ViewDocument.aspx?d=916157>

programs and receive a report showing to which programs the student has been matched. Nebraska also used Medicaid data at the local level for direct verification until its access to Medicaid files was suspended in July 2015. The Nebraska Department of Education is currently working to reestablish use of Medicaid data for matching. An MOU with the NDHHS has already been signed.

LEAs in California can directly verify any questionable program case numbers provided on an NSLP application through their local county welfare office, but this process is not performed at the State level. Florida LEAs conduct daily matches to Medicaid data for direct verification between October 1 and November 15 of each year.

Wyoming does not currently conduct any direct verification data matches. Given the size of the State population, determinations on error-prone applications occur at the State level. Wyoming notifies LEAs what action needs to be taken to verify the identified applications.

Colorado does not data match for direct verification at the State level, but relies exclusively upon household documentation.

Challenges to Data Matching

Interviewees were asked about the challenges they face in their current data matching practices and reasons for not matching to additional programs currently permitted by NSLP regulations. The challenges and reasons provided by the interviewed States varied, and included training, staff turnover, working with/relying on other agencies, duplicate matches, lack of available data, and difficulties incorporating new datasets into the current matching process. These are presented below.

Training

California cited challenges in training LEAs to effectively and frequently perform direct certification data matches. Colorado also stated that training LEAs to effectively use the State upload system is their biggest challenge, noting that errors in this process can cause missed or duplicate matches.

Staff Turnover

Staff turnover was also cited as a challenge to NSLP data matching. Colorado specifically noted that staff turnover compounds challenges involving training and technical assistance.

Working with/Relying on Other Agencies

California indicated having difficulty encouraging LEAs to engage with local county welfare offices, and with homeless and migrant local liaisons, to ensure that they are maximizing their direct certification counts. California also cited having difficulties with data matching procedures. Data are shared in a *blind* manner to protect student and participant confidentiality, but this also prevents human adjudication. California State personnel cannot identify why a match did not occur (e.g., an incorrect birth date, hyphenated name) for children who should have been directly certified through SNAP. The quality and timeliness of program data once posed challenges for Colorado as well.

KDOE relies on program-administering agencies to extract program data, and cannot validate the business rules that were used for the extraction. KDOE can request data within certain parameters (e.g., only children between ages 0 to 21 years), but cannot ensure that these data have been provided accurately. A match is generated for each program in which the student or his/her family participates, and LEAs are responsible for resolving duplicate matches.

Nebraska recently faced additional challenges restoring the use of Medicaid data for direct verification. NDHHS, the agency administering Medicaid, discontinued providing a program file to the Nebraska Department of Education, in part because Nebraska was not part of the ongoing FNS Medicaid direct

certification demonstrations. NDHHS was not aware that FNS authorizes the use of Medicaid for NSLP direct verification in all States.

Duplicate Matches

Kentucky indicated that duplicate matches were a problem. The State and districts receive data in which students may appear as participants across multiple programs. Kentucky matches against Medicaid, SNAP, TANF, and Foster Care records, but described the matching process as occurring in a “black box” over which it has little control. More precisely, Kentucky indicated that agencies administering the programs control the business rules used to extract the participant data. Furthermore, matching is conducted by a State agency separate from the program administering agency and KDOE. For example, the KDOE will submit a request for a data file to an agency administering a program. The request might be for participants within a certain age range from households meeting certain income parameters. KDOE also directs the agency conducting the matching on how to conduct the match (i.e., the matching algorithm to use). Nevertheless, as KDOE does not conduct the matching, they cannot verify the business rules used (e.g., was a request for children under 20 years of age interpreted as individuals under 20 years of age or age 19 years and under) and cannot identify problems that may arise during the process.

Florida also noted having difficulty at times resolving duplicate matched records, and cited challenges in correcting enrollment data errors in such instances where children have highly similar or identical identifiers (e.g., twins).

Lack of Available Data

Illinois indicated that the absence of a student’s SSN or a unique identifier for data matching decreases the efficacy of data matching between program and student enrollment data. Nevertheless, Illinois State personnel did not feel that this inhibited their direct certification efforts.

Difficulties Incorporating New Datasets into Current Matching Process

Nebraska indicated that new datasets can pose challenges when initially incorporated into the matching process, including interpreting how values are defined within the fields provided and establishing the correct business rules to inform SFAs on how to utilize the information. Nebraska also cited that data cleaning can be a difficult task, especially when the program administering agencies make unexpected changes to the dataset. While a rare occurrence, Nebraska stated that new variables and unexpected values in program files have caused data systems to crash for extended periods.

Overcoming Identified Challenges

Most challenges cited by States involved problems with non-matches and duplicates resulting from cleaning and formatting issues with the program and enrollment data used for matching. Several States indicated that these challenges were largely mitigated by updating their direct certification systems and processes. For example, Colorado indicated that challenges with non-matches, and the quality and timeliness of program data, have been improved with the implementation of a new direct certification system in the past 3 years. Colorado is also currently working on adding an identifier to indicate with which programs students are matched.

Florida mitigates problems in its data matching processes by using checks and balances to address enrollment data errors. The direct certification system generates a detailed report on non-matches for human adjudication. This report provides the likely reasons for the occurrence of non-matches, such as incorrect DOB, despite matches on first name, last name, and gender.

Candidate Means-Tested Programs

States were asked to consider the potential benefits and challenges of adding HUD and LIHEAP to the program files used in their matching processes for direct certification and direct verification. Overall, States expressed support for expanding data matching in the NSLP to include these programs.

State Perceptions

A prominent theme from the interviews, and explicitly noted by five states, was that in order to assess the potential benefits of adding these additional programs to current data matching efforts, information is needed on the percentage or number of students who do not appear in the program records they currently use for matching (e.g., SNAP, TANF) but who could be certified using HUD and LIHEAP records.

Nebraska noted that it used HUD program files to identify children eligible for the Summer Food Service Program and expressed optimism about the potential benefits of matching against HUD program files for the NSLP. It felt that having this prior relationship will greatly facilitate any future efforts related to matching against HUD program files in Nebraska.

Louisiana firmly indicated that matching with HUD and LIHEAP records could work if the respective administering agencies provided a file that *only* included households with income under 130 percent of FPL. Similarly, the programs could be used for direct certification of reduced price eligibility if files were provided that filtered households within 130 and 185 percent of FPL. Illinois noted that having the program agency calculate a household's income-to-poverty ratio was important to avoid confidentiality issues. California, Colorado, Florida, Illinois, and Louisiana argued, however, that the most preferable solution would be for FNS to confer categorical eligibility to HUD and LIHEAP participants. This solution, however, would require a statutory change. These States indicated that conferring categorical eligibility would also reduce the administrative burden placed upon both the program-administering agency and the NSLP-administering agency resulting from cleaning and filtering data to identify only households with FPLs that meet NSLP thresholds.

Perceived Challenges to Adding Means-Tested Programs

States also discussed other challenges to adding these program files to current data matching processes, including increased administrative burden and privacy concerns. Identifying and establishing contact with the agency that owns or manages the HUD and LIHEAP program files in order to establish an MOU was also a concern. Nebraska noted that it took over a year to identify the correct contact in the State Medicaid agency for pursuing data matching against Medicaid files. Colorado is still attempting, after 6 months, to schedule a meeting with its Medicaid agency liaison.

Several States—California, Colorado, Illinois, Kentucky, and Nebraska—pointed to time and costs involved in adding a new file to the data matching process. California estimated that it would take 9 to 15 months to establish an MOU because of strict confidentiality requirements and legal negotiations between agencies, and even up to 2 years in instances where disagreements occur. California also estimated that start-up costs for matching to a new data file would be in the hundreds of thousands of dollars. California, Florida, Kentucky, Louisiana, and Wyoming identified IT start-up costs for programming as a challenge; Florida estimates it can take up to \$300,000 to add a file to its matching processes. In comparison, start-up costs for integrating an additional program data file from the Direct Certification demonstrations with Medicaid ranged between almost \$5,000 to more than \$185,000.¹¹⁹

¹¹⁹ U.S. Department of Agriculture, Food and Nutrition Service. (2016, June). *Year 2 demonstration impacts of using Medicaid data to directly certify students for free school meals*. Retrieved June 29, 2016 from:

Colorado indicated that privacy protections for these additional programs would be no different than for current programs, but new State legislation strengthening the language surrounding the privacy of student information is already driving away vendors concerned about heightened liability costs in the event of a breach in student confidentiality.

Suggestions from Interviewed States for Integrating Additional Data Files

States offered several suggestions for mitigating these challenges. California, Colorado, and Illinois suggested that FNS could reduce the administrative burden of adding HUD and LIHEAP by conferring categorical eligibility for the NSLP, rather than only using the programs for income eligibility determinations as is the case with the Medicaid demonstrations. It is important to note, however, that these would require statutory changes.

Illinois noted that agencies administering other programs have little incentive to take on the burden of preparing data to share with the NSLP SAs. Additionally, even if they are willing to do so, they may not be able to justify the effort as helping improve the operations of their own programs. Illinois suggested that legislatively mandating the use of a new program file, as is the case with SNAP, provides leverage in gaining the cooperation of a program-administering agency.

Colorado also suggested that FNS provide funds and agency contact information needed to establish MOUs to incorporate new programs. Kentucky, which shares a border with seven other States, recommended FNS help develop data sharing agreements among the program agencies of neighboring States to facilitate interstate data sharing. Louisiana suggested that a standard, prototype agreement would be helpful, and Wyoming proposed that FNS provide a letter of support.

Despite challenges, none of the State agency personnel interviewed expressed that the challenges and additional costs they identified represented insurmountable barriers to adding HUD, LIHEAP, or other program files to their matching programs for NSLP direct certification and/or direct verification. On the contrary, most States interviewed expressed optimism in adopting new strategies and implementing plans to improve their data matching processes, and seemed willing to explore the addition of HUD or LIHEAP files, provided there was evidence from pilot studies or other research that doing so would help certify additional children who are eligible for the NSLP. As one interviewee noted, they were in favor of any policy solution that will help the kids.

Chapter 5: Conclusions and Recommendations

FNS has made strides in utilizing both technological innovations and policy changes to improve access to meal benefits to eligible school children. With this in mind, FNS contracted with 2M to examine participant data maintained for a range of means-tested programs, and to assess their potential for NSLP data matching for direct certification of eligible students and direct verification of household income. Expanding data matching to include other programs may identify additional students eligible for the NSLP through direct certification. It may also reduce administrative burden on LEAs and households by providing a potential additional avenue for both direct certification and direct verification of household income.

<http://www.fns.usda.gov/sites/default/files/ops/DirectCertwithMedicaidYear2.pdf>

Encouraging the NSLP SAs to implement data matching with other means-tested programs has already resulted in expanding NSLP participation among eligible children and reducing administrative burden on households and LEAs. The CEP allows schools and districts with a percentage of children directly certified for the NSLP that is greater than the CEP threshold to provide free meals to all students, regardless of individual eligibility and without additional paperwork. CEP relies solely on the percentage of students directly certified in a school or LEA to establish CEP eligibility.¹²⁰

The findings from the research detailed in this White Paper suggest that LIHEAP and HUD program files may be feasible to incorporate into NSLP data matching. These programs meet three important criteria for inclusion: (1) they have identifiers needed to conduct matches with student enrollment records, (2) they have income eligibility criteria similar to the NSLP, and (3) they include participant households that are likely to include school-age children.

2M makes the following recommendation based on this research: FNS should conduct a pilot study with three to five States to more accurately assess the number of additional unduplicated children that would be directly certified for the NSLP through data matching with HUD and LIHEAP program files.

Findings from the State interviews and examination of available publications indicate that further research is needed to determine the number of additional children in HUD and LIHEAP program files that do not also appear in SNAP or other program records currently permitted for NSLP data matching. Several States interviewed for this study were interested in matching against additional program files, but indicated that they would be hesitant to invest the time and money needed to establish MOUs with administering agencies, and to incorporate additional program data into their direct certification systems, without some knowledge about the number of unduplicated students that could be certified through HUD and LIHEAP files. Establishing MOUs could be facilitated by FNS developing templates for use by States.

A recent analysis of overlapping participation in human services benefit programs focused on Medicaid. The study was one of five reports in a project on *Integrating HHS Programs and Reaching Eligible Individuals under the ACA* commissioned by the Office of the Assistant Secretary for Planning and Evaluation of HHS.¹²¹ The study involved microsimulations using survey data from the 2011 Current Population Survey Annual Social and Economic Supplement. One simulation sought to identify respondents who received or qualified for SNAP, TANF, housing subsidies, the Child Care and Development Fund, LIHEAP, WIC, UI, and EITC, and who would also qualify for insurance affordability programs (Marketplace subsidies, Medicaid, and CHIP) if the ACA provisions that were to take effect in 2014 had already been available.

Study results suggest substantial overlap in program eligibility and participation. For example, over 90 percent of the children in the human services programs studied would also qualify for Medicaid, including 96 percent and 94 percent of children in households receiving housing subsidies and LIHEAP, respectively. Conversely, the study estimated that among those under 65 years old who would qualify for Medicaid (if all States expanded eligibility), 49 percent would already receive SNAP, 18 percent LIHEAP,

¹²⁰ U.S. Department of Agriculture, Food and Nutrition Services. (2015, September). *School meals Community Eligibility Provision*. Retrieved June 5, 2016 from: <http://www.fns.usda.gov/school-meals/community-eligibility-provision>

¹²¹ Urban Institute. (2013, December). *Overlapping eligibility and enrollment: Human services and health programs under the Affordable Care Act*. Prepared for Office of the Assistant Secretary for Planning and Evaluation, DHHS (Task Order HHSP23337026T). Retrieved from: https://aspe.hhs.gov/sites/default/files/pdf/76961/rpt_integrationproject.pdf

17 percent would live in a WIC household, 9 percent would receive housing subsidies, 6 percent would receive TANF, and 3 percent would reside in a household receiving child care subsidies.

While these findings provide evidence of program overlap, it does not answer the question of how many children in HUD or LIHEAP participating households are neither certified for F/RP meal benefits in the NSLP nor receiving benefits from other programs used in data matching such as SNAP or TANF.

Another study used 2003–2007 survey data from the 2004 Survey of Income and Program Participation (SIPP) panel study¹²² to examine families receiving benefits from multiple assistance programs.¹²³ Researchers examined monthly participation in nine benefit programs, including SNAP, TANF, WIC, NSLP, public health insurance (including Medicaid and CHIP), housing assistance (public housing, Section 8 housing, or subsidized rent), and LIHEAP.¹²⁴

This study also provides evidence of program participation overlap. In the 2004 SIPP panel study, 29 percent of households receiving LIHEAP and 48 percent of households receiving subsidized housing assistance also received benefits from two to three other assistance programs. Eight percent of households receiving LIHEAP and 18 percent of households receiving housing subsidies also received food assistance, which includes school meals. As the study groups school meals with SNAP and WIC under food assistance, the exact overlap between LIHEAP or housing benefits and school meals is unclear.

An earlier study used data from the 2001 and 2004 SIPP Panels to evaluate the overlap in 4-year average participation among several programs, including SNAP, TANF, WIC, Medicaid, public or subsidized rental housing, and the NSLP and SBP.¹²⁵ Among the nearly 5.4 million households that received housing subsidies in 2004, 29 percent received free or reduced priced school meals. The study also indicated that 48 percent of housing recipient households received SNAP benefits, 72 percent received Medicaid, and 10 percent received TANF (three programs that are currently permitted for direct certification and verification).¹²⁶

The authors of this study concluded that:

Human services programs serve many of the same people who will qualify for health programs under the Affordable Care Act. The resulting overlap, along with new Federal resources for IT development, may create promising opportunities to use one program's data to qualify low-income consumers for other programs. This offers the possibility of improving participation levels in uncapped programs, lowering administrative costs, lifting

¹²² SIPP is a household-based, longitudinal survey designed to provide a nationally representative sample. Information related to income, labor force participation, social program participation and eligibility, and general demographic characteristics is collected at multiple times from a panel of survey participants over the course of a 2.5 to 4-year period, depending on the length of the panel. See ¹²² U.S. Census Bureau. (n.d.). *Survey of income and program participation: SIPP introduction and history*. Retrieved June 1, 2016 from: <http://www.census.gov/programs-surveys/sipp/about/sipp-introduction-history.html>

¹²³ Urban Institute. (2014, February). *Characteristics of families receiving multiple public benefits*. Retrieved June 1, 2016 from: <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/413044-Characteristics-of-Families-Receiving-Multiple-Public-Benefits.PDF>

¹²⁴ SSI benefits and work supports (transportation assistance and/or child care subsidies) were also examined.

¹²⁵ U.S. Census Bureau. (n.d.). *An analysis of the characteristics of multiple program participation using the Survey of Income and Program Participation (SIPP)*. Retrieved June 5, 2016 from: <https://www.census.gov/sipp/workpaper/wp246.pdf>

¹²⁶ Medicaid is permitted for use in direct certification only in selected States participating in USDA demonstrations. However, all States are allowed to use Medicaid data for direct verification.

burdens from consumers, and increasing the accuracy of eligibility determinations by reducing the potential for manual error.¹²⁷

It is also important to note that HUD and LIHEAP differ qualitatively from SNAP. Specifically, unlike SNAP where all of those who apply and are eligible receive benefits, simply qualifying for HUD or LIHEAP does not guarantee receipt of benefits. Those who apply to receive assistance from HUD are commonly placed on long waiting lists, and annually less than one-quarter of those who apply and are eligible for LIHEAP benefits receive assistance.^{128,129} However, information from households that apply for both HUD and LIHEAP benefits may still be able to be usable for matching with the NSLP.

Per this recommendation, research examining administrative program data in a small sample of three to five States is needed to assure that the overlap of HUD and LIHEAP with programs currently used in NSLP data matching is not so high as to preclude the use of HUD or LIHEAP for certifying additional students. This number of States will allow for variability in important aspects of State-level program administration such as agency configuration, data systems, and data sharing procedures.

2M makes the following recommendation based on this research: FNS should investigate the feasibility of recommendations made by States in this study to enhance data matching in the NSLP.

The States offered several suggestions for addressing challenges related to data matching with the NSLP. Some suggestions would require statutory changes. For example, it was suggested that the administrative burden of adding HUD and LIHEAP could be reduced by conferring categorical eligibility for the NSLP rather than only using the programs for income eligibility determinations, as is the case with the Medicaid demonstrations. States indicated that conferring categorical eligibility would reduce the administrative burden placed upon both the program-administering agency and the NSLP-administering agency resulting from cleaning and filtering data to identify only households with incomes that meet NSLP thresholds.

States also noted that agencies administering other programs have little incentive to take on the burden of preparing data to share with the SAs. Furthermore, they may be prohibited from doing so unless they can justify the effort as helping improve the operations of their own programs. States suggested that legislatively mandating the use of a new program file, as is the case with SNAP, provides leverage in gaining the cooperation of a program-administering agency.

Not all recommendations made by States require statutory or legislative changes. States recognized that new initiatives come with costs, and suggested that FNS provide funds to support new data matching efforts. Other recommendations focused on facilitating within- and cross-state communication. For example, agency contact information is needed to establish MOUs to incorporate new programs. States that share multiple borders recommended that FNS help develop data sharing agreements among the program agencies of neighboring States to facilitate interstate data sharing related to program

¹²⁷ Urban Institute. (2013, December). *Overlapping eligibility and enrollment: Human services and health programs under the Affordable Care Act*. Prepared for Office of the Assistant Secretary for Planning and Evaluation, DHHS (Task Order HHSP23337026T). Retrieved from: https://aspe.hhs.gov/sites/default/files/pdf/76961/rpt_integrationproject.pdf

¹²⁸ U.S. Department of Housing and Urban Development. (n.d.). *Housing choice vouchers fact sheet*. Retrieved April 30, 2016 from: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/about/fact_sheet

¹²⁹ Perl, L., Congressional Research Service. (2015, July). *LIHEAP: Program and funding*. CRS Report for Congress (7-5700 RL31865). Retrieved from National Energy Assistant Director's Association website at: <http://neada.org/wp-content/uploads/2013/08/CRSLIHEAPProgramRL318651.pdf>

participants who move between States, as developing interstate MOUs can be challenging. A standard prototype agreement was recommended, along with FNS providing a letter of support.

2M makes the following recommendation based on this research: FNS should explore how the NSLP can join ongoing efforts to integrate State eligibility systems.

Important current initiatives provide additional approaches to expanding NSLP data matching and merit the attention of FNS. FNS is already participating in some of the most promising data exchanges developed by Federal, State, and local agencies. For example, as part of the Tri-Agency Interoperability Workgroup, FNS has partnered with CMS and ACF to improve information sharing, system integration, and coordination among health and human services programs.¹³⁰ This partnership materialized in direct response to ACA regulations that require Medicaid and CHIP to rely upon electronic data from other programs to verify eligibility at application and renewal, rather than compelling applicants to provide documentation for verification.¹³¹

To support this effort, CMS provided a 90 percent Federal match for investments in modernizing existing eligibility systems. The Office of Management and Budget (OMB) issued a cost-allocation waiver allowing other administering agencies to integrate their assistance programs into the new health coverage system.^{132,133} The cost-allocation waiver was originally set to expire on December 31, 2015, but a 3-year extension has been granted through December 31, 2018.¹³⁴

In 2015, HHS reported on several States with successes in integrating health and human services programs.¹³⁵ In Louisiana, 76 percent of children are renewed for Medicaid and CHIP coverage using data matches to other human services programs or sources. Both Louisiana and South Carolina use an Express Lane Eligibility system to qualify children for Medicaid based on SNAP income determinations. Express Lane Eligibility was authorized by Section 203 of the Children's Health Insurance Program Reauthorization Act of 2009, and allows States to use data collected by other public agencies, including the NSLP SAs, to establish eligibility requirements for Medicaid and CHIP.^{136,137} This system insured more than 20,000 additional children in Louisiana, and 92,000 in South Carolina.

¹³⁰ U.S. Department of Health and Human Services, Administration for Children and Families. (n.d.). *Your essential interoperability TOOLKIT: An ACF/HHS resource guide*. Retrieved May 26, 2016 from:

http://www.acf.hhs.gov/sites/default/files/assets/acf_toolkit_july_2012_final.pdf

¹³¹ Urban Institute. (2015, February). *Integrating health and human services programs and reaching eligible individuals under the Affordable Care Act: Final report*. Retrieved May 31, 2016 from:

https://aspe.hhs.gov/sites/default/files/pdf/139271/rpt_IntegrationFinalRpt.pdf

¹³² U.S. Department of Health and Human Services, U.S. Department of Agriculture. (2015, July). *Tri-Agency letter on detail of cost allocation waiver*. Retrieved May 27, 2016 from: <https://www.medicaid.gov/federal-policy-guidance/downloads/SMD072015.pdf>

¹³³ These requirements are set forth in Office of Management and Budget (OMB) Circular A-87 (Section C.3) and Section 200.405 of the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (2 C.F.R. 200).

¹³⁴ U.S. Department of Health & Human Services, Administration for Children and Families. (n.d.) *Guidance on funding and cost allocation for health and human services systems*. Retrieved June 6, 2016 from: <http://www.acf.hhs.gov/cost-allocation>

¹³⁵ Urban Institute. (2015, February). *Integrating health and human services programs and reaching eligible individuals under the Affordable Care Act: Final report*. Retrieved May 31, 2016 from:

https://aspe.hhs.gov/sites/default/files/pdf/139271/rpt_IntegrationFinalRpt.pdf

¹³⁶ U.S. Department of Health and Human Services. (2012, December 1). *CHIPRA mandated evaluation of express lane eligibility: First year findings. B. What is express lane eligibility (ELE)?* Retrieved June 29, 2016 from:

<https://aspe.hhs.gov/report/chipra-mandated-evaluation-express-lane-eligibility-first-year-findings/b-what-express-lane-eligibility-ele>

¹³⁷ Other agencies include those administering TANF, child support enforcement, Medicaid, CHIP, SNAP, WIC, housing assistance, Head Start, and certain child care programs.

Utah has reduced its administrative costs by coordinating the administration of several programs into its Electronic Resource and Eligibility Product (eREP) system. The State integrated a system of electronic case records, an eligibility rules engine, external data matching, online applications, and benefit payments in 2008, resulting in an almost 10 percent reduction in operating costs. As a result, the caseload that could be handled by a single worker increased by 53 percent from 2009 to 2010. The eREP system was developed over the course of 6 years to perform administrative functions for several programs.¹³⁸ The system also supports a customer directory, allowing real-time data sharing across programs. The eREP system reduces administrative burden on applicants. After applicants enter information into an online application, eREP assesses eligibility for several programs. The State sends a single notice to the applicant identifying all programs for which they are eligible or ineligible.

Several other States have implemented online systems for health and human services programs, using a number of approaches. In Alabama, applicants can use an online client portal (MyAlabama) to complete a survey and obtain information about how to apply for various health and human services programs. Pennsylvania uses a screening tool to identify assistance programs for which applicants are potentially eligible. Pennsylvania also uses a multi-benefit online application (COMPASS), and has incorporated eligibility determinations for Medicaid using MAGI, SNAP, TANF, and LIHEAP. Kentucky and New Mexico also use multi-benefit online applications. Illinois uses a multi-benefit online application on which consumers can apply for SNAP, TANF, and Medicaid using a single application. Kentucky has plans to implement an online portal where consumers can use a single online application to apply for Medicaid, TANF, SNAP, child care assistance, and LIHEAP. Information provided on the application will also be used to prescreen eligibility for WIC. Colorado, New Mexico, California, and Virginia use similar application processes.¹³⁹

Many of these States have also integrated self-service case management features into their online systems, which allow applicants to check their application status and benefit issuance, and even update their information.

Both New Mexico and Illinois have taken progressive approaches in response to Medicaid regulations regarding electronic data matching. New Mexico had plans to implement a State data services hub by fall 2015 to support all assistance programs administered in the State. Similarly, Illinois is developing an Integrated Eligibility System to facilitate verification matches among program-administering agencies. This single system uses a business rules engine that supports verification criteria for all participating programs in the form of client portals with eligibility screening tools, online applications for several benefit programs, and self-service case management features. Eligibility and business rules engines automate tasks conducted in the eligibility and enrollment processes, and automate electronic data matching to verify eligibility.¹⁴⁰

It is important to note that while these systems are a social good when they work well, at times implementation has been problematic. GAO identified several issues that plagued the development and rollout of the State and Federal marketplaces. Evaluations conducted in December 2012 and June 2013 found that Healthcare.gov had problems, including:

¹³⁸ Urban Institute. (2014, July). *Examples of promising practices for integrating and coordinating eligibility, enrollment and retention: Human services and health programs under the Affordable Care Act*. Retrieved May 31, 2016 from: https://aspe.hhs.gov/sites/default/files/pdf/77016/rpt_PromisingPractices.pdf

¹³⁹ Center on Budget and Policy Priorities. (2015, March). *State innovations in horizontal integration: Leveraging technology for health and human services*. Retrieved May 31, 2016 from: <http://www.cbpp.org/research/state-innovations-in-horizontal-integration-leveraging-technology-for-health-and-human>

¹⁴⁰ Ibid.

- inadequate capacity to accommodate demand, which resulted in error messages, long load times, and website outages;
- software coding errors that made it difficult to access and use the site; and
- limited system functionality including the inability to compare and purchase health plans.¹⁴¹

CMS has since mitigated these logistical problems using system development best practices.¹⁴² Nevertheless, lessons learned from the ACA State and Federal marketplaces rollout suggest that States need to be careful when implementing new systems so as not to adversely affect service delivery.

Thus, 2M recommends that FNS explore how the NSLP can be more involved in ongoing State efforts to integrate health and human services. In doing so, SAs administering the NSLP may be able to capitalize on the availability of match funds and the OMB cost-allocation waiver. Most States interviewed for this White Paper indicated that adding even *one* additional program to existing NSLP direct certification processes could require start-up costs of more than \$100,000, an estimate that falls within the range of start-up costs found for integrating an additional program data file from the Direct Certification demonstrations with Medicaid—between almost \$5,000 to more than \$185,000.¹⁴³

The benefits and goals of developing these State eligibility systems closely align with those underlying FNS’s aim to expand NSLP data matching, including:

- expanding coverage to reach additional students,
- reducing administrative burden incurred by staff in processing applications,
- reducing burden on families eligible for multiple programs by decreasing the need to submit duplicative information across agencies, and
- reducing error rates and increasing program integrity using electronic data sources from other agencies.¹⁴⁴

In addition, FNS involvement in the Tri-Agency Interoperability Workgroup along with CMS may provide an opportunity to investigate the prevalence of Medicaid participants that do not participate in the NSLP but are eligible based on Medicaid eligibility. Medicaid is a way to directly certify eligible households that do not participate in SNAP and other means-tested programs. It would be important for FNS to determine changes that would need to occur to facilitate data matching with Medicaid, since this is a goal of the ACA and the Tri-Agency Workgroup. FNS should consider examining how working with the Medicaid program via the Tri-Agency Interoperability Workgroup may facilitate data matching for the NSLP at the State level.

2M makes the following recommendation based on this research: FNS should become involved with the Commission on Evidence-Based Policymaking

¹⁴¹ Government Accountability Office. (2015, March). *Report to congressional requesters: Healthcare.gov - CMS has taken steps to address problems, but needs to further implement systems development best practices*. Retrieved July 19, 2016 from <http://www.gao.gov/assets/670/668834.pdf>

¹⁴² Government Accountability Office. (2015, March). *Report to congressional requesters: Healthcare.gov - CMS has taken steps to address problems, but needs to further implement systems development best practices*. Retrieved July 19, 2016 from <http://www.gao.gov/assets/670/668834.pdf>

¹⁴³ U.S. Department of Agriculture, Food and Nutrition Service. (2016, June). *Year 2 demonstration impacts of using Medicaid data to directly certify students for free school meals*. Retrieved June 29, 2016 from: <http://www.fns.usda.gov/sites/default/files/ops/DirectCertwithMedicaidYear2.pdf>

¹⁴⁴ Coalition for Access and Opportunity. (n.d.). *The health and human service integration opportunity toolkit five reasons to integrate human services into health care reform now*. Retrieved May 31, 2016 from: <http://www.clasp.org/documents/ACA-and-Human-Services-Integration-Toolkit-Five-Reasons-to-Integrate.pdf>

The Federal Government has a long history of initiatives to support data matching across public assistance programs that dates back to the 1970s. FNS involvement in efforts such as the Tri-Agency Interoperability Workgroup has been important to achieving its programmatic goals. The Evidence-Based Policymaking Commission Act of 2016 (P.L. 114-140) was signed into law on March 30, 2016. The Act establishes in the executive branch a 15-member Commission on Evidence-Based Policymaking (the Commission) appointed by the President and congressional leaders. The Commission will consider whether a clearinghouse for program and survey data should be established and how to create such clearinghouse. Per Section 4 of the Act, the Commission must conduct a comprehensive study of the data inventory, data infrastructure, database security, and statistical protocols related to Federal policymaking. Commission must also conduct studies of the agencies responsible for maintaining that data to, among other objectives, determine the optimal arrangement by which administrative data on Federal programs may be integrated and made available to facilitate continuous program improvement. While the clearinghouse will not specifically focus on data matching across assistance programs, the Commission has been instructed to evaluate how data and results of research can be used to inform program administrators and policymakers to improve program design.

As with the Tri-Agency Interoperability initiative, should the Commission deem a clearinghouse is feasible, it could be a system where data collected by one agency could eliminate the need for other agencies to collect the same information again. Unlike interoperability data exchanges that are functioning and growing in several States, it may be years before a functioning clearinghouse is built if the Commission recommends pursuing the idea. Nevertheless, it is a development that FNS should, at a minimum, monitor as the agency develops its long-term plans for improving its NSLP data matching processes for direct certification and direct verification. The importance of this initiative of integrating data at the State level is that through its participation in the Commission, FNS may be able to identify new ways to support State-level efforts.

In summary, this White Paper reports on whether computer matching in the NSLP and SBP may be expanded to include additional data sources. 2M placed the effort to improve NSLP computer matching in the broader context of initiatives such as computer matching by other Federal agencies, the HHS-USDA Tri-Agency Interoperability Workgroup, and the recent establishment of the Commission on Evidence-Based Policymaking. 2M concludes that additional data matching in the NSLP is feasible, has the potential to increase participation among eligible students and reduce program error, and can reduce administrative burden to administering agencies and participating households. 2M has provided several recommendations for next steps to facilitate not only expanding matching to additional programs, but also to assist States with their current data matching efforts.

Appendix A. Domains of Inquiry by Research Method

Literature Review	Interviews with Expert Consultants	Interviews with States
<p><i>Databases/Program Data</i></p> <ul style="list-style-type: none"> • Not applicable 	<p><i>Databases/Program Data</i></p> <ul style="list-style-type: none"> • Matching elements available <ul style="list-style-type: none"> • Data collection and management (e.g., frequency of collection and updating, data sharing, and privacy policies) 	<p><i>Databases/Program Data</i></p> <ul style="list-style-type: none"> • What databases are they using? <ul style="list-style-type: none"> • If the regulations permitted, would any of the additional means-tested data sets reviewed by the expert consultants be feasible for data matching for direct certification or direct verification in your State or district? Why or why not?
<p><i>Usage/Purpose</i></p> <ul style="list-style-type: none"> • How were SAs and LEAs using computer matches for the NSLP in the most recent published information? • For what specific purposes were computer matches used in the most recent data available? Direct certification? Direct verification? Verification for cause and other error reduction purposes? 	<p><i>Usage/Purpose</i></p> <ul style="list-style-type: none"> • Which, if any, additional data sets can be used for direct certification, direct verification, matching to earnings data, and error reduction? 	<p><i>Usage/Purpose</i></p> <ul style="list-style-type: none"> • Are categorical applications verified through data matching? • How much follow-up is needed for income verification? • Could these other means-tested programs be used to establish that household income qualifies a student for F/RP meals? • Is matching with wage or earnings data feasible? How complete, accurate, and timely are the data? • What data elements are needed to conduct a reliable wage match?
<p><i>Challenges/Barriers</i></p> <ul style="list-style-type: none"> • Do any State policies on computer matching, privacy protection, or data sharing inhibit computer matching in the NSLP? 	<p><i>Challenges/Barriers</i></p> <ul style="list-style-type: none"> • Which challenges and barriers in the Literature Review might candidate data sets help overcome or avoid? Where would they present the same challenges and barriers? 	<p><i>Challenges/Barriers</i></p> <ul style="list-style-type: none"> • What challenges do SAs encounter? • [If applicable] Why does your SA or LEA not use other databases permitted by the regulations, (e.g., TANF, FDPIR, Foster Care, migrant children, homeless, runaways, Head Start) in its direct certification processes? In direct verification? Why does your State not use Medicaid for direct verification? Do the data sets discussed with the expert consultants encounter these same challenges and barriers? Do you need any help address any of these challenges and barriers? • What would be the obstacles to successful computer matching with these additional data sets?
<p><i>Benefits</i></p> <ul style="list-style-type: none"> • What benefits have computer matches brought? • Has computer matching provided real, meaningful potential to improve certification and/or verification accuracy in the NSLP without increasing household burden or reducing participation among eligible children? 	<p><i>Benefits</i></p> <ul style="list-style-type: none"> • Is there evidence or grounds for expecting that any of the new means-tested data sets could potentially certify additional students for F/RP meals who are not captured through direct certification using SNAP, TANF, or other program files? Is there evidence or grounds for expecting they would not? 	<p><i>Benefits</i></p> <ul style="list-style-type: none"> • Are there reasons to believe that any of the candidate means-tested data sets could potentially certify additional students for F/RP meals who are not captured through direct certification with SNAP, TANF, or other files currently approved for data matching? Are there reasons to believe they would not?
<p>Cost</p>	<p>Cost</p>	<p>Cost</p>

<ul style="list-style-type: none"> • Is there evidence on how effective or cost-effective State computer matching efforts are by type of database? 	<ul style="list-style-type: none"> • What costs would be encountered in changing regulations to permit use of any of these additional data sets, in reaching data sharing and privacy protection agreements, and in obtaining and matching the data? • Can meaningful gains in certification and/or verification accuracy be achieved at reasonable cost through additional data matching? 	<ul style="list-style-type: none"> • Have SAs/LEAs developed or tested matching processes that they concluded were ineffective or cost-inefficient and no longer use? • Are there reasons to expect that any of the new data sets would be cost-effective? Too costly or cost-ineffective?
<p><i>Feasibility</i></p> <ul style="list-style-type: none"> • Are there steps that FNS, SAs or LEAs could take to make computer matching more feasible? • Are there other means-tested programs (besides SNAP, TANF, FDPIR, Medicaid, Foster Care, migrant, runaway, homeless, and Head Start) that could be used to directly certify children for F/RP meals? • Are there specific States where the feasibility of using these other means-tested programs could best be examined? • Is matching with wage earnings or income data feasible? How complete, accurate, and timely are the data? What data elements are needed to conduct a reliable match to wage and income data? 	<p><i>Feasibility</i></p> <ul style="list-style-type: none"> • What legal and privacy issues must be addressed to share computer match data? 	<p><i>Feasibility</i></p> <ul style="list-style-type: none"> • What legal, privacy issues, and other barriers must be addressed in order for your SAs or LEAs to share and match data from programs that regulations permit States to use, but you do not currently use?

Appendix B. Programs Reviewed, But Not Selected, in Objective 2

Appalachian Regional Commission
Appalachian Regional Development
Department of Agriculture
Child and Adult Care Food Program
Commodity Supplemental Food Program
Farmers' Market Nutrition Program
Nutrition Program for the Elderly, Nutrition Service Incentives
Rural Housing Insurance Fund
Rural Housing Services
The Emergency Food Assistance Program
Department of Commerce
Economic Development Administration
Department of Education
21st Century Learning Centers
Adult Basic Education Grants
Aid for Graduate and Professional Study for Disadvantaged and Minorities
Even Start
Gear-Up
Leveraging Educational Assistance Partnership (LEAP) Program (formerly State Student Incentive Grant Program [SSIG])
Migrant Education
Pell Grants
Supplemental Educational Opportunity Grants
Title One Grants to Local Education Authorities
Department of Health and Human Services
Adoption Assistance Title IV-E
Assets for Independence
Childcare and Child Development Block Grant
Childcare Entitlement to the States
Community Service Block Grant
Consolidated Health Centers/Community Health Centers
Healthy Marriage and Responsible Fatherhood Grants
Healthy Start
Independent Living (Chafee Foster Care Independence Program)
Independent Living Training Vouchers
Indian Health Services
Maternal and Child Health
Maternal, Infants, and Children Home Visitation
Medical Assistance to Refugees
Refugee Assistance
Safe and Stable Families
Social Services for Refugees, Asylees, and Humanitarian Cases
TANF Block Grant Child Care
TANF Block Grant Services
TANF Work Activities and Training
Title III Aging Americans Act

Title X Family Planning
Department of Homeland Security-Federal Emergency Management Agency
Emergency Food and Shelter Program
Department of Housing and Urban Development
Choice Neighborhoods
Community Development Block Grant and Related Development Funds
Empowerment Zones, Enterprise Communities, Renewal Communities
Home Investment Partnership Program
Housing for Persons with Disabilities
Housing for the Elderly
Low Income Housing Tax Credit for Developers
Native American Housing Block Grants
Other Assisted Housing Programs
Department of the Interior-Bureau of Indian Affairs (BIA), Financial Assistance and Social Services
General Assistance to Indians
Department of Labor
Job Corps
Migrant Training
Native American Training
Senior Community Service Employment
WIA Adult Employment and Training formerly JTPA IIA Training for Disadvantaged Adults & Youth
WIA Youth Opportunity Grants Formerly Summer Youth Employment
YouthBuild
Federal Communications Commission
Universal Service Fund - Subsidized Phone Services for Low Income Persons
Internal Revenue Service
Make Work Pay Tax Credit (Refundable portion)
Refundable Child Credit
Social Security Administration
Title XX Social Services Block Grant
Supplemental Security Income/Old-Age Assistance (SSI/OAA)

Appendix C. Findings on Candidate Programs

(1) Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Background

WIC provides certain low-income women, infants, and children who are at nutritional risk with supplemental nutritious foods, nutrition education and counseling, and referrals to healthcare services.^{145,146}

WIC is administered at the Federal level by FNS, which provides grant funding to 90 SAs, including 50 States, the District of Columbia, 34 Indian Tribal Organizations, and 5 U.S. territories. WIC services are provided through approximately 1,900 local agencies and 10,000 clinic sites. Service provider sites can include county health departments, hospitals, mobile clinics (vans), community centers, schools, public housing sites, migrant health centers and camps, and Indian Health Service (IHS) facilities.¹⁴⁷

Collection of Personally Identifiable Information (PII)

WIC only collects PII on the women, infants, or children applying for benefits under the program. Name and DOB are recorded for each adult applicant, and SSN is requested, but not required. For infants and children, only the name and address of the mother or authorized representative are collected. One of the interviewed WIC experts confirmed, “We do not capture information about family members other than the eligible person or authorized representative.”¹⁴⁸

Income and Poverty Data

There are three ways a WIC applicant can be income-eligible to receive WIC benefits. An applicant may be adjunctively income-eligible due to their (or a certain family member’s) eligibility to receive benefits from specific means-tested programs (i.e., SNAP, Medicaid, or TANF). An applicant may be automatically income-eligible if they participate in a specific means-tested program that has income guidelines at or below WIC’s income guidelines. An applicant may also be determined to be eligible through a traditional income assessment.

To be income-eligible for the WIC program, an applicant’s gross income must fall at or below 185 percent of FPL.¹⁴⁹ The gross income threshold for income eligibility is set by WIC Federal regulations may be lower as a State option, but cannot be lower than 100 percent of FPL. To determine income eligibility, SAs have the discretion to use either the family’s or economic unit’s gross income for the past 12 months, or the current family or economic unit’s gross income (i.e., past 30 days), whichever is the most accurate reflection of their economic status.^{150,151}

¹⁴⁵ U.S. Department of Agriculture, Food and Nutrition Service. (n.d.). *Women, Infants, and Children (WIC): About WIC-WIC’s mission*. Retrieved on April 29, 2016 from: <http://www.fns.usda.gov/wic/about-wic-wics-mission>

¹⁴⁶ Applicants eligible for WIC include pregnant women (from pregnancy and up to 6 weeks after birth, or after pregnancy ends); breastfeeding women (up to the infant’s 1st birthday); non-breastfeeding postpartum women (up to 6 months after the birth of an infant or after pregnancy ends); infants (up to 1st birthday); and children up to their 5th birthday.

¹⁴⁷ U.S. Department of Agriculture, Food and Nutrition Service. (n.d.). *Women, Infants, and Children (WIC): About WIC-WIC at a glance*. Retrieved on April 22, 2016 from: <http://www.fns.usda.gov/wic/about-wic-wic-glance>

¹⁴⁸ Expert Interview, April 14, 2016, FNS Supplemental Foods Program Division.

¹⁴⁹ U.S. Department of Agriculture, Food and Nutrition Service. (n.d.). *Women, Infants, and Children (WIC): WIC eligibility requirements*. Retrieved on April 25, 2016 from: <http://www.fns.usda.gov/wic/wic-eligibility-requirements>

¹⁵⁰ U.S. Department of Agriculture, Food and Nutrition Service. (n.d.). *Women, Infants, and Children (WIC): WIC income eligibility guidelines*. Retrieved on April 30, 2016 from: <http://www.fns.usda.gov/wic/wic-income-eligibility-guidelines>

¹⁵¹ Certification of participants, C.F.R. § 246.7 (2011).

Income sources used for determining eligibility include:

- monetary compensation for services, including wages, salary, commissions, or fees;
- net income from farm and non-farm self-employment;
- Social Security benefits;
- dividends or interest on savings or bonds, income from estates or trusts, or net rental income;
- public assistance or welfare payments;
- unemployment compensation;
- government civilian employee or military retirement or pensions or veterans' payments;
- payments to military personnel for housing on or off military installations;¹⁵²
- private pensions or annuities;
- alimony or child support payments;
- regular contributions from persons not living in the household;
- net royalties; and
- other cash income.¹⁵³

States are required to request that applicants provide documentation of family/economic unit income at the time of certification (e.g., current pay stubs, unemployment benefits stubs, earnings statements, W-2 forms). State and local agencies have discretion to “require verification of questionable information which it determines necessary to confirm income eligibility for program benefits.”¹⁵⁴

Recertification Periods

Eligibility is determined after each certification period expires. Certification periods vary for each category of eligible participants. Table C-1 summarizes the certification periods for pregnant, postpartum, and breastfeeding women, and for infants and children. WIC participants may reapply to receive program benefits and, if eligible, are certified into the appropriate category.

Table C-1: WIC Certification Period by Eligibility Category

Eligibility Category	Certification Period
Pregnant women	For the duration of her pregnancy, and up to the last day of the month in which the infant becomes 6 weeks old, or the pregnancy ends.
Postpartum women	Up to the last day of the sixth month after the baby is born, or the pregnancy ends (postpartum).
Breastfeeding women	Approximately every 6 months. The SA may permit its local agencies to certify a breastfeeding woman up to the last day of the month in which her infant turns 1 year of age, or until the woman ceases breastfeeding, whichever occurs first.
Infants	Approximately every 6 months. The SA may permit its local agencies to certify an infant under 6 months of age up to the last day of the month in which the infant turns 1 year of age.
Children	Approximately every 6 months, ending with the last day of the month in which a child reaches his/her fifth birthday. The SA may permit its local agencies to certify a child for a period of up to 1 year.

¹⁵² SAs are given the option whether or not to include military housing payments as income.

¹⁵³ Other cash income includes, but is not limited to, cash amounts received or withdrawn from any source, including savings, investments, trust accounts, and other resources which are readily available to the family.

¹⁵⁴ Certification of participants, C.F.R. § 246.7 (2011).

Data Sharing and Privacy Protections

Federal regulations currently grant WIC SAs “the authority to use and disclose confidential applicant and participant information for non-WIC purposes, such as conducting outreach for other programs, streamlining administrative procedures to minimize burdens on participants and staff, and assessing and evaluating a State’s health system’s responsiveness to participants’ healthcare needs and healthcare outcomes.”¹⁵⁵ Applicants must be notified of this intent, and that the information disclosed will be used by public organizations which administer programs that serve those individuals who are eligible for the WIC program.¹⁵⁶

Discussion

Data matching with WIC program records seems unlikely to enhance direct certification and direct verification in the NSLP.

More specifically, only a small number of WIC participants receive school meals—as confirmed by one WIC expert interviewed, “We generally don’t serve school age children.”¹⁵⁷

Children are eligible for WIC benefits until the end of the month of their fifth birthday. Special circumstances would be required for a 4-year-old to enter into kindergarten, and the child would therefore be unlikely to receive school meals. The only WIC participants likely to receive school meals would be school-aged pregnant youth. One of the WIC experts interviewed indicated that “some States operate WIC clinics in high schools. You could have teens as participants. We have people that have been pregnant prior to being a teen.”¹⁵⁸ Although some of these WIC participants might be matched to student enrollment records, only a small number (3.4 percent) of women (pregnant, breastfeeding, and postpartum) who participate in WIC are under the age of 18 years.¹⁵⁹

Limited PII is collected on WIC participants and is not collected on a participant’s school-age children or siblings because they are ineligible for WIC benefits, eliminating the ability to data match school-age children in a WIC participant’s family/economic unit.

Furthermore, many WIC participants are enrolled in other assistance programs. For example, in 2014, approximately 73 percent of WIC participants received benefits from one or more of the following programs: Medicaid (69 percent), SNAP (35 percent), and/or TANF (8 percent).¹⁶⁰ These program files are already used for data matching in the NSLP (SNAP and TANF), or are under evaluation (Medicaid).¹⁶¹ Therefore, it is likely that WIC files would certify few, if any, additional school-age children who are not already captured in these adjunct and means-tested programs.

¹⁵⁵ Certification of participants, C.F.R. § 246.7 (2011).

¹⁵⁶ Ibid.

¹⁵⁷ Expert Interview, April 14, 2016, FNS Supplemental Foods Program Division.

¹⁵⁸ Thorn, B., Tadler, C., Huret, N., Ayo, E., Trippe, C., Mendelson, M., . . . Tran, V. (2015, November). *WIC participant and program characteristics 2014 final report*. Prepared by Insight Policy Research under Contract No. AG-3198-C-11-0010. Alexandria, VA: U.S. Department of Agriculture, Food and Nutrition Service.

¹⁵⁹ Ibid.

¹⁶⁰ Ibid.

¹⁶¹ U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support. (2015). *Evaluation of demonstrations of National School Lunch Program and School Breakfast Program direct certification of children receiving Medicaid benefits: Year 1 report*. Prepared by Mathematica Policy Research, Contract No. AG-3198-B-12-0006. Alexandria, VA: U.S. Retrieved December 11, 2015, from: <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationMedicaidYr1.pdf>

(2) Affordable Care Act (ACA) Health Insurance Marketplace Background

The ACA was passed by Congress in 2010. Provisions set forth in the ACA affected several aspects of healthcare in the United States, including the establishment of Marketplace(s) and the expansion of Medicaid.¹⁶²

States may operate their own Marketplace (called a State-based Marketplace) or can enter into a State-Partnership Marketplace. In this partnership, a Federally facilitated Marketplace is set up for the State; however, the State retains responsibility for certain functions.¹⁶³ As of June 2016, 17 States operated their own Marketplaces, and 7 States participated in State-Partnership Marketplaces.¹⁶⁴ In States with neither, consumers can apply for health insurance through the Federal Marketplace (Healthcare.gov).¹⁶⁵

In the Marketplace, consumers can purchase a QHP¹⁶⁶ and may be able to receive tax credits to help cover the cost of their health insurance.¹⁶⁷ The Marketplace also identifies people who could qualify for other forms of health coverage, including Medicaid and CHIP.¹⁶⁸ Eligibility information for Medicaid or CHIP is transmitted to the applicant's State Medicaid agency with an eligibility assessment, and in some States, a final eligibility determination.^{169,170} Consumers can also apply for Medicaid/CHIP directly with their State Medicaid agency.¹⁷¹

Collection of Personally Identifiable Information (PII)

The HHS Privacy Impact Assessment for the Marketplace states that Healthcare.gov collects and stores PII to determine eligibility and enroll applicants in QHPs, Medicaid, and CHIP.¹⁷² PII is also used to calculate the APTC and CSR used to offset the cost of health insurance for low-income persons who do not qualify for Medicaid.¹⁷³

¹⁶² Patient Protection and Affordable Care Act, P.L. 111-148, 124 STAT 119 (2010).

¹⁶³ U.S. Department of Health and Human Services. (2013, January 3). *Affordable insurance exchanges guidance: Guidance on the State partnership exchange*. Retrieved April 21, 2016 from: <https://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/Downloads/partnership-guidance-01-03-2013.pdf>

¹⁶⁴ U.S. Centers for Medicare and Medicaid Services. (n.d.). *Medicaid and CHIP marketplace interactions*. Retrieved May 4, 2016 from: <https://www.medicaid.gov/medicaid-chip-program-information/program-information/medicaid-and-chip-and-the-marketplace/medicaid-chip-marketplace-interactions.html>

¹⁶⁵ U.S. Centers for Medicare and Medicaid Services. (n.d.). *The marketplace in your state*. Retrieved May 2, 2016 from: <https://www.healthcare.gov/marketplace-in-your-state/>

¹⁶⁶ Qualified Health Plans (QHPs) provide essential health benefits, follow established limits on cost-sharing (deductibles, copayments, and out-of-pocket maximum amounts), and meet other requirements. QHPs are certified by each Marketplace in which they are sold. See <https://www.healthcare.gov/glossary/qualified-health-plan/>

¹⁶⁷ U.S. Centers for Medicare and Medicaid Services. (n.d.). *State health insurance marketplaces*. Retrieved April 21, 2016 from: <https://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/state-marketplaces.html>

¹⁶⁸ U.S. Centers for Medicare and Medicaid Services. (n.d.). *Medicaid and CHIP coverage*. Retrieved May 2, 2016 from: <https://www.healthcare.gov/medicaid-chip/getting-medicaid-chip/>

¹⁶⁹ Privacy Act of 1974, Supplementary Information: Health Insurance Exchanges Program; Notice to establish a new system of records, 78 Fed. Reg. 25 (February 6, 2013), pp. 8539–8542.

¹⁷⁰ States may accept Medicaid/CHIP eligibility determinations made in the Federal Marketplace without further verification. See <https://www.medicaid.gov/medicaid-chip-program-information/program-information/medicaid-and-chip-and-the-marketplace/medicaid-chip-marketplace-interactions.html>

¹⁷¹ Ibid.

¹⁷² U.S. Department of Health and Human Services. (2015, February 10). *Privacy impact assessment: Federally facilitated marketplaces* (P-1710508-331195). Retrieved April 22, 2016 from: http://www.hhs.gov/sites/default/files/CMS-FFM_remediated.pdf

¹⁷³ See *Income and Poverty Data* section below.

The PII collected to establish eligibility and enroll applicants in Medicaid, CHIP, and QHPs include the following, *inter alia*.¹⁷⁴

- SSN,
- Name
- Driver's License Number
- Email Address
- Phone Numbers
- Passport Number
- Immigration Documents
- Federal Tax Information
- Tobacco Use
- DOB
- Photographic Identifiers
- Mother's Maiden Name
- Mailing Address
- Military Status
- Taxpayer ID
- Pregnancy Inquiry
- Wage Data; Certificate Numbers for Eligibility Exemptions

Income and Poverty Data

The Marketplace uses income data and FPL standards to determine if anyone in the applicant household is eligible for QHPs, Medicaid, or CHIP.¹⁷⁵ As of January 1, 2016, the State eligibility thresholds for Medicaid among children ages 6 through 18 ranged from 133 percent FPL to 324 percent FPL, with a median FPL of 142 percent.¹⁷⁶ Given this range, it is not practical to use Medicaid data for categorical certification. However, Medicaid, CHIP, and Marketplace data offer the potential for direct certification if income data contained within the files are examined. Several demonstration projects are underway to further assess the potential for using income information in Medicaid data files to directly certify students.^{177,178}

Applicants with an expected household income between 100 and 400 percent of the FPL who are not enrolled in insurance through the Marketplace (either State or Federal) qualify for the APTC. The credit provides a subsidy on monthly premiums for QHPs.¹⁷⁹ However, insureds must pay back any portion of

¹⁷⁴ U.S. Department of Health and Human Services. (2015, February 10). *Privacy impact assessment: Federally facilitated marketplaces* (P-1710508-331195). Retrieved April 22, 2016 from: http://www.hhs.gov/sites/default/files/CMS-FFM_remediated.pdf

¹⁷⁵ U.S. Centers for Medicare and Medicaid Services. (n.d.). *Medicaid and CHIP coverage*. Retrieved April 21, 2016 from Healthcare.gov website: <https://www.healthcare.gov/medicaid-chip/getting-medicaid-chip/>

¹⁷⁶ Henry J. Kaiser Family Foundation. (2016, January). *Medicaid and CHIP income eligibility limits for children as a percent of the Federal poverty level*. Retrieved May 4, 2016 from: <http://kff.org/health-reform/state-indicator/medicaid-and-chip-income-eligibility-limits-for-children-as-a-percent-of-the-federal-poverty-level/>

¹⁷⁷ Endahl, J., & Abelev, M. (2015, Spring). FNS research corner: Summary of research. *The Journal of Child Nutrition and Management*, 39(1). Retrieved May 4, 2016 from: https://schoolnutrition.org/uploadedFiles/5_News_and_Publications/4_The_Journal_of_Child_Nutrition_and_Management/Spring_2015/FNS%20Research%20Corner%202015%203-16-15%20print%20ready.pdf

¹⁷⁸ U.S. Department of Agriculture, Food and Nutrition Service. (2016, June). *Year 2 demonstration impacts of using Medicaid data to directly certify students for free school meals*. Retrieved June 28, 2016 from: <http://www.fns.usda.gov/sites/default/files/ops/DirectCertwithMedicaidYear2.pdf>

¹⁷⁹ Internal Revenue Service. (n.d.). *Eligibility for the premium tax credit*. Retrieved April 30, 2016 from: <https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Eligibility-for-the-Premium-Tax-Credit>

APTC that exceeds the actual APTC calculated on income reported on tax returns at the end of the year. Insureds may also receive a refund if they received a lower APTC than their actual income for the year for which they would have been entitled.¹⁸⁰

Minimum income eligibility levels calculated in the Marketplace are based on expected household income.¹⁸¹ A household includes the tax filer (applicant), and his/her spouse and tax dependents (including those who do not need coverage). Applicants estimate the amount of income that each household member will earn in the current year, based on adjusted gross income reported on the most recent year's tax return. This estimate is then used to calculate an expected MAGI, and to determine eligibility for the programs and benefit levels.^{182,183}

The income sources used to determine eligibility in the Marketplace differ from the sources used in NSLP income determinations. Military pay, worker's compensation, SSI, and State cash assistance are not included in the Marketplace, but can be included in the NSLP at a State's discretion (see Table C-2 below).^{184,185}

¹⁸⁰ Internal Revenue Service. (n.d.). *Premium tax credit: Claiming the credit and reconciling advance credit payments*. Retrieved April 30, 2016 from: <https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Premium-Tax-Credit-Claiming-the-Credit-and-Reconciling-Advance-Credit-Payments>

¹⁸¹ U.S. Centers for Medicare and Medicaid Services. (n.d.). *How to count income and household members: What to include as income*. Retrieved April 21, 2016 from Healthcare.gov website: <https://www.healthcare.gov/income-and-household-information/income/>

¹⁸² U.S. Centers for Medicare and Medicaid Services. (n.d.). *How to count income and household members: How to estimate your expected 2016 income*. Retrieved April 26, 2016 from Healthcare.gov website: <https://www.healthcare.gov/income-and-household-information/how-to-report/>

¹⁸³ MAGI includes adjusted gross income (AGI) reported on Federal tax returns, excluded foreign income, nontaxable Social Security benefits (including tier 1 railroad retirement benefits), and tax-exempt interest. MAGI does not include Social Security Income (SSI).

¹⁸⁴ U.S. Centers for Medicare and Medicaid Services. (n.d.). *How to count income & household members: What to include as income*. Retrieved April 21, 2016 from Healthcare.gov website: <https://www.healthcare.gov/income-and-household-information/income/>

¹⁸⁵ U.S. Department of Agriculture, Food and Nutrition Service. (2015, July). *Eligibility manual for school meals: Determining and verifying eligibility*. Retrieved on April 21, 2016 from: http://www.fns.usda.gov/sites/default/files/cn/SP40_CACFP18_SFSP20-2015a.pdf

Table C-2: Sources of Income Used in Eligibility Determinations in the Health Insurance Marketplace and the NSLP

Sources of Income Used in Eligibility Determinations	Health Insurance Marketplace	NSLP
Wages, salaries, tips, commissions, and cash bonuses	X	X
Net income from self-owned business and farms	X	X
Strike benefits, unemployment compensation, and worker's compensation	--	X
Military basic pay and cash bonuses (excluding combat pay, Family Substance Supplemental Allowance, and privatized housing allowances)	--	X
Allowances for off-base housing, food, and clothing	--	X
Adoption assistance payments	--	X
Unemployment benefits	X	X
Worker's compensation	--	X
Supplemental Security Income (SSI) ¹	--	X
Regular cash assistance from State or local government	--	X
Alimony payments	X	X
Child support payments	X	X
Veterans' benefits	X ²	X
Pensions	X	X
Retirement Social Security (including railroad retirement and black lung benefits)	X	X
Private pensions or disability benefits	X	X
Income from trusts or estates	--	X
Annuities	X	X
Investment Income	X	X
Earned interest	X	X
Rental income	X	X
Regular cash payments from outside household	X	X
Any other money that may be available to pay for children's meals	X	X

¹ Supplemental Security Income (SSI) is not included in income determinations; however Social Security and Social Security Disability Income (SSDI) is included for the Marketplace.

² Veteran's disability payments only.

Sources: U.S. Centers for Medicare and Medicaid Services. (n.d.). *How to count income and household members*. Retrieved on April 21, 2016 from Healthcare.gov website: <https://www.healthcare.gov/income-and-household-information/income/>

U.S. Department of Agriculture, Food and Nutrition Service. (2015, July). *Eligibility manual for school meals determining and verifying eligibility*. Retrieved April 21, 2016 from: http://www.fns.usda.gov/sites/default/files/cn/SP40_CACFP18_SFSP20-2015a.pdf

Definitions of household also differ between Medicaid, the Marketplace, and the NSLP. The NSLP uses *economic units* as the basis for household determination. An economic unit includes individuals residing in the same house.¹⁸⁶

The Marketplace defines a household based on a *tax unit*, comprised of the taxpayer, and his/her spouse, and any tax dependents. Tax dependents, and even spouses, do not necessarily reside in the

¹⁸⁶ U.S. Department of Agriculture, Food and Nutrition Service. (2015, July). *Eligibility manual for school meals determining and verifying eligibility*. Retrieved April 21, 2016 from: http://www.fns.usda.gov/sites/default/files/cn/SP40_CACFP18_SFSP20-2015a.pdf

same physical household.¹⁸⁷ Household composition varies depending upon the individual applying for coverage, and on his or her tax filing status.^{188,189}

Recertification Periods

Each year in the fall, individuals with QHPs receive letters from insurance companies and the Marketplace which explain their status and options for health insurance coverage during open enrollment for the following year.¹⁹⁰

QHPs are renewed each year during this time, and insureds must report any changes in income and household size, although they can also update information throughout the year.¹⁹¹ Insureds who did not experience changes in household size and income do not need to take any action, and are auto-enrolled in the same plan from the previous year.¹⁹² Under the ACA, States must assess eligibility for Medicaid and CHIP benefit renewals once every 12 months using information available in specified data sources.^{193,194}

Data Sharing and Privacy Protections

Section 1413(c)(1) of the ACA requires that each State develop a secure electronic interface and implement data exchanges for applicable State health subsidy programs. In accordance with the Privacy Act of 1974,¹⁹⁵ CMS maintains the PII collected on applications submitted to the Marketplaces in the Program system of records,¹⁹⁶ and then matches and verifies the PII against data from several Federal, State, and local agencies, and from private sector corporations.¹⁹⁷ State-Based Exchanges and State Medicaid agencies can also request data matching through the Data Services Hub.¹⁹⁸

Applicants are prompted at the beginning of the application to acknowledge a Privacy Policy which details the use and disclosure of the PII. CMS maintains Computer Matching Agreements and Information

¹⁸⁷ U.S. Centers for Medicare and Medicaid Services. (n.d.). *How to count income and household members: Who to include in your household*. Retrieved April 21, 2016 from Healthcare.gov website: <https://www.healthcare.gov/income-and-household-information/household-size/>

¹⁸⁸ Center on Budget and Policy Priorities. (2013, August 7). *Determining households for Medicaid and premium tax credits: Beyond the basics*. Retrieved April 21, 2016 from: <http://www.healthreformbeyondthebasics.org/wp-content/uploads/2013/08/Household-Definitions-Webinar-7Aug13.pdf>

¹⁸⁹ Applicants belong to one of three categories: tax filers not claimed as a tax dependent; tax dependents; and non-filers, not claimed as a tax dependent.

¹⁹⁰ U.S. Centers for Medicare and Medicaid Services. (n.d.). *Your 2016 health insurance letters*. Retrieved on April 21, 2016 from Healthcare.gov website: <https://www.healthcare.gov/reenrollment-notices/>

¹⁹¹ U.S. Centers for Medicare and Medicaid Services. (n.d.). *We're making it easy for you to keep your marketplace coverage next year*. Retrieved April 21, 2016 from Healthcare.gov website: <https://www.healthcare.gov/blog/we-are-making-it-easy-for-you-to-keep-your-marketplace-coverage-next-year/>

¹⁹² If an insured's current qualified health plan is no longer available they will be automatically enrolled in a similar health plan, unless another is chosen.

¹⁹³ U.S. Centers for Medicare and Medicaid Services. (2012, March 23). *CMS Medicaid and CHIP eligibility changes under the Affordable Care Act (CMS-2349-F): Section-by-section summary*. Retrieved April 21, 2016 from Medicaid.gov website: <https://www.medicaid.gov/affordablecareact/provisions/downloads/medicaid-eligibility-and-enrollment-final-rule-section-by-section-summary.pdf>

¹⁹⁴ Medicaid State agencies must use sources specified in 42 C.F.R. §§ 435.948, 435.949 and 435.956.

¹⁹⁵ Privacy Act of 1974, 5 U.S.C. 552a (1974).

¹⁹⁶ Privacy Act of 1974, Supplementary Information: Health Insurance Exchanges Program; Notice to establish a new system of records, 78 Fed. Reg. 25 (February 6, 2013), pp. 8539–8542.

¹⁹⁷ Section 1411 of the ACA requires verification of the information received from applicants/enrollees.

¹⁹⁸ Section 1943(b) of the ACA requires that Medicaid and CHIP agencies use the same enrollment system and electronic interface established in section 1413 and described in sections 1411(c) and 1411(d) of the ACA as the Marketplace to verify information.

Exchange Agreements with all Federal, State, and local agencies, and with private sector corporations such as insurance providers and credit bureaus (see Table C-3 below).¹⁹⁹

Table C-3: Federal, State, or Local Agencies and Private Sector Entities that Receive PII from ACA Marketplace for Various Purposes

Agency	Type of Agreement	Purpose
Within HHS		
Email Outreach		GovDelivery
Medicare		N/A
Other Federal Agencies		
Internal Revenue Service	CMA, IEA	Eligibility determination for healthcare coverage
Social Security Administration	CMA	
Department of Homeland Security	CMA	
Department of Defense	CMA	
Veterans Administration	CMA	
State or Local Agencies		
State Medicaid	IEA	Eligibility determination for healthcare coverage
Children's Health Insurance Program	IEA	
Private Sector		
Service Corporation	N/A	Eligibility support
Experian	N/A	Remote identity proofing data match only
Symantex	N/A	Multi-factor authentication only
Insurance Providers	N/A	Enrollment information
Equifax	N/A	Current income source validation
<p>Source: U.S. Department of Health and Human Services. (2015, February 10). <i>Privacy impact assessment: Federally facilitated marketplaces</i> (P-1710508-331195). Retrieved April 22, 2016 from: http://www.hhs.gov/sites/default/files/CMS-FFM_remediated.pdf</p> <p>Note. CMS is currently working on establishing CMAs with the Office of Personnel Management and the Peace Corps. IEAs also exist between CMS and State-based Exchanges.</p>		

Discussion

The application data collected to determine eligibility for Medicaid, CHIP, and QHPs is potentially viable for direct certification and direct verification in the NSLP. FNS is currently studying the utility and cost-effectiveness of using Medicaid program data for these purposes in more detailed demonstration studies.^{200,201}

The PII that the Marketplace collects and maintains could permit data matches in the NSLP. Since PII is collected for all household members, students could be identified using application data. SSNs must be provided for any household member whose income could be used to help pay for health coverage, and CMS verifies household income and family size against IRS records.²⁰² This process provides the

¹⁹⁹ U.S. Department of Health and Human Services. (2015, February 10). *Privacy impact assessment: Federally facilitated marketplaces* (P-1710508-331195). Retrieved April 22, 2016 from: http://www.hhs.gov/sites/default/files/CMS-FFM_remediated.pdf

²⁰⁰ U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support. (2015, January). *Evaluation of demonstrations of National School Lunch Program and School Breakfast Program direct certification of children receiving Medicaid benefits: Year 1 report. (Nutrition Assistance Program Report)*. Retrieved May 4, 2016 from: <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationMedicaidYr1.pdf>

²⁰¹ U.S. Department of Agriculture, Food and Nutrition Service. (2016, January 27). *Request for applications to participate in demonstration projects to evaluate direct certification with Medicaid*. Retrieved May 4, 2016 from: <http://www.fns.usda.gov/sites/default/files/cn/SP23-2016a.pdf>

²⁰² U.S. Centers for Medicare and Medicaid Services. (n.d.). *How we use your data*. Retrieved April 21, 2016 from Healthcare.gov website: <https://www.healthcare.gov/how-we-use-your-data/>

information needed to verify the identity of children claimed as tax dependents on applicant tax returns, and also provides a quality source of household income data for direct verification.

Marketplaces provide sufficient information to calculate a household's income as a percent of FPL, albeit with limitations. The Marketplace uses MAGI based on the past year's tax return for Medicaid and Marketplace income determinations. However, income determinations in the NSLP are based on current income, defined as the gross household income received (before deductions) for the current month or the month prior to application, or as the amount projected for the first month for which the application is completed.²⁰³

Despite this difference, the income data collected from Medicaid applications are similar to those needed for data matching in the NSLP. Further study would be needed to assess whether income eligibility determinations differ significantly when based upon expected income, which is used to determine eligibility for APTC and CSR, rather than monthly income as used to determine eligibility in the NSLP.

Eligibility determinations for APTC and CSR that are based on expected income may also cause limitations if the tax credit amounts differ when based on actual income earned for the year. More specifically, households that are either entitled to additional refunds, or those that are required to pay back APTC and CSR received in the previous year, indicate that income data for the QHPs may not be an accurate basis for direct certification or direct verification in the NSLP. Variations in household definitions may also cause complications in matching NSLP records to Medicaid and Marketplace records for direct certification or verification of income. SAs administering the NSLP would need to accept FPL as determined by Medicaid or the Marketplace for use in direct certification.

The standard open enrollment period for health coverage in the Marketplace begins on November 1, and ends January 31 of the following year.²⁰⁴ Direct certification in the NSLP occurs at or near the beginning of the school year, beginning as early as July in most States.²⁰⁵ Data from the Marketplace could therefore provide timely information for use in direct certification, since it would be approximately 6 to 8 months old.²⁰⁶ The timeliness of Medicaid renewals can vary by State; however, under the ACA, Medicaid State agencies are required to assess recipient eligibility for benefit renewals at least once every 12 months, using information available in existing sources.^{207,208}

The Marketplaces created under the ACA provide the infrastructure and PII necessary for computer matching to NSLP student enrollment records. The NSLP SAs would need to establish legal grounds for accessing the PII in Federal or State-based Marketplaces.

²⁰³ U.S. Department of Agriculture, Food and Nutrition Service. (2015, July). *Eligibility manual for school meals: Determining and verifying eligibility*. Retrieved April 21, 2016 from: http://www.fns.usda.gov/sites/default/files/cn/SP40_CACFP18_SFSP20-2015a.pdf

²⁰⁴ U.S. Centers for Medicare and Medicaid Services. (n.d.). *A quick guide to the health insurance marketplace: Dates and deadlines for 2016 health insurance*. Retrieved May 4, 2016 from the Healthcare.gov website at: <https://www.healthcare.gov/quick-guide/dates-and-deadlines/>

²⁰⁵ U.S. Department of Agriculture, Food and Nutrition Service. (2014, August). *The National School Lunch Program direct certification improvement study: Main report*. Retrieved April 29, 2016 from <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationImprovement.pdf>

²⁰⁶ 2016 open enrollment for ACA ended on January 31, 2016. Most States perform the first DC match in July for their districts, but some perform the first DC match in August or September.

²⁰⁷ U.S. Centers for Medicare and Medicaid Services. (2012, March 23). *CMS Medicaid and CHIP eligibility changes under the Affordable Care Act (CMS-2349-F), section-by-section summary – March 23, 2012*. Retrieved April 21, 2016 from: <https://www.medicare.gov/affordablecareact/provisions/downloads/medicaid-eligibility-and-enrollment-final-rule-section-by-section-summary.pdf>

²⁰⁸ Medicaid State agencies must use sources specified in 42 C.F.R. § 435.948, § 435.949 and § 435.956.

(3) Public Housing Program and Housing Choice Voucher Program

Background

The Public Housing Program provides rental housing for eligible, low-income families, the elderly, and persons with disabilities. HUD administers the program at the Federal level, and provides funding and technical assistance to over 3,300 PHAs.

Local housing agencies determine eligibility based on gross annual income, having an elderly or disabled person in the household, and documentation of U.S. citizenship or eligible immigration status. Eligible individuals submit paper applications to their local housing agency, reporting information and income about each household member. Upon approval, applicants sign a lease with the local housing agency, and the Total Tenant Payment is determined based on income and other eligibility information provided in the application.^{209,210}

The Housing Choice Voucher Program also assists low-income families, the elderly, and persons with disabilities in obtaining affordable housing. The participating individual or family pays the balance of the rent after the PHA pays the housing subsidy to the landlord or Third Party Processor. However, while the Public Housing Program provides housing in developments that are owned, managed, and maintained by the local housing agency, the Housing Choice Voucher Program provides a rental subsidy for privately owned housing units chosen by tenants.²¹¹

The sources of income, recertification period, and data sharing and privacy protections are identical for both the Public Housing and Housing Choice Voucher programs.

Collection of Personally Identifiable Information (PII)

Using Form HUD-50058, local housing agencies electronically submit data to HUD on families participating in the Public Housing and Housing Choice Voucher programs.²¹² This form is submitted annually, and provides HUD with information such as demographic characteristics, citizenship status, and income of participants.²¹³ The following PII is collected on each household member residing in a public housing unit through the Public Housing Program or receiving housing subsidies through the Housing Choice Voucher Program:

- Last Name
- First Name
- Middle Initial
- DOB
- Age
- Gender
- Relationship to Family Head
- Citizenship
- Disabled
- Ethnicity
- SSN (of all family members age 6 years or older)
- Alien Registration Number

²⁰⁹ U.S. Department of Housing and Urban Development. (n.d.). *HUD's Public Housing Program*. Retrieved April 26, 2016 from: http://portal.hud.gov/hudportal/HUD?src=/topics/rental_assistance/phprog

²¹⁰ The Total Tenant Payment refers to the amount paid for rent and utilities by tenants.

²¹¹ U.S. Department of Housing and Urban Development. (n.d.). *Housing choice vouchers fact sheet*. Retrieved April 30, 2016 from: http://portal.hud.gov/hudportal/HUD?src=/topics/housing_choice_voucher_program_section_8

²¹² U.S. Department of Housing and Urban Development. (n.d.). *About IMS/PIC*. Retrieved April 26, 2016 from: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/systems/pic/about#f5

²¹³ U.S. Department of Housing and Urban Development. (n.d.). *HUD user manual*. Retrieved April 26, 2016 from: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_11667.pdf

Income and Poverty Data

The main criterion for enrollment in either the Public Housing Program or the Housing Choice Voucher Program is annual gross income. Applicants must provide specific documentation, such as the names and addresses of employers and banks, to verify income and deductions. Sources of income used in eligibility determination for both the Public Housing Program and the Housing Choice Voucher Program are essentially identical to those used in the NSLP (see Table C-4 below).^{214,215}

Income eligibility limits are established by HUD for both programs. *Low* income limits are set at 80 percent and *very low* income limits at 50 percent of median income for the county or metropolitan area in which participants choose to live. The income limits set by the local housing agencies can vary by area of residency, however. HUD publishes an annual list of all metropolitan areas and counties in each State, and the respective income limits by family size.^{216,217}

Table C-4: Sources of Income Used in Eligibility Determinations by HUD

Sources of Income	Public Housing and Housing Choice Voucher Programs	NSLP
Wages, salaries, tips, commissions, and cash bonuses	X	X
Net income from self-owned business and farms	X	X
Strike benefits, unemployment compensation, and worker's compensation	X	X
Military basic pay and cash bonuses (excluding combat pay, Family Substance Supplemental Allowance, and privatized housing allowances)	X	X
Allowances for off-base housing, food, and clothing	X	X
Adoption assistance payments	X	X
Unemployment benefits	X	X
Worker's compensation	X	X
Supplemental Security Income (SSI)	X	X
Regular cash assistance from State or local government	X	X
Alimony payments	X	X
Child support payments	X	X
Veteran's benefits	X	X
Pensions	X	X
Retirement Social Security (including railroad retirement and black lung benefits)	X	X
Private pensions or disability benefits	X	X
Income from trusts or estates	X	X
Annuities	X	X
Investment income	X	X

²¹⁴ U.S. Department of Housing and Urban Development. (n.d.). *HUD's Public Housing Program*. Retrieved April 26, 2016 from: http://portal.hud.gov/hudportal/HUD?src=/topics/rental_assistance/phprog

²¹⁵ Income received from Worker's Compensation is included in income eligibility determinations in the NSLP, but not in the Housing Voucher Program.

²¹⁶ FY 2016 Housing Choice Voucher income limits can be found at <https://www.huduser.gov/portal/datasets/il/il16/Section8-IncomeLimits-FY16.pdf>

²¹⁷ U.S. Department of Housing and Urban Development. (n.d.). *Public housing occupancy handbook (7465.1), Chapter 3: Eligibility for admission*. Retrieved May 2, 2016 from: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/pihh/74651

Earned interest	X	X
Rental income	X	X
Regular cash payments from outside household	X	X
Any other money that may be available to pay for children's meals	X	X
¹ Supplemental Security Income (SSI) is not included in income determinations; however Social Security Disability Insurance (SSDI) is included. Sources: U.S. Department of Housing and Urban Development. (n.d.). <i>Attachment A: Section 8 definition of annual income, 24 CFR, Part 5, Subpart F (Section 5.609)</i> . Retrieved on April 27, 2016 from: http://portal.hud.gov/hudportal/documents/huddoc?id=Calculatingattachment.pdf U.S. Department of Agriculture, Food and Nutrition Service. (2015, July). <i>Eligibility manual for school meals: Determining and verifying eligibility</i> . Retrieved April 21, 2016 from: http://www.fns.usda.gov/sites/default/files/cn/SP40_CACFP18_SFSP20-2015a.pdf		

Recertification Periods

Family income and composition are reexamined at least once every 12 months.^{218,219} These may be assessed more frequently if there are any changes to participants' income or family composition that may affect their eligibility. During the recertification process, tenants provide requested documentation and sign consent and asset declaration forms, permitting HUD (or housing unit owners) to perform third-party verification of income.²²⁰

Data Sharing and Privacy Protections

All applicants and participants (at least 18 years of age) must sign the Authorization for Release of Information/Privacy Act Notice (Form HUD-9886). It is valid for 15 months, and must be signed annually during the recertification process.²²¹ Form HUD-9886 authorizes (1) HUD and the local housing agency/PHA to access information to verify wage information at the time of application or recertification; (2) HUD and the local housing agency/PHA to verify income eligibility (or level of assistance) through income information from current or former employers; and (3) HUD to verify income eligibility (or level of assistance) by obtaining tax return information from the IRS and SSA.²²²

HUD maintains data collected on Form HUD-50058 in several HUD systems of records.²²³ The data maintained in these systems of records are compliant with the Privacy Act of 1974, which requires the establishment of data matching agreements with external agencies seeking access to participant records.²²⁴

Discussion

Despite the potential limitations, including differences in the income limits used in eligibility determinations and in certification periods, as well as the long waiting lists due to the limited availability

²¹⁸ U.S. Department of Housing and Urban Development. (n.d.). *HUD's Public Housing Program*. Retrieved April 30, 2016 from: http://portal.hud.gov/hudportal/HUD?src=/topics/rental_assistance/phprog

²¹⁹ U.S. Department of Housing and Urban Development. (n.d.). *Housing choice vouchers fact sheet*. Retrieved April 30, 2016 from: http://portal.hud.gov/hudportal/HUD?src=/topics/housing_choice_voucher_program_section_8

²²⁰ U.S. Department of Housing and Urban Development. (2007, July). *HUD multifamily occupancy handbook (4350.3, REV-1), chapter 7. recertification, unit transfers, and gross rent changes*. Retrieved May 4, 2016 from: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_35651.doc

²²¹ U.S. Department of Housing and Urban Development. (n.d.). *Housing choice voucher guidebook (7420.10G), chapter 5: Eligibility and denial of assistance*. Retrieved May 2, 2016 from: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/guidebooks/7420_10G

²²² U.S. Department of Housing and Urban Development. (2007, July). *HUD multifamily occupancy handbook (4350.3, REV-1), chapter 7. recertification, unit transfers, and gross rent changes*. Retrieved May 4, 2016 from: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_35651.doc

²²³ Notification of an amendment to an existing System of Records, Enterprise Income Verification System (EIVS), HUD/PIH-574. Fed. Reg. 168, p. 45235-425240 [FR Doc E9-21087] (2009, September 1). Retrieved April 29, 2016 from: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_15179.pdf

²²⁴ Privacy Act of 1974, Records maintained on individuals, 5 U.S. Code § 552a(o) (1974).

of housing,²²⁵ data matching the student enrollment records with HUD records is likely to provide quality information for use in direct certification and verification in the NSLP.

Although income limits are based on median income, HUD publishes these income figures by household size for each county and metropolitan area.²²⁶ This provides sufficient information to calculate income as a percent of FPL for comparisons with the NSLP income guidelines. FPL could also be calculated directly from the information on household income and composition.

HUD collects the PII needed to perform data matching with student enrollment records in the NSLP. The HUD expert indicated that data linkage itself is not difficult. The challenge is *how* to link the data in a manner that provides the appropriate security standards.²²⁷ To access PII collected on the HUD-50058 for use in data matching, either FNS or each of the NSLP SAs would need to establish a data matching agreement with HUD at the Federal level.²²⁸

(4) Low Income Home Energy Assistance Program (LIHEAP)

Background

LIHEAP is administered at the Federal level by HHS through block or formula grants to the 50 States, the District of Columbia, several Indian Tribal Organizations, and U.S. territories.^{229,230} LIHEAP assists low-income households with home heating and cooling costs, energy crises, and weatherization assistance.²³¹ Federal statute requires that States make LIHEAP benefits available to households with income within 150 percent of FPL or 60 percent of State median income, whichever is higher.²³² Exact income criteria vary by State, but income limits cannot be set lower than 110 percent of FPL.²³³ States must also extend categorical eligibility to households with at least one member who receives assistance from TANF, SSI, SNAP, or “certain needs-tested veterans’ benefits.”^{234,235} Most LIHEAP funds are block grant funds.²³⁶ Simply being eligible for LIHEAP does not assure that a household will receive LIHEAP benefits. Although participation rates likely vary by State, a 2015 Congressional Research Service report

²²⁵ U.S. Department of Housing and Urban Development. (n.d.). *Housing choice vouchers fact sheet*. Retrieved April 30, 2016 from: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/about/fact_sheet

²²⁶ U.S. Department of Housing and Urban Development. (2016). *Section 8 income limits FY 2016* [Dataset]. Retrieved April 28, 2016 from: <https://www.huduser.gov/portal/datasets/il/il16/Section8-IncomeLimits-FY16.pdf>

²²⁷ Expert Interview, April 6, 2016, U.S. Department of Housing and Urban Development, Office of Research, Evaluation and Monitoring.

²²⁸ Notification of an amendment to an existing System of Records, Enterprise Income Verification System (EIVS), HUD/PIH-574. Fed. Reg. 168, p. 45235–425240 [FR Doc E9-21087] (2009, September 1). Retrieved April 29, 2016 from: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_15179.pdf

²²⁹ LIHEAP funding is available in American Samoa, Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico, and the Virgin Islands. A list of LIHEAP Indian Tribal Organization contacts can be found at <http://www.acf.hhs.gov/programs/ocs/liheap-tribal-contact-listing>

²³⁰ U.S. Department of Health and Human Services. (n.d.). *LIHEAP and WAP funding*. Retrieved April 21, 2016 from: <https://liheapch.acf.hhs.gov/Funding/funding.htm>

²³¹ U.S. Department of Health and Human Services, Administration for Children and Families. (2016, February). *About LIHEAP*. Retrieved on April 21, 2016 from: <http://www.acf.hhs.gov/programs/ocs/programs/liheap/about>

²³² See Section 2605 of the Low-Income Home Energy Assistance Act of 1981 (Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended).

²³³ LIHEAP Clearinghouse. (n.d.). *Eligibility: Household income*. Retrieved April 30, 2016 from: <https://liheapch.acf.hhs.gov/delivery/eligibility-houseincome.htm#Income>

²³⁴ U.S. Department of Health and Human Services. (n.d.). *LIHEAP service eligibility FY 2016*. Retrieved April 30, 2016 from: <http://www.acf.hhs.gov/programs/ocs/resource/liheap-eligibility-criteria>

²³⁵ Certain needs-tested veterans’ benefits include payments under Veterans’ Benefits, 38 USC §§ 415, 521, 541, or 542, or under P.L. 95-588, Section 306 of the Veterans’ and Survivors’ Pension Improvement Act of 1978. See LIHEAP Clearinghouse. (n.d.). *LIHEAP assurances*. Retrieved May 4, 2016 from: <https://liheapch.acf.hhs.gov/pubs/assurances.htm>

²³⁶ Perl, L., Congressional Research Service. (2015, July). *LIHEAP: Program and funding*. CRS Report for Congress (7-5700 RL31865). Retrieved from National Energy Assistant Director’s Association website at: <http://neada.org/wp-content/uploads/2013/08/CRSLIHEAPProgramRL318651.pdf>

indicated that there was only a 21 percent and 22 percent participation rate in fiscal year 2009 and FY 2010, respectively.²³⁶ Furthermore, each State has the flexibility to prioritize the distribution of funds; some States may process applications for households with seniors first, other States may weight households with seniors and children equally, and some States do not prioritize. In addition, many States choose to accept applications at only certain times of year.²³⁷

Collection of Personally Identifiable Information (PII)

States submit data on assisted and participating households to HHS as part of the annual LIHEAP grant application.²³⁸ The LIHEAP expert indicated that these data are reported in aggregate, however, and do not include PII.²³⁹ HHS does not maintain PII at the Federal level for the administration of LIHEAP.

As noted by the LIHEAP expert, States are usually responsible for maintaining PII, but in some States, such as Texas and Florida, local agencies maintain the PII collected on LIHEAP applications.²⁴⁰ The data collected from individuals on LIHEAP applications can vary by State and local agency. While most household applications include fields for first and last name, DOB, and SSN for all household members,²⁴¹ the LIHEAP expert indicated that States at least collect the names and DOBs for all household members.²⁴²

The LIHEAP Clearinghouse provides links to the State Energy Assistance Applications for several States and the District of Columbia.²⁴³ Table C-5 shows PII commonly collected on LIHEAP applications, but only in the States that have their applications available on the LIHEAP Clearinghouse.

²³⁷ LIHEAP Clearinghouse. (n.d.). *State cooling programs*. Retrieved June 30, 2016 from: <https://liheapch.acf.hhs.gov/tables/FY2013/cooling.htm>

²³⁸ As required by Section 309 of the Human Services Amendments of 1994 (P.L. 103-252).

²³⁹ Expert Interview, February 17, 2016, HHS Division of Energy Assistance.

²⁴⁰ Ibid.

²⁴¹ HHS encourages States to require LIHEAP applicants to provide SSNs, under authority granted in Section 205(c)(2)(C)(i) of the Social Security Act.

²⁴² Expert Interview, February 17, 2016, HHS Division of Energy Assistance.

²⁴³ The National Center for Appropriate Technology (NCAT) operates the LIHEAP Clearinghouse through a training and technical assistance contract from the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services, Division of Energy Assistance. The Clearinghouse serves as an information resource and sharing center for State, tribal, and local LIHEAP providers, and other stakeholders. See <https://liheapch.acf.hhs.gov/>

Table C-5: Data Elements Available from State LIHEAP Applications

State	Data Elements			
	Name	DOB	SSN	Gender
Alaska	A,H	A,H	A,H	A,H
Colorado	A,H	A,H	A,H	A,H
District of Columbia	A,H	A,H	A,H	A
Idaho	A,H	A,H	A,H	A,H
Massachusetts	A,H	A,H	A,H	A
Minnesota	A,H	A,H	A,H	A,H
Missouri	A,H	A,H	A,H	A,H
Montana	A,H	A,H	A,H	A,H
New Jersey	A,H	A,H	A,H	A,H
North Dakota	A,H	A,H	A,H	A
Ohio	A,H	A,H	A,H	–
South Dakota	A,H	A,H	A,H	A,H
Tennessee	A,H	A,H	A,H	A,H
Utah	A,H	A,H	A,H	A,H
Vermont	A,H	A,H	A,H	A,H
Virginia	A,H	A,H	A,H	A
Wyoming	A,H	A,H	A,H	A,H

Source: U.S. Department of Health and Human Services. (n.d.). *State low-income energy profiles*. Retrieved April 21, 2016 from: <https://liheapch.acf.hhs.gov/profiles/energyhelp.htm>

Note. A-indicates that the data element is collected for the applicants; H-indicates the data element is collected for household members.

Income and Poverty Data

States collect income information, but the sources of income and period for which applicants must report income is variable. The LIHEAP Clearinghouse indicates that most States define income to include wages, salaries, and tips, and means-tested benefits such as SSI, Social Security, and veteran’s benefits for every member of the household.²⁴⁴ Table C-6 shows, as an example, the sources of income used in eligibility determinations in Massachusetts.

The LIHEAP expert indicated that most States collect household income information for the last 30 days, but some collect income for the past 3 months or past year.²⁴⁵ The LIHEAP expert stated that once income eligibility is established, applicants are typically certified for 1 year.²⁴⁶

²⁴⁴ LIHEAP Clearinghouse. (n.d.). *Eligibility: Household income*. Retrieved April 30, 2016 from: <https://liheapch.acf.hhs.gov/delivery/eligibility-houseincome.htm#Income>

²⁴⁵ Expert Interview, February 17, 2016, HHS Division of Energy Assistance.

²⁴⁶ Year indicates a 12-month period based on a calendar, Federal, or State fiscal year—varies by State.

Table C-6: Sources of Income Used in Eligibility Determinations by LIHEAP (Massachusetts Example)

Source	LIHEAP (Massachusetts)	NSLP
Wages, salaries, tips, commissions, and cash bonuses	X	X
Net income from self-owned business and farms	X	X
Strike benefits, unemployment compensation, and worker's compensation	X	X
Military basic pay and cash bonuses (excluding combat pay, Family Substance Supplemental Allowance, and privatized housing allowances)	--	X
Allowances for off-base housing, food, and clothing	--	X
Adoption assistance payments	--	X
Unemployment benefits	X	X
Worker's compensation	X	X
Supplemental Security Income (SSI)	X	X
Regular cash assistance from State or local government	X ¹	X
Alimony payments	--	X
Child support payments	X	X
Veteran's benefits	X	X
Pensions	--	X
Retirement Social Security (including railroad retirement and black lung benefits)	--	X
Private pensions or disability benefits	X	X
Income from trusts or estates	X	X
Annuities	X	X
Investment income	X	X
Earned interest	X	X
Rental income	X	X
Regular cash payments from outside household	X	X
Any other money that may be available to pay for children's meals	--	X
¹ TANF, Emergency Aid to Elders, Disabled and Children (EAEDC). Sources: MA Executive Office of Housing and Economic Development (EOHED) (n.d.). <i>Fiscal Year 2016 Massachusetts Low-Income Home Energy Assistance (LIHEAP) standardized application items and authorization</i> . Retrieved April 26, 2016 from: http://www.mass.gov/hed/docs/dhcd/cd/liheap/fy2016liheapapplication.pdf U.S. Department of Agriculture, Food and Nutrition Service. (2015, July). <i>Eligibility manual for school meals: Determining and verifying eligibility</i> . Retrieved April 21, 2016 from: http://www.fns.usda.gov/sites/default/files/cn/SP40_CACFP18_SFSP20-2015a.pdf		

For Massachusetts and States that use similar sources of income for LIHEAP eligibility determination, LIHEAP income data could provide an accurate basis for direct certification determinations in NSLP. As indicated by the LIHEAP Expert, most States conduct verification activities, and over 50 percent of States already use data matching to verify LIHEAP applicant information against records of SSA, State TANF or SNAP systems, and the State Directory of New Hires (see Table C-7).^{247,248,249} The LIHEAP Expert

²⁴⁷ Expert Interview, February 17, 2016, HHS Division of Energy Assistance.

²⁴⁸ Alaska verifies LIHEAP applicant and household member data against their State's prisoner database (ACOM), by downloading reports twice a month, and querying based on name, DOB, and partial SSN. Connecticut performs verification against the Refugee Cash Assistance Program and State Supplement to the Aged, Blind and Disabled using its DSS Eligibility Management System (EMS). Iowa verifies applicant SSNs against documentation including SS card, military ID, financial statements, and Medicare card. Montana checks its Public Assistance System which performs matches with SSA's Bendex system, and also verifies all household members over the age of 16 against State wage and unemployment information (MISTICS system). The State is currently considering matches with Death Registry System (MDRS) and other databases. Oregon requires multiple forms of documentation and maintains a statewide database for LIHEAP households (OPUS) that includes personal identifiers (name, DOB, SSN, and physical address of all household members). Washington State verifies LIHEAP applicant identities using State ID, SS card, and birth certificates for children against TANF, food assistance, and other State services. In 2014, New Jersey had plans to implement verification against SSA systems. Utah maintains a central database (State Energy Assistance Lifeline (SEALWorks)) and stores applicant information for cross-check against the Utah Department of Workforce

indicated that LIHEAP income data are also verified against State wage and unemployment data in States that maintain a State Department of Labor (DOL) database.²⁵⁰

Table C-7: States that Verify Income Reported in LIHEAP Using Data Matching with Other Agency Records

State	Other Agency Records			
	State TANF or SNAP System	State DOL	SSA	State Directory of New Hires
Alaska	X	X	--	--
District of Columbia	X	--	--	--
Georgia	X	--	X	--
Idaho	X	X	--	--
Kansas	X	X	X	--
Maryland	X	X	X	--
Massachusetts	X	--	X	--
Missouri	X	X	X	--
Montana	X	X	--	--
Nebraska	X	X	X	X
Nevada	X	X	X	X
New Mexico	X	X	X	X
North Carolina	X	X	X	X
North Dakota	--	X	X	X
New York	X	X	--	--
Ohio	--	--	--	--
Oklahoma	X	X	X	X
Pennsylvania	X	--	X	X
South Dakota	X	X	X	--
Tennessee	X	--	--	--
Utah	X	X	--	--
Virginia	X	X	X	--
Washington	X	X	X	X
West Virginia	X	X	X	X
Wisconsin	X	X	X	X
Wyoming	X	--	--	--

Source: FY 2016 model plan data received from expert at HHS.

Recertification Periods

Because LIHEAP funds are administered as a block grant, benefits are tied to the funds available from a State's individual appropriations. As a result, recertification periods vary by State. Each State also determines how often eligible applicants receive benefits before they must provide updated income information. The LIHEAP expert noted that States typically allow individuals to receive LIHEAP assistance three times per year, but recipients are not necessarily required to recertify at those times.²⁵¹ The LIHEAP

Services. E-Share Statewide Prisoner and Wage databases, along with the Utah DOH, Vital Records Office will also be accessed for LIHEAP verification in the future.

²⁴⁹ U.S. Department of Health and Human Services. (n.d.). *LIHEAP identity verification examples from states*. Retrieved April 21, 2016 from: https://liheapch.acf.hhs.gov/delivery/verification_identityexamples.htm

²⁵⁰ Expert Interview, February 17, 2016, HHS Division of Energy Assistance.

²⁵¹ Expert Interview, February 17, 2016, HHS Division of Energy Assistance.

expert also indicated that most States use eligibility determinations for a 12-month period before requiring recertification.²⁵²

Data Sharing and Privacy Protections

The LIHEAP expert noted that data sharing agreements for LIHEAP are negotiated by the States.²⁵³ LIHEAP SAs that verify income through data matching usually have agreements with the SSA, and with the SAs administering SNAP and TANF.²⁵⁴

The LIHEAP expert also indicated that most States include release of information clauses or disclosures on the LIHEAP application, informing applicants that their information may be used in the administration of LIHEAP benefits.²⁵⁵ The LIHEAP statute does not govern data sharing, and each State adheres to Federal and State privacy laws and regulations. At the State level, the LIHEAP expert noted that there are at least 15 States that have data exchanges with the SSA for income verification. The LIHEAP expert also stated that some States also have data exchanges with SNAP, TANF, and some other State-level social services programs.

Discussion

Nearly one-third of SAs administering LIHEAP collect the data elements needed to conduct direct certification matching in the NSLP.^{256,257} However, this was assessed only for States with State Low-Income Energy Profiles on the LIHEAP Clearinghouse, and where applications were available online. It is therefore possible that more than one-third collect relevant data elements. Of the 17 applications that were available for review on the LIHEAP Clearinghouse website, most collected the first and last names and DOB for all household members, allowing school-age children to be matched to student enrollment records.

Data matching with LIHEAP has the potential to aid in the expansion of direct certification and verification efforts in the NSLP. Since the income data used to determine LIHEAP eligibility is calculated as FPL, it could be used to directly certify students for meals in the NSLP, especially in States where LIHEAP income definitions are similar to those used in the NSLP. Establishing agreements is unlikely to be difficult in States that already exchange data with several other agencies, such as SSA and State SNAP and TANF agencies.

States are also encouraged to require SSN for LIHEAP eligibility, which would contribute to data quality and the identification of school-age children associated with applicants.

NSLP SAs seeking to use LIHEAP for direct certification could extend categorical eligibility to school-age children in households that received LIHEAP assistance within the last 12 months, but this would involve certifying students in families between 130 and 150 percent of FPL. It would also be possible to request lists of children in households participating in LIHEAP with incomes 130 percent of FPL. In States that operate a statewide LIHEAP database, student enrollment records could be matched against data for the current year's LIHEAP recipients. However, LIHEAP recertification periods may present a challenge in some States. Income qualifications are not reassessed at each point of service in most States, and can

²⁵² Ibid.

²⁵³ Ibid.

²⁵⁴ This arrangement is between the Federal Social Security Administration and the LIHEAP State agency.

²⁵⁵ Expert Interview, February 17, 2016, HHS Division of Energy Assistance.

²⁵⁶ LIHEAP Clearinghouse. (n.d.). *State low-income energy profiles*. Retrieved April 21, 2016 from: <https://liheapch.acf.hhs.gov/profiles/energyhelp.htm>

²⁵⁷ Out of 50 State agencies, District of Columbia, American Samoa, Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico, and Virgin Islands. See <http://www.acf.hhs.gov/programs/ocs/liheap-state-and-territory-contact-listing>

be up to 12 months old in most States. NSLP SAs may also need to assess whether LIHEAP definitions of income are similar to those used in the NSLP in their State.

(5) Weatherization Assistance Program (WAP)

Background

Created in 1976 under Title IV of the Energy Conservation and Production Act, WAP is administered through States, the District of Columbia, U.S. territories, and Federally recognized Indian Tribes.^{258,259} The DOE provides formula grants to SAs, who contract with local governments and nonprofit agencies.

Low-income families apply for cost-effective weatherization services by contacting their local weatherization agency, and providing information about their household size and income. Families that receive SSI or TANF are automatically eligible for weatherization assistance under DOE guidelines. Persons over 60 years of age, families with a member with a disability, and families with children are also given priority by States.²⁶⁰

The Act also amended several aspects of the administration of WAP, including changing income eligibility limits and benefit levels. This includes:

1. the increase of the income eligibility threshold from 150 percent to 200 percent of FPL, and
2. the increase of the maximum assistance level per dwelling unit from \$2,500 to \$6,500.²⁶¹

Collection of Personally Identifiable Information (PII)

The collection of PII used to determine eligibility can vary by State and the local administering agency. However, a generic application provided by the Weatherization Assistance Program Technical Assistance Center (WAPTAC)²⁶² suggests collecting the following information:

- Last Name
- Middle Initial
- City
- Zip Code
- Mailing Address
- Zip
- First Name
- Street Address
- County
- Home/Work/Cell Phone Number
- City

Source: Weatherization Assistance Program Technical Assistance Center (WAPTAC). (n.d.). Weatherization program client application. Retrieved April 21, 2016 from: <http://www.waptac.org/Best-Practices.aspx#Client-Outreach>

Income and Poverty Data

Each State can set its own income eligibility requirements for WAP, at or below 200 percent of FPL.²⁶³ Eligibility based on income qualification is established by assessing an applicant's earned and received gross income.²⁶⁴

²⁵⁸ D.C. Department of Energy and Environment. (n.d.). *Weatherization Assistance Program*. Retrieved April 29, 2016 from: <http://doee.dc.gov/service/weatherization-assistance-program>

²⁵⁹ Tonn, B., Carrol, D., Pigg, S., Blasknik, M., Dalhoff, G., Berger, J., . . . Cowan, C. (2014). *Weatherization works—Summary of findings from the retrospective evaluation of the U.S. Department of Energy's Weatherization Assistance Program*. (Report No. ORNL/TM-2014/338). USDOE Office of Energy Efficiency and Renewable Energy (EERE): United States. doi:10.2172/1223642. Retrieved from U.S. Department of Energy Sci-Tech Connect website: <http://www.osti.gov/scitech/biblio/1223642>

²⁶⁰ U.S. Department of Energy. (n.d.). *Where to apply for weatherization assistance*. Retrieved April 22, 2016 from: <http://energy.gov/eere/wipo/where-apply-weatherization-assistance>

²⁶¹ The Energy Conservation and Production Act of 1976 (42 U.S.C. 6865(c)1 § 415(c).

²⁶² The Weatherization Assistance Program Technical Assistance Center provides a "virtual" library of all rules, regulations, policies, and procedures required by the DOE's weatherization program. See <http://www.waptac.org/>

WAPTAC suggests that local service providers request documentation supporting any income reported on a WAP application, and include fields to record the income of all household members. Documentation varies by State, but may include pay stubs for the past 3 months for each employed household member, and income from Social Security, retirement, disability, alimony, workers' compensation, net rental income, net gambling or lottery winnings, unemployment compensation, royalties, periodic payments from estates or trusts, and self-employment (see Table C-8).²⁶⁵

The expert on WAP noted that applicants indicating participation in TANF, SSI, LIHEAP, HUD housing assistance programs, or other assistance programs that confer categorical eligibility for WAP, must usually also provide documentation such as a printout from the local TANF office, a monthly SSI statement, or a copy of LIHEAP eligibility.^{266,267,268}

Table C-8: Sources of Income Used in Eligibility Determinations in the WAP and the NSLP

Income Source ¹	WAP	NSLP
Wages, salaries, tips, commissions, and cash bonuses	X	X
Net income from self-owned business and farms	X	X
Strike benefits, unemployment compensation, and worker's compensation	X	X
Military basic pay and cash bonuses (excluding combat pay, Family Substance Supplemental Allowance, and privatized housing allowances)	X	X
Allowances for off-base housing, food, and clothing	--	X
Adoption assistance payments	--	X
Unemployment benefits	X	X
Worker's compensation	X	X
Supplemental Security Income (SSI)	X	X ²
Regular cash assistance from State or local government	--	X
Alimony payments	X	X
Child support payments	--	X
Veteran's benefits	X ³	X ⁴
Pensions	X	X
Retirement Social Security (including railroad retirement and black lung benefits)	X	X
Private pensions or disability benefits	X	X
Income from trusts or estates	X	X
Annuities	X	X
Investment income	X	X
Earned interest	X	X
Rental income	X	X

²⁶³ Weatherization Assistance for Low-Income Persons, 10 C.F.R. §440.22.

²⁶⁴ U.S. Department of Energy. (2016, February 10). *2016 poverty income guidelines and definition of income*. Retrieved on April 21, 2016 from Weatherization Assistance Program Technical Assistance Center website: http://www.waptac.org/data/files/website_docs/government/guidance/2016/wpn_16-3-pigs-final.pdf

²⁶⁵ The *Weatherization program client application* can be found in the *Client and Outreach Forms* section at <http://www.waptac.org/Best-Practices.aspx#Client-Outreach>

²⁶⁶ U.S. Department of Energy. (2016, February 10). *2016 poverty income guidelines and definition of income*. Retrieved on April 21, 2016 from Weatherization Assistance Program Technical Assistance Center website: http://www.waptac.org/data/files/website_docs/government/guidance/2016/wpn_16-3-pigs-final.pdf

²⁶⁷ The *Weatherization program client application* can be found in the *Client and Outreach Forms* section at <http://www.waptac.org/Best-Practices.aspx#Client-Outreach>

²⁶⁸ Expert Interview, March 4, 2016, DOE Weatherization and Intergovernmental Programs Office.

Regular cash payments from outside household	--	X
Any other money that may be available to pay for children's meals	--	X

¹WAP also considers net gambling or lottery winnings.
²Supplemental Security Income (SSI) is not included in income determinations; however Social Security Disability Income (SSDI) is included.
³Veteran's payments, training stipends, and military allotments.
⁴Veteran's disability payments only.
Sources: U.S. Department of Energy. (2016, February 10). *2016 poverty income guidelines and definition of income*. Retrieved on April 21, 2016 from Weatherization Assistance Program Technical Assistance Center website: http://www.waptac.org/data/files/website_docs/government/guidance/2016/wpn_16-3-pigs-final.pdf
U.S. Department of Agriculture, Food and Nutrition Service. (2015, July). *Eligibility manual for school meals: Determining and verifying eligibility*. Retrieved April 21, 2016 from: http://www.fns.usda.gov/sites/default/files/cn/SP40_CACFP18_SFSP20-2015a.pdf

Recertification Periods

The WAP expert noted that applicants and recipients must recertify income within 12 months of service, but States have the discretion to implement more restrictive recertification periods.²⁶⁹ In some States, recertification occurs on a quarterly basis; in others, every 6 months. For States with limited funding compared to demand, applicants on waiting lists for more than a 12-month period must have their income recertified to remain on the list.

Data Sharing and Privacy Protections

At the Federal level, the WAP expert indicated that DOE does not have existing MOUs for data sharing agreements with WAP. DOE often partners with HHS for LIHEAP.²⁷⁰ However, the WAP expert indicated that this is an informal arrangement, where WAP monitoring reports are shared with LIHEAP staff, and quarterly calls and technical assistance are exchanged; it does not include the exchange of PII.²⁷¹

This arrangement developed primarily because of the overlap between LIHEAP and WAP services and funding at the State and local levels. States are allowed to allocate LIHEAP funds to weatherization programs.²⁷² DOE regulations also permit States to extend categorical eligibility to households that receive LIHEAP benefits, allowing participants in LIHEAP to automatically qualify to receive weatherization services.²⁷³

The WAP expert indicated that in States where LIHEAP and WAP are administered by the same agency, the benefits database for both programs is often connected, with LIHEAP recipient information available immediately for categorical certification in WAP.²⁷⁴ For other States, where the administering agencies differ, or where benefits information is housed separately, LIHEAP recipient information is transferred to WAP agencies based on priority of service. The WAP expert also indicated that data matches may also be performed to collect utility bill information. Applicants agree to authorize the release of energy utility bills and income data requested for participation in WAP.²⁷⁵

²⁶⁹ Expert Interview, March 4, 2016, Department of Energy Weatherization and Intergovernmental Programs Office.

²⁷⁰ Ibid.

²⁷¹ Ibid.

²⁷² Tonn, B., Carrol, D., Pigg, S., Blasknik, M., Dalhoff, G., Berger, J., . . . Cowan, C. (2014). *Weatherization works—Summary of findings from the retrospective evaluation of the U.S. Department of Energy's Weatherization Assistance Program*. (Report No. ORNL/TM-2014/338). USDOE Office of Energy Efficiency and Renewable Energy (EERE): United States. doi:10.2172/1223642. Retrieved from U.S. Department of Energy Sci-Tech Connect website: <http://www.osti.gov/scitech/biblio/1223642>

²⁷³ Weatherization Assistance for Low-Income Persons, 10 C.F.R. 440.22 (2011).

²⁷⁴ Expert Interview, March 4, 2016, Department of Energy Weatherization and Intergovernmental Programs Office.

²⁷⁵ The *Weatherization program client application* can be found in the *Client and Outreach Forms* section at <http://www.waptac.org/Best-Practices.aspx#Client-Outreach>

Discussion

WAP does not seem to be a feasible candidate for direct certification and verification efforts in the NSLP. Household income and FPL determinations may be inaccurate, and may be based upon incomplete information about all members in the household. SSNs are not typically collected, and therefore reported income may not include all sources.

In addition, most States and local districts use first name, last name, and DOB in their direct certification matching process in the NSLP.²⁷⁶ States that collect only the PII recommended by WAPTAC would lack the DOB identifier, the third most commonly used data element for data matching in the NSLP. Without DOB as a primary identifier for data matching efforts, Child Nutrition (CN) SAs may have difficulty confirming whether a WAP record is an exact match to a school-age child appearing in enrollment records.

Income disclosed on WAP applications may have potential use for NSLP direct verification, especially in States where WAP certification periods occur within 180 days of service.²⁷⁷ For other States, income reported to WAP may be up to 12 months old, depending upon the time of initial service or application. For these States, further verification might be needed to ensure the accuracy of reported income, causing additional administrative burden.

The income eligibility threshold for WAP exceeds that of the NSLP income threshold. However, WAP may capture additional households with incomes within the percentage of FPL required to receive F/RP meals in the NSLP. The income definitions used for WAP also generally align with the definitions used in the NSLP, and income eligibility determinations are likely to be similar across the two programs.

However, many WAP participants are referrals from the LIHEAP program who need further assistance with their home energy costs, or who may benefit from weatherization services.²⁷⁸ Clients categorically eligible to receive weatherization assistance based on participation in LIHEAP have incomes within 150 percent of FPL. LIHEAP data collection and verification processes are more robust than WAP, and would provide a higher quality source of information.

In sum, the WAP expert indicated that data matching with LIHEAP records, rather than WAP records directly, would probably more efficiently capture school-age children in WAP households.

(6) Earned Income Tax Credit (EITC)

Background

The EITC was first introduced in 1975 in an effort to guarantee a minimum standard of living as part of an anti-poverty program, and currently provides savings for working people within low- to moderate-income levels.²⁷⁹ In 2015, a reported 27.5 million tax filers received EITC credits totaling \$66.7 billion.²⁸⁰

²⁷⁶ U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support. (2014). *The National School Lunch Program direct certification improvement study: Main report*. Retrieved April 28, 2016 from <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationImprovement.pdf>

²⁷⁷ 180 days would potentially satisfy the definition of “the most recently available information” clause specified in P.L. 108-265 and described in the Richard B. Russell National School Lunch Act. See 7 C.F.R. Parts 245.6 (g).

²⁷⁸ Tonn, B., Carrol, D., Pigg, S., Blasknik, M., Dalhoff, G., Berger, J., . . . Cowan, C. (2014). *Weatherization works—Summary of findings from the retrospective evaluation of the U.S. Department of Energy’s Weatherization Assistance Program*. (Report No. ORNL/TM-2014/338). USDOE Office of Energy Efficiency and Renewable Energy (EERE): United States. doi:10.2172/1223642. Retrieved from U.S. Department of Energy Sci-Tech Connect website: <http://www.osti.gov/scitech/biblio/1223642>

²⁷⁹ Hotz, V., & Scholz, J. (2001, January). *The earned income tax credit*. National Bureau of Economic Research, Working Paper No. 8078. Retrieved from: <http://www.nber.org/papers/w8078>

To qualify, individuals must have an earned income, with or without qualifying children, and must provide an SSN valid for employment.²⁸¹ Qualifying children must have an SSN that is valid for employment, and pass tests for relationship, age, and residency; they can only be claimed on one individual or joint return.²⁸² Eligible filers pay reduced annual taxes, or may receive a tax refund.²⁸³

Collection of Personally Identifiable Information (PII)

Individuals must complete Schedule EIC and attach it to Form 1040A, 1040, or 1040EZ. Form 1040A or 1040 must be used to claim a qualifying child. On Schedule EIC, tax filers report the first and last name, SSN, year of birth, whether the child was permanently and totally disabled for the tax year, the relationship of the qualifying child to the filer, and the number of months the child resided in the same residence during the tax year.²⁸⁴ Table C-9 shows the PII and data elements collected for tax filers and dependents on forms 1040A, 1040, and 1040EZ.

²⁸⁰ Internal Revenue Service. (2016, January). *Statistics for tax returns with EITC*. Retrieved April 22, 2016 from: <https://www.eitc.irs.gov/EITC-Central/eitcstats>

²⁸¹ Internal Revenue Service. (2016, March 7). *Do I qualify for EITC?* Retrieved on April 22, 2016 from:

<https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/do-i-qualify-for-earned-income-tax-credit-eitc>

²⁸² Internal Revenue Service. (2015, November 3). *Qualifying child rules*. Retrieved on April 22, 2016 from:

<https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/qualifying-child-rules>

²⁸³ Internal Revenue Service. (2016, March 11). *Earned Income Tax Credit (EITC)*. Retrieved April 22, 2016 from:

<https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit>

²⁸⁴ Internal Revenue Service. (2015). *Earned Income Tax Credit Qualifying Child Information: Schedule EIC*. Retrieved April 22, 2016 from: <https://www.irs.gov/pub/irs-pdf/f1040sei.pdf>

Table C-9: PII Collected on Tax Forms Required to Claim the EITC

PII Collected	1040A	1040	1040EZ
Tax filer first, last name, and middle initial	X	X	X
Spouse's first, last name, and middle initial ¹	X	X	X
Tax filer SSN	X	X	X
Spouse's SSN	X	X	X
Home address	X	X	X
City, State, Zip	X	X	X
Foreign country name	X	X	X
Foreign province/state/country	X	X	X
Foreign postal code	X	X	X
Filing status ²	X	X	--
Exemptions ³	X	X	--
Dependent(s) first, last name	X	X	--
Dependent(s) SSN	X	X	--
Dependent(s) relationship	X	X	--
Qualifying child indicator	X	X	--
¹ If filing a joint return. ² Single, married filing jointly, married filing separately, head of household, qualifying widow(er) with dependent child ³ Tax filer and/or spouse. Sources: Internal Revenue Service. (2015). <i>U.S. Individual Income Tax Return: Form 1040A</i> . Retrieved April 22, 2016 from https://www.irs.gov/pub/irs-pdf/f1040a.pdf Internal Revenue Service. (2015). <i>U.S. Individual Income Tax Return: Form 1040</i> . Retrieved April 22, 2016 from: https://www.irs.gov/pub/irs-pdf/f1040.pdf Internal Revenue Service. (2015). <i>Income Tax Return for Single and Joint Filers with No Dependents: Form 1040EZ</i> . Retrieved April 22, 2016 from: https://www.irs.gov/pub/irs-pdf/f1040ez.pdf Internal Revenue Service. (2015). <i>Earned Income Tax Credit Qualifying Child Information: Schedule EIC</i> . Retrieved April 22, 2016 from: https://www.irs.gov/pub/irs-pdf/f1040sei.pdf			

Income and Poverty Data

Earned and AGI must be lower than the minimum income eligibility limits set for each filing year, and are based on filing status and the number of qualifying children claimed.^{285,286,287} Only four sources of income used to determine eligibility are common between EITC and the NSLP (Table C-10). These are:²⁸⁸

1. wages, salaries, tips, commissions, and cash bonuses;
2. net income from self-owned business and farms;
3. strike benefits, unemployment compensation, and worker's compensation; and
4. military basic pay and cash bonuses (excluding combat pay, Family Substance Supplemental Allowance, and privatized housing allowances).²⁸⁹

Table C-10: Sources of Income Used in Eligibility Determinations for the EITC and Meal Benefits in the NSLP

Sources of Income Used in Eligibility Determinations	EITC	NSLP
--	------	------

²⁸⁵ Includes wages, salaries, tips and other taxable employee pay, union strike benefits, long-term disability benefits received prior to minimum retirement age, and net earnings from self-employment.

²⁸⁶ Defined as gross income minus adjustments to income. See <https://www.irs.gov/uac/definition-of-adjusted-gross-income>

²⁸⁷ For these limits, see Internal Revenue Service. (2016, March 7). *Do I qualify for EITC?* Retrieved April 22, 2016 from: <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/do-i-qualify-for-earned-income-tax-credit-eitc>

²⁸⁸ Internal Revenue Service. (2015, November 2). *What is earned income?* Retrieved from: <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/earned-income>

²⁸⁹ Tax filers can elect to have their Nontaxable Combat pay included in earned income for EITC.

Wages, salaries, tips, commissions, and cash bonuses	X	X
Net income from self-owned business and farms	X	X
Strike benefits, unemployment compensation, and worker's compensation	X	X
Military basic pay and cash bonuses (excluding combat pay, Family Substance Supplemental Allowance, and privatized housing allowances)	X ¹	X
Allowances for off-base housing, food, and clothing	--	X
Adoption assistance payments	--	X
Unemployment benefits	--	X
Worker's compensation	--	X
Supplemental Security Income (SSI)	--	X ²
Regular cash assistance from State or local government	--	X
Alimony payments	--	X
Child support payments	--	X
Veteran's benefits	--	X ³
Pensions	--	X
Retirement Social Security (including railroad retirement and black lung benefits)	--	X
Private pensions or disability benefits	--	X
Income from trusts or estates	--	X
Annuities	--	X
Investment Income	--	X
Earned interest	--	X
Rental income	--	X
Regular cash payments from outside household	--	X
Any other money that may be available to pay for children's meals	--	X
¹ Tax filers can elect to have their Nontaxable Combat pay included in earned income for EITC. ² Supplemental Security Income (SSI) is not included in income determinations; however Social Security Disability Income (SSDI) is included. ³ Veteran's disability payments only. Sources: Internal Revenue Service. (2015, November) <i>What is earned income?</i> Retrieved April 22, 2016 from: https://www.irs.gov/Credits-&Deductions/Individuals/Earned-Income-Tax-Credit/What-is-Earned-Income U.S. Department of Agriculture, Food and Nutrition Service. (2015, July). <i>Eligibility manual for school meals determining and verifying eligibility</i> . Retrieved April 21, 2016 from: http://www.fns.usda.gov/sites/default/files/cn/SP40_CACFP18_SFP20-2015a.pdf		

Recertification Periods

Tax filers may claim the EITC annually when submitting tax returns. Eligibility determinations are based on income earned in the reporting tax year.

Data Sharing and Privacy Protections

Disclosure of information collected on tax returns is governed under IRS Code Section 6103. The IRS may, upon written request, disclose return information about unearned income to Federal, State, and local agencies administering certain assistance programs covered under the Food and Nutrition Act of 2008.²⁹⁰ The SSA is also allowed to disclose return information for this purpose, but only information on net earnings from self-employment, wages, and retirement income payments.

Discussion

The EITC has a sufficient set of reliable PII to support matching with student enrollment records. The first and last name, birth year, and SSN are collected for children listed by tax claimants on Schedule EIC. Tax filers indicate whether dependents are children under the age of 17 years on Forms 1040A and 1040. Together, these forms provide important data elements needed to perform effective matches against student enrollment records for direct certification in the NSLP.

²⁹⁰ Internal Revenue Code, Confidentiality and disclosure of returns and return information, 26 U.S. Code §6103(l)(7)

Although income information disclosed for EITC could potentially be used for direct certifications based on income eligibility determinations, it may be 6 to 9 months old, depending upon when a State/district performs initial direct certifications.²⁹¹ Thus, income information reported for EITC might be too old for use in direct verification.²⁹²

The IRS is not currently permitted to share data with the NSLP.²⁹³ SAs and districts would need legislative authorization to access IRS data. IRS personnel indicated that data matches with EITC would require legislative changes to the IRS Code. MOUs could not be written without these legislative changes. IRS experts also noted that disclosure provisions in the IRS Code would be barriers to using EITC data for direct certification and verification.²⁹⁴

Another limitation of EITC data is that the income information collected may not include all members residing in the household, and can also include tax dependents not living in the household. A spouse residing in the same household may not be listed at all, for example, if joint tax returns are not filed. Conversely, children can be claimed as tax dependents regardless of whether they reside with the tax filer. The estimates of household size and of income as a percent of FPL needed to determine income eligibility in the NSLP could therefore differ from those calculated from EITC records, limiting the utility of EITC data for direct verification.

High improper payment rates would also negate the accuracy of any eligibility determinations based on EITC, IRS experts stated. The IRS estimates that 22 to 26 percent of EITC payments are made in error. Ambiguous relationships of children to tax filers and of residency account for approximately 70 percent of these errors. These errors often involve non-custodial parents claiming children from divorced and separated households.²⁹⁵

(7) Income and Eligibility Verification System (IEVS) and Unemployment Insurance (UI)

Background

The IEVS was established under DEFRA in an effort to reduce errors in eligibility and benefit-level determinations.²⁹⁶ States are required to implement an IEVS and verify applicant income information collected in certain programs, including Medicaid, unemployment compensation, SNAP, TANF, and child welfare services, as well as in such State programs as elderly assistance, SSI, and other assistance programs for the blind and disabled.^{297,298}

²⁹¹ Initial direct certification matching typically occurs in July, August, or September.

²⁹² Districts must use income information reflecting income during the last 180-day period immediately prior to the date of school meals application.

²⁹³ Established under the National School Lunch Act in 1946, P.L. 396, 79th Congress, June 4, 1946, 60 Stat. 231. See <http://www.fns.usda.gov/nslp/national-school-lunch-program-nslp>

²⁹⁴ Expert Interview, April 8, 2016, IRS Government Liaison Headquarters Office, Office of Research, Headquarters Disclosure Office, Refundable Credits Administration (RCA).

²⁹⁵ Center on Budget and Policy Priorities. (2015, December 1). *Reducing overpayments in the Earned Income Tax Credit*. Retrieved May 2, 2016 from: <http://www.cbpp.org/research/federal-tax/reducing-overpayments-in-the-earned-income-tax-credit>

²⁹⁶ U.S. Department of Health and Human Services, Office of Inspector General. (1994, October). *State income and eligibility verification systems (IEVS): State profiles, part I, Alabama through Montana*. Retrieved May 4, 2016 from: <http://oig.hhs.gov/oei/reports/oei-06-92-00081.pdf>

²⁹⁷ See Income and eligibility verification system, Applicable programs, 42 U.S.C. 1320b–7(b).

²⁹⁸ Use of the IEVS for SNAP was made optional by the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA) ((PL 104-193). See http://www.fns.usda.gov/sites/default/files/ComputerMatching_summary.pdf

SAs administering the programs mentioned above verify eligibility and benefit issuance determinations against wage and income information maintained by SSA and IRS, and quarterly wage information reported by employers to the State Wage Information Collection Agency (SWICA).^{299, 300} Employers report wages for each employee within 30 days from the end of each calendar quarter. IEVS also requires that programs administered by SAs adhere to standardized formats and procedures that facilitate data exchanges among participating programs.³⁰¹ This information is also required to be available for child support programs, Federal Old-Age, Survivors, and Disability Insurance benefits, and SSI for aged, blind, and disabled.

Collection of Personally Identifiable Information (PII)

The wage information in IEVS contains the SSN, first and last name, and middle initial for all employees covered by the State's unemployment compensation laws.³⁰² SAs administering the participating programs must collect the SSN of applicants "as a condition of eligibility for benefits."³⁰³

Income and Poverty Data

Information for all household members is available in IEVS, including, but not limited to:

1. wage information from SWICA;
2. net earnings from self-employment, wages, and retirement income, and survivors, disability, SSI and related benefits from SSA;
3. unearned income reported to the IRS; and
4. wage and claim information from the agency administering UI benefits.

Recertification Periods/Frequency of Updates to IEVS

Employers are required to report wage information to SWICA within 30 days from the end of each calendar quarter.³⁰⁴ To request and receive data from SWICA, SAs would have to enter into agreements with their SWICA on the allowable frequency of requests, and these would probably vary. However, the SWICA and UI benefits agency cannot provide information to other SAs more than twice monthly.³⁰⁵

Data Sharing and Privacy Protections

SAs are allowed to exchange information on households in IEVS with other programs having potential for establishing or verifying eligibility or benefit amounts, including:

1. TANF;
2. Medicaid;
3. Unemployment Compensation;
4. SNAP;
5. Any State program administered under the adult categories (Title I, X, or XIV) or Title XVI of the Social Security Act; and

²⁹⁹ See Income and eligibility verification system, Requirements of State eligibility systems, 42 U.S.C. 1320b-7(a)(2).

³⁰⁰ See Income and eligibility verification requirements, 45 C.F.R. 205.51(b).

³⁰¹ See Income and eligibility verification system, Requirements of State eligibility systems, 42 U.S.C. 1320b-7(a)(4)(A).

³⁰² See Income and eligibility verification requirements, 45 C.F.R. 205.51(c).

³⁰³ See Income and eligibility verification system, Requirements of State eligibility systems, 42 U.S.C. 1320b-7(a)(1).

³⁰⁴ See Income and eligibility verification requirements, 45 C.F.R. 205.51(c)(2).

³⁰⁵ See Income and eligibility information; specific agreements required between the State agency and the agency supplying the information, 45 C.F.R. 205.58(b)(3).

6. Agencies administering the Child Support Program; Federal Old-Age, Survivors, and Disability Insurance benefits; and SSI for the Aged, Blind, and Disabled.³⁰⁶

The information exchanged and received for applicant and recipient households through IEVS must be adequately protected against unauthorized disclosure, as provided in regulations established by the Secretaries of Agriculture, Health and Human Services, and Labor, and by the IRS.^{307,308} States must also notify all applicants and recipients of benefits under any participating program, “at the time of application, and periodically thereafter,” that information available in IEVS will be used to determine and verify eligibility for the program.³⁰⁹

No Federal, State, or local agency may use information in IEVS to terminate, deny, suspend, or reduce any of an individual’s benefits without independently verifying information on the asset or income involved, and the period when the individual actually had access to it. The individual has a right to contest such findings. This is to protect applicants for, and recipients of, benefits under these programs.³¹⁰

Discussion

The promise and potential of establishing IEVS systems is clear: the complex data on income and public assistance program participation could be centralized into a single system, enabling several State agencies to conduct one-stop verifications of the eligibility and benefit-level determinations for the means-tested assistance programs they administer.

The CN Programs expert indicated that the impetus for establishing such programs was rooted, on one hand, in reducing the burden needed to certify or verify individuals and families for benefits under several programs, and thus increasing participation in these programs by those eligible for benefits. On the other hand, the IEVS system may also provide a tool for identifying and reducing improper payments attributable to errors in determining eligibility and benefits to which participants were entitled.

This promise and potential remains strong. While DEFRA mandates that certain agencies participate in an IEVS, nonparticipant agencies are adopting the components of IEVS as a model in the administration of other public assistance programs. HUD, for example, is in the process of developing an Upfront Income Verification system for its PHAs to use for income eligibility verification, and setting rent levels and utility assistance for the Public Housing and Housing Choice Voucher programs. HUD has signed agreements with 25 States, and is in the process of negotiating agreements with 13 more.^{311,312}

There is also evidence, however, that some agencies have concluded that IEVS systems fall short in meeting some objectives for which they were designed. In 2014, the HHS ACF announced funding for a \$3.5 million study in at least three pilot States to improve TANF’s program integrity by finding alternative processes that could better detect overpayments and underpayments than IEVS. Alternatives included enhancing the use of data matches with the National Directory of New Hires to verify employment and

³⁰⁶ See Income and eligibility verification system, Applicable programs, 42 U.S. Code § 1320b-7.

³⁰⁷ See Income and eligibility verification requirements, 45 CFR 205.51.

³⁰⁸ For Department of Agriculture (SNAP) disclosure regulations, see 7 C.F.R. 272.1(c)(2); for Health and Human Services, see 42 C.F.R. 431.306(g); for Department of Labor (UC) disclosure regulations, see 20 C.F.R. 603; for Internal Revenue Service disclosure regulations see Section 6103(l) of the Internal Revenue Code.

³⁰⁹ See Income and eligibility verification system, Requirements of State eligibility systems, 42 U.S. Code § 1320b-7(a)(6).

³¹⁰ See Income and eligibility verification system, Protection of applicants from improper use of information, 42 U.S. Code § 1320b-7(c)(1).

³¹¹ District of Columbia, Florida, Iowa, Illinois, Indiana, Kansas, Louisiana, Massachusetts, Michigan, Minnesota, Missouri, North Carolina, North Dakota, Nebraska, New Mexico, New York, Ohio, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Vermont, and West Virginia.

³¹² Alabama, Arkansas, California, Colorado, Hawaii, Kentucky, Maine, New Hampshire, Tennessee, Utah, Virginia, Washington, and Wyoming.

earnings data, and using SNAP Quality Control data and methods to improve TANF program integrity benefits.³¹³ They also sought innovations that might better identify families who are eligible for TANF, but are not receiving benefits.

In addition, the most recent review of direct verification practices for the NSLP found that only 25 States had an SFA that conducted direct verification in SY 2011–12, and half of all States (50 percent, N = 26) have never conducted direct verification.³¹⁴ Almost all of the 25 States where direct verification was conducted used SNAP (92 percent) and TANF (88 percent), and some used Medicaid (40 percent) or CHIP (8 percent). None used State Unemployment Office files, and no use of an IEVS system was reported.

Important to consider, however, is that currently, only the last four digits of one household member's SSN is required to apply for NSLP benefits.³¹⁵ Use of available Unemployment Compensation and IEVS systems without collecting additional SSN identifiers for household members would therefore seem cost-effective only if FNS returned to collecting the full SSN of all family members.

³¹³ U.S. Department of Health and Human Services, Administration for Children and Families. (2014, May). *Partnership fund pilot award summary: Identifying State innovations for improving Temporary Assistance for Needy Families (TANF) program administration*. Retrieved May 4, 2016 from: <https://www.partner4solutions.gov/files/2014/05/TANF-Pilot-Award-Summary.pdf>

³¹⁴ U.S. Department of Agriculture, Food and Nutrition Services, Office of Policy Support. (2014, March). *Special nutrition program operations study: State and school food authority policies and practices for school meals programs school year 2011-12 (Nutrition Assistance Program Report)*. Retrieved May 4, 2016 from: <http://www.fns.usda.gov/sites/default/files/SNOPSYear1.pdf>

³¹⁵ A copy of the Free & Reduced Price School Meals Family Application may be found at: <https://www.education.ne.gov/NS/forms/nslpforms/Attachments/C.pdf>

Appendix D. Expert Interview Guide

Background

The U.S. Department of Agriculture has contracted 2M Research Services to obtain more information about the participant data maintained for programs such as the *[Name of Program]* program. Our study is designed to identify data from means-tested programs that may have potential for use in the direct certification of children in the National School Lunch Program (referred to as the NSLP) and School Breakfast Program (referred to as the SBP), and for the direct verification of household income.

First, I want to give you some quick background information on how the NSLP works.

Children in households under 130 percent of the Federal Poverty Level are eligible for free meals, and those with household incomes between 130 and 185 percent of the Federal Poverty Level are eligible for reduced price meals. Families can submit applications with income and household size, or provide case numbers demonstrating participation in SNAP, TANF, FDPIR, or other means-tested programs. State and local agencies can also perform direct certification by computer matching their student enrollment lists against SNAP, TANF, FDPIR, or other agencies' records.

We think the *[Name of Program]* program has potential use for direct certification in the NSLP. The purpose of our call is to find out more about the data collected to determine applicant eligibility and recipient benefit levels. We greatly appreciate your assistance with this important project. The interview should take no longer than 1 hour.

To ensure that we fully and accurately capture your feedback, we would like to digitally record this conversation. Please note that the interviews will remain confidential. The recordings will NOT be shared with anyone outside the 2M team. We will only use the recordings to ensure accuracy of the transcription. After transcriptions are complete, recordings will be destroyed. Any identifying information that you mention, such as your name or someone else's, will be deleted from the final transcript. No names will appear in the final report given to FNS.

Are you okay with me recording this conversation? It will help me with note taking. We can turn it off any time you want.

Interview Questions

Elements of Primary Data Files

We are first interested in getting a better understanding of your agency's data files related to the *[Name of Program]*.

Q1. Are data from applications collected and maintained at the State or the local level? Is information transferred between the State and local agencies? How?

Q2. IF AVAILABLE: We understand that your data files contain the following identifiers for each household member: [READ KEY ELEMENTS FROM DATA FILES]. Does your file contain any other identifiers, or are any of these not in your files?

IF NOT AVAILABLE: What data elements/identifiers does your agency collect on applicants and recipients?

Q3. How often/frequently does your agency update these data?

Q3.1 How current are the data when they are updated?

Work with External Agencies/Data Files

We understand that *[Name of Program]* uses data from *[Name of Program]* and *[Name of Program]* in its verification process.

Q4. Do you have Memoranda of Understanding (MOUs) with the *[Name of Program]* and *[Name of Program]*?

Q5. Do you verify income and household composition by comparing the application against any other data (e.g., the Federal Data Services Hub or other sources)?

Q6. Do you have MOUs with these other agencies? Describe the process of establishing these agreements. How long does the process typically take?

Q7. Does the MOU need to be renewed on an annual basis?

Q8. Do you have any information on the percentage of families in the *[Name of Program]* program who also participate in SNAP or TANF?

Q9. IF AVAILABLE: We have reviewed your agency's privacy protection and data sharing policies from your published Privacy Impact Assessment.

IF NOT AVAILABLE, ASK: Are you familiar with your agency's ongoing data sharing agreements or MOUs with other agencies or organizations? Please list any additional agencies and organizations not included in the Privacy Impact Assessment (or provide a link to such a list).

Data Matching Activities

We understand that *[Name of Program]* conducts data matching with tax return data received from the *[Name of Program]* and *[Name of Program]*. We have a few questions about this process.

Q10. What identifiers does your agency use to match *[Name of Program]* records with *[Name of Program]* data? With *[Name of Program]* data?

Q11. How is the match performed? What databases are involved? How is data transferred and received?

Q12. Do you perform the match on at least an annual basis?

FROM ANSWERS IN PREVIOUS SECTION:

You stated that your agency has MOUs with *[LIST NAME OF AGENCIES]*.

Q13. Does your agency extend *[Name of Program]* eligibility (categorical eligibility) to applicants who participate in programs administered by these agencies?

IF YES: Which programs?

Q14. Does your agency conduct data matching with program data to verify participation?

IF YES: Please describe this process. What identifiers are used? How is the match performed? What databases are involved? How are data transferred and received between your agency and *[NAME EACH AGENCY]*? How often is the match performed?

Q15. Does your agency conduct matches to the State IEVS? Other data brokers to verify information collected on applications. (e.g., clearinghouses of employer wage information, credit bureaus, etc.)?

IF YES: Which identifiers or data elements are most important for your matching process?

Q16. What identifiers would need to be available in CN State agency enrollment data in order to match individuals with your program data?

Q17. How timely would the CN State agency's data need to be in order to provide a quality match? (e.g., updates made every 6 months, 3 months, etc.)

Q18. Do you encounter any challenges or barriers when matching records with other agencies?

Policy and Regulatory Matters

Q19. IF AVAILABLE: We have reviewed your agency's privacy protection and data sharing policies from your published Privacy Impact Assessment.

IF NOT AVAILABLE, ASK: Are you familiar with your agency's privacy protection and data sharing policies? Can you provide us with a link or copy of the policy if published?

Q20. What other key regulations/laws/statutes does your agency adhere to in the management of this data?

Q21. Would your agency allow CN State agencies to directly access your program data? If not, how often would your agency be able to provide information on participants?

Q22. Would any regulatory changes be necessary in order to share data with a State CN agency? If so, describe the nature of these changes.

Appendix E. Study Methodology

2M conducted three major research activities designed to identify additional datasets from means-tested programs that may be feasible for NSLP computer matching. These activities included (1) a review of available literature about the most current data matching practices used by States, (2) interviews with experts from Federal agencies administering candidate means-tested assistance programs, and (3) interviews with NSLP SA officials and staff knowledgeable about the data matching processes used in their State.

Literature Review

The literature review produced a comprehensive summary of the datasets and matching practices used by States and districts as indicated in the most recent FNS-sponsored studies.³¹⁶ 2M documented which programs were widely in use by States for data matching, the identifiers that States used to match student enrollment records with children in these program data, and the processes used to conduct data matching. Using this information as a baseline, 70 means-tested programs, not currently permitted for use in NSLP data matching, were reviewed to assess whether they possessed the characteristics needed to support NSLP data matching related to NSLP direct certification and/or direct verification.

The programs were assessed across a number of criteria, including whether beneficiary households included school-age children, whether eligibility requirements of the program were similar to the NSLP, and whether information was available on income and family size in the program data in order to calculate household income as a percent of FPL. The review also examined identifiers available in the program datasets, how frequently the data were updated, and privacy protections and data sharing policies that would allow NSLP data matching.

The review identified six programs that had potential for NSLP data matching:

- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC);
- Affordable Care Act (ACA) Health Insurance Marketplaces;³¹⁷
- Public Housing and Housing Choice Voucher Programs;
- Low Income Home Energy Assistance Program (LIHEAP);
- Weatherization Assistance Program (WAP); and
- Earned Income Tax Credit (EITC).

Expert Interviews

2M identified experts knowledgeable about each identified program. These experts were contacted beginning in February 2016, and were invited to participate in a 1-hour interview; the invitation included a brief description of the research that 2M was contracted to conduct and a letter from FNS outlining the project and requesting participation. Interviews were conducted between February 17, 2016 and May 3, 2016. A copy of the semi-structured interview guide used can be found in Appendix D.

³¹⁶ U.S. Department of Agriculture, Food and Nutrition Service. (2014, August). *The National School Lunch Program direct certification improvement study: Main report*. Retrieved June 3, 2016 from <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationImprovement.pdf>

³¹⁷ Affordable Care Act Health Insurance Marketplace is not program, but a set of organizations established to facilitate the purchase of health insurance in accordance with the Patient Protection and Affordable Care Act (P.L. 111-148). Nevertheless, to enhance readability, the Marketplace is referred to as a “program” and the data potentially available from the Marketplace are referred to as “program data.”

The expert interviews identified both the possibilities for, and challenges to, adding data from their program to those already used by the NSLP for data matching. Topics included the data elements available for matching; the frequency of data updates; legislative and regulatory issues with the transmission of student, parent, and/or household data between agencies; and perceived costs and benefits of the NSLP matching to these data. The results of the expert interviews and a review of published information on the programs suggested that only the HUD housing programs and LIHEAP had sufficient potential for NSLP data matching to merit further study.

State Interviews

Eight State CN directors and the staff who conduct and manage the matching processes in their State were interviewed from May 16, 2016 to May 20, 2016. A semi-structured interview guide was designed to gain insights into whether or not the data from LIHEAP and the HUD housing programs might be useful for inclusion in the NSLP data matching processes of their State. The interview probed for any specific benefits, challenges, or barriers that might be anticipated if these additional programs were added to their current matching efforts. State personnel were also asked why their State did not use all of the programs currently permitted by NSLP data matching regulations for direct certification and direct verification (7 CFR Part 245 and 7 CFR Parts 210).

State Selection for Interviews

Using information contained in the State profiles found in the *National School Lunch Program Direct Certification Improvement Study: Main Report*, 2M classified all States and the District of Columbia by which programs they used for data matching in SY 2012–13.³¹⁸ It was assumed that the same factors influencing a State's use of programs that are currently permitted would also influence the State's consideration of using additional program databases that are not currently permitted.

States were identified that:

- only used SNAP for data matching;
- used SNAP and TANF, but no other data files for data matching;
- used SNAP and TANF, but also used Foster Care;
- used SNAP and TANF, but also used FDPIR; and
- used SNAP and TANF, but are also pilot-testing the use of Medicaid program data for direct certification.

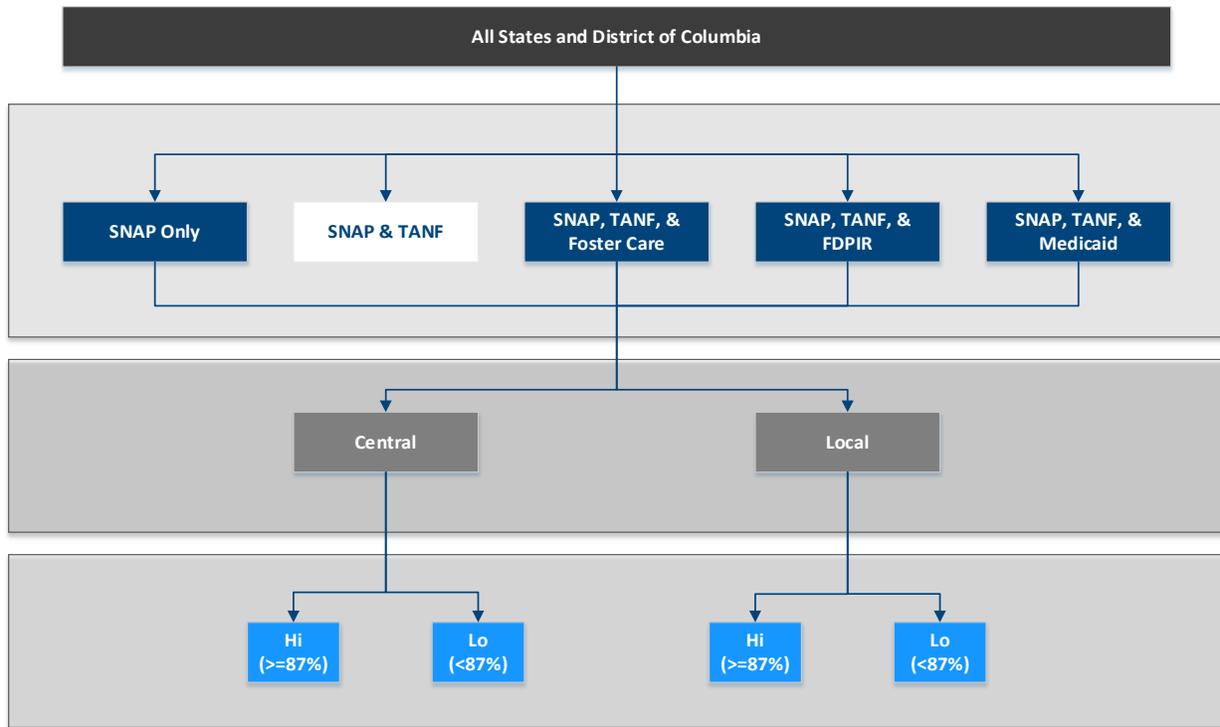
States were further classified within each of these categories as using central matching or local matching processes for direct certification, and finally as having a relatively low or high Direct Certification Performance Rate in SY 2013–14.³¹⁹ States for which 2015–16 site visit reports had been completed were given a higher priority for selection, as these reports provided information which was unavailable (and would otherwise have to be inquired about during State interviews) for States that did not have recent site visit reports. This additional information included (1) the type of SSIS, (2) the transmission of data between States and LEAs, (3) the agencies involved with data matching for each identified program,

³¹⁸ U.S. Department of Agriculture, Food and Nutrition Service. (2014, August). *The National School Lunch Program direct certification improvement study: Main report*. Retrieved April 29, 2016 from <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationImprovement.pdf>

³¹⁹ DC rates equal to or below the national average of 87 percent were classified as relatively low; DC rates above the national average were classified as relatively high.

and (4) the frequency of data updates and direct certification matches.³²⁰ The selection process is illustrated in Figure E-1 below.

Figure E-1: Selection Process for Study States



DC rates equal to or below the national average of 87 percent were classified as relatively low; DC rates above the national average were classified as relatively high.

Table E-1 summarizes the characteristics of the eight States that were selected for interview based on whether they (1) used data from SNAP, TANF, Foster Care, FDPIR, and Medicaid; (2) used central or local data matching processes; (3) had relatively high or low DC Performance Rates in SY 2013–14; and (4) had 2015–16 site visit reports available. Preference was also given to Nebraska because it used the Medicaid program data in direct verification. None of the States from the second category—States that use SNAP and TANF only—were recommended as study States for the reasons described below.

³²⁰ Each year, the Food and Nutrition Service (FNS) Training and Technical Assistance (TTA) team visits States to provide assistance and support on direct certification efforts. States respond to a questionnaire and results are published in the Direct Certification Evaluation and Technical Assistance site visit summary reports.

Table E-1: States Selected for Interview

State Characteristic	Central Data Matching	Local Data Matching
SNAP Only	Arkansas** Colorado Louisiana	Mississippi*
SNAP and TANF	-	-
SNAP, TANF, and Foster Care	California Illinois Nebraska	Kentucky Maryland** Tennessee** Wyoming
SNAP, TANF, and FDPIR	California	-
SNAP, TANF, and Medicaid	Florida Illinois	Kentucky
Medicaid for Direct Verification	Nebraska	-
Total Count	6	3

Note: *Mississippi had not yet been interviewed at the time of this first draft. ** Alternate.

(1) States that only use SNAP

Among the States that only use SNAP for direct certification (see Table E-2), Colorado and Mississippi were selected as the only central and local matching States, respectively, for which a 2015–16 site visit report was available.

Because Colorado had a relatively low DC rate in SY 2013–14, 2M considered Arkansas or Louisiana for selection as central matching States with relatively high SY 2013–14 DC rates. Both States belong to the FNS Southwest Region, and have similar matching processes. The greatest contrast between them in SY 2012–13 was that Arkansas was 1 of only 5 States that updated its enrollment files only once per year, while Louisiana was 1 of 10 States that updated files at least three times each year. Both States now update more frequently.³²¹ Because Louisiana used an updating frequency twice as common as that of Arkansas, 2M selected it for the State interviews to acquire more representative insights.

(2) States that use SNAP and TANF

TANF was the second most commonly used program for direct certification after SNAP during SY 2012–13, and this category had the largest number of States. Because nearly all States that used Foster Care or FDPIR also used TANF, it was assumed that any questions concerning the use of TANF could be captured in the interviews with States that used all three programs for data matching. Therefore, States that only used SNAP and TANF for direct certification were not selected for interview.

³²¹ Conversation with FNS staff, May 18, 2016.

(3) States that used SNAP, TANF, and Foster Care

A total of 16 States used Foster Care data for direct certification in SY 2012–13. Of the 12 central matching States that used TANF, California was selected because it also used FDPIR, and had a 2015–16 site visit report available. Illinois and Kentucky were also selected. Both Illinois and Kentucky also had relatively high DC rates, and both were among the five States allowed at that time to use Medicaid for direct certification. See Table E-2.

Wyoming was selected for interview as the only State that used Foster Care, SNAP, and TANF for direct certification.³²² Nebraska, on the other hand, was the only State that used Medicaid program data for direct verification of income in SY 2012–13, although all States were permitted to use it, and was selected for this reason.³²³

(4) States that used SNAP, TANF, and FDPIR

Only four States used FDPIR for direct certification in SY 2012–13, and all four were central matching at that time. California, a State with a 2015–16 site visit report, was selected from among the States using SNAP, TANF, and Foster Care, and also reported using FDPIR. Thus, no additional States were selected from the four States that use FDPIR data for NSLP matching. See Table C-6.

(5) States that used SNAP, TANF, and Medicaid

HHFKA authorized USDA to conduct and evaluate multiyear demonstration projects to test the effectiveness of direct certification using Medicaid eligibility and income data in determining eligibility for free school meals. Florida, Illinois, Kentucky, New York, and Pennsylvania were selected for these demonstrations beginning in SY 2012–13.³²⁴ 2M selected Illinois and Kentucky for the State interviews because they (1) represented a central and a local matching State, respectively; (2) used Medicaid data; and (3) had relatively high DC rates in SY 2013–14. Illinois was also the only central matching State that participated in the Medicaid demonstration project at that time. Florida, which FNS staff identified as especially progressive in its exploration of additional data sources that could be used for direct certification, was also selected.

Table E-2: Programs that States Use for Direct Certification

States Using Only SNAP	Direct Certification Performance Rate	Recommendations for Study States
Central Data Matching		
Colorado*	Relatively Low	Selected
Arkansas	Relatively High	
Louisiana	Relatively High	Selected
Montana	Relatively Low	
South Carolina	Relatively Low	
Local Data Matching		
Mississippi	Relatively Low	Selected
States Using SNAP and TANF	Direct Certification Performance	Recommendations for Study States

³²² FNS staff suggested considering Maryland, as it would represent the Mid-Atlantic FNS region. However, Maryland was participating in another study.

³²³ Verification of Eligibility for Free and Reduced Price Meals in the National School Lunch and School Breakfast Programs, 7 C.F.R. 210 and 245 (2008).

³²⁴ U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support. (2015). *Evaluation of demonstrations of National School Lunch Program and School Breakfast Program direct certification of children receiving Medicaid benefits: Year 1 report*. Retrieved December 11, 2015, from <http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertificationMedicaidYr1.pdf>

	Rate	
Central Data Matching		
Arizona*	Relatively Low	
Georgia*	Relatively Low	
Hawaii	Relatively High	
Idaho*	Relatively High	
Massachusetts	Relatively High	
Minnesota	Relatively High	
New Jersey	Relatively High	
North Dakota	Relatively High	
Ohio*	Relatively High	
Oklahoma*	Relatively High	
Oregon*	Relatively High	
Rhode Island	Relatively High	
South Dakota*	Relatively High	
Texas*	Relatively High	
Vermont*	Relatively High	
Washington	Relatively High	
Wisconsin	Relatively High	
Local Data Matching		
Connecticut*	Relatively High	
Maine	Relatively Low	
Missouri	Relatively Low	
Nevada*	Relatively Low	
New Mexico	Relatively Low	
Virginia	Relatively High	
States Using SNAP, TANF, Foster Care	Direct Certification Performance Rate	Recommendations for Study States
Central Data Matching		
Alabama	Relatively Low	
Alaska	Relatively Low	
California (also uses FDPIR)	Relatively Low	Selected
District of Columbia	Relatively Low	
Illinois (also uses Medicaid)	Relatively High	Selected
Indiana	Relatively High	
Iowa	Relatively High	
Kansas	Relatively Low	
Michigan*	Relatively High	
Nebraska	Relatively High	Selected
Utah*	Relatively High	
West Virginia	Relatively High	
Local Data Matching		
Kentucky (also uses Medicaid)	Relatively High	Selected
Maryland	Relatively High	

Tennessee	Relatively High	
Wyoming (does not use TANF)	Relatively Low	Selected
States Using SNAP, TANF, FDPIR	Direct Certification Performance Rate	Recommendations for Study States
Central Data Matching		
California (also uses Foster Care)	Relatively Low	Selected
Delaware	Relatively High	
New Hampshire	Relatively Low	
North Carolina	Relatively High	
Local Data Matching		
None		
<p>*States for which 2015 site visit reports are available. Source: U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis. (2015). <i>Direct certification in the National School Lunch Program: State implementation progress school year 2013–2014 Report to Congress</i>. Retrieved December 11, 2015, from http://www.fns.usda.gov/sites/default/files/ops/NSLPDirectCertification2014.pdf</p>		

Appendix F. State Interview Guide

[Introductions]

- Introduce the 2M team participating in the call
- Ask the interviewee to introduce him/herself

We really appreciate your time in speaking with us today.

The U.S. Department of Agriculture (USDA) has contracted 2M Research Services to obtain more information about the participant data maintained for means-tested programs (e.g., LIHEAP, Weatherization Assistance Program, Public Housing, Unemployment Insurance, etc.) that may have potential use in the direct certification of children in the National School Lunch Program (NSLP) and for the direct verification of household income.

The purpose of this call is to find out more about the processes that the YOUR STATE AGENCY uses for direct certification and direct verification. We would also like to know about the current data sets used in your State. In addition, we would like to discuss your views on using some additional means-tested programs. In particular, we are interested in hearing about any barriers or challenges you can anticipate, as well as any benefits you foresee.

The interview should take no longer than 1 hour. Do we have your permission to record this conversation? The recordings will not be shared with anyone outside the 2M team and we will only use the recordings to assist in note taking. Any identifying information, such as your name or anyone else's name, will be omitted. No names will appear in the final report given to FNS. We can turn the recording off any time you want.

Background of Study

First, let me give you some quick background information on some of our research conducted prior to beginning the interview portion of this phone call. From among 70 means-tested assistance programs, 2M found 6 programs that merited further investigation. These programs have eligibility requirements and information similar to those used to certify children for free or reduced price meals in the NSLP (130 to 185 percent of the Federal Poverty Guidelines [FPL]).

We conducted interviews with experts from the Federal agencies administering each potential means-tested program. These included the Departments of Health and Human Services, Energy, and Housing and Urban Development. We also interviewed experts from the Internal Revenue Service and the Centers for Medicare and Medicaid Services. Questions were designed to gain information about the data collection and maintenance occurring at the Federal and State level, and about privacy and data-sharing policies. Based on our interviews and research, we believe that two means-tested programs may have the potential to be added for use for NSLP direct verification. We will discuss the candidate programs in greater detail later during our interview.

Data File Use

We'd first like to begin by discussing how your State constructs and maintains its data files currently used for direct certification and direct verification.

Q1. IF AVAILABLE: We understand that your State currently data matches to SNAP records for direct certification. Does your State use any additional programs for this purpose?

IF NOT AVAILABLE: What databases does your State currently use for the purpose of direct certification or direct verification?

Q2. What student identifiers do you use to perform the direct certification match? Do you use any parent identifiers for Direct Certification matching?

Q3. Do you collect data on other household members?

Q4. How often are your student enrollment data updated? How often are the program data used for direct certification updated?

Data Matching Activities

The next set of questions address the processes that your State uses to match enrollment data files with program data files for the purpose of direct certification.

Q5. IF AVAILABLE: We understand that the Department of Human Services, Division of Food and Energy Assistance, administers the SNAP program.

IF NOT AVAILABLE: What agency administers the SNAP program?

Q6. Please describe the matching process for SNAP; how are student enrollment records and SNAP records matched? PROVIDE EXAMPLE: File transfer from the SNAP State agency to the Department of Education? Direct upload?

Q7. How often can direct certification matching occur with SNAP records matched?

Q8. Describe the Memoranda of Understanding currently in place allowing the Department of Education to share data with State agency administering SNAP records matched.

Q9. Would you be able to forward copies of these arrangements to our team, or provide us with a link for this information?

Q10. What are the biggest challenges that your State encounters (if any) with the program data it currently uses for direct certification?

Q11. IF STATE DOES NOT USE ALL PERMITTED PROGRAMS: Why does your State or LEA not use other programs currently permitted by the regulations (e.g., TANF, Foster Care, FDPIR, homeless, migrant, runaway) in its direct certification?

Verification Processes

I am now going to focus more specifically on your verification processes for the next several questions.

Q12. How does your State or local agency verify household income for applications in the verification sample?

Q13. Does your State use any of the program files for direct verification (e.g. SNAP, TANF, Medicaid, CHIP, FDPIR, other)?

Q14. Does your State perform direct verification by data matching with wage or program data from other State agencies (e.g., Medicaid, etc.)?

IF YES: Please describe the process for each data source used. How do you identify income for all household members?

PROBE: Do you match using social security numbers for all household members? What other identifiers are matched for all household members?

IF NO: What are the reasons that your State does not perform direct verification with wage or program data from other State agencies?

Candidate Means-Tested Programs

The next set of questions address the advantages and challenges of adding more means-tested programs to the list of programs currently used in your State. One purpose of this project has been to identify candidate means-tested programs that, if statutorily approved, could be used for direct certification or direct verification. We have identified two potential programs in your State that could be used for this purpose.

We will briefly discuss the characteristics of HUD's Public Housing Program and the Housing Choice Voucher Programs and the Low Income Home Energy Assistance Program (or LIHEAP) and then ask you a few questions.

Public Housing and Housing Choice Voucher

The Public Housing and Housing Choice Voucher programs provide rental housing for eligible, low-income families, the elderly, and persons with disabilities. Local housing agencies determine eligibility based on gross annual income, having an elderly or disabled person in the household, and documentation of U.S. citizenship or eligible immigration status.

Income eligibility limits are set at either 80 percent or 50 percent of the median income for the county or metropolitan area in which participants choose to live. Therefore, these limits will likely vary across LEAs.

The income sources used to determine eligibility for HUD's Public Housing and Housing Choice Voucher programs are essentially identical to those used in the NSLP. Family income and composition are reexamined at least once every 12 months, but can be reviewed more frequently, if there are any changes to participant income or family composition. The PII needed to conduct direct certification matching in the NSLP is collected by HUD each year. The following information is available in HUD records for households receiving housing or rental subsidies:

- Last Name
- First Name
- Middle Initial
- DOB
- Age
- Gender
- Relationship to Family Head
- Citizenship
- Disabled
- Ethnicity
- SSN (of all family members age 6 years or older)
- Alien Registration Number

HUD maintains these records pursuant to the Privacy Act of 1974. Data-matching agreements would need to be established to exchange information with NSLP State agencies.

LIHEAP

LIHEAP assists low-income households with home heating and cooling costs, energy crises, and weatherization assistance. Federal statute requires that States make LIHEAP benefits available to households with income within 150 percent of FPL or 60 percent of State median income, whichever is higher. Exact income criteria vary by State, but income limits cannot be set lower than 110 percent of FPL. Sources of income used to determine eligibility also vary by State.

Eligibility determinations are generally used for a 12-month period before recertification is required.

Nearly one-third of State Agencies administering LIHEAP collect the data elements needed to conduct direct certification matching in the NSLP, including name, date of birth, Social Security Number, and gender for applicants and household members. HHS does not collect or maintain personally identifiable

information for LIHEAP, so data sharing agreements to access this information would be negotiated with the State agency administering the program.

Q15. Based on the identifiers that are available in the two HUD programs and LIHEAP, do you think that you could certify additional students for free meals that are not captured through direct certification with currently permitted programs?

Q16. What are the biggest challenges and barriers your State/LEA would encounter if you added the two HUD programs or LIHEAP for direct verification?

Q17. What would help address the challenges and barriers that you mentioned if you added the two HUD programs or LIHEAP for direct verification?

Q18. Would allowing the use of the two HUD programs or LIHEAP for direct certification and verification efforts cause any additional administrative burden? Please explain.

Feasibility and Policy

Our last set of questions addresses the feasibility of using the additional program datasets we have identified for direct certification and direct verification.

Q19. What legal and privacy issues must be addressed in order for your State/LEA to share and match data from the two HUD programs or LIHEAP if regulations permitted their use?

Q20. Do you think that using the two HUD programs or LIHEAP would be cost-effective? Too costly? Why?

Q21. If the regulations permitted, would the two HUD programs or LIHEAP be feasible for data matching for direct certification or direct verification in your State? Why or why not?

[Wrap-up]

That concludes the questions that we have for you today. We greatly appreciate you setting aside the time to assist us with the study. Did you have any questions at this time? Please feel free to contact us if you think of anything. Would you mind if we contact you if we have any additional items that need clarification?

Thank you again for your assistance.