

# GAO Highlights

Highlights of [GAO-15-594T](#), a testimony before the Committee on Agriculture, Nutrition and Forestry, U.S. Senate

## Why GAO Did This Study

In fiscal year 2014, 30.4 million children participated in the National School Lunch Program and 13.6 million children participated in the School Breakfast Program, partly funded by \$15.1 billion from USDA. In May 2014, GAO issued a report on (1) steps taken to help identify and prevent ineligible beneficiaries from receiving benefits in school-meal programs and (2) opportunities to strengthen USDA's oversight of the programs.

This testimony summarizes GAO's May 2014 report ([GAO-14-262](#)) and January 2015 updates from USDA. For the May 2014 report, GAO reviewed federal school-meals program policies, interviewed program officials, and randomly selected a nongeneralizable sample that included 25 approved applications from civilian federal-employee households out of 7.7 million total approved applications in 25 of 1,520 school districts in the Dallas, Texas, and Washington, D.C., regions. GAO performed limited eligibility testing using civilian federal-employee payroll data from 2010 through 2013 due to the unavailability of other data sources containing nonfederal-employee income. GAO also conducted interviews with households. GAO referred potentially ineligible households to the USDA Inspector General.

In its 2014 report, GAO recommended that USDA explore the feasibility of (1) using computer matching to identify households with income that exceeds program-eligibility thresholds for verification and (2) verifying a sample of categorically eligible households. USDA generally agreed with the recommendations and has actions under way to address them.

View [GAO-15-594T](#). For more information, contact Stephen M. Lord at (202) 512-6722 or [lords@gao.gov](mailto:lords@gao.gov).

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## SCHOOL-MEALS PROGRAMS

### Additional Verification Could Help USDA Ensure Legitimate Access

## What GAO Found

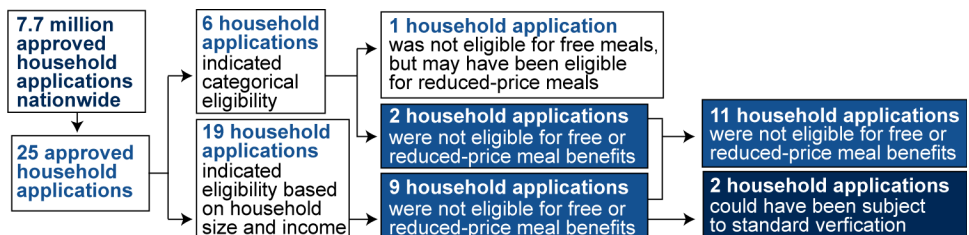
In May 2014, GAO reported that the U.S. Department of Agriculture (USDA) had taken several steps to implement or enhance controls to identify and prevent ineligible beneficiaries from receiving school-meals benefits. For example:

- USDA worked with Congress to develop legislation to automatically enroll students who receive Supplemental Nutritional Assistance Program benefits for free school meals; this program has a more-detailed certification process than the school-meals program.
- Starting in the 2013–2014 school year, USDA increased the frequency with which state agencies complete administrative reviews of school districts from every 5 years to every 3 years. As part of this process, state agencies review applications to determine whether eligibility determinations were correctly made.

In its May 2014 report, GAO identified opportunities to strengthen oversight of the school-meals programs while ensuring legitimate access, such as the following:

- If feasible, computer matching income data from external sources with participant information could help identify households whose income exceeds eligibility thresholds. As of May 2014, school districts verified a sample of approved applications deemed “error-prone”—statutorily defined as those with reported income within \$1,200 of the annual eligibility guidelines—to determine whether the household is receiving the correct level of benefits (referred to as standard verification in this testimony). In a nongeneralizable review of 25 approved applications from civilian federal households, GAO found that 9 of 19 households that self-reported household income and size information were ineligible and only 2 could have been subject to standard verification.
- Verifying a sample of categorically eligible applications could help identify ineligible households. GAO reported that school-meal applicants who indicate categorical eligibility (that is, participating in certain public-assistance programs or meeting an approved designation, such as foster children) were eligible for free meals and were generally not subject to standard verification. In a nongeneralizable review of 25 approved applications, 6 households indicated categorical eligibility, but GAO found 2 were ineligible.

**Results of GAO's Analysis of a Nongeneralizable Sample of 25 Approved Household Applications from the 2010–2011 School Year**



Source: GAO analysis of school-meals household applications. | GAO-15-594T