



Arizona Department of Education
Health & Nutrition Services Division

HNS# 03-2021

MEMORANDUM

To: Local Educational Agencies Operating the National School Lunch Program

From: Melissa Conner, Associate Superintendent

Date: March 17, 2021

Subject: Free and Reduced-Price Lunch Data: Overview and Limitations in SY 20-21

Original Signed

The purpose of this memorandum is to assist School Food Authorities (SFAs) with responding to requests for free and reduced-price eligibility data or a poverty percentage for grant applications during School Year (SY) 20-21. The Arizona Department of Education (ADE) Health and Nutrition Services (HNS) publishes the Free and Reduced-Price Percentage Report annually in January that Local Educational Agencies (LEAs) may use as an indicator of poverty. During SY 20-21 there was a significant decline in the number of SFAs who reported free and reduced-price eligibility data as part of operating the National School Lunch Program (NSLP). This decline was largely due to the COVID-19 pandemic and United States Department of Agriculture (USDA) waivers, including *Child Nutrition Response #59: Nationwide Waiver to Allow Summer Food Service Program (SFSP) and Seamless Summer Option (SSO) Operations through School Year 2020-2021 – EXTENSION*. Operation of SFSP/SSO does not require the use of free and reduced-price eligibility as all meals are provided at no cost and are reimbursed at the same rate, thus making the collection of individual income eligibility unnecessary. Since most SFAs continued SFSP/SSO operation during SY 20-21, the SY 20-21 Free and Reduced-Price Percentage Report contains very limited data reflecting only those SFAs that continued NSLP operation during SY 20-21.

In the memorandum [SP 01-2021, CACFP 01-2021, SFSP 01-2021: Questions and Answers Relating to the Nationwide Waiver to Allow Summer Food Service Program and Seamless Summer Option Operations through School Year 2020-2021 – EXTENSION – Q&As #2](#), USDA acknowledged the potential impact of SFAs operating SFSP/SSO during SY 20-21 on implementation of programs in the Elementary and Secondary Education Act of 1965 (ESEA). In question 5, USDA indicated they are working together with the U.S. Department of Education (ED) to provide information to stakeholders. Many grants and programs have requirements for reporting a free and reduced-price eligibility percentage or poverty measure in the application. The [January 4, 2021 Fact Sheet](#) issued by the ED Office of Elementary and Secondary Education is an example of how grants have provided flexibilities to address the lack of free and reduced-price eligibility data in SY 20-21.

Previously, HNS has coordinated with several ADE program areas to release joint guidance regarding the need of poverty data and how school lunch data is used: (1) [HNS 21-2018: Questions and Answers Regarding Community Eligibility Provision and Title I Funding](#), (2) [HNS 01-2020: Reporting Income Eligibility I and II Indicators in AzEDS While Operating a Special Provision Option of the National School Lunch Program](#), and (3) [Submitting Income Eligibility I and II and Free and Reduced Lunch Data \(FRL\) for FY 21](#). HNS would like to take this opportunity to provide background on how the annual Free and Reduced-Price Percentage Report is generated. This is intended to assist SFAs with determining if the percentage would be appropriate to use as a poverty measure for each grant or program's specific applications during SY 20-21 and future years.

What is the Free and Reduced-Price Percentage Report published by HNS?

HNS administers the NSLP, a Federal nutrition program which provides meals during the school day at no cost or a reduced price to students at or below the poverty line. The Free and Reduced-Price Percentage Report published by HNS provides the percentage of students eligible for free and reduced-price meals at each school participating in the NSLP. This percentage is often referred to as FRL data. The data is based on free and reduced-price lunch eligibility data that is collected from families at the local level and then reported by each SFA—the governing body that is responsible for the administration of one or more schools and has the legal authority to operate the National School Lunch and/or School Breakfast Program—in the October reimbursement claim. Occasionally, some non-associated sites/schools can contract with SFAs for their NSLP, which means that the school site may be reported under and associated with an SFA that is not their normal district/charter district of operation. Some schools are associated with an SFA for the school meals programs even though they belong with a different school or charter district for other educational programs.

Annually, HNS calculates the free and reduced-price eligibility percentage of each site operating the NSLP to determine a school's eligibility to operate additional USDA Child Nutrition Programs (CNPs), such as the Fresh Fruit and Vegetable Program (FFVP) and Afterschool Care Snack Program (ASCSP). Since many Federal grants also use a poverty indicator, such as FRL data, to determine eligibility, HNS has traditionally published this report for others to use.

How is the Free and Reduced-Price Percentage Report calculated?

The report contains site-level eligibility and enrollment data derived from the current year's October NSLP reimbursement claim submitted by the SFA. Eligibility figures are calculated using the sum of students who are eligible for free or reduced-price meal benefits. For the purpose of the NSLP, "eligible" means that a student has been certified by the SFA as qualifying for free or reduced-price meal benefits based on family size and income guidelines published by the USDA. To be eligible for free meals, a student must either reside in a household with an income at or below 130% of the federal poverty level or that participates in specific means-tested nutrition assistance programs or be determined as homeless, migrant, or runaway. Students in households whose income falls between 130% and 185% of the federal poverty level qualify for reduced-price meal benefits. Students are determined eligible for a free or reduced-price meal at the local level by the food service director, principal, or other person designated by the school administration through certifying the school meal applications or determining categorical eligibility.

USDA has provided guidance on how the number of free and reduced-price eligible students is determined for schools participating in the Special Provision Options of the NSLP. For schools

participating in the Community Eligibility Provision, numbers of free or reduced-price eligible students are determined by the individual site-level Identified Student Percentage (ISP). For schools participating in Provision 2 or 3 of the NSLP, the number of free or reduced-price eligible students is determined using the school's base year of operation, which may not be the current school year.

Limitations

There are public schools in the state of Arizona that do not participate in the NSLP and therefore cannot be included in this report. The Free and Reduced-Price Percentage Report is not intended to serve as a report of income-based eligibility for all enrolled students in all Arizona schools and does not include individual student-level nor household income data.

The eligibility and enrollment data derived from the site-level NSLP claim may not be consistent with site/school-level enrollment data derived from other databases such as the Arizona Education Data Standards (AzEDS). This is because the NSLP is intended to serve meals to all enrolled students on an NSLP-participating school's campus, however there may be students present on campus who are not enrolled in the school and therefore do not appear in AzEDS. For example, an elementary school serving students in grades K-5 might also operate a preschool on the campus. Since these preschool-aged children are not enrolled in the K-5 school, they are not included in AzEDS as fundable, enrolled students. However, because all students on the campus are able to participate in the NSLP, they are reported as an eligible student and considered enrolled specifically for the purposes of the NSLP; these data are captured in the CNP's online reporting system, again based on the NSLP.

The masking of certain data is required by ADE policy. The policy is based on federal laws to protect the privacy of students. USDA limits the disclosure of student eligibility for free and reduced-price meals or free milk. USDA regulation at 7 CFR 245.8(f)(8) prescribes the penalty for any individual who provides unauthorized disclosure as a fine of not more than \$1,000 or imprisonment for up to one (1) year, or both. In addition, disclosure of other certain protected data outside of ADE without the student's written consent violates ADE's policy formulated under the Family Education Rights and Privacy Act (FERPA) 20 U.S.C. §1232g. In addition to civil and criminal penalties, violation of FERPA can result in a loss of federal grant money. Ethical and legal considerations resulting from the USDA regulations and the FERPA law require ADE to mask data when released to the public.

The unmasked cells in the report do not contain data for less than 10 students or greater than 98% of enrolled students. USDA policy memorandum [SP 99-03](#) states that "Providing aggregate [eligibility] information that does not identify individuals continues to be permitted without consent." Release of data showing 100% of students could potentially identify a student and is not permitted. Masked data are identified with an asterisk (*). Those utilizing the data need to be aware that columns containing masked data will not give accurate aggregate results.

What is AzEDS?

AzEDS is the database that consumes data from each LEA's Student Information System (SIS). All LEAs, except for private schools, are required to submit Income Eligibility Indicators (formerly known as NCLB indicators) in AzEDS for all enrolled students based on individual student-level income documentation to identify households that may be eligible for additional

educational resources outside of the school meal programs. This information is usually collected through the school meal (NSLP) applications, Direct Certification, or an alternate income form. If a school has documentation to support income levels, the student will be coded as a “1” or “2” based on the Eligibility I and II guidelines. If a school has no individual student-level data for a student or the household’s income level exceeds the eligibility guidelines, the student must be coded as a “0”. LEAs enter this information into their SIS, which is automatically sent to AzEDS.

How to obtain poverty data needed for certain grants/programs

Many grants and programs are required to use poverty data (the number or percentage of students meeting income eligibility for free or reduced-price meals) as part of their process to determine program eligibility, services, and grant allocations.

During the COVID-19 pandemic, some grants are being given flexibility to use FRL data from SY 19-20 or data from a poverty survey conducted by the LEA (alternative income form) that replicate NSLP or other poverty data. It is important for the requestor of FRL or poverty data to understand exactly what data a grant is asking for and what flexibilities may be allowable per a grant’s guidance to determine the *best available* source of poverty data that may be used; this may be either current or prior-year data depending on the requirements and flexibilities of a given program. The guidance will determine if the FRL data representing students eligible for free and reduced-price lunch is appropriate or if the LEA will need to calculate a poverty measure with individual student-level data collected locally—for example, what has been reported to AzEDS.

Due to limited data, HNS will not publish the SY 20-21 Free and Reduced-Price Percentage Report. For LEAs wishing to use the free and reduced-price eligible student data for grant applications in SY 20-21, a custom data request must be submitted at <https://www.azed.gov/data>. The requestor will be contacted to discuss the availability of data and confirm the data provided is interpreted properly.

ADE is working across programs to develop joint guidance that provides a summary of the grants and/or programs dependent on FRL or poverty data and the flexibilities that are being given to LEAs in SY 20-21.

For specific questions regarding the collection of income eligibility data, please contact Caitlin Drake by email at Caitlin.Drake@azed.gov or by phone at 602-542-4343.

Please contact your School Nutrition Programs Specialist at ADE with questions concerning this guidance. Your assigned specialist can be found at the top of the Sponsor application in CNPWeb. You may also send an email to ADESchoolNutrition@azed.gov or call 602-542-8700, option 2.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotope, American Sign Language, etc.), should contact the Agency (State or

local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at: [How to File a Complaint](#), and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

1. mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
2. fax: (202) 690-7442; or
3. email: program.intake@usda.gov.

This institution is an equal opportunity provider.