

APPENDIX D

**ANALYSIS OF DATA FROM THE SURVEY OF INCOME
AND PROGRAM PARTICIPATION (SIPP)**

For this study, the rate of administrative ineligibility among directly certified students is defined as the rate at which students who were eligible to become directly certified (based on the receipt of FS/TANF benefits) had stopped receiving benefits by December. This is administrative ineligibility because the child no longer qualifies for free meals on the basis of FS/TANF participation. However, households that had stopped receiving FS/TANF may have continued to have incomes that qualify for free meals. We analyzed data from the Survey of Income and Program Participation (SIPP) to determine the rate at which FS/TANF leavers had household incomes above the income eligibility threshold for free meals (130 percent of poverty), thus also making them income ineligible. We then used the results of this analysis to adjust the administrative ineligibility rate among directly certified students for our sample districts, forming an estimate of income ineligibility among directly certified students. The income ineligibility rate is an estimate of the percentage of directly certified students whose families no longer receive benefits *and* whose income is above 130 percent of poverty. These students are no longer eligible for free meal benefits on the basis of their income.

We used data from the 1996 panel of SIPP, which followed a nationally representative sample of more than 100,000 individuals for 48 months. SIPP is a household survey in which any given respondent household was interviewed every four months between early to mid-1996 and late 1999 to early 2000.⁷² For example, a household might have been interviewed in: (1) May 1996, (2) September 1996, (3) January 1997, (4) May 1997, (5) September 1997, (6) January 1998, (7) May 1998, (8) September 1998, (9) January 1999, (10) May 1999, (11) September 1999, (12) January 2000. In each interview, the household is asked about four

⁷²We used sample weights to ensure that the percentages shown in the chapter were nationally representative.

different months—the current month and the three previous months. In their first interview, the example household would provide information covering February, March, April, and May 1996. These would be referred to as panel months 1 through 4. Overall, the 12 interviews provide 48 months of data for each individual in a sampled household.

One complication of the SIPP design for data analysis is that not all sample households were interviewed in the same months. In particular, the full sample was divided into four “rotation groups” that were interviewed in different months. Thus, at one extreme, the interview period covers December 1995 (month 1) through November 1999 (month 48). At the other extreme, the interview period covers March 1996 (month 1) through February 2000 (month 48).

To conduct the current analysis, we used SIPP data corresponding to the months April through December 1999 and included in our sample children from SIPP households who were approximately ages 5 to 16 during any of those reference months.⁷³

In the first step of our analysis, we examined how many children were in households receiving FS/TANF during the month when direct certification was conducted in their State. Of those children, we determined the percentage that had stopped receiving benefits as of December.⁷⁴ Table D.1 shows these leavers rates by region and nationally. The final row of the

⁷³ The SIPP analysis included data from all states. If we had limited the analysis to those states that provided administrative data for the ineligibility analysis, our sample size would have been much lower. In addition, we found no significant differences between the characteristics of states included in and excluded from the analysis of administrative data, as shown in Appendix B.

⁷⁴For households in our sample that were not interviewed in December 1999 (approximately one fourth of the sample), we used data from November. We determined the percentage of children on FS/TANF during the month prior to when direct certification was conducted in their state who had stopped receiving benefits by November. This ensured that the same amount of time passed between the point at which students would become directly certified and the point at which we checked to see if they were still receiving benefits. Since this raised the possibility of some students being included the sample who were not eligible for direct certification in the month when it was actually conducted, we also conducted the analysis using only those households interviewed in December. The results of this analysis were similar.

TABLE D.1
RATES OF LEAVING THE FS/TANF PROGRAMS, BY REGION

Region	Sample Size: Number on Food Stamps or TANF in Month of Direct Certification	December Leaver Rate ^a
Northeast and Mid-Atlantic	186	21.1
Mountains/Plains	78	34.8
Midwest	154	21.0
Southeast	753	16.2
West and Southwest	379	16.2
National	1,550	18.1
December Leaver Rate Based on State FS/TANF Administrative Data		21.0

Source: Survey of Income and Program Participation, 2001 Direct Certification Study State Administrative Data.

^aFor households in our sample that were not interviewed in December 1999 (approximately one-fourth of the sample), we used data from November. We determined the percentage of children on FS/TANF during the month prior to when direct certification was conducted in their State who had stopped receiving benefits by November.

table shows the leaver rate determined by the State administrative data we collected. According to the SIPP data for 1999, 18.1 percent of those on benefits nationally in the month of direct certification had stopped receiving the benefits by December. According to the FS/TANF administrative data provided by the States covering 2001, an estimated 21.0 percent of those receiving FS/TANF in the month of direct certification had stopped receiving benefits by December.

Next, we used the annual Federal poverty guidelines from 1999 to establish a monthly poverty threshold (by dividing by 12), and we divided SIPP households' monthly income in December by this threshold to determine their income as a percentage of poverty. Specifically, we examined the incomes of FS/TANF leaver households with school-aged children—those who were on benefits when direct certification was conducted and who stopped receiving benefits by December.⁷⁵ We determined the percentage of these families with incomes above 130 percent of poverty (Table D.2). These families were no longer income eligible to receive free meals as of December. Nationally, 31 percent of those eligible for direct certification and who had left benefits by December 1999 had household incomes above 130 percent of poverty.⁷⁶

The national rate of income ineligibility among FS/TANF leavers was then used to adjust the administrative ineligibility rate. For each of the districts in the SFA survey sample that used direct certification and for which we had State administrative data, we multiplied their rate of administrative ineligibility among directly certified students (that is, the FS/TANF turnover rate) by this SIPP-based adjustment factor (the national proportion of leavers with incomes above 130

⁷⁵For sample members not interviewed in December, we looked at November household income.

⁷⁶There is substantial variation in this rate of income ineligibility by region in the SIPP data. This variation is due in part to the small sample sizes of FS/TANF leavers by region.

percent of poverty. The resulting percentage was our estimate of the rate of income ineligibility among directly certified students in that district.⁷⁷

TABLE D.2
PERCENTAGE OF FS/TANF LEAVERS WITH INCOMES ABOVE 130 PERCENT OF POVERTY,
DECEMBER 1999

Region	Sample Size: Number on Benefits in Month of DC that Left FS/TANF by December	Percentage of Leavers with Household Incomes above 130% Percent of Poverty ^a
Northeast and MidAtlantic	34	21.4
Mountain Plains	31	33.4
MidWest	33	60.7
SouthEast	137	22.6
West and SouthWest	62	36.8
National	297	30.8

Source: Survey of Income and Program Participation

^aFor households in our sample that were not interviewed in December 1999 (approximately one-fourth of the sample), we used data from November. We determined the percentage of students eligible for direct certification during the month in which direct certification was conducted in their State and had exited FS/TANF by November who had incomes above 130 percent of poverty by November.

⁷⁷We also explored using separate regional adjustment factors to determine the income ineligibility rates across direct certification districts in different regions. However, because these regional rates were based on small samples, they were not estimated as precisely as the national rate. We decided it would be most appropriate to use a single, national adjustment factor.