

Detroit Public Schools Office of the Auditor General



FREE AND REDUCED LUNCH/ E-RATE CAMPAIGN

Fiscal Year 2009-10

JOB CODE: 2009-223S

REPORT DATE: April 14, 2010

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**DETROIT PUBLIC SCHOOLS
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BACKGROUND

The Office of Food Services is responsible for the Free and Reduced Meals Program, which qualifies students based upon guidelines set by the Federal government. Free & Reduced Meal Applications not only allow students to eat meals at school for free or at reduced prices, it also qualifies the District for significant State and Federal funding through programs such as 31A, Title 1 and E-rate. These programs provide millions of dollars to the District each year.

A combined campaign for Free and Reduced Lunch and E-rate was initiated in February 2010 whereby lunch program data was utilized as a basis to determine the relevant population of students for the E-rate program.

The E-rate program was established by the Telecommunications Act of 1996, “Universal Service Discount Program for Schools and Libraries.” It provides discounts on telecommunication services. The discount range is from 20% to 90% for Internet access, and Internal Connections/Networking. The program is administered by the Michigan Department of Education (MDE) and has an annual application process. Telecom and Internet access have priority over Networking programs and thus are funded first. The program also has two criteria related to: (1) Poverty percentage of students eligible for the National School Lunch Program (NSLP); and (2) Location (rural vs. urban).

OBJECTIVE, SCOPE AND METHODOLOGY

OBJECTIVE:

The objective of the campaign was to utilize the Free and Reduced Lunch Program data to increase the program participation rate, resulting in a significant increase in available E-rate funding. The incentive utilized was a \$50 Target Gift Card (Target donated 50% of the cost).

The Office of the Auditor’s (OAG) role primarily consisted of ensuring the gift cards were adequately safeguarded throughout the process. The OAG also served as a consultant throughout the process.

SCOPE:

Initially, the scope of the campaign was February 1, 2010 through February 5, 2010. Whereby, parents/guardians completing applications during that time period would be eligible to receive a \$50 gift card (one per family). Based on these requirements, the total eligible recipients were 1484.

The scope was expanded by Food Services executive management, to include a population of applications, which were completed prior to the original date range; since it appeared that the applications were completed but not forwarded to Food Services in a timely manner. This resulted in an additional 500 recipients bringing the total gift card population to nearly 2000.

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OBJECTIVE, SCOPE AND METHODOLOGY (continued)

METHODOLOGY:

Due to budget constraints, 1000 gift cards were obtained for distribution. A sample of 24 schools were selected based on: (1) The school type (i.e., high school); and (2) The numbers of card each school needed so that 100% (1,000) cards could be allocated for distribution.

A memo detailing the distribution procedures was issued to applicable principals and regional superintendents. The process required the use of customized tracking log sheets, which detailed the number of gift cards assigned to the school, unique range of serial numbers for the cards, sign-off between OAG and Food Services Area Managers documenting the numbers of gift cards exchanged, sign-off between the school Principal and the Area Managers documenting their exchange of cards.

The principal or designee was instructed to verify the accuracy of the contact information, arrange for card pick-up, ensure the serial number for each card was noted, and a parental/guardian sign-off was obtained.

The initial deadline for gift card pick-up was February 26, 2010 and then the deadline was extended to April 9, 2009.

The OAG transferred control over the remaining gift cards (280) to Food Services management.

As of April 16, 2010 no action has been taken regarding distribution of gift cards to the remaining eligible participants.

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RESULTS

Percentage Increase

- Overall application rate 3%
- Individual school increases from 80% to 90%

\$Funding Increase


\$1,459,351
\$14,300,799

RECEIVING SCHOOL	FUNDING \$
Bow Elementary	\$30,860
Communications & Media Arts HS	\$9,000
Cooke Elementary	\$8,000
Cooley HS	\$6,237,496
Detroit International Academy	\$12,000
Foreign Language Immersion	\$9,000
Kettering HS	\$12,000
Langston Hughes Academy	\$8,000
Northwestern HS	\$3,666,441
Oakman Elementary	\$6,000
Robeson Academy	\$9,000
Southwestern HS	\$12,000
Western International HS	\$4,281,002
GRAND TOTAL	\$14,300,799

As a result of the campaign, the District realized a gain of \$15,760,150 in E-rate funding.

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Odell W. Bailey, CIA
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