Community Eligibility Provision (CEP)

Planning & Implementation Guidance

United States Department of Agriculture
Food and Nutrition Service
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Chapter 1: Introduction

The Community Eligibility Provision (CEP) is a meal service option for schools and school districts in low-income areas and is a key provision of The Healthy, Hunger Free Kids Act (HHFKA, Public Law 111-296; December 13, 2010). **CEP allows the nation's highest poverty schools and districts to serve breakfast and lunch at no cost to all enrolled students without the burden of collecting household applications.** This alternative saves local educational agencies (LEAs) time and money by streamlining paperwork and administrative requirements and facilitates low-income children's access to nutritious school meals.

Rather than collecting school meal applications to make individual eligibility determinations, schools that adopt CEP are reimbursed using a formula based on the percentage of students participating in specific means-tested programs. Although a significant number of meals served at CEP schools are reimbursed at the Federal "free" rate, schools are responsible for covering any potential funding shortage (i.e., any difference between the Federal reimbursement and the cost of operating CEP) with non-Federal funds. However, in LEAs and schools where a very high percentage of students qualify for free and reduced price meals, the potential administrative savings from CEP often make it a worthwhile choice because participation typically increases in CEP schools.

Statutory and Regulatory Authority

HHFKA required significant changes in the Child Nutrition Programs (CNPs) to reduce childhood obesity, increase eligible children's access to healthy meals and snacks, and improve program integrity. Section 104 of the HHFKA amended section 11(a)(1) of the Richard B. Russell National School Lunch Act (NSLA) [42 U.S.C. 1759a(a)(1)] by adding paragraph (F), *Universal Meal Service in High Poverty Areas*, resulting in the creation of CEP.

On November 4, 2013, the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA) published a proposed rule in the Federal Register (78 FR 65890) to establish CEP. FNS drew on a range of information to develop the proposed rule, including the statutory language in the NSLA and knowledge gained through the phased-in implementation of CEP in several pilot States. FNS received 78 public comments in response to the proposed rule.

Commenters included State educational agencies, child nutrition advocates, food banks and anti-hunger groups, local school districts, school food service managers, community groups, charter school representatives, law students, K-12 students, and interested individuals.[1]

On July 29, 2016, FNS published the final rule, *National School Lunch Program and School Breakfast Program: Eliminating Applications through Community Eligibility as Required by the Healthy, Hunger-Free Kids Act of 2010* [81 FR 50194, July 29, 2016; 7 CFR 245.9(l)], codifying requirements that were implemented through policy guidance and most provisions of the proposed rule**, helping to increase access to healthy school meals and enhancing the integrity of the school meal programs**, today and in the future.

Election Options

Participating in CEP is a voluntary decision made by local school districts based on their specific student populations. **Schools in very low-income areas – those with exceptionally high percentages of children eligible for free school meals without an application – are the most likely to benefit from CEP**. FNS encourages all eligible school districts to carefully consider whether CEP is a viable choice. LEAs interested in participating in CEP should contact their State agency for additional guidance and procedures.

> *"CEP is the most advanced, streamlined funding option for the school meal programs to date and can provide schools significant bottom line rewards, both in terms of the administrative cost savings and the potential for higher student participation resulting in greater reimbursements."*
>
> *- Food Service Director, Florida*

An eligible LEA may elect CEP on behalf of a single school, a group (or groups) of schools, or all schools in the LEA. To be eligible for CEP, LEAs and schools are required to have an identified student percentage (ISP) – the percentage of enrolled students who are identified students – greater than or equal to 40 percent (ISP $\geq$ 40 percent) as of the most recent April 1. Identified students are those certified for free school meals without the use of school meal applications and not subject to verification, such as those directly certified through the Supplemental Nutrition Assistance Program (SNAP). Students originally approved for free and reduced price meals via applications using a case number may be included in the ISP if the LEA can verify the case number with the appropriate agency and convert the student to "directly certified" in the LEA's certification system. An in-depth overview of direct certification may be found in the *2016 Eligibility Manual for School Meals* (http://www.fns.usda.gov/2016-edition-eligibility-manual-school-meals).

[1] To view all public comments on the proposed rule, visit www.regulations.gov and search for public submissions under docket number FNS-2011-0027.

Schools participating in CEP:

- Must provide breakfast and lunch to all participating students at no charge;
- Are reimbursed using a formula based on the ISP (ISP x 1.6, see *Chapter 6: Implementation* for more information); and
- Must cover any costs of providing meals to students that exceed the Federal reimbursement with non-Federal funds.

The claiming percentage established for an LEA, group of schools or an individual school is valid for a period of four school years. If the ISP increases during the 4-year cycle, a new cycle can be started using the new ISP at any time (see *Chapter 10: The 4-Year Cycle*).

Benefits of CEP

LEAs and schools implementing CEP have experienced great success, allowing them to make numerous improvements to their school nutrition programs. Across the country, CEP has helped schools, communities, and children by:

- **Easing the administrative burden.** By leveraging existing data from other Federal programs, CEP schools can operate more efficiently. This results in less paperwork and lower administrative costs.

- **Increasing student participation.** CEP alleviates the need for families to submit paperwork for their student to receive school meals, increasing access for eligible students who may fail to submit a household application. Providing all students meals at no cost also incentivizes participation, which may increase program revenues.

- **Improving program efficiency.** CEP gives food service professionals more time to focus on preparing nutritious meals their students will enjoy.

- **Eliminating stigma.** Because all students in CEP schools have access to meals at no charge, children are not subject to the peer-group stigma sometimes associated with free or reduced price status.

- **Eliminating unpaid meal balances**. No child at a CEP school will ever be denied a meal due to a negative account balance.

- **Improving the learning environment.** By offering all students nutritious meals at no cost, CEP helps participating schools ensure their students will come to class well-nourished and ready to learn.

FNS conducted a formal program evaluation of CEP to assess the experiences and performance of the CEP pilot States (see *"History of CEP,"* below).[2] Specifically, the evaluation study sought to identify and assess:

- The attractiveness of CEP to LEAs,
- Possible barriers for LEAs that might discourage their adoption of CEP,
- Operational issues that LEAs encountered in administering CEP, and
- The overall impact of CEP in participating LEAs.

The evaluation study found positive outcomes for CEP schools, providing further credibility to many overwhelmingly supportive anecdotal narratives collected by FNS from State and local officials. In addition to demonstrating high CEP uptake and popularity among eligible LEAs, the study indicated that **CEP schools experienced significant participation growth in their school meal programs.** On average, CEP schools saw a 5 percent increase in their National School Lunch Program (NSLP) participation rate, and a 9 percent increase in their School Breakfast Program (SBP) participation rate.

The evaluation study confirmed that CEP was achieving its primary objective to expand access to school meals for low-income students, as well as its secondary objective of reducing administrative burden and improving the efficiency of school meal program operations.

History of CEP

Before national implementation in SY 2014-15, CEP was phased in over a three-year period. Prior to each school year of the phase-in, FNS solicited applications from State agencies interested in CEP early implementation and made selections based on State and local support, eligibility of schools within the State, and the State's overall level of readiness for CEP.

In SY 2011-12, Illinois, Kentucky, and Michigan became the first three pilot States, and 665 schools participated in the initial year of CEP implementation. For SY 2012-13, New York, Ohio, West Virginia, and the District of Columbia joined the three initial States, making CEP available in a total of six States and the District of Columbia. In SY 2013-14, the final year of the phase-in, CEP was expanded to Florida, Georgia, Maryland, and Massachusetts. By the end of the pilot phase, CEP was operating in more than 4,000 schools and serving more than 1.5 million students in 10 States and the District of Columbia.

[2] For more information about the study, see *Appendix E: CEP Evaluation*.

In SY 2014-15, CEP's first year of nationwide availability, State and local officials in all parts of the country enthusiastically embraced CEP, resulting in explosive participation growth. As of September 2014, almost 14,000 schools in more than 2,000 school districts located in 49 States and the District of Columbia were participating in CEP. Together, these schools offered free meals to about 6.4 million students daily. Significantly, these data indicated that a broad range of LEAs were choosing to elect CEP. About two thirds of the 75 largest highly eligible school districts identified by FNS elected CEP for at least some of their schools in SY 2014-15. At the same time, about half of electing LEAs had enrollments of 500 or less. These figures indicated that CEP was working for schools and districts of all sizes and characteristics.

Building on the successes of the previous school year, CEP participation continued to grow in SY 2015-16. **In the second year of nationwide implementation, more than 18,500 schools in over 3,000 school districts elected CEP.** Participating schools in all 50 States, the District of Columbia, and Guam served healthy school meals to more than 8.6 million children daily, helping more students in high-poverty communities enter the classroom well-nourished and ready to learn.

This manual consolidates CEP guidance, policy, and best practices for State agencies, LEAs, and schools. Additional CEP resources are available on the FNS School Meal Programs Website (http://www.fns.usda.gov/school-meals/community-eligibility-provision). The policy guidance outlined in this manual is current as of September 30, 2016. To view current FNS policy, please visit the FNS School Programs Policy Page (http://www.fns.usda.gov/school-meals/policy). **State agencies and LEAs are responsible for ensuring current FNS policy is followed.**

Chapter 2: Eligibility Requirements

This chapter provides an overview of the basic eligibility requirements for participation in CEP. A detailed walkthrough of eligibility considerations is provided in *Chapter 4: Publication and Notification Requirements* and in *Appendix B: Participation Checklist - Election Considerations*.

Is My District/School Eligible to Participate in CEP?

To be eligible for CEP, an LEA, group of schools, or school must:

- Ensure that at least 40 percent of enrolled students are identified students;
- Participate in both the NSLP and SBP; and
- Serve lunches and breakfasts to all enrolled students at no charge.

LEAs may elect the provision for all schools (i.e., district-wide), a group of schools, or an individual school in the LEA. This may include any public, private, and charter schools, but not Residential Child Care Institutions (RCCIs). RCCIs are not eligible to participate in CEP. The electing entity, as a whole, must meet the eligibility criteria listed above. The ability to elect CEP for all schools or a group of schools allows some individual schools that are below the 40 percent identified student threshold to participate in CEP as long as the aggregate percentage of the group of schools electing together meets the 40 percent threshold. More information on grouping is provided in *Chapter 3: Determining the Identified Student Percentage*.

LEAs elect CEP in 4-year cycles. Participating LEAs and schools can end CEP participation at any time, or can begin a new 4-year cycle early if the ISP increases. More information on the 4-year cycle is provided in *Chapter 10: The 4-Year Cycle*.

Identified Students

CEP is available to LEAs and schools with 40 percent or more "identified students" as of the most recent April 1. The term identified students refers to children who are directly certified for free school meals based on their participation (or a household member's participation) in other means-tested assistance programs, such as:

- The Supplemental Nutrition Assistance Program (SNAP),
- Temporary Assistance for Needy Families (TANF), or
- The Food Distribution Program on Indian Reservations (FDPIR).

Identified students are also children who are categorically eligible for free school meals without an application, and who are not subject to verification, including:

- Homeless children as defined under section 725(2) of the McKinney-Vento Homeless Assistance Act [42 U.S.C. 11434a(2)];
- Runaway and homeless youth served by programs established under the Runaway and Homeless Youth Act (42 U.S.C. 5701);
- Migrant children as defined under section 1309 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399);
- Foster children certified through means other than a household application;
- Children enrolled in a Federally-funded Head Start Program or comparable State-funded Head Start or pre-kindergarten program; and
- Non-applicant students approved by local education officials, such as a principal, based on available information.

Students who are categorically eligible based on information, such as a case number, submitted through an application may be included in the identified student count if LEA staff can verify the case number with the appropriate agency and convert the student to "directly certified" in the LEA's certification system.

Sharing Student Information

To identify as many students as possible in the categories above and maximize claiming percentages, schools and LEAs should work with State and local agencies to share information regarding students eligible for free meals based on participation in other assistance programs. When sharing student information, schools must observe all applicable laws and continue to follow regular procedures for operating the school meal programs.

More information may be found in the *2016 Eligibility Manual for School Meals* (http://www.fns.usda.gov/2016-edition-eligibility-manual-school-meals).

> *"The greatest thing about this to me is that no kid has to go hungry. We don't have to worry that a kid may not eat because they didn't return the form in time."*
>
> *- Food Service Director, Texas*

To participate in CEP, individual schools, groups of schools, or entire LEAs must have an ISP of at least 40 percent as of the most recent April 1. **The ISP is the proportion of students who are directly certified or categorically eligible for free school meals through means other than a school meal application and who are not subject to verification.** In addition to determining CEP eligibility, the ISP is the basis of the claiming percentage to determine the Federal reimbursement.

Calculating the ISP

To determine the ISP, LEAs and schools divide the number of identified students as of April 1 by the number of enrolled students as of April 1, and then multiply by 100. Upon initial calculation, the ISP must represent the number of identified students and the student enrollment as of April 1 prior to CEP implementation. The requirement to ensure that all data is reflective of April 1 is intended to accurately capture the composition of the student population to form the basis of the reimbursement rate the LEA, group of schools, or school may receive throughout the 4-year CEP cycle. Using the phrase "as of" ensures that identified student data generally reflects April 1, but also can accommodate variation in State direct certification systems. For example, if a State conducts direct certification monthly on the fifth day of each month, the term "as of" allows the State to use data from April 5 to generate the ISP, rather than March 5. FNS strongly recommends timing data matching to coincide with April 1.

LEAs calculate the ISP as follows:

$$\frac{\text{Identified Students}}{\text{Enrolled Students}} \times 100 = \textbf{Identified Student Percentage}$$

Then, carry the calculation to four decimal places using standard rounding (four or less, round down; five or more, round up). Then, multiply the result by 100 to calculate the percentage to two decimal places.

For example, a school has 550 identified students and 700 enrolled students. 550/700 = 0.78571429, which rounds to 0.7857. Multiply by 100 to calculate an ISP of 78.57 percent.

The ISP, **which may not be rounded to fewer than two decimal places**, must be at least 40.00 percent for the entity to be eligible. A percentage of 39.98 percent does NOT meet the threshold.

As described in *Chapter 2: Eligibility Requirements*, identified students are a subset of the students who would qualify for free or reduced price school meals if their families completed a school meal application. Identified students include:

- Students directly certified[3] for free meals on the basis of their participation in SNAP, TANF, or FDPIR; and
- Students who are categorically eligible for free meals through participation in Head Start, or through their status as a homeless, migrant, runaway, or foster child.

[3] For CEP, any student certified without a school meal application is directly certified and included in the ISP. The annual State direct certification benchmarks more narrowly focus on direct certification rates for SNAP recipients.

Enrolled students are students who are enrolled in and attending schools and have access to at least one meal service (SBP or NSLP) daily. The number of enrolled students includes all students with access to the SBP or NSLP, and not just those students participating in the programs.

For schools participating in CEP, **the ISP multiplied by 1.6 equals the percentage of meals claimed at the free rate**. The remaining meals served, up to 100 percent, are reimbursed at the paid rate. [4] The CEP Estimator Tool helps LEAs compare the estimated Federal reimbursement under CEP to the reimbursement received under standard counting and claiming. The tool also permits LEAs to assess different groupings to optimize the Federal reimbursement. The CEP Estimator Tool is available online in the CEP Resource Center (http://www.fns.usda.gov/sites/default/files/cn/SP15-2013a2updated2.xls). The 1.6 "multiplier" used to calculate the percentage of lunches and breakfasts to be claimed at the Federal free rate is identified in the NSLA as the default initial multiplier. An analysis conducted around the time that the HHFKA was being drafted demonstrated that, for every 10 children directly certified, up to 6 additional children were eligible for free or reduced price meals based on a school meal application. An evaluation of CEP in the pilot States suggested that the 1.6 multiplier is an accurate reflection of the relationship between the free and reduced price student percentage and the ISP in a typical participating LEA. [5]

Improving Direct Certification Systems

Schools with higher ISPs receive the free reimbursement for a greater percentage of their meals, making direct certification an important factor in the financial viability of CEP. Improving direct certification systems will provide a more accurate assessment of a school or district's poverty level, enhancing the integrity of CEP. States and LEAs can both make efforts to improve their direct certification systems.

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[4] Electing entities may use this initial ISP calculation and reimbursement rate for up to four years before they are required to recalculate using the most recent April 1 data. LEAs do, however, have the option to recalculate annually, in which case they must use the most recent April 1 data to make their recalculation. The ISP also must be recalculated when certain events, such as those described in the section, "*Mid-Cycle ISP Recalculations*," occur.

[5] Logan, Christopher W., Patty Connor, Eleanor L. Harvill, Joseph Harkness, Hiren Nisar, Amy Checkoway, Laura R. Peck, Azim Shivji, Edwin Bein, Marjorie Levin, and Ayesha Enver. *Community Eligibility Provision Evaluation*. Project Officer: John R. Endahl. Prepared by Abt Associates for the U.S. Department of Agriculture, Food and Nutrition Service, February 2014.

State agencies can improve their direct certification systems by:

- Expanding direct certification systems beyond mandatory SNAP matching to capture students participating in other assistance programs;
- Increasing the matching frequency;
- Refining the match engine to account for errors in birthdates, the use of nicknames, and address variations;
- Using a confidence score to prioritize records most likely to result in a "match" when sharing non-matches with LEAs;
- Monitoring the data carefully, correcting any errors as they become apparent;
- Offering training to ensure LEA-level staff understand proper procedures for their direct certification tasks; and
- Developing strong, productive relationships with agency partners to promote reliable access to assistance program data.

LEAs can improve their direct certification systems by:

- Ensuring the system properly records the type of certification and can select, sort, and count the records by type;
- Keeping school enrollment data as up-to-date as possible, and checking the status of new students as they enroll;
- Coding students that show up on the SNAP direct certification list as SNAP students, even if they have already been certified in another way, as long as the coding is done before the last operating day in October;
- Using extended eligibility to identify additional children in the household to certify them as well;
- Following up when students move by sending their SNAP direct certification status to the new school; and
- Arranging for additional assistance during heavy certification times, if possible.

FNS hosted a webinar in January 2016 to share direct certification best practices to help schools electing or considering CEP optimize their ISP and Federal reimbursement rate. LEA and school officials can find the webinar, *Community Eligibility Provision and Direct Certification: Best Practices for Success*, in the CEP Resource Center (http://www.fns.usda.gov/community-eligibility-basics-improving-direct-certification-systems).

Grouping

An LEA may participate in CEP for all schools in the LEA, or elect CEP in only a certain group of schools, depending on eligibility and financial considerations. Grouping is a flexible characteristic of CEP that may be used to maximize Federal reimbursements and administrative efficiencies, and represents a strategic decision for some LEAs. LEAs have discretion in how to group schools to optimize CEP benefits and administrative ease.

Grouping (or multiple schools participating as a single CEP group) could allow some schools with an ISP below 40 percent to participate as long as the group ISP is at least 40 percent. The ISP for a group of schools is calculated by taking the sum of the identified students for the entire group of schools divided by the sum of the total student enrollment for the entire group of schools. (**Note:** This is different than the simple average of the ISPs for each school. See the example below.)

EXAMPLE: LEA Groups Three Schools

	Identified Students	Enrollment	ISP
School 1	60	120	50 percent
School 2	38	100	38 percent
School 3	150	200	75 percent
GROUP OF SCHOOLS	248	420	59 percent

To calculate the ISP for this group of schools:

$$\frac{\text{Total Identified Students for Group (248)}}{\text{Total Enrolled Students for Group (420)}} \times 100 = \mathbf{59.00}$$

New Schools

Newly opened schools, and/or schools new to NSLP/SBP, will not have direct certification data from April 1 of the prior year, and instead may use direct certification data from a later month to establish CEP eligibility. If the number of identified students and total enrollment are available before the counting and claiming of meals begins and the new school meets the eligibility requirements (either individually or as part of a group), then the LEA may elect CEP. New schools can elect CEP only if the number of identified students and enrollment are available because the ISP is the basis for claims for reimbursement.

Inter-District Food Service Agreements

Only students who are enrolled in the same school or group of schools in an LEA can be included in the ISP. School districts that provide food service to outside schools (e.g., private schools, charter schools) through a vending contract, or similar agreement, may not include students from those schools in the district's ISP, unless the schools are listed as serving sites on the district's State agency agreement. LEAs participating in CEP may not include meals vended to outside LEAs and schools in their total meal counts used for claiming. Vended meals must be counted and claimed separately.

Mid-Cycle ISP Recalculations

The CEP reimbursement rate corresponds with the poverty level of the households served by participating schools. **Changes to a student population could indicate a change in the poverty level of the households served by the school, and may require an ISP to be recalculated within a 4-year cycle**, depending on the extent of the change and the entity involved.

LEAs Participating District-Wide

For LEAs participating district-wide, the ISP must be recalculated if the LEA's attendance area changes, as this may indicate a change the socioeconomic status of the community served by the LEA. The attendance area is typically understood as the geographic area served by the LEA or school, but may be defined by other parameters set by a State or locality. If the composition of schools in the LEA changes, but the overall attendance area served by the LEA does not change, an ISP recalculation is not required. For example, if an LEA closes a school because the building is in need of repairs, and two new schools open, but the LEA's overall attendance area remains the same, an ISP recalculation is not required.

Multiple Schools Participating as a Group

When a school or schools (and the attending students) are added to or removed from a CEP group, the ISP must be recalculated. The distinction in this requirement is intentional, because grouping is a flexible strategy that LEAs may choose to use. As such, FNS has a strong interest in making sure that school groups are electing CEP using data that accurately reflects overall poverty and enrollment. Requiring a recalculation when a school is added or removed from a CEP group, or a grade level is added or removed from a school in a CEP group, helps to safeguard the grouping mechanism, preserves the integrity of the grouping strategy, and helps to ensure grouping will continue to be an option for districts in the future.

However, if students are moved or reorganized among schools within a CEP group (e.g., a grade moves from one CEP school to another and both schools are in the same CEP group), an ISP recalculation is not required because the group's total identified student and total enrollment numbers are the same. This logic applies to all CEP group changes, including school closings, schools merging, and one school splitting into two schools.

Individual Schools Participating

Similar to LEAs participating district-wide, for a school participating as an individual site, the ISP must be recalculated only if the school's attendance area changes. If the composition of grades in the school changes, but the school's overall attendance area does not change, an ISP recalculation is not required. For example, if a school adds or removes a grade, but the overall attendance area remains the same, the ISP would not have to be recalculated.

Mid-Year Changes to the Student Population

ISP recalculations are not required mid-year for any changes in student population. Mid-year changes in a student population may pose significant challenges for LEAs and schools, and requiring a recalculation in these situations could interrupt children's meal service amid other major transitions. For any student population changes that occur mid-year, the LEA, group of schools, or school may continue claiming meals using the existing ISP for the remainder of the school year. However, if an ISP recalculation is otherwise required and the LEA wants to continue electing CEP in the next school year, the ISP must be recalculated using April 1 data. A new 4-year cycle would start the next school year, using the new ISP as the basis for meal claims.

> *"We may have kids who would skip lunch because of the stigma. Now every kid can get a nutritious meal every day."*
>
> *- Food Service Director, Texas*

Chapter 4: Publication and Notification Requirements

Each year, State agencies must:

- Notify LEAs of their district-wide eligibility for CEP and provide the procedures for interested and eligible LEAs to participate **by April 15**;
- Collect school-level information **by April 15**; and
- Post lists of eligible (ISP $\geq$ 40 percent) and near eligible (30 percent $\leq$ ISP < 40 percent) LEAs and schools on State agency websites and provide FNS the link to these lists **by May 1**.

States and LEAs may share the required information prior to the April 15 deadline. Further, State agencies that have access to school-level eligibility information may exempt LEAs from this requirement.

FNS hosted a webinar to provide an overview of the annual publication and notification requirements in February 2016. State agency and LEA officials can find the webinar, *Community Eligibility Provision: Annual Notification and Publication Requirements*, in the CEP Resource Center (http://www.fns.usda.gov/community-eligibility-provision-annual-notification-and-publication-requirements-1).

April 15 Notification and Data Collection Requirements

There are two levels of data necessary to fulfill the April 15 notification requirement:

- State agencies must provide current year **district-wide data** to LEAs; and
- LEAs must provide current year **school-level eligibility data** to State agencies (unless exempted by the State agency).

District-Wide Data

No later than April 15, State agencies must notify LEAs of their district-wide eligibility in the following categories:

- LEAs with a district-wide ISP of at least 40 percent (eligible);
- LEAs with a district-wide ISP greater than or equal to 30 percent but less than 40 percent (nearly eligible);
- LEAs currently participating in CEP; and
- LEAs in the fourth year of CEP participation with a district-wide ISP greater than or equal to 30 percent but less than 40 percent (eligible for grace year).

State agencies must also inform eligible LEAs how to elect CEP. State agencies may use ISP data (for participating LEAs) or "proxy" data (as explained later in this chapter) to fulfill notification and publication requirements. If all schools in the LEA were participating in CEP and all zeros were reported in the FNS-742 (*SFA Verification Summary Report*) Section 3, then the State agency may use LEA-level data for matched students in CEP schools in the most recent State level FNS-834 Data Element #3. Further explanation may be found in *Chapter 12: Reporting and Recordkeeping Requirements*.

Note: The FNS-834 (*State Agency (NSLP/SNAP) Direct Certification Rate Data Element Report*) is a State-level form, so the State agency would need to disaggregate the FNS-834 data element #3 total to report LEA-level numbers on notification and publication lists.

School Data

No later than April 15, LEAs must submit to their State agencies a list of schools in the following categories:

- Schools with an ISP of at least 40 percent (eligible);
- Schools with an ISP greater than or equal to 30 percent but less than 40 percent (nearly eligible); and
- Schools in the fourth year of CEP participation with an ISP greater than or equal to 30 percent but less than 40 percent (eligible for grace year).

State agencies with access to school-level data may exempt LEAs from this requirement.

If school-specific identified student data is not readily available, State agencies or LEAs may use the number of directly certified students (e.g., with SNAP and/or with other assistance programs, as applicable) as a proxy for the number of identified students. Because it includes only a subset of identified students, this proxy data may only be used for notifying the State agency of the LEA's potential school-level eligibility information. If proxy data is used, it must be clearly noted on the eligibility lists that the data does not fully reflect the number of identified students. Further, if data used to generate notification lists are not reflective of April 1 of the current school year, the lists must include a notation that the data are intended for informational purposes only and do not confer eligibility to elect CEP. **Data not reflective of April 1 may not be used to elect CEP and may not be used as the basis for determining the ISP/claiming percentages**, unless approved by FNS.

May 1 Public Notification Requirements

No later than May 1, State agencies must post the lists of LEAs and schools in the above categories to their websites and provide FNS with the link to these lists. State agencies should submit their link via email to: cepnotification@fns.usda.gov.

States are required to maintain eligibility lists on their website until the following May 1, when new eligibility lists are published. FNS provides a template for the lists and includes a map with links to State-specific information on LEAs and schools that may be eligible to elect the CEP for the current school year. The map, *CEP Status of School Districts and Schools by State*, is available in the CEP Resource Center (http://www.fns.usda.gov/school-meals/community-eligibility-provision-status-school-districts-and-schools-state).

June 30 Election Deadline

Interested and eligible LEAs must notify their State agency of their intent to elect CEP and submit ISP data representative of April 1 no later than June 30, unless an extension is granted [7 CFR 245.9(f)(4)(i)].[6] An overview of the extension for SY 2016-17 is included in *Appendix B: Participation Checklist - Election Considerations*.

Summary: Notification and Publication Requirements

Date	Requirement
April 15	• State agencies notify LEAs of district-wide eligibility status and provide guidance and information. • LEAs submit school-level eligibility information to State agency. State agencies may exempt LEAs from this requirement if the State agency has direct access to school-level data.
May 1	• State agencies post the LEA district-wide and school-level lists on their website and send the link to FNS.
June 30	• Interested and eligible LEAs notify their State agency of their intent to participate under CEP. • LEAs planning to participate in CEP the following school year submit to the State agency identified student and total enrollment data that reflects April 1.

Messaging and Outreach

State and local officials are encouraged to use the annual notification and publication data to support CEP outreach. CEP is a relatively new meal service option for schools, and some education officials may not be familiar with it. Others may be familiar with CEP, but may want more information or have questions to address before making the decision to elect. Sharing accurate, detailed information about CEP will help connect more eligible LEAs and schools – and their students – with the many benefits of CEP.

[6] The NSLA, in section 11(a)(1)(F)(x)(I), requires that LEAs electing CEP notify the State agency and provide documentation establishing eligibility by the June 30 prior to the applicable school year.

There are many potential uses for the data, including the following:

- Improving outreach to highly-eligible LEAs and schools;
- Assisting with CEP implementation;
- Measuring the impact of CEP on local communities;
- Determining gaps in CEP outreach;
- Finding schools to host promotional CEP events; and
- Recognizing areas in the State (e.g., cities, counties) with the highest CEP take-up rates.

In February 2016, FNS hosted a webinar to share outreach strategies with State agencies, LEA and school officials, and advocates interested in promoting CEP in their local community. The webinar, *Community Eligibility Provision: Messaging and Outreach in Your Community*, may be found in the CEP Resource Center (http://www.fns.usda.gov/community-eligibility-provision-messaging-and-outreach-your-community).

In addition, in July 2016, FNS published sample outreach letters State and local partners can use to encourage school superintendents, elected officials, and others to promote CEP. The sample letters may be found in the CEP Resource Center (http://www.fns.usda.gov/school-meals/community-eligibility-provision-resource-center).

Hosting events at CEP schools is a great way to spread the word and build excitement! Although events can happen at any time during the school year, **School Breakfast Week** and **National School Lunch Week** are especially great times for CEP outreach and promotion. School Breakfast Week occurs the first week in March, while National School Lunch Week occurs in October.

Chapter 5: State Agency Review and Authorization

While the decision to elect CEP rests with the LEA, the State agency is responsible for providing technical assistance and ensuring continued program integrity. In all cases, the State agency must review an LEA's submitted documentation to ensure the LEA meets all eligibility requirements to participate in CEP (e.g., evaluating the accuracy of the ISP).

Documentation

According to 7 CFR 425.9(f)(4)(i), LEAs must submit documentation supporting the ISP to the State agency to establish CEP eligibility and the claiming percentages. LEAs are required to submit documentation no later than June 30 to begin CEP participation in the school year beginning July 1. **Such documentation should include, at a minimum, the counts of identified and enrolled students as of April 1 of the prior school year**.

State agencies are required to confirm the eligibility status of any school or LEA seeking to claim meals under CEP, and must substantiate any documentation submitted to ensure the accuracy of the ISP. The State agency review of the submitted documentation must, at a minimum, include a determination that the school, group of schools, or LEA:

- Meets the minimum ISP level of at least 40 percent;
- Currently participates (or plans to participate) in both the NSLP and SBP[7]; and
- Has a record of administering the school meal programs in accordance with Federal regulations, as indicated by the most recent Administrative Review.

The CEP eligibility criteria are outlined in Federal regulation at 7 CFR 245.9(f)(3). To determine whether the minimum ISP level is met, State agencies must confirm that the ISP(s) to be employed by the LEA as the basis for reimbursement claims are accurately calculated. ISPs may be evaluated through a review of ISP documentation submitted by the LEA at the time CEP is elected, and when an LEA updates its ISP(s).

[7] The NSLA, in section 11(a)(1)(F)(ii)(I)(aa), requires that LEAs and schools participating in CEP must participate in both the NSLP and SBP. LEAs and schools that participate in only one Program – either the NSLP or SBP – may elect CEP for the next school year if an agreement is established with the State agency to operate both Programs by the time CEP is implemented. Schools that operate on a limited schedule (e.g., half-day kindergarten buildings), where it is not operationally feasible to offer both lunch and breakfast, may elect CEP with FNS approval.

To determine if an ISP is accurate, State agencies must examine documentation submitted by the LEA to substantiate:

- The number of identified students (numerator of the ISP); and
- The number of enrolled students (denominator of ISP).

Such source documentation includes direct certification lists and/or other lists certifying that students are categorically eligible for free school meals, such as lists of students who are designated as homeless or migrant. Using direct certification lists should provide the most accurate and timely information. If documentation is submitted for the entire LEA or multiple schools that will operate as a single group, the review of documentation is conducted for the entire district or group that makes up the ISP.

Optional worksheets have been designed to help State agencies and LEAs ensure an ISP is accurate. These include:

- A checklist to help State agencies review source documentation; and
- An ISP calculation worksheet that LEAs can use to calculate the ISP and submit to State agencies with appropriate documentation.

More information may be found in *SP 14-2016: Flexibility for CEP Certification Document Review during SY 2015-2016 Administrative Reviews*, November 27, 2015 (http://www.fns.usda.gov/flexibility-cep-certification-document-review-during-sy15-16-administrative-reviews).

The integrity of an LEA's ISP documentation is subject to the Administrative Review process, as well as management evaluations conducted by FNS Regional Office staff. **Conducting an adequate review of ISP documentation at the time an LEA elects CEP or updates its ISP(s) mitigates the risk of future Administrative Review findings and/or fiscal action.**

For initial ISP reviews, the State agency has the option to follow the process laid out in the *Administrative Review Manual* (Section IX, Special Provision Options, Community Eligibility Provision Module, On-Site Review Activities, step 2) or policy memorandum *SP 14-2016*. Provided that all Certification and Benefit Issuance Review requirements outlined in the *Administrative Review Manual* or *SP 14-2016* are met, the results with documentation of the initial review may be counted toward that portion of the following Administrative Review. For more information about review requirements, please see *Chapter 11: State Agency Monitoring*. Initial reviews may only be relied upon at a later time if the same certification data/ISP originally reviewed is still being used by the LEA as the basis for claiming when the Administrative Review is conducted. State agencies must still complete the other components of the Administrative Review process, including those related to CEP such as verifying that claiming percentages are properly applied to claims from the review period and month of the on-site review.

State agencies are required to maintain Program records as necessary to support the reimbursement payments made to SFAs (7 CFR 210.5(d)). Furthermore, 7 CFR 210.23(c) requires records to be retained for a period of three years after the date of submission of the final Financial Status Report for the fiscal year. Therefore, State agencies that opt to establish their own processes for validating an ISP at the time CEP is elected must maintain documentation used to confirm the current claiming ISP for the entire time an LEA or school operates CEP, and for three years after submission of the LEA's final Claim for Reimbursement for the last fiscal year of CEP. If audit findings have not been resolved, these records must be retained beyond the three-year period as long as required for the resolution of issues raised by the audit.

LEAs and schools must maintain source documentation used to develop the ISP for the entire period they are operating under CEP, and for three years after submission of the final Claim for Reimbursement for the last fiscal year of the CEP period. Source documentation includes direct certification lists and/or other lists certifying students are categorically eligible for free school meals, such as lists of students who are designated as homeless or migrant.

Role in Other Authorizations

New 4-Year Cycle

Upon State agency confirmation, participating LEAs and schools with an ISP of at least 40 percent as of April 1 in year four of their 4-year cycle may immediately begin another 4-year CEP cycle. In addition, if establishing a new ISP partway through the 4-year cycle (e.g., in Year 2) would provide a higher level of Federal reimbursement, the ISP and claiming percentage may be increased at any time during the 4-year period using April 1 data.

Grace Year

An LEA or school in the fourth year of CEP with an ISP of less than 40 percent but at least 30 percent as of April 1 may continue participating in CEP for one grace year (i.e., a fifth year). This gives LEAs the opportunity to restore their eligibility status without immediately resuming standard counting and claiming procedures, and avoid disrupting universal meal service to students. Reimbursement for schools in a grace year is based on the ISP as of April 1 in year 4 of the current 4-year cycle.

For example, the claiming percentages for participating schools in a grace year would be calculated as follows:

- Year 4 ISP as of April 1, 2018: **35.00%**
- ISP × 1.6 multiplier (35.00% × 1.6): **56%**
- Free claiming percentage: **56.00%**
- Paid claiming percentage: **44.00%**

If the LEA or school regains the 40 percent threshold as of April 1 of the grace year, the State agency may approve a new 4-year cycle to start the following school year. If the ISP as of April 1 of the grace year does not meet the 40 percent ISP requirement, the LEA must return to standard counting and claiming, or enroll in another special Provision option for the following school year.

Restoring Standard Meal Counting and Claiming

An LEA may choose to end CEP participation and restore a school, group of schools, or the entire LEA to standard meal procedures at any time if standard procedures better suit their program needs. Prior to the change taking place, the LEA must notify the State agency of the intention to end CEP participation and seek State agency guidance regarding a return to standard counting and claiming.

When standard counting and claiming procedures are resumed between school years, schools have time over the summer to notify families and prepare for the school meal application process. Because these activities take place when school is not in session, the resumption of standard counting and claiming should not disrupt student meal benefits or the meal service.

At the start of the next school year, when the school returns to standard counting and claiming, the school would disseminate and process school meal applications per usual certification procedures. Directly certified students and other students whose individual eligibility can be discerned (e.g., from a sibling's application from a non-CEP school) from the preceding year are eligible for free meals during the 30-day carryover period at the start of the new school.

In addition, State agencies may permit all children transitioning from provision to non-provision schools to receive free meals for up to 30 operating days at the beginning of the school year or until a new eligibility determination is made, whichever comes first. This discretionary provision is included in the final rule *National School Lunch Program and School Breakfast Program: Eliminating Applications Through Community Eligibility as Required by the Healthy, Hunger-Free Kids Act of 2010* [81 FR 50194, July 29, 2016; 7 CFR 245.9(l)]. Meals served during this transition are claimed at the Federal free rate.

A reasonable timeline (at least 30 days) is required when a CEP school resumes standard counting and claiming mid-year to give the school time to notify families and distribute, process, and certify school meal applications. During the established timeframe to resume standard procedures, students should continue to receive free meals to ensure their meal service routine is not disrupted. Meals served during this transition are claimed at the same free/paid claiming percentages used under CEP.

Chapter 6: Implementation

All students enrolled in CEP schools receive meals at no cost to them. USDA reimburses schools based on daily meal counts and the proportion of the student body that participates in specific means-tested programs. While a significant number of the meals served at CEP schools are reimbursed at the Federal "free" level, schools are responsible for covering any potential funding shortage with non-Federal funds. LEAs interested in CEP must determine how to best operate CEP for an individual school, a group of schools or an entire LEA given the expected level of Federal reimbursement and other available non-Federal funding sources.

The 40 percent ISP threshold for participation may be determined based on an individual school, a group of schools, or an entire LEA. This allows for some participating schools to be below the 40 percent threshold as long as the aggregate ISP of the group of schools or entire LEA meets the threshold.

Adopting CEP district-wide permits an LEA to reap the benefits of CEP at all schools. In other situations, electing CEP for an individual school or group of schools within the LEA may be a financially viable option, and allows an LEA to reap CEP's benefits at one or some schools. Partial election also gives LEAs an opportunity to become familiar with CEP and how it works, before expanding the provision to a larger number of schools.

District-Wide Implementation

LEAs adopting CEP district-wide will enjoy CEP's benefits across the entire district. LEAs electing CEP district-wide calculate their ISP by taking the total number of identified students in the district, dividing by the total number of students enrolled in the district, and then multiplying by the 1.6 multiplier. Districts eligible for CEP district-wide will receive notification from their State agency by April 15 explaining how to participate in CEP.

Partial District Implementation

If district-wide CEP implementation is not a viable option, LEAs also may elect to participate only for a group (or multiple groups) of schools, or for an individual school. To increase the financial viability of CEP, LEAs have discretion to group schools to maximize ISPs and increase both the number of students with access to school breakfast and lunch at no charge, and the percentage of meals reimbursed at the Federal "free" rate.

In the example below, Example Elementary, Example Middle, and Example High are electing CEP as a group with an aggregate ISP of 55.55 percent. Individually, Example Middle with an ISP of 37.63 percent is not eligible to participate in CEP – but grouped with schools with ISPs well above 40 percent, the LEA is able to elect CEP in all three schools. The inclusion of Example Middle increases access to school breakfast and lunch at no charge to 792 students. The aggregate ISP of 55.55 percent multiplied by 1.6 equals 88.9 percent of meals served reimbursed at the Federal "free" rate.

School Name	Number of Identified Students	Number of Enrolled Students	Identified Student Percentage (ISP)
Example Elementary	201	356	56.46 percent
Example Middle	298	792	37.63 percent
Example High	703	1,016	69.19 percent
TOTAL	**1,202**	**2,164**	**55.55 percent**

FNS recognizes that CEP is not a good fit for all schools, including those with lower poverty rates. **School districts opting to elect CEP at some but not all schools are strongly encouraged to clearly communicate to families which schools will operate CEP and which schools will use standard counting and claiming, and why.** This is particularly important for students transitioning from a CEP school to a non-CEP school (e.g., the elementary school in the district is a CEP school and the middle school is not).

Students at non-CEP schools who are categorically or income-eligible will still have access to free or reduced price meals through direct certification and/or the traditional household application. In addition to meeting the school meals eligibility public announcement requirement (7 CFR 245.5), school administrators at non-CEP schools within a partial CEP district are encouraged to conduct additional outreach in the summer, during back-to-school events, and throughout the school year to ensure families are aware of the application and the benefits of completing it. In addition, FNS encourages LEAs to provide assistance to families that may struggle to complete the application independently.

> *"CEP has lifted the financial burden of parents in our school district that could not afford to pay for multiple children to have breakfast and lunch daily."*
>
> *- School Administrator, Missouri*

Planning for Participation Increases

Although many CEP schools have high levels of school meal participation prior to adoption, CEP can expand participation. An early program evaluation of the CEP pilot States examined the impacts of CEP, and found that daily meal participation rates increased significantly in both SBP (9 percent) and NSLP (5 percent). Many factors contribute to participation increases at CEP schools, including the removal of any barriers in the application process (e.g., language or literacy barriers), eased implementation of alternative breakfast models, and the elimination of stigma, which low-income students sometimes feel when participating in the school meal programs.

Expanding participation is a win for students and for school nutrition departments, which benefit from the increase in meal reimbursements. Schools can re-invest the additional reimbursement dollars in their programs, improving meal quality and nutrition, further increasing participation, and improving the overall financial viability of their school meal programs.

Increases in participation, however, are not guaranteed and often depend on the quality of the meal service and how meals are marketed to students. More information is provided in the CEP Evaluation in *Appendix E: CEP Evaluation.*

Alternative Service Models for SBP

While CEP eliminates many barriers to participation in the school meal programs, many children still lack access to the SBP due to late bus schedules and long security lines. Some schools do not have space available to serve breakfast and, when given a choice, students may choose to socialize in the hallway or on the playground instead of eating breakfast in the cafeteria before school starts. Alternative breakfast models, which often involve serving breakfast after the school day begins, eliminate such barriers to participation.

Because of its streamlined counting and claiming, CEP can facilitate the adoption of alternative breakfast models, helping connect more students with a nutritious morning meal. LEAs and schools may consider the following options when implementing an alternative breakfast model:

- **Breakfast in the Classroom:** Breakfast in the Classroom allows students to enjoy a breakfast meal during the first 10 to 15 minutes of the school day. School food service professionals or volunteers distribute meals prepared in the cafeteria to students in the classroom at the start of their first class period. Teachers record the number of meals served after distribution. Students help clean up after the meal, and trash is later removed

by school custodial staff. Schools using this model can integrate breakfast into lesson plans, or use the mealtime as an opportunity to teach children about nutrition. Teachers may also use this time to take attendance, collect homework, deliver announcements, or read to the class. Serving breakfast in the classroom often leads to cafeteria staff having more time to prepare for lunch, since little time is needed to clean the cafeteria after breakfast service is over.

- **Grab & Go:** At schools using the Grab & Go model, students pick up breakfast in the cafeteria, at hallway kiosks, or at other locations identified by school guidelines, and then eat their meal during the first 10 to 15 minutes of class. The meals are prepared by school food service professionals and pre-packed in containers that students can easily carry. School staff members record the number of meals served using the point-of-sale/point-of-service (POS) system in the cafeteria, or using a wireless or other counting system if the meals are distributed elsewhere. Students help clean up after consuming the meal in the classroom, and trash is later removed by school custodial staff. Grab & Go breakfasts often take less time to prepare and package than traditional breakfast meals served in the cafeteria, giving food service professionals more time to prepare lunch.

- **Second Chance Breakfast:** This model allows students who arrive too late for breakfast in the cafeteria a second breakfast opportunity. Similar to the Grab & Go model, students pick up a portable, pre-packaged meal, which may be eaten during a morning break or taken to class. School food service professionals record the number of meals served using the POS system in the school cafeteria. Schools using this model should ensure there are adequate trash cans in the hallways, as students may consume their meal on the way to class. This may be a good option for students at the middle and high school level who may not be hungry first thing in the morning.

- **Breakfast on the Bus:** With Breakfast on the Bus, students consume breakfast during their morning commute. Meals are prepared by school food service professionals before the driver begins their route, and handed to children as they board the bus. The bus driver or another volunteer counts the meals served as children board. Students may dispose of trash on the bus or as they exit. Breakfast on the Bus works best for students who spend over 15 minutes commuting to school and at schools where class schedules are not able to accommodate another alternative meal service.

FNS hosted a webinar about CEP and alternative breakfast models in March 2016. To learn more, and determine if an alternative breakfast model is a viable option, LEA and school officials can view the webinar. The webinar, *The Community Eligibility Provision and Alternative Breakfast Models*, is posted online in the CEP Resource Center (http://www.fns.usda.gov/community-eligibility-provision-and-alternative-breakfast-models).

Title I Funding

Participation in CEP is a local decision and one that requires careful consideration of many factors by LEAs. For some LEAs, this may include assessing CEP's potential impact on Title I allocations. Title I funds – Federal monies provided to assist schools with high populations of children from low-income families – are allocated to school districts based on census data, not school meal applications.[8] **Participation in CEP does not alter census data and, in most cases, will not decrease the Title I funding allocated to a school district.**

Some LEAs, however, may use school meal data to allocate Title I funds to schools within the district. In some cases, CEP participation may impact how Title I funds are distributed to schools. LEAs that elect CEP and allocate Title I funds to schools based on school meal applications would need to use alternative socioeconomic measures (other than school meal applications) to determine how Title I funds are allocated to schools. Examples of alternate measures are detailed in guidance issued by the U.S. Department of Education and include direct certification data and identified student data (http://www2.ed.gov/programs/titleiparta/legislation.html).

> *"It's not the child's fault. [CEP] makes it about nutrition, and not whether you have money. That, to me, is fabulous."*
>
> *- School Nutrition Director, Connecticut*

Some LEAs electing to implement CEP have determined that individual income information is necessary to carry out various education funding allocations. For these LEAs, an alternative income form or a single form that collects household income information from students in CEP and non-CEP schools is a reasonable way to streamline information collection. For more information, see the *"Alternative Income Forms"* section on the following page.

To further support LEAs in their decision making, the U.S. Department of Education published guidance to show how LEAs can successfully implement Title I requirements using NSLP data (http://www.fns.usda.gov/updated-title-i-guidance-schools-electing-community-eligibility).

[8] There are two situations in which a State Education Agency (SEA) might need to use CEP data to help calculate final LEA Title I allocations: (1) Department of Education's list of LEAs does not match the current universe of LEAs for many States or (2) an SEA must adjusts its Title I allocations to account for the existence of eligible LEAs that were not included in the ED-determined LEA allocations [available at: www2.ed.gov/programs/titleiparta/seaguidanceforadjustingallocations.doc]. For additional information, see CEP Title I guidance available at: http://www.fns.usda.gov/sites/default/files/cn/SP35-2015av2.pdf.

The U.S. Department of Education and USDA issued a joint letter in August 2015 clarifying that States have discretion to determine what measures of poverty work best for CEP schools. The letter further emphasized that a variety of schools across the country have successfully navigated this issue. The letter is available on the U.S. Department of Education's website (http://www2.ed.gov/policy/elsec/guid/secletter/150805.html).

E-Rate

E-rate is a program that makes telecommunications and information services more affordable for low-income schools. To remedy any confusion regarding schools' eligibility for E-Rate discounts, the Federal Communications Commission (FCC) published guidance as part of *SP 08-2015: Updated E-Rate Guidance for Schools Electing Community Eligibility*, November 21, 2015, to explain how school districts with CEP schools should calculate their discount rates. The FCC guidance in *SP 08-2015*, effective SY 2015-2016, supersedes the July 2012 interim guidance, and may be found on the FNS School Meal Programs Policy Page (http://www.fns.usda.gov/updated-e-rate-guidance-schools-electing-community-eligibility).

The guidance requires school districts to determine the E-Rate discount for the entire district, rather than for individual schools, by dividing the number of students eligible for free and reduced-price meals in the district by the district's total enrollment. Schools electing CEP use their free claiming percentage (ISP x 1.6) to determine their E-Rate discount. Schools participating in CEP as part of a group enter the group claiming percentage into the E-Rate Discount Calculation Template for each school in the group. Consistent with the school meal programs, student eligibility may not exceed 100 percent for any purposes related to E-rate.

E-Rate discounts remain valid for the entire 4-year CEP cycle. If a school's ISP decreases in subsequent years, the school may continue to use the original percentage for the remainder of the 4-year cycle. However, if the ISP increases during that timeframe, the school may choose to apply the higher percentage for E-Rate purposes. Any time a school electing CEP begins a new 4-year cycle or chooses to apply a new meal claiming percentage, the school district must also re-calculate its E-Rate discount and use that data in the next funding year.

Alternate Income Forms

One of the most important advantages of CEP is the potential to substantially reduce administrative paperwork related to the school meal programs by eliminating the household application process. **FNS encourages LEAs to identify means of assessing school poverty in a way that does not undermine CEP's paperwork reduction benefit.** However, many States and LEAs have historically used school meal application data as a poverty measure. FNS recognizes that, to facilitate CEP implementation, some States may require LEAs to collect household income information to maintain education funding and/or benefits to low-income schools and students. FNS cannot limit or prohibit the use of such alternative measures of income if the State agency or LEA has determined that such paperwork is necessary.

In most cases, alternate forms can be much simpler than school meal applications. Depending on the information required by the funding source, the alternate income form may only need to establish size of household and income level. In some cases, a check-box list of income ranges can be used, rather than asking for exact income on a bi-weekly, monthly, or annual basis. In addition, information such as the last four digits of the primary wage earner's Social Security number may not be necessary. LEAs should work with their State agencies and other funding sources, if applicable, to determine what information is necessary to collect for funds to be allocated in the absence of school meal applications.

Participation in these collections may never be presented to the household as a condition for receiving a school meal, or present a real or perceived barrier to participation in the school lunch or breakfast programs.

State agencies or LEAs choosing to use an alternate income form should:

- Add a prominent disclaimer that the new form is not a school meal application;
- Include a clear, concise explanation of why collecting household income data is important for the school and for students;
- If the new form uses the same format as those previously used for school meal applications, remove all references to USDA programs or school meals;
- Seek input from the State Department of Education (and/or Title I coordinator) and other stakeholders to ensure that the form will collect all necessary information;
- **Not** state or imply that the receipt of free school meals is, in any way, contingent on completion of the form;
- **Not** package the form with materials related to school meal programs; and
- **Not** use food service funds to cover the costs associated with the form.

> **Note:** Alternate household income surveys are not school meal applications and the costs associated with collecting household income information in CEP schools may not be charged to the nonprofit school food service account (NSFSA).

For LEAs electing to partially implement CEP, a single form that collects household income information from students in CEP and non-CEP schools is a reasonable way to streamline information collection.

Single forms developed for this purpose must:

- Contain all information required on the school meal application;
- Include a clear, concise, and prominent disclaimer to indicate that, in CEP schools, receipt of school meals is not dependent on households returning the form; and
- Clearly specify to households which fields must be completed if students are in CEP schools vs. non-CEP schools.

LEAs opting to use a single form at both CEP and non-CEP schools must be able to:

- Distinguish between forms from students in CEP schools vs. non-CEP schools so the LEA can comply with Program requirements related to school meal applications (e.g., only non-CEP school meal applications are used for selecting the verification sample, conducting an independent review of school meal applications, and the Certification and Benefit Issuance portion of the Administrative Review); and
- Properly allocate expenses for form processing, ensuring that costs for form processing for students in CEP schools are not paid for from the NSFSA.

Non-Federal Sources of Funding

When the level of Federal reimbursement received under CEP is less than the cost of providing meals at no cost to all students, and when participation increases and other cost-saving impacts of CEP do not make up the difference, LEAs must use non-Federal funding sources to cover operational costs. Please note that, similar to Provisions 2 and 3, the use of non-Federal funds is only necessary if the total amount of Federal reimbursement through CEP does not cover the costs of serving free meals to all students.

Non-Federal funding sources include any funds other than Federal reimbursement available to the NSFSA. Examples of non-Federal sources include, but are not limited to:

- Any portion of State revenue matching funds that exceeds the minimum requirement established in 7 CFR Part 210.17;
- Profits from à la carte sales;
- Cash donations; and
- In-kind contribution funds from outside sources, such as volunteer services.

In February 2016, FNS hosted a webinar sharing strategies to maintain financial viability at lowers ISPs, which included an overview of non-Federal funding sources. LEA and school officials can view the webinar, *Community Eligibility Provision: Making "Cents" of CEP at a 40-50% ISP*, by visiting the CEP Resource Center (http://www.fns.usda.gov/community-eligibility-provision-making-"cents"-cep-40-50-isp).

Notifying Households

State agencies are required to notify LEAs of their eligibility for CEP and provide procedures for interested and eligible LEAs to participate. LEAs participating in CEP should use their usual channels of communication with media and households to notify the community that school meals, both breakfast and lunch, will be available at no charge to all students enrolled at CEP schools.

The transition to CEP may be a significant one for parents and caregivers, especially if they are familiar with filling out school meal applications each year. Participating LEAs have reported that notifying households early and often about CEP, and explaining its benefits, is very important to minimize confusion about school meals at the start of the school year.

Clear, consistent communication is also very important in districts where some, but not all schools, operate CEP (e.g., the elementary school in the district operates CEP and the middle school does not). School administrators at non-CEP schools within a district that operates CEP should ensure families are aware of the application and the benefits of completing it by conducting outreach in the summer and throughout the school year. A combination of outreach strategies is typically best to ensure all households are aware of CEP and its many benefits. Successful communication strategies include:

- Placing CEP notifications prominently on websites and in any "back-to-school" packets;
- Sending email notifications to households;
- Holding information sessions for families; and/or
- Providing CEP information at school board meetings and "back-to-school" nights.

LEAs have reported outreach efforts have been greatly enhanced when they work closely with school district stakeholders and community leaders to promote CEP and provide resources to families in the community. Districts partially implementing CEP may frame CEP as a benefit available in some schools, similar to language immersion, Science, Technology, Engineering and Mathematics (STEM) programs, and international baccalaureate programs.

Other Universal Feeding Options

Similar to CEP, Provision 2 is a universal feeding model that reduces application burden and simplifies meal counting and claiming procedures. Under Provision 2, schools establish claiming percentages (free/reduced-price/paid) and serve all meals at no charge for a four-year period. During the first year, or base year, the school makes eligibility determinations using applications, and records meal counts by type (free/reduced-price/paid). During the next three years, the school makes no new eligibility determinations (e.g., no applications) and counts only the total number of reimbursable meals served each day. Reimbursement during these years is determined by applying the percentages of free, reduced price and paid meals served during the corresponding month of the base year to the total meal count for the claiming month. The base year is included as part of the four years. At the end of each four-year period, the State agency may approve four-year extensions if the income level of the school's population remains stable. Schools electing this alternative must pay the difference between Federal reimbursement and the cost of providing all meals at no charge. Similar to CEP, the difference must be covered with non-Federal funds.

In high-poverty areas with low direct certification rates, household income applications may better reflect the school or district's poverty rate, and Provision 2 may be advantageous. However, when CEP is a viable option, it is often beneficial because it eliminates the need to process household applications altogether, which can lead to greater administrative savings. Many schools operating Provision 2 have made seamless, successful transitions to CEP.

For more information about Provision 2 and other Provision options, please see *Appendix A: Summary of Special Assistance Provisions*.

Chapter 7: Counting and Claiming Meals

Schools participating in CEP must provide access to both breakfast and lunch for all students during each school day. During meal service, schools are required to keep accurate meal counts and maintain a POS system that ensures Federal reimbursements are claimed only once for each student served a reimbursable meal (except second breakfasts as allowed in the SBP) [7 CFR 220.9(a)]. Schools may not claim reimbursement for additional meals served to students, or for meals that do not meet the meal pattern requirements.[9]

To meet this requirement, schools must:

- Count total meals served daily;
- **Not** collect school meal applications from households; and
- Cover with non-Federal funds any operating costs (i.e., costs for providing meals to all students at no cost) that exceed Federal reimbursements.

Point-of-Sale/Point-of-Service

Consistent with standing regulatory requirements, **any institution participating in the Federal school meal programs is required to take an accurate count of reimbursable meals served to students at each meal service.** Serving lines must be adequately supervised to ensure that all meals claimed for reimbursement meet meal pattern requirements, and that reimbursement is only claimed for one meal per student per meal service (except in the case where excess breakfasts may be served to eligible students and claimed for reimbursement in an effort to reduce food waste, as permitted in the SBP by 7 CFR 220.9(a)).

An accurate meal count may be achieved through a variety of methods and FNS does not require the use of any specific POS system. However, in recent years, many school districts have chosen to implement POS systems which incorporate technologies such as personal identification numbers (PIN), biometrics, and other individual student identifiers. When implementing CEP, FNS encourages school systems to maintain an accurate POS system that has a proven track record of reliability and security, including accounting for adult meals and a la carte sales, while taking advantage of CEP's elimination of meal categories to streamline operations at the POS.

[9] HHFKA directed USDA to update nutrition standards for NSLP and SBP. USDA developed the updated standards based on science and expert recommendations from the Institute of Medicine and the Dietary Guidelines for Americans. The new meal patterns are based on age-appropriate nutrition and physical activity habits of the average student. More information about the updated nutrition standards may be found on the FNS website: http://www.fns.usda.gov/school-meals/nutrition-standards-school-meals.

Examples of Claiming Percentages

An LEA participating in CEP can establish claiming percentages for Federal reimbursements for an individual school, a group of schools, or the entire LEA. The percentage of identified students is multiplied by a factor of 1.6 to determine the total percentage of meals reimbursed at the Federal "free" rate[10] (the percentage derived from this calculation must not exceed 100 percent). The remaining percentage of meals, up to 100 percent, is reimbursed at the Federal "paid" rate. Participating LEAs and schools apply the claiming percentages to the total number of lunches and the total number of breakfasts served to determine the number of meals claimed at the Federal free and paid rates.

The claiming percentage is established as of the April 1 prior to CEP implementation and may be used for a period of up to four school years. **However, if establishing a new ISP would provide a higher level of Federal reimbursement, the claiming percentage may be increased at any time during the 4-year period.** In this case, a new 4-year cycle begins the school year after the new ISP is established. For example, if after reviewing the April 1, 2016, data a participating LEA concludes that the ISP can be increased, the participating LEA may consult with their State agency and then begin a new 4-year cycle with the increased ISP. The LEA would submit claims using the new claiming percentages in SY 2016-17.

Rounding Rules

The ISP for an individual school, group of schools, or entire LEA must be at least 40.00 percent to be eligible to participate in CEP. **When determining the ISP, LEAs should not round.** A percentage of 39.98 percent does NOT meet the threshold. The rounding rules for calculating free and paid claiming percentages under CEP are described below:

- **Free and Paid Claiming Percentages:** Multiply the ISP by 1.6 to determine the percentage of meals reimbursed at the free rate. Carry the calculation to a minimum of two decimal places (e.g., 86.15 percent) using standard rounding: numbers five and above round up to the next higher number, numbers four and below round down (e.g., 86.155 percent = 86.16 percent, 86.154 percent = 86.15 percent).

[10] School Meals - Rates of Reimbursement: http://www.fns.usda.gov/school-meals/rates-reimbursement

- **Number of Meals Reimbursed at the Free Rate:** Multiply the percentage of meals reimbursed at the free rate by the total number of reimbursable meals in the claiming period to get the number of meals reimbursed at the free rate. Remaining meals are reimbursed at the paid rate.

- **Meal Claims*:*** Meal claims must be made in whole numbers. When the free or paid meal calculations result in partial meals, use standard rounding procedures (five and above round up, four and below round down) to determine whole numbers of meals.

If the total percentages for free and paid meals do not equal 100, the paid category must be adjusted to make the percentage 100 percent. For example, if 800 reimbursable meals were served and the free claiming percentage is 86.15 percent, the number of meals reimbursed at the free rate would be 689.2 (800 x 0.8615 = 689.2), which is adjusted to 689 meals. The number of meals reimbursed at the paid rate would be 111 (800-689 = 111).

In order to receive 100 percent reimbursement at the Federal free rate, schools must have an ISP of at least 62.50 percent. By contrast, if a school with an ISP of 40 percent elects to participate in CEP, their Federal reimbursement would be 64 percent free, and 36 percent paid.

Edit Checks

Participation in CEP does not change the requirement to conduct edit checks. Similar to non-CEP schools, when an edit check is exceeded, schools must provide documentation to demonstrate why (e.g., visiting students) or corrective action may be required. Edit check procedures are outlined in Federal regulations at 7 CFR 210.8(a)(3).

Non-Reimbursable Meals and à la Carte Sales

While students may not be charged for reimbursable meals under CEP, participating schools may continue to charge students for non-reimbursable meals through à la carte sales. This would apply in cases where a student declines to select components necessary for a reimbursable meal, or if a student chooses to take additional food. As an alternative to charging students on an à la carte basis, the school may allow a student to take food for free; however, à la carte foods are not eligible for Federal reimbursement and may not be allowable costs to the NSFSA.

> *"Stigma really overshadows a lot of the great things we do. For once, we'll be able to have a program where we can say, now it's time to learn, now it's time to eat, now it's time to play. That's huge for this district."*
>
> *- School Nutrition Director, Tennessee*

Meal Payments from Households

CEP is a non-pricing provision. As such, parents and caregivers are not required to pay for reimbursable meals under CEP. FNS encourages schools electing CEP to communicate with households so that they understand how CEP benefits students, schools, and families. Children may opt out of receiving free meals by bringing food from home or by purchasing à la carte foods, if available, from the school. Parents and caregivers that insist on paying for student meals should be encouraged to make a monetary donation to the NSFSA.

A la carte items, such as single serving items or extra servings in addition to a reimbursable meal, do not constitute reimbursable meals and may require payment from the student, depending on LEA or school policies.

Transfer Students

Students certified for free or reduced price school meals on an individual basis (via school meal application or direct certification) may carry their eligibility status with them for the remainder of the school year when they transfer to a new school. However, under CEP, students may not have an individual eligibility status. Rather, the school, group of schools, or school district has a "free" eligibility status based on the make-up of the overall enrolled student population.

FNS acknowledges that changing schools may be a significant transition for students and households, including students that transfer from a CEP school to a non-CEP school. Adjusting to a new school environment can present unique challenges, particularly for low-income households whose circumstances may have necessitated the transfer. Research suggests that mobility has a negative impact on academic achievement, leading to lower test scores and higher dropout rates.[11] **It is important to ensure that low-income, highly-mobile students have uninterrupted access to healthy school meals during these critical transitions.**

When a child is determined eligible for free or reduced price school meals, their eligibility remains in effect for the entire school year, and for up to 30 operating days into the subsequent school year, unless the household reports a change in income or the child's eligibility status is found to be incorrect as part of verification or during an Administrative Review [42 USC 1758(b)(9)(C); 7 CFR 245.6(c)(1)]. When a child transfers to a new school within the same LEA, the new school must accept the eligibility determination from the child's former school [7 CFR 245.3(c)].

[11] U.S. Government Accountability Office. (2010). *Many Challenges Arise in Educating Students Who Change Schools Frequently*. (GAO Publication No. 11-40). Washington, D.C.: U.S. Government Printing Office.

When a child transfers to a new LEA, the new LEA is permitted to accept the eligibility determination from the child's former LEA [7 CFR 245.6(a)(4)]. While this is not required, it is a best practice that can ease the student's transition to the new school and ensure the child does not experience a gap in meal access.

To ensure that vulnerable children continue to have access to nutrition following a school transfer, and to prevent possible gaps in school meal benefits when students from low-income households move to new schools, in July 2016, FNS codified the requirements outlined in the chart below in final regulation titled *National School Lunch Program and School Breakfast Program: Eliminating Applications through Community Eligibility as Required by the Healthy, Hunger Free Kids Act of 2010* [81 FR 50194, July 29, 2016; 7 CFR 245.9(l)].

Transfer Policy for Provision Schools		
	Within an LEA	**Between LEAs**
Provision School → Standard Counting and Claiming School	Children transferring from a Provision school **must** receive free meals for up to 10 days or until a new eligibility determination is made, whichever comes first. Effective SY 2016-17, State agencies **may** permit children transferring from Provision schools to receive free meals for up to 30 days. Free meals served under these circumstances may be claimed at the Federal free rate.	Effective SY 2016-17, schools are **encouraged** to provide free meals to children transferring from Provision schools for up to 10 days. Effective July 1, 2019 (SY 2019-20) schools **must** provide children transferring from Provision schools free meals for up to 10 operating days or until a new eligibility determination is made, whichever comes first. State agencies **may** permit transfer students to receive free meals for up to 30 days. Free meals served under these circumstances may be claimed at the Federal free rate.

Transferring within the same LEA

If a student transfers from a CEP school to a non-CEP school within the same LEA, and the student is not otherwise eligible for free meals (e.g., via SNAP direct certification, homeless status, migrant status, etc.), the receiving LEA must provide free meals to the transfer student for up to 10 operating days or until a new eligibility determination is made, whichever comes first**.** State agencies may expand benefits by permitting students who transfer from Provision to non-Provision schools to receive free meals for up to 30 days or until a new eligibility determination is made, whichever comes first. Free meals served under these circumstances may be claimed at the Federal free rate.

Transferring between LEAs

If a student transfers from a CEP school to a non-CEP school in a different LEA, the receiving LEA is strongly encouraged to provide free meals to the transfer student for up to 10 operating days or until a new eligibility determination is made, whichever comes first. Effective July 1, 2019, this will be required. FNS recognizes the logistical challenges traditionally associated with the transfer of student records between LEAs, where systems allowing for the sharing of information may not be in place, therefore, this requirement is delayed until SY 2019-20.

Transferring within and between LEAs: States May Extend Benefits to 30 Days

The receiving LEA may, at the State agency's discretion, provide transfer students free reimbursable meals for up to 30 operating days or until a new eligibility determination is made, whichever comes first**.**

FNS strongly encourages State agencies to provide children transferring from a Provision school to non-Provision school with free meals for up to 30 days beginning in SY 2016-17 to safeguard low-income children's access to healthy school meals.

If a student transfers from a CEP school that collected socioeconomic data from the student's household through an alternate income form, the new school may NOT make an eligibility determination based on information submitted in the form. **Alternate income forms are not tied to the NSLP/SBP and may not be used to determine individual student eligibility for free or reduced price school meals.** If a student transfers from a CEP school to a non-CEP school, the new school must process an official school meal application or otherwise determine the student eligible for free meals (e.g., SNAP direct certification or homeless/migrant lists). See *Chapter 2: Eligibility Requirements* for a complete list of directly certifiable programs.

Carryover of Eligibility

NSLP and SBP regulations provide that students determined eligible for free or reduced price school meals may have their eligibility status carried over for up to 30 operating days into the subsequent school year or until a new eligibility determination is made, whichever comes first. Carryover of eligibility provides LEAs adequate time to collect and process household

applications and to determine student eligibility through direct certification data matching at the beginning of the new school year.

Students at schools operating CEP, however, receive free school meals based on eligibility determinations made at the school, group, or district-level. Previously, students transitioning from CEP and other Provision schools to non-Provision schools were required to complete applications or be determined eligible through direct certification in order to receive free or reduced price meal benefits at their new school.

The recently published final regulation titled *National School Lunch Program and School Breakfast Program: Eliminating Applications through Community Eligibility as Required by the Healthy, Hunger Free Kids Act of 2010* [81 FR 50194, July 29, 2016; 7 CFR 245.9(l)] made changes to eligibility carryover for students transitioning from CEP and other Provision schools to non-Provision schools. Current policy is outlined in the chart below.

Carryover Policy for Provision Schools	
	Within an LEA or Between LEAs
Provision School → Standard Counting and Claiming School	Effective SY 2016-17, State agencies **may** permit children moving between LEAs to receive free meals for up to 30 operating days into the subsequent school year or until a new eligibility determination is made, whichever comes first. Meals served to students during the carryover period are claimed and reimbursed at the "free" rate.

FNS encourages State agencies to implement the discretionary carryover provision to ensure that children moving from Provision to non-Provision schools continue to have access to school meals and do not experience a gap in school meal access at the beginning of the school year. Allowing LEAs to provide carryover eligibility for students transitioning from Provision schools aims to limit disruptions in providing meal benefits to low-income students and minimize the burden on the affected LEAs. Meals served to students during the carryover period are claimed at the Federal free rate. For more information, see *SP 52-2016: Early Implementation of Eligibility Carryover Period for Students Transitioning from Provision Schools: State Agency Extension Option*, August 5, 2016, http://www.fns.usda.gov/early-implementation-eligibility-carryover-period-students-transitioning-provision-schools-state.

Visiting Students

FNS strongly encourages non-CEP schools that host visiting students from CEP schools to provide them with a free meal to avoid any disruption to the students' meal service routine. This is consistent with the aim of CEP to provide free meals to all students and reduce administrative burden. Meals served to visiting students should be included in the total meal count, and should be claimed by the non-CEP school according to the claiming percentages of the CEP school.

Example: Twenty students from a CEP school visit a non-CEP school and all eat lunch at no charge. If the CEP school's claiming percentages are 85.00 percent free and 15.00 percent paid, these percentages are applied to the visiting student meals. The non-CEP school in this example would claim 17 meals free (85.00% x 20) and 3 meals paid (15.00% x 20). If only one CEP student is visiting a non-CEP school, the meal should be claimed free. The NSFSA can be used to cover the value of any paid meals of visiting students.

Partial Day Students

Students who attend school half-day and only have access to one meal (breakfast or lunch) are included in the ISP numerator (identified students), as applicable, and the denominator (enrollment).

Two Cent Differential

The NSLA provides general cash for food assistance payments to States to assist schools in purchasing food. Those school food authorities (SFAs) in which 60 percent or more of the lunches served in the second preceding school year were served at free or reduced price receive two cents more. This higher payment rate is referred to as the "two cent differential."

The two cent differential for NSLP is determined at the SFA-level. To calculate eligibility for this reimbursement, SFAs aggregate counts of lunches served by reimbursement category. If at least 60 percent of the lunches served were reimbursed at the free or reduced price rate, then the SFA may claim an additional two cents reimbursement for all lunches served.

For SFAs that have partially implemented CEP or have more than one CEP group within their SFA, the calculation approach does not change; eligibility is determined if the percentage of free and reduced price lunches served in the SFA during the second preceding year was 60 percent or greater.

If the SFA operates CEP district-wide as one group, then the SFA is eligible if the free claiming percentage (ISP x 1.6) during the second preceding year was 60 percent or greater. If there is a new SFA participating in CEP district-wide, the SFA does not have to wait for the first three months of claims to determine eligibility for two cents. The new SFA may use the SFA's free claiming percentage (ISP x 1.6) to determine eligibility.

However, if the new SFA is not participating in CEP district-wide, then it must follow the guidance in *SP 30-2014: Determining Eligibility for Two Cent Differential Reimbursement in New Schools*, March 28, 2014 (http://www.fns.usda.gov/determining-eligibility-two-cent-differential-reimbursement-new-schools) and wait for the first three claims to determine eligibility.

Schools certified for the additional six cents would receive that additional reimbursement in all cases, as these funds are not tied to claiming patterns.

Severe Need Breakfast Reimbursement

Severe need reimbursement is available to sites serving breakfast to a large number of low-income students. An SFA may be eligible for a higher rate of reimbursement for breakfasts based on USDA's criteria for severe need. To be eligible for severe need breakfast reimbursement, a site must meet the following criteria:

- Forty percent or more of the lunches claimed at the site in the second preceding school year were served free or at a reduced price; and
- The site is participating in or initiating the SBP.

Severe need eligibility is based on site-level data. If the school operated CEP during the second preceding school year, the individual school's ISP must be used to determine eligibility for severe need reimbursements. Therefore, the individual school's ISP from the second preceding year multiplied by 1.6 must be at least 40 percent to qualify for severe need reimbursement in the SBP. Schools participating in CEP as part of a group may not use the group free claiming percentage to determine eligibility for severe need reimbursement.

If a new school elects CEP, the individual school's ISP can be used to determine eligibility for severe need without waiting for the first three months of claims, as is required in *SP 23-2005: Eligibility for Severe Need Rates for the School Breakfast Program (SBP)*, http://www.fns.usda.gov/eligibility-severe-need-rates-school-breakfast-program-sbp-sp-23.

Chapter 8: Participation in Other Federal Child Nutrition Programs

When any school in an LEA participates in CEP, the individual school's eligibility for other CNPs is determined by the school's free claiming percentage (ISP multiplied by 1.6), rather than requiring a separate school meal application.

In addition, institutions or sites offering CNPs within the boundaries of an individual CEP school are permitted to use the school's free claiming percentage to determine area eligibility under these programs. In order for a site to be determined area eligible, **individual school data** must indicate that the proposed meal site is located in the attendance area of a CEP school where the free claiming percentage is at least 50 percent. **LEAs or groups of schools may not use aggregated ISPs multiplied by 1.6 to determine area eligibility** (i.e., the ISP of a group of schools or for the school district as a whole may not be used). Area eligibility determinations based on data from schools electing CEP as part of a group of schools or a school district must still use the individual school data rather than district-wide data.

For more information, see *SP 10, CACFP 04, SFSP 03-2015: Area Eligibility in Child Nutrition Programs*, November 21, 2014 (http://www.fns.usda.gov/area-eligibility-child-nutrition-programs-0).

NSLP Afterschool Snacks

For NSLP Afterschool Snacks, cash reimbursement is provided to help schools that provide supervised enrichment programs serve snacks to children after their school day ends. More information about NSLP Afterschool Snacks is available on the FNS School Meal Programs Website (http://www.fns.usda.gov/school-meals/afterschool-snacks).

Data from the previous October is typically used to establish area eligibility. LEAs and schools in the first year of CEP should use data from the previous October to establish area eligibility. After the first year, LEAs and schools must use the CEP claiming percentage (ISP times 1.6) to establish area eligibility. If the LEA participates in CEP district-wide or if schools are grouped, an individual school site's area eligibility must be determined using the individual school's ISP (not the district-wide or group ISP).

CEP schools or school sites operating NSLP Afterschool Snacks that are area eligible claim all snacks at the Federal free rate. A CEP school or school site is area eligible if:

- At least 50 percent of students are free or reduced-price eligible (school's individual ISP is at least 31.25 percent); or
- The school or site is located in the attendance area of another school in which at least 50 percent of the children enrolled at the school are certified as eligible for free or reduced price meals.

The State agency will ultimately determine area eligibility for each NSLP Afterschool Snack site seeking to qualify as area eligible based on information provided by the SFA.

CEP schools that are not area eligible claim snacks under their CEP claiming percentages (i.e., if "X" percent of snacks are reimbursed at the free rate, then 100 percent minus "X" equals percentage of snack reimbursed at paid rate).

The Summer Food Service Program

The Summer Food Service Program (SFSP) helps to ensure that children have access to healthy meals when school is not in session by providing free meals to children age 18 and under at approved sites in low-income areas. More information about the SFSP is available on the FNS SFSP Website (http://www.fns.usda.gov/sfsp/summer-food-service-program-sfsp).

> *"CEP opens up and increases participation across the board in our breakfast and lunch programs. This is a very valuable program to our community and to our students."*
>
> *- Superintendent, Michigan*

SFSP sites using CEP data to establish area eligibility must use the individual school-level data rather than district-wide or group ISP data. Individual school-level data is obtained by multiplying the most current school-level ISP by 1.6. If the result is equal to or greater than 50 percent, meal sites located in the attendance area of the school are area eligible. If a school electing CEP collects alternate household income forms, that data may not be used to determine the school's area eligibility.

The Seamless Summer Option

The Seamless Summer Option (SSO) is a special provision to encourage more SFAs to provide meals during the summer and other school vacation periods longer than 10 school days. SSO allows SFAs to continue the same meal service rules and claiming procedures used during the regular school year, offering a streamlined and simplified approach to feeding students. More information about the SSO is available on the FNS School Meal Programs Website (http://www.fns.usda.gov/school-meals/opportunity-schools).

If a CEP school uses SSO and operates a closed-enrolled site (only children enrolled in the CEP school attend the SSO site) the school may use CEP data for reimbursement calculations for the SSO and may:

- Apply the CEP claiming percentages for SSO; or
- Establish an ISP and CEP claiming percentage for the SSO and use a SSO claiming percentage in subsequent years of the CEP cycle.

If a CEP school uses SSO and operates an open site (participating students are enrolled in a non-CEP school or in a different CEP school during the regular school year) the school may:

- Offer standard program operations to summer school students (i.e., standard school meal application and meal counting and claiming procedures); or
- Establish an ISP and CEP claiming percentage for the SSO and use the SSO claiming percentages in subsequent years of the CEP cycle for meal counting and claiming.

If a student enrolled in a CEP school during the school year attends a non-CEP school for summer school operating SSO, the non-CEP school must process a school meal application for that student because the student does not have an individual eligibility status.

The Child and Adult Care Food Program

The Child and Adult Care Food Program (CACFP) provides funding for nutritious meals and snacks served to children, adults, and chronically impaired disabled persons receiving day care. Child care centers, day care homes, afterschool programs, emergency shelters, and adult day care centers are eligible to participate. More information about the CACFP is available on the FNS Child and Adult Care Food Program Website (http://www.fns.usda.gov/cacfp/child-and-adult-care-food-program).

Generally, a participant's individual eligibility status is the basis for claiming snacks and/or meals for Federal reimbursement through the CACFP. Meals served to children are reimbursed based on eligibility for free, reduced price, or paid meals. However, reimbursement also may be based on area eligibility for family day care homes and afterschool program sites.

- **Day Care Homes:** A family day care home is determined area eligible if it is located in an area where at least half the children are eligible for free or reduced price meals. Higher reimbursement rates are available for day care homes located in low-income areas ("tier I day care homes") than those located in higher-income areas ("tier II day care homes"). This determination may be made based on census or school data.

- **At-Risk Afterschool Sites:** An At-Risk Afterschool site is area eligible if it is located in an area where at least half the children are eligible for free or reduced price meals. At-Risk Afterschool sites are required to use school data to establish area eligibility, and may not collect applications or use census data to establish area eligibility.

Area eligibility determinations based on data from schools electing CEP as part of a group of schools or a district-wide must continue to use the individual school-level data rather than group or district-wide data to establish area eligibility for day care homes and afterschool programs. These individual school-level data are obtained by multiplying the most current school-level ISP by 1.6. If the result is equal to or greater than 50 percent (ISP $\geq$ 31.25 percent), meal sites located in the attendance area of the school are area eligible. If a school electing CEP collects alternate household income information to be used for other purposes, school-level data based on these applications may not be used to determine area eligibility.

The Special Milk Program

The Special Milk Program (SMP) provides milk to children in schools and childcare institutions who do not participate in other Federal meal service programs. In limited circumstances, schools participating in the NSLP and/or the SBP may also participate in the SMP if they serve half-day students who would not otherwise have access to the school meal programs. More information about the SMP is available on the FNS School Meal Programs Website (http://www.fns.usda.gov/smp/special-milk-program).

If a school operates CEP but also operates the SMP for half-day students who do not have access to the NSLP or the SBP, then the school must process school meal applications for any students being served under the SMP.

Fresh Fruit and Vegetable Program

The Fresh Fruit and Vegetable Program (FFVP) is a federally-assisted program providing free fresh fruits and vegetables to participating elementary schools during the school day. The goal of the FFVP is to improve children's overall diet by creating healthier school environments; providing nutritious food choices; expanding the variety of fruits and vegetables children experience; and increasing children's fruit and vegetable consumption. More information about the FFVP is available on the FNS Fresh Fruit and Vegetable Program Website (http://www.fns.usda.gov/ffvp/fresh-fruit-and-vegetable-program).

When considering CEP schools for FFVP funds, State agencies may use the individual school-level ISP multiplied by 1.6, since the 1.6 multiplier is intended to provide an estimate of the total number of students eligible for free and reduced price meals in eligible schools. For schools in LEAs electing CEP for the entire LEA, or as part of a group of schools electing CEP with a shared ISP, the State agency must use the individual school level ISP multiplied by 1.6 for purposes of awarding FFVP funds.

Use of Other CNP Funds to Support CEP

An LEA with one or more schools participating in the NSLP and SBP under CEP must use non-Federal funds to make-up any difference between the cost of serving reimbursable lunches and breakfasts to all students at no charge and the Federal reimbursement received under those two programs. Per the NSLA (42 U.S.C. 1759(a)(1) section 11(a)(1)(F)(ii)(I)(bb), Federal assistance received under the NSLA and Child Nutrition Act of 1966 may be used to support offering breakfasts and lunches to students at no cost in CEP schools. This includes excess funds from SFSP and CACFP.

Chapter 9: Other LEA Requirements

Verification

Verification is confirmation of eligibility for free and reduced price meals under the NSLP and SBP. Verification is only required when eligibility is determined through the school meal application process. Verification is not required when eligibility is determined through direct certification conducted with assistance program data or documentation of other source categorical eligibility. **LEAs are exempt from verification for schools electing CEP, since school meal applications are not collected at CEP schools.** However, LEAs with only some schools electing CEP must still conduct verification in non-CEP schools. More information about this requirement may be found in the *2016 Eligibility Manual for School Meals* (http://www.fns.usda.gov/2016-edition-eligibility-manual-school-meals).

If an LEA ends use of CEP and resumes standard counting and claiming, verification must be conducted on the school meal applications processed after the LEA resumes standard counting and claiming procedures. The State agency should work with the LEA to establish a reasonable timeframe for the LEA to complete verification and reporting activities. It is important to note that the LEA is also required to comply with other school meal application-related requirements, such as the independent review of applications. Please see the table below for more information.

For example, if all students at CEP schools in an LEA are being offered free meals prior to the last operating day of October, verification requirements are waived. In this situation, the LEA must comply with reporting requirements for CEP schools.

Summary: Reporting Requirements for Mid-Year Changes in CEP Election			
If the LEA Elects…	**Must the State Agency/LEA Complete?**		
	Verification	**FNS-742**	**FNS-834**
On or before the last operating day of October	Not Required	Yes, complete as a CEP LEA *(Do not report direct certifications in Section 3 for CEP schools. Instead use FNS-834 to report SNAP matches for special Provision schools)*	Yes, complete as a CEP LEA *(Report the students in CEP schools matched with SNAP on FNS-834, Data Element #3)*
After last operating day of October	Yes	Yes, complete as a standard counting and claiming LEA	Yes, complete as a standard counting and claiming LEA

See *Chapter 12: Reporting and Recordkeeping Requirements* for additional information.

"CEP opens up and increases participation across the board in our breakfast and lunch programs. This is a very valuable program to our community and to our students."

- Superintendent, Michigan

Independent Review of Applications

LEAs designated by the State agency as demonstrating high levels of or high risk for administrative error are required to conduct a second review of school meal applications. However, an LEA that elects CEP district-wide is not subject to the independent review of applications. **Only LEAs that collect school meal applications can be required to conduct a second review of applications.**

LEAs may refer to *SP 44-2014, Questions and Answers Related to the Independent Review of Applications*, April 30, 2014, for more information on this requirement (http://www.fns.usda.gov/qas-related-independent-review-applications).

Paid Lunch Equity

Federal regulations at 7 CFR 210.14(e) require SFAs participating in the NSLP to ensure sufficient funds are provided to the NSFSA for meals served to students not eligible for free or reduced price meals. The intent of this requirement is to improve the financial solvency of the school meal programs. There are two ways to meet this requirement: either through the prices charged for "paid" meals or through other non-Federal funding sources provided to the NSFSA.

In LEAs that have elected to participate in CEP district-wide, paid lunch equity (PLE) is not applicable. In districts that have some CEP schools and some non-CEP schools, CEP schools are excluded from the PLE calculation.

For more information, see FNS Memo *SP 39-2011, Guidance on Paid Lunch Equity and Revenue from Nonprogram Foods*, October 24, 2011 (http://www.fns.usda.gov/guidance-paid-lunch-equity-and-revenue-nonprogram-foods).

Chapter 10: The 4-Year Cycle

LEAs, groups of schools, and individual schools elect CEP in 4-year cycles. The original ISP (established from April 1 data in the school year prior to CEP implementation) is valid for four years. However, while LEAs are not required to adjust their ISP annually, **LEAs electing CEP are required to conduct a data match between SNAP records and student enrollment records at CEP schools at least once annually.**[12] State agencies may conduct SNAP data matching on behalf of LEAs and exempt LEAs from the requirement.

While LEAs are not required to do so, in some cases, it may be advantageous for an LEA to adjust the ISP based on the required annual data match. If the LEA determines the ISP has increased, the school(s) or district may elect to begin a new 4-year cycle with the higher ISP the following school year. The LEA should contact the State agency to confirm the higher ISP and determine procedures for beginning a new 4-year cycle.

During each year of a 4-year cycle, the participating entity may select the higher of either:

- The ISP reflective of the most recent April 1; or
- The ISP from the year prior to the first year of CEP implementation (the original ISP).

In order to begin a new four-year CEP cycle, the LEA must calculate a new ISP (via identified student data from April 1), which must meet the 40 percent threshold.

When there is a change in the student population between school years that impacts the number of identified students or total enrollment, the LEA, group of schools, or school participating in CEP may need to recalculate the ISP. An example scenario is included on the following page. However, ISP recalculations are not required mid-year for any changes in a student population. Mid-year changes in a student population may pose significant challenges for LEAs and schools, and requiring a mid-year recalculation of the ISP could interrupt the meal service and exacerbate other challenges facing the LEA, school, or students.

For any student population changes that occur mid-year, the LEA, group of schools, or individual school may continue claiming meals using the previously established ISP for the remainder of the school year. If the LEA, group of schools, or school experiencing a mid-year change wants to continue electing CEP in the next school year, the ISP must be recalculated using the most recent April 1 data. A new 4-year cycle would start the next school year, using the new ISP as the basis for meal claims. See *Chapter 3: Determining the Identified Student Percentage* for additional information.

[12] In CEP schools, this data matching process is not to assess individual student eligibility for free or reduced price school meals. All students in CEP schools already have access to meals at no cost.

Example: If an LEA groups four schools together in Year 1, then wants to add four more schools in Year 2, all eight schools may be grouped together. The four schools adopting CEP in Year 1 were using data from April 1 of the preceding year to calculate the ISP. When the four additional schools are added in Year 2, the identified student and enrollment populations both change so a new ISP must be calculated. The LEA would have two options:

- Form two separate groups of four schools. Each group would have its own ISP (calculated using April 1 data from the year **before** CEP implementation) and its own 4-year cycle.
- Form a new group of eight schools and calculate a new ISP based on the identified students and enrollment from all eight schools. The new group would start a new 4-year CEP cycle. The ISP would be established using April 1 data from the year **before** the new group of eight schools elects CEP.

End of Cycle

Participating LEAs or schools that continue to meet the 40 percent threshold as of April 1 in Year 4 of the 4-year cycle are able to, with the State agency's authorization, immediately begin another 4-year cycle in the following school year. The ISP for the new 4-year cycle must be established using the most recent April 1 data.

Grace Year

Participating LEAs and schools with ISPs of at least 30 percent but less than 40 percent, as of April 1 in Year 4 of the 4-year cycle, may continue participating in CEP for one grace year (a fifth year). Reimbursement for schools in a grace year is based on the ISP as of April 1 in year 4 of the current 4-year cycle. For example, the claiming percentages for participating schools in a grace year would be calculated as follows:

- Year 4 ISP as of April 1, 2018: **35.00%**
- ISP × 1.6 multiplier (35.00% × 1.6): **56.00%**
- Free claiming percentage: **56.00%**
- Paid claiming percentage: **44.00%**

LEAs or schools that reach the required 40 percent threshold as of April 1 of the grace year would be eligible to begin a new 4-year cycle in the following school year. LEAs or schools that do not meet the threshold as of April 1 of the grace year would be required to return to standard counting and claiming or elect another special Provision option, and must collect school meal applications, in the following school year.

Identified Student Percentage Errors

Outside an Administrative Review

If an LEA finds the ISP is incorrect, the LEA should notify the State agency immediately. The State agency must confirm the corrected ISP (based on identified student data from April 1 of the year prior to the start of the current CEP cycle). The corrected ISP is then applied to the current unclaimed month and future claims for the remainder of the four-year cycle.

If the error was found outside of an Administrative Review, the corrected ISP is applied to the current unclaimed month and future claims for the remainder of the four-year cycle. If the corrected ISP is lower than the original ISP, resulting in overclaims, State agencies have discretion to retroactively adjust claims back to the start of the school year. If the corrected ISP is higher than the original ISP, resulting in underclaims, retroactive, upward adjustments to claims are not allowed for errors found outside of an Administrative Review.

During an Administrative Review

If the ISP error is found during an Administrative Review, the State agency must determine the actual ISP (based on identified student data from April 1 of the year prior to the start of the current CEP cycle), then apply the correct claiming percentage retroactively to all claims submitted in the school year during which the Administrative Review takes place. The corrected ISP is used for the remainder of the four-year cycle.

At the discretion of the State agency, upward adjustments to claims from the current and prior fiscal years may be made following the identification of an ISP calculation error during an Administrative Review (7 CFR 210.8(b)(4)). State agencies have discretion to extend fiscal action beyond the school year in which the erroneous ISP was found, if applicable.

If, based on an ISP calculation error, the State agency determines the LEA is ineligible for CEP, and the LEA is not eligible for a grace year, the State agency should work with the LEA to return to standard counting and claiming. If there is insufficient time in the current school year to resume standard counting and claiming, the LEA should use the corrected claiming percentages for the remainder of the school year. Additionally, the State agency should examine its CEP application process to determine why the erroneous ISP was not discovered and corrected when the LEA elected CEP.

FNS strongly encourages LEAs and States to carefully review ISPs at the time of CEP election to avoid errors.

Ending Use of CEP

An LEA may decide to end use of CEP at any time during the 4-year cycle, or at the end of a 4-year cycle. Since the new ISP must be established by April 1 of the year prior to electing CEP, LEAs will have time prior to the next school year to decide if continuing CEP will be advantageous.

> *"Paying for lunch can be a challenge for families. Imagine families now having hundreds of dollars in extra money to use for other bills, instead of school lunch."*
>
> *- School Nutrition Director, South Carolina*

Between School Years During a 4-Year Cycle

LEAs electing to stop CEP between school years **must notify their State agencies by June 30** of their intent to return to standard application and counting and claiming procedures for the upcoming school year. When a school operating CEP decides to resume standard counting and claiming procedures between school years, local officials have time over the summer to notify families and prepare for the application process.

At the start of the next school year, the school would disseminate and process school meal applications. Directly certified students may be eligible for free meals during the 30 day carryover period at the start of the new school year if the school can determine their individual eligibility status from the preceding year. In addition, effective SY 2016-17, State agencies may permit all children attending the school transitioning to standard counting and claiming to receive free meals for up to 30 operating days or until a new eligibility determination is made, whichever comes first.

Mid-School Year

Although not recommended, LEAs may choose to stop CEP mid-year and return to standard counting and claiming procedures. LEAs that are considering stopping CEP in the middle of the school year should **consult with their State agency immediately** so the State agency can provide technical assistance to facilitate a smooth transition.

State agencies have discretion to establish a reasonable timeline (at least 30 operating days) for the LEA to resume standard counting and claiming procedures. Resumption of standard counting and claiming procedures mid-year would include notifying households of a change in benefits and disseminating and processing school meal applications. During the established timeframe to resume standard procedures, students should continue to receive free meals so their meal service routine is not disrupted. Meals are claimed using the free/paid CEP claiming percentages until the transition to standard meal counting and claiming is complete.

Chapter 11: State Agency Monitoring

> *"We know that when students are fed and are not hungry, they perform better in school. We're excited to give our students this opportunity."*
>
> *- Superintendent, Louisiana*

SFAs operating CEP use modified procedures (in areas such as certification and benefit issuance) and, therefore, monitoring procedures to assess compliance must also be modified. This chapter briefly describes modifications required to comply with CEP. Complete Administrative Review requirements are detailed in the *Administrative Review Manual* (http://www.fns.usda.gov/nslp/administrative-review-manual).

Review Procedures

Site Selection

The State agency must use standard site selection procedures for schools in the SFA. Refer to *Section I: Pre-Visit Procedures, Site Selection Procedures* in the *Administrative Review Manual* for more information on this requirement. When conducting site selection for SFAs operating a combination of CEP and standard meal counting and claiming sites, and all the sites selected for review are CEP sites, the State agency must replace at least one selected CEP site with a standard meal counting and claiming site.

When conducting site selection for SFAs with a combination of sites operating one or more CEP sites along with standard meal counting and claiming sites and only one site is required to be reviewed, State agencies must select the standard meal counting and claiming site to conduct the Administrative Review. In this case, an abbreviated review (described on the following page) must be conducted in at least one CEP school/site.

- **Pre-visit Review Procedures for CEP Schools Selected for Review:** The State agency must complete the *Off-Site Assessment Tool*, including *Section IX: Special Provision Options* in the *Administrative Review Manual*. The State agency must also determine whether any adjustments to the ISP have been made and whether the resulting claiming percentages are correct and are properly applied.

- **On-site Review Activities for CEP Sites Selected for Review:** Please see the *Administrative Review Manual* for more detailed information.
  - Step 1: Confirm Off-Site Assessment Tool
  - Step 2: Conduct the Certification and Benefit Issuance Review
  - Step 3: Validation of Identified Student Percentage (if it was not conducted when CEP was elected) and Claiming Percentages
  - Step 4: Recordkeeping
  - Step 5: All Other Critical and General Areas of Review
  - Step 6: Recording Review Findings

If the State agency followed the process in the *Administrative Review Manual* (Section IX, Special Provision Options, Community Eligibility Provision Module, On-Site Review Activities, step 2) to validate the ISP when CEP was elected, then that effort and documentation may count for validating the ISP on the Administrative Review. The State agency does not need to validate the ISP again for the Administrative Review if the same ISP is still being used by the LEA as the basis for claiming when the Administrative Review is conducted. State agencies must still complete the other CEP related components of the Administrative Review process, including verifying that claiming percentages are properly applied to claims from the review period and month of the on-site review.

Abbreviated Review

If the school selection procedures do not result in the review of a CEP school, the State agency must conduct an abbreviated review of each CEP group. At a minimum, the State agency must conduct an abbreviated review of the claiming percentages for the review period. Please see the current *Administrative Review Manual* for further information regarding the abbreviated review procedures.

Technical Assistance/Corrective Action

Technical assistance must be provided and corrective action required as specified in the *Administrative Review Manual* and as described in this section. **Corrective action must be applied SFA-wide as soon as practicable for all violations at reviewed and non-reviewed sites, if applicable.**

If violations to the application of the claiming percentages are identified in reviewed schools or through the abbreviated review the SFA will be required, as part of its Corrective Action Plan, to correct the deficiencies identified at all sites. In addition, the SFA will be required to submit documentation for every site operating CEP, showing that the claiming percentages calculated during the latest ISP approval are applied correctly for every closed claim for reimbursement from the current school year in which the review occurs.

Fiscal Action

The State agency must assess fiscal action as specified in each section of the *Administrative Review Manual*. The State agency must also observe:

- **Fiscal Action:** The reviewer will complete the Fiscal Action Workbook for all reviewed sites regardless of which sites are operating under standard or CEP procedures. See the *Administrative Review Manual* for more information.

- **Recordkeeping:** When ISP records are not retained as required, the State agency may, at its discretion, disallow some or all meals served at each site/SFA that failed to maintain all required documentation.

Chapter 12: Reporting and Recordkeeping Requirements

> *"[CEP] will allow all students to focus on their studies without being distracted by hunger. Parents will have less paperwork and no worries about lunch accounts."*
>
> *- School Nutrition Director, Mississippi*

CEP schools are subject to the same basic reporting and recordkeeping requirements as schools conducting normal counting and claiming or operating under other special Provisions. This chapter provides details on how CEP schools may fulfill their annual FNS reporting requirements, in addition to outlining documentation that must be retained by the LEA for accountability purposes.

Note: This chapter only describes FNS reporting requirements; the U.S. Department of Education and State agencies may have additional reporting and recordkeeping requirements.

FNS Data Reporting

Reporting on the FNS-742

(Verification Collection Report)

CEP schools and State agencies follow the same procedures as those currently outlined for Provision 2/3 non-base years:

- Report in Sections 1 and 2 of the FNS-742 for all schools as applicable.
- If all schools in the LEA are participating in CEP, check box 3-1 and report "0's" for the remaining Sections of the FNS-742.
- If only some schools in the LEA are participating in CEP, report as follows:
  - Report SNAP-only direct certification data for the schools NOT participating in CEP in Section 3-2: "Students directly certified through SNAP" on the FNS-742.
  - Report the remaining fields of Section 3 and all other Sections of the FNS-742 for schools NOT participating in CEP or Provision 2/3 in non-base as applicable.

Reporting on the FNS-834

(State Agency (NSLP/SNAP) Direct Certification Rate Data Element Report)

For CEP schools, State agencies follow the same procedures as those currently outlined for Provision 2/3 non-base years:

- Report a statewide count of students matched with SNAP for all schools participating in CEP and any Provision 2/3 non-base year schools combined on the FNS-834 in the Data Element #3 box for "The number of SNAP Children in Special Provision Schools Operating in a Non-Base Year."

To obtain the number of students matched against SNAP records that are enrolled in CEP schools to be reported on the FNS-834 one of the following options may be used:

- Perform the special Provision match as do other Provision schools operating in a non-base year. For example, in SY 2016-17 the count for Data Element #3 would come from the special Provision match conducted in or near October, but not later than the last operating day of October; or
- Use the count of identified students matched with SNAP conducted by April 1 of the same calendar year the FNS-834 is due, whether or not it was used in the claiming percentages. For example, in SY 2016-17, the FNS-834 will be due December 1, 2016, and the count used in lieu of the special Provision match for Data Element #3 for SY 2016-17 would be the count of identified students matched with SNAP by April 1, 2016, whether or not the school elected to update the claiming percentage that year.

Reporting on the FNS-10

(Report of School Program Operations)

When reporting October data for the FNS-10, the "FREE" percentage currently used to claim meals under CEP (ISP times 1.6) in the LEA/school should be applied to the current October enrollment number to estimate the number of children approved for "FREE" lunches to report in 15a. CEP LEAs will not report "REDUCED PRICE" data in 15b.

Reporting on the FNS-828

(School Food Authority Paid Lunch Price Report)

All SFAs must be reported on the FNS-828. SFAs that do not charge for paid student lunches must enter "$0.00" in any or all categories, as applicable. SFAs with both non-pricing (i.e., CEP) and pricing schools would report the most frequently charged lunch price(s) in those schools or categories of schools **that do charge for paid lunches**.

Recordkeeping Requirements

State agencies have established an array of processes for assessing the accuracy of an LEA's ISP(s). States opting to follow the Administrative Review procedures (i.e., locate 10 percent, or a statistically valid sample, of identified student names on appropriate source documentation) must, at a minimum, as part of the Administrative Review records, maintain the following ISP data for LEAs and schools participating in CEP:

- A list of all of the identified students, with their ISP classification, used to determine the ISP from all schools participating in CEP from each district;
- Documentation for the total enrollment at all CEP schools;
- The sample list of students that the State agency used to verify the initial ISP; and
- The ISP worksheet the LEAs used to calculate the ISP(s) and submitted to State agencies with appropriate documentation.

For more information, please see *SP 15-2016: CEP State Agency Procedures to Ensure Identified Student Percentage Accuracy*, November 30, 2015 (http://www.fns.usda.gov/cep-state-agency-procedures-ensure-identified-student-percentage-accuracy).

State agencies are required to maintain Program records as necessary to support the reimbursement payments made to SFAs (7 CFR 210.5(d)). Furthermore, 7 CFR 210.23(c) requires records to be retained for a period of three years after the date of submission of the final Financial Status Report for the fiscal year. Therefore, State agencies that opt to establish their own processes for validating an ISP at the time CEP is elected must maintain documentation used to confirm the current claiming ISP for the entire time an LEA or school operates CEP, and for three years after submission of the LEA's final Claim for Reimbursement for the last fiscal year of CEP. If audit findings have not been resolved, these records must be retained beyond the three-year period as long as required for the resolution of issues raised by the audit.

LEAs must maintain source documentation used to validate the ISP for the entire time an LEA or school operates CEP. If an LEA or school chooses to return to standard counting and claiming, the LEA must maintain the source documentation for three years after submission of the final Claim for Reimbursement for the last fiscal year of CEP. In addition, **this documentation must be retained for three years after submission of the final claim for reimbursement under that claiming percentage and beyond the three-year period as long as required for the resolution of any issues raised by an audit. Failure to retain required documentation may result in removal from CEP and/or fiscal action.**

All other standard recordkeeping requirements (meal counts, production records, etc.) continue to apply and documentation must be retained for the prescribed period.

Appendix A: Summary of Special Assistance Provisions

In an effort to reduce paperwork at the local level, Congress has incorporated into Section 11(a)(1) of the NSLA three alternative Provisions to the normal requirements for annual determinations of eligibility for free and reduced price school meals and daily meal counts by type (free, reduced price and paid meals) at the POS.

More information about the Provisions is available on the FNS School Programs Website (http://www.fns.usda.gov/school-meals/provisions-1-2-and-3).

Provision 1

Provision 1 has been an option for schools since 1980. This Provision reduces school meal application burdens by allowing free eligibility to be certified for a two-year period.

In schools where at least 80 percent of the children enrolled are eligible for free or reduced price meals, annual notification of Program availability and certification of children eligible for free meals may be reduced to once every two consecutive school years. All other households must be provided a school meal application and are allowed to apply for meal benefits each school year. There is no requirement to serve meals at no charge to all students.

Schools must continue to record daily meal counts of the number of meals served to children by type as the basis for calculating reimbursement claims.

Provision 2

Provision 2 has been an option for schools since 1980. This Provision reduces school meal application burdens and simplifies meal counting and claiming procedures. Provision 2 allows schools to establish claiming percentages and to serve all meals at no charge for a four year period.

Provision 2 schools must serve meals to all participating children at no charge for a period of four years. During the first year (or “base year”) the school makes eligibility determinations and tracks meal counts by type (free, reduced price, and paid). During the next three years, the school makes no new eligibility determinations and counts only the total number of reimbursable meals served each day. Reimbursement during the second, third, and fourth years is determined by applying the percentages of free, reduced price and paid meals served during the base year to the total meal count for the claiming month. The base year is included as part of the four years. At the end of each four year period, the State agency may approve four year extensions if the income level of the school’s population remains stable compared to the base year.

Schools electing Provision 2 must pay the difference between Federal reimbursement and the cost of providing all meals at no charge. The money to pay for this difference must be from non-Federal funding sources.

Provision 3

Provision 3 has been an option for schools since 1995. This Provision reduces school meal application burdens and meal counting and claiming procedures. It allows schools to receive the same level of Federal cash and commodity assistance each year, with some adjustments, for a four year period.

Provision 3 schools must serve meals to all participating children at no charge for a period of four years. These schools do not make additional eligibility determinations. Instead, Provision 3 schools receive the level of Federal cash and commodity support paid to them for the last year in which they made eligibility determinations and meal counts by type, which is the "base year." For each of the four years, the level of Federal cash and commodity support is adjusted to reflect changes in enrollment, inflation, and operating days. The base year is not included as part of the four years. It is the school's option whether to charge for reduced price and paid meals during the base year. At the end of each four year period, the State agency may approve four year extensions if the income level of the school's population remains stable compared to the base year.

Schools electing Provision 3 must pay the difference between Federal reimbursement and the cost of providing all meals at no charge. The money to pay for this difference must be from sources other than Federal funds.

Appendix B: Participation Checklist - Election Considerations

Eligibility Basics

This appendix provides a general overview of what LEAs and schools will need to take into consideration when deciding to participate in CEP. A more detailed description of these elements is provided in *Chapter 2: Eligibility Requirements* and *Chapter 3: Determining the Identified Student Percentage* of this manual.

To be eligible for CEP, an LEA, group of schools, or school must:

- Meet a minimum level of 40 percent of "identified students" certified for free meals in the prior school year without the use of school meal applications;
- Participate in both the NSLP and SBP (this includes any public, private, and charter schools);
- Serve free lunches and breakfasts to all students during the 4-year cycle;
- Count total breakfasts and total lunches served daily;
- Not collect school meal applications from households; and
- Cover with non-Federal funds any costs of providing free meals to all students above amounts provided by Federal reimbursements.

Identified Students

CEP is available to LEAs (other than a RCCI) and schools with 40 percent or more "identified students" in the prior school year. Identified students are the number of students approved as directly certified through SNAP, TANF, and FDPIR participation, as well as homeless students on the liaison list, Head Start or comparable State-funded Head Start or pre-kindergarten program, migrant youth, runaways, and non-applicants approved by local officials identified through means other than a school meal application.

Foster children certified through means other than a school meal application are also included as well as students certified for free meals based on a letter provided by the household from the SNAP agency. Students who are categorically eligible based on information, such as a case number, submitted through a school meal application are not included. LEAs may elect the provision for all schools, a group of schools or an individual school in the LEA. **This allows for schools that are below the 40 percent threshold to elect CEP as long as the aggregate percentage of the group of schools electing together meets the threshold.**

Claiming Percentage

Identified students are a subset of the students who qualify for free or reduced price meals. For example, many families are eligible for SNAP but choose not to participate, and households that participate in SNAP may have students that do not show up in the SNAP participation lists for direct certification purposes. Because a school's ISP does not fully represent children who qualify for free or reduced price meals, the Federal rule is that schools multiply the ISP by 1.6 to obtain the percentage of meals (capped at 100 percent) claimed for reimbursement at the Federal free rate.[13]

$$\frac{\textbf{Identified Students}}{\textbf{Total Enrolled Students}} \times 100\% \times 1.6 = \textbf{Free Claiming Percentage}$$

The difference between the free claiming percentage and 100 percent represents the percentage of meals that schools will claim at the Federal paid rate. If at least 62.5 percent of students are identified students, all meals will be reimbursed at the free rate. If schools are grouped, the ISP and free claiming percentage are calculated across the entire group. Schools may be grouped any way a district chooses, including combining schools with ISPs that are lower and higher than the 40 percent eligibility threshold, so long as the group as a whole has an ISP of at least 40 percent. If the district chooses to implement CEP district-wide, the ISP at the district level must be at least 40 percent. (Grouping and ISP calculations are detailed in *Chapter 3: Determining the Identified Student Percentage).*

Schools that qualify for "severe need" assistance may continue to receive that assistance under CEP. To be eligible for severe need assistance in the SBP, schools must serve 40 percent or more of lunches in the second preceding school year to students eligible for free or reduced price meals. To qualify for similar higher reimbursement in the NSLP, schools must serve 60 percent or more of lunches in the second preceding school year to free or reduced price-eligible students. These criteria are intended to ensure that the severe need reimbursement rate is provided to schools that have demonstrated that a high percentage of meals are being served to needy students. CEP schools that do not have school meal application data from the second preceding year must use the individual school's ISP multiplied by 1.6 (as a proxy for free and reduced price percentage) to determine eligibility for higher NSLP and SBP reimbursements.

4-Year Cycle

CEP is guaranteed for a 4-year cycle At the end of the 4-year cycle, LEAs or schools may begin a new 4-year cycle if they continue to meet the minimum 40 percent ISP percentage. LEAs or schools in the fourth year of participation that have an ISP of less than 40 percent but at least 30 percent may elect for one additional year (a grace year). The grace year provides an LEA time to

[13] Federal Register / Vol. 80, No. 61 / Tuesday, March 31, 2015 / Notices, available at: http://www.gpo.gov/fdsys/pkg/FR-2015-03-31/pdf/2015-07358.pdf

increase their ISP to remain eligible for CEP, without disrupting universal meal service to students.

A participating LEA or school chooses to end participation in CEP between school years must notify the State agency no later than June 30 of the school year prior to when they want to return to standard counting and claiming procedures.

Although not recommended, schools may also decide to stop CEP and return to standard counting and claiming procedures during the school year. These schools should consult with their State agency immediately so the State agency can provide technical assistance to prevent the disruption of benefits to students. State agencies have discretion to establish a reasonable timeline (at least 30 days) for the LEA to resume standard counting and claiming procedures during the school year. Resumption of standard counting and claiming procedures mid-year would include notifying households of a change in benefits, disseminating/processing school meal applications and, depending on the timing, complying with other requirements related to school meal applications (e.g., verification, independent review of applications).

More information on the 4-year cycle is provided in *Chapter 10: The 4-Year Cycle*.

Provision 1, 2, and 3 Participation

Schools currently operating Provision 1, 2 or 3 are permitted to elect CEP if they meet eligibility requirements.

Financial Considerations

School districts considering CEP should calculate CEP's impact on revenues, taking into account student participation levels (e.g., an individual school, a group of schools within the LEA, or the entire LEA), the anticipated level of Federal reimbursement, and available non-Federal funding resources. FNS has developed an Estimator Tool that allows schools to estimate their Federal reimbursements under CEP, taking into account anticipated participation increases and meal costs. FNS encourages all schools and SFA's to carefully assess their estimated reimbursements prior to CEP election. The Estimator Tool is available at: http://www.fns.usda.gov/sites/default/files/cn/SP15-2013a2updated2.xls.

Non-Federal Sources of Funding

Non-Federal funds are necessary if the total amount of Federal reimbursement through CEP does not fully cover the cost of serving all students meals at no charge. The non-Federal funds used for CEP would have to be allocated for this purpose and could not be assigned to meet other

Federal requirements. Non-Federal funds include any funds other than Federal reimbursements available to the NSFSA.

Examples of non-Federal funding sources include, but are not limited to:

- Any portion of State revenue matching funds that exceeds the minimum requirement (established in 7 CFR Part 210.17);
- Profits from à la carte sales;
- Cash donations; and
- In-kind contribution funds from outside sources, such as volunteer services.

Election Deadline

Any LEA intending to elect CEP for the following school year for an individual school, group of schools, or the entire LEA must submit to the State agency documentation demonstrating that the LEA or school(s) meets the minimum ISP threshold. Documentation, at a minimum, must include the counts of identified and enrolled students as of April 1 of the prior school year.

Extension of Election Deadline

For SY 2016-17, FNS has extended the CEP election deadline from June 30, 2016 to August 31, 2016. Further, State agencies are permitted to facilitate CEP implementation beyond this extended deadline, throughout the remainder of SY 2016-17. FNS is continuing to offer this flexibility to ensure that State and local agencies requiring more time to consider their CEP elections will be able to take immediate advantage of CEP's numerous benefits, rather than wait until the following school year to provide free meals to their students. States do not need FNS approval to accept late elections, but should maintain records of, and reasons for, late election in case the information is needed during an Administrative Review or a Management Evaluation. This extension was issued in *SP 30-2016: Extension of the Deadline for Local Educational Agencies to Elect the Community Eligibility Provision for School Year 2016-17*, March 10, 2016 (http://www.fns.usda.gov/extension-deadline-leas-elect-cep-sy2016-17).

The benefits of extending the election deadline as well as allowing for mid-year elections during SY 2014-15 and SY 2015-16 were broadly reflected in the strong, sustained interest expressed by LEAs across the country towards electing CEP shortly before or following the start of their academic years. In SY 2014-15, the deadline extension to August 31 resulted in a 22 percent increase in new CEP elections, and mid-year flexibility allowed an additional 112 LEAs, representing 414 schools and nearly 350,000 students, to successfully transition to serving students nutritious meals under CEP during their academic year. In SY 2015-16, numerous LEAs, including large urban school districts, have continued to take advantage of these flexibilities. This notable success demonstrates the continued value to be provided by allowing State agencies to continue facilitating CEP elections throughout SY 2016-17.

Appendix C: Internal Control Requirements

7 CFR § 210.8 Claims for reimbursement.

(a) Internal controls. The school food authority shall establish internal controls which ensure the accuracy of lunch counts prior to the submission of the monthly Claim for Reimbursement. At a minimum, these internal controls shall include: an on-site review of the lunch counting and claiming system employed by each school within the jurisdiction of the school food authority; comparisons of daily free, reduced price and paid lunch counts against data which will assist in the identification of lunch counts in excess of the number of free, reduced price and paid lunches served each day to children eligible for such lunches; and a system for following up on those lunch counts which suggest the likelihood of lunch counting problems.

Appendix D: Sample CEP Timeline for LEAs

Date	Activities
April 1	• LEAs review ISP data reflective of April 1 to determine eligibility to elect CEP for next school year.
April 15	• State agencies notify LEAs of district-wide eligibility status and provide guidance and information. • LEAs submit school-level eligibility information to the State agency. o State agencies may exempt LEAs from this requirement if school-level data is already available to the State.
May 1	• State agencies post the LEA district-wide and school-level lists on website and send the link to FNS.
June 30 *(August 31 for SY 2016-17)*	• Interested and eligible LEAs must notify their State agency of their intent to participate under CEP**.** • Interested and eligible LEAs must submit identified student and total enrollment data that reflects enrollment on April 1 to the State agency to participate in CEP in the new school year (if such data is not already part of the notification and publication process). • LEAs participating in CEP must notify their State agency if they intend to drop their participation for the following school year and either: 1) Enroll in another Provision; or 2) Return to normal counting and claiming.

Appendix E: CEP Evaluation

As mandated by the HHFKA, USDA conducted an Evaluation Study which examined the implementation and impacts of CEP. Specifically, the objectives of this evaluation were to obtain a better understanding of:

- The acceptability of CEP to LEAs;
- The incentives and barriers for LEAs adopting the provision;
- Operational issues that State agencies encounter in administering this provision; and
- Implications and impacts of making use of this provision, including impacts on:
  - NSLP and SBP participation and revenues;
  - LEA and school administrative costs and staffing;
  - Program integrity, including certification error and meal counting and claiming; and
  - Meal quality and choices.

The Final Report presents the methods and results of the CEP Evaluation Study. It includes descriptive information on the implementation of CEP from the State and LEA perspectives, and analytic findings on the factors affecting LEA participation in CEP and its impacts on LEAs in the first seven States to operate CEP.

Implementation Study Results

A large proportion of eligible LEAs opted to use CEP in States where it was available, despite uncertainties about its impacts on finances and operations. Across the first seven States, a total of 420 LEAs and 2,312 schools participated in CEP in SY 2012-13. This represents 32 percent of eligible LEAs and 29 percent of eligible schools.

Participating LEAs reported that they were both well satisfied and likely to continue using CEP.

There were several key challenges at the State level: (1) the limited time to gain a full understanding of CEP, make decisions about participation, and implement it; and (2) understanding and addressing the implications of CEP for education programs that use individual student meals certification data, such as Title I and E-Rate.

At the LEA level, the biggest reported barriers were financial concerns. Uncertainty about the impacts of CEP on NSLP and SBP participation and the impacts on LEA finances, both within the school food service arena and the educational environment as a whole.

Impact Study Results

CEP correlated with significantly higher student participation in both the NSLP and SBP. The average NSLP daily participation rate in CEP LEAs was 5.2 percent higher than comparison LEAs (3.5 percentage points). Similarly, the impact on SBP average daily participation represents a 9.4 percent increase in participation (3.6 percentage points).

CEP reduced the overall rate of certification errors and had little or no impact on errors in counting meals (at the cashier level) and claiming meals for reimbursement. CEP eliminated school meal application processing errors that, in the comparison schools, resulted in certification errors in 6.6 percent of applications.

For a broad range of meal quality measures, there was no evidence that CEP had a significant impact. Because a higher proportion of meals were reimbursed as free meals, CEP increased average Federal reimbursements per meal significantly – about 6 percent for NSLP meals and 2 percent for SBP meals.

Summary

The Final Report concluded that implementation of CEP in its first two years was successful: take-up rates of CEP were widespread among eligible LEAs, and CEP appeared to increase NSLP and SBP participation and the associated Federal reimbursements. The report further concluded that the continuing need for household income data for Federal and State education programs may pose the greatest challenge for broader implementation.

The full *Community Eligibility Provision Evaluation: Final Report* is available for download at: http://www.fns.usda.gov/sites/default/files/CEPEvaluation.pdf.

Appendix F: Glossary

Administrative Reviews are the on-site evaluations of SFAs participating in the NSLP. They include an assessment of performance standards, an examination counting and claiming procedures, and a review of the meal pattern requirements. Complete Administrative Review requirements are detailed in the Administrative Review Manual, available on PartnerWeb.

Alternative Income Forms are an alternative to the traditional school meal application used to determine a student's eligibility for free or reduced-price school meals. These forms may be used to collect information LEAs can use to identify and target financial resources (such as Title I funding) to disadvantaged students and schools. The alternative income form is NOT the school meal application.

Alternative Service Models are meal service practices that differ from the traditional, cafeteria-based model of service. Popular examples, such as Breakfast in the Classroom or Grab & Go Breakfast, can increase participation in the school meal programs.

Annual Reporting Lists are the lists of school districts and schools eligible, or nearly eligible, for CEP. State agencies are required by law to submit district-wide eligibility data to LEAs annually by April 15. Similarly, LEAs are required to submit school-level eligibility data to the State agency by April 15. State agencies must publish both district-wide and school-level lists on their websites by May 1 of each year.

Categorical Eligibility allows children to automatically qualify for free Schools Meals without a school meal application. Here are the ways children may be classified as categorically eligible:

- **Participation in Assistance Programs:** a child (or any member of the child's household) receives benefits from SNAP, FDPIR, or TANF, as determined either through direct certification or through a school meal application with the appropriate case number, or a child receives Medicaid and is determined to have a familial income meeting 133 percent of the Federal poverty level.
- **Other Source Categorically Eligible Designation:** a child is enrolled in a Federally-funded Head Start or comparable State-funded Head Start or pre-kindergarten program, or is a homeless, runaway, migrant, or foster child.
- **Approval by Local Officials:** a child is a non-applicant, but is identified by local officials through means other than a school meal application.

Claiming Percentages at a CEP school include the "free" claiming percentage and the "paid" claiming percentage. The free claiming percentage is calculated by multiplying the ISP by 1.6. The paid claiming percentage is the remaining percentage of meals. Together, the two claiming percentages must equal 100 percent.

A ***Corrective Action*** is the response required when non-compliance is discovered within a school or district. A corrective action plan to correct any deficiencies must be developed by the SFA, and the action must be applied across the SFA as quickly as practicable.

Direct Certification allows children to establish eligibility for free School meals without a school meal application. Direct certification is based on documentation obtained directly from the appropriate State or local agencies or other authorized individuals. Children can be directly certified through participation in another assistance program or through another source categorically eligible designation.

Data Reporting is the requirement for schools operating the school meal programs (including CEP schools) to record and report meal counting and claiming procedures.

Enrolled Students, for the purpose of calculating the ISP, are students who are enrolled in and attend schools, and who have access to at least one meal service (SBP and/or NSLP) daily.

E-rate is a program that makes telecommunications and information services more affordable for disadvantaged schools. In 2014, the FCC published guidance detailing how CEP schools should calculate their discount in the absence of the school meal application. For more information, see the FCC's published guidance, part of SP 08-2015, available at: http://www.fns.usda.gov/updated-e-rate-guidance-schools-electing-community-eligibility.

An ***Edit Check*** involves an SFA comparing the attendance-adjusted enrollment of each school to the school's daily meal count. If the edit check is exceeded, the school may be required to take corrective action.

Federal Reimbursements for CEP are based on a claiming percentage (see above). SFAs receive a higher Federal reimbursement for meals claimed at the "free" rate, and a lower reimbursement for meals claimed at the "paid" rate.

A ***Foster Child*** is a child formally placed in foster care by a court or a State child welfare agency. This definition does not apply to informal arrangements or permanent guardianship placements that may exist outside of State or court-based systems.[3] Foster children are directly certified for free school meals based on other source categorical eligibility.

The ***4-Year Cycle*** ensures schools and districts that their CEP election and ISP will be valid for a period of four years before the LEA must reapply for the provision. The ISP established for the first year of implementation valid for this entire cycle.

The ***Grace Year*** allows an LEA in its fourth year of CEP, whose ISP has decreased to less than 40 percent (but is at least 30 percent), to continue participation in CEP for one year. This gives LEAs the opportunity to restore their eligibility status without immediately resuming standard counting and claiming procedures, and prevents the disruption of the universal meal service to students. If the ISP as of April 1 of the grace year does not meet the 40 percent ISP requirement, the LEA must return to standard counting and claiming, or enroll in another special Provision option for the following school year.

Head Start is a Federally-funded early childhood education program. Participants in Head Start, or any State-funded pre-kindergarten program that uses identical or more stringent eligibility criteria,[4] are directly certified for free school meals based on other source categorical eligibility.

The ***Healthy, Hunger Free Kids Act,*** as part of the 2010 Child Nutrition Reauthorization, authorized funding and set policy for USDA's core CNPs, and allowed the USDA to improve nutrition standards for the school meal programs. The HHFKA also established CEP.

A ***Homeless Child*** is a child who is identified by the LEA homeless liaison or by an official of a homeless shelter as lacking a fixed, regular, and adequate nighttime residence.[5] Homeless children are directly certified for free school meals based on other source categorically eligibility.

Identified Students are the students directly certified for free meals without a school meal application and not subject to verification. The number of identified students is used to calculate the ISP and claiming percentage.

The ***Identified Student Percentage (ISP)*** is the proportion of identified students (out of all enrolled students) who are directly certified for free school meals through means other than the school meal application. The ISP is multiplied by 1.6 to calculate the percentage of meals that are reimbursed at the "free" rate.

Local Educational Agency (LEA) refers to the entity that has administrative control of a school district or a group of schools. LEAs can be a public board of education, a public or private nonprofit, an administrative agency, or a State education agency.

A ***Migrant Child*** is child who is enrolled in the Migrant Education Program (MEP) as determined by the State or local MEP coordinator.[6] Migrant children are directly certified for free School meals based on other source categorically eligibility.

The ***Multiplier*** is the factor by which the ISP is multiplied by to determine the total percentage of meals reimbursed at the Federal "free" rate. The multiplier is designed to capture the number of students who are not included in the ISP, but would traditionally be eligible for free or reduced price meals through the school meal application. Although FNS is authorized to change the multiplier to a number between 1.3 and 1.6, there are currently no plans to change the multiplier. For SY 2016-2017, the multiplier is 1.6.

The National School Lunch Program (NSLP) is a Federally-assisted lunch program operating in public and nonprofit private schools and RCCIs. Participating school districts and independent schools receive cash subsidies and foods from the USDA for each reimbursable meal they serve.

A ***New School*** is a newly established school entering its first year of operation. A new school will not have direct certification data available from April 1 of the prior year to determine CEP eligibility, but can use data from a later month to determine CEP eligibility.

Non-Reimbursable Meals are meals or food items that are not eligible for Federal reimbursement. This may include meals in which a student declined the necessary components for a reimbursable meal, single-items purchased from à la carte sales, and extra servings of food purchased from à la carte sales.

Non-Federal Funds include any additional funds (such as profit from à la carte sales) available to the NSFSA. Schools where the total Federal reimbursement does not fully cover the cost of student meals will require a source of non-Federal funds.

Paid Lunch Equity (PLE) refers to the requirement that SFAs participating in the NSLP have sufficient funds in the NSFSA to provide paid meals to students not eligible for free or reduced price meals.

Partial Day Students are students who do not attend school for the full school day and have access to only one meal during the hours they attend. At CEP schools, these students are included in the numerator (identified students, as applicable) and the denominator (total enrollment) for ISP calculation.

A ***Partial District*** is an LEA that is not participating in CEP district-wide, but has chosen to elect CEP for a group (or groups) of schools, and/or individual schools that meet the 40 percent ISP threshold for participation.

The ***Pilot States*** are the eleven States that participated in CEP during the initial implementation period, beginning in SY 2011-2012. Over the course of the provision's first three years, the pilot States included Florida, Georgia, Illinois, Kentucky, Massachusetts, Maryland, Michigan, New York, Ohio, West Virginia, and the District of Columbia.

Provision 1 is a special Provision that allows eligible students be certified for free school meals for two years, rather than for one year. Provision 1 is valid in schools where at least 80 percent of enrolled students are eligible for free and reduced price school meals.

Provision 2 is a special Provision that allows eligible schools to establish their claiming percentage in a base year, and then use this percentage for up to four school years. Provision 2 simplifies counting and claiming procedures and allows schools to provide free school meals to all students.

Provision 3 is a special Provision allows eligible schools to set a reimbursement rate during a base year, and then receive the same level of Federal assistance (with some adjustments) for a four year

period. Provision 3 reduces the application burden and allows schools to serve free school meals to all students.

Residential Child Care Institutions (RCCIs) include public or nonprofit private institutions that operate principally for the care of children. RCCIs are not eligible to participate in CEP.

A ***Runaway Child*** is a child who is identified by the LEA's homeless liaison or a program official as receiving assistance from a program under the Runaway and Homeless Youth Act.[7] Runaway children are directly certified for free school meals based on other source categorically eligibility.

School means (a) An educational unit of high school grade or under, recognized as part of the educational system in the State and operating under public or nonprofit private ownership in a single building or complex of buildings; (b) any public or nonprofit private classes of preprimary grade when they are conducted in the aforementioned schools; or (c) any public or nonprofit private RCCI, or distinct part of such institution, which operates principally for the care of children, and, if private, is licensed to provide residential child care services under the appropriate licensing code by the State or a subordinate level of government.

The ***School Breakfast Program (SBP)*** is a Federally-assisted meal program operating in public and nonprofit private schools and RCCIs. Participating districts and independent schools receive cash subsidies from the USDA for each reimbursable meal they serve. [8]

School Food Authorities (SFAs) are the governing bodies responsible for the administration of the school meal programs at one or more school(s).

The ***School Meal Application*** is the traditional application for free and reduced price School meals, and is still required at non-CEP schools to establish a student's eligibility for free or reduced price school meals. To participate in CEP, schools must agree to not collect the school meal application to determine eligibility for free meals. The school meal application is sometimes referred to as the "household application."

The Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps, is a Federal nutrition program offering assistance to millions of eligible, low-income individuals and families. SNAP is the largest program in the domestic hunger safety net. Children who participate in SNAP are categorically eligible for free School meals.

Temporary Assistance for Needy Families (TANF) is a Federal assistance program that provides assistance, including wage supplements, child care support, and transportation aid, to families in need. Children whose families participate in TANF are categorically eligible for free school meals.

Title I of the Elementary and Secondary Education Act aims to ensure all children have an equal opportunity to access a high-quality education. Title I provides financial assistance to LEAs and schools with high numbers or percentages of low-income children. For additional information, see the Department of Education's published guidance, part of SP 19-2014, available at: http://www.fns.usda.gov/updated-title-I-guidance-schools-electing-community-eligibility.

Appendix G: Glossary of Acronyms

CACFP	Child and Adult Care Food Program
CEP	Community Eligibility Provision
CNP	Child Nutrition Programs
FCC	Federal Communication Commission
FDPIR	Food Distribution Program on Indian Reservations
FFVP	Fresh Fruit and Vegetable Program
FNS	USDA's Food and Nutrition Service
HHFKA	The Healthy, Hunger-Free Kids Act of 2010
ISP	Identified Student Percentage
LEA	Local Education Agency
MEP	Migrant Education Program
NSLP	The National School Lunch Program
NSFSA	Nonprofit School Food Service Account
PLE	Paid Lunch Equity
POS	Point of Sale/Point of Service
RCCI	Residential Child Care Institution
SBP	The School Breakfast Program

SFA	School Food Authority
SFSP	The Summer Food Service Program
SMP	The Special Milk Program
SNAP	The Supplemental Nutrition Assistance Program
SSO	The Seamless Summer Option
SY	School Year
TANF	Temporary Assistance to Needy Families
USDA	The United Stated Department of Agriculture

Appendix H: Additional Resources

FNS Resources:

- ***Administrative Review Manual:*** Provides links to policy memos, forms, tools, and workbooks schools and LEAs can use to prepare for the Administrative Review. http://www.fns.usda.gov/nslp/administrative-review-manual
- ***Community Eligibility Website and Resource Center:*** Includes information about CEP and links to resources schools and LEAs can use to ensure successful implementation. http://www.fns.usda.gov/school-meals/community-eligibility-provision
- ***National School Lunch Program Policy:*** Lists recent policy guidance issued by FNS related to the school meal programs. http://www.fns.usda.gov/nslp/policy
- ***School Meals – Guidance and Resources:*** Includes links to school meal program guidance, including the *Eligibility Manual for School Meals*, the *Offer versus Serve Manual*, and *CEP Guidance and Q&As*. http://www.fns.usda.gov/school-meals/guidance-and-resources

Partner Resources:

- ***Center on Budget and Policy Priorities (CBPP):*** Includes a searchable database of eligible schools and districts, CEP infographics, and written reports. http://www.cbpp.org/topics/food-assistance
- ***Food Research and Action Center (FRAC):*** Gives an overview of CEP and provides links to resources to facilitate CEP implementation. http://frac.org/federal-foodnutrition-programs/national-school-lunch-program/community-eligibility/
- ***Share Our Strength:*** Offers tips on how to take action to promote CEP and provides links to additional resources to facilitate implementation. http://bestpractices.nokidhungry.org/school-breakfast/community-eligibility-1

Appendix I: CEP Policy Memos

September 9, 2016	SP 54-2016: Community Eligibility Provision: Guidance and Updated Q&As
August 5, 2016	SP 52-2016: Early Implementation of Eligibility Carryover Period for Students Transitioning from Provision Schools: State Agency Extension Option
July 29, 2016	SP 50-2016 CACFP 19-2016 SFSP 17-2016: 2016 Edition of the Eligibility Manual for School Meals
March 10, 2016	SP 30-2016: Extension of the Deadline for Local Educational Agencies to Elect the Community Eligibility Provision for School Year 2016-17
November 30, 2015	SP 15-2016 CEP State Agency Procedures to Ensure Identified Student Percentage Accuracy
November 27, 2015	SP 14-2016 Flexibility for CEP Certification Document Review During SY15-16 Administrative Reviews
April 27, 2015	SP 35-2015 Updated Title I Guidance for Schools Electing Community Eligibility
March 4, 2015	SP 24-2015 Community Eligibility Provision: Annual Notification and Publication Requirements
November 21, 2015	SP 08-2015 Updated E-Rate Guidance for Schools Electing Community Eligibility
April 10, 2012	SP 24-2012 Interim Review Guidance for States with Local Educational Agencies Electing the Community Eligibility Option