

# Community Eligibility Provision (CEP)

## *Planning & Implementation Guidance*



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## Chapter 1: Introduction



The Community Eligibility Provision (CEP) is a National School Lunch Program (NSLP) and School Breakfast Program (SBP) meal service option that allows schools and school districts in high poverty areas to offer meals at no cost to all enrolled students without collecting household applications. CEP was authorized by the Healthy, Hunger Free Kids Act of 2010 (HHFKA, Public Law 111-296; December 13, 2010).

Rather than collecting school meal applications to make individual student eligibility determinations, schools that adopt CEP are reimbursed using a

formula based on the percentage of students who automatically qualify for free meals based on their household's participation in specific means-tested programs; or their status as a foster, homeless, migrant, or runaway child; or Head Start enrollee. Although a portion of meals served at CEP schools are reimbursed at the Federal "free" rate, participating schools are responsible for covering any potential funding shortage with non-Federal funds. **When deciding whether to elect CEP, eligible schools must consider their ability to provide meals at no cost and cover their operating costs with Federal assistance and any other available funds, including State and/or local funds.**

### *Overview of CEP's 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, *National School Lunch Program and School Breakfast Program: Eliminating Applications Through Community Eligibility as Required by the Healthy, Hunger-Free Kids Act of 2010* (78 FR 65890), to propose how CEP would be established in regulations. 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, which lasted from School Year

(SY) 2011-2012 through SY 2013-2014. FNS analyzed and considered public comments in response to the proposed rule to develop a final rule.

On July 29, 2016, FNS published a 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(f)), which codified most provisions of the proposed rule. The final rule helped to increase access to healthy school meals, improve operations, and enhance the integrity of the school meal programs.

After years of successful CEP implementation, on March 23, 2023, FNS published a proposed rule, *Child Nutrition Programs: Community Eligibility Provision-Increasing Options for Schools* (88 FR 17406), which proposed to expand access to CEP by lowering the minimum identified student percentage from 40 percent to 25 percent. The proposal sought to give States and schools greater flexibility to choose to invest non-Federal funds to offer no-cost meals to all enrolled students. Following the proposed rule, a final rule, *Child Nutrition Programs: Community Eligibility Provision-Increasing Options for Schools* (88 FR 65778), was published on September 26, 2023, with an effective date of October 26, 2023, that established the 25 percent minimum ISP threshold.<sup>1</sup> As a result, more students, households, and schools have the opportunity to experience CEP's benefits, such as increasing access to school meals at no cost, eliminating unpaid meal charges, minimizing stigma, and streamlining meal service operations.

### *Election Options*

Participating in CEP is a voluntary decision made by local education agencies (LEAs) based on their unique student populations. FNS encourages all eligible LEAs 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.

**How to Calculate an Identified Student Percentage (ISP)**

$$\text{ISP} = \frac{\text{\# of Identified Students}}{\text{\# of Enrolled Students}} \times 100$$

**ISP ≥ 25 percent: eligible to elect CEP**

An eligible LEA may elect CEP on behalf of a single school, a group (or groups) of schools, or all schools in the LEA (7 CFR 245.9(f)). 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 25 percent (ISP ≥ 25 percent) as of April 1 of the school year prior to implementing CEP (7 CFR 245.9(f)(3)). Identified students are those certified for free school meals without the use of school meal applications and not subject to

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<sup>1</sup> The identified student percentage threshold refers to the minimum proportion of students that need to automatically qualify for free meals without an application for a school, group (or groups) of schools, or school district to implement CEP. See Chapter 2: Eligibility Requirements for more information on identified students.

verification, such as those directly certified through the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance or Needy Families (TANF), or the Food Distribution Program on Indian Reservations (FDPIR) (7 CFR 245.9(f)(1)(ii)). Students approved for free 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 code the student as “directly certified” in the LEA’s certification system. An in-depth overview of direct certification is available in *SP 36 CACFP 15 SFSP 11-2017: Eligibility Manual for School Meals* (<https://www.fns.usda.gov/cn/eligibility-manual-school-meals>).

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 ( $ISP \times 1.6 = \% \text{ of meals claimed at the Federal free rate}$ , see *Chapter 7: Implementation* for more information); and,
- Must use non-Federal funds to cover any costs of providing meals to students that exceed the Federal reimbursement and other Federal assistance received under the NSLA and Child Nutrition Act of 1966 [42 U.S.C. 1759a(a)(1)(F)(ii)(I)(bb)].

The claiming percentage established for an LEA, group of schools, or an individual school is valid for four school years. If the ISP increases during the four-year cycle, CEP participating school(s) may choose to start a new four-year CEP cycle using the new ISP at the beginning of the subsequent school year (see *Chapter 10: The Four-year Cycle*).

### ***Benefits of CEP***

LEAs and schools implementing CEP have experienced success. USDA’s *Community Eligibility Provision Characteristics Study, School Year 2016-2017* (March 2022) (referred to as the CEP Characteristics Study) highlighted, in depth, the benefits of CEP.<sup>2</sup> The analysis was the first comprehensive study since CEP became available nationwide and compared the impacts of CEP in school districts that elected CEP to similar, non-participating school districts. Across the country, the study found that CEP helps schools, communities, and children by:

- Easing administrative burden and improving program efficiency. By leveraging existing data from other Federal programs, CEP schools can operate more efficiently. This may result in less paperwork and lower administrative costs. This gives food service professionals more time to focus on preparing nutritious meals their students will enjoy.
- Increasing access to school meals. CEP alleviates the need for households to submit household applications for their students to receive school meals, increasing access for eligible students whose households may fail to submit applications.

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<sup>2</sup> The USDA Community Eligibility Provision Characteristics Study, School Year 2016-2017 is available at <https://www.fns.usda.gov/cn/usda-cep-characteristics-study-sy-2016-17>.



- Increasing student participation. Providing all students meals at no cost incentivizes participation, which may increase Program revenues and support school nutrition programs. The CEP Characteristics Study found that CEP participation resulted in significant, sustained increases in student participation in both the NSLP and SBP.
- Improving the learning environment. By offering all students nutritious meals at no cost, CEP helps participating schools ensure their students enter classrooms well-nourished and ready to learn.
- 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 receiving free or reduced price meals.
- Eliminating unpaid meal balances. No child at a CEP school will ever be denied a meal due to a negative account balance.

The study confirmed CEP continues to expand access to school meals for low-income students, reduce administrative burden, and improve the efficiency of school meal program operations.

### *History of CEP*

Before national implementation in SY 2014-2015, 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 2011-2012, Illinois, Kentucky, and Michigan became the first three pilot States, and 665 schools participated in the initial year of CEP implementation. For SY 2012-2013, 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 2013-2014, the final year of the phase-in, CEP was expanded to Florida, Georgia, Maryland, and Massachusetts. In SY 2014-2015, CEP became a nationwide option.



This manual consolidates CEP guidance, policy, and best practices for State agencies, LEAs, and schools. The policy guidance outlined in this manual is current as of February 2024. To view current FNS policy and additional CEP resources, please visit the FNS CEP Resource Center Website (<https://www.fns.usda.gov/cn/community-eligibility-provision-resource-center>). 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 participating in CEP (7 CFR 245.9(f)(3)). A detailed walkthrough of eligibility considerations is provided in *Chapter 4: Publication and Notification Requirements*.

### *Is My District/School Eligible to Participate in CEP?*

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

- Ensure that at least 25 percent of enrolled students are identified students;
- Participate in both the NSLP and SBP; and
- Offer lunches and breakfasts to all enrolled students at no charge.

LEAs may elect CEP for all schools (e.g., district-wide), a group (or groups) of schools, or an individual school within the LEA. This may include any public, nonprofit private, and charter schools, but not residential child care institutions (RCCIs). By law, RCCIs are not eligible to participate in CEP.<sup>3</sup> 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 within an LEA, allows some individual schools that are below the 25 percent identified student threshold to participate in CEP as long as the aggregate percentage of the group of schools electing CEP together has an ISP of at least 25 percent. More information on grouping is provided in *Chapter 3: Determining the Identified Student Percentage*.



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

### *Identified Students*

CEP is available to LEAs and schools with 25 percent or more “identified students” as of the most recent April 1 (7 CFR 245.9(f)(3)). The term identified students refers to children who are

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<sup>3</sup> The NSLA, in section 11(a)(1)(F)(ii)(I)(cc), and corresponding regulations at 7 CFR 245.9(f)(3)), do not allow residential child care institutions to be eligible to participate in CEP [42 U.S.C. 1759a(a)(1)(F)(ii)(I)(cc)].

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),
- The Food Distribution Program on Indian Reservations (FDPIR), or
- Medicaid in States operating USDA's Direct Certification with Medicaid Pilot Project (Only children directly certified as free may be included in the ISP. Students certified for reduced price meals are not included in the ISP but are accounted for via the CEP multiplier.)

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

- Children experiencing homelessness, as specified under section 725(2) of the McKinney-Vento Homeless Assistance Act [42 U.S.C. 11434a(2)];
- Children who have runaway and/or are experiencing homelessness and are served by programs established under the Runaway and Homeless Youth Act [42 U.S.C. 5701];
- Children who migrate, as specified under section 1309 of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 6399];
- Children placed in foster care, 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 code the student as "directly certified" in the LEA's certification system.

### ***Sharing Student Information***

To identify as many students as possible in the categories above and maximize the ISP and 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 *Eligibility Manual for School Meals* (<https://www.fns.usda.gov/cn/eligibility-manual-school-meals>).

## Chapter 3: Determining the Identified Student Percentage

To participate in CEP, individual schools, groups of schools, or entire LEAs must have an ISP of at least 25 percent as April 1 of the school year prior to implementing CEP (7 CFR 245.9(f)(3)). 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 (7 CFR 245.9(f)(1)(ii)). In addition to determining CEP eligibility, the ISP is the basis of the claiming percentages 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. The ISP must represent the number of identified students and the student enrollment as of April 1 of the school year prior to implementing CEP (7 CFR 245.9(f)(3)(i) and 7 CFR 245.9(f)(4)(i)). The statutory requirement that ISP data is “as of April 1” intends to accurately capture the composition of the student population to form the basis of the reimbursement received throughout the four-year CEP cycle [42 U.S.C. 1759a(a)(1)(F)]. Using the phrase “as of” ensures the identified student data generally reflects April 1, but is also flexible to 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 synching data matching to coincide with April 1.

The ISP is calculated as follows:

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

Carry the calculation of the identified students divided by enrolled students 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 ISP 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 for an individual school, group of schools, or entire LEA must be at least 25.00 percent to be eligible to participate in CEP. LEAs cannot round up to meet the minimum ISP. For example, an ISP of 24.98 percent does NOT meet the minimum threshold to elect CEP.

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 households completed school meal applications. Identified students include:

- Students directly certified for free meals on the basis of their participation in SNAP, TANF, or FDPIR;
- In States operating USDA’s Direct Certification with Medicaid Pilot Project, students directly certified for free meals on the basis of their participation in Medicaid (students certified for reduced priced meals via Medicaid pilots are not included in the ISP); 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.

Enrolled students are students who are enrolled in and attending schools that participate in CEP and have access to at least one meal service (SBP or NSLP) daily (7 CFR 245.9(f)(1)(i)). The number of enrolled students includes all students with access to the SBP or NSLP, and not just those students participating in the programs. 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).



For schools participating in CEP, the ISP multiplied by 1.6 equals the percentage of meals claimed at the Federal free rate (7 CFR 245.9(f)(4)(v)(A) and 7 CFR 245.9(f)(4)(vi)). The remaining meals served, up to 100 percent, are reimbursed at the paid rate.<sup>4</sup> See [Chapter 6: Counting and Claiming Meals](#) for more information on CEP claiming percentages.

#### How to Calculate the Claiming Percentage

$$\text{ISP} = \frac{\# \text{ of Identified Students}}{\# \text{ of Enrolled Students}} \times 100$$

$$\text{Claiming Percentage} = \text{ISP} \times 1.6$$

<sup>4</sup> 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 Chapter 3 under the section, “*Mid-Cycle ISP Recalculations*,” occur.

### *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. States and LEAs can both make efforts to improve direct certification systems.

State agencies can improve their direct certification systems by:

- Expanding direct certification systems beyond mandatory SNAP matching to capture students participating in other eligible 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 and correcting any errors as they become apparent;
- Offering training to ensure LEA-level staff understand proper procedures for 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 each student’s type of certification and can select, sort, and count records by type;
- Keeping school enrollment data up-to-date, and checking the status of new students as they enroll;
- Coding students that show up on the SNAP Point of Service reports, Student Information System reports or 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 eligible households to certify them as well;
- Following up when students move by sending their SNAP direct certification status to their new school; and
- Arranging for additional assistance during heavy certification times, if possible.

## Grouping

An LEA may participate in CEP for all schools in the LEA, or elect CEP in only a certain group of schools within the LEA, depending on eligibility and financial considerations. Grouping allows multiple schools to participate as a single CEP group and claim meals using a shared ISP calculated using identified and enrolled student data from all schools in the CEP group.

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. For example, LEAs may choose to group elementary and middle schools that “feed into” a CEP high school so households have consistent access to meals at no cost as children advance from elementary to high school. LEAs have discretion in how to group schools to optimize CEP benefits and administrative ease.

Grouping could allow some schools with an ISP below 25 percent to participate as long as the group’s ISP is at least 25 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%     |
| School 2         | 24                  | 100        | 24%     |
| School 3         | 150                 | 200        | 75%     |
| GROUP OF SCHOOLS | 234                 | 420        | 55.71 % |

To calculate the ISP for this group of schools:

$$\frac{\text{Total Identified Students for Group (234)}}{\text{Total Enrolled Students for Group (420)}} \times 100 = 55.71 \text{ percent}$$



### ***Inter-District Food Service Agreements***

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

### ***Mid-Cycle ISP Recalculations***

CEP reimbursement 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 four-year cycle, depending on the extent of the change.

### ***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 an individual school or group of 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 ensuring school groups are electing CEP using data that accurately reflects overall student 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 and preserves the integrity of the grouping strategy.

However, if students are moved or reorganized among schools within a CEP group (e.g., a grade moves from one CEP school to another CEP school 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 changes that may occur within a CEP group that do not result in a change to the group's ISP, including school closings, schools merging, and one school splitting into two (or more) 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 does 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 disrupt children's meal service amid other major transitions. For any student population changes that occur mid-year, the LEA, group of schools, or individual 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 four-year cycle would start the next school year, using the new ISP as the basis for claiming meals (7 CFR 245.9(f)(4)(viii)).

## Chapter 4: Publication, Notification, and Election Process Requirements

State agencies and LEAs must annually share information about school districts' and schools' eligibility to elect CEP. After this information is shared, interested LEAs must notify their State agency if they intend to elect CEP. This chapter covers the requirements and deadlines for State agencies and LEAs to submit publication, notification, and election data.

### *April 15 Notification and Data Collection Requirements*

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

1. State agencies must provide current year district-wide eligibility data to LEAs; and
2. LEAs must provide current year school-level eligibility data to State agencies.

#### *1. District-Wide Data*

No later than April 15, State agencies must notify LEAs of their district-wide eligibility in the following categories (7 CFR 245.9(f)(6)):

- LEAs with a district-wide ISP of at least 25 percent (eligible);
- LEAs with a district-wide ISP greater than or equal to 15 percent but less than 25 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 15 percent but less than 25 percent (eligible for grace year).

State agencies must also inform eligible LEAs how to elect CEP.

#### *2. School-Level Data*

No later than April 15, LEAs must submit to their State agencies a list of schools in the following categories (7 CFR 245.9(f)(5)):

- Schools with an ISP of at least 25 percent (eligible);
- Schools with an ISP greater than or equal to 15 percent but less than 25 percent (nearly eligible); and
- Schools in the fourth year of CEP participation with an ISP greater than or equal to 15 percent but less than 25 percent (eligible for grace year).

State agencies with access to school-level data may exempt LEAs from this requirement (7 CFR 245.9(f)(5)).

### *Using Proxy Data When ISP Data is Not Readily Available*

If LEA- or 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 eligible 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 clearly indicate 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 (7 CFR 245.9(f)(7)). State agencies should submit their link via email to: [SM.FN.cepnotification@usda.gov](mailto:SM.FN.cepnotification@usda.gov).

States are required to maintain CEP eligibility lists on their websites until the following May 1, when new eligibility lists are published (7 CFR 245.9(f)(7)(iii)). FNS maintains online links to State-specific information on LEAs and schools that may be eligible to elect the CEP for the current school year. Links to lists of eligible LEAs and schools by State are available at: <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 for the following school year and submit ISP data representative of April 1 no later than June 30 (7 CFR 245.9(f)(4)(i)).

**Summary: Notification, Publication, Election Deadline Requirements**

| Date     | Requirement   |
|----------|---|
| April 15 | <ul style="list-style-type: none"> <li>• State agencies notify LEAs of district-wide eligibility status and provide guidance and information.</li> <li>• LEAs submit school-level eligibility information to the State agency. State agencies may exempt LEAs from this requirement if school-level data is available to the State.</li> </ul>            |
| May 1    | <ul style="list-style-type: none"> <li>• State agencies post the LEA district-wide and school-level lists on their website and send the link to FNS to: <a href="mailto:SM.FN.cepnotification@usda.gov">SM.FN.cepnotification@usda.gov</a></li> </ul>   |
| June 30  | <ul style="list-style-type: none"> <li>• Interested and eligible LEAs notify their State agency of their intent to participate under CEP in the following school year.</li> <li>• 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.</li> </ul> |

### *CEP Communications*

State and local officials are encouraged to use the annual notification and publication data to foster communication with eligible LEAs. Sharing accurate, detailed information about CEP will ensure eligible LEAs and schools understand whether CEP is a financially viable option for their communities.

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

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

## Chapter 5: State Agency Review and Authorization

While the decision to elect CEP rests with an LEA, a 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) (7 CFR 245.9(f)(4)(ii)).

### *Reviewing ISP Documentation*

In accordance with 7 CFR 245.9(f)(4)(i), LEAs must submit documentation supporting the ISP to the State agency to establish CEP eligibility and 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 the most recent April 1.

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 25 percent;
- Currently participates (or plans to participate) in both the NSLP and SBP<sup>5</sup>; 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 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



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<sup>5</sup> 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.

through a review of ISP documentation submitted by the LEA at the time CEP is elected, and when an LEA updates its ISP(s).

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 documentation includes Point of Service or Student Information System reports, 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 Point of Service or Student Information reports 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 CEP group claiming under a shared 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 documentation; and
- An ISP calculation worksheet that LEAs can use to calculate the ISP and submit to State agencies with appropriate documentation.

These worksheets are included as attachments to [SP 11-2024: CEP State Agency Procedures to Ensure Identified Student Percentage Accuracy, February 5, 2024](#).

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 mitigates the risk of future Administrative Review findings and/or fiscal action.

For 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 11-2024](#). Provided that all Certification and Benefit Issuance Review requirements outlined in the *Administrative Review Manual* or [SP 11-2024](#) are met, the results of the ISP documentation 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*. ISP 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.

### ***Recordkeeping***

State agencies are required to maintain Program records as necessary to support the reimbursement payments made to school food authorities (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. For more information, please see *Chapter 12: Recordkeeping Requirements*.

### ***Role in Other Authorizations***

#### ***New Four-Year Cycle***

Upon State agency confirmation, participating LEAs and schools with an ISP of at least 25 percent as of April 1 in year four of their four-year cycle may immediately begin another four-year CEP cycle (7 CFR 245.9(f)(4)(viii)). If the ISP increases during the four-year cycle, CEP participating school(s) may choose to reelect CEP and start a new four-year cycle using the new ISP at the beginning of any subsequent school year.

#### ***Grace Year***

An LEA or school in the fourth year of CEP with an ISP of less than 25 percent but at least 15 percent as of April 1 may continue participating in CEP for one grace year (e.g., a fifth year) (7 CFR 245.9(f)(4)(ix)). 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 the fourth year of the current four-year cycle.



For example, the claiming percentages for participating schools in a grace year for SY 2024-2025 would be calculated as follows:

- Year 4 ISP as of April 1, 2024: **20.00%**
- $\text{ISP} \times 1.6$  multiplier ( $20.00\% \times 1.6$ ): **32.00%**
- Free claiming percentage: **32.00%**
- Paid claiming percentage: **68.00%**

If the LEA or school regains the **25** percent threshold as of April 1 of the grace year, the State agency may approve a new four-year cycle to start the following school year. If the ISP as of April 1 of the grace year does not meet the **25** 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 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. **LEAs that resume standard counting and claiming during the school year are required to notify the public and meet the certification and verification requirements of 7 CFR 245.6 and 7 CFR 245.6a in affected schools.**

If an LEA resumes standard counting and claiming between school years, State agencies may permit all children in affected 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 (**7 CFR 245.6(c)(2)**). LEAs that restore standard counting and claiming during the school year are required to offer all students reimbursable, free meals for a period of at least 30 operating days following the date of restoration of standard procedures or until a new eligibility determination is made, whichever comes first. An overview of requirements for LEAs opting to restore standard counting and claiming procedures is included at 7 CFR 245.9(j).

For more information about establishing eligibility for free or reduced price school meals under standard counting and claiming procedures, please see: *Eligibility Manual for School Meals* (<https://www.fns.usda.gov/cn/eligibility-manual-school-meals>).

## Chapter 6: Counting and Claiming Meals

Schools participating in CEP must provide access to both breakfast and lunch at no cost to all students during each school day and count the total number of meals served daily (7 CFR 245.9(f)(4)(iii)). During meal service, schools are required to keep accurate meal counts and maintain a point-of-sale/point-of-service (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 210.7(c); 7 CFR 220.11(d); 7 CFR 220.9(a)). Schools may only claim reimbursement for meals that meet the meal pattern requirements (7 CFR 210.10; 7 CFR 220.8). As a reminder, SFAs are required to have in place internal controls to ensure the accuracy of meal counts prior to submitting monthly claims for reimbursement, which include on-site reviews of counting and claiming systems (7 CFR 210.8(a); 7 CFR 220.11(d)).

An accurate meal count may be achieved through a variety of methods. FNS does not require the use of any specific POS system. However, 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 districts to maintain an accurate POS system that has a proven track record of reliability and security, including accounting for adult meals and à la carte sales, while taking advantage of CEP's elimination of free, reduced price and paid meal categories to streamline operations at the POS.

### *Claiming Percentages*

Reimbursement in CEP is based on free and paid claiming percentages applied to the total number of reimbursable lunches and breakfasts served each month, respectively, as provided in 7 CFR 245.9(f)(4)(v). To determine the total percentage of meals reimbursed at the Federal "free" rate, the percentage of identified students is multiplied by a factor of 1.6 (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. An LEA participating in CEP establishes claiming percentages for Federal reimbursements for an individual school, a group of schools, or the entire LEA, depending on how the LEA is participating in CEP.

The same claiming percentages are used for the four-year CEP cycle. However, **if the ISP increases during the four-year cycle, LEAs may choose to reelect CEP for their school(s) and start a new four-year cycle using the new, higher ISP at the beginning of the next school year (7 CFR 245.9(f)(viii))**. For example, if after reviewing the April 1, 2024, 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 four-year cycle with the increased ISP. The LEA would submit claims using the new claiming percentages in SY 2024-2025.

## *Rounding Rules*

The ISP for an individual school, group of schools, or entire LEA must be at least 25.00 percent to be eligible to participate in CEP. ISP calculations are carried to the second decimal place to ensure the accuracy of Federal reimbursements. LEAs cannot round up to meet the minimum ISP. For example, an ISP of 24.98 percent does NOT meet the minimum threshold to elect CEP. Instructions for determining the free and paid claiming percentages are codified at 7 CFR 245.9(f)(4)(v), and described below:

- **Free and Paid Claiming Percentages:** Multiply the ISP by 1.6 to determine the percentage of meals reimbursed at the Federal 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). The remaining percentage of meals are reimbursed at the paid rate.
- **Number of Meals Reimbursed at the Free and Paid Rates:** Multiply the percentage of meals reimbursed at the Federal free rate by the total number of reimbursable meals in the claiming period to get the number of meals reimbursed at the Federal 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.
  - For any claim, if the total number of meals claimed for free and paid reimbursement does not equal the total number of meals served, the paid category must be adjusted so that all served meals are claimed for reimbursement. (7 CFR 245.9(f)(4)(v)(B)).
  - For example, if 800 reimbursable meals were served and the free claiming percentage is 86.15 percent, the number of meals reimbursed at the Federal free rate would be 689.2 ( $800 \times 0.8615 = 689.2$ ), 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 25.00 percent elects to participate in CEP, its Federal reimbursement would be 40 percent free, and 60 percent paid.

## *The CEP Estimator Tool*

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 CEP groups to optimize the Federal reimbursement. The CEP Estimator Tool is available online in the CEP Resource Center (<https://www.fns.usda.gov/cn/community-eligibility-provision-resource-center>). 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 and was codified into regulations by 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(f)(4)(v)(A)). An analysis conducted around the time that the HHFKA was being drafted demonstrated that, for every ten children directly certified, six additional children were eligible for free or reduced price meals based on school meal applications. 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.<sup>6</sup>

### *Edit Checks*

Participation in CEP does not change the requirement to conduct edit checks. 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 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. À la carte foods are not eligible for Federal reimbursement. Food items sold à la carte are subject to the Smart Snacks requirements (7 CFR 210.11) and the requirements for revenue from nonprogram foods (7 CFR 210.14(f)).

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<sup>6</sup> 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.

### ***Meal Payments from Households***

CEP is a non-pricing provision. As such, parents and guardians 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 households. 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 guardians who prefer to pay for student meals should be encouraged to make a monetary donation to the nonprofit school food service account (NSFSA).

### ***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 do not have an individual eligibility status. Rather, the individual 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 mobility has a negative impact on academic achievement, leading to lower test scores and higher dropout rates.<sup>7</sup> It is important to ensure that low-income, highly mobile students have uninterrupted access to healthy school meals during these critical transitions.

To safeguard vulnerable children’s access to school meal benefits when they move to new schools, children transferring from a CEP school to a non-CEP school must receive free meals for up to 10 days or until a new eligibility determination is made, whichever comes first. State agencies may permit children transferring from CEP schools to receive free meals for up to 30 days. Free meals served under these circumstances may be claimed at the Federal free rate. These requirements are codified at 7 CFR 245.9(l).

### **Application Requirements for *Students Transferring to Non-CEP Schools***

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 and SBP and may not be used to determine individual student eligibility for free or

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<sup>7</sup> 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.

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 permit students determined eligible for free or reduced price school meals to carry over their eligibility status 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.

According to 7 CFR 245.6(c)(2), State agencies may permit children transitioning from a provision school to a school operating standard counting and claiming 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. This applies to moves within an LEA or between LEAs. 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 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.

### ***Visiting Students***

FNS strongly encourages non-CEP schools that host visiting students from CEP schools to provide them with a no-cost meal to avoid any disruption to the students’ meal service routine. This is consistent with the aim of CEP to provide meals to all students at no cost and reduce administrative burden. Meals served to visiting students would be included in the total meal count and would 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 nonprofit school food service account (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 at section 4(b)(2) provides general cash for food assistance payments to States to assist schools in purchasing food. Those 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 an additional two cents reimbursement per meal. 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 every lunch 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 the two cent differential. 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--Revised*, April 10, 2014, (<http://www.fns.usda.gov/determining-eligibility-two-cent-differential-reimbursement-new-schools>) and wait for the first three claims to determine eligibility.

SFAs certified to receive the performance-based cash assistance will receive an additional reimbursement, which is adjusted annually, and is not tied to CEP status.

### ***Severe Need Breakfast Reimbursement***

Severe need reimbursement is available to schools serving breakfast to a large proportion of low-income students (7 CFR 220.9(d)). A school 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 school 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 school-level data. If the school operated CEP during the second preceding school year, the individual school's approved 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. **If a school uses the same ISP for four consecutive school years, the same ISP would be used to determine eligibility for severe need for four consecutive years.**

Schools participating in CEP as part of a group may not use the group free claiming percentage to determine eligibility for severe need reimbursement. **Instead, they must use their individual ISP that contributes to the group's claiming percentage.**

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)*, <https://www.fns.usda.gov/sbp/eligibility-severe-need-rates>.



## Chapter 7: Implementation



All students enrolled in CEP schools receive meals at no cost to them. USDA reimburses schools based on their claiming percentage (ISP x 1.6) and daily meal counts. While a portion of the meals served at CEP schools are reimbursed at the Federal “free” rate, schools are responsible for covering any potential funding shortages with non-Federal funds (see section on [CEP Funding Sources](#)). 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 25 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 have individual ISPs below the 25 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 realize 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*

Adopting CEP district-wide permits an LEA to experience the benefits of CEP at all schools. LEAs electing CEP district-wide calculate the 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 100. Districts eligible for CEP district-wide will receive notification from their State agency by April 15 explaining how to participate in CEP (7 CFR 245.9(f)(6)(i)).

### *Partial District Implementation*

If district-wide CEP implementation is not a financially viable option, LEAs also may elect to participate only for a group (or multiple groups) of schools within the district, 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 44.99 percent. Individually, Example Middle with an ISP of 22.92 percent is not eligible to participate in CEP – but grouped with schools with ISPs well above 25 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 1,300 students. The aggregate ISP of 44.99 percent multiplied by 1.6 equals 71.98 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                           | 1,300                       | 22.92 percent                       |
| Example High       | 703                           | 1,016                       | 69.19 percent                       |
| <b>TOTAL</b>       | <b>1,202</b>                  | <b>2,672</b>                | <b>44.99 percent</b>                |

FNS recognizes that CEP may not be a good fit for all schools, particularly those with lower ISPs. School districts opting to elect CEP at some but not all schools are strongly encouraged to clearly communicate to households 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). Households whose students attend(ed) CEP schools may need help with the school meals application process, as applications may be unfamiliar.

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. Each year, LEAs are required to announce to parents the eligibility requirements for school meals (7 CFR 245.5). School administrators at non-CEP schools within a partial CEP district are encouraged to communicate with households in the summer, during back-to-school events, and throughout the school year to ensure they are aware of the application and the benefits of completing it. In addition, FNS encourages LEAs to provide assistance to households who may struggle to complete the application independently, due to language, literacy or other barriers.

### *Planning for Participation Increases*

Although many CEP schools may have high levels of school meal participation prior to adoption, CEP can increase participation. USDA's CEP Characteristics Study highlighted, in depth, the benefits of CEP. Notably, the study indicated that student participation in NSLP is about seven percent higher in CEP school districts compared to similar, eligible LEAs that chose not to adopt CEP. It also found that student participation in SBP is about 12 percent higher in LEAs that participate in CEP. 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, as well as the elimination of stigma that students sometimes feel when participating in the 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.

### *SBP Alternative Service Models*

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.

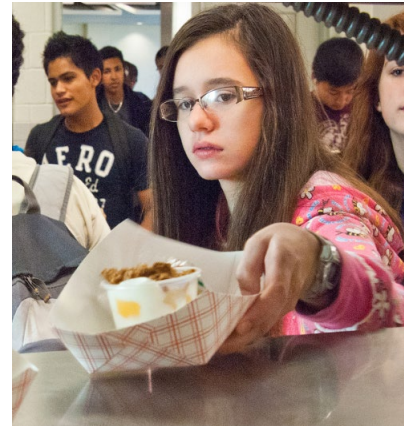


Because of its streamlined counting and claiming, CEP can facilitate the adoption of alternative breakfast models, helping connect more students with a nutritious morning meal. LEAs and schools may consider the following options when implementing an alternative breakfast model:

- **Breakfast in the Classroom:** Breakfast in the Classroom allows students to enjoy a breakfast meal in class at the start of the school day. School nutrition 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. 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, or on the way to, class. The meals are prepared by school nutrition professionals and pre-packed in containers that students can easily carry. School staff members record the number of meals served using the POS system in the cafeteria or using a wireless or other counting system if the meals are distributed elsewhere. 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 nutrition 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 nutrition 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 more than 15 minutes commuting to school and at schools where class schedules are not able to accommodate another alternative meal service.

### ***Title I, Part A Program***

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 school-level allocations for the Title I, Part A (Title I) program under the Elementary and Secondary Education Act of 1965 (ESEA).

Title I's purpose is to provide all children significant opportunity to receive a fair, equitable, and high-quality education and to close educational achievement gaps. The program assists LEAs and schools with high numbers or concentrations of children from low-income households to improve the academic achievement of low-achieving children. Title I funds are allocated to LEAs based primarily on poverty estimates from the U.S. Census Bureau (census data). Participation in CEP does not affect census data.

The ESEA authorizes LEAs to use data from the NSLP 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. CEP LEAs may, in the absence of school meal applications use other allowable measures such as direct certification data to determine how Title I funds are allocated to schools. For more information on available options, see Appendix A of The U.S. Department of Education's February 2022 guidance: <https://oese.ed.gov/files/2022/02/Within-district-allocations-FINAL.pdf>.

### *E-Rate*

E-Rate is a program that makes telecommunications and information services more affordable for schools and libraries based on need. 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* may be found on the CEP Resource Center (<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.

The percentage calculation remains valid for the entire four-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 four-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 four-year cycle, 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 substantial reduction in administrative paperwork through the elimination of the household application process for school meals. FNS encourages LEAs to assess school poverty in a way that does not undermine CEP's paperwork reduction benefit.

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 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, and households do not need to report 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 (SSN) may not be necessary. LEAs should work with their State agencies (and other funders, as applicable) to determine what information must be collected 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, nor 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;
- Remove all references to USDA programs and school meals if the new form uses the same format as those previously used for school meal applications;
- 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;

State agencies or LEAs choosing to use an alternate income form should not:

- State or imply that the receipt of free school meals is, in any way, contingent on completion of the form; and
- Package the form with materials related to school meal programs.

**Note:** Alternate household income surveys are not school meal applications and any costs associated with collecting household income information in CEP schools must not be charged to the 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 or 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 section 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.

### ***Fee Waivers, Reductions, and Discounts***

Students eligible for free or reduced-price meals may receive fee waivers or reductions for Advanced Placement (AP) exams, the Scholastic Aptitude Test (SAT), and/or the American College Testing (ACT) exam. The College Board and ACT have policies to ensure low-income students enrolled in CEP schools are eligible to receive exam fee waivers and/or reductions.

#### **AP Exam Fee Reduction**

Students enrolled in CEP schools are eligible for an AP Exam fee reduction on all AP Exams that they take in a given school year if:

- Their family's income is at or below 185 percent of the Federal Poverty Level; or
- They are an "identified student" due to:
  - Their participation (or a household member's participation) in SNAP, TANF, or FDPIR;
  - Their participation in Head Start; or
  - Their status as a foster, homeless, or migrant child.

Schools may opt to use alternate criteria to determine eligibility for AP Exam fee reductions. Additional information is available at:

[http://apcentral.collegeboard.com/apc/public/ap\\_coordinators/exam\\_ordering\\_fees/exam\\_fees\\_reductions/232032.html](http://apcentral.collegeboard.com/apc/public/ap_coordinators/exam_ordering_fees/exam_fees_reductions/232032.html).

### **SAT and ACT Fee Waivers**

SAT and ACT fee waivers are available to low-income 11th and 12th grade students. SAT Subject Test fee waivers are available to low-income 9th and 12th graders. Students enrolled in CEP schools are eligible for an SAT or ACT fee waiver if:

- Their household income is at or below 185% of Federal Poverty Level;
- They are enrolled in a Federal, State, or local program for low-income students (e.g., Federal TRIO programs such as Upward Bound);
- Their family receives public assistance;
- They live in federally subsidized public housing;
- They live in a foster home;
- They are homeless; or
- They are a ward of the State or an orphan.

Additional information on SAT fee waivers is available at:

<https://collegereadiness.collegeboard.org/sat/register/fees/fee-waivers>.

Additional information on ACT fee waivers is available at:

<https://www.act.org/content/dam/act/unsecured/documents/FeeWaiver.pdf>.

### ***CEP Funding Sources***

It is essential for LEAs to determine that CEP is a financially viable option prior to electing CEP, especially at lower ISPs. LEAs are strongly encouraged to assess their ability to provide meals at no cost to students, while covering operational costs with Federal assistance and any non-Federal funding sources. LEA decisionmakers should also consider student nutrition, administrative, and financial factors prior to participating in CEP. In addition, LEAs should ensure electing CEP does not diminish other aspects of CNP operations. LEAs are strongly encouraged to assess their ability to provide meals at no cost to students, while covering operational costs with Federal assistance and any non-Federal funding sources.

### **Funding Available to Support CEP**

The primary purpose of the NSFS is to operate or improve a school meals program that serves nutritious meals meeting the meal pattern requirements. Therefore, funds in the NSFS may be used to support CEP in accordance with 7 CFR 210.14(a). This includes Federal reimbursement and other assistance provided under the NSLA and the Child Nutrition Act of 1966 [42 U.S.C. 1759a(a)(1)(F)(ii)(I)(bb)], including unused reimbursement from the Summer Food Service Program (SFSP) and Child and Adult Care Food Program (CACFP). This also includes other



funds in the NSFSA, such as nonprogram revenue in excess of revenue required to meet requirements at 7 CFR 210.14(f).

While funds in the NSFSA may be used to support CEP, LEAs should ensure that schools have sufficient funding to not only provide all meals at no cost under CEP, but also to provide meals that comply with NSLP and SBP meal patterns and comply with resource management requirements (e.g., compliance with the net cash resources in 7 CFR 210.14(b) and the availability and priority for use of excess net cash resources per 7 CFR 210.19(a)(1)). LEAs should also ensure that using NSFSA funds to support CEP does not adversely impact the financial viability or overall sustainability of the school meals programs. The expenditure of additional non-Federal funds is not required if all CEP operating costs can be covered from allowable funding sources.

### **Use of Non-Federal Funds**

If there is a difference between the cost of serving lunches and breakfasts at no cost to all participating children and funding available to support CEP, as described above, the LEA must pay that difference with non-Federal funding sources (7 CFR 245.9(f)(4)(vii) and 7 CFR 210.14(a)).

Sources of non-Federal funds may include State and local funds, cash donations and in-kind contributions from outside sources, such as volunteer services.

As a reminder, expenditures of all funds in the NSFSA are subject to Federal cost principles, detailed at 2 CFR 200, and must only be made for allowable costs (7 CFR 210.14(a)). Operating CEP is an allowable cost of the NSFSA.

### ***Notifying Households***

State agencies are required to notify LEAs of their eligibility for CEP and provide procedures for interested and eligible LEAs to participate (7 CFR 245.9(f)(6)(i)). 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 significant for parents and guardians, especially if they are familiar with filling out school meal applications each year. Participating LEAs have reported that communicating with households is very important to minimize confusion about school meals at the start of the school year.

Clear, consistent communication is also 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 households are aware of the application and the benefits of completing it by communicating with

them in the summer and throughout the school year. A combination of communication 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;
- Explaining which schools will operate CEP, if CEP is not district-wide;
- Ensuring households understand they may need to submit applications if any children in the household attend a non-CEP school;
- Holding information sessions for households; and/or
- Providing CEP information at school board meetings and “back-to-school” nights.

LEAs report communications are greatly enhanced when they work closely with school district stakeholders and community leaders to provide CEP resources to households in the community. Districts partially implementing CEP may frame CEP as a benefit available in some schools, similar to language immersion, Science, Technology, Engineering, Art/Design, and Mathematics (STEAM) programs, and international baccalaureate programs.



### *Other Universal Feeding Options*

Similar to CEP, Provision 2 is a universal free school meals 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 to students for a four-year period (7 CFR 245.9(b)). During the first year, or base year, the school makes eligibility determinations using applications, and records meal counts by type (free/reduced-price/paid) (7 CFR 245.9(b)(6)). 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-year cycle. 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, with funds from non-Federal sources, the difference between Federal assistance provided for meal reimbursements and the cost of providing all meals at no charge.

In high-need 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 8: Participation in Other Federal Child Nutrition Programs



When any school in an LEA participates in CEP, the individual school's free claiming percentage (ISP multiplied by 1.6) may be used to determine eligibility for some other CNPs, rather than requiring the school to collect household applications.

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. 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 (e.g., 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 group or district-wide data.

For more information, see *SP 08 CACFP04 SFSP03-2017: Area Eligibility in Child Nutrition Programs*, December 1, 2016, <https://www.fns.usda.gov/cn/area-eligibility-child-nutrition-programs>.

### *NSLP Afterschool Snacks*

For NSLP Afterschool Snacks, cash reimbursement helps 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 times 1.6 (not the district-wide or group claiming percentage).

Area eligible CEP schools or school sites operating NSLP Afterschool Snacks 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 using the same free and paid CEP claiming percentages used to claim meals (e.g., if “X” percent of snacks are reimbursed at the Federal free rate, then 100 percent minus “X” equals the percentage of snacks reimbursed at the paid rate).

### *The Summer Food Service Program*

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

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 eligibility is determined by multiplying the approved, 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. Therefore, an individual school must have an ISP of at least 31.25 percent to be area eligible. If a school electing CEP collects alternate household income forms, that data cannot 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 ten school days. SSO allows SFAs to continue the same meal service rules used during the regular school year and submit claims for reimbursement under NSLP, offering a streamlined and simplified approach to feeding students. However, site eligibility requirements remain the same as for SFSP. More information about the SSO is available on the FNS School Meal Programs Website (<http://www.fns.usda.gov/school-meals/opportunity-schools>).

**SSO sites may use CEP data to establish area eligibility but must use the individual school-level ISP data rather than district-wide or group ISP data. Individual school-level eligibility is determined by multiplying the approved, 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. Therefore, an individual school must have an ISP of at least 31.25 percent to be area eligible. If a school electing CEP collects alternate household income forms, that data cannot be used to determine the school's area eligibility.

### *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 persons with disabilities 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 day care homes and afterschool program sites.

- Day Care Homes: A day care home is determined area eligible if it is located in an attendance area of a school where at least 50 percent of the enrolled children are certified eligible for free or reduced price meals. Higher reimbursement rates are available for day care homes located in lower-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 attendance area where at least 50 percent of the enrolled children are eligible for free or reduced price school meals. At-Risk Afterschool sites are required to use school data to establish area eligibility and cannot 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 district-wide



must 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 cannot be used to determine area eligibility.

### ***The Special Milk Program***

The Special Milk Program (SMP) provides milk to children in schools and childcare institutions that 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 must 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 LEAs operating CEP district-wide, or with groups 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.

### ***Summer EBT***

The Summer Electronic Benefit Transfer (Summer EBT) Program is a federally assisted program that provides grocery-buying benefits to low-income households with school-aged children when schools are closed for the summer.

To be eligible for Summer EBT benefits, children in participating States or areas served by eligible Indian Tribal Organizations must be individually certified as categorically eligible or income eligible for free or reduced price meals. While all children are served free meals in CEP schools, not all children in CEP schools are eligible to receive Summer EBT benefits (7 CFR 292.6(c)). Children in CEP schools who are not categorically eligible must complete a Summer EBT application and reside in a household that is at or below the NSLP income threshold for reduced price meals (185% of the Federal Poverty Level) in order to receive Summer EBT benefits. Summer EBT agencies, not LEAs, are responsible for administering Summer EBT applications; however, they may contract with an LEA to administer the application on the Summer EBT agency's behalf (7 CFR 292.13(a)-(b)).

Categorically eligible children will be automatically enrolled for Summer EBT benefits. Categorical eligibility data for Summer EBT must be from the instructional year immediately preceding the summer operational period (the Summer EBT instructional year starts on July 1 of the previous summer) or during the summer operational period (7 CFR 292.2, 7 CFR 292.6(a)). For example, if an LEA is operating CEP based on a list of identified students from SY 2022-2023, that list *may not* be used to establish eligibility for Summer EBT in 2024 since the eligibility data is not from the immediately preceding instructional year.

More information about Summer EBT is available on the FNS Summer EBT Website (<https://www.fns.usda.gov/sebt>).



## 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. As such, LEAs are exempt from verification for schools that elect CEP and implement the provision throughout the school year, since school meal applications are not collected at CEP schools. However, LEAs that partially implement CEP must still conduct verification for non-CEP schools that operate standard counting and claiming procedures. More information about this verification requirement may be found in the 2017 Edition of the *Eligibility Manual for School Meals* (<https://www.fns.usda.gov/cn/eligibility-manual-school-meals>).

If an LEA ends use of CEP during the school year 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 (7 CFR 245.9(j)(2)). 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 requirement for *verification for cause* at 7 CFR 245.6a(c)(7), which requires the LEA to verify questionable applications. See *Chapter 12: Reporting and Recordkeeping Requirements* for additional information.

### *Independent Review of Applications*

LEAs designated by the State agency as demonstrating high levels of, or at high risk for, administrative error are required to conduct a second review of school meal applications (7 CFR 245.11). However, an LEA that elects CEP district-wide is not subject to the independent review of applications. Only LEAs that collect school meal applications (e.g., LEAs electing CEP at some but not all schools) can be required to conduct a second review of applications at schools that collect 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***

SFAs participating in the NSLP are required to ensure that sufficient funds are provided to the NSFSA for meals served to students not eligible for free or reduced price meals (7 CFR 210.14(e)). 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 participating 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.



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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>).

### ***Unpaid Meal Charges***

Although unpaid meal charges would not occur at CEP schools, if even one school in an SFA operates regular counting and claiming, the SFA must have a written policy in place to address situations where children participating at the reduced price or paid rate do not have money to cover the cost of the meal at the time of service. State agencies and SFAs have discretion in developing the specifics of individual policies including the level at which the policy is developed. Some State agencies may choose to develop a State-level meal charge policy to be implemented by all SFAs operating the NSLP and SBP throughout the State. If the State agency does not develop a State-level policy, SFAs must develop and implement an SFA-level policy for each school operating the NSLP and SBP. Please note that the requirement to develop a meal charge policy applies to the SFA, and not the LEA.

The requirement to develop a meal charge policy applies to the entire SFA, rather than to individual schools within the SFA. However, if all schools in the SFA operate CEP (and/or Provision 2 or Provision 3), the SFA is not required to develop a meal charge policy, because all students would receive meals at no cost. While SFAs adopting CEP (and/or Provision 2 or Provision 3) district-wide are not required to develop a meal charge policy, FNS encourages such SFAs to develop a plan to address situations where children may have accumulated debt prior to electing CEP.

For more information, please see: *SP 46-2016: Unpaid Meal Charges: Local Meal Charge Policies*, July 8, 2016 (<https://www.fns.usda.gov/cn/unpaid-meal-charges-local-meal-charge-policies>).

## Chapter 10: The Four-Year Cycle

LEAs, groups of schools, and individual schools elect CEP in four-year cycles. The original ISP (established from April 1 data in the school year before 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 (7 CFR 245.6(b)(1)(v)).<sup>8</sup> 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 four-year cycle with the higher ISP the following school year. The LEA must contact the State agency to confirm the higher ISP and determine procedures for beginning a new four-year cycle.

During each year of a four-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 of the current four-year CEP cycle (the original ISP).

To begin a new four-year CEP cycle, the LEA must calculate a new ISP using identified student data from the April 1 prior to the four-year cycle and demonstrate to the State agency the participating school(s) meet the eligibility criteria (7 CFR 245.9(f)(3)).

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 individual school participating in CEP may need to recalculate the ISP. An example scenario is included below. 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 change that occurs 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 individual 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 four-year cycle would start the next

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<sup>8</sup> 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.

school year, using the new ISP as the basis for meal claims. See *Chapter 3: Determining the Identified Student Percentage* for additional information.

**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 **25** percent threshold as of April 1 in year four of the four-year cycle are able to, with the State agency’s authorization, immediately begin another four-year cycle in the following school year. The ISP for the new four-year cycle must be established using the most recent April 1 data (7 CFR 245.9(f)(4)(viii)).

### *Grace Year*

Participating LEAs and schools with ISPs of at least **15** percent but less than **25** percent, as of April 1 in year four of the four-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 four of the current four-year cycle (7 CFR 245.9(f)(4)(ix)). For example, the claiming percentages for participating schools in a grace year for SY 2024-2025 would be calculated as follows:

- Year 4 ISP as of April 1, 2024: **20.00%**
- ISP x 1.6 multiplier (20.00% x 1.6): **32.00%**
- Free claiming percentage: **32.00%**
- Paid claiming percentage: **68.00%**

LEAs or schools that reach the required 25 percent threshold as of April 1 of the grace year would be eligible to begin a new four-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 school year before the start of the current CEP 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, then 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, then 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 school year before 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 four-year cycle, or at the end of a four-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.

### **Between School Years *During a Four-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 (7 CFR 245.9(j)). When a school operating CEP decides to resume standard counting and claiming procedures between school years, local officials may have time over the summer to notify households and prepare for the application process.

At the start of the next school year, the school must 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, 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 (7 CFR 245.6(c)(2)).

### ***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 (7 CFR 245.9(j)(1)).

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, processing school meal applications, and conducting verification (7 CFR 245.9(j)(2), 7 CFR 245.6a). During the established timeframe to resume standard procedures, students must continue to receive free meals, so their meal service routine is not disrupted (7 CFR 245.9(j)). 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

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* (<https://www.fns.usda.gov/nslp/administrative-review-guidance-and-tools>).

### *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 schools are subject to the same basic reporting and recordkeeping requirements as schools conducting standard 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 and the rest are participating in standard counting and claiming, 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 State-wide 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 2024-2025 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;
- Use the count of identified students matched with SNAP used in determining the approved CEP claiming percentage for that school year. For example, if the current school year is SY 2024-2025, and the first year of the 4-year cycle was SY 2022-2023, then the count for Data Element #3 would be the number of identified students matched with SNAP from April 1, 2022]; 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 2024-2025, the FNS-834 will be due December 1, 2024, and the count used in lieu of the special provision match for Data Element #3 for SY 2024-2025 would be the count of identified students matched with SNAP by April 1, 2024, whether or not the school elected to update the claiming percentage that year.

For more information on the FNS-834 report, [click here to see SP 54-2013: Transmittal of Q&As on Computation of Direct Certification Performance Rate with SNAP.](#)

*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. However, 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 (e.g., CEP) and pricing schools would report the most frequently charged lunch price(s) in those schools or categories of schools that 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 (e.g., locate ten percent, or a statistically valid sample, of identified student names on appropriate documentation) must, at a minimum, maintain the following ISP data for LEAs and schools participating in CEP, as part of the Administrative Review records:

- 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 11-2024: CEP State Agency Procedures to Ensure Identified Student Percentage Accuracy\*, February 5, 2024.](#)

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 with schools participating in CEP must ensure records are maintained, including documentation used to develop the ISP, total number of breakfasts and lunches served daily, percentages used to claim meal reimbursements, non-Federal funding sources used to cover any excess meal costs, and school-level information provided to the State agency for publication, if applicable.

If an LEA or school chooses to return to standard counting and claiming, the LEA must maintain the ISP documentation for three years after submission of the last Claim for Reimbursement which was based on the data (7 CFR 245.9(h)(3)). In addition, this documentation must be retained beyond the three-year period as long as required for the resolution of any issues raised by an audit (7 CFR 245.9(h)(3)). Failure to retain required documentation may result in removal from CEP and/or fiscal action. ISP documentation includes Point of Service reports, Student Information System reports, 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. All other standard recordkeeping requirements (e.g., 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 incorporated into section 11(a)(1) of the NSLA 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 with 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 also 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: Glossary

**Alternate 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 alternate income form is NOT the school meal application.

**Claiming Percentages** CEP participating schools use the "free" claiming percentage and the "paid" claiming percentage. To determine the free claiming percentage, multiply the applicable identified student percentage by a factor of 1.6. The product of this calculation may not exceed 100 percent. The difference between the free claiming percentage and 100 percent represents the paid claiming percentage. ([7 CFR 245.9\(f\)\(4\)\(v\)](#)).

**Direct Certification** means determining a child is eligible for free meals based on documentation obtained directly from the appropriate State or local agency or individuals authorized to certify that the child is a member of a household receiving assistance under SNAP; is a member of a household receiving assistance under FDPIR or under the TANF program; or their status as a foster, homeless, a migrant, or runaway child; or Head Start enrollee ([7 CFR 245.2](#))

**Enrolled Students**, for the purpose of calculating the ISP, are students who are enrolled in and attend schools participating in CEP, and who have access to at least one meal service (SBP and/or NSLP) daily ([7 CFR 245.9\(f\)\(1\)\(i\)](#)). **Half-day students who have access to either breakfast or lunch are included in the count of enrolled students. Students who do not have access to either breakfast or lunch due to the times they are attending school are not included in the count of enrolled students.**

The **Four-Year Cycle** is the number of years each CEP cycle lasts before the LEA or school is required to reestablish a new identified student percentage and reelect CEP ([7 CFR 245.9\(f\)](#)). The ISP established for the first year of implementation is valid for an entire four-year cycle.

The **Grace Year** allows an LEA in its fourth year of CEP, whose ISP has decreased to less than **25** percent but is at least **15** percent, to continue participation in CEP for one additional, or fifth year. If the ISP as of April 1 of the grace year does not meet the **25** percent ISP requirement, the LEA must return to standard counting and claiming, or enroll in another special provision option for the following school year ([7 CFR 245.9\(f\)\(4\)\(ix\)](#)).

**Identified Students** means students with access to at least one meal service who are not subject to verification. Identified students are students approved for free meals based on documentation of their receipt of benefits from SNAP, TANF, FDPIR, or Medicaid where applicable (where approved by USDA to conduct matching with Medicaid data to identify children eligible for free meals). The term identified students also includes homeless, migrant, runaway or Head Start children (approved for free school meals without application and not subject to verification). In addition, the term includes foster children certified for free meals through means other than an application for free and reduced

price school meals. The term does not include students who are categorically eligible based on submission of an application for free and reduced price school meals ([7 CFR 245.9\(f\)\(1\)\(ii\)](#)).

The **Identified Student Percentage (ISP)** means a percentage determined by dividing the number of identified students by the number of enrolled students and multiplying the quotient by 100. The ISP may be determined by an individual participating school, a group of participating schools in the LEA, or in the aggregate for the entire LEA if all schools participate, following procedures established in FNS guidance ([7 CFR 245.9\(f\)\(1\)\(iii\)](#))

**Local Educational Agency (LEA)** means a public board of education or other public or private nonprofit authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public or private nonprofit elementary schools or secondary schools in a city, county, township, school district, or other political subdivision of a State, or for a combination of school districts or counties that is recognized in a State as an administrative agency for its public or private nonprofit elementary schools or secondary schools. The term also includes any other public or private nonprofit institution or agency having administrative control and direction of a public or private nonprofit elementary school or secondary school ([7 CFR 245.2](#)).

The **Multiplier** is the factor of 1.6 that must be used for an entire four-year cycle to calculate the percentage of lunches and breakfasts to be claimed at the Federal free rate ([7 CFR 245.9\(f\)\(4\)\(vi\)](#)).

**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 ([7 CFR 245.9\(f\)\(3\)](#)).

**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. ([7 CFR 210.2](#))

The **School Meal Application**, also known as the “household application,” means an application for free and reduced price meals, submitted by a household for a child or children who attend school(s) in the same LEA (7 CFR 245.2). An LEA, group of schools, or individual school must not collect applications for free and reduced price school meals on behalf of children in schools participating in CEP ([7 CFR 245.9\(f\)\(4\)\(iv\)](#)).

## Appendix C: Acronyms

|                   |  |
|-------------------|--|
| <b>CACFP</b>      | Child and Adult Care Food Program                |
| <b>CEP</b>        | Community Eligibility Provision                  |
| <b>CNP</b>        | Child Nutrition Programs                         |
| <b>ESEA</b>       | Elementary and Secondary Education Act of 1965   |
| <b>Summer EBT</b> | Summer Electronic Benefit Transfer               |
| <b>FCC</b>        | Federal Communication Commission                 |
| <b>FDPIR</b>      | Food Distribution Program on Indian Reservations |
| <b>FFVP</b>       | Fresh Fruit and Vegetable Program                |
| <b>FNS</b>        | USDA's Food and Nutrition Service                |
| <b>HHFKA</b>      | The Healthy, Hunger-Free Kids Act of 2010        |
| <b>ISP</b>        | Identified Student Percentage                    |
| <b>LEA</b>        | Local Education Agency                           |
| <b>NSLP</b>       | The National School Lunch Program                |
| <b>NSFSA</b>      | Nonprofit School Food Service Account            |
| <b>PLE</b>        | Paid Lunch Equity                                |
| <b>POS</b>        | Point of Sale/Point of Service                   |
| <b>RCCI</b>       | Residential Child Care Institution               |

|             |   |
|-------------|---|
| <b>SBP</b>  | The School Breakfast Program                  |
| <b>SFA</b>  | School Food Authority                         |
| <b>SFSP</b> | The Summer Food Service Program               |
| <b>SMP</b>  | The Special Milk Program                      |
| <b>SNAP</b> | The Supplemental Nutrition Assistance Program |
| <b>SSO</b>  | The Seamless Summer Option                    |
| <b>SY</b>   | School Year                                   |
| <b>TANF</b> | Temporary Assistance to Needy Families        |
| <b>USDA</b> | The United States Department of Agriculture   |

## Appendix D: Additional Resources

### FNS Resources

- Community Eligibility Resource Center: Includes information about CEP regulations, policy, research, and other resources schools and LEAs can use to ensure successful implementation. <https://www.fns.usda.gov/cn/community-eligibility-provision-resource-center>
- 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>

### Partner Resources

- 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 support CEP and provides links to additional resources to facilitate implementation. <https://bestpractices.nokidhungry.org/programs/community-eligibility-provision>