

Community Eligibility Provision

Bureau of Nutrition Programs and
Services, NH Department of Education



Cheri White, MS, SNS, Administrator

Cheri.white@doe.nh.gov

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Community Eligibility Provision: New for the 2014/2015 School Year

- Overview
- Community Eligibility Provision (CEP) Procedures
- Annual Requirements for Notification and Deadline



8 Pilot States

- Eight states have piloted the CEP. Reference to their findings will be a part of this presentation. The eight states are:

Illinois

Michigan

Kentucky

Ohio

New York

District of Columbia

West Virginia

Florida

Georgia

Maryland

Massachusetts

Important CEP Definitions

Identified Students

Students certified for free meals through means other than individual household applications in the School Year prior to implementing the CEP.

This includes both students who are directly certified (recipients of SNAP, TANF and FDPIR) and categorically eligible (including Foster, Migrant, Head Start, Homeless and Runaway children).

Important CEP Definitions Continued

Enrolled Students

Students who are enrolled in and attending schools participating in the CEP and who have access to at least one meal service daily. Note: the school must offer both breakfast and lunch, but the student must have access to one of these meal types.



Important CEP Definitions Continued

Identified Student Percentage

The percentage determined by dividing the number of “identified students” as of a specified period of time by the number of “enrolled students” as of the same period of time and multiplying the quotient by 100.



Overview of CEP

HHFKA now provides an alternative to household applications for free and reduced price meals in high poverty LEAs and schools. LEAs must:

1. Meet a minimum level of students directly certified for free.
2. Determine if the entire LEA (SAU), group of schools or one school will elect CEP.
3. Agree to cover with non-Federal funds any costs of providing free meals to ALL students that federal funds do not cover.
4. Determine claiming percentages for free and paid derived from the percentage of students directly certified. Percentages guaranteed for 4 school years.
5. School must still complete an accurate point of service count of meals served.
6. The school must serve reimbursable meals with correct meal components. For schools participating in CEP, all meals that are served are free to enrolled students.
7. Each child continues to pay for ala carte foods. Free is for a free reimbursable meal and does not mean free food.

Minimum level of students needed

- By regulation, any LEA/School (schools can be either individual or combined) with an identified directly certified student percentage of at least 40% may participate.
- Note: Pilot states found that at least 50%-60% is needed for financial viability.



Full LEA? School Group? School?

- LEAs must determine if the entire LEA or a group of schools or a single school will participate in the CEP.
- Considerations if the entire LEA does not participate:
 1. Siblings may be in different schools with different free and reduced processes.
 2. Parents in a non-participating school may question the participation of their child's school.
 3. Any program that uses free and reduced numbers in their formula such as Title I, E-Rate and State Funding will be affected.



What programs must be operating in the participating school?

The participating school must have the following programs operating within it:

- School Lunch Program
- Breakfast Program

Determine Free and Paid Percentage and agree to cover costs, if applicable.

1. In CEP, ALL breakfasts and lunches will be free of charge to all students in the participating school.
2. Claiming is done on % basis and claim money will be given based on derived % of free and paid. There is NO reduced claiming.
3. LEA must cover the cost of any financial over-run in the food service program with non-Federal money.

Community Eligibility Procedures

- First Year Procedures
- Procedures for the following 3 years.



First Year Procedures for CEP

Eligibility Criteria for First Year

#1. Both reimbursable breakfast and lunch must be served.

All children in the participating schools are served a free breakfast and lunch for 4 successive school years.

Eligibility Criteria Continued

#2. April 1st of each prior year, the LEA determines the % of identified students.

*Identified students include students who are directly certified plus students who are Foster, Migrant, Head Start, Homeless and Runaway children.

*TIP: Add Verification Summary Report lines 3-2 + 3-3 + 3-4 for total of identified students. Check if there are any additional students since the completion of the verification summary form.

*% must be at least 40%, with 50%-60% suggested by Pilot States.

Eligibility Criteria Continued

#3. LEA then takes the identified student percentage and multiplies it by a factor of 1.6 to arrive at the free claiming percentage. The leftover is what is claimed as paid. Note: The percentage is reported to 2 decimal points out and there is no rounding allowed. Therefore if the percentage comes out at 39.92%, the school does not meet the 40% requirement.

#4. LEA must pay, from sources other than Federal funds, the costs of serving breakfasts and lunches that are in excess of the Federal assistance received, including Federal cash reimbursement.

Eligibility Criteria Continued

#5. Agree not to collect free and reduced applications from households in participating schools during the period of participation in Community Eligibility.

#6. Agree to count total breakfasts and lunches served to students. Counts still taken at point of service.

#7. Cannot be a Residential Child Care Institution (RCCI)

Reimbursement

How does reimbursement work if free and reduced information is not collected?



Reimbursement in the First Year

- Reimbursement for a school is based on the % of Identified Students as of April 1 of the school year prior to the first year of participation in CEP.
- The % is then multiplied by a factor of 1.6 to determine the total % of meals reimbursed at the free rate. (NOTE: cannot exceed 100%)
- The remaining % of meals, up to 100%, is reimbursed at the Federal “paid” reimbursement rate.

Reimbursement in the First Year

Continued

Example:

1. Identified Students enrolled as of April 1, 2013 = 4500 and total enrolled students = 10,000

$4500/10,000 = .45$ or 45% of enrolled students are Identified students

2. Multiply by factor: $.45 \times 1.6 = .72$

3. Percent Claimed As Free: $.72$ or 72%

4. Percent Claimed As Paid: $100\% - 72\% = 28\%$ or $.28$

Applying the percentages

Example:

Total meals served in the participating school for the claim month is:

Breakfast = 1000

Lunch = 5000

The percentages to apply are

72% or .72 for Free

28% or .28 for Paid

Applying the Percentages Continued

Therefore the claim for the month is:

Breakfast Free = $1000 \times .72 = 720$ meals claimed as free

Breakfast Paid = $1000 \times .28 = 280$ meals claimed as paid

Lunch Free = $5000 \times .72 = 3600$ meals claimed free

Lunch Paid = $5000 \times .28 = 1400$ meals claimed paid

Applying the Numbers

Without CEP

Breakfast Meal Counts 500 Free 50 Reduced 450 Paid Total 1,000 meals
Equals the following amts $500 * 1.61 = \$805.00$ $50 * 1.31 = \$65.50$ $450 * .31 = \$139.50$

Total Breakfast Reimbursement **\$1,010.00**

Lunch Meal Counts 3,000 Free 500 Reduced 1,500 Paid Total 5,000 meals
Equals the following amts $3,000 * 2.99 = \$8,970.00$ $500 * 2.59 = \$1,295.00$ $1,500 * .34 = \$510.00$

Total Lunch Reimbursement..... **\$10,775.00**

Total Claim (lunch + breakfast).....\$11,785.00

With CEP (Note: Reduced category is not included)

Breakfast Meal Counts 1000 * .72 = 720 Free Meals and 280 Paid Meals
Equals the following amts $720 * \$1.61 = \$1,159.20$ $280 * \$.31 = \86.80

Total breakfast reimbursement..... **\$1,246.00**

Lunch Meal Counts 5000 * .72 = 3,600 Free Meal and 1,400 Paid Meals
Equals the following amts $3,600 * \$2.99 = \$10,764.00$ $1400 * \$.31 = \434.00

Total lunch reimbursement..... **\$11,198.00**

Total Claim (lunch + breakfast).....\$12,444.00

Increase in reimbursement of \$659.00 Will this cover cost overrun in your foodservice program?

Reimbursement in the 2nd, 3rd, and 4th Years

- Two options for calculation of percentages:
 1. Use the initial percentage of Identified Students in the first year or
 2. The percentage of Identified Students as of April 1 of the preceding year, whichever is higher.



Reimbursement in the 2nd, 3rd, and 4th Years Continued

If the school sees an increase in the total Identified Students as of April 1 in the prior year, the school may choose to determine a different Identified Student percentage.

Reimbursement in the 2nd, 3rd, and 4th Years Continued

Example:

Initial Identified Student % (as of April 1, 2013) = 45%

Identified Students as of April 1, 2014 = 47% or .47

$.47 \times 1.6 = .752$ or 75.2% claimed as free in year 2

$100\% - 75.2\% = 24.8\%$ claimed as paid in year 2

Reimbursement in the 4th Year

A participating school that meets the minimum Identified Student percentage of 40% in Year 4 of the 4-year cycle may immediately begin another 4-year cycle.

Example: if a school participated in CEP beginning SY 2013 and they are still participating in SY 2017 with a minimum of 40% Identified Students, then the school could elect to begin another 4 year cycle using the April 1, 2017 calculated percentage for reimbursement purposes, which must meet at least 40% Identified Students.

Optional Grace Year

Eligibility for Grace Year

A CEP participating school that falls below the 40% minimum of Identified Students in Year 4 of their 4 year cycle may continue to participate in a “grace year” status.

This year is outside of the 4 year cycle, but allows the school to finish out the cycle **if the identified Student percentage is not lower than 30%**

Optional Grace Year

Reimbursement Example:

Calculated % of Identified Students in Year 4 (where year 4 is SY 16-17) as of April 1, 2016 = 36% or .36

$.36 \times 1.6 = .576$ or 57.6% free meals claimed

$100\% - 57.6\% = 42.4\%$ paid meals claimed

Note: if, after this grace year the school's % increases to above 40%, they may continue participation in CEP.

Recap of 4 Year Period

Year One

Calculate the CEP percentage based on Identified Students from April 1 of the previous school year. If lower than 40% cannot enter CEP. If 40% or higher may enter CEP.

Year Two

Calculate the CEP percentage based on Identified Students from April 1 of the previous school year. If lower than 40% cannot enter CEP. If 40% or higher can stay on CEP. If % is higher than Year One, can make the decision to stay with Year One % or go with higher calculated %.

Year Three

Calculate the CEP percentage based on Identified Students from April 1 of the previous school year. If lower than 40% cannot enter CEP. If 40% or higher can stay on CEP. If % is higher than Year One, can make the decision to stay with Year One % or go with higher calculated %.

Year Four

Calculate the CEP percentage based on Identified Students from April 1 of the previous school year. If lower than 40% and higher than 30% can stay in CEP as Grace Period. If the percentage on April 1 of the fourth year is 40% or higher, then the District may stay on the CEP to begin the new four year cycle.

Considerations

The Community Eligibility Provision could affect certain programs already running in the participating school.



What can the CEP affect?

Considerations for CEP participation include:

1. Financial viability.
2. Non-collection of applications may affect Title I benefit.
3. Non-collection of applications may affect E-rate benefit.
4. Non-collection of applications may eventually affect State Funds for students.
5. Non-collection of applications may affect Special Education Grant

CEP Affects Title I

The Title I program requires that an LEA have school level data on individual economically disadvantaged students.

USDA has issued guidance on how to identify the economically disadvantaged students in a CEP school for accountability and for ranking schools for Title I allocation purposes.

Title I Guidance

First, school officials would deem all students in a CEP school as economically disadvantaged. Therefore all students in a CEP school would be eligible for any services for which eligibility is based on poverty.

Second when the LEA is determining the eligibility of the CEP school to receive Title I funds, the LEA assumes that the percentage of economically disadvantaged students in the school is proportionate to the % of meals that the CEP school will be reimbursed by USDA for the same school year.

Calculating the Percentage of Economically Disadvantaged Students for Title I

A specific example of calculating the percentage of economically disadvantaged students can be found at:

<http://ed.gov/programs/titleiparta/hhfkidsact2012.pdf>

You are also able to email Todd Stephenson at the US Department of Education:

Todd.stephenson@ed.gov

E-Rate and CEP

What is E-Rate?

E-Rate is a federal program of the Federal Communications Commission. E-Rate provides eligible K-12 public schools and libraries 20% to 90% discounts on approved telecommunications, Internet access, and internal connections costs. **E-Rate discounts are based on the number of students eligible for meal benefits for the National School Lunch Program.**

E-Rate Guidance

The current guidance for E-Rate discount determination is for:

“....schools opting to participate in CEP to use the most current year data from the most recent funding year in which they did not participate in the CEP to determine their level of poverty when calculating discounts on services received under the E-Rate program.”

This guidance is found at:

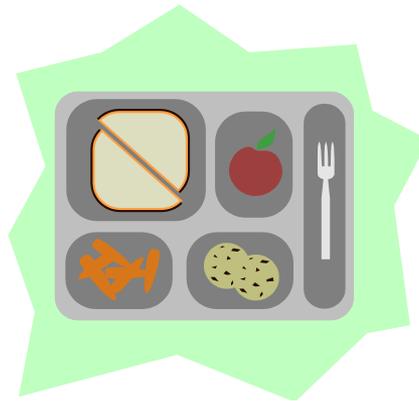
http://transition.fcc.gov/Daily_Releases/Daily_Business/2012/db0731/DA-12-1196A1.pdf

State Funding

Currently, we are in discussion to determine the best course of action on any State Funding formulation that is affected by a school's inability to collect free and reduced applications under the Community Eligibility Provision participation.



Annual Requirements



Important Dates

April 1 of any year: Determine the Identified Student Percentage.

April 15 of any year: LEAs must supply the following information to the State agency who will publish the information on May 1st of every year:

1. List of schools with an identified student percentage of at least 40%.
2. List of schools with an identified student percentage between 30% and 40%.
3. In the 4th year of electing the Provision with an identified student percentage of at least 30%.

June 30 of any year: All LEAs wishing to participate in CEP must submit documentation to begin CEP in the School Year beginning July 1.

All LEAs starting CEP are required to inform students and parents that free meals will be offered to all enrolled students.

Questions?

