



Special Provisions Options

Provision 2 and CEP

Idaho School Nutrition Reference Guide

OVERVIEW

In an effort to reduce paperwork at the local level, Congress incorporated into Section 11(a)(1) of the National School Lunch Act, alternative provisions to the standard requirements for annual determination of eligibility for free and reduced-price school meals and daily meal counts by type (free, reduced price, and paid meals) at the point of service (POS). The provision options used in Idaho are Provision 2 and Community Eligibility Provision (CEP) for qualifying schools. This section focuses on how Provision 2 and CEP operate and provides guidance and resources for schools that choose to use one of these provisions.

TERMS TO KNOW

Community Eligibility Provision (CEP) – A method of approving students for free meal benefits based on at least 40 percent of students in a school or school district qualifying for free meals through direct certification as of April 1 of the year prior to participating in CEP. All students at the school site receive meals at no charge. LEAs (local education agency) must ensure non-Federal funding sources are used to cover any excess meal costs. CEP improves access to free school meals in eligible high poverty LEAs and schools. CEP is only available to LEAs and schools with an identified student percentage greater than or equal to 40 percent.

Direct certification (DC) – A method in which a child is eligible for free benefits based on documentation obtained directly from appropriate State or local agencies or other authorized individuals. Direct certification can be determined through assistance programs or other source categorically eligible programs. Determination processes include data matching certifying a child is a member of a household receiving assistance under SNAP (Supplemental Nutrition Assistance Program), FDPIR (Food Distribution Program on Indian Reservations), or TAFI (Temporary Assistance for Families in Idaho), and/or documentation supporting free eligibility through other source categorically eligible certification.

Enrolled students – For purposes of calculating the identified student percentage, enrolled students are students who have access to at least one meal service (School Breakfast Program or National School Lunch Program) daily.

Identified student percentage (ISP) – The percentage of students who are directly certified at a particular school site; ISP is calculated by dividing the number of directly certified students in a school by the school's total enrolled students. The sponsor must have documentation (as of April 1 of the year prior to participating in CEP) on file to support these numbers. The required

documentation includes a list of student names to support the enrollment number and list of student names and DC information and dates to support the direct certification data.

Other Source Categorically Eligible – Categories that make children automatically eligible for free benefits. A child is other source categorically eligible if they are enrolled in Head Start, determined to be a foster child in which the State retains legal custody, or is certified by the proper liaison to be a homeless, migrant, or runaway child. A child's eligibility for free benefits under other source categorical eligibility does not extend to any other child in the household.

Provision 2 – An alternative method of determining student eligibility for meal benefits and counting of meals for reimbursement claims. Provision 2 requires that the school serve meals to participating children at no charge, reduces application burdens to once every four years, and simplifies meal counting and claiming procedures by allowing a school to receive meal reimbursement based on claiming percentages. All students at the school site receive the Provision 2 meal at no charge. LEAs (local education agency) must ensure non-Federal funding sources are used to cover any excess meal costs.

WHAT ARE SPECIAL PROVISION OPTIONS (PROVISION 2 AND CEP)?

Provision 2

Provision 2 allows schools to establish claiming percentages and to serve all meals at no charge for a four-year period. Provision 2 does not require a certain percentage of free and reduced-price eligible children in order to qualify. However, the fiscal impact must be considered due to the potential increase of participation and revenue not being received from the household to pay for the Provision 2 meal. The school must pay the difference between the Federal reimbursement and the cost of providing free meals from sources other than Federal funds. Provision 2 may be implemented for a breakfast program and/or a lunch program, but new applications must be obtained each year and categorical meal counts taken for any meal program not operating under Provision 2. Differing breakfast and lunch claiming percentages are used if both meals operate under Provision 2.

During the first year, or base year, the school makes eligibility determinations and takes meal counts by type. During the next 3 years, the school makes no new eligibility determinations 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 4 years. At the end of each 4 year period, the State agency may approve 4 year extensions if the income level of the school's population remains stable and all Provision 2 base year records have been retained. Schools may go back to standard procedures at any time.

In order to elect Provision 2, the school food authority (SFA) must receive approval from the administering State agency (SA) prior to beginning a Provision 2 base year. The SA will conduct

a base year review to validate accuracy of determination of students' eligibility status, counting meals by type at the POS, and reporting and claiming meals for reimbursement.

Once approved, the SFA must:

- Offer reimbursable Provision 2 program meals at no charge to all children, regardless of eligibility status
- Notify the public of the availability of school meals and distribute applications for free and reduced-price meals
- Make free and reduced-price eligibility determinations
- Count meals at POS and claim reimbursable meals according to the eligibility status of the children served
- Submit monthly claim of meals by eligibility to establish claiming percentages for use in non-base years
- Retain specified base year records for the entire period the school operates under Provision 2 (base year plus all extensions), plus 3 years after discontinuing Provision 2

Base year documents that must be saved / retained include:

- SA approval/extension authorization (was in letter format prior to application approval in MyIdahoCNP)
- Attendance area documentation or boundary map
- Socioeconomic data of school population including State Direct Certification (DC) lists, Department of Health and Welfare letters, or Department of Labor unemployment lists
- Directly certified and other source categorically eligible student data including State DC lists; certified lists for homeless, migrant, runaway, and foster students; and other DC household member documentation
- Benefit issuance list including any changes in eligibility
- Calculation of claiming percentages, edit checks, or RACs based on claims entered and automatically calculated in MyIdahoCNP
- All approved and denied applications for free and reduced-price meals
- Verification file validating any changes in eligibility on the benefit issuance list including all letters sent to and documents received from the household
- Monthly claims with daily meal count backup
- Daily meal counts *by student name and eligibility*
- Public release announcing Provision 2 free breakfast and/or free lunch

All required base year documentation must be retained for SA review at any time. These records must be kept throughout the time of Provision 2 operation and three years after discontinuing the program, or longer if necessary due to an audit. If it is discovered that the required records were not retained, the SFA will either need to conduct a new base year or return to standard counting and claiming.

Community Eligibility Provision (CEP)

The Community Eligibility Provision allows local educational agencies (LEAs) in high-poverty areas to offer free school breakfast and lunch to all students at no cost for a four-year cycle. Operating under CEP can provide numerous benefits to LEAs, including substantial administrative savings from the elimination of household applications for free and reduced-price meals, streamlined meal service operations, higher student participation, and more opportunities for children to receive nutrition necessary to optimize academic achievement. An LEA may implement CEP in individual schools, groups of schools, or in the entire school district. Information from other programs, including SNAP and TAFI is used to determine eligibility status as well as homeless, migrant, runaway student lists certified / signed by the appropriate liaison, foster student lists/documents, and DC state matching household extensions. Traditional paper applications do *not* count toward the ISP.

In order to qualify for CEP, schools or groups of schools must have an ISP of 40% or higher. This number is calculated by dividing the number of directly certified students in a school by the school's total student enrollment. **April 1 enrollment** and **April 1 DC data** from the year prior to participating in CEP is used. The ISP does *not* include information from income applications and schools electing CEP must not collect or make available USDA free and reduced-price meal applications. Additionally, to be eligible for CEP, schools must operate both the school lunch and the school breakfast programs and must serve both breakfast and lunch at no charge to the student.

The ISP is used to determine the reimbursements for both breakfast and lunch. Per USDA, the ISP is multiplied by 1.6 to determine the free claiming percentage. This percentage is applied to the total number of breakfasts and the total number of lunches served to determine how many meals are claimed at the free rate. All other meals are reimbursed at the paid rate. The original ISP is valid for the entire four-year cycle and the LEA is protected against ISP decreases. If the ISP increases over the four-year cycle, the LEA may choose to be reimbursed at the higher claiming percentage. In order to renew participation after the fourth year, the LEA must demonstrate that they still meet the ISP requirements for the participating school(s).

LEAs/schools must retain records relating to CEP including:

- April 1 enrollment for CEP site(s) listing all students separated by site
- State system Direct Certification (DC) list by student name, run April 1
- Homeless, migrant, runaway, FDPIR lists by student name as of April 1 (must be signed/certified by designated liaison)
- Court documents for Foster students, not on the DC list
- DC household member extension list
- All records from the April 1 data year
- Monthly claims & backup for CEP operational years for all CEP site(s)
- Public releases for CEP site(s) for all school years that CEP is implemented
- All records from the year any updates are made to the ISP during the entire period CEP is in effect

It is the district's responsibility to save information in an accessible form for the SA to review. Records shall be retained during the period that CEP is in effect, plus three fiscal years after the submission of the last claim for reimbursement. In any instance, 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 the issues raised by the audit.

WHY ARE SPECIAL PROVISION OPTIONS (PROVISION 2 AND CEP) IMPORTANT?

Special provision options increase student access to nutritionally balance meals and may remove possible stigma of eating school meals.

Provision 2 was authorized in 1994 in order to reduce the amount of paperwork involved with processing applications and allow all students to eat at no charge. Schools with a high percentage of low-income students may use Provision 2 to reduce the number of applications collected every year when operating both breakfast and lunch meals under Provision 2.

The CEP option was implemented nationwide in SY2014-2015 and provides an alternative approach for offering school meals at local educational agencies and schools in low income areas, instead of collecting individual applications for free and reduced-price meals.

RESOURCES

Additional resources may be available for this topic. Please check the Idaho School Nutrition Reference Guide website for copies of manuals, user guides, and helpful links to relevant subject matter.

For Questions Contact

Child Nutrition Programs
Idaho State Department of Education
650 W State Street, Boise, ID 83702
208 332 6820 | www.sde.idaho.gov

USDA Nondiscrimination Statement

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotope, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form which can be obtained online at: <https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-Complaint-Form-0508-0002-508-11-28-17Fax2Mail.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

1. **mail:**
U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410; or
2. **fax:**
(833) 256-1665 or (202) 690-7442; or
3. **email:**
program.intake@usda.gov

This institution is an equal opportunity provider.