



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.

Understanding provision options involves training on the following topics:

- Purpose of provision options
- Qualifying for a provision option
 - Provision 2
 - Community Eligibility Provision
- Meal counting and claiming under provision options
- Documentation for maintaining provision status

TERMINOLOGY

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, but nonfederal funds must be used to make food service whole. CEP improves access to free school meals in eligible high poverty local education agencies and schools. CEP is only available to LEAs (local education agency) 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 meals based on documentation obtained directly from the appropriate State or local agency authorized to certify that the 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 is a foster or Head Start child or is certified by the proper liaison to be a homeless, migrant, or runaway child.

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.

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, but nonfederal funds must be used to make food service whole.

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 school must be prepared to 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.

In order to elect Provision 2, the school food authority (SFA) must receive approval from the administering State agency (SA) prior to the beginning of Provision 2. This requires:

- Accurately determining the eligibility status of students
- Accurately counting meals by type at the POS
- Accurately reporting and claiming meals for reimbursement

Once approved, the SFA must:

- Offer reimbursable breakfasts and/or lunches at no charge to all children, regardless of eligibility status
- Notify the public of the availability of school meals and distribute free and reduced price applications
- Make free and reduced price eligibility determinations
- Count meals at POS and claim the meals according to the eligibility status of the children served
- Calculate monthly or annual 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

In order to establish proper claiming procedures, the school makes eligibility determinations and takes meal counts by type during the first year, or base year; in other words, base year claiming percentages are based on the ratio of each meal category (free, reduced, and paid) to total meals served. 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 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, or by applying the annual average base year percentages. The base year is included as part of the four years. At the end of each four year period, the State agency may approve four year extensions if the income level of the school's population remains stable. Schools may go back to standard procedures at any time.

Base year documents that must be saved / retained include:

- SA approval/extension authorization letters *if prior to application approval in MyIdahoCNP*
- Attendance area documentation or boundary map *may be located in District office*
- Socioeconomic data of school population *State Direct Certification lists, Health and Welfare letters, or Department of Labor unemployment lists*
- Categorically eligible student data *including State DC lists, as well as, certified lists for homeless, migrant, runaway & foster students, and other DC household members documentation*
- Benefit issuance list *including any changes in eligibility*
- Calculation of claiming percentages or RACs *based on claims entered and automatically calculated in MyIdahoCNP*
- All approved free & reduced applications
- All denied applications
- Verification file *validating any changes in eligibility on the benefit issuance list*
- Monthly claims with backup *CNP2000 or MyIdahoCNP claims with daily roster*
- Daily meal counts *by student name and eligibility*
- Public release *announcing free breakfast / free lunch*

Base year documents must be retained for three years after submission of the final claim for reimbursement for the last fiscal year of Provision 2. In any case, 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.

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 the SNAP and the (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 identified student percentage (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 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 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) noted above; list of all students separated by site and sorted by last name
- State system Direct Certification (DC) list by student name, pulled April 1
- Homeless, migrant, runaway, FDPIR lists by student name, by site as of April 1 (*signed/certified by designated liaison*)
- Court documents for Foster students, not on the DC list, by site
- DC household member extension list by site. NOTE: homeless, migrant, runaway, foster do NOT extend benefits
- All records from the April 1 data year
- Monthly claims & backup for CEP operational years for all CEP sites
- Public releases for all school years for all sites 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 case, 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?

Provision 2 was authorized in 1994 in order to reduce the amount of paperwork involved with processing applications and allow all students under the provision 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.

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

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