



COMMUNITY ELIGIBILITY PROVISION FINAL RULE SUMMARY

National School Lunch Program and School Breakfast Program: Eliminating Applications through Community Eligibility as Required by the Healthy, Hunger-Free Kids Act of 2010 finalizes regulations for the Community Eligibility Provision (CEP) and updates Provision 2 and Provision 3. These provisions reduce administrative burdens in the school meals programs as they relate to eligibility determinations, meal counting and reimbursement claims. The regulations amended are *Determining Eligibility for Free and Reduced Price Meals*, 7 CFR 245. The revisions to the regulations contain many of the areas covered in policy documents issued by USDA for CEP.

Among changes in the final regulation, USDA has replaced the 'school food authority' (SFA) term with 'local educational agency' (LEA) to be consistent with changes in the National School Lunch Act. LEAs are broader entities in a school district that typically perform SFA functions, in addition to those unrelated to administration of the Child Nutrition Programs. This rule codifies many requirements and will result in consistent, national implementation of the Community Eligibility Provision.

Community Eligibility Provision Procedures

LEAs participating in CEP need to identify groupings of schools that will be claimed using CEP provision. Those groupings of schools must have a minimum Identified Student Percentage (ISP) of 40 percent to elect CEP for a 4-year cycle. Individual schools in a CEP group may have an ISP less than 40 percent, as long as the ISP of the group is at least 40 percent. LEAs have flexibility to group schools to maximize benefits.

The final rule maintains the requirement for the ISP to be generated using data as of April 1 in the school year preceding CEP implementation, as well as the requirement for the ISP used by an individual school, group of schools, or entire school district to be at least 40 percent.

Participation in both the National School Lunch Program (NSLP) and School Breakfast Program (SBP) is required for CEP schools. The final rule does not exempt charter or alternative schools from the requirement to offer both breakfast and lunch. However, 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.

A school district wanting to participate in CEP must submit required documentation to its State Agency no later than June 30 of the prior school year. The State Agency (SA) must confirm an LEA's eligibility to elect CEP.

Schools participating in CEP must have an adequate point of sale system to ensure that reimbursable breakfasts and lunches served are separately and accurately counted each day. These counts are needed because the free and paid claiming percentages are applied to the total number of reimbursable breakfasts and lunches served each month to determine the reimbursement under CEP.

Household Applications

Household applications may not be used under CEP. Other alternative measures of income collection developed by a SA or LEA may not be developed, conducted, or funded with NSLP or SBP funds.

Direct Certification

The rule requires LEAs to conduct a data match between Supplemental Nutrition Assistance Program records and student enrollment records at CEP schools, and schools operating Provision 2 or Provision 3 special assistance certification and reimbursement alternatives, at least once annually. Language has been changed to specify options SAs have for reporting data matching efforts.

Multiplier Factor
The final rule retains 1.6 as the multiplier to be used to determine CEP claiming percentages for an entire 4-year CEP cycle.
Cost Differential
The use of non-Federal funds is not required if all operating costs are covered by the Federal assistance received.
New 4-year Cycle
The final rule allows for the recalculation of the ISP and the start of a new 4-year cycle each school year.
Grace Year
The grace year provision remains in the regulation and clarifies that the 1.6 multiplier is used in the grace year to determine the claiming percentage.
Identification of Potential CEP LEAs and Schools and Public Notification
LEAs and SAs, respectively, must exchange, by April 15, lists of LEAs and schools potentially eligible to elect CEP. Further, SAs must publish the lists online and submit the information to FNS. The rule maintains the requirement for SAs to publish lists of eligible and nearly eligible LEAs and schools on the SA website and includes additional language requiring States to maintain eligibility lists on their website until the following May 1, when new eligibility lists are published.
Transfer and Carryover of Free Meal Eligibility
The final rule has revised the transferability of eligibility benefits. It requires that a receiving LEA provides free meals to students transferring from Provision schools to non-Provision schools for up to 10 operating days or until a new eligibility determination is made. For student transfers within an LEA, this requirement is effective upon implementation of the final rule. FNS recognizes the logistical challenges traditionally associated with the transfer of student records between LEAs, where systems allowing for the sharing of information may not be in place. Therefore, for student transfers between different LEAs, this requirement will apply no later than July 1, 2019. For transfers within and between LEAs, the receiving LEA may, at the SA's discretion, provide the transferred student free reimbursable meals for up to 30 operating days or until a new eligibility determination is made, whichever comes first. This discretion is effective upon implementation of the final rule.
The CEP Planning and Implementation Guidance Manual has been developed for assistance.
Implementation Timeline and Resources
This rule is effective August 29, 2016. Compliance with the provisions of this rule must begin August 29, 2016.
FNS provides resources to help school districts make sound decisions when considering CEP elections, and collaborates with State and local partners and their stakeholders in providing this technical assistance. FNS has established an online resource center (http://www.fns.usda.gov/school-meals/community-eligibility-provision-resource-center) that provides extensive resources for parents, teachers, and school officials at the local, State, and Federal level to better understand CEP and its positive benefits, along with useful tools to help facilitate successful implementation. FNS also developed an estimator tool to help LEAs determine if CEP is financially viable, and to help assess LEA groupings to optimize the Federal reimbursement.