

Community Eligibility Provision (CEP) For Michigan

School Nutrition Programs
Michigan Department of Education

Agenda and Objectives

- ❖ Provide an Overview of the USDA's Community Eligibility Provision (CEP)
- ❖ Discuss School Year CEP Implementation Timelines
- ❖ Identify the School Eligibility Requirements
- ❖ FAQs
- ❖ Contact Information

CEP Background

- ❖ Section 104(a) of the Healthy, Hunger Free Kids Act of 2010 amended the Richard B. Russell National School Lunch Act to provide an alternative to household eligibility applications for free and reduced price meals in high poverty local educational agencies (LEAs) (or districts) and schools.
- ❖ CEP is a four-year reimbursement Provision for eligible high poverty LEAs and schools.
- ❖ LEAs and schools may opt in or opt out.
- ❖ An LEA may participate in CEP for some or all schools in the LEA.

CEP Eligibility

- ❖ Have a minimum level (40%) Identified Students in the year prior to implementing the Provision (April 1).
- ❖ Agree to serve free lunches AND breakfasts to all students for up to four consecutive years in approved schools.
- ❖ Agree to cover with non-Federal funds any costs of providing free meals to all students above amounts provided in Federal assistance.
- ❖ Do not collect free and reduced price applications from households in participating schools during the period of participation in the CEP.
- ❖ Count total breakfasts and lunches served to students.
- ❖ Must NOT be a Residential Child Care Institution (RCCI).

Identified Students

- ❖ Students certified free based on documentation of benefit receipt or categorical eligibility as described in the regulations. This primarily includes students who are:
 - Directly certified for free meals on the basis of their participation in the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) and the extension of benefits to students within the same household.
 - In addition, homeless, runaway, migrant, Head Start, and foster children should be included as Identified Students.
- ❖ It does not include students who are categorically eligible based on submission of a household eligibility application.

Maximizing the Number of Identified Students

- ❖ It is very important that all schools considering implementation of CEP maximize the number of Identified Students, as of April 1, the year prior to implementation. Therefore, MDE recommends that ALL LEAs conduct monthly direct certification.
- ❖ USDA has authorized schools considering CEP to maximize their number of identified students through “Extended Benefits” by utilizing monthly reports and modifying the status of any student eligible via direct certification to reflect direct certification.
 - For example, a student is free eligible based on an income application approved in September. However, this student also appears on a monthly direct certification report for your district. You should change the status of this student from free based on income application to direct certification for purposes of CEP implementation.
 - You are required to maintain the list of enrolled, directly certified students for audit/review purposes.

Identified Students

- ❖ The percent of Identified Students may be determined school-by-school, by a group of schools within the LEA, or in the aggregate for an entire LEA.
- ❖ $\% \text{ Identified Students} = \frac{\# \text{ of Identified Students as of April 1}}{\text{Total Enrollment as of April 1}} \times 100$
- ❖ The percent of Identified Students is then multiplied by the USDA determined factor of 1.6. The resulting answer, capped at 100%, is the percentage of total meals served reimbursed at the Federal free rate of reimbursement. The remaining percentage of meals is claimed and reimbursed at the paid rate.

CEP Reimbursement

- ❖ Reimbursement is based on claiming percentages derived from the percentage of Identified Students times a multiplier* established in the law. The claiming percentages established for a school in the First Year are guaranteed for a period of four school years and may be increased if direct certification percentages rise for that school/group of schools/district.

Multiplier: (Range: 1.3 - 1.6)

Currently is 1.6. USDA is permitted to change the multiplier. Schools electing CEP will use the same multiplier for the entire four-year cycle.

For Example

- ❖ Your school had an Identified Student percentage of 50%.
- ❖ $50\% \times 1.6 = 80\%$ Free Reimbursement Rate, 20% Paid Reimbursement Rate.
- ❖ At the end of the month, if you counted and served 10,000 reimbursable meals, 8,000 will be claimed for free reimbursement and 2,000 for paid reimbursement.

CEP Participation and Agreement Form

- ❖ MDE has reviewed all applications and informed schools of their approval and reimbursement claim percentages.
- ❖ If approved, the claiming percentages established in the First Year of CEP are guaranteed for a period of four school years (and may increase if the percent of Identified Students increases as of April 1 of the current school year).
- ❖ A CEP participating school may stop participating during the four-year cycle by notifying MDE.

Direct Certification Under CEP

- ❖ CEP participating schools may wish to continue to conduct direct certification on an annual basis, as they could increase their percent of Identified Students and, thus, increase their percent of meals claimed as FREE in subsequent CEP years.
- ❖ While not required, this is recommended for schools that have NOT reached the threshold of 62.5% Identified Students, which allows them to claim 100% of meals FREE.
- ❖ Schools that have already reached the threshold of 62.5% of Identified Students – it is not necessary to conduct direct certification until the end of the 4-year cycle.

Second, Third and Fourth Year Procedures

For the second, third and, fourth years of a school's participation in the CEP, the school may use the initial percentage of Identified Students used for determining reimbursement in the First Year, or the percentage of Identified Students as of April 1 of the next year of the cycle, whichever is higher.

Example:

- Initial Identified Students (as of April 1, 2011): 57.09%
- Identified Students (as of April 1, 2012): 59.87% (since higher)

Year One Rate - $0.5709 \times 1.6 = .9150$

Year Two Rate - $0.5987 \times 1.6 = .9579$

95.79% of all meals served in Year 2 are reimbursed at the free rate

4.21% of all meals served in Year 2 are reimbursed at the paid rate

If the school updates its data with the new, higher claiming percentage, the four year cycle starts again with the higher percentage

Important Note

- ❖ Participation in CEP may impact other areas of your school.
- ❖ It is important to share this information with your administration/school board so that they can decide if participating in CEP is the best Provision for your school/community.
- ❖ Remember, schools/districts that operate participate in CEP, will NOT have a meal benefit application process and, therefore, will NOT have an individual student eligibility status.
 - For example, you will not know if Student A is eligible for free, reduced price, or paid meal benefits.

Michigan Household Information Survey

- ❖ As CEP participating schools may NOT have eligibility status (free, reduced and paid) for all individual students, the use of the Household Information Survey (HIS) should be used for those students who are not directly certified or homeless, Head Start, migrant, foster, or runaway.
- ❖ The HIS can be found on the [CEPI](http://www.michigan.gov/cepi/0,4546,7-113-986_50502_53828---,00.html) website:
http://www.michigan.gov/cepi/0,4546,7-113-986_50502_53828---,00.html

Non-Federal Funding Sources

- ❖ Any funds other than Federal reimbursement available to the nonprofit school food service account may be used.
- ❖ Only necessary if the total amount of Federal reimbursement through the Provision does not cover the costs of serving all students free meals.
- ❖ The non-Federal funds used to cover any excess meal costs through CEP may not be used to meet other Federal requirements.

Advantages of CEP

- ❖ ALL students receive a free breakfast and lunch.
- ❖ Eliminates overt identification issues for students.
- ❖ Improves nutrition to students at risk.
- ❖ Reduces paperwork at the school district level.
- ❖ Simplifies meal counting and claiming.
- ❖ Provides potential labor savings.
- ❖ Increases breakfast and lunch participation.

Disadvantages of CEP

- ❖ Potential financial issues when less than 100% claiming rate.
- ❖ Unresolved issues on funding related to the counting of students eligible for free and reduced meals.

Title I, Part A (Title I) of the Elementary and Secondary Education Act of 1965

The United States Department of Education has issued guidance related to Title I and CEP participating schools.

A copy of the letter is available online at:

http://www.michigan.gov/documents/mde/CEP_usda_fact_sheet_360690_7.pdf

For questions related to Title I, please contact the Office of Field Services.

FAQs

What is the impact on other USDA child nutrition programs?

- ❖ The percentage of meals claimed as FREE under CEP would be used to determine eligibility percentages for Summer Food Service Program (SFSP), Fresh Fruit and Vegetable Program (FFVP), After School Snacks, and Child and Adult Care Food Program (CACFP) After School At-Risk Supper/Snack Programs.

How do we report data in the school nutrition eligibility field?

- ❖ The use of the Household Information Survey will be required. This data collection must be done separately from the school meals program.
- ❖ It will only be necessary to get this Survey from students/households that are not already directly certified.

How do we count meals?

- ❖ Only the total number of reimbursable meals served daily is necessary; no longer by category.
- ❖ Continue to use the computer system as it will prevent second meals and track student purchases.
- ❖ One option is to use a check sheet similar to the Summer Food Service Program daily count sheet.
- ❖ Use a “clicker” to count total reimbursable meals.
- ❖ Meals must still be counted at point of service and schools are still responsible to count reimbursable meals only.
- ❖ You do not have to have a name by name tally sheet.

How do we submit claims?

- ❖ For non-CEP schools, you will claim as always.
- ❖ For CEP schools, you will consolidate daily total reimbursable meal counts into monthly totals by building for breakfast and lunch.
- ❖ You will need to input the following information for CEP schools:
 - Total number of breakfasts served for the month
 - Total number of lunches served for the month
 - Total number of snacks served for the month
 - Total enrollment
 - Number of operating days

...Submitting Claims

- ❖ The system will use your approved percentages and automatically calculate the numbers of free and paid reimbursable meals (breakfast and lunch).
- ❖ When data has been entered, review information for accuracy.
- ❖ Be sure to maintain proper documentation. For the entire 4 year cycle and 4 years beyond keep both direct cert lists and enrollment lists in order to support your claiming percentage.

What paperwork are we required to keep?

- ❖ All of the old paperwork still applies; i.e., production records, safety plans, health department inspections, local wellness policies, etc.
- ❖ For counting and claiming meals:
 - Number of daily reimbursable breakfasts and lunches served that were collected using an accurate method.
 - Consolidation of these numbers.

...Required Paperwork

- ❖ List of students directly certified and enrolled as of April 1, of the year prior to participation. You **MUST** keep these lists for the duration of CEP participation plus 4 years.
- ❖ To support the number of meals served, you may need invoices from your food, milk and bread distributors.

Do we have to do verification?

- ❖ Districts having only some of their schools in CEP will have to do verification on their schools not operating under CEP.
- ❖ CEP schools do not require verification.

Contact Information

Telephone:

517-373-3347 (Office)

Website: www.michigan.gov/schoolnutrition

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Questions & Answers

