UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

ASSISTANT SECRETARY

JUL - 6 2012

Dear Chief State School Officer:

With the passage of the Healthy, Hunger-Free Kids Act of 2010 (Act), the National School Lunch Program now includes a new universal meal program, the "Community Eligibility Option," which is being phased in over several years by the U.S. Department of Agriculture (USDA). The Community Eligibility Option permits eligible schools to provide meal service to all students at no charge, regardless of economic status. As such, the Community Eligibility Option affects implementation of certain requirements of Title I, Part A (Title I) of the Elementary and Secondary Education Act of 1965, as amended (ESEA). I am writing to provide guidance with respect to identifying economically disadvantaged students in Community Eligibility Option schools in order to implement Title I requirements.

Background

Implementation of the Community Eligibility Option began in the 2011–2012 school year in local educational agencies (LEAs) in Illinois, Kentucky, and Michigan. For the 2012–2013 school year, the USDA selected the District of Columbia, New York, Ohio, and West Virginia, and it will select an additional four States for the 2013–2014 school year. The option will be available to all LEAs in the 2014–2015 school year.

Community Eligibility Option schools use only "direct certification" data, such as data from the Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF) program to determine the Federal cash reimbursement provided by USDA. They will not rely on annual household applications that are generally used to determine eligibility for free and reduced price lunches. A school is eligible for the Community Eligibility Option if at least 40 percent of its students are certified for free meals through means other than household applications (for example, students directly certified through SNAP). To account for low-income families not reflected in the direct certification data, USDA will set meal reimbursement levels for Community Eligibility Option schools by multiplying the percentage of students identified through the direct certification data by a multiplier established in the Act (initially, the multiplier is 1.6). Under the Community Eligibility Option, schools must conduct direct certification once every four years. Schools may, however, conduct direct certification on a yearly basis. If the most current data show an increase in the percentage of enrolled students who are directly certified, the school may use that percentage for determining USDA reimbursement; if the data show a decrease, the school may continue to use the original percentage.

With respect to Title I, there are several aspects of the program for which student-level poverty data are needed and that are, therefore, affected by the Community Eligibility Option. Under section 1113 of the ESEA, an LEA must rank its schools based on the percentage of

economically disadvantaged students in each school to determine a school's eligibility to receive Title I funds and to allocate funds to selected schools. In terms of accountability, each State and LEA that receives funding under Title I must assess and report annually on the extent to which students are making progress toward meeting State academic achievement standards in reading or language arts and in mathematics. In particular, each State and LEA must measure and report publicly on the progress of all students and of students in various subgroups, including students who are economically disadvantaged. Moreover, an LEA must hold schools accountable for the achievement of subgroups, whether under section 1116 of the ESEA or under ESEA flexibility for those States with an approved ESEA flexibility request. To meet these requirements, an LEA must have school-level data on individual economically disadvantaged students. For many LEAs, information from the National School Lunch Program is likely to be the best source of data available to identify those students.

Guidance for Meeting Title I Requirements

Using school lunch data in schools that will implement the Community Eligibility Option presents issues with respect to several Title I requirements because schools provide lunch at no charge to all students and, as noted earlier, may use the same direct certification percentage for up to four years. Additionally, Community Eligibility Option schools determine their poverty percentage based on data from students certified through means other than household applications (*i.e.*, direct certification data), whereas other schools in an LEA may use household applications or a combination of household applications and direct certification. The following guidance presents information on how to identify the economically disadvantaged students in a Community Eligibility Option school for accountability purposes and for ranking schools for Title I allocation purposes.

For purposes of disaggregating assessment data by the economically disadvantaged subgroup for reporting and accountability, school officials would deem all students in a Community Eligibility Option school as economically disadvantaged. Accordingly, the economically disadvantaged subgroup in a Community Eligibility Option school would be the same as the "all students" group. Similarly, all students in a Community Eligibility Option school would be eligible for any services for which eligibility is based on poverty.

When annually determining the eligibility of a Community Eligibility Option school to receive Title I funds, an LEA must assume that the percentage of economically disadvantaged students in the school is proportionate to the percentage of meals for which that Community Eligibility Option school is reimbursed by the USDA for the same school year.[1] Thus, to calculate this percentage, the LEA should multiply the number of students identified by the direct certification data by the statutory multiplier specified in the Act and divide by the enrollment in the school. To calculate the school's Title I allocation, the LEA must use the number of students identified by the direct certification data adjusted by the statutory multiplier.

[1] Because schools may conduct direct certification yearly, if data show an increase in the percentage of enrolled students eligible for direct certification, and the school therefore receives a higher level of reimbursement from USDA, then the figures used for Title I purposes would be adjusted accordingly.

The following example shows how the within-district process of ranking and serving schools would work for a hypothetical LEA with $1,000,000 to distribute to its Title I schools, which consist of two Community Eligibility Option schools and four other schools.

Example
Within-District Title I Allocations for a Local Educational Agency with a Combination of Community Eligibility Schools and Other Schools

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
School	**Community Eligibility Option School (Y/N)**	**Enrollment**	**Economically-Disadvantaged Students Identified by Data for School Lunch Program***	**Multiplier****	**Number Used to Determine Percentage of Meals Paid by USDA*****	**Percentage of Economically-Disadvantaged Students for Title I Allocations******	**Per-Pupil Amount Used by LEA**	**Title I Allocation*******
Lincoln	Y	425	400	1.6	425	100%	$500	$212,500
Washington	N	500	475	N/A	475	95%	500	237,500
Adams	Y	600	350	1.6	560	93%	500	280,000
Jefferson	N	450	400	N/A	400	89%	450	180,000
Madison	N	400	200	N/A	200	50%	450	90,000
Monroe	N	500	100	N/A	100	20%	N/A	0
Total	**N/A**	**2,875**	**N/A**	**N/A**	**2,160**	**71%**	**N/A**	**$1,000,000**

* The number of students may be determined once every four years for Community Eligibility Option schools. Moreover, the poverty data used will likely differ from other schools. For the Community Eligibility Option schools, the poverty data would be, for example, direct certification (*e.g.*, SNAP or TANF) collected at least every four years times the multiplier. For other schools, the poverty data might be from household applications collected every year or a combination of direct certification and household applications collected every four years.
** The multiplier applies only to a Community Eligibility Option school.
*** For a Community Eligibility Option school, the Column 6 figure is equal to the lesser of (1) Column 4 x Column 5 or (2) Column 3. In other words, this number may not exceed the school's total enrollment. For the other schools, the Column 6 figure is equal to Column 4.
****Column 6 / Column 3.
*****Column 8 x Column 6 (Note: Monroe is ineligible for Title I funds because its poverty percentage is below both the LEA's average and 35 percent.)

If there are any questions regarding this guidance, please contact Todd Stephenson of my staff. He may be reached at: Todd.Stephenson@ed.gov or (202) 205-1645.

Sincerely,

Deborah S. Delisle

cc: State Title I Coordinators