Community Eligibility Provision (CEP)
Frequently Asked Questions

Contents

Introduction....1
Determining Eligibility....3
Education Benefit Forms and Other Documentation....6
Counting, Claiming, and Reimbursement....7
Area Eligibility....9
Other Funding....9

Introduction

What is Community Eligibility Provision or CEP?

Community Eligibility Provision (CEP) is an alternative way for schools in high-poverty areas to serve free breakfast and lunch to all students.

Local Educational Agencies (LEAs) and schools that use CEP must offer both breakfast and lunch, but they do not have to collect the usual Child Nutrition and Education Benefits Applications. Instead, they can count all meals together without sorting them by student income level.

Schools still need to count how many meals they serve at the Point of Service (POS), but they only record the total number of meals, not the number by eligibility category.

What are the advantages of CEP?

The advantages include:

- All students can get free breakfast and lunch
- Students are not singled out based on income
- Helps improve nutrition for students who may not get enough to eat at home
- Cutting down on paperwork for the school district
- Makes it easier to count and claim meals
- Often leads to more students eating breakfast and lunch

How can we qualify?

A school can qualify for CEP if it has an Identified Student Percentage (ISP) of 25% or higher. This percentage is based on school data from April 1 of that year. To find the ISP, the school adds up all students who are directly certified for free meals. This includes students in foster care, those who are homeless, migrant, runaway, or any other household members who receive extended eligibility. Then, that number is divided by the total number of students enrolled who can take part in school meal programs.

Districts can choose to participate in CEP in different ways:

- by using the ISP of a single school building
- by combining the ISP of a group of schools
- or by using the combined ISP for the entire district

Any of these methods can qualify a district or school for CEP as long as the ISP is at least 25%.

How and when can we apply for next year?

The Michigan Department of Education (MDE) will tell districts each spring how to apply for CEP. You must let the MDE School Nutrition Programs unit know if you plan to start or continue CEP for the next school year by June 30. To meet this requirement, sponsors must select "yes" for question number 3 and save the SNP Sponsor Details Page in the NexSys CNP: Coordinated Application. This election must be completed by the deadline, because late submissions cannot be approved.

Do we need to apply every year?

Once an LEA or school is approved for CEP, it can stay in the program for four consecutive years. If the LEA or school is not getting 100% free reimbursement, it can apply again each year to try to increase its reimbursement rate.

Each year, sponsors must tell the MDE School Nutrition Programs unit that they plan to continue in CEP for the next school year. This must be done by June 30. To meet this requirement, sponsors must select "yes" for question number 3 and save the SNP Sponsor Details Page in the NexSys CNP: Coordinated Application.

What if we want to opt-out?

If an LEA or school is approved for CEP, it can choose to opt out at any time during the year by sending a written notice. Once the school decides to opt out, it has 30 school days to collect Education and Nutrition Benefits applications from students. After those 30 days, the school must go back to claiming meals by eligibility category.

Even though it is not recommended, a LEA may also stop using CEP in the middle of the school year and return to the normal counting and claiming rules. If an LEA is thinking about doing this, it must contact the state agency right away. The state agency will help provide support to make the transition as smooth as possible.

Determining Eligibility

Who are Identified Students?

Identified Students are students who qualify for free meals *without* turning in a paper application. This includes students who are directly certified for free meals, students who are homeless (on the liaison list), migrant students, runaways, foster children who are certified in other ways, and students who receive extended eligibility because someone in their household qualifies.

Students who only qualify for free or reduced-price meals because they turned in an application **do not** count as Identified Students. For example, foster students or students listed with a Michigan Department of Health and Human Services (MDHHS) case number on an application are not included unless they meet one of the criteria listed above.

What is direct certification?

Direct certification is a process where students are automatically approved for free or reduced-price meals. This happens through an electronic match between the Michigan Student Data System (MSDS) and the Michigan Department of Health and Human Services (MDHHS).

In Michigan, this match is done by comparing student enrollment data that schools upload to the MSDS with data from the Food Assistance Program, certain Medicaid programs, and foster care records. Schools can access updated matches every two weeks during the school year through the MSDS.

For more information, there is a frequently asked question on MDE's Direct Certification website.

How often are LEAs participating in CEP required to run direct certification?

LEAs that take part in CEP must run direct certification match at least once every year.

Even if students attend a CEP school, LEAs still must send direct certification notices to households. A public notice from the LEA does not account for this requirement.

Nonpublic schools can submit their student enrollment using the Nonpublic School Student Roster in MSDS to complete the direct certification match.

Running direct certification at least once a year helps CEP schools in several ways. It allows schools to update their Identified Student Percentage (ISP) if it has gone up, and it makes sure families know their eligibility for other programs, like Summer EBT or certain educational benefits. It also helps schools watch for changes in their direct certification rates. For example, if the rate is dropping and CEP may no longer be affordable, running direct certification can help the LEA plan to return to normal counting and claiming if needed.

Where do I find example letters to send to households if a student appears on the Direct Certification Report?

You can find Direct Certification template letters on MDE's Direct Certification webpage. Schools **must** send these direct certification notices to households even if the students go to a CEP school.

What are extended benefits?

Extended benefits mean that if one child in a household is directly certified for free meals, other children in the same household can also get free breakfast and lunch through the school meal programs. These children can also be counted in the ISP for CEP.

Here is how it works:

- SNAP (S): Benefits can be extended to other children in the household.
- TANF (T): Benefits can be extended to other children in the household.
- Foster Child Program (F): Benefits cannot be extended to other children in the household. However, foster children can still be listed on the family's meal application to help increase the total household size. This may help the family qualify for free or reduced-price meals.
- Medicaid Free (M) and Medicaid Reduced Price (R): Benefits can be extended to other children in the household.

To include extended benefits in the ISP, schools must send student lists to MDE so they can determine eligibility. Contact MDE for more information.

What are the methods for calculating the ISP for a district, Public School Academy (PSA), school, and group of schools within an LEA?

To calculate the ISP, schools use data from April 1. Add together all students who are directly certified for free meals, plus any migrant, homeless, or runaway students who qualify. Then, this total is divided by the number of students who have access to school lunch (usually the school's enrollment).

Districts can choose how they want to participate in CEP:

- as the entire district
- as a single school
- as a group of schools
- or a mix of single schools and school groups

For groups or full-district participation, the ISP is calculated by combining the data from all the buildings involved.

If we are not currently eligible or our ISP is too low to be useful, is there anything our schools can do to raise the ISP so we can participate in the future?

Schools can raise their ISP by making sure every student who qualifies through direct certification or extended benefits is correctly counted. Schools are required to run direct certification three times each school year, but MDE recommends running it every time new data is available. This helps make sure all eligible students are included, which can increase the ISP and help schools qualify for CEP in the future.

Do reduced priced students count as "Identified Students"?

No. Identified Students are only the students who qualify for free meals **without** turning in a Household Application for Child Nutrition and Education Benefits. This includes students who are directly certified, as well as those who are homeless, runaway, foster, migrant, or otherwise eligible through special programs.

Reduced-price students **do not** count because they are only approved through the application process. The CEP multiplier (currently 1.6) helps students in the reduced-price category.

Can preschool students participate in CEP?

For an SNP sponsor to be eligible to claim meals served to preschool children in the National School Lunch Program (NSLP) or School Breakfast Program (SBP), the following criteria must be met:

- The preschool children must be enrolled and in regular daily attendance at the approved school building where meals are served and claimed for reimbursement.
- The preschool program (including Head Start, Great Start Readiness Program, tuition-based preschool, etc.) must be operated as an administrative unit of the school district. The school district is in fact the administrative agency (grantee/sub-grantee) for the preschool program.
- Preschool students must be eligible for kindergarten the following school year.
- Must meet all the requirements of the NSLP and the SBP (meal pattern, point of service meal counts, etc.).

It is important to note that preschool enrollment and eligibility is not included in the CEP spring data posting from the MDE. To include the preschool students in the ISP, student lists will need to be provided to the MDE to determine eligibility (if not already reported in MSDS), and then the totals will be added into the building enrollment and eligibility counts.

CEP eligibility only covers meals served through the SBP, NSLP and Afterschool Snack Program. Preschool programs that serve daytime snacks through the Child and Adult Care Food Program (CACFP) must determine eligibility, count and claim meals according to CACFP regulations.

If a CEP district, group of schools, or single school has a change in its student population, does it need to recalculate the ISP?

It depends. The CEP reimbursement rate is based on the poverty level of the students being served. Changes like adding new school sites, moving students to different schools, closing schools, or combining buildings can affect enrollment and may change how CEP groups are set up.

Because these changes can impact the ISP, you may need to recalculate it. Contact MDE for guidance if your school or district has any major changes.

Is the ISP locked in for the four-year cycle, even if it decreases?

Usually, yes. The ISP is based on data from April 1 before school begins CEP. That ISP stays the same for all four years, even if the number of directly certified students goes down. However, if there are big changes to the student population -- like schools closing, new schools opening, or major changes in enrolment -- the ISP might need to be recalculated.

If the ISP goes up during the four years, the district can choose to start a new four-year cycle to lock in the higher rate. In years two, three, and four, a school or district can use whichever ISP is higher:

- the ISP from the most recent April 1 data, or
- the original ISP from before the first CEP year

To begin a new four-year CEP cycle, the LEA must calculate a new ISP using identified student data from April 1 before the new cycle.

Education Benefit Forms and Other Documentation

Do all LEAs still need to give free and reduced-price lunch information to MDE through the Supplemental Nutrition Education field in CEPI's collections?

Yes. To receive certain federal and state funds, LEAs must enter student eligibility information into the Supplemental Nutrition Eligibility (SNE) field in the MSDS. The MSDS collections that require SNE include:

- Fall & Spring General Collection
- Student Record Maintenance (SRM) Collection
- Early Childhood Collections

Why do LEAs in CEP still have to collect and report free and reduced-price eligibility data?

Some state and federal programs still need schools to report information about students in different income groups. These groups are used to decide how much funding schools get and to meet reporting rules. Because CEP gives free meals to all students, not every student eating for free is eligible for free meals. This means LEAs still need to collect and report individual eligibility information for each student to meet these funding and reporting requirements.

How can LEAs Identify Economically Disadvantaged Students?

Direct Certification

- For more information about the Direct Certification report, please visit the Center for Educational Performance and Information (CEPI) Direct Certification Report web page.

Income Based Form

- Education and Nutrition Benefits Application - Traditional Claim Schools
- Education Benefits Form - CEP Schools

Categorical Eligibility

- Homeless, Migrant, Runaway, Foster, and Head Start

What is the Education Benefits Form?

The Education Benefits Form is a form that parents or guardians fill out for students who are **not** directly certified or categorically eligible, and who attend a CEP school. This form helps the school figure out whether the student qualifies for free or reduced-price meals for reporting in the Supplemental Nutrition Eligibility field in MSDS.

Parents cannot be forced to complete the form for their child to receive free meals under CEP. All students in CEP schools get free meals, whether the form is completed or not.

Can school food service staff process Education Benefits Forms?

Yes. School food service staff has expertise collecting Education Benefits Forms. School food service staff may process the forms, but the cost of distributing, collecting, and processing the Education Benefits Forms may not be paid from the non-profit school food service account and the forms may not be associated with school meals. The LEA must pay for (or reimburse the non-profit school food service account) for the cost of distributing, collecting, and processing forms.

Does the CEP Education Benefits form qualify students for Summer EBT/Sun Bucks?

While all children are served free school meals in CEP schools, not all children in CEP schools are eligible to receive Summer EBT benefits. Students attending CEP schools who are not directly certified or categorically eligible will need to complete the Summer EBT application to receive benefits. Families need to complete a Summer EBT/Sun Bucks application through the MI Bridges portal to receive these benefits.

Counting, Claiming, and Reimbursement

Are there specific requirements for the point of service or point of sale (POS) system in CEP schools?

Yes. Any school that takes part in the federal school meal programs must keep an accurate count of all reimbursable meals served to students. During meal service, staff must watch the serving line to make sure every meal being counted meets the meal pattern rules and that each student only gets one reimbursable meal per meal service.

How will LEAs be reimbursed for meals if the CEP eligibility is less than 100%?

LEAs are reimbursed by multiplying their ISP by the USDA factor of 1.6 to figure out what percentage of meals are paid at the free rate. If that percentage is less than 100%, the rest of the meals will be reimbursed at the paid rate.

Districts with ISPs between 25 and 62.5% may be required to pay, from sources other than federal funds, the costs of serving breakfasts and lunches that are in excess of the federal assistance received, including federal cash reimbursement.

Schools participating in Michigan School Meals will receive reimbursement from the State of Michigan that covers the difference between the free meal federal reimbursement rate and the paid meal federal reimbursement rates for paid portion of their claimed meals.

Once your application has been approved, your claiming percentages will be displayed in the Coordinated Application.

Do meals need to be counted by free or reduced-price status if their school or LEA participates in CEP?

No. Schools only need to count the total number of students who receive a reimbursable breakfast or lunch at the point of service.

What type of funds can cover the costs of CEP?

The main purpose of the nonprofit school food service account is to run or improve a school meals program that serves healthy meals meeting USDA rules. Because of this, federal reimbursements and any other money that is required to go into the Nonprofit School Food Service Account (NSFSA) can be used to pay for CEP. This can include things like state funds (such as 30d, 31a, 31d, and 31f), non-program revenues, and donations.

If these funds are not enough to cover the full cost of operating CEP, then non-federal funds, like a district's general fund, must be used to cover any remaining costs in the NSFSA.

More details are available in the CEP Eligibility Planning and Implementation Guidance (SP08-2024) and USDA Memo SP 09-2024: Community Eligibility Provision Guidance and Updated Q&As.

If a LEA uses nonprofit school food service account funds, what considerations should be made so that electing CEP does not diminish other aspects of school meal operations?

Schools can use money from the nonprofit school food service account to support CEP. However, districts need to make sure schools still have enough funds to serve all meals for free under CEP and to meet all NSLP and SBP rules. Districts also need to make sure they follow resource management rules, such as limits on how much money can be kept in the account and how extra funds must be used.
Districts should also make sure that using this money for CEP does not hurt the long-term financial health of their school meal programs.

Remember, all spending from the nonprofit school food service account must follow both program requirements and Federal cost rules. Money in the account can only be used for costs that are allowed. Running CEP is an allowed cost.

Does the Paid Lunch Equity (PLE) Tool need to be completed if an SFA is determined as CEP?

The PLE Tool is required for any building that has traditional paid meal pricing. Districts that opt into Michigan School Meals (30d state funding) or are operating in the CEP in every building of the district are considered non-pricing and are exempt from PLE pricing requirements.

How are NSLP Afterschool Snacks claimed at CEP schools?

CEP schools that **are** area eligible can claim all snacks at the free reimbursement rate. A CEP school is considered area eligible if:

- at least 50% of its students qualify for free or reduced-price meals (which means the school's ISP is at least 31.25%), or
- the school is in the attendance area of another school that is eligible.

At CEP schools that are **not** area eligible, snacks are claimed using the same claiming percentages the school uses for breakfast and lunch under NSLP/SBP.

- For example, if "X" percent of meals are reimbursed at the free rate, then the remaining percentage (100% minus X) is reimbursed at the paid rate.

Area Eligibility

How are area eligibility percentages determined for CEP schools?

A school is considered area eligible if it has an ISP of at least 31.25%. This works because 31.25% multiplied by 1.6 equals 50%. When a school reaches that level, any meal site in that school's attendance area is also eligible.

Only ISP data can be used to decide area eligibility for schools using CEP. Information from Education Benefits Forms cannot be used for this purpose.

If a school is part of CEP for the whole district or is grouped with other schools under one shared ISP, it must still use its own individual ISP to determine area eligibility.

How is area eligibility determined for SFSP for a CEP school that hasn't had any change to its ISP since it was first approved?

A CEP school is considered area eligible if its individual ISP is at least 31.25%. This works because 31.25 × 1.6 = 50%. If the school meets this level, it qualifies as area eligible for the Summer Food Service Program (SFSP).

Area eligibility must be checked again every 5 years, unless the State agency knows that major economic changes have happened in the area.

Other Funding

Will federal programs like Title I calculate funding differently for LEAs or schools in CEP?

It depends on the type and size of the LEA, but CEP does not remove the need for collecting free and reduced-price eligibility information. The state needs this information to calculate funding for federal programs like Title I and to complete the "rank and serve" process in the Title I School Selection (TISS) application.

Students who are directly certified are already marked in MSDS as free or reduced-price eligible, so no extra forms are needed for them. For students who are *not* directly certified, parents or guardians should fill out the Education Benefits Form. This helps the LEA report the correct information in the Supplemental Nutrition Eligibility field in MSDS. Schools must keep these forms on file for audits.

Will state programs like 31a calculate funding differently for LEAs or schools in CEP?

The state needs the information in the Supplemental Nutrition Eligibility field in MSDS to calculate funding for the At-Risk (31a) program. The state cannot figure out how much money a district should receive without verified economic information for each student in grades K–12.

How will participation in this program affect our technology E-rate?

Recent guidance from the FCC indicates that E-rate calculations will be made based on the LEAs Identified Student Percentage (ISP) multiplied by the USDA authorized factor of 1.6.

How will the "economically disadvantaged" subgroup used for Adequate Yearly Progress (AYP), graduation rates, assessment data, and other federal reporting be calculated for LEAs or schools participating in the CEP?

The economically disadvantaged subgroup is determined by (1) direct certification, (2) categorical eligibility (homeless or migrant status), and (3) free and reduced lunch eligibility. Districts and schools participating in the CEP will need to ensure that free and reduced lunch eligibility is properly captured in the data by having parents or guardians complete the Education Benefits Form and entering the appropriate information in the Supplemental Nutrition Eligibility characteristic in MSDS. However, parents cannot be forced to complete the report for their children to receive the benefit of free meals in the CEP program. For students who are not directly certified or categorically eligible, the Supplemental Nutrition Eligibility characteristic must be correctly populated in MSDS by the fall collection certification date.

Free and reduced lunch data are the basis for determining the economically disadvantaged subgroup. Parents or guardians should complete the Education Benefits Form for students not directly certified or categorically eligible. LEAs must enter appropriate information under the Supplemental Nutritional Eligibility characteristic in MSDS as of the October count date. The data entered by each LEA under the Supplemental Nutritional Eligibility characteristic in MSDS are used to identify students in this subgroup.