

# FEEDING MORE FOR LESS



Understanding  
Universal Meal Programs  
for Your School

## How does this policy change affect my “at-risk” funding?

The Louisiana Department of Education has established an alternative method for determining “at-risk” student counts. For schools or school systems participating in Provision 2 or Community Eligibility, the at-risk count will be determined by the most recent available data for free and reduced priced lunch. The prior year’s percentage of students qualifying for free and reduced price lunch will be multiplied by the current year’s enrollment to establish the number of low-income students.

- Title 28, Section 1107D.1.a.ii. of the Louisiana Administrative Code reads: “For those schools or school systems participating in an alternate USDA food service program such as Provision 2 or Community Eligibility Option (CEO), the percentage rate for free and reduced price lunch will be frozen at the latest available free and reduced price lunch percentage prior to participation in the program and shall be multiplied by the base membership count to determine add-on low income students.”
- English as a second language, career and technical education, special education, gifted and talented and economy of scale counts will remain in place and operate in the same manner.
- Example: School A decides to implement Community Eligibility for the 2014-15 school year. For the 2013-14 school year, School A had 75 students who qualified for free and reduced price meals and an enrollment of 100 students. If School A enrolls 120 students for the 2014-15 school year, it will receive at-risk funding for 90 of its students (75% of 120). If School A enrolls 160 students in the 2015-16 school year, it will receive at-risk funding for 120 students.
- If you believe your school will experience a significant demographic change, you can opt out of a Universal Meal Program or conduct a new base year.
- Review past demographics – if the percentage of students qualifying for free or reduced priced lunch remains fairly steady or is very high, a Universal Meal Program might be right for your school.

# ACKNOWLEDGMENTS

## **Special thanks to the Blue Cross and Blue Shield of Louisiana Foundation for supporting this access to nutrition project.**

We would like to thank the Louisiana Department of Education and the Food Research and Action Center for providing us with materials, the contents of which have been reproduced for this publication. We would also like to thank the following community partners for their continued assistance: James Graham with KIPP Charter Schools, New Orleans Food Policy Advisory Committee, New Orleans No Kid Hungry, Orleans Parish Recovery School District, Prevention Research Center at Tulane University, and Propeller.

Also, special thanks to Louisiana Appleseed volunteer Allison Berger Tiller of The Berger Company, Inc. for dedicating her pro bono time to plan and implement the overall strategy for this project and write this publication.

The information in this publication is provided as a matter of public service and is for informational use only. The information does not constitute legal or financial advice and should not be used as such. Readers are strongly urged to contact the Louisiana Department of Education to discuss the application of Provision 2 and the Community Eligibility Option (CEO) for individual school districts. The information presented is subject to change.

Louisiana Appleseed is a pro bono-focused nonprofit dedicated to advancing social justice by effecting change at the policy, or systemic, level. Louisiana Appleseed recruits professionals to donate pro bono time to solve problems at their root cause. Our projects seek to increase access to education, opportunity and justice.





Dear School Leader,

Did you know that your school is able to provide **free meals to all students under the School Breakfast and National School Lunch Programs** through Provision 2 and the Community Eligibility Option? Until now, Louisiana schools were unable to take advantage of Universal Meal Programs without losing their ability to count students eligible for at-risk funding. Louisiana Appleseed is pleased to report that the **Louisiana Department of Education has changed its financial policies to allow your school district to take advantage of Provision 2 and the Community Eligibility Option, while continuing to receive at-risk funding.**

Recently, numerous school operators and food policy advocates identified access to Universal Meal Programs as a pressing need and requested assistance from Louisiana Appleseed's attorney volunteers. Programs such as Provision 2 and the Community Eligibility Option allow schools to provide free meals to all their students while **simplifying their paperwork, streamlining meal service, decreasing school food service costs and, most importantly, promoting good nutrition and helping improve student performance.**

**Louisiana Appleseed and its community partners worked with the Louisiana Department of Education to amend the policy** by which it determines the at-risk student count for schools wishing to participate in Universal Meal Programs. The updated policy ensures that schools opting for Provision 2 and the Community Eligibility Option will be able to continue to receive at-risk funding. Schools opting to implement Universal Meal Programs will not take meal applications each year. Instead, the at-risk count will be determined by the percentage of at-risk students enrolled in the most recent year the school took free and reduced priced lunch applications. That year's percentage rate will be applied to the current year's enrollment to establish the number of low-income students. The at-risk count procedures will remain the same for schools not using Provision 2 or the Community Eligibility Option. **This alternative policy allows your school to reduce paperwork and access the Universal Meal Programs, while retaining your at-risk funding.**

This publication, printed through the generosity of the Blue Cross and Blue Shield of Louisiana Foundation, is designed to be an easy guide to inform you about these programs and help you determine if taking advantage of Provision 2 or eventually the Community Eligibility Option is the right choice for your school and its students. It is intended to provide you with the pertinent policy information to assist you in making an **informed decision.** It includes information about Universal Meal Programs, implementation pros and cons, and helpful timelines.

We thank you for your dedication to the health and nutrition of Louisiana's students.

Sincerely,

Christy F. Kane  
Executive Director, Louisiana Appleseed

## WHAT IS PROVISION 2?



Provision 2 is an option in the Federal School Breakfast Program (SBP) and National School Lunch Program (NSLP) for schools to provide free meals to all students, reduce the paperwork, and simplify the logistics of operating school meals programs. Any school that participates in the SBP or NSLP may opt for Provision 2. (Section 11(a)(1), 42 USC 1759(a); 7 CFR 245; Provision 2 of the National School Lunch Act)

Participating schools may choose to apply the provision to SBP, NSLP, or both.

Schools participating in Provision 2 must serve meals to all participating children at no charge for up to 4 consecutive years with the ability to extend for additional four year cycles. In return, Provision 2 allows schools to reduce some of the administrative burdens associated with the distribution of free and reduced price meal applications and the determination of eligibility. It also eliminates meal counts by type after the first year of the program (the "base year"). During the

base year, there is no change in traditional procedures and administrative burden. However, the school must provide free meals for all of its students. The largest benefit comes during years 2, 3 and 4 of the cycle because the school makes no new eligibility determinations and continues to serve all children meals at no charge. The school takes count of only the total number of reimbursable meals served each day, instead of meals by type. Reimbursement during these years is determined by applying the percentages of free, reduced price and paid meals served during the base year to the total meal count for the claiming period in subsequent years. The school must make up the difference between federal reimbursement and meal cost. Extensions of four additional non-base years may be granted to systems if appropriate data is submitted to the state agency.

Though the school must provide free meals to all children under Provision 2, the lower administrative costs often outweigh the costs of feeding additional students at no charge. (Provision 2 Guidance, USDA, Summer 2002)



WHY PROVISION 2?

To simplify paperwork

- Applications – Collect applications only once every four years, at most.
- Claims – Record and track meal categories only once every four years, at most.
- Verifications – Conduct verifications only once every four years, at most.

To streamline meal service

- No more cashiers – All students eat at no charge.
- No more student PIN numbers, lunch tickets or ID cards – Collect only total meal counts.
- Faster serving lines – Students spend more time eating, less time in line.

To decrease school food service costs

- Significant administrative savings – Reduce labor costs associated with collecting, tracking and recording of applications, meal categories, payments and verifications.
- Free employees for other areas of food service – Employee hours spent on administration can be shifted to meal preparation and service.
- Economies of scale – Higher meal participation leads to lower per-meal costs.

To promote good nutrition and help improve student performance

- Provision 2 increases student participation in school meals.
- Children who eat school meals have more nutritious diets than children who don’t, regardless of income level.
- Better nutrition in children leads to better academic performance, behavior and learning environments.
- Providing school meals at no charge promotes the value of good nutrition to all students.



FOOD RESEARCH AND ACTION CENTER (<http://frac.org>)

PARTICIPATION “PROS”

**Students at Provision 2 sites receive meals (SBP and NSLP) free of charge, regardless of the eligibility determination made in the base year, for the entire length of time that site participates.**

This decreases the financial burden on previously identified “reduced” and “paid” status households, allows equal access to SBP and NSLP for all students, and further simplifies the point of service (POS) procedure for school food service staff (payment collected, charges, etc).

PARTICIPATION “CONS”

**When participating in Provision 2, it becomes the school system’s responsibility to cover the difference (using non-federal sources) between federal reimbursement and the cost of providing meals at no charge.**

Participating schools no longer receive money in exchange for student meals, regardless of status determinations made in the base year.

PARTICIPATION “PROS” (cont.)

**Increased participation observed with school meal programs (SBP and NSLP) participating in Provision 2**

Increased participation assures that a larger percent of children are receiving nutritious meals which aides in learning and decreasing behavioral problems. They also increase exposure to new food, which promotes lifelong healthy eating. Increased participation also yields higher reimbursement which helps offset costs associated with the school no longer collecting money from households that would normally pay for a “reduced” price or “paid” meal.

**Simplified counting and claiming system used in non-base years (years 2, 3, and 4, plus any extensions)**

Participating schools are only required to collect meal count totals for meals under the provision (SBP and NSLP) at the POS, without regard to eligibility status, allowing for faster serving times and eliminating the need for ID cards, tokens, etc. Claiming in all non-base years is based on percentages established in the base year (i.e., the percent of total lunches claimed as free in September of the 2012 base year is determined to be 85% [8,500 of the 10,000 meals were free]. This percentage then gets applied to the total amount of lunches served in September 2013, 2014, and 2015 [plus additional years if extension is granted] to determine how many should be claimed as “free.”

**No new eligibility determinations made in non-base years at participating sites**

Staff is not tied up with distribution, collection, and processing of meal benefit applications; updating eligibility based on Direct Certification runs; or the verification process at participating sites.

**4-year cycle with opportunity for system to apply for extensions (four additional non-base years added) if able to prove that the income level of each school’s population has remained stable, declined, or had only negligible improvements.**

PARTICIPATION “CONS” (cont.)

**Room for Expansion = Cost Considerations**

As meals become available to students free of charge, schools will begin to see increases in meal participation. This is great for multiple reasons; however, the question “is there sufficient room for this significantly increased participation?” emerges.

**Errors made in the base year (i.e., errors made in eligibility determinations or counting/claiming procedures) have the potential to be compounded over multiple years.**

These errors can cost a system a lot of money. As “base year” information (determinations made, claiming percentages, etc.) is the data that will be applied to all following non-base years, this data needs to be as exact as possible. Also, for the purposes of receiving the most reimbursement in non-base years, systems actively (and frequently) need to remind households to submit their meal applications (as free status meals yields the highest reimbursement). In addition, SFS staff needs to be well trained and assurances need to be made that the POS system captures all reimbursable meals, by status, and does so correctly. Assuring that all of this takes place requires forethought and considerable time.

**Having a base year only once every 4 years (or less frequently, when extensions are granted) allows for SFS staff to get out of practice with the distribution, processing, and approval of meal applications.**

It is also often difficult to obtain completed applications from households as parents get out of the yearly routine of application submission.

**Resistance to Change**

Most of us are resistant to something that we don’t understand; therefore, it is essential that individuals planning to implement Provision 2 engage parents, students, teachers, cafeteria workers, principals, etc., in the process.

CUT OFF

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# IS PROVISION 2 RIGHT FOR MY SCHOOL?

Schools with high percentages of low-income students are often able to use Provision 2 for both SBP and NSLP without losing money. Schools must evaluate whether the savings in administrative costs associated with reducing application burdens and simplifying meal counting and claiming procedures under Provision 2 offset the costs of providing meals to all children at no cost. Many schools are able to realize cost savings when at least 75% of their students qualify for free or reduced priced meals.

Some schools have opted to use Provision 2 for breakfast only when the percentage of free and reduced-price students is as low as 60%. When schools use Provision 2 for SBP only, they have to continue collecting school meal applications, but the school still benefits from not having to do individual counting and claiming at breakfast. This saves time in the lines, increases breakfast participation by low-income students and makes it easier for schools to provide breakfast in the classroom.

### Factors to Consider:

- Revenue gained by increased participation
- Revenue lost from paid & reduced receipts
- Administrative and cost savings from simplified procedures
- Ability to conduct efficient program
- Ability to accommodate increased participation

Schools that rely on “at-risk” funding will need to assess how the alternative method for determining at-risk will affect their funding. (see “How will this policy change affect my ‘at-risk’ funding?” – pocket) (<http://frac.org/community-eligibility/>)

Schools must also consider their ability to handle the larger number of students likely to participate in the meal programs, ability to implement new procedures, and administer a new program.

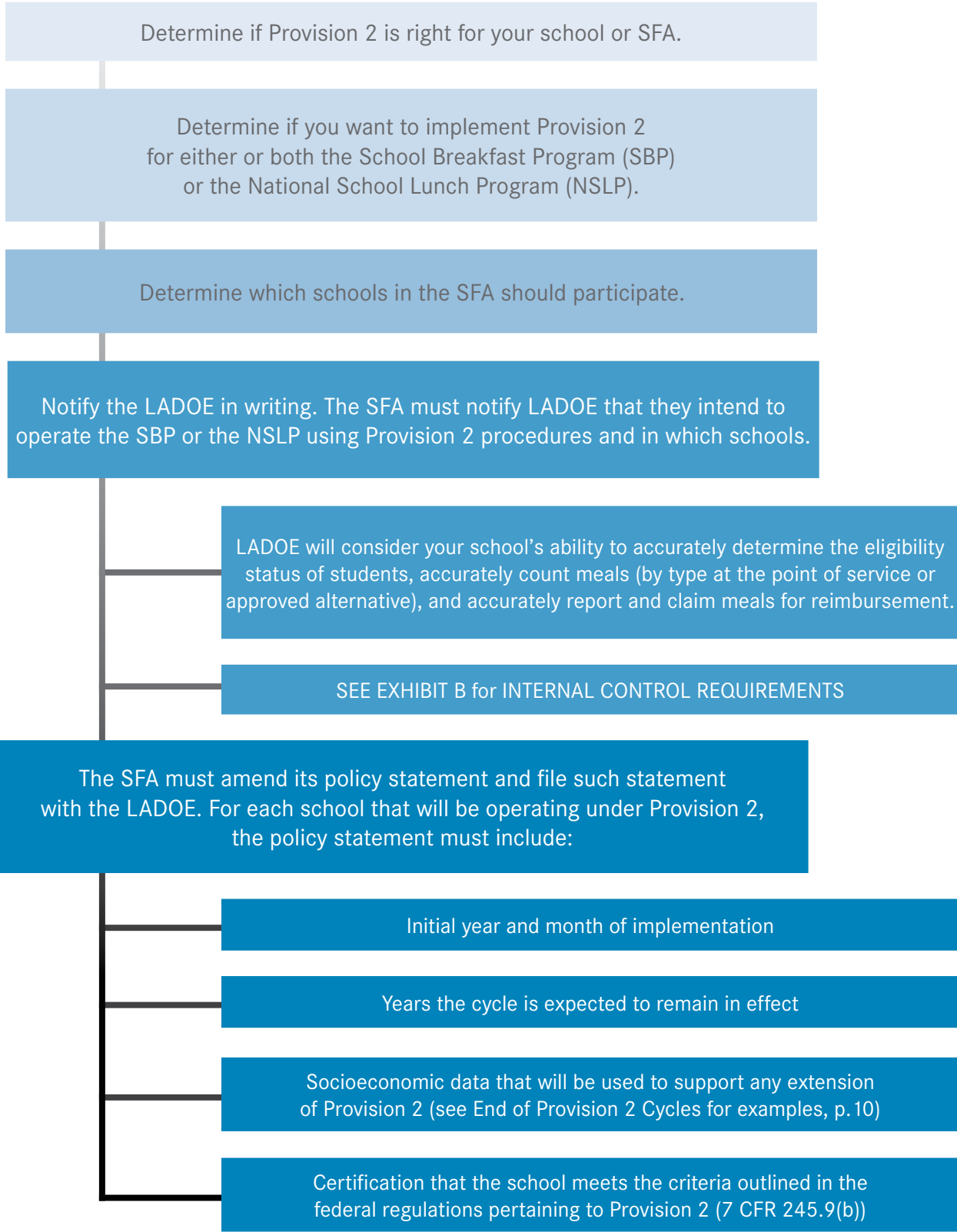
The Food Research Action Center has developed cost-benefit analysis worksheets and can assist schools in determining whether Provision 2 is right for them. (<http://frac.org/newsite/wp-content/uploads/2009/05/provision2.pdf>)



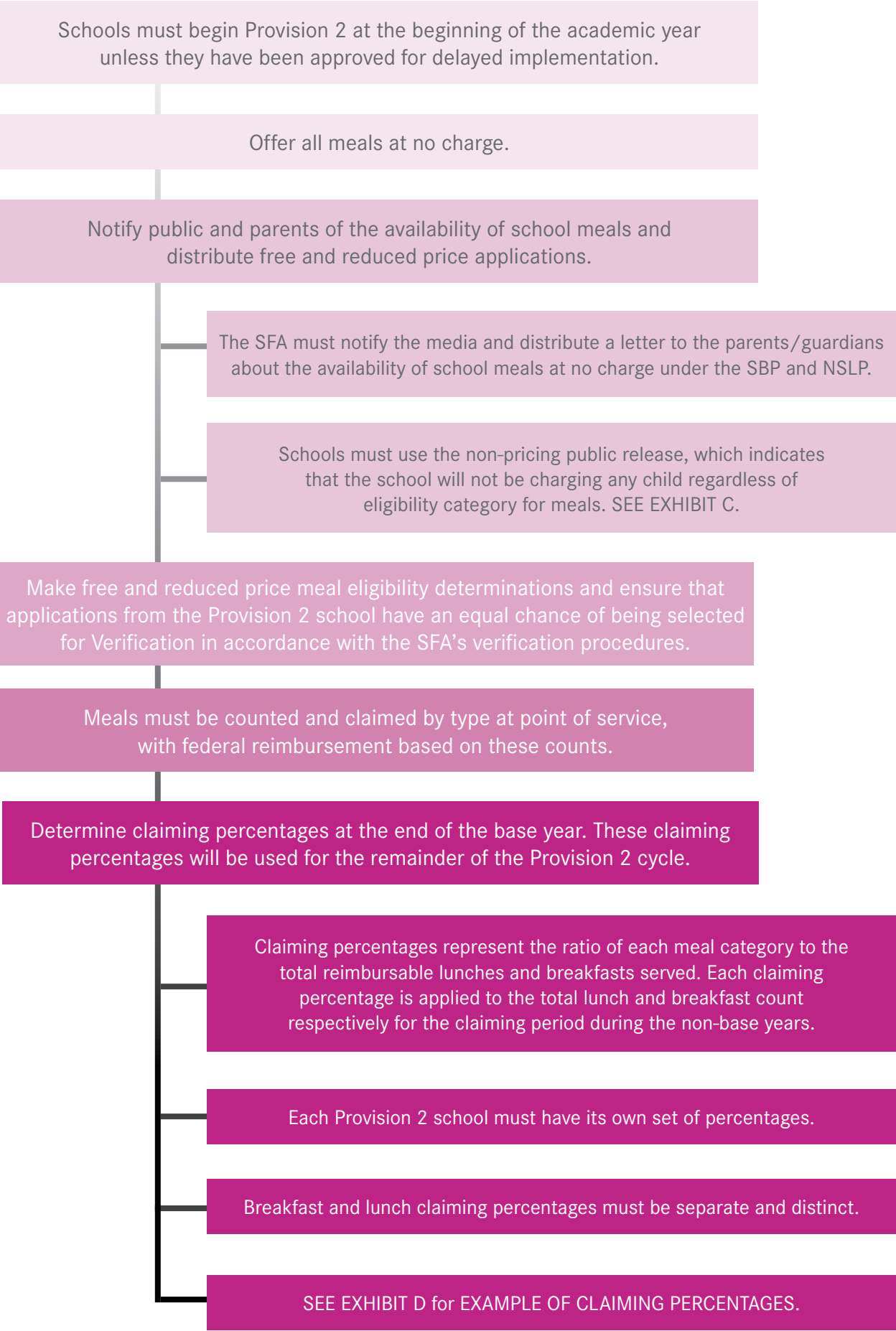
# HOW DO I IMPLEMENT PROVISION 2?

The USDA’s regulations concerning Provision 2 can be found in Title 7, Code of Federal Regulations, Part 245. Other information about Provision 2 is posted on the USDA website at [www.fns.usda.gov/cnd/governance/prov-1-2-3/prov2guidance.pdf](http://www.fns.usda.gov/cnd/governance/prov-1-2-3/prov2guidance.pdf). The following is an overview of the information contained therein.

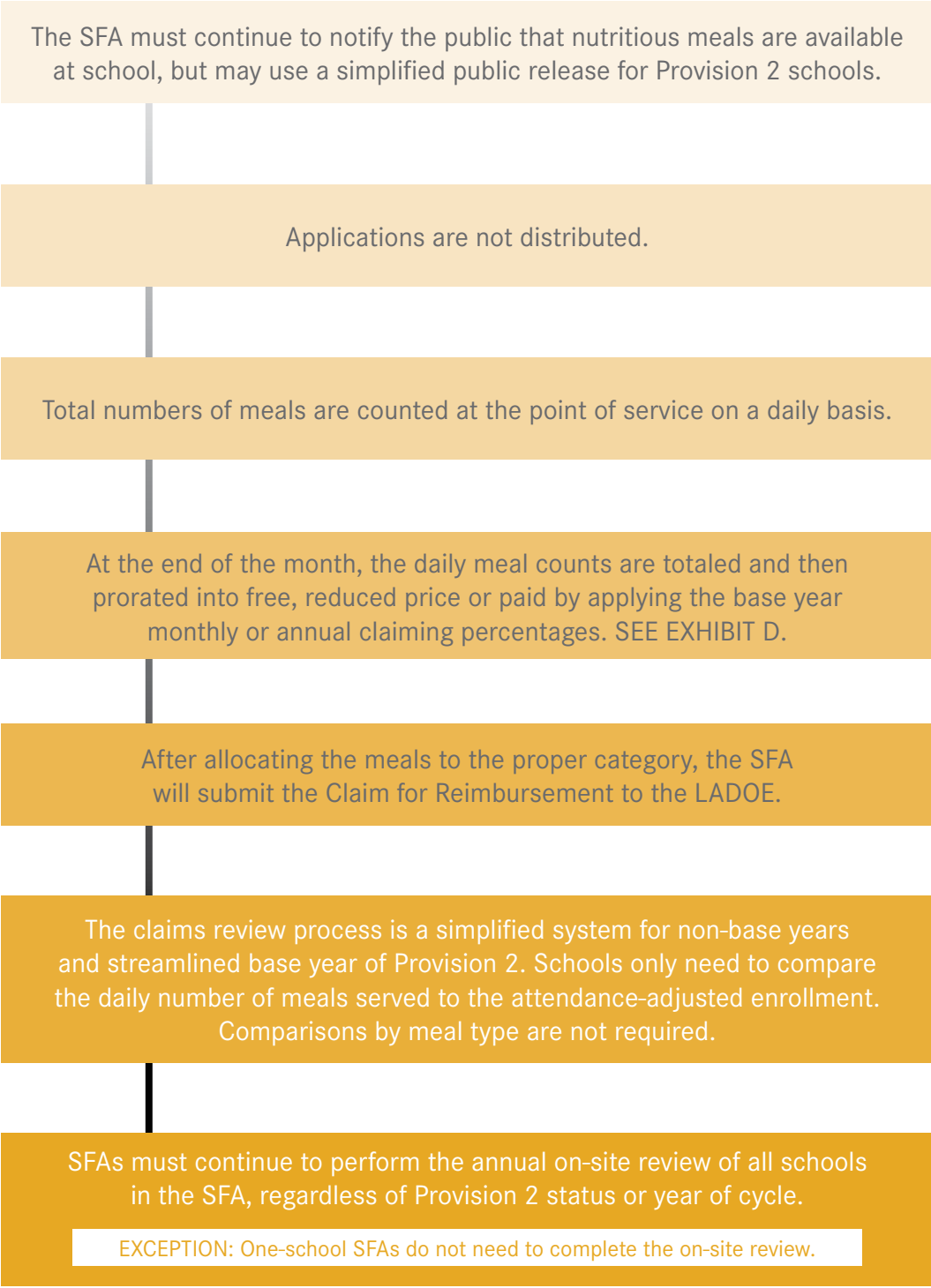
## BEFORE IMPLEMENTATION



BASE YEAR

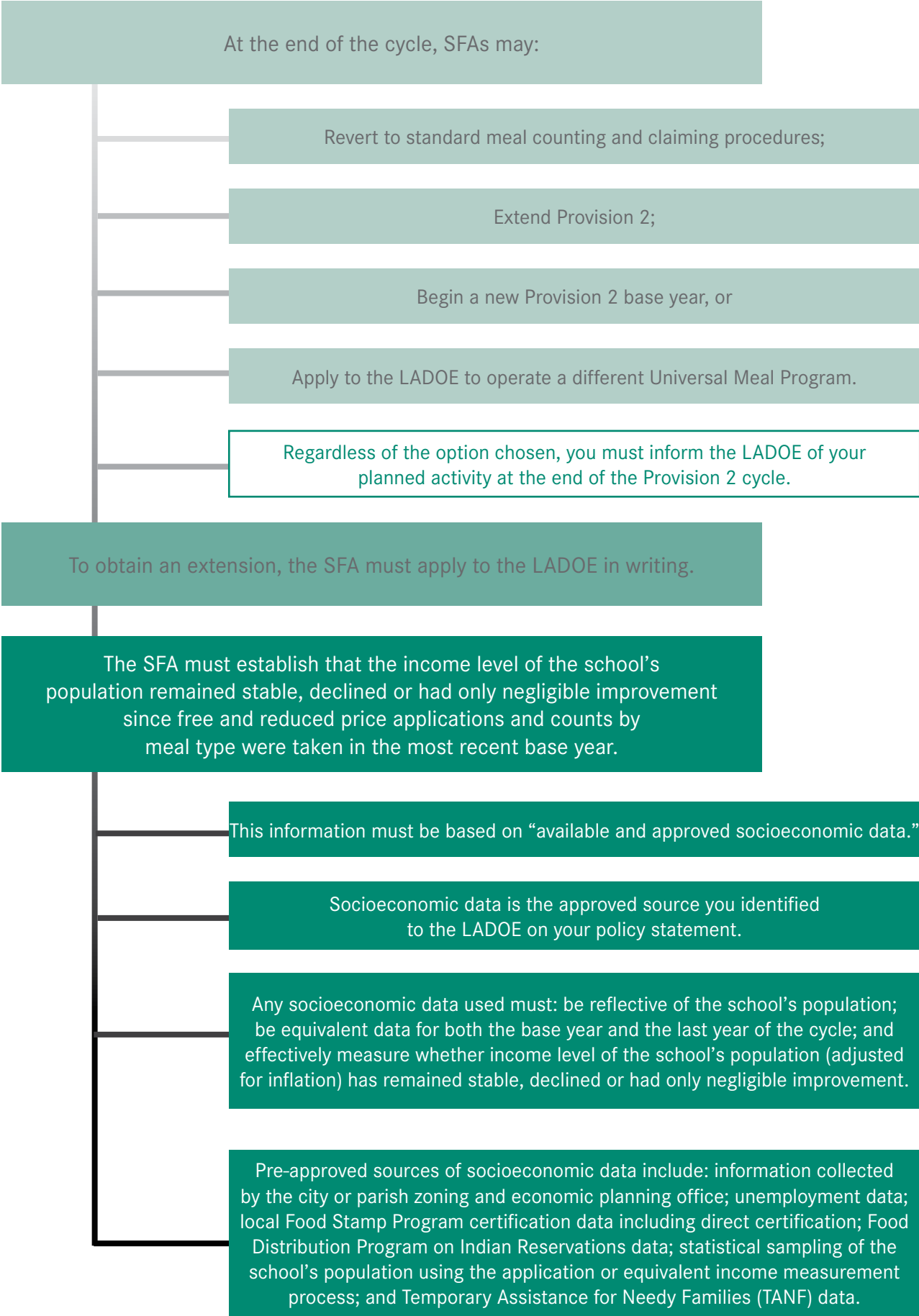


NON-BASE YEAR

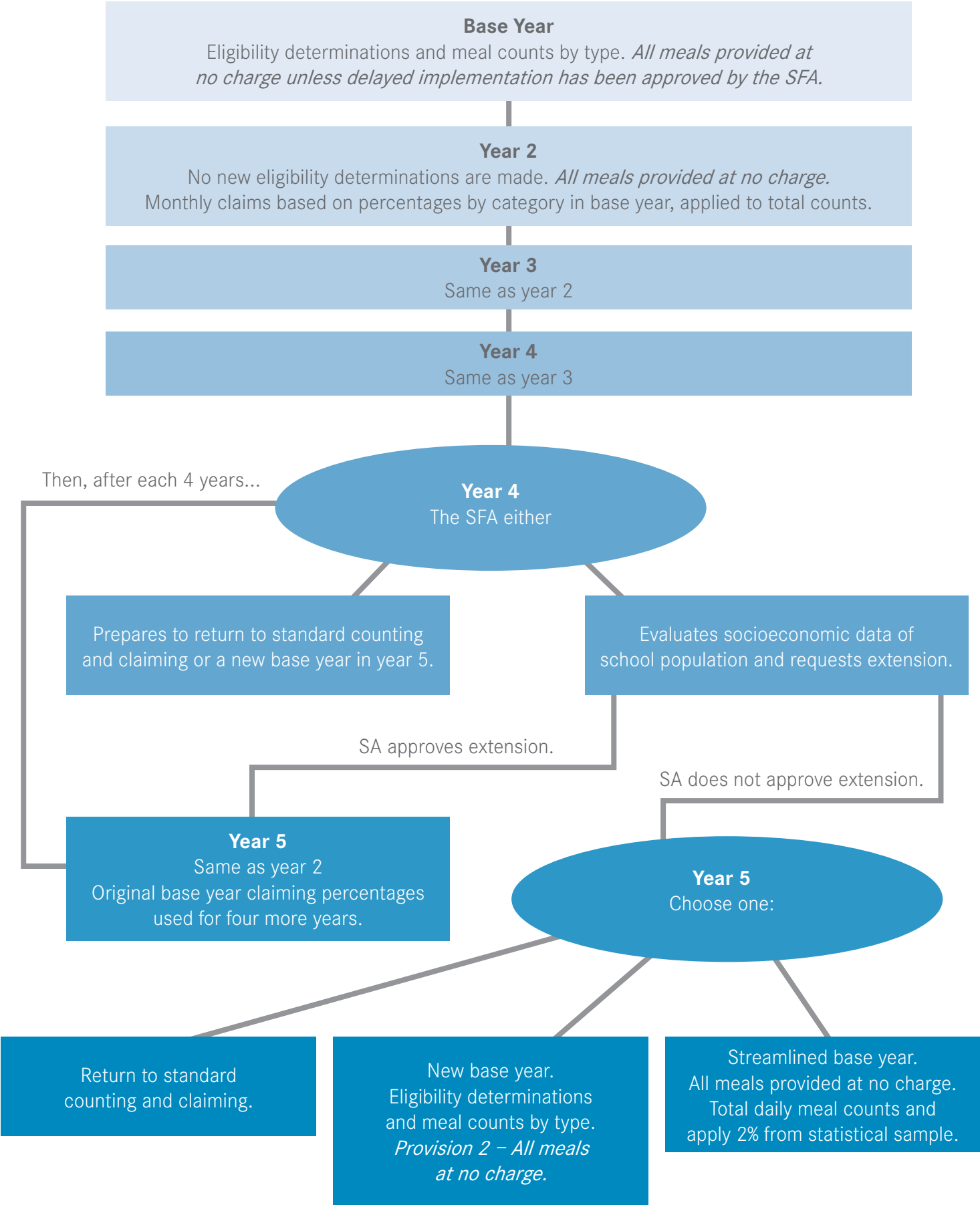




# END OF PROVISION 2 CYCLES



# TIME LINE





You can find additional information on the below issues in the USDA Provision 2 Guidance here: <http://www.fns.usda.gov/cnd/Governance/prov-1-2-3/Prov2Guidance.pdf>.

**CHAPTER 4** – Changes in the School Year

- Change in Facility p. 36
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- Change in Operating Days p. 38
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**What is Provision 2?**

Provision 2 is an option in the federal School Breakfast Program (SBP) and National School Lunch Program (NSLP) for schools to reduce the paperwork and simplify the logistics of operating school meals programs.

**Who can participate in Provision 2?**

Any school that participates in the SBP and NSLP may opt for Provision 2.

**Do all school sites under a Louisiana Education Authority (LEA) have to participate in Provision 2?**

No. The LEA does not have to apply Provision 2 to all sites. The LEA may select to apply Provision 2 to sites where the greatest benefits would be received.

**Does Provision 2 have to apply for both the SBP and the NSLP at selected sites?**

No. The LEA has the option to apply to school breakfast only, school lunch only, or both at participating sites.

**What is the requirement to participate in Provision 2?**

The LEA must participate in the SBP, the NSLP, or both. There is no requirement that a minimum percentage of children enrolled are eligible for free and reduced price meals. However, Provision 2 may be a good alternative for schools in the LEA with a very high percentage of children eligible for free and reduced price meals.

**When can a LEA begin implementation of Provision 2?**

Provision 2 must be implemented at the beginning of the school year. However, the state agency may allow a school to delay implementing Provision 2 for a period not to exceed the first claiming period of the base year.

**What is delayed implementation?**

This is a request that LEAs may submit to the state agency if they choose to begin implementation of Provision 2 at a date later than the start of the school year. This allowance must not exceed the first claiming period of the school year.

**What is considered the first claiming period?**

Generally, claims for reimbursement are filed for meals served in each month. Regulations allow that, if the first or last month of program operations for any school year contains 10 operating days or less, such month may be combined with the claim for reimbursement for the adjacent month. As an example, if a Provision 2 school starts mid-August with 8 operating days and there are 15 operating days in September, these two months could be considered the first claiming period (for a total of 23 operating days). In this example, the state agency could approve delayed implementation of Provision 2 from the start of school date in August through the month of September – 23 operating days.

**What is the benefit of delaying implementation of Provision 2?**

During delayed implementation, LEAs are temporarily allowed to charge students for meals based on their current eligibility determination. This encourages a greater number of families to turn in meal applications. This will help to identify the maximum number of students eligible for free or reduced meals which is particularly important for LEAs in the non-base years.

How long will the state agency approve an LEA to participate in Provision 2?

Provision 2 operates on a 4-year cycle. During the first year of Provision 2, known as the base year, the school serves all children meals at no charge regardless of each child’s free, reduced-price, or paid eligibility category, but otherwise operates the meal programs under standard procedures. The remaining 3 years are considered non-base years. During this time, all children continue to receive free meals and LEAs benefit from a simplified counting and claiming system.

Once approved for Provision 2, are LEAs locked into a 4-year cycle?

No. LEAs may revert back to standard operating procedures at any time after first notifying the state agency.

What are an LEA’s responsibilities during a base year of Provision 2?

During the first year (base year) of Provision 2, there is no change in traditional procedures and administrative burden for LEAs. Participating sites must do the following:

- A) Obtain state agency approval to operate the SBP and NSLP using Provision 2 procedures in some or all schools in the LEA;
- B) Offer reimbursable breakfasts and lunches at no charge to all children, regardless of the children’s eligibility status;
- C) Notify the public of the availability of school meals and distribute free and reduced price meal applications (if not using delayed implementation);
- D) Make free and reduced price eligibility determination and ensure that applications from the Provision 2 school(s) have an equal chance of being selected for Verification in accordance with the LEA’s verification procedures;
- E) Count meals at the point of service (POS) and claim those meals according to the eligibility status of the children served;
- F) Calculate monthly or annual claiming percentages for use in the non-base years; and
- G) Retain specific base year records for the entire period that the school operates under Provision 2 (base year plus all extensions), plus three years or longer, if there are audit findings and until resolution of the findings.

If a site opts to delay implementation of Provision 2, do they stop collecting free and reduced price meal applications once Provision 2 begins?

No. All sites implementing Provision 2 continue to collect free and reduced price meal applications for the remainder of the base year.

What are the key differences between the non-base years and base years of Provision 2?

In non-base years, LEAs:

- A) Do not collect free and reduced price meal applications;
- B) Do not perform Verification at participating sites;
- C) Benefit from a simplified POS where counts are recorded without regard to eligibility status; and
- D) Monthly claims are based on percentages calculated in the base year.

In base years, LEAs:

- A) Collect free and reduced price meal applications;
- B) Perform Verification selecting among all sites;
- C) Count meals served according to eligibility status at the POS; and
- D) Monthly claims are based on actual eligibility totals for the month.

What happens if new students are accepted at a Provision 2 site in a non-base year?

They are simply included in the total meal count collected at the POS when they participate in meal service. Free and reduced price meal applications are not distributed or collected from these families. **Remember: Applications are only processed in base years.**

What are the public notification requirements for Provision 2?

When your school is implementing Provision 2, you must notify the media and distribute a letter to parents/guardians about the availability of school meals at no charge under the NSLP and, if applicable, the SBP. This would normally occur at the beginning of the school year unless you are delaying implementation. The LEA may use the non-pricing public release which indicates that the school will not be charging any child regardless of eligibility category for meals.

The LEA must also distribute free and reduced price meal applications. The LEA should modify the letter to parents/guardians, to request that households (HHs) eligible for free and reduced-price meals complete the application, allowing LEAs to obtain proper reimbursement in order to continue providing meals to all children at no charge.

If an LEA delays implementation, what are the public notification requirements?

If you delay implementation of Provision 2, you may delay informing HHs that schools will implement Provision 2; however, you must follow the standard public notification requirements for the period of time the school is not under Provision 2. The LEA may want to use the standard media release and letter to parents/guardians with a free and reduced-price application.

At or about the start of Provision 2 implementation (which must occur at the close of the first claiming period or sooner), schools must promptly notify the public and HHs of the availability of Provision 2 benefits. The public notification may be done through a media release. Each HH must also be informed in writing of the availability of meals at no charge. This notice must be provided to all HHs regardless of eligibility category.

CUT OFF

CUT OFF





### What are Claiming Percentages?

Claiming percentages represent the ratio of each meal category (free, reduced-price, or paid) to the total reimbursable lunches and/or breakfasts served in each operating month of the base year. Each claiming percentage is applied to the lunch and/or breakfast count, respectively, for the claiming period during the non-base years.

For example, Site XYZ claims the following in (September) year 1 of Provision 2:

2,500 total reimbursable student lunches

- 1,500 free student meals
- 750 reduced-price student meals
- 250 paid student meals

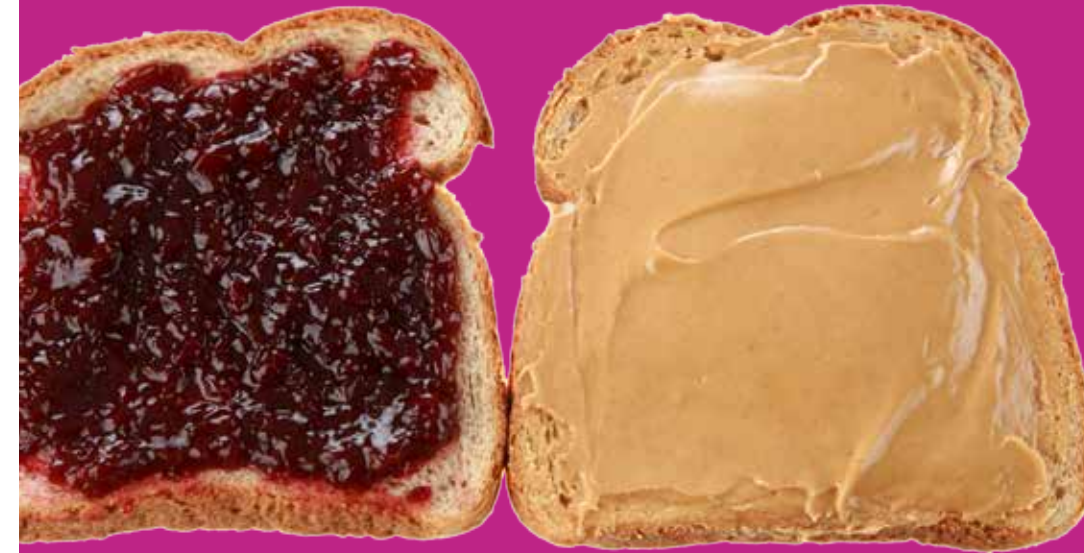
Free meals represent 60% of total reimbursable meals ( $1,500/2,500$ ), reduced-price meals represent 30% ( $750/2,500$ ) of total reimbursable meals, and paid meals represent 10% of total reimbursable meals ( $250/2,500$ ). In years 2, 3, and 4 of the Provision 2 cycle, only total reimbursable student meals will be collected at the point of service. In September of all non-base years, these percentages will be applied to monthly totals to determine the number of meals to claim at each eligibility status.

### When do I calculate claiming percentages for reimbursing purposes in non-base years?

At the end of the base year, after the final claim for reimbursement has been filed, all of the data is available to calculate the claiming percentages. These claiming percentages will be used for the remainder of the Provision 2 cycle or longer if Provision 2 is extended to subsequent 4-year cycles.

### In non-base years when reimbursement is based on total reimbursable meals served multiplied by the corresponding base year month's eligibility percentages, what will an LEA do if reimbursement does not cover the cost of producing meals?

The LEA must agree to cover with non-federal funds any cost of providing free meals to all students above amounts provided in federal assistance.



## WHAT IS COMMUNITY ELIGIBILITY?

The Community Eligibility Option (CEO) is the newest alternative under the SBP and NSLP that allows schools to provide an alternative to household applications for free and reduced meals to high-poverty schools and school food authorities. Unlike Provision 2, which does not have participation prerequisites, systems choosing to participate in this option must be able to demonstrate high poverty levels in their system. To be eligible, sites must meet a minimum level of students directly certified for free meals in the year prior to implementing the option and agree to serve free lunches and breakfasts to all students. (Section 104(a) of the Healthy, Hunger Free Kids Act of 2010)

CEO operates on a 4-year reimbursement cycle. An SFA may participate in CEO for all or some of the schools in the SFA, depending on the eligibility of schools as well as financial considerations, based on the anticipated level of federal reimbursement.

Schools participating in the Community Eligibility Option must apply this option to both the SBP and NSLP. Children at these sites are able to eat meals at no charge for the entire duration CEO is implemented. Reimbursement is based on: 1) claiming percentages derived from the percentage of students directly certified (the number of Identified Students times a multiplier of 1.6); 2) established in the first year; 3) guaranteed for a period of four school years, and 4) may be increased if direct certification percentages rise in that school. Schools must cover with non-federal funds all costs of providing the free meals to students above the amounts provided in federal reimbursement.

Beginning in the 2014-15 school year, all schools that meet a 40% direct certification threshold will be able to participate in this option.

WHY COMMUNITY ELIGIBILITY?

Benefits for Schools and Students

Schools using the Community Eligibility Option realize the following benefits:

All students receive all meals at no charge.

Helps low-income students and families

- Parents are assured that students are getting two healthy, nutrient-dense meals a day at school.
- Families’ financial burdens are eased when students eat school meals.
- Families don’t face language, literacy or other access-related issues due to application barriers.
- Students that have access to better nutrition tend to perform better academically.

Increases efficiency and school meal participation

- Lunch lines move more quickly because students no longer have to enter codes or swipe school ID cards, which results in more students eating and overcoming challenges caused by short lunch periods.
- More students eating school meals reduces stigma experienced by low-income students, encouraging others to participate.
- Increased convenience of alternative service models, such as breakfast in the classroom, enables more students to participate.

Reduces administrative costs

- Staff no longer collect, certify or verify applications.
- Fewer staff are needed in the cafeteria to track who qualifies for free meals or collect meal charges.
- Counting and claiming is simplified because staff no longer have to categorize each meal served as paid, reduced-price, or free.
- Staff no longer need to handle payments or track uncollected fees when students can’t afford to pay meal fees.

Community Eligibility and Alternative Breakfast Service Methods

With the Community Eligibility Option, the universal free meals and simplified meal counting and claiming make it easier to offer breakfast in the classroom and other alternative breakfast service methods that encourage participation. A wide body of research shows that implementing an alternative breakfast model is the most effective means to increase participation and achieve the gains in academic success linked to school breakfast consumption. Schools can use a variety of methods, including breakfast in the classroom, “grab and go,” and breakfast after first period. Allowing students to eat in the classroom makes it convenient and accessible to all, and incorporating breakfast into the school day helps families whose early morning schedules make it difficult to fit in breakfast at home. Also, it alleviates the problem of students missing breakfast in the cafeteria for any number of reasons, including school bus schedules or long school security lines.

How the Community Eligibility Option Impacts School Meal Revenue

School districts considering adopting CEO will want to calculate its impact on their federal reimbursements and food service revenue. Districts have the flexibility to implement community eligibility district-wide, in individual schools, or in groups of schools. Additionally, the Identified Student rate (which determines the reimbursement) may be calculated school-by-school, for a cluster of schools, or in the aggregate for an entire school district. School districts may want to run different estimates using various models of implementation.

Federal reimbursements for both lunch and breakfast are determined by multiplying the percent of students certified without paper application (Identified Students) by a 1.6 multiplier. The resulting number is the percentage of meals reimbursed at the “free” reimbursement rate, with the rest being reimbursed at the “paid” rate. The Identified Student percentage for a group of schools within a district is calculated by taking the sum of the Identified Students for the group of schools, divided by the sum of student enrollment for the group of schools. Districts should use their most recent Identified Student percentage, and, for the following school year, must use Identified Student and enrollment data calculated on or before April 1.

Resources and calculators are available to assist schools with estimating reimbursements under community eligibility. When districts estimate their expected revenue, they should include an estimated growth in breakfast and lunch participation. The first three states that implemented the Community Eligibility Option experienced an average of an 8% increase in lunch participation and a 17% increase in breakfast participation. For the USDA’s most recent calculator, go to FRAC’s community eligibility page at <http://frac.org/community-eligibility/>.

HOW THE COMMUNITY ELIGIBILITY OPTION WORKS

CEO allows schools with high numbers of low-income children to serve free breakfast and lunch to all students without collecting school meal applications. This option increases participation by children in school meal programs, while schools reduce labor costs and increase their federal revenues, allowing for a healthier student body and a healthier school meal budget.

How it Works

- Schools in high-poverty areas provide free breakfasts and lunches to all students without collecting applications or tracking eligibility in the cafeteria.
- A formula based on the number of students certified without the need for paper applications (called “Identified Students”) is the basis for reimbursements instead of paper applications.
- Any school can use this option when 40% or more students are certified for free meals without a paper application based on their status as in foster care or a Head Start program, homeless, migrant, or living in households that receive SNAP/Food Stamps, TANF cash assistance or FDPIR benefits.
- The reimbursement rate for both lunch and breakfast is determined by multiplying the percent of Identified Students by 1.6. The resulting number is the percent of meals reimbursed at the “free” reimbursement rate, with the rest being reimbursed at the “paid” rate. For example, a school with 50% Identified Students would be reimbursed at the free rate for 80% of the breakfasts and lunches it served ( $50 \times 1.6 = 80$ ) and the remaining 20% would be reimbursed at the paid rate.
- Participating schools are guaranteed to receive the same reimbursement rate (or a higher one if the level of direct certification increases) for 4 years. The Community Eligibility Option has been available in Illinois, Kentucky and Michigan since the start of the 2011-12 school year. Washington, DC, Ohio, West Virginia and New York began offering the option in the 2012-13 school year, with Florida, Georgia, Maryland and Massachusetts starting in the 2013-14 school year. Beginning in the 2014-15 school year, all schools nationwide that meet the 40% Identified Student threshold will be able to participate in this option.

CUT OFF

CUT OFF



PARTICIPATION “PROS”

Students at CEO-participating sites receive meals FREE of charge for the entire duration that the school participates.

Unlike Provision 2, CEO must be applied to both the SBP and the NSLP at participating sites, making all meals served to enrolled children free of charge. This largely benefits households.

Increased participation observed with school meal programs (SBP and NSLP)

Increased participation assures that a larger percentage of children are receiving nutritious meals which aides in learning, decreases behavioral problems, and increases exposure to new foods.

CEO does not require application collection, processing, or verification of applications at participating sites.

At first glance, this appears to be the same as Provision 2; however, it is important to note that because CEO does not function on the basis of base vs. non-base years, there is never any distribution, collection, or processing of meal applications. Verification is never required at CEO sites either.

4-year cycle with opportunity to renew at the end of each cycle if system is able to show that participating schools continue to meet the minimum Directly Certified (DC) student percentage of 40% of total enrollment [based on April of prior year]

Systems are given the flexibility to implement CEO at specified sites, clusters of schools, or system-wide at all schools.

For instance, if a system wishes to implement CEO at all school sites in the 2014-15 SY, but finds that a handful of sites are not individually eligible (< 40% DC in April 2014), these low percentage schools may be grouped with other schools, allowing for a ≥ 40% DC average for that group of schools. (Note that the same claiming percentage would apply for each site.)

PARTICIPATION “CONS”

When participating in CEO, it becomes the school system’s responsibility to cover the difference (using non-federal sources) between federal reimbursement and the cost of providing meals at no charge.

Participating schools no longer receive money from students for their meals. It is usually the belief that increased participation (on account of all student meals being served free) will cover most of the income versus reimbursement gap, but systems can’t really know until implementation occurs.

Cost Associated with Expansion

As meals become available to students free of charge, schools will begin to see increases in meal participation. This is great for multiple reasons; however, the question “is there sufficient room for this significantly increased participation?” must be considered.

Criteria to Participate

In order to participate in CEO, each participating school (or group of schools) must have, in the year prior to participating, a DC percentage that is 40% or higher. School systems also must participate in both the SBP and NSLP to be eligible. In addition, systems, prior to being approved for participation in CEO, must agree to the following while participating: 1) to serve all children at participating schools free breakfasts and lunches for four successive years; 2) to pay from sources other than federal funds, the costs of serving breakfast and lunch that are in excess of federal assistance received; 3) to not collect free and reduced applications from households in participating schools; 4) to count total breakfasts and lunches served to students, and 5) to not be a residential child care institution as that term is set forth in the definition of “School” in 7 CFR 210.2.

PARTICIPATION “PROS” (cont.)

Simplified counting and claiming with CEO

Like the non-base years of Provision 2 and 3, CEO allows schools to simply track totals at the POS. Also like Provision 2, CEO applies percentages to meals when completing the monthly claim for reimbursement. The good news is that 1) CEO never requires a meal count by status (like Provision 2 and 3 do in base years) and 2) the percentage applied to total meals served by site does not fluctuate from month to month as observed with Provision 2. To determine how many free meals can be claimed at each CEO-participating site, the system must first take the established DC percentage and multiply this by a factor of 1.6 (i.e., 45% DC in April 2012 x 1.6 = 72%. Therefore, 72% of all first meals served to students in the 2012-13 SY will be claimed as free.) Any remaining meals will be claimed at the “paid” rate.

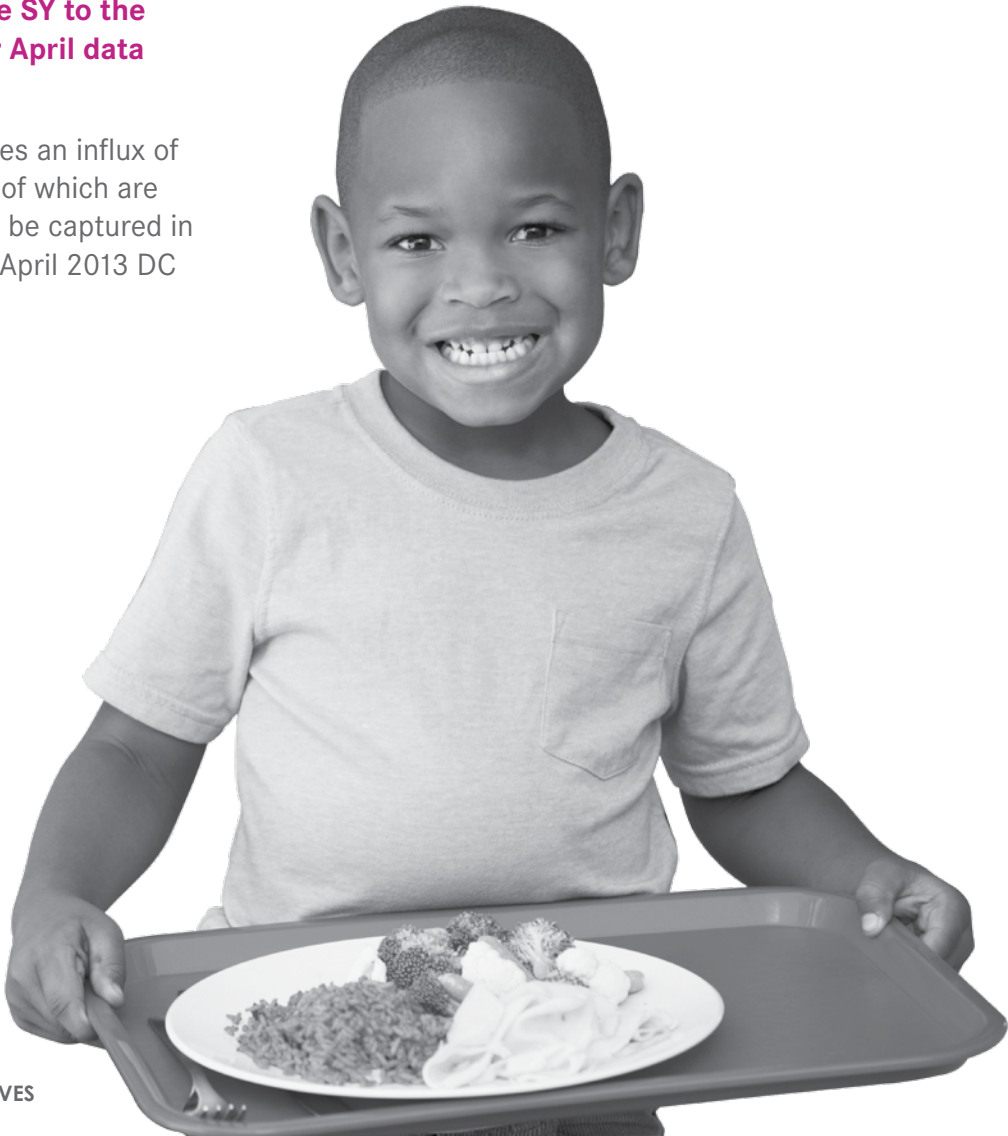
CEO claiming percent (percentage of free meals claimed) may be increased from one SY to the next for a site (or sites) if prior year April data shows an increase in DC children.

For example, if a school site experiences an influx of new students in the 2012-13 SY, many of which are DC, this increased reimbursement can be captured in the following 2013-14 SY (based off of April 2013 DC data).

PARTICIPATION “CONS” (cont.)

Percentage DC and student participation drives reimbursement AND maximal reimbursement is essential when no longer collecting income from students for meals served.

A system needs to be in place to encourage meal participation (informational flyers sent to households, planned menu made available to students/households, etc.). Another essential piece of the puzzle is direct certification. Systems need knowledgeable staff to assist in identifying the maximum number of DC children by site (DC by SNAP, TANF, or FDPIR; by appearance on homeless list; or by association). This is particularly important each year as the percentage DC established determines if the claim percentage (percentage of total student meals claimed as free) can be increased for the following SY.



CUT OFF

CUT OFF

# IS COMMUNITY ELIGIBILITY RIGHT FOR MY SCHOOL?

To be eligible, your SFA, school or group of schools must meet the minimum 40% identified student percentage. This percentage may be determined school-by-school, by the entire SFA, or in a grouping of schools within the SFA.

Before adopting CEO, schools must calculate its impact on their federal reimbursements and food service revenue. The federal reimbursements for both lunch and breakfast are determined by multiplying the percentage of students directly certified by a 1.6 multiplier. The resulting number is the percentage of meals reimbursed at the “free” reimbursement rate, with the rest being reimbursed at the “paid” rate. Districts have the flexibility to implement CEO and determine the direct certification rate community wide, school-by-school, or as groups of schools. (USDA SP 23-2011 Community Eligibility Option: Guidance).

Schools should also consider the percentage of students who might qualify for free or reduced priced meals, but do not “match” under direct certification when deciding between Provision 2 and the Community Eligibility Option.

### Factors to Consider:

- Revenue gained by increased participation
- Revenue lost from paid & reduced receipts
- Administrative and cost savings from simplified procedures
- Ability to conduct efficient program
- Ability to accommodate increased participation

### Meal Reimbursements with CEO

Percentage of Identified Students	Percentage Reimbursed at Free Rate	Percentage Reimbursed at Paid Rate
40%	64%	36%
50%	80%	20%
60%	96%	4%
65%	100%	0%
70%	100%	0%

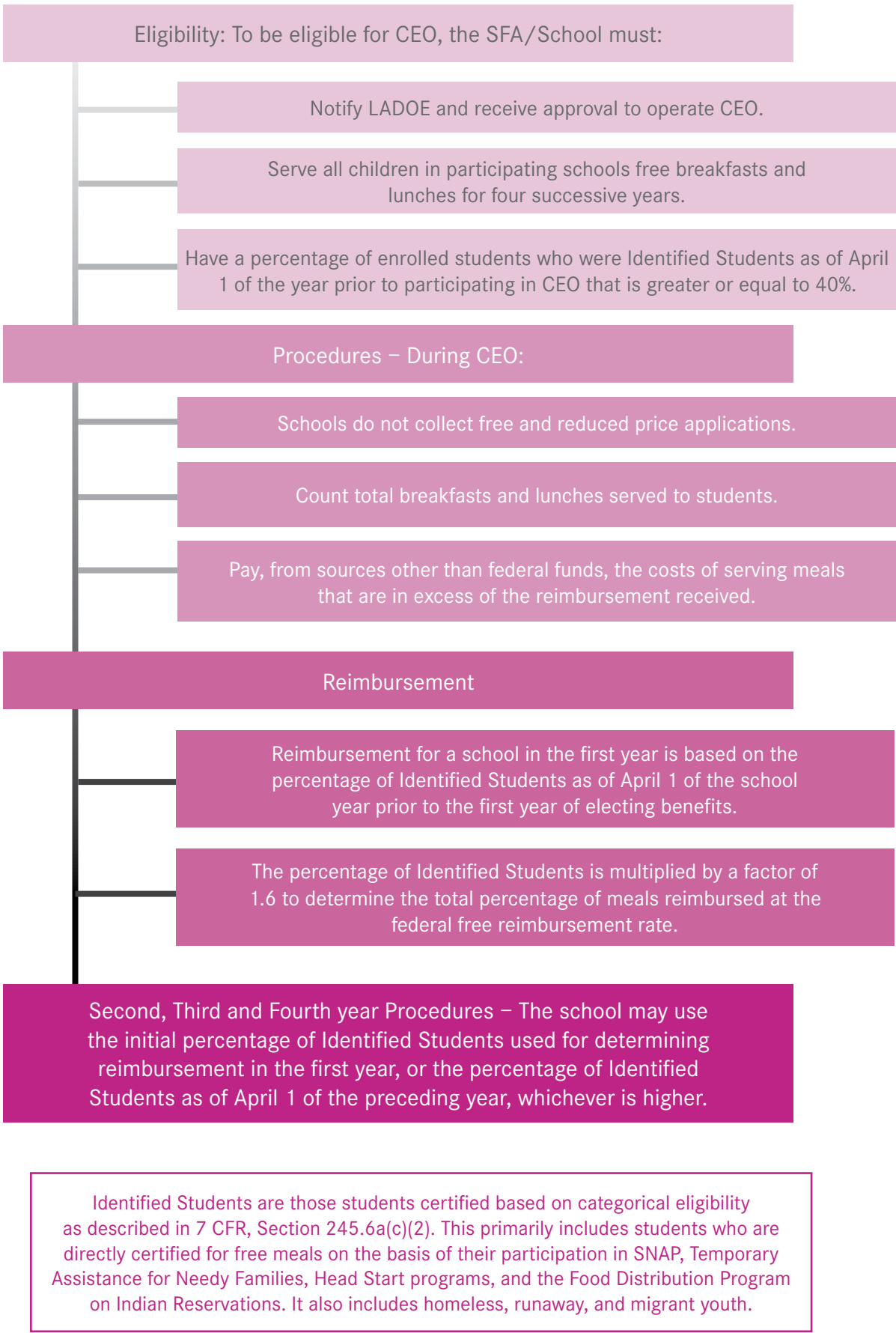
In addition, schools will have to adjust their administrative process so that claims for meals served are based on the school’s claiming percentage and meal counts. Schools that rely on “at-risk” funding will need to assess how the alternative method for determining at-risk will affect their funding. (see “How will this policy change affect my ‘at-risk’ funding?” - pocket) (<http://frac.org/community-eligibility/>)

As with Provision 2, schools must also consider their ability to handle the larger number of students likely to participate in the meal programs and their ability to implement new procedures and administer a new program.

The Food Research and Action Center (FRAC) has worked with schools using the Community Eligibility Option pilot program and can assist schools in determining whether CEO is right for them. Resources and calculators are available to assist schools with estimating reimbursements under community eligibility. FRAC also maintains a link to the USDA’s most recent calculator for reimbursement under Community Eligibility. (<http://frac.org/community-eligibility/>)

# HOW DO I IMPLEMENT COMMUNITY ELIGIBILITY?

The requirements for SFAs and school participation, eligibility, reimbursement and reporting under the Community Eligibility Option are set forth in Section 11(a)(1)(F) of the Richard B. Russell National School Lunch Act. In addition, the USDA has provided CEO guidance in Sections I, II and III in Memorandum SP 23-2011, issued on March 15, 2011. ([http://www.fns.usda.gov/cnd/governance/Policy-Memos/2011/SP23-2011\\_os.pdf](http://www.fns.usda.gov/cnd/governance/Policy-Memos/2011/SP23-2011_os.pdf)). The USDA will issue full regulations prior to the 2014-15 school year.





# COMMUNITY ELIGIBILITY FAQs

## What is the Community Eligibility Option (CEO)?

- An alternative to the traditional processes associated with the School Breakfast (SBP) and National School Lunch Programs (NSLP).
- Available to qualifying (high poverty) local educational agencies (LEAs) and schools in all states beginning with school year (SY) 2014-15.
- No application processing or verification done at participating sites.
- Allows for a simplified counting and claiming system.
- Allows for all students to receive free meals under the SBP and NSLP.

## When will CEO become an option for schools in Louisiana?

CEO will be implemented nationwide on July 1, 2014 (SY 2014-15).

## Who is eligible to participate in CEO?

- LEAs and schools must meet a minimum level of Identified Students ( $\geq 40\%$  of enrolled students) for free meals in the year prior to (on or before April 1st) implementing CEO;
- LEAs and schools must agree to serve free lunches and breakfasts to all students; and
- LEAs and schools must agree to cover with non-federal funds any cost of providing free meals to all students above amounts provided in federal assistance.

## What is an Identified Student?

An “Identified Student” is one that has a free status due to categorical eligibility. Simply put, it represents a child who received their eligibility status without having to submit an application. Directly certified (DC) students (and their siblings) are considered Identified Students. In addition, any child identified as participating in the Temporary Assistance for Needy Families (TANF), Food Distribution Program on Indian Reservations (FDPIR) program (by means other than application submission), Head Start programs, any child deemed homeless, migrant, or runaway by the local homeless liaison, or any child deemed foster due to the submission of official documents is also considered an “Identified Student.”

## What are Directly Certified students?

Per the United States Department of Agriculture (USDA) Eligibility Guidance Manual for School Meals, direct certification is the process under which LEAs certify children who are members of households (HHs) receiving assistance under Supplemental Nutrition Assistance Program (SNAP), TANF, or FDPIR meals, without further application, based on information provided by the state/local agency administering those programs.

## Do all school sites under an LEA have to participate in CEO?

No. The LEA does not have to apply CEO to all sites. The LEA may select individual sites (meeting Identified Student requirements) or may cluster sites together if one or more sites in that cluster would not be eligible if it were to stand alone. Note that the average Identified Student percentage from the cluster of sites must be  $\geq 40\%$ .

## Does CEO have to apply for both the SBP and the NSLP at selected sites?

Yes. The LEA must apply CEO to both the SBP and the NSLP at participating sites.

## When can an LEA begin implementation of CEO?

LEAs approved for CEO must implement it at the beginning of the school year.

## How long will the state agency approve an LEA to participate in CEO?

CEO operates on a 4-year cycle. There are no distinguishing base or non-base years with the CEO as there are with Provision 2.

## Once approved for CEO, are LEAs locked into a 4-year cycle?

A participating LEA or school may stop participating in CEO during the 4-year cycle by notifying the state agency no later than June 30th of the SY prior to when they wish to return to normal counting and claiming procedures. This will allow sufficient time for the LEA to prepare for the certification process for the coming SY.

## What are the LEA's responsibilities during CEO (all years of the cycle)?

During the 4-year cycle, school sites implementing CEO will perform the same responsibilities. These are as follows:

- A) Obtain state agency approval to operate the SBP and NSLP using CEO procedures in some or all schools in the LEA;
- B) LEAs and schools must meet a minimum level of students directly certified for free meals in the year prior to (and each year following) implementing the option;
- C) Agree to serve free lunches and breakfasts to all students;
- D) Not collect free and reduced price meal applications for HHs in participating schools during the period of participation;
- E) Pay, with sources other than federal funds, the cost of serving breakfasts and lunches free of charge to students, that are in excess of the federal assistance received;
- F) Count total breakfasts and lunches served to students; and
- G) Not be a residential child care institution (RCCI) as that term is set forth in the definition of “School” in 7 CFR 210.2.

## What are Claiming Percentages?

Reimbursement for a school in the first year under CEO is based on the percentage of “Identified Students” as of April 1st (or before) of the SY prior to the first year of electing benefits. The percentage of Identified Students is then multiplied by the USDA multiplier (currently 1.6) to determine the total percentage of meals reimbursed at the federal free reimbursement rate. The percentage derived from this calculation must not exceed 100%. Any remaining percentage that may exist is then applied to total meals to determine the number of meals to claim for paid reimbursement.

USAD may change the CEO multiplier in the future, but can only adjust it between 1.3 and 1.6. Please note that once a 4-year CEO cycle has begun, LEAs always lock in the multiplier for a least four years

**What if the percentage of Identified Students increases (on or before April 1st) from one SY to the next?**

LEAs will then be presented with the option of applying either the percentages used in the prior year of participation or the current year’s newly calculated percentage (new Identified Student percentage multiplied by the USDA multiplier/factor) when creating monthly claims for reimbursement.

**Here is an example:**

Site XYZ wishes to participate in CEO beginning in SY 2014-15.

- As of April 1, 2014, Site XYZ has an Identified Student percentage of 50% (450 Identified Students/900 total enrolled students x 100).  $50\% \times \text{USDA multiplier } (1.6) = 80\%$  to be claimed for free reimbursement.
- By April 1, 2015, Site XYZ has a higher Identified Student percentage of 75% (675 Identified Students/900 total enrolled students x 100). The site can now claim all reimbursable lunches as free ( $75\% \times 1.6 = > 100\%$ ).

**What if the percentage of Identified Students decreases (on or before April 1st) from one SY to the next?**

If the Identified Student percentage decreases from one year to the next, the LEA must revert back to the claiming percentages used in year one of the CEO cycle.

**Here is an example:**

Site ABC wishes to participate in CEO beginning in SY 2015-16.

- As of April 1, 2015, Site ABC has an Identified Student percentage of 45% (450 Identified Students/1,000 total enrolled students x 100).  $45\% \times \text{USDA multiplier } (1.6) = 72\%$  to be claimed for free reimbursement.
- By April 1, 2016, Site ABC has a lower Identified Student percentage of 42% (420 Identified Students/1,000 total enrolled students x 100). The site cannot use the currently calculated Identified Student percentage since it has not increased from the prior year. The site must revert back to the original percentages used in year 1 of the CEO cycle.

**What are the benefits associated with CEO implementation?**

- Decreases the burden associated with meal application distribution, collection, and processing as meal applications cannot be used in any year of participation;
- Participating sites do not participate in Verification for any year of participation;
- Allows for a simplified point of service (POS). All students eat meals at no charge and only total meal counts are needed without regard to eligibility status. Therefore, tokens/name tags/scanners are no longer needed; and
- Allows for a simplified claiming procedure. The same percentages can be applied every month and in all years (if LEA opts to use originally determined percentages during the entire cycle) to the total meal counts collected.



Internal Control Requirements

Excerpt From the National School Lunch Program Regulations  
(7 CFR Part 210)

Sec. 210.8 Claims for reimbursement.

(a) **Internal controls.** The school food authority shall establish internal controls which ensure the accuracy of lunch counts prior to the submission of the monthly Claim for Reimbursement. At a minimum, these internal controls shall include: an on-site review of the lunch counting and claiming system employed by each school within the jurisdiction of the school food authority; comparisons of daily free, reduced price and paid lunch counts against data which will assist in the identification of lunch counts in excess of the number of free, reduced price and paid lunches served each day to children eligible for such lunches; and a system for following up on those lunch counts which suggest the likelihood of lunch counting problems.

(1) **On-site reviews.** Every school year, each school food authority with more than one school shall perform no less than one on-site review of the lunch counting and claiming system employed by each school under its jurisdiction. The on-site review shall take place prior to February 1 of each school year. Further, if the review discloses problems with a school’s meal counting or claiming procedures, the school food authority shall: ensure that the school implements corrective action; and, within 45 days of the review, conduct a follow-up on-site review to determine that the corrective action resolved the problems. Each on-site review shall ensure that the school’s claim is based on the counting system authorized by the State agency under Sec. 210.7(c) of this part and that the counting system, as implemented, yields the actual number of reimbursable free, reduced price and paid lunches, respectively, served for each day of operation.

(2) **School food authority claims review process.** Prior to the submission of a monthly Claim for Reimbursement, each school food authority shall review the lunch count data for each school under its jurisdiction to ensure the accuracy of the monthly Claim for Reimbursement. The objective of this review is to ensure that monthly claims include only the number of free, reduced price and paid lunches served on any day of operation to children currently eligible for such lunches.

(i) Any school food authority that was found by its most recent administrative review conducted in accordance with Sec. 210.18, to have no meal counting and claiming violations may:

(A) Develop internal control procedures that ensure accurate meal counts. The school food authority shall submit any internal controls developed in accordance with this paragraph to the State agency for approval and, in the absence of specific disapproval from the State agency, shall implement such internal controls. The State agency shall establish procedures to promptly notify school food authorities of any modifications needed to their proposed internal controls or of denial of unacceptable submissions. If the State agency disapproves the proposed internal controls of any school food authority, it reserves the right to require the school food authority to comply with the Provisions of paragraph (a)(3) of this section; or

(B) Comply with the requirements of paragraph (a)(3) of this section.

(ii) Any school food authority that was identified in the most recent administrative review conducted in accordance with Sec. 210.18, or in any other oversight activity, as having meal counting and claiming violations shall comply with the requirements in paragraph (a)(3) of this section.

(3) **Edit checks.**

(i) The following procedure shall be followed for school food authorities identified in paragraph (a)(2)(ii) of this section, by other school food authorities at State agency option, or, at their own option, by school food authorities identified in paragraph (a)(2)(i) of this section: the school food authority shall compare each school’s daily counts of free, reduced price and paid lunches against the product of the number of children in that school currently eligible for free, reduced price and paid lunches, respectively, times an attendance factor.

(ii) School food authorities that are identified in subsequent administrative reviews conducted in accordance with Sec. 210.18 as not having meal counting and claiming violations and that are correctly complying with the procedures in paragraph (a)(3)(i) of this section have the option of developing internal controls in accordance with paragraph (a)(2)(i) of this section.

(4) **Follow-up activity.** The school food authority shall promptly follow up through phone contact, on-site visits or other means when the internal controls used by schools in accordance with paragraph (a)(2)(i) of this section or the claims review process used by schools in accordance with paragraphs (a)(2)(ii) and (a)(3) of this section suggest the likelihood of lunch count problems. When problems or errors are identified, the lunch counts shall be corrected prior to submission of the monthly Claim for Reimbursement. Improvements to the lunch count system shall also be made to ensure that the lunch counting system consistently results in lunch counts of the actual number of reimbursable free, reduced price and paid lunches served for each day of operation.

(5) **Recordkeeping.** School food authorities shall maintain on file, each month’s Claim for Reimbursement and all data used in the claims review process, by school. Records shall be retained as specified in Sec. 210.23(c) of this part. School food authorities shall make this information available to the Department and the State agency upon request.

CUT OFF

CUT OFF

SAMPLE PUBLIC RELEASE TEMPLATE

Instructions:

Reproduce the following text on your letterhead. Date, sign, and send to the local media at the beginning of each school year requesting that the release be published at no charge as a public service to the community. It is up to the local media to decide whether to publish the release as a public service at no charge. A School Food Authority (SFA) is not required to get the release published nor are local media required to publish it.

Retain a copy of the release for your files. The media release must be dated and state the name of the media outlet to which it was sent.

FOR IMMEDIATE RELEASE

[NAME OF SCHOOL FOOD AUTHORITY] today announced an amendment to its policy for serving meals to students under the [National School Lunch / School Breakfast Programs] for the [yyyy-yyyy] school year.

All students will be served [breakfast / lunch] at no charge at the following site(s): [site names]

For additional information please contact:[Name of School District],Attention:[Name, Title],[Department/Division], [Address], [City, State ZIP], [Telephone Number], [E-mail Address].

The U.S. Department of Agriculture prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascrusda.gov/complaint\\_filing\\_cust.html](http://www.ascrusda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, SW, Washington, DC 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339; or (800) 845-6136 (Spanish).

EXAMPLE OF CLAIMING PERCENTAGES

Monthly Claiming Percentages:

For each Provision 2 school, the meal count, taken by type (free, reduced price, and paid) at the point of service in April 2000 (base year) was as follows:

**Free Meals Claimed for April 2000** = 22,500

**Reduced Price Meals Claimed for April 2000** = 5,000

**Paid Meals Claimed for April 2000** = 2,500

The sum of daily meal counts at the point of service is a total of 30,000 total student meals served during the claiming period (one month).

**Free Meals** = 75.0% of total student meals (22,500 ÷ 30,000)

**Reduced Price Meals** = 16.7% of total student meals (5,000 ÷ 30,000)

**Paid Meals** = 8.3% of total student meals (2,500 ÷ 30,000)

The total meal count for April 2001 (non-base year) was 32,125 reimbursable meals.

**Free Meal Claim for April 2001:** 32,125 x 75% (.750) = 24,093.75 free meals, rounded to 24,094.1

**Reduced Price Meal Claim for April 2001:** 32,125 x 16.7% (.167) = 5,364.875 reduced price meals rounded to 5,365.

**Paid Meal Claim for April 2001:** 32,125 x 8.3% (.083) = 2,666.375 paid meals rounded to 2,666.

**Confirm Total Meal Count:** 24,094 free + 5,365 reduced price + 2,666 paid = 32,125 meals. If this confirmation step does not equal the total, recheck calculation and rounding. If these are correct, and the rounded totals by type, do not equal total meals (due to rounding, rather than math error), make adjustments in the paid category in order that the sum of the free, reduced price and paid meals claimed equals the total.

**Repeat above procedures for each month (claiming period) of the school year. The claiming percentages for each category will vary from month to month.**

Annual Claiming Percentages:

For each Provision 2 school, the daily meal count is taken by type (free, reduced price, and paid) at the point of service for each day in the base year. The base year meals are added together, by type (with the exception of the first claiming period if approved for delayed implementation). Do not add monthly claiming percentages together to obtain annual claiming percentages.

1. Meal claims must be made in whole numbers. When the free, reduced price or paid meal calculations result in fractions, use standard rounding procedures (five and above round up, four and below round down), as applied to the first digit after the decimal.

## EXHIBIT C (cont.)

Note: If delayed implementation is approved by the state agency, the first claiming period of the school year is not considered to be a part of the base year. While a standard categorical count is taken at the point of service (or approved alternate) for each claiming period of the school year, a monthly claiming percentage is not calculated for the delayed implementation period. For the claiming period of each non-base year corresponding to the delayed implementation period of the base year, an annual claiming percentage must be calculated, derived from all months of the base year except the first claiming period of the school year. Monthly percentages may be used for the remaining months.

Convert the meals to annual claiming percentages by type:

**Total meals claimed for the year:**

Each month's total meal count added together = 250,000 meals

**Free claiming percentage calculation for the year:**

Total free meal counts for the year 175,250

$175,250 \text{ free meals} \div 250,000 \text{ total meals} = .701 \text{ or } 70.10\%$

**Reduced price claiming percentage calculation for the year:**

Total reduced price meal counts for the year 45,500

$45,500 \text{ reduced price meals} \div 250,000 \text{ total meals} = .182 \text{ or } 18.20\%$

**Paid claiming percentage calculation for the year:**

Total paid meal counts for the year 29,250

$29,250 \text{ paid meals} \div 250,000 \text{ total meals} = .117 \text{ or } 11.70\%$

Confirm the claiming percentages:  $70.10\% + 18.20\% + 11.70\% = 100\%$

If the total does not equal 100%, make an adjustment to the paid claiming percentage to make the total equal 100%.

**Apply these claiming percentages to each month's total meal count during the non-base years of the cycle and approved extensions.**

See <http://www.fns.usda.gov/cnd/Governance/prov1-2-3/Prov2Guidance.pdf>

# PROVISION 2 AND COMMUNITY QUICK FACTS

	PROVISION 2	COMMUNITY ELEGIBILITY OPTION
DURATION OF CYCLE	<b>4 YEARS</b> (1 base year + 3 non-base years) Free student meals in SBP and/or NSLP	<b>4 YEARS</b> (no base year) Free student meals in BOTH SBP and NSLP
PREREQUISITE TO PARTICIPATE	<b>NO</b> Best high free and reduced percentage	<b>YES</b> ≥ 40% enrollment are DC students by site (per prior year April data)
ELIGIBILITY DETERMINATIONS MADE USING APPLICATIONS	<b>YES</b> IN BASE YEAR ONLY	<b>NO</b>
VERIFICATION REQUIRED?	<b>YES</b> If Provision 2 is available at ALL sites for SBP and NSLP – required in base year only  If Provision 2 is available at ALL sites but only for SBP (not NSLP) – yearly for all sites  If Provision 2 is available at SOME sites (for SBP AND NSLP), but not all – yearly non-participating sites and in base years only for participating sites	<b>NO</b>
POINT OF SERVICE (POS) USED?	<b>TRADITIONAL</b> POS in Base Year  <b>SIMPLIFIED</b> POS in Years 2, 3, 4 and any extension years	<b>SIMPLIFIED</b> IN ALL YEARS
CLAIM ESTABLISHMENT	<b>BASE YEAR:</b> Based on reimbursable free and reduced percentage meals served by month  <b>NON-BASE YEARS:</b> Based on participation percentages in corresponding month of base year (applied to total student meals served)	<b>ALL YEARS:</b> Based on DC data available the April BEFORE participation began, unless DC percentage significantly increases for any following April. This percentage's 1.6 is applied to each month's total student meals to determine number of free meals. Any remaining meals are claimed at paid status.

