



United States Department of Agriculture

Food and
Nutrition
Service

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Park Office
Center

SUBJECT: Community Eligibility Provision: State Agency Procedures to Ensure Identified Student Percentage Accuracy

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TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

The Community Eligibility Provision (CEP), as authorized by the Richard B. Russell National School Lunch Act (NSLA), 42 USC 1759a(a)(1)(F), is a proven and successful approach to ensuring that children in low income communities have access to healthy school meals. CEP enables participating schools to offer meals to all students at no cost, without requiring families to complete income eligibility applications. Schools, groups of schools, or entire school districts participating in CEP receive Federal reimbursement for meals based on claiming percentages derived from identified student percentages (ISPs).

As part of the CEP election process, State agencies are responsible for ensuring that local educational agencies (LEAs) seeking to adopt CEP meet all participation requirements. This process includes a confirmation that the ISP(s) to be employed by the LEA as the basis for reimbursement claims are accurately calculated. ISPs may be evaluated through a review of ISP documentation submitted by the LEA at the time CEP is elected, and when an LEA updates its ISP(s). State agencies have established an array of processes for assessing the accuracy of an LEA's ISP(s) at these junctures. However, because CEP is still a relatively new option and because the implementation of these assessment procedures has not been uniform, FNS seeks to provide additional guidance to better ensure consistency when State and local agencies initially calculate or review an ISP.

With the aim of preventing incorrect ISP calculations, this memorandum clarifies the steps State agencies must take to determine the accuracy of an LEA's ISP(s) at the time CEP is elected, or when an LEA otherwise recalculates an ISP. This additional guidance is intended to avoid situations in which a State agency finds that an ISP is incorrect during an Administrative Review and has to assess fiscal action and retroactively adjust claims for reimbursement.

When an LEA elects CEP, a State agency must, at a minimum, review documentation to evaluate whether or not the school, group of schools, or LEA:

- Meets the minimum ISP level of at least 40 percent;
- Participates (or plans to participate) in both the National School Lunch Program and School Breakfast Program; and
- Has a record of administering the Programs in accordance with Program regulations (as indicated by the most recent administrative review).

Electing CEP is an LEA-level decision. If the State agency determines that the LEA has met the above requirements, the LEA may elect CEP.

To determine if an ISP is accurate, State agencies must examine documentation submitted by the LEA to substantiate: (1) the number of identified students (numerator of the ISP), and (2) the number of enrolled students (denominator of ISP). Such source documentation includes direct certification lists and/or other lists certifying that students are categorically eligible for free school meals, such as lists of students who are designated as homeless or migrant. Using direct certification lists should provide the most accurate and timely information. If documentation is submitted for the entire LEA or multiple schools that will operate as a single group, the review of documentation is conducted for the entire district or group that makes up the ISP.

FNS has developed two optional worksheets, attached to this memorandum, to help State agencies and LEAs ensure an ISP is accurate: (1) a checklist to help State agencies review source documentation, and (2) an ISP calculation worksheet that LEAs can use to calculate the ISP and submit to State agencies with appropriate documentation.

FNS strives to ensure that all eligible LEAs have the resources necessary to make informed decisions about CEP participation; in addition to the attached worksheets, the CEP Estimator tool is designed to help LEAs assess financial viability. Careful financial assessment combined with a thorough review of ISP documentation when an LEA seeks to elect CEP or update its ISP(s) mitigates the risk of future administrative findings and/or fiscal action if a problem is discovered during a later administrative review or management evaluation.

For initial ISP reviews, the State agency has the option to follow the process laid out in the *Administrative Review Manual* (Section IX, Special Provision Options, Community Eligibility Provision Module, On-Site Review Activities, step 2) or Policy Memorandum SP 14-2016, *Flexibility for CEP Certification Document Review during SY 2015-2016 Administrative Reviews* (issued November 27, 2015). Provided that all Certification and Benefit Issuance Review requirements outlined in the *Manual* or SP14-2016 are met, then the results of the initial review may be counted toward that portion of the following administrative review. Initial reviews may only be relied upon at a later time if the same certification data/ISP originally reviewed is still being used by the LEA as the basis for claiming when the administrative review is conducted.

State agencies must still complete the other components of the CEP Administrative Review process, including verifying that claiming percentages are properly applied to claims from the review period and month of the on-site review.

LEAs/schools must maintain source documentation used to develop the ISP for the entire time while operating under CEP, and for three years after submission of the final Claim for Reimbursement for the last fiscal year of CEP. Source documentation includes direct certification lists and/or other lists certifying that students are categorically eligible for free school meals, such as lists of students who are designated as homeless or migrant.

FNS continues to encourage eligible districts to consider adopting CEP, and hopes that these tools will help to ensure that State and local officials have the information they need to facilitate successful CEP elections. We will continue to support States and LEAs by providing timely guidance, technical assistance, and other resources, including webinars, panel discussions, and outreach sessions to promote best practice sharing and address barriers to implementation. FNS further encourages LEAs considering CEP to review the resources available on the FNS website (<http://www.fns.usda.gov/school-meals/community-eligibility-provision>).

State agencies are reminded to distribute this memorandum and attachments to Program operators immediately. LEAs, school food authorities, and other Program operators should direct any questions concerning this guidance to their State agency. State agencies with questions should contact the appropriate FNS Regional Office.

Original Signed

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Attachments